



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

North Ayrshire Council

A Special Meeting of North Ayrshire Council will be held remotely on **Wednesday, 02 March 2022** at **14:00** to consider the undernoted business.

Arrangements in Terms of COVID-19

In light of the current COVID-19 pandemic, this meeting will be held remotely in accordance with the provisions of the Local Government (Scotland) Act 2003. Where possible, the meeting will be live-streamed and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>. In the event that live-streaming is not possible, a recording of the meeting will instead be available to view at this location.

1 Apologies

2 Declarations of Interest

Members are requested to give notice of any declarations of interest in respect of items of business on the Agenda.

3 General Services Revenue Estimates 2022/23 to 2024/25

Submit report by the Head of Service (Finance) on (a) the Council's revenue spending requirements and anticipated funding for 2022/23 to 2024/25; (b) the level of reserves and fund balances held by the Council; and (c) options to address the funding gap (copy enclosed).

4 Capital Investment Programme 2022/23 to 2030/31

Submit report by the Head of Service (Finance) on the Capital Investment Programme to 2030/31 (copy enclosed).

5 Revenue Estimates 2022/23 – Common Good Funds and Trusts

Submit report by the Head of Service (Finance) on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and to seek approval for the level of grant funding to be made available for disbursement in 2022/23 (copy enclosed).

6 Treasury Management and Investment Strategy 2022/23

Submit report by the Head of Service (Finance) on the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2022/23 (copy enclosed).

7 Urgent Items

Any other items which the Provost considers to be urgent.

Webcasting - Virtual Meeting

Please note: this meeting may be recorded/live-streamed to the Council's internet site, where it will be capable of repeated viewing. At the start of the meeting, the Provost/Chair will confirm if all or part of the meeting is being recorded/live-streamed.

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If you are participating in this meeting by invitation, you are consenting to being filmed and consenting to the use and storage of those images and sound recordings and any information pertaining to you contained in the them live-streaming/recording or training purposes and for the purpose of keeping historical records and making those records available to the public. If you do not wish to participate in a recording, you should leave the 'virtual meeting'. This will constitute your revocation of consent.

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North Ayrshire Council Sederunt

Ian Clarkson (Provost)
Robert Barr (Depute Provost)
John Bell
Timothy Billings
Marie Burns
Joe Cullinane
Scott Davidson
Anthea Dickson
John Easdale
Todd Ferguson
Robert Foster
Scott Gallacher
Alex Gallagher
Margaret George
John Glover
Tony Gurney
Alan Hill
Christina Larsen
Shaun Macaulay
Jean McClung
Ellen McMaster
Ronnie McNicol
Louise McPhater
Davina McTiernan
Tom Marshall
Jimmy Miller
Jim Montgomerie
Ian Murdoch
Donald Reid
Donald L Reid
Ronnie Stalker
Angela Stephen
John Sweeney

Chair:

Apologies:

Attending:

NORTH AYRSHIRE COUNCIL

2 March 2022

North Ayrshire Council

Title: General Services Revenue Estimates 2022/23 to 2024/25

Purpose: To advise Council on (a) the Council's revenue spending requirements and anticipated funding for 2022/23 to 2024/25; (b) the level of reserves and fund balances held by the Council and (c) options to address the funding gap.

Recommendation: That Council:

- a) notes the anticipated funding available to meet expenditure requirements;
 - b) approves the Council's expenditure requirements for 2022/23 and notes the indicative requirements for 2023/24 and 2024/25;
 - c) notes the projected outturn position for 2021/22 and approves the earmarking of the anticipated underspend to supplement the Council's Investment Fund for delivery of sustainability projects outlined in section 2.4.3 of the report;
 - d) notes the level of reserves and fund balances held by the Council and approves any use and contributions to and from these;
 - e) approves the additional contribution to the HSCP noted at 1.9;
 - f) approves additional investment proposals outlined at 2.7.6;
 - g) approves efficiencies and savings to ensure a balanced budget for 2022/23, consequentials and new proposals in future years;
 - h) approves the schedule of Council fees and charges detailed in Appendix 6;
 - i) determines the level of Council Tax for 2022/23 as noted at 2.3;
 - j) notes the anticipated funding gap for 2023/24 and 2024/25;
 - k) considers the equality and children's rights impact of any proposed service changes;
 - l) notes the feedback from the community engagement sessions in helping inform budget plans and investment;
 - m) notes progress to date on the Council's Sustainable Change Programme and corporate Workforce Planning; and
 - n) approves the budget matrix for 2022/23.
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1. Executive Summary

Introduction

- 1.1. Section 93 of the Local Government Finance Act 1992 requires Councils to determine the levels of expenditure in the forthcoming financial year, and thereafter to set council tax sufficient to cover any unfunded balance.
- 1.2. This report provides Members with an overview of the Council's anticipated financial position on the General Fund revenue budget for the next three financial years, 2022/23 to 2024/25. It also sets out the information required to enable the Council to set a balanced budget and its Council Tax for 2022/23 by 11 March as required by statute.
- 1.3. The Medium Term Financial Outlook 2022/23 to 2024/25 report was presented to Council on 16 February 2022. In addition, regular Elected Member briefing sessions were held between November 2021 and February 2022, during which officers provided Members with information on the financial pressures faced by the Council and options to reduce expenditure within the context of the priorities within the Council Plan 2019-2024.

Revenue Budget

- 1.4. When the Council set its budget for 2021/22 on 4 March 2021 the decisions taken resulted in a balanced budget for 2021/22 with indicative funding gaps of £4.424m and £8.440m for 2022/23 and 2023/24 respectively.
- 1.5. The Medium-Term Financial Plan (MTFP) for 2022/23 to 2024/25 builds on last year's MTFP and the analysis reflected in the Medium Term Financial Outlook. The proposals in this report provide a balanced budget for 2022/23 with indicative funding gaps remaining for 2023/24 and 2024/25 of £10.718m and £8.785m respectively. A summary of the key components underpinning this is provided at section 2.7.
- 1.6. Detail is provided at section 2.5 on the anticipated level of earmarked, unearmarked and specific reserves with unearmarked reserves at the level of 2.9% equal to £11.315m, earmarked reserves of £63.237m and specific reserves of £5.339m aligning with anticipated future commitments. This represents an increase of £7.347m on reserves relative to the position as at 31 March 2021.
- 1.7. The MTFP incorporates further investment proposals to address the current cost of living pressure on citizen household income through a sustainable model of support around energy. Further, the anticipated underspend in 2021/22 will provide additional finance to supplement the Council's Investment Fund to progress a range of sustainable energy projects and deliver financial efficiencies as part of the Council's net zero ambitions and medium-term financial planning. Council is asked to consider these proposals.

Health and Social Care Partnership

- 1.8 The Director of the Health and Social Care Partnership (HSCP) has provided Members with information on pressures and areas of potential savings to inform the Council's proposed contribution to the Partnership. This information is not detailed within the Council's budget proposal on the basis that the final position will be determined by the Integration Joint Board (IJB).
- 1.9 The proposed additional contribution for 2022/23 is currently £9.931m. This reflects the requirements as set out in the local government finance settlement. It should be noted that further allocations have yet to be distributed in respect of 2022/23.
- 1.10 The Integration Scheme approved by Scottish Ministers states that following determination of the Council and NHS payment to the IJB, the IJB will refine its Strategic Plan and planned service delivery to take account of the totality of resources available, delivering a balanced budget.
- 1.11 In addition to the above, the Council's core budget includes £1.486m to support repayment of the IJB £3.807m debt to the Council in the medium term. Following full repayment this funding will be available to support the key priorities of the Council.

Chief Finance Officer Assurance

- 1.12 The 2022/23 annual budget and 2022/23 to 2024/25 MTFP has been informed by the Council's Long-Term Financial Outlook and previous MTFP. Significant scrutiny of the underlying assumptions and savings delivery has been undertaken to ensure the 2022/23 annual budget is robust. It is the responsibility of Chief Officers, including the HSCP, to manage any variance from the underlying assumptions.
- 1.13 The report notes at 2.14 the significant risks to the financial sustainability of service delivery. Allied to this is the requirement for the Council to hold a sufficient level of Reserves. The level of Reserves set out in the Budget Report aligns with known future commitments. The Change and Service Redesign Fund will require to be kept under review to ensure sufficient resources are available to continue to support the Council's Sustainable Change programme.
- 1.14 Unearmarked reserves continue to remain at the lower level of recognised best practice.

2. Background

2.1 Financial Context

- 2.1.1 The Long Term Financial Outlook for the Council covering the 10 year period 2021/22 to 2030/31 was considered by Council at its meeting on 16 December 2020. This is the cornerstone of the Council's strategic financial planning framework and has informed the development of the Medium-Term Financial Plan 2022/23 to 2024/25.

- 2.1.2 The economic outlook for the Scottish, UK and global economy continues to be dominated by the impact of the pandemic, rising inflation including significant rises in energy costs and the impact this is having on household income and set within the context of higher taxes and anticipated increases in interest rates.

2.2 Scottish Government Funding

- 2.2.1 The Local Government Finance Settlement for 2022/23 was published on 20 December 2021. Funding support from the Scottish Government comprises:

- general revenue grant;
- non domestic rate income; and
- specific grant.

- 2.2.2 On 27 January 2022 the Scottish Government announced further one-off funding support of £120m to local authorities, with £3.209m allocated to North Ayrshire Council.

- 2.2.3 North Ayrshire Council's anticipated Scottish Government funding support, as distributed, for 2022/23 is £317.716m.

- 2.2.4 The Settlement resulted in an increase of £2.721m in core grant funding (+0.90%) when compared to the 2021/22 settlement. In addition to the core settlement, funding has been received to meet the cost of new national expenditure requirements. The main elements include;

- Additional HSCP funding of £9.931m for the real living wage, free personal care, Carers Act, interim care and winter planning care; and
- Additional Education funding for permanent teachers and support staff of £3.496m.

- 2.2.5 Funding has yet to be distributed across a number of further policy areas. It is anticipated allocations will be confirmed in the coming weeks across;

- Child bridging payment;
- Further funding for Health and Social Care;
- Funding to support the removal of charges in respect of curriculum delivery and music tuition; and
- Free school meal funding covering holiday provision and the expansion to support primary 4 and primary 5 pupils. Allocations for expansion to primary 6 and primary 7 pupils are expected to follow in 2023/24, however, it should be noted that costs associated with this policy intent continue to be the subject of discussion between Scottish Government and COSLA. As things currently stand there is a risk that available funding will not meet the cost associated with the policy.

- 2.2.6 The Settlement announcement included 50% non-domestic rates relief for the first 3 months of 2022/23 for the retail, leisure and hospitality sector.

2.2.7 Details of Scottish Government's requirements as set out in the Settlement letter include;

- The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2021-22 recurring budgets for adult social care services that are delegated;
- Maintaining pupil / teacher ratios across Scotland at a national level and ensuring places for all probationers; and
- Note that councils will have full flexibility to set the Council Tax rate that is appropriate for their local authority area.

2.2.8 For 2023/24 and 2024/25 the current planning assumption is that the level of core grant support will reduce by 1% for each year. A 1% reduction in core grant equates to around £3.000m. It is also assumed at this time that the additional funding to local authorities announced on 27 January 2022 is non-recurring and will therefore be removed from the base budget in 2023/24.

2.3 Council Tax

2.3.1 Local authorities have discretion to increase Council Tax. Section 74 of the 1992 Act sets the proportions payable by each council tax band. As such, Councils can only apply a standard percentage increase across all Council tax bands, they cannot vary the percentage increase between bands.

2.3.2 Unlike 2021/22, the 2022/23 Settlement does not include any funding to support a Council tax freeze, rather that councils will have full flexibility to set the Council Tax rate that is appropriate for their local authority area.

2.3.3 The MTFP includes a planning assumption of an annual 3% increase to Council Tax. Council tax income is a vital source of funding and represents around 16% of council funding i.e. £62m per annum. With current inflation (Dec 2021) based on the RPI measure at 7.5%, this proposed increase sits below current inflation levels. An important point to note when considering the level of council tax to be set is the future year impact of any decision e.g. a decision to maintain council tax at 2021/22 levels equates to around £2m less income. Due to the recurring impact on the base budget for 2023/24 and aligned to current planning assumptions this would require an increase in council tax in 2023/24 of 6.75% to simply recover the base income position. This is before the measures to address the budget gap for the year are even put in place. This would present further significant challenges in delivering balanced budgets in future years.

2.3.4 The planning assumption of a 3% increase in Council Tax will result in the following Council Tax charges in 2022/23 for each property band (excluding charges for water and sewage).

Band	Valuation (at 1991 levels)	2021/22 Council Tax	3% Increase	2022/23 Council Tax
A	Under £26,999	£895.12	£26.86	£921.98
B	£27,000 to £34,999	£1,044.31	£31.33	£1,075.64
C	£35,000 to £44,999	£1,193.49	£35.81	£1,229.30
D	£45,000 to £57,999	£1,342.69	£40.28	£1,382.97
E	£58,000 to £79,999	£1,764.14	£52.92	£1,817.06
F	£80,000 to £105,999	£2,181.86	£65.46	£2,247.32
G	£106,000 to £211,999	£2,629.42	£78.89	£2,708.31
H	Over £212,000	£3,289.58	£98.69	£3,388.27

2.3.5 Comparative information on Band D is provided within the Council Tax leaflet that is issued with Council Tax Bills. The comparative information for 2021/22 is as follows;

Scotland	£1,308
North Ayrshire Council	£1,342.69

2.4 Probable Outturn 2021/22

- 2.4.1 Based on the revenue financial performance report for 2021/22 at the end of November 2021, an underspend of £1.208m is forecast. The factors contributing to this were reported to Cabinet on 25 January 2022. The major risk to the forecast position continues to be the uncertainty around the progress of the Covid-19 pandemic and the impact this has on budgets. The position presented includes the projected impact of Council resources and Scottish Government funding which has been allocated to support recovery and renewal activity across the Council.
- 2.4.2 Subsequent to the presentation of the financial performance report for 2021/22 and following agreement through the Scottish Joint Council for local government employees on 1 December 2021 in respect of the pay award for 2021/22, Members should note that the level of financial provision made to support the pay award for 2021/22, which includes both recurring and non-recurring elements, when set against the actual cost of the pay award, has resulted in a surplus level of provision in 2021/22 of over £2.8m. It is therefore anticipated that this will further contribute to the anticipated underspend position in 2021/22, although it is recognised that this position may be subject to change.
- 2.4.3 To continue to support the ambitions in progressing sustainability projects as part of the Council's journey towards net zero and building on the investment already secured to date in the Council's Investment fund, Council is asked to approve the earmarking of the anticipated 2021/22 underspend to supplement the Council's Investment fund in supporting delivery of a number of projects which include;

Project / Activity
I3 solar and wind technology business case development to maximise the renewable energy potential at this strategic site.
Expansion of EV Charging infrastructure across new locations and aligned to the Council's EV charging strategy 2021-25
Deliver a Battery storage pilot to test current available technology and to learn key lessons to benefit future renewable developments
Progress a range of energy efficiency improvements across the non domestic estate including solar PV, LED etc.
Children's Houses sustainability project incorporating solar and EV infrastructure at locations and including environmental awareness sessions for those children who are resident

2.5 Reserve and Fund Balances

Introduction

- 2.5.1 Setting the General Fund Reserve is one of several related decisions in the formulation of the MTFP and the annual revenue budget. In setting its budget the Council must have a clear reserves policy that takes account of known commitments, potential liabilities and the risk profile of the Council and providing flexibility to deal with unforeseen circumstances. The right level of reserves supports financially sustainable service delivery. The Council's approach is in line with CIPFA's recommended practice as set out in the document "Local Authority Reserves and Balances".

Application of Reserves

- 2.5.2 North Ayrshire Council has used reserves in setting its budget over a number of years. This has included a reduction in unearmarked reserves, release of earmarked reserves no longer required and application of in year underspends. Use of reserves provides a temporary solution but it is recognised that more sustainable approaches are required. A summary of application of reserves is noted below;

- In 2017/18 £8.782m funded the HSCP Challenge Fund and supported non-recurring expenditure;
- In 2018/19 and 2019/20 £3.500m and £3.880m respectively supported the core recurring budget.
- In 2020/21, following a review of earmarked reserves, a total of £0.548m has been released to support the 2020/21 Budget.
- In 2021/22, following a review of corporate contingency funds, a total of £0.862m has been released to support the 2021/22 Budget.

Reserves Policy

Unearmarked Reserve

- 2.5.3 This reserve is held to ensure the Council remains in a prudent financial position in 2022/23 and could respond to major unforeseen incidents or emergencies.
- 2.5.4 It is recognised that the Council will continue to face a number of financial challenges through 2022/23 and beyond. These include the legacy impact of pressures from the pandemic across Council services and budgets, significant inflationary pressures across revenue budgets and the capital programme and the risk of additional costs through delivery of new policy commitments.
- 2.5.5 It is anticipated at 31 March 2022 the balance of unearmarked reserves will be retained at £11.315m which equates to 2.9% of the Council's net expenditure budget. The unearmarked reserve continues to be at the lower end of the recommended range of 2% - 4% for general reserves. This position assumes the recommendation included in section 2.4.3 of the report, to transfer the anticipated year end underspend in 2021/22 to supplement the Council's Investment fund, is approved.

Earmarked Reserves

- 2.5.6 These Funds have been approved for carry forward to meet known commitments or liabilities which will be settled in future years. Current earmarked funds include:
- Affordable Housing – accumulated from Council Tax collected from second homes and long-term empty properties;
 - Project-specific funds - these funds will be carried forward from 2021/22 to allow for the completion of specific projects after 31 March 2022, noting also that the funds include the sum of £2.476m to help mitigate the legacy financial impact of the pandemic;
 - Prudential Investment Fund - resources to smooth the revenue implications of loan charges supporting the Capital Investment Programme;
 - Change and Service Redesign Fund – supports delivery of the Council's sustainable change programme;
 - Renewal fund to support a range of projects across key themes identified through the experiences from the pandemic; and
 - Investment fund to support a number of sustainability, infrastructure and Community Wealth Building projects and initiatives.

Specific Reserves

- 2.5.7 Comments on the specific reserves are as follows;
- Insurance Fund - the current balance on this Fund aligns with the most recent actuarial valuation, provision for uninsured claims and outstanding liabilities.
 - Capital Fund – This supports delivery the proposed capital investment programme.

Summary

- 2.5.8 The projected accumulated balances on the Council's Funds and Reserves at 31 March 2022 are outlined in the table below, with the majority of these being earmarked for specific purposes. The value of reserves is anticipated to increase during 2021/22 by £7.347m.

	Balance at 31 March 2021 £m	Transfers Approved by Cabinet 25 Jan 2022 £m	Projected Transfers to 31 Mar 2022 £m	Transfers Included in Budget Paper £m	Projected Balance at 31 Mar 2022 £m	Anticipated Future Spend £m	Projected Future Balance £m
General Fund Unearmarked	11.315	-	1.208	(1.208)	11.315	-	11.315
<u>General Fund Earmarked</u>							
Education DMR	0.014	(0.014)	-	-	-	-	-
Affordable Housing	2.922	(1.795)	1.195	-	2.322	(2.322)	-
Project Specific Funds	28.135	(1.041)	-	1.726	28.820	(28.820)	-
Prudential Investment Fund	4.265	3.042	-	-	7.307	(7.307)	-
Change and Service Redesign Fund	2.844	(0.138)	-	-	2.706	(2.706)	-
Renewal Fund	6.974	6.620	-	-	13.594	(13.594)	-
Investment Fund	9.575	(2.295)	-	1.208	8.488	(8.488)	-
Total Earmarked Funds	54.729	4.379	1.195	2.934	63.237	(63.237)	-
Total General Fund Balances	66.044	4.379	2.403	1.726	74.552	(63.237)	11.315
<u>Specific Reserves</u>							
Insurance Fund	3.381	-	-	-	3.381	(3.381)	-
Capital Fund	3.119	(1.161)	-	-	1.958	(1.958)	-
Total Specific Reserves	6.500	(1.161)	-	-	5.339	(5.339)	-
Total General Fund Reserves	72.544	3.218	2.403	1.726	79.891	(68.576)	11.315

- 2.5.9 Based on the risks the Council faces the current level of Reserves is considered prudent.

2.6 Income Summary

- 2.6.1 Total funding available to the Council to finance its expenditure plans in 2022/23 is noted in the table below. The main assumptions are as follows;

- 2022/23 Scottish Government Funding in line with the Finance Circular of 20 December 2021 and the further Scottish Government announcement on 27 January 2022, with an assumption that all 2022/23 grant is recurring with the exception of £3.209m of non-recurring funding announced on 27 January 2022. A 1% reduction in core funding is projected for years 2 and 3, excluding anticipated adjustments in respect of loan charge support;
- An assumed Council tax increase of 3% for 2022/23, with an appropriate adjustment for the number of households and further assumed increases of 3% per annum for 2023/24 and 2024/25 respectively; and
- Outwith specific proposals, fees and charges for 2022/23 retained at 2021/22 levels and subject to further review for 2023/24 and 2024/25.

	2022/23 £m	2023/24 £m	2024/25 £m
Aggregate External Finance	317.716	311.362	308.248
Additional Aggregate External Finance due: Teachers' Induction Scheme	0.734	0.734	0.734
Council Tax	61.141	63.433	65.808
Additional Council Tax Income from Second Homes	1.119	1.153	1.187
Total Funding Available	380.710	376.682	375.977

2.7 Expenditure Requirement

2.7.1 The revised expenditure requirement for 2022/23 is £380.710m and is summarised in Appendix 1. This is the 2021/22 base budget adjusted to reflect the outcome of a full review of service pressures, previously approved savings, operational budget adjustments, national expenditure requirements and the proposed funding contribution to the Health and Social Care Partnership. The main assumptions and pressures are summarised below;

- Costs of continuing the current level of service;
- Inflationary pressures, including assumed pay awards, teachers pensions, contractual commitments and utilities;
- The impact of the proposed 1.25% proposed national insurance increase;
- The financial implication of decisions already taken by the Council;
- Socio economic and demographic pressures;
- Additional property and operating costs arising from the capital investment programme as well as additional investment in the Council's loans fund to mitigate the impact of major construction cost volatility in the Capital programme; and
- New Investment proposals for 2022/23 to support the cost of living.

2.7.2 It should be noted that in the absence of an agreed pay settlement to date through COSLA, the SJC and SNCT, the financial planning assumption for pay inflation for 2022/23 remains at 3% and further 3% increases for 2023/24 and 2024/25 respectively.

2.7.3 In establishing the expenditure requirements, no provision has been made for general non pay inflation resulting in a reduction in the purchasing power of the budgets affected.

2.7.4 Operational budget adjustments, including decisions already taken or reductions not impacting on policy or current service levels, are detailed in Appendix 2.

2.7.5 As part of the 2021/22 revenue budget, savings were approved for 2022/23 and 2023/24 and they are detailed at Appendix 3.

2.7.6 The expenditure requirements include a new non-recurring investment proposal totalling £1.726m for Council to consider which is specifically aimed at developing an energy based community support model, providing sustainable support to citizens during the cost of living pressure on household income. The proposal includes;

- The development of a partnership model approach with an existing specialist agency to draw on skills, expertise and infrastructure;
- Securing a dedicated North Ayrshire support service including a helpline for residents to call. It's important that the model effectively links to supports available across a range of tenancy and ownership models, including HRA and RSL's;
- Providing energy advice and covering broader low carbon behaviours and include a robust referral system to other council services, partner agencies, including money advice services, third sector etc;
- A pro-active workplan will be developed around a priority-based approach and supported by data intelligence e.g. use of SIMD data zone data, property types, welfare data etc.
- Investment will include direct grant funding support from the Council investment as well as looking to secure additional external available funding. Needs based assessment and Funding to support energy efficiency improvements including boiler controls, boiler replacement, Insulation, switch to renewables etc.

2.7.7 The expenditure requirements identified for 2022/23 to 2024/25, excluding investment proposals noted above, are detailed in appendix 4.

2.7.8 Based on this expenditure forecast and building in the savings achieved through operational adjustments and those savings previously approved, remaining savings of £0.031m / £10.740m / £8.785m are required for 2022/23, 2023/24 and 2024/25 respectively. Clearly this presents challenges over the medium- term plan.

2.8 Health and Social Care Partnership

2.8.1 Information on pressures and areas of proposed savings are shared with North Ayrshire Council to inform the allocation of resources delegated to the IJB. As part of the recent 2022/23 budget announcement the Council plans to make a net contribution to the HSCP of £9.931m. It should also be noted that further resources have yet to be distributed and it is anticipated that when this has been done the additional net resources to the HSCP for 2022/23 are likely to be more than £15m to help address a range of pressures and support policy areas.

2.8.2 As a condition of the settlement, funding allocated to the HSCP should be in addition to the 2021/22 recurring baseline position.

- 2.8.3 In recognition of the role of the Council and the Integration Joint Board (IJB), the financial information presented in this report is limited to the proposed contribution the Council will make to the IJB, noting that final distribution of resources is a matter for the IJB.
- 2.8.4 The Integration Scheme approved by Scottish Ministers states that, following determination of the Council and NHS payments to the IJB, the IJB will refine its Strategic Plan to take account of the totality of resources available. Accordingly, the proposed financial contribution to the IJB of £9.931m in 2022/23 represents the full allocation required from the settlement for the HSCP to meet new and existing spending commitments. For years 2023/24 and 2024/25 the financial planning assumption from the Council is that the financial pressures facing the IJB will be fully met by savings.
- 2.8.5 The cumulative debt position to the Council on 31 March 2021 amounts to £3.807m. Whilst this continues to present a financial risk to the Council, through a combination of the annual budget set aside for repayment to the Council and more recently through the IJB generating a level of general reserve of £4.151m and an anticipated underspend position forecast in 2021/22, the current level of financial risk to the Council has been greatly reduced.

2.9 Efficiencies and Savings Proposals

- 2.8.1 Proposals for efficiencies and savings have been made which can deliver a balanced budget for 2022/23. There are estimated net budget shortfalls of £10.729m and £8.785m in 2023/24 and 2024/25. Proposed savings, excluding the HSCP, are summarised at Appendix 5. The approach to the Budget Programme focused significantly on minimising any impact on communities or impacts on policy and Council priorities as reflected in the Council Plan and the Community Wealth Building Strategy.
- 2.8.2 With the exception of some internal charging arrangements and in recognising the ongoing impact of any increased fees and charges to citizens and businesses during this challenging period, it is proposed that charges in 2022/23 are retained at 2021/22 levels, with a further review undertaken in advance of the 2023/24 Budget. The schedule included in Appendix 6 contains the charges with effect from 1 April 2022. It is important to note that fee and charge levels in respect of the HSCP is for the IJB to consider. Further, the schedule also contains some statutory charges which are set at a national level and are, therefore, not subject to the proposals outlined in this report.

2.9 Equality and Children's Rights Impacts of Budget Proposals

- 2.9.1 The Council has a legal duty to consider the equalities and children's rights impact of proposals on groups with protected characteristics, being age, disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation. The Council also has a duty to assess the socio-economic impact of proposals (The Fairer Scotland Duty) and Island proofing. This requires an assessment of the impact of proposals on reducing inequalities.

- 2.9.2 Proposals contained in these papers have been screened to assess whether there are any equalities and socio-economic impacts and, if so, the proposals have been equalities and children's rights impact assessed (ECRIA).
- 2.9.3 The purpose of the ECRIA is to ensure that Members are fully informed in advance of taking decisions, they do not prevent Members from making decisions. All ECRIAs have an assessment of risk alongside mitigating actions. This enables Council to consider if any detrimental impact can be minimised and any positive impact maximised.
- 2.9.4 A link to all the relevant assessments across the budget savings categories is provided below;

[Equality Assessments 2022-23](#)

- 2.9.5 Any alternative proposals from Members will require to be screened and assessed to ensure Council is aware of impacts before making any decision.
- 2.9.6 Responsibility for the funding allocations within the HSCP rests with the Integration Joint Board which has responsibility for assessment of the impact of the decisions it takes.

2.11 Community Engagement

- 2.11.1 The Council carried out a virtual programme of community engagement on 20 January 2022 and the 27 January 2022. With all localities represented the main focus of the sessions centred around the financial landscape facing the Council and investment priorities from both a Council and community perspective.
- 2.11.2 Feedback from the community engagement sessions will continue to help inform the Budget process and influence any investment proposals. The sessions stimulated a significant amount of discussion and feedback, including;
- The need for more mental health support and investment in tackling poverty;
 - A desire to progress sustainability / net zero projects to tackle climate change and help protect island communities e.g. flood protection;
 - Creating employment and maximising employment opportunities from tourism;
 - Recognising the role that open spaces and good coastal infrastructure has on mental health and wellbeing and attracting tourism;
 - The need for more investment in town centres and addressing the issue of vacant properties and linked to this, the benefits of community asset transfers;
 - Core infrastructure investment in roads, paths and active travel;
 - Affordable housing, especially island communities; and
 - Further investment to support better transport / connectivity.

2.12 Sustainable Change Programme

2.12.1 Progress continues to be made in developing an ambitious Sustainable Change Programme aligned to the Council's priorities and the Council's Transformation themes and set within the context of the Council Plan and Community Wealth Building Strategy.

2.12.2 The objective is to develop a pipeline of projects that will deliver improved outcomes, meet the Council's environmental ambitions, and deliver financial efficiencies to help address the projected funding gaps over the short, medium and long term.

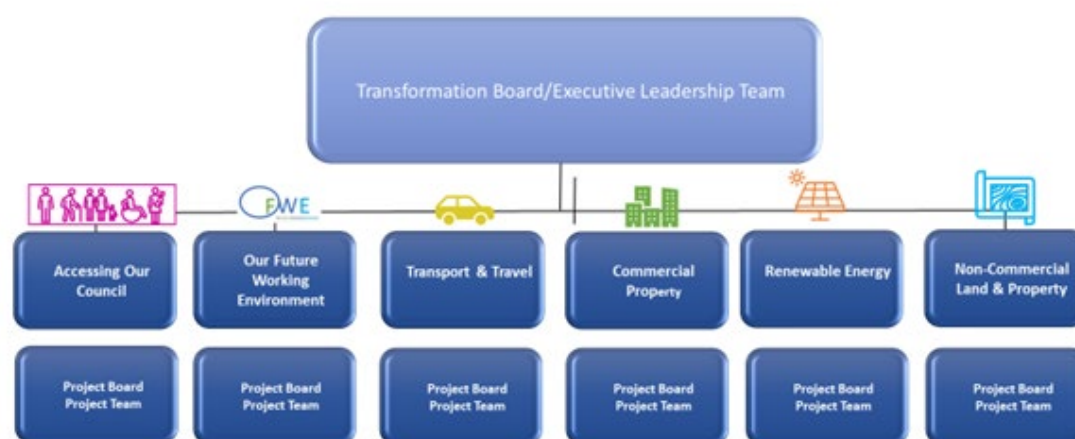
2.12.3 The Transformation themes include:

- Caring for People
- Land and Property Assets
- Transport & Travel
- Children, Young People and Communities
- Sustainability

2.12.4 Digital is another important element of the change programme and is a key enabler in progressing projects across all themes.

2.12.5 From a financial planning perspective, It is important to note the distinction between projects that aim to deliver better outcomes and those anticipated to deliver financial efficiencies. Whilst activity will continue to be progressed across all themes, it is recognised that projects aligned to the Land and Property Assets, Transport and Travel and Sustainability themes will play an important role in delivering financial efficiencies in the short to medium term and be an integral part of the Medium Term Financial Plan.

2.12.6 To support the delivery of the Sustainable Change Programme a revised governance framework is in place and includes programme development and monitoring through the Council's Transformation Board and Executive Leadership Team;



- 2.12.7 The projects being progressed are at different stages of development, with some financial savings already delivered to date.
- 2.12.8 Our Future Working Environment addresses the lessons learned from the pandemic in respect of remote working and the transition to hybrid working and is on track to deliver financial efficiencies of £0.500m. Further phases of the programme will be developed as staff transition into the new model.
- 2.12.9 Accessing the Council takes account of the Citizen's approach to accessing Council Services and will review how citizens access services, what services Citizens need and how advice services are provided. This will help address inequality and financial inclusion.
- 2.12.10 Through the commercial property portfolio, look to maximise the potential of the current commercial property estate, grow the portfolio in line with strategic priorities and implement best practice property management and performance arrangements.
- 2.12.11 Deliver efficiencies across the non-commercial Land & Property asset portfolio through a range of interventions and outcomes including community asset transfers, repurposing, regeneration and disposals.
- 2.12.12 From significant investment already secured, progress the Council's journey towards 'net-zero' carbon emissions through delivery of large-scale renewable energy developments across Solar PV Farms, wind power and EV charging infrastructure. With anticipated financial efficiencies and returns on investment, the renewable energy workstream will play a key role in addressing the challenges in the MTFP.
- 2.12.13 Transport & Travel aims to address the financial and environmental cost of transport by reducing travel, shifting essential travel to more sustainable modes where possible to do so and transition the council fleet to lower carbon alternatives.

2.13 Workforce Planning

- 2.13.1 The shape of the Council's workforce is critical to the delivery of efficient and effective services and is a significant factor in how we transform our Council and deliver our financial challenges. The workforce planning approach is adopted and managed across individual Services and utilises a variety of tools and techniques to ensure workforce requirements for the future, in terms of skills, capabilities, succession planning and career development, are planned. The approach considers the demands and challenges and is aligned to the current financial challenges.

2.13.2 Employees are the Council's most valuable resource and ensuring we have the right people with the right skills is critical. It is recognised that we require to have a pipeline of resources identified in order to shape the workforce of the future and to enable the Council to meet areas of demand. Attracting our future workforce, developing talent and succession planning are key elements in ensuring this is achieved.

2.13.3 North Ayrshire Council has a total of 6,038 full time equivalent employees at an annual cost of over £240m. Anticipated workforce implications associated with the MTFP over the next 3 years are summarised in the undernoted table. Additional investment through pressures and growth, including potentially significant growth in the HSCP workforce in 2022/23 has been partially offset by operational adjustments and previously approved savings. In 2022/23 the workforce is projected to grow by 99.9 FTE's, with further growth anticipated in 2023/24, however, it is noted that further changes may occur through development of the Budget Programme in 2023/24.

Category	2022/23 FTE	2023/24 FTE	2024/25 FTE
Operational Budget Adjustments	(9.6)	-	-
Previously Approved Savings	(3.0)	(1.5)	-
Pressures and Growth	+25.0	+7.0	-
New Savings Options	-	-	-
HSCP Net Position	+87.5	-	-
Total Workforce Implications	+99.9	+5.5	-

2.13.4 Through a corporate workforce planning approach, any reduction to workforce levels will continue to be managed through vacancy management, voluntary early retirement and redeployment.

2.14 Management of Risk

2.14.1 North Ayrshire's financial framework is underpinned by strategic, operational and project risk registers. Given the significance of the financial risks the Council faces, this report sets out in the table below a number of the key risks associated with securing financial sustainability along with the likelihood and impact scoring. For all areas of material risk to the Council and mitigations, this is reported to Cabinet through the Council's Strategic Risk Register.

	Likelihood Score	Impact Score
Financial Environment – Funding not keeping pace with cost of service delivery	4	5
Financial Sustainability of the HSCP	4	4
Delivery of sustainable change programme / Transformation - To address projected budget deficit	4	4

2.15 Revenue Budget - Objective and Subjective Analysis

- 2.15.1 The Codes of Financial Practice outline categories of service delivery, known as the Objective Analysis, and categories of expenditure type, known as the Subjective Analysis. Based on the budget presented within this report, the budget matrix for 2022/23 is attached in Appendix 7.
- 2.15.2 Once this matrix is approved, services must spend in line with this and any subsequent significant and planned variation to this budget (i.e. virement) must be approved by Cabinet.
- 2.15.3 All North Ayrshire Council functions relating to health and social care are entirely delegated to the Integrated Joint Board, subject to appropriate reporting throughout the year to the Council.

2.16 Summary

- 2.16.1 The estimated financial position included in this report is set in the context of continued uncertainty through the impact of the pandemic and the performance of global and UK economies. Through the recent increases in inflation additional financial pressures have been incorporated in the medium- term financial plan.
- 2.16.2 The Council via COSLA continues to have dialogue with Scottish Government across a range of areas including fair funding, multi-year financial settlements, financial flexibility and the levels of funding ring fenced to meet policy commitments. Further, the delivery of financial savings through a change and transformation programme, including the use of investment in “net zero” projects is recognised as a more sustainable approach in addressing the financial challenges in the medium and long term.

2.16.3 The table below summarises the assumptions and financial implications of the budget proposal;

	2022/23 £m	2023/24 £m	2024/25 £m
Council Tax Increase	3.00%	3.00%	3.00%
SG Core Grant Movement	+0.90%	-1.00%	-1.00%
Operational Adjustments	-£1.420m	-£0.475m	-£0.003m
Previously Approved Savings	-£3.087m	+£0.217m	-
Expenditure Requirements (exc new funding and HSCP)	+£8.636m	+£8.697m	+£8.084m
New Investment Proposals	+£1.726m	-	-
HSCP Funding	£9.931m	-	-
Savings to be Approved / Identified	-£0.031m	-£10.729m	-£8.785m

2.16.4 The additional funding to the HSCP in 2022/23 represents the full allocation required from the settlement for the HSCP to meet new and existing spending commitments.

2.16.5 A total of £1.659m net additional funding has been provided for 2022/23 to meet new national expenditure requirements.

2.16.6 Proposed levels of fees and charges are outlined at Appendix 6.

3 Proposals

That Council:

- a) notes the anticipated funding available to meet expenditure requirements;
- b) approves the Council's expenditure requirements for 2022/23 and notes the indicative requirements for 2023/24 and 2024/25;
- c) notes the projected outturn position for 2021/22 and approves the earmarking of the anticipated underspend to supplement the Council's Investment Fund for delivery of sustainability projects outlined in section 2.4.3 of the report;
- d) notes the level of reserves and fund balances held by the Council and approves any use and contributions to and from these;
- e) approves the additional contribution to the HSCP noted at 1.9;
- f) approves additional investment proposals outlined at 2.7.6;
- g) approves efficiencies and savings to ensure a balanced budget for 2022/23, consequential and new proposals in future years;
- h) approves the schedule of Council fees and charges detailed in Appendix 6;
- i) determines the level of Council Tax for 2022/23 as noted at 2.3;

- j) notes the anticipated funding gap for 2023/24 and 2024/25;
- k) considers the equality and children's rights impact of any proposed service changes;
- l) notes the feedback from the community engagement sessions in helping inform budget plans and investment;
- m) notes progress to date on the Council's Sustainable Change Programme and corporate Workforce Planning; and
- n) approves the budget matrix for 2022/23.

4 Implications / Socio-economic Duty

Financial

- 4.1 The financial implications are as outlined in the report. Members require to approve a package of efficiencies and savings, excluding any decision taken by the IJB in respect of social care services, totalling £0.031m for 2022/23. The recommendations are based on a 3% increase to Council Tax. Any increase in net expenditure above that outlined in the draft budget will require to be funded. Failure to agree to the requirements outlined in the Scottish Government's grant offer as outlined at 2.2.7 may result in a less favourable settlement.

Human Resources

- 4.2 The total anticipated impact on the workforce is net growth of 99.9 FTE posts in 2022/23. This includes an anticipated increase of 87.5 FTE within the HSCP and growth across other Council Directorates. The new savings proposals for 2022/23 has no workforce impact. The Council has a robust workforce planning framework in place. In line with this any reduction to the workforce will be management through vacancies, redeployment, voluntary early retirement and voluntary redundancy. This will be effected by engagement and participation with the Trade Unions on a Service by Service basis to develop and agree implementation plans.

Legal

- 4.3 The Council is obliged by the Local Government Finance Act 1992 to set a budget for 2022/23 and to do so in a manner and at such a time as to ensure that it is able lawfully to set its council tax by 11 March. Failure to do so could result in a number of legal and financial consequences, for both the Council and Members.

Equality/Socio-economic

- 4.4 Obligation in respect of equalities are set out at 2.10 of the report.

The Equality and Children's Rights Impact Assessments (incorporating Fairer Scotland Duty and Island Proofing) and a summary of screenings are available via the link provided below.

[Equality Assessments 2022-23](#)

Environmental and Sustainability

- 4.5 While setting of the budget has no direct environmental or sustainability impacts, there may be impacts on individual services. Further, through investment proposals linked to an anticipated underspend in 2021/22 the Council will progress its net zero ambitions through sustainability projects.

Key Priorities

- 4.6 The draft budget supports delivery of the outcomes as outlined in the Council Plan 2019-2024.

Community Wealth Building

- 4.7 Recommendations included in the report support investment for Community Wealth Building for consideration by Council.

5 Consultation

- 5.1 Significant scrutiny and challenge of the underlying assumptions of the proposed budget has taken place with the Executive Leadership Team prior to submission to Elected Members at a number of sessions between November 2021 and February 2022.
- 5.2 The key issues within this report have been presented to the Trade Unions.
- 5.3 Virtual Community engagement sessions have taken place on 20 January 2022 and 27 January 2022 with all localities represented. Feedback from the community engagement sessions will continue to help inform the Budget process and influence investment proposals that flow from this.

Mark Boyd
Head of Service (Finance)

For further information please contact Mark Boyd, Head of Service (Finance) on 01294-324560.

Background Papers

None

North Ayrshire Council
Revenue Budget 2022/23
Revenue Budget Summary Position

	2022/23 £000's	Consequential £000's	2023/24 Rephased/New £000's	Total £000's	Consequential £000's	2024/25 Rephased/New £000's	Total £000's
Funding							
Aggregate external finance	317,716		311,362	311,362		308,248	308,248
Additional aggregate external finance due : Teachers' Induction Scheme	734		734	734		734	734
Council Tax Income	61,141		63,433	63,433		65,808	65,808
Council Tax Income from 2nd homes	1,119		1,153	1,153		1,187	1,187
Contribution from General Reserves	-		-	-		-	-
Total Funding Available	380,710	-	376,682	376,682	-	375,977	375,977
Expenditure							
Base Budget	365,296		380,710	380,710		376,682	376,682
Operational Budget Adjustments							
Inspiring Places	(488)		(507)	(507)		65	65
Aspiring Communities	(245)		(39)	(39)		(103)	(103)
A Council for the Future	(687)		71	71		35	35
Total Operational Budget Adjustments	(1,420)	-	(475)	(475)	-	(3)	(3)
Savings Previously Approved							
Inspiring Places	(833)		(445)	(445)		-	-
Aspiring Communities	(1,744)		697	697		-	-
A Council for the Future	(510)		(35)	(35)		-	-
Total Savings Previously Approved	(3,087)	-	217	217	-	-	-
Investments - Contractual/Unavoidable							
Inspiring Places	6		103	103		105	105
Aspiring Communities	797	-	1,037	1,037	-	567	567
A Council for the Future	-	-	-	-	-	-	-
Corporate Investment	7,123	-	7,403	7,403	-	7,317	7,317
Total Contractual / Unavoidable	7,926	-	8,543	8,543	-	7,989	7,989
Investments - National/Local Pressures							
Inspiring Places	-	-	-	-	-	-	-
Aspiring Communities	670	-	139	139	-	94	94
A Council for the Future	40	-	14	14	-	-	-
Total National / Local Pressures	710	-	153	153	-	94	94

**North Ayrshire Council
Revenue Budget 2022/23
Revenue Budget Summary Position**

	2022/23 £000's	Consequential £000's	2023/24 Rephased/New £000's	Total £000's	Consequential £000's	2024/25 Rephased/New £000's	Total £000's
New National Expenditure Requirements							
Inspiring Places	(27)	-	-	-	-	-	-
Aspiring Communities	1,191	-	-	-	-	-	-
A Council for the Future	495	-	-	-	-	-	-
Total National Expenditure Requirements	1,659	-	-	-	-	-	-
Total Expenditure Requirements (excl HSCP)	10,295	-	8,696	8,696	-	8,083	8,083
Health and Social Care Partnership							
HSCP Net Expenditure Requirements	-	-	-	-	-	-	-
New HSCP National Expenditure Requirements - Recurring	9,931	-	-	-	-	-	-
Total Health and Social Care Partnership	9,931	-	-	-	-	-	-
Total Expenditure Requirements	20,226	-	8,696	8,696	-	8,083	8,083
Additional Investment							
Reversal of Prior Year Contribution to Investment Fund	(2,000)	-	-	-	-	-	-
New Investment	1,726	(1,726)	-	(1,726)	-	-	-
Total Adjustments	15,445	(1,726)	8,438	6,712	-	8,080	8,080
Total Expenditure Requirement	380,741	(1,726)	389,148	387,422	-	384,762	384,762
(Surplus)/Deficit for Year	31	(1,726)	12,466	10,740	-	8,785	8,785
New Savings Proposed							
Inspiring Places	-	-	-	-	-	-	-
Aspiring Communities	(31)	(11)	-	(11)	-	-	-
A Council for the Future	-	-	-	-	-	-	-
Total Savings Proposed	(31)	(11)	-	(11)	-	-	-
Revised Expenditure Requirement	380,710	1,737	389,148	387,411	0	384,762	384,762
Revised (Surplus)/Deficit for Year if all Savings Proposals are Accepted	-	(1,737)	12,466	10,729	-	8,785	8,785
<u>Net Contribution to the HSCP</u>							
Expenditure Requirements	5,338		4,694	4,694		4,647	4,647
Proposed Savings	(5,338)		(4,694)	(4,694)		(4,647)	(4,647)
Net Adjustments to the Contribution to the HSCP	-		-	-		-	-

North Ayrshire Council Revenue Budget 2022/23 Revenue Budget Operational Budget Adjustments						
Council Objective/Theme	Operational Budget Adjustment	Reference	Category	2022/23 £'s	2023/24 £'s	2024/25 £'s
Inspiring Places						
Charging for Services, Alternative Funding	Planning Services - release of earmarked funds	SP-PL-21-12	Green	47,000	-	-
Charging for Services, Alternative Funding	Increased Employability Programme Funding	SP-PL-22-06	Green	(250,000)	250,000	-
Charging for Services, Alternative Funding	Introduction of EV Charge Point Tariffs	SP-PL-22-11	Amber	(46,280)	-	-
Charging for Services, Alternative Funding	Private Sector Team - review of funding	SP-PL-22-05	Green	(33,965)	-	-
Charging for Services, Alternative Funding	Sub Total			(283,245)	250,000	-
Land, Property and Assets	Regeneration - Annickbank	SP-PL-21-14	Green	-	(35,000)	-
Land, Property and Assets	Energy Reduction at Schools	SP-PL-22-13	Green	(28,000)	-	-
Land, Property and Assets	Review of management of non adopted assets	SP-PL-22-16	Amber	(25,000)	-	-
Land, Property and Assets	Solar PV Income	SP-PL-22-18		-	(642,000)	-
Land, Property and Assets	Sub Total			(53,000)	(677,000)	-
Service Delivery Models	Relocation of Homelessness Team	SP-PL-20-26	Green	-	(45,000)	-
Service Delivery Models	Review of Roads Revenue Budget	SP-PL-22-17	Amber	(35,000)	(35,000)	(35,000)
Service Delivery Models	Review of income for temporary furnished accommodation during continued roll out of Housing First	SP-PL-22-08	Green	(100,000)	-	100,000
Service Delivery Models	BMS temperature reduction across non domestic properties	SP-PL-22-12	Green	(16,822)	-	-
Service Delivery Models	Sub Total			(151,822)	(80,000)	65,000
Total				(488,067)	(507,000)	65,000
Aspiring Communities						
Children, Young People and Communities	Review of Non Employee Costs - Communities	SP-COM-22-01	Green	(52,439)	-	-
Children, Young People and Communities	Review of CARIS (Childcare and Recreation Information Service)	SP-COM-22-05	Green	(11,960)	-	-
Children, Young People and Communities	Review of CPP data services: Community Planning Partnership	SP-COM-22-04	Amber	(56,000)	-	-
Children, Young People and Communities	Review of Halls, Centres and Libraries	SP-COM-22-03, 06 & SP-PL-22-04	Amber	(125,397)	(38,255)	(103,424)
Children, Young People and Communities	Sub Total			(245,796)	(38,255)	(103,424)
Total				(245,796)	(38,255)	(103,424)

North Ayrshire Council Revenue Budget 2022/23 Revenue Budget Operational Budget Adjustments						
Council Objective/Theme	Operational Budget Adjustment	Reference	Category	2022/23 £'s	2023/24 £'s	2024/25 £'s
A Council for the Future						
Other	Contribution to Affordable Housing Reserve		Green	(73,000)	34,000	35,000
Other	Corporate Training, Organisational Development and Business Support Review	SP-CEX-22-01/2, 13	Green	(133,622)	-	-
Other	Review of ICT Project Budgets	SP-CEX-22-12	Green	(40,000)	-	-
Other	Review of Democratic Services	SP-CEX-22-14	Green	(102,250)	-	-
Other	Debt Recovery - Procurement Savings	SP-CEX-22-21	Green	(61,000)	-	-
Other	Procurement savings in contracts through alignment of budgets to level of service delivery	SP-PL-22-07	Green	(50,000)		
Other	Workforce Planning	SP-OCI-22-01, SP-CEX-22-11	Green	(436,601)	36,601	-
Other	Sub Total			(896,473)	70,601	35,000
Service Delivery Models	Review of Procurement Team Funding	SP-CE-21-04	Green	85,000	-	-
Service Delivery Models	Increase Chief Officer Capacity	BID-CEX-22-04	Green	124,504	-	-
Service Delivery Models	Sub Total			209,504	-	-
Total				(686,969)	70,601	35,000
TOTAL OPERATIONAL BUDGET ADJUSTMENTS				(1,420,832)	(474,654)	(3,424)

North Ayrshire Council Revenue Budget 2022/23 Revenue Budget Savings Already Approved						
Council Objective/Theme	Saving	Reference	Category	2022/23 £'s	2023/24 £'s	2024/25 £'s
Inspiring Places						
Land, Property and Assets	Reduction in Property Maintenance Budgets	SP-PL-19-26	Amber	(300,000)		-
Land, Property and Assets	Homeless Service provision and implementation of the agreed Rapid Re-Housing Transition Plan	SP-PL-21-15	Green	(97,607)	-	-
Land, Property and Assets	Introduction of Car Parking charges and Decriminalised Parking Enforcement - amended from 2018 to extend implementation timescales by 12 months	SP-PL-20-03	Amber	(220,000)	(220,000)	-
Land, Property and Assets	Land & Property Transformation	SP-PL-20-31	Amber	(50,000)		-
Land, Property and Assets	Grounds Maintenance Review & Community Planting	SP-PL-21-05	Green	(65,000)	(30,000)	-
Land, Property and Assets	Sub Total			(732,607)	(250,000)	-
Service Delivery Models	Waste Resource Service Review	SP-PL-20-09	Green	-	(95,000)	-
Service Delivery Models	Sub Total			-	(95,000)	-
Transport and Travel	Transformation Project - Council Transport	SP-PL-20-01	Green	(100,000)	(100,000)	-
Transport and Travel	Sub Total			(100,000)	(100,000)	-
Total				(832,607)	(445,000)	-
Aspiring Communities						
Children, Young People and Communities	Children & Young People - External Residential Placements (joint action with HSCP)	SP-COM-21-12	Amber	(177,418)		-
Children, Young People and Communities	Review of Devolved School Management Scheme	SP-COM-21-02	Green	(270,000)		-
Children, Young People and Communities	Review of Teacher Turnover Target	SP-COM-21-11	Green	(200,000)		-
Children, Young People and Communities	Sub Total			(647,418)	-	-
Service Delivery Models	Arran Outdoor Education Centre	SP-COM-21-10	Amber	(50,000)	(50,000)	-
Service Delivery Models	Review of Early Learning and Childcare service provision	SP-COM-21-12	Green	(300,000)		-
Service Delivery Models	Review of Early Learning and Childcare service provision	SP-COM-21-12a	Green	(746,538)	746,538	-
Service Delivery Models	Sub Total			(1,096,538)	696,538	-
Total				(1,743,956)	696,538	-
A Council for the Future						
Charging for Services, Alternative Funding	<u>Fees & Charges Inflation</u>					
Charging for Services, Alternative Funding	Homelessness rent increases in line with HRA rent increases	SP-PL-22-09	Green	(90,000)		-
Charging for Services, Alternative Funding	Streetscene services recharged to HRA	SP-PL-22-09	Green	(45,284)		-
Charging for Services, Alternative Funding	Sub Total			(135,284)	-	-
Land, Property and Assets	New Ways of Working	SP-OCI-21-06	Amber	(375,000)	(35,000)	-
Land, Property and Assets	Sub Total			(375,000)	(35,000)	-
Total				(510,284)	(35,000)	-
TOTAL SAVINGS PREVIOUSLY APPROVED				(3,086,847)	216,538	-

North Ayrshire Council Revenue Budget 2022/23 Revenue Expenditure Requirements						
Council Objective/Theme	Investment	Category	Reference	2022/23 £'s	2023/24 £'s	2024/25 £'s
Inspiring Places						
Service Delivery Models	Waste Processing Contract Costs	Contractual/Unavoidable	BID-PL-21-09	6,198	103,296	105,465
Sub Total		Contractual/Unavoidable		6,198	103,296	105,465
Charging for Services	Free Child Burials	New National Expenditure Requirements		7,000	-	-
Service Delivery Models	Remove Additional Environmental Health Provision	New National Expenditure Requirement		(34,000)	-	-
Sub Total		New National Expenditure Requirements		(27,000)	-	-
Total				(20,802)	103,296	105,465
Aspiring Communities						
Land, Property and Assets	PPP/DBFM annual indexation	Contractual/Unavoidable	BID-COM-21-01	645,376	327,969	323,380
Land, Property and Assets	Additional School running costs from the Capital Programme	Contractual/Unavoidable	BID-PL-21-01	95,078	640,985	173,446
Land, Property and Assets	SPT Annual Price Revision	Contractual/Unavoidable	BID-PL-22-07	56,388	68,459	70,512
Sub Total		Contractual/Unavoidable		796,842	1,037,413	567,338
Children, Young People and Communities	Food Price Inflation	National/Local Pressures	BID-PL-21-05	72,761	74,944	77,192
Land, Property and Assets	Streetscene - Maintenance of New Assets	National/Local Pressures	BID-PL-22-08	10,000	50,000	-
Land, Property and Assets	Shewalton Landfill Income	National/Local Pressures	BID-PL-22-10	140,097	14,730	17,220
Children, Young People and Communities	Rollout of Universal Free School Meals	National/Local Pressures	BID-COM-22-11	447,556	-	-
Sub Total		National/Local Pressures		670,414	139,674	94,412
Children, Young People and Communities	School Clothing and Footwear Grants	New National Expenditure Requirements		189,000	-	-
Children, Young People and Communities	Additional Teaching and Education Staffing	New National Expenditure Requirements		3,496,000	-	-
Children, Young People and Communities	Early Learning and Childcare Expansion	New National Expenditure Requirements		(541,000)	-	-
Children, Young People and Communities	Pupil Equity Funding	New National Expenditure Requirements		(3,000)	-	-
Children, Young People and Communities	1 + 2 Languages	New National Expenditure Requirements		(31,000)	-	-
Transport and Travel	Seatbelts Provision on School Transport	New National Expenditure Requirements		2,000	-	-
Service Delivery Models	DHP Not Yet Distributed	New National Expenditure Requirements		(1,921,000)	-	-
Sub Total		New National Expenditure Requirements		1,191,000	-	-
Total				2,658,256	1,177,087	661,750

North Ayrshire Council Revenue Budget 2022/23 Revenue Expenditure Requirements						
Council Objective/Theme	Investment	Category	Reference	2022/23 £'s	2023/24 £'s	2024/25 £'s
A Council for the Future						
Service Delivery Models	GIS and Analytics Team Resource	National/Local Pressures	BID-CEX-22-02	40,230	13,812	-
Sub Total		National/Local Pressures		40,230	13,812	-
Other	Barclay Implementation	New National Expenditure Requirements		21,000	-	-
Other	CTR Regulatory Changes	New National Expenditure Requirements		473,684	-	-
Sub Total		New National Expenditure Requirements		494,684	-	-
Total				534,914	13,812	-
Council Wide Pressures						
Inflation	Joint Board requisitions	Contractual/Unavoidable		851	97,005	99,753
Inflation	Pay Award	Contractual/Unavoidable		3,905,026	5,451,689	5,615,755
Inflation	NI 1.25% Employer Increase	Contractual/Unavoidable		1,179,001	-	-
Inflation	Pension Fund Auto Enrolment	Contractual/Unavoidable		289,826	298,521	307,477
Inflation	Corporate issues (energy, fuel, NDR)	Contractual/Unavoidable		566,031	1,148,074	370,880
Sub Total				5,940,735	6,995,289	6,393,865
Land, Property and Assets	CCTV Review and Investment	National/Local Pressures	BID-OCI-22-01	50,000	-	-
Other	Loan charges	Contractual/Unavoidable		1,132,000	408,000	923,000
Sub Total				1,182,000	408,000	923,000
Total				7,122,735	7,403,289	7,316,865
TOTAL REVENUE EXPENDITURE REQUIREMENTS				10,295,103	8,697,484	8,084,080

North Ayrshire Council Revenue Budget 2022/23 Revenue Budget Savings to be Approved											
Council Objective / Reference Theme	Savings Proposal	Community Impact	Delivery Risk	2020/21 Current Budget £	2022/23		2023/24		2024/25		
					Proposed Saving £	Workforce implications £	Consequential Savings £	New Saving £	Consequential Savings £	New Saving £	
Aspiring Communities											
Children, Young People and Communities	SP-COM-22-07	Review of the Learning Community Librarians across Educational Establishments	Low Negative	200,788	(31,500)	-	(10,500)	-	-	-	
Total					(31,500)	-	(10,500)	-	-	-	
TOTAL SAVINGS TO BE APPROVED					(31,500)	-	(10,500)	-	-	-	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2021/22) £	Proposed Charge (2022/23)	Indicative Charge (2023/24)	Indicative Charge (2024/25)	Basis of increase %	Note
Chief Executives	Legal - Licensing	Aileen Craig	Amendment (due to Licence Partnership)	£126.00	£126.00	£132.30	£138.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Amendment or Duplicate Licence	£35.00	£35.00	£36.80	£38.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Indoor Sports Entertainment Licence (Temporary)	£682.00	£682.00	£716.10	£751.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Indoor Sports Entertainment Licence (when another NAC Licence is held)	£171.00	£171.00	£179.60	£188.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Indoor Sports Entertainment Licence (when no other NAC Licences are held)	£341.00	£341.00	£358.10	£376.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence (Commercial or Community Premises)	£262.00	£262.00	£275.10	£288.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence (Commercial Premises with Fairground)	£398.00	£398.00	£417.90	£438.80	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence - Full Licence (maximum duration of 3 years, and renewable)	£364.00	£364.00	£382.20	£401.30	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£323.00	£323.00	£339.20	£356.20	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence (Major Event - Pop Concert etc)	Total fee is £2632 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2632 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2764 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2902 + variable dependent upon proposed size of the event and number of persons proposed to attend.	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (1 to 10 Animals)	£85.00	£85.00	£89.30	£93.80	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (11 to 20 Animals)	£113.00	£113.00	£118.70	£124.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (21 to 30 Animals)	£148.00	£148.00	£155.40	£163.20	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (31 to 50 Animals)	£216.00	£216.00	£226.80	£238.10	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (51 to 70 Animals)	£278.00	£278.00	£291.90	£306.50	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (Over 70 Animals)	£352.00	£352.00	£369.60	£388.10	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Booking Office (with public access)	£341.00	£341.00	£358.10	£376.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Booking Office (without public access)	£228.00	£228.00	£239.40	£251.40	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Breeding of Dogs Licence (Breeding of Dogs Act 1973) - New	£477.00	£477.00	£500.90	£525.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Breeding of Dogs Licence (Breeding of Dogs Act 1973) - Renewal	£210.00	£210.00	£220.50	£231.50	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Cinema Licence - grant or renewal for one year	£278.00	£278.00	£291.90	£306.50	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Cinema Licence - grant or renewal for under a year - per month (total not to exceed the one year fee)	£93.00	£93.00	£97.70	£102.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Cinema Licence - Transfer	£56.00	£56.00	£58.80	£61.70	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Dangerous Wild Animals - New & Renewal (maximum duration of 12 months, and renewable)	£301.00	£301.00	£316.10	£331.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Duplicate Licence	£35.00	£35.00	£36.80	£38.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Fireworks Storage Licence (under 250 kg)	Various fees for £55 to £432 depending on term and renewal or new	Various fees for £55 to £432 depending on term and renewal or new	Various fees for £55 to £432 depending on term and renewal or new	Various fees for £55 to £432 depending on term and renewal or new	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Knife Dealers Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£341.00	£341.00	£358.10	£376.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Late Hours Catering Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£181.00	£181.00	£190.10	£199.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Market Operators Licence	£386.00	£386.00	£405.30	£425.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Metal Dealers Licence (Premises & Itinerant)	£119.00	£119.00	£125.00	£131.30	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Pet Shop Licence (Pet Animals Act 1951) New or Renewal - (maximum duration of 12 months, and renewable)	£199.00	£199.00	£209.00	£219.50	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Registration to sell non medical poisons (new)	£25.00	£25.00	£26.30	£27.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Registration to sell non medical poisons (retention)	£13.00	£13.00	£13.70	£14.40	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Second Hand Dealers Licence - New (Full - maximum duration of 3 years, and renewable)	£239.00	£239.00	£251.00	£263.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Second Hand Dealers Licence - Already Licenced (Full - maximum duration of 3 years, and renewable)	£126.00	£126.00	£132.30	£138.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Sex Shop Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£2,027.00	£2,027.00	£2,128.40	£2,234.80	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Skin Piercing or Tattooing Licence (with Premises)	£358.00	£358.00	£375.90	£394.70	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Skin Piercing or Tattooing Licence (without Premises)	£301.00	£301.00	£316.10	£331.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Employee Licence - Full licence (maximum duration of 3 years, and renewable)	£136.00	£136.00	£142.80	£149.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Employee Licence - Temporary Licence (maximum duration of 3 years, and renewable)	£103.00	£103.00	£108.20	£113.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Operator - Substitute Vehicle	£119.00	£119.00	£125.00	£131.30	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Operator Licence - Full Licence (maximum duration of 3 years, and renewable)	£273.00	£273.00	£286.70	£301.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Operator Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£187.00	£187.00	£196.40	£206.20	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Zoo Licence (New - maximum duration of 4 years, and renewable. Vet inspections are charged in addition)	£301.00	£301.00	£316.10	£331.90	0.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2021/22) £	Proposed Charge (2022/23)	Indicative Charge (2023/24)	Indicative Charge (2024/25)	Basis of increase %	Note
Chief Executives	Legal - Licensing	Aileen Craig	Zoo Licence (Renewal - maximum duration of 6 years, and renewable. Vet inspections are charged in addition)	£301.00	£301.00	£316.10	£331.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Venison Dealer	£126.00	£126.00	£132.30	£138.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Venison Employee / Agent	£68.00	£68.00	£71.40	£75.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Game Dealers	£5.00	£5.00	£5.30	£5.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Poisons alteration	£6.00	£6.00	£6.30	£6.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Riding Establishment Licence (1 year, New & Renewal)	£477.00	£477.00	£500.90	£525.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Riding Establishment Licence (One year, If already licenced)	£358.00	£358.00	£375.90	£394.70	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Door Sign	£17.00	£17.00	£17.90	£18.80	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Licence resulting from change of address	£14.00	£14.00	£14.70	£15.40	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Plate	£34.00	£34.00	£35.70	£37.50	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Tariff Card	£14.00	£14.00	£14.70	£15.40	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Taxi / Private Hire Car Driver Badge	£19.00	£19.00	£20.00	£21.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Window Stickers	£19.00	£19.00	£20.00	£21.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Substitution of Vehicle (Taxi or Private Hire Car)	£212.00	£212.00	£222.60	£233.70	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Taxi Driver's Licence - Full Licence (1 year, and renewable)	£85.00	£85.00	£89.30	£93.80	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Taxi Driver's Licence - Full Licence (maximum duration of 3 years, and renewable)	£199.00	£199.00	£209.00	£219.50	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Private Hire Car Driver Licence - Full licence (maximum duration of 3 years, and renewable)	£199.00	£199.00	£209.00	£219.50	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Private Hire Car Licence (Operator) - Full Licence (1 year, and renewable)	£352.00	£352.00	£369.60	£388.10	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Private Hire Car Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£590.00	£590.00	£619.50	£650.50	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Taxi Licence (1 year)	£381.00	£381.00	£400.10	£420.10	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Taxi Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£658.00	£658.00	£690.90	£725.40	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Variation of a Licence	£58.00	£58.00	£60.90	£63.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Private Hire Car Driver's Licence - Full Licence (1 yr, and renewable)	£85.00	£85.00	£89.30	£93.80	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Inspection of Vehicle (Taxi or Private Hire Car)	£88.00	£88.00	£92.40	£97.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Re-inspection of Vehicle (Taxi or Private Hire Car)	£47.00	£47.00	£49.40	£51.90	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Re-seal of Taximeter	£23.00	£23.00	£24.20	£25.40	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Civic Government (Scotland) Act 1982 - Temporary Licence (duration specified in Licence, maximum 6 weeks, and not renewable) (unless specifically mentioned in this table)	£171.00	£171.00	£179.60	£188.60	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	House in Multiple Occupation Licence (New)	£954.00	£954.00	£1,001.70	£1,051.80	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	House in Multiple Occupation Licence (Already Licenced)	£716.00	£716.00	£751.80	£789.40	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Landlord Registration - Principal	£67.00	£68.00	£68.00	£68.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Landlord Registration - Property	£15.00	£16.00	£16.00	£16.00	0.0%	
Chief Executives	Legal - Licensing	Aileen Craig	Landlord Registration - Late Application	£133.00	£137.00	£137.00	£137.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriages / Partnerships at Registration Office outwith office hours	£458.00	£458.00	£481.00	£505.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriages / Partnerships at Registration Office during office hours	£278.00	£278.00	£292.00	£307.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	All Ceremonies at approved venues - fee for attendance of a Registrar during office hours	£445.00	£445.00	£467.00	£490.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	All Ceremonies at approved venues - fee for attendance of a Registrar outwith office hours	£504.00	£504.00	£529.00	£555.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Guest Supplement: during office hours when more than 4 guests attend a marriage/civil partnership at Registration offices	£153.00	£153.00	£161.00	£169.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Naming & Renewal of Vows Ceremonies conducted at Registration Offices during office hours	£290.00	£290.00	£305.00	£320.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Naming & Renewal of Vows Ceremonies conducted at Registration Offices outwith office hours	£348.00	£348.00	£365.00	£383.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Registration Offices outwith office hours	£596.00	£596.00	£626.00	£657.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues outwith office hours	£666.00	£666.00	£699.00	£734.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues during office hours	£579.00	£579.00	£608.00	£638.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Guest supplement: during office hours when more than 4 guests attend a Civil Marriage/Partnership & Naming Ceremony at Registration Offices	£394.00	£394.00	£414.00	£435.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Private Citizenship Ceremony, Registration Office, Office Hours	£139.00	£139.00	£146.00	£153.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Private Citizenship Ceremony, Registration Office, Office Hours, plus Guest Supplement for more than 4 Guests	£255.00	£255.00	£268.00	£281.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Registration Offices during office hours	£519.00	£519.00	£545.00	£572.00	0.0%	
Health & Social Care	Adults	Eleanor Currie	Care at Home Adults	£15.99	£15.99	£16.79	£17.63	0.0%	
Health & Social Care	Adults	Eleanor Currie	Day Care (purchased and provided)	£14.28	£14.28	£14.99	£15.74	0.0%	
Health & Social Care	Adults	Eleanor Currie	Day Care (charges to Other LAs)	£231.53	£231.53	£243.10	£255.26	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Guest Room Charges at Sheltered Housing Accommodations	£5.25	£5.25	£5.51	£5.79	0.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2021/22) £	Proposed Charge (2023/23)	Indicative Charge (2023/24)	Indicative Charge (2024/25)	Basis of increase %	Note
Health & Social Care	Adults and Older People	Eleanor Currie	Community Alarms service - mainland	£5.07	£5.07	£5.33	£5.59	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Community Alarms service - Arran	£2.48	£2.48	£2.60	£2.73	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Meals on Wheels	£3.20	£3.20	£3.36	£3.53	0.0%	
Health & Social Care	Older People	Eleanor Currie	Care at Home Older People per hour	£15.99	£15.99	£16.79	£17.63	0.0%	
Health & Social Care	Older People	Eleanor Currie	Day Care (purchased and provided) Older People	£14.28	£14.28	£14.99	£15.74	0.0%	
Health & Social Care	Adults	Eleanor Currie	Respite (for an individual's care need rather than to give the carer a break) Age 16-24	£65.00	£65.00	£66.30	£67.63	0.0%	This charge depends on the 22/23 Personal Allowance rate which will not be known until early March.
Health & Social Care	Adults	Eleanor Currie	Respite (for an individual's care need rather than to give the carer a break) Age 25 - 64	£80.50	£80.50	£82.11	£83.75	0.0%	This charge depends on the 22/23 Personal Allowance rate which will not be known until early March.
Health & Social Care	Older People	Eleanor Currie	Respite (for an individual's care need rather than to give the carer a break) Age 65+	£147.80	£147.80	£150.76	£153.77	0.0%	This charge depends on the 22/23 Personal Allowance rate which will not be known until early March.
Health & Social Care	Adults	Eleanor Currie	Sleepover	£12.55	£12.55	£13.18	£13.84	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Trindlemoss House - permanent placement	£1,080.00	£1,080.00	£1,134.00	£1,191.00	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Montrose House - permanent residential placement	£1,080.00	£1,080.00	£1,134.00	£1,191.00	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Montrose House - permanent nursing placement	n/a	£1,250.00	£1,313	£1,378	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Blue Badge (charge for a three year period)	£20.00	£20.00	£20.00	£20.00	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Sleepover	£12.55	£12.55	£13.18	£13.84	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Direct Payments - Personal Assistants	£13.35	£13.35	£14.02	£14.72	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Direct Payments - Agency Rates	£15.99	£15.99	£16.79	£17.63	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Direct Payments - Sleepovers	£12.46	£12.46	£13.08	£13.74	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hire of table linen	£6.20	£6.20	£6.50	£6.80	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hire of twinkle curtain	£78.20	£78.20	£82.10	£86.20	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hire of Red Carpet	£38.80	£38.80	£40.70	£42.70	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Store Requests, hires and deliveries	£33.45	£33.45	£35.10	£36.90	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Stores hire of tables go pack	£5.75	£5.75	£6.00	£6.30	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Stores hire of tables round	£11.15	£11.15	£11.70	£12.30	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Inflatable hire package	£133.90	£133.90	£140.60	£147.60	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Party Package Civic Centre	£164.00	£164.00	£172.20	£180.80	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Wedding packages - Ceremony and Reception	£1,031.34	£1,031.34	£1,082.90	£1,137.00	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Wedding packages - Reception only	£739.80	£739.80	£776.80	£815.60	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Tea/Coffee/Biscuits	£1.70	£1.70	£1.80	£1.90	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Holidays 3 days/2 nights (4 people)	£592.00	£592.00	£621.60	£652.70	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Holidays 5 days/4 nights (4 people)	£1,176.00	£1,176.00	£1,234.80	£1,296.50	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Bed and breakfast (adult)	£41.00	£41.00	£43.10	£45.30	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Dinner, bed and breakfast (adult)	£52.00	£52.00	£54.60	£57.30	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Half day activity (adult)	£53.00	£53.00	£55.70	£58.50	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Half day activity (child)	£37.00	£37.00	£38.90	£40.80	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Full day activity (adult)	£106.00	£106.00	£111.30	£116.90	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Full day activity (child)	£74.00	£74.00	£77.70	£81.60	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Commercial large classroom	£37.00	£37.00	£38.90	£40.80	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Family Function large classroom	£22.00	£22.00	£23.10	£24.30	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire NAC large classroom	£20.00	£20.00	£21.00	£22.10	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire general meeting large classroom	£12.00	£12.00	£12.60	£13.20	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Childcare large classroom	£7.00	£7.00	£7.40	£7.80	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Disabled/charity large classroom	£5.00	£5.00	£5.30	£5.60	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Commercial small chartroom	£19.00	£19.00	£20.00	£21.00	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Family Function small chartroom	£11.00	£11.00	£11.60	£12.20	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire NAC small chartroom	£10.00	£10.00	£10.50	£11.00	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire general meeting small chartroom	£6.00	£6.00	£6.30	£6.60	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Childcare small chartroom	£3.00	£3.00	£3.20	£3.40	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Disabled/charity small chartroom	£2.00	£2.00	£2.10	£2.20	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	NAC School Group 5 days/4 nights (per person)	£208.00	£208.00	£218.40	£229.30	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 5 days/4 nights (per person)	£418.00	£418.00	£438.90	£460.80	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	NAC School Group 3 days/2 nights (per person)	£110.00	£110.00	£115.50	£121.30	0.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 3 days/2 nights (per person)	£220.00	£220.00	£231.00	£242.60	0.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 1 - Commercial	£26.00	£26.00	£27.30	£28.70	0.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 1 - Non-Commercial	£18.00	£18.00	£18.90	£19.80	0.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 2 - Commercial	£19.00	£19.00	£20.00	£21.00	0.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 2 - Non-Commercial	£7.25	£7.25	£7.60	£8.00	0.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Theatre Hire - Commercial	£71.00	£71.00	£74.60	£78.30	0.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Theatre Hire - Non-Commercial	£42.00	£42.00	£44.10	£46.30	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - SMALL ROOM	£21.40	£21.40	£22.50	£23.60	0.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2021/22) £	Proposed Charge (2022/23)	Indicative Charge (2023/24)	Indicative Charge (2024/25)	Basis of increase %	Note
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - LARGE ROOM	£43.25	£43.25	£45.40	£47.70	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - SMALL ROOM	£12.65	£12.65	£13.30	£14.00	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - LARGE ROOM	£25.30	£25.30	£26.60	£27.90	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - SMALL ROOM	£7.00	£7.00	£7.40	£7.80	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - LARGE ROOM	£14.00	£14.00	£14.70	£15.40	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 4 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	£3.50	£3.70	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 4 user (eg Pre 5 groups) - LARGE ROOM	£6.45	£6.45	£6.80	£7.10	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 5 user (eg Disabled org's) - SMALL ROOM	£3.10	£3.10	£3.30	£3.50	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 5 user (eg Disabled Org's) - LARGE ROOM	£6.10	£6.10	£6.40	£6.70	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Astro Pitch Youth	£14.40	£14.40	£15.10	£15.90	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Astro Pitch Adult	£21.60	£21.60	£22.70	£23.80	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Floodlights	£7.75	£7.75	£8.10	£8.50	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Campsite	£9.00	£9.00	£9.50	£10.00	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Events Fields	£111.00	£111.00	£116.60	£122.40	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Campsite Field	£67.00	£67.00	£70.40	£73.90	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Visitor Facility Block - Full Day	£75.00	£75.00	£78.80	£82.70	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Visitor Facility Block - Half Day	£37.50	£37.50	£39.40	£41.40	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Portacabin Toilets	£19.00	£19.00	£20.00	£21.00	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Racquet Hall - NAC Group / School	£14.00	£14.00	£14.70	£15.40	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Racquet Hall - Non Commercial	£25.30	£25.30	£26.60	£27.90	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Racquet Hall - Commercial	£43.25	£43.25	£45.40	£47.70	0.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Ranger Service - All Other Groups	£30.00	£30.00	£31.50	£33.10	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Planning Search fees	£101.00	£101.00	£106.10	£111.40	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Section 50 Certificates	£107.40	£107.40	£112.80	£118.40	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Press Adverts Arran	£92.00	£92.00	£96.60	£101.40	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Press Adverts Mainland	£203.00	£203.00	£213.20	£223.90	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	All Planning Application fees:						
Place	Economic Growth (Planning Services)	Jim Miller	Operations:						
Place	Economic Growth (Planning Services)	Jim Miller	eg Construction of buildings - planning permission in principle	£401.00	£401.00	£401.00	£401.00	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	eg The erection of buildings - planning permission in principle	£401.00	£401.00	£401.00	£401.00	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	eg The erection of buildings - where the area of gross floor space to be created does not exceed 40 sq metres	£202.00	£202.00	£202.00	£202.00	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Uses of land:						
Place	Economic Growth (Planning Services)	Jim Miller	eg The change of use of a building	£401.00	£401.00	£401.00	£401.00	0.0%	
Place	Economic Growth (Transportation)	Claire Fitzsimmons	Construction Consent Amendments	£365.00	£365.00	£383.30	£402.50	0.0%	
Place	Economic Growth (Transportation)	Claire Fitzsimmons	Supply of Traffic Count data	£200.85	£200.85	£210.90	£221.40	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1874 - one line of family tree	£48.00	£48.00	£50.40	£52.90	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1874 - two lines of family tree	£95.00	£95.00	£99.80	£104.80	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1874 - three lines of family tree	£136.00	£136.00	£142.80	£149.90	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1874 - four lines of family tree	£183.00	£183.00	£192.20	£201.80	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1900 - one line of family tree	£55.00	£55.00	£57.80	£60.70	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1900 - two lines of family tree	£109.00	£109.00	£114.50	£120.20	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1900 - three lines of family tree	£158.00	£158.00	£165.90	£174.20	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1900 - four lines of family tree	£212.00	£212.00	£222.60	£233.70	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1920 - one line of family tree	£56.00	£56.00	£58.80	£61.70	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1920 - two lines of family tree	£111.00	£111.00	£116.60	£122.40	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1920 - three lines of family tree	£161.00	£161.00	£169.10	£177.60	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy pre 1920 - four lines of family tree	£217.00	£217.00	£227.90	£239.30	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy post 1935 - one line of family tree	£63.00	£63.00	£66.20	£69.50	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy post 1935 - two lines of family tree	£125.00	£125.00	£131.30	£137.90	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy post 1935 - three lines of family tree	£182.00	£182.00	£191.10	£200.70	0.0%	
Communities	Heritage	Lesley Forsyth	Genealogy post 1935 - four lines of family tree	£245.00	£245.00	£257.30	£270.20	0.0%	
Communities	Libraries	Lesley Forsyth	Magnifying Sheets	£2.00	£2.00	£2.10	£2.20	0.0%	
Communities	Libraries	Lesley Forsyth	Tea/Coffee	£1.20	£1.20	£1.30	£1.40	0.0%	
Communities	Libraries	Lesley Forsyth	Street Plans	£2.90	£2.90	£3.00	£3.20	0.0%	
Communities	Libraries	Lesley Forsyth	Lost and Damaged Books	£0.00	£0.00	£0.00	£0.00	0.0%	
Communities	Libraries	Lesley Forsyth	Lost and Damaged Audio	£0.00	£0.00	£0.00	£0.00	0.0%	
Communities	Libraries	Lesley Forsyth	Book Sales (NAC Stock)	£0.00	£0.00	£0.00	£0.00	0.0%	
Communities	Libraries	Lesley Forsyth	Black and White Photocopying/Printing A4 or A3 single-sided	£0.10	£0.10	£0.10	£0.10	0.0%	
Communities	Libraries	Lesley Forsyth	Black and White Photocopying/Printing A4 or A3 double-sided	£0.20	£0.20	£0.20	£0.20	0.0%	
Communities	Libraries	Lesley Forsyth	Colour Photocopying/Printing A4 or A3 single-sided	£0.35	£0.35	£0.40	£0.40	0.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2021/22) £	Proposed Charge (2022/23)	Indicative Charge (2023/24)	Indicative Charge (2024/25)	Basis of increase %	Note
Communities	Libraries	Lesley Forsyth	Colour Photocopying/Printing A4 or A3 double-sided	£0.70	£0.70	£0.70	£0.70	0.0%	
Communities	Libraries	Lesley Forsyth	DVD Lending Service - DVD's per Week hire	£1.75	£1.75	£1.80	£1.90	0.0%	
Communities	Libraries	Lesley Forsyth	DVD Lending Service - Day ones (New releases) 2 nights hire	£2.00	£2.00	£2.10	£2.20	0.0%	
Communities	Libraries	Lesley Forsyth	Audio Charges - CD	£0.30	£0.30	£0.30	£0.30	0.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 1 user (eg Commercial Activities) - SMALL ROOM	£21.40	£21.40	£22.50	£23.60	0.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 2 user (eg Family Functions) - SMALL ROOM	£12.65	£12.65	£13.30	£14.00	0.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 3 user (eg Agency Letting) - SMALL ROOM	£7.00	£7.00	£7.40	£7.80	0.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 4 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	£3.50	£3.70	0.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 5 user (eg Disabled org's) - SMALL ROOM	£3.10	£3.10	£3.30	£3.50	0.0%	
Place	Protective Services (Building Standards)	Scott McKenzie	Clearance Certificates	£235.10	£235.10	£246.90	£259.20	0.0%	
Place	Protective Services (Building Standards)	Scott McKenzie	Searches	£101.00	£101.00	£106.10	£111.40	0.0%	
Place	Protective Services (Building Standards)	Scott McKenzie	Section 50 Certificates	£125.00	£125.00	£131.30	£137.90	0.0%	
Place	Protective Services (Building Standards)	Scott McKenzie	Section 89 Certificates	£408.80	£408.80	£429.20	£450.70	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Bacteriological Swimming Pool Sampling	£51.00	£51.00	£53.60	£56.30	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Legionella Swimming Pool Sampling	£95.00	£95.00	£99.80	£104.80	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Food Hygiene Training Delegate Charge	£29.00	£29.00	£30.50	£32.00	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Chemical Swimming Pool Sampling	£70.00	£70.00	£73.50	£77.20	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control - Fumigations/Sprays for heavy infestations e.g. bedbugs, fleas includes survey and revisit.	£77.00	£77.00	£80.90	£84.90	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Insects (Domestic)	£50.00	£50.00	£52.50	£55.10	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Rats/Mice/Insects (Commercial)	£77.00	£77.00	£80.90	£84.90	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Rats/Mice/Squirrels (Domestic) includes up to 3 visits.	£77.00	£77.00	£80.90	£84.90	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Wasp Nests/Bees	£50.00	£50.00	£52.50	£55.10	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Section 50 Certificates	£125.00	£125.00	£131.30	£137.90	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Certificate of Compliance (not required as part of licence application)	£100.00	£100.00	£105.00	£110.30	0.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Health Certificate for export to China	£36.00	£36.00	£37.80	£39.70	0.0%	
Place	Protective Services (Trading Standards)	Scott McKenzie	Liquid fuel measuring instruments - first meter tested	£159.00	£159.00	£167.00	£175.40	0.0%	
Place	Protective Services (Trading Standards)	Scott McKenzie	Liquid fuel measuring instruments - each additional meter tested during same visit	£98.00	£98.00	£102.90	£108.00	0.0%	
Place	Protective Services (Trading Standards)	Scott McKenzie	All other weighing and measuring equipment - one officer on site (per hour)	£86.00	£86.00	£90.30	£94.80	0.0%	
Place	Protective Services (Trading Standards)	Scott McKenzie	All other weighing and measuring equipment- two or more officers on site (per hour)	£138.00	£138.00	£144.90	£152.10	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment of Eighteen and Over	£806.00	£806.00	£886.60	£975.30	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial (New Lair)	£859.00	£859.00	£944.90	£1,039.40	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial (Woodland Area)	£859.00	£859.00	£944.90	£1,039.40	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment of Cremated Remains (Aged 18 and over)	£228.00	£228.00	£250.80	£275.90	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Memorial Foundation	£176.00	£176.00	£184.80	£194.00	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Dis-interments	£970.00	£970.00	£1,018.50	£1,069.40	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment in common ground	£252.00	£252.00	£264.60	£277.80	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial - Cremated Remains Only (New Lair)	£471.00	£471.00	£518.10	£569.90	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial - Cremated Remains Only in Garden of Remembrance (New Lair)	£471.00	£471.00	£518.10	£569.90	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment of Eighteen and Over (Saturdays and Public Holidays)	£1,209.00	£1,209.00	£1,329.90	£1,462.90	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Transfer of Title Deeds/Duplicate Title Deeds	£21.00	£21.00	£22.10	£23.20	0.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Memorial permit	£44.00	£44.00	£46.20	£48.50	0.0%	
School Meals	FM	Carolyn Hope	Secondary School meals	£2.05	£2.05	£2.15	£2.25	0.0%	
School Meals	FM	Carolyn Hope	Primary School meals	£2.05	£2.05	£2.15	£2.25	0.0%	
Place	Largs Car Park	David Hammond	Car park Charges - up to 1 hour	£1.00	£1.00	£1.00	£1.00	0.0%	
Place	Largs Car Park	David Hammond	Car park Charges - over 1 hour up to 3 hours	£3.00	£3.00	£3.00	£3.00	0.0%	
Place	Largs Car Park	David Hammond	Car park Charges - over 3 hours	£5.00	£5.00	£5.00	£5.00	0.0%	
Place	Streetscene Services	Wallace Turpie/ David Mackay	Abandoned Trolley Charge	£33.00	£33.00	£34.70	£36.40	0.0%	
Place	Streetscene Services	Wallace Turpie/ David Mackay	Grass Cutting Scheme	£70.00	£70.00	£73.50	£77.20	0.0%	
Place	Transport Services	Gordon Mitchell	Car Inspection	£30.00	£30.00	£31.50	£33.10	0.0%	
Place	Transport Services	Gordon Mitchell	MOT Class 4	£57.00	£57.00	£59.90	£62.90	0.0%	
Place	Transport Services	Gordon Mitchell	MOT Class 5	£75.00	£75.00	£78.80	£82.70	0.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2021/22) £	Proposed Charge (2022/23)	Indicative Charge (2023/24)	Indicative Charge (2024/25)	Basis of increase %	Note
Place	Transport Services	Gordon Mitchell	MOT Class 7	£62.00	£62.00	£65.10	£68.40	0.0%	
Place	Transport Services	Gordon Mitchell	Tachograph Calibration	£58.00	£58.00	£60.90	£63.90	0.0%	
Place	Transport Services	Gordon Mitchell	Tachograph 2 year Inspection	£40.00	£40.00	£42.00	£44.10	0.0%	
Place	Transport Services	Gordon Mitchell	Tachograph 6 year Inspection	£58.00	£58.00	£60.90	£63.90	0.0%	
Place	Transport Services	Gordon Mitchell	Per hire charge for transport hires to external groups.	£23.00	£23.00	£24.20	£25.40	0.0%	
Place	Roads	Campbell Dempster	Section 56 Roads Opening Permit Vehicle Access Crossing	£74.00	£74.00	£77.70	£81.60	0.0%	
Place	Roads	Campbell Dempster	Section 56 Road Opening Permit Other works involving excavation in the public road	£208.00	£208.00	£218.40	£229.30	0.0%	
Place	Roads	Campbell Dempster	Section 56 Road Opening Permit Other works involving excavation in the public road. Duration charge for additi	£98.00	£98.00	£102.90	£108.00	0.0%	
Place	Roads	Campbell Dempster	Section 58 Road Occupation Permits Builders Materials - for up to 4 weeks	£86.00	£86.00	£90.30	£94.80	0.0%	
Place	Roads	Campbell Dempster	Section 58 Road Occupation Permits Cranes - for up to 4 weeks	£86.00	£86.00	£90.30	£94.80	0.0%	
Place	Roads	Campbell Dempster	Section 58 Road Occupation Permits Scaffolding - for up to 4 weeks	£86.00	£86.00	£90.30	£94.80	0.0%	
Place	Roads	Campbell Dempster	Section 85 Skip Permits - for up to 4 weeks	£51.00	£51.00	£53.60	£56.30	0.0%	
Place	Roads	Campbell Dempster	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge.	£122.00	£122.00	£128.10	£134.50	0.0%	
Place	Roads	Campbell Dempster	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge. Dura	£122.00	£122.00	£128.10	£134.50	0.0%	
Place	Roads	Campbell Dempster	Property Enquiry Adoption Plan	£37.00	£37.00	£38.90	£40.80	0.0%	
Place	Roads	Campbell Dempster	NRSWA Section 109 Permission	£317.00	£317.00	£332.90	£349.50	0.0%	
Place	Roads	Campbell Dempster	NRSWA Public Utility Sample Inspections	£36.00	£36.00	£37.80	£39.70	0.0%	
Place	Roads	Campbell Dempster	5 day Temporary Traffic Order (by notice)	£426.00	£426.00	£447.30	£469.70	0.0%	
Place	Roads	Campbell Dempster	Emergency Temporary Traffic Order (by notice)	£426.00	£426.00	£447.30	£469.70	0.0%	
Place	Roads	Campbell Dempster	Temporary Traffic Orders (advertised in press). Advertising costs are extra.	£658.00	£658.00	£690.90	£725.40	0.0%	
Place	Roads	Campbell Dempster	Supply of Traffic Count Data. Price per site.	£208.00	£208.00	£218.40	£229.30	0.0%	
Place	Roads	Campbell Dempster	Supply / Use of information from the Saturn and ParamicsTraffic Models	£1,340.00	£1,340.00	£1,407.00	£1,477.40	0.0%	
Place	Roads	Campbell Dempster	Neighbourhood Watch Signs	£37.00	£37.00	£38.90	£40.80	0.0%	
Place	Roads	Campbell Dempster	Switching off Traffic Signals for third parties	£147.00	£147.00	£154.40	£162.10	0.0%	
Place	Roads	Campbell Dempster	Temporary signs for events.	£98.00	£98.00	£102.90	£108.00	0.0%	
Place	Roads	Campbell Dempster	Signs for new Housing Developments	£378.00	£378.00	£396.90	£416.70	0.0%	
Place	Roads	Campbell Dempster	H Bar Markings (Access protection markings)	£61.00	£61.00	£64.10	£67.30	0.0%	
Place	Roads	Campbell Dempster	Car Park Charges - Up to 60 minutes	£1.00	£1.50	£1.60	£1.70	0.0%	
Place	Roads	Campbell Dempster	Car Park Charges - Up to 120 minutes	£1.50	£2.00	£2.10	£2.20	0.0%	
Place	Roads	Campbell Dempster	Car Park Charges - Up to 240 minutes	£3.00	£3.50	£3.70	£3.90	0.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 360 Litre	£75.01	£75.00	£78.80	£82.70	0.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 1100 Litre	£382.14	£382.10	£401.20	£421.30	0.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 1280 Litre	£444.65	£444.70	£466.90	£490.20	0.0%	
Place	Waste Resources	David Mackay	Collection and Disposal of Commercial White Goods per item	£150.12	£150.10	£157.60	£165.50	0.0%	
Place	Waste Resources	David Mackay	Bin Repair - standard lock supply & fitting	£22.71	£22.70	£23.80	£25.00	0.0%	
Place	Waste Resources	David Mackay	Bin Repair - new forest lock lock supply & fitting	£33.00	£33.00	£34.70	£36.40	0.0%	
Place	Waste Resources	David Mackay	Bin Repair - push to lock supply & fitting	£45.84	£45.80	£48.10	£50.50	0.0%	
Place	Waste Resources	David Mackay	Bin Repair - lid supplied & lock fixed cost	£141.35	£141.40	£148.50	£155.90	0.0%	
Place	Waste Resources	David Mackay	Bin Repair - Push to lock lid and lock supply & fitting	£164.48	£164.50	£172.70	£181.30	0.0%	
Place	Waste Resources	David Mackay	BIN Repair - one front wheel supplied and fitted cost	£73.86	£73.90	£77.60	£81.50	0.0%	
Place	Waste Resources	David Mackay	Bin Repair - one back wheel supplied and fitted cost	£80.00	£80.00	£84.00	£88.20	0.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 240 Litre	£45.50	£45.50	£47.80	£50.20	0.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 140 Litre	£31.26	£31.30	£32.90	£34.50	0.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 660 Litre	£319.50	£319.50	£335.50	£352.30	0.0%	
Place	Waste Resources	David Mackay	Special Uplift Charges	£25.20	£25.20	£26.50	£27.80	0.0%	
Place	Waste Resources	David Mackay	Special Uplift individual item Charges	£5.04	£5.00	£5.30	£5.60	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£5.81	£5.80	£6.10	£6.40	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£8.72	£8.70	£9.10	£9.60	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£15.97	£16.00	£16.80	£17.60	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£26.64	£26.60	£27.90	£29.30	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£31.07	£31.10	£32.70	£34.30	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 240 Litre bin	£6.27	£6.30	£6.60	£6.90	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 360 Litre bin	£9.41	£9.40	£9.90	£10.40	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 660 Litre bin	£17.23	£17.20	£18.10	£19.00	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 1100 Litre bin	£28.75	£28.80	£30.20	£31.70	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 1280 Litre bin	£33.54	£33.50	£35.20	£37.00	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£4.86	£4.90	£5.10	£5.40	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Garden Waste 240 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£17.38	£17.40	£18.30	£19.20	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 240 Litre bin	£0.00	£0.00	£0.00	£0.00	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 140 Litre bin	£0.00	£0.00	£0.00	£0.00	0.0%	
Place	Waste Resources	David Mackay	Subcontractor Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£6.17	£6.20	£6.50	£6.80	0.0%	
Place	Waste Resources	David Mackay	Subcontractor Commercial Refuse Scheduled Bin Uplift Garden Waste 240 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%	
Place	Waste Resources	David Mackay	Subcontractor Commercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£22.01	£22.00	£23.10	£24.30	0.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£2.91	£2.90	£3.00	£3.20	0.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£4.37	£4.40	£4.60	£4.80	0.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£7.99	£8.00	£8.40	£8.80	0.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£13.31	£13.30	£14.00	£14.70	0.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£15.53	£15.50	£16.30	£17.10	0.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 140 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£2.25	£2.30	£2.40	£2.50	0.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£3.36	£3.40	£3.60	£3.80	0.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£6.18	£6.20	£6.50	£6.80	0.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2021/22) £	Proposed Charge (2022/23)	Indicative Charge (2023/24)	Indicative Charge (2024/25)	Basis of increase %	Note
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£10.29	£10.30	£10.80	£11.30	0.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£11.96	£12.00	£12.60	£13.20	0.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Food/Organic 140 Litre Bin	£2.44	£2.40	£2.50	£2.60	0.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Garden Waste 240 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Food/Organic 500 Litre Bin	£8.68	£8.70	£9.10	£9.60	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 140 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£4.48	£4.50	£4.70	£4.90	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£6.74	£6.70	£7.00	£7.40	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£12.34	£12.30	£12.90	£13.50	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£20.57	£20.60	£21.60	£22.70	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£23.93	£23.90	£25.10	£26.40	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 140 Litre bin	£3.68	£3.70	£3.90	£4.10	0.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£1.69	£1.70	£1.80	£1.90	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 140 Litre bin	£1.84	£1.80	£1.90	£2.00	0.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£3.39	£3.40	£3.60	£3.80	0.0%	
Place	Waste Resources	David Mackay	Sack Sales Pre-Paid - Trade Recycling per 100	£125.66	£125.70	£132.00	£138.60	0.0%	
Place	Waste Resources	David Mackay	Sack Sales Pre-Paid - Trade Waste per 50	£121.79	£121.80	£127.90	£134.30	0.0%	
Place	Waste Resources	David Mackay	Sub contract Sack Sales Pre-Paid - Trade Recycling per 100	£134.15	£134.20	£140.90	£147.90	0.0%	
Place	Waste Resources	David Mackay	Sub contract Sack Sales Pre-Paid - Trade Waste per 50	£133.06	£133.10	£139.80	£146.80	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 240 Litre bin	£3.14	£3.10	£3.30	£3.50	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 360 Litre bin	£4.70	£4.70	£4.90	£5.10	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 660 Litre bin	£8.62	£8.60	£9.00	£9.50	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 1100 Litre bin	£14.37	£14.40	£15.10	£15.90	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 1280 Litre bin	£16.77	£16.80	£17.60	£18.50	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 240 Litre bin	£2.44	£2.40	£2.50	£2.60	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 360 Litre bin	£3.64	£3.60	£3.80	£4.00	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 660 Litre bin	£6.66	£6.70	£7.00	£7.40	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 1100 Litre bin	£11.10	£11.10	£11.70	£12.30	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 1280 Litre bin	£12.92	£12.90	£13.50	£14.20	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Food/Organic Waste 140 Litre bin	£3.09	£3.10	£3.30	£3.50	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Food/Organic Waste 500 Litre bin	£11.00	£11.00	£11.60	£12.20	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 240 Litre bin	£4.85	£4.90	£5.10	£5.40	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 360 Litre bin	£7.27	£7.30	£7.70	£8.10	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 660 Litre bin	£13.31	£13.30	£14.00	£14.70	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 1100 Litre bin	£22.21	£22.20	£23.30	£24.50	0.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 1280 Litre bin	£25.81	£25.80	£27.10	£28.50	0.0%	
Place	Waste Resources	David Mackay	Event container delivery & uplift	£69.46	£69.50	£73.00	£76.70	0.0%	
Place	Waste Resources	David Mackay	Contamination charge - 140/240/360 ltr bins	£17.37	£17.40	£18.30	£19.20	0.0%	
Place	Waste Resources	David Mackay	Contamination charge - 500/660/1100/1280 ltr bins	£40.52	£40.50	£42.50	£44.60	0.0%	
Place	Waste Resources	David Mackay	Container retrieval - 140/240/360 ltr bins	£17.37	£17.40	£18.30	£19.20	0.0%	
Place	Waste Resources	David Mackay	Container retrieval - 500/660/1100/1280 ltr bins	£40.52	£40.50	£42.50	£44.60	0.0%	
Place	Waste Resources	David Mackay	Arran Yellow Tip Permit	£58.68	£58.70	£61.60	£64.70	0.0%	
Place	Waste Resources	David Mackay	Arran Blue Tip Permit	£97.71	£97.70	£102.60	£107.70	0.0%	
Place	Waste Resources	David Mackay	Green - Treatment per Te	£57.89	£57.90	£60.80	£63.80	0.0%	
Place	Waste Resources	David Mackay	Soil - Treatment per Te	£34.73	£34.70	£36.40	£38.20	0.0%	
Place	Waste Resources	David Mackay	Scrap - Treatment per Te	£34.73	£34.70	£36.40	£38.20	0.0%	
Place	Waste Resources	David Mackay	Wood - Treatment per Te	£34.73	£34.70	£36.40	£38.20	0.0%	
Place	Waste Resources	David Mackay	Plastics - Treatment per Te	£57.89	£57.90	£60.80	£63.80	0.0%	
Place	Waste Resources	David Mackay	Bricks/rubble - Treatment per Te	£34.73	£34.70	£36.40	£38.20	0.0%	
Place	Waste Resources	David Mackay	Lampheads - Treatment per Te	£34.73	£34.70	£36.40	£38.20	0.0%	
Place	Waste Resources	David Mackay	Void Uplift bin charge (Up to full set)	£50.23	£50.20	£52.70	£55.30	0.0%	
Place	Waste Resources	David Mackay	Special Uplift Squad - 30 min	£50.23	£50.20	£52.70	£55.30	0.0%	
Place	Waste Resources	David Mackay	Special Uplift Squad - 60 min	£100.45	£100.50	£105.50	£110.80	0.0%	
Place	Waste Resources	David Mackay	Special Uplift - disposal - 1/4te	£37.40	£37.40	£39.30	£41.30	0.0%	
Place	Waste Resources	David Mackay	Special Uplift - disposal - 1/2te	£74.79	£74.80	£78.50	£82.40	0.0%	
Place	Waste Resources	David Mackay	Special Uplift - disposal - Te	£149.58	£149.60	£157.10	£165.00	0.0%	
Place	Waste Resources	David Mackay	Special uplift - Confidential waste per bag	£6.22	£6.20	£6.50	£6.80	0.0%	
Place	Waste Resources	David Mackay	Direct disposal and treatment EFW per Te	£149.58	£149.60	£157.10	£165.00	0.0%	

	North Ayrshire Council General Services Revenue Budget 2022-23										
	Summary by Directorate										
	Subjective Analysis										
	Other Agencies, Bodies & Persons										
Directorate	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000	
Chief Executives	16,430	68	2,971	26	1,325	2,026	628	0	0	(4,121)	19,352
Communities	119,368	403	17,064	114	549	12,198	580	0	78	(2,456)	147,898
Place	55,892	21,672	14,054	7,158	1,071	17,297	0	278	0	(50,917)	66,505
Other Corporate Items	1,895	355	13,801	302	351	4,830	48,095	504	15,734	(48,724)	37,144
Total Expenditure	193,585	22,498	47,891	7,601	3,295	36,350	49,303	782	15,812	(106,218)	270,899
Health & Social Care Partnership											109,811
Revised Total Expenditure	193,585	22,498	47,891	7,601	3,295	36,350	49,303	782	15,812	(106,218)	380,710

Funded by:

AEF						150				(318,600)	(318,450)
Council Tax							11,621			(73,881)	(62,260)
Contribution from Reserves										0	0
Total Funding	0	0	0	0	0	150	11,621	0	0	(392,481)	(380,710)

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2022-23										
	Finance & Corporate Support										
	Subjective Analysis										
	Other Agencies,										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Chief Executive's Office	188	0	0	1	0	0	0	0	0	0	190
Change Programme	1	0	0	0	0	0	0	0	0	0	1
Audit,Fraud,Safety & Insurance	758	61	16	5	13	7	0	0	0	(297)	564
Corporate Procurement	957	0	11	2	7	96	0	0	0	(108)	966
Financial Services	1,353	0	90	1	23	2	0	0	0	(168)	1,300
Revenues	535	0	51	1	164	0	0	0	0	(1,289)	(538)
Employee Services	855	0	57	0	13	5	0	0	0	(31)	898
HR & OD	686	0	21	0	32	422	0	0	0	(65)	1,096
ICT	3,204	0	2,248	5	17	0	0	0	0	(239)	5,235
Business Support	1,383	0	5	0	7	0	0	0	0	(135)	1,259
Customer Services	2,455	0	251	2	58	1,153	628	0	0	(922)	3,624
Transformation Services	728	0	9	1	2	22	0	0	0	0	762
Legal & Licensing	1,101	0	33	5	42	0	0	0	0	(717)	463
Policy,Performance & Elections	427	0	21	2	21	7	0	0	0	0	477
Communications	451	0	9	1	9	0	0	0	0	(7)	464
Civil Contingencies	0	0	0	0	1	60	0	0	0	0	61
Committee Services	527	6	114	1	11	61	0	0	0	(112)	608
Member Services	306	0	32	0	899	88	0	0	0	(8)	1,317
Information Governance	418	0	2	0	5	0	0	0	0	(21)	404
Growth & Investment	98	0	0	0	0	103	0	0	0	0	202
Total	16,430	68	2,971	26	1,325	2,026	628	0	0	(4,121)	19,352

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2022-23										
	Education & Youth Employment										
	Subjective Analysis										
	Other Agencies, Bodies & Persons										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000	
Early Years Education	15,176	9	507	6	96	4,474	0	0	0	(146)	20,122
Primary Education	35,916	0	2,096	9	28	141	0	0	0	(55)	38,134
Secondary Education	38,368	0	13,361	8	24	167	0	0	0	(63)	51,865
Additional Support Needs	13,758	0	56	50	50	1,939	0	0	0	(267)	15,586
Attainment Challenge	0	0	0	(2)	0	0	0	0	0	0	(2)
Pupil Equity Fund	4,212	0	0	0	0	0	0	0	0	0	4,212
Education - Other	5,486	156	204	10	204	1,226	580	0	78	(1,334)	6,610
Connected Communities	6,451	238	840	33	148	4,251	0	0	0	(590)	11,370
Total	119,368	403	17,064	114	549	12,198	580	0	78	(2,456)	147,898

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2022-23										
	Place										
	Subjective Analysis										
	Other Agencies,										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Directorate and Support	244	0	7	0	13	0	0	0	0	(23)	241
Building Services	9,189	146	5,410	459	11	3,002	0	0	0	(20,757)	(2,539)
Building Services -Works Scoping & QA	783	0	0	11	2	0	0	0	0	(801)	(5)
Building Services -Property Governance	688	5	41	3	108	61	0	0	0	(908)	(3)
Facilities Management	12,764	964	5,009	22	97	14	0	0	0	(3,479)	15,391
Protective Services	1,749	0	59	25	17	179	0	0	0	(710)	1,320
Other Housing	4,371	2,297	123	45	70	1,883	0	200	0	(6,121)	2,868
Roads	4,177	28	2,029	36	189	1,454	0	0	0	(1,461)	6,452
Streetscene	6,682	200	401	129	51	216	0	0	0	(2,866)	4,813
Waste Resources	4,938	20	389	161	95	6,467	0	78	0	(2,780)	9,368
Economic Policy	182	0	0	0	4	38	0	0	0	0	225
Economic Development	3,028	31	19	19	29	1,235	0	0	0	(477)	3,883
Planning	742	0	101	5	22	30	0	0	0	(608)	292
Internal Transport	1,675	29	130	6,191	18	2,401	0	0	0	(756)	9,688
Energy & Sustainability	487	4,725	5	1	4	168	0	0	0	(682)	4,708
PMI	4,193	13,228	330	51	341	150	0	0	0	(8,490)	9,804
Total	55,892	21,672	14,054	7,158	1,071	17,297	0	278	0	(50,917)	66,505

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2020-21										
	Other Corporate Items										
	Subjective Analysis										
	Other Agencies,										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Joint Boards	0	0	0	0	0	3,561	0	0	0	0	3,561
Pension Costs	1,895	0	0	0	0	0	0	0	0	0	1,895
Loan Charges & Capital Charges	0	0	0	0	0	0	0	0	15,734	(80)	15,654
Central Telephones	0	0	0	0	86	0	0	0	0	0	86
Other Corporate Items	0	0	13,801	0	0	0	0	304	0	0	14,105
Insurance	0	355	0	302	265	1,269	0	0	0	(2,191)	0
Housing Benefit	0	0	0	0	0	0	48,095	200	0	(46,453)	1,843
Total	1,895	355	13,801	302	351	4,830	48,095	504	15,734	(48,724)	37,144

NORTH AYRSHIRE COUNCIL

2 March 2022

North Ayrshire Council

Title:	Capital Investment Programme 2022/23 to 2030/31
Purpose:	To advise Council on the draft Capital Investment Programme to 2030/31
Recommendation:	That Council : <ul style="list-style-type: none"> (a) approves the refreshed Capital Investment Programme to 2030/31 included in appendix 3; (b) notes that the programme will be reviewed on an on-going basis with the next major review in 2023/24; and (c) approves the refreshed Capital Investment Strategy included in appendix 4.

1. Executive Summary

- 1.1 The General Services Capital Investment Programme 2021/22 to 2030/31 was approved by Council on 4 March 2021. This report outlines the recommendations of the refresh of the Capital Investment Programme carried out during 2021/22. The next full review of the Programme will be carried out during 2023/24.
- 1.2 The refresh has incorporated all funding sources to 2030/31, including assumed levels of general capital grant, specific grants and a prudent assessment of the level of capital receipts over the period. The balance of funding required to deliver the capital programme will be met through prudential borrowing and this is anticipated at £198.262m.
- 1.3 The refresh considered the current Capital Investment Programme and takes cognisance of subsequent changes, including:
 - The ongoing impact of the pandemic on the overall Capital Investment Programme;
 - Changes to funding from core capital grants and other sources of income;
 - A review of spending profiles across key capital projects to support the Council's priorities; and
 - Revised levels of investment across projects, taking cognisance of Council priorities, external funding sources and investing in core assets through asset management plans.

- 1.4 The proposed refreshed Capital Investment Programme aligned to the Council Plan priorities, attached in Appendix 3, will deliver a total programme of £409.642m to 2030/31.
- 1.5 Compliance with Regulations and the Prudential Code requires assurance to be provided on affordability and sustainability of the Capital Investment programme, this is provided in the Treasury Management and Investment Strategy (TMIS) which follows this report on the Council agenda. The TMIS recognises that this will require to be kept under review to ensure the underlying assumptions continue to apply.
- 1.6 The longer term affordability of the current and future Capital Investment Programmes requires incremental increases to the current General Fund financing budgets. This has already been included across the years 2022/23 to 2024/25. As part of the next major review of the capital programme, due to be undertaken during 2023/24, a further review of the available General Fund financing budgets will be carried out with a view to increasing the available funding to maintain these Programmes.
- 1.7 In addition to the TMIS, there is also a requirement for the Council to publish a Capital Investment Strategy (CIS). As part of the review of the Capital Investment Programme, a refresh of the current CIS has been undertaken during 2021/22. The refreshed Strategy is attached at Appendix 4.
- 1.8 The Capital Investment Programme will continue to be reviewed on an on-going basis with any additional funding requests brought forward for approval as appropriate. Major reviews will be undertaken on a 3-year basis, with the next due to be completed during 2023/24.

2. Background

Capital Investment Programme 2022/23 to 2030/31

- 2.1 North Ayrshire Council approved the current Capital Investment Programme for the period to 2021/22 to 2030/31 on 4 March 2021. A refresh of the programme was undertaken during 2021/22. This report contains the outcome of the refresh.

Review of Capital Funding

Capital Grant Funding

- 2.2 Local Government Finance Circular 9/2021 confirmed the level of General Capital Grant as £13.150m for 2022/23. This includes £2.778m capital flood grant to support the ongoing schemes, £0.567m to support bridges infrastructure projects and £9.805m of General Capital Grant. Projected at this level to 2030/31, the total General Capital Grant for the period is forecast as £104.984m, including £16.172m of flooding grant over the remaining span of the programme.
- 2.3 In addition to the General Capital Grant, the Council will receive two Specific Grants:
 - £1.320m to tackle Vacant and Derelict Land with projects requiring Scottish Government approval; and
 - £0.588m, to fund Cycling, Walking and Safer Streets (CWSS).

2.4 The programme also includes previous Specific Grant allocations which have been carried over into 2022/23 in line with revised project plans, including:

- £0.464m for the expansion of Early Learning and Childcare;
- £2.390m from the 2021/22 Vacant and Derelict Land allocation;
- £0.523m from the 2021/22 CWSS allocation; and
- £0.706m in relation to the Place Based Investment Programme.

2.5 The Local Government Finance Circular also indicated that a further £30m was being made available across Scotland to support capital investment associated with the expansion of Free School Meals provision. Although it is anticipated that North Ayrshire Council will receive an allocation from this sum, it remains undistributed at this time and no provision for grant in relation to this has been included at this time.

Levelling Up Fund

2.6 The UK Government has confirmed that North Ayrshire Council has been awarded £23.693m from the Levelling Up Fund to support the upgrading of the B714 to improve connectivity between North Ayrshire and the wider motorway network. The award is subject to approval of a full business case and the provision of 10% match funding. This has been achieved through a £2.370m allocation from the Recovery and Renewal Fund.

Capital Receipts

2.7 A review of projected income from capital receipts has been undertaken during 2021/22. This is forecast to realise income of £2.790m over the period of the programme in relation to the sale of other Council owned assets.

Other External Funding

2.8 The programme includes funding from the Scottish and UK Governments to support the Ayrshire Growth Deal. The total anticipated funding is £59.000m which has been aligned to the latest programme planning information. It is recognised that expenditure profiles and funding will be subject to ongoing review on a pan Ayrshire basis.

2.9 In relation to additional grant funding from other external bodies, given the level of uncertainty around securing these funds, only those funds which have been confirmed, but not yet drawn-down, have been included. This includes an additional grant of £0.800m confirmed by the North Ayrshire Ventures Trust (NAVT) in support of the Ardrossan marina project.

Prudential Borrowing

2.10 The difference between the Council's Capital Investment Programme and funding from the above sources is met through prudential borrowing of £198.262m. The proposed revisions to the Capital Investment Programme will be delivered within the approved loan charges revenue budget, utilising the balances held in the Prudential Investment Fund and Capital Fund to smooth the revenue implications of the borrowing costs associated with the revised programme.

Future Affordability

- 2.11 The Prudential Investment Fund was created as part of the 2015/16 budget strategy to utilise short term underspends on General Fund financing budgets to offset longer term pressures to support Prudential Borrowing arising from the Capital Investment Programme.
- 2.12 Due to the significant investment planned by North Ayrshire Council over the period to 2030/31, it is projected that these funds will be exhausted by the end of the current 10 year Capital Investment Programme. In order to ensure the affordability of current and future capital investments beyond the term of the current programme, it will be necessary to incrementally increase the current General Fund financing budgets over the remaining period of the programme.
- 2.13 An indicative pressure has been included within the Revenue Estimates 2022/23 to 2024/25 and, as part of the next major review of the capital programme due to be undertaken during 2023/24, a review of the available General Fund financing budgets will be carried out with a view to making appropriate provisions within future revenue budgets to maintain the affordability of the current and future capital programmes in the longer term.

Refresh of the Capital Investment Programme to 2030/31

- 2.14 The refresh of the Capital Investment Programme to 2030/31 incorporates the re-profiling of a number of projects to better reflect current projected timelines and revised levels of investment that take cognisance of the Council's key priorities, funding availability and lifecycle maintenance requirements informed through asset management plans.

Re-Profiling

- 2.15 A total of £47.481m of planned expenditure has been re-profiled from 2021/22 into 2022/23 to 2030/31 in line with updated project delivery timelines. Full details of individual projects re-phased from 2021/22 have been reported to Cabinet throughout the year.
- 2.16 In addition, planned capital expenditure over the remaining period of the capital investment programme in relation to the additional £7.000m core infrastructure investment secured as part of last year's budget has been reviewed, allocated and accelerated to support additional investment of £5.234m over 2022/23 and 2023/24 in key areas, including roads maintenance (with an additional £1.000m in 2022/23 and £0.500m in 2023/24), traffic calming schemes, decarbonisation of the Council's fleet and CCTV.
- 2.17 A review of the latest programme planning information in relation to the Ayrshire Growth Deal (AGD) has resulted in a re-profiling of all projects across the 2022/23 to 2030/31 period with the net acceleration of £4.312m of expenditure previously programmed beyond the current 10 year Capital Investment Programme.

New Projects linked to Revised Funding

- 2.18 Following a successful application to the UK Government's Levelling Up Fund, confirmation has been received of £23.693m of additional funding in relation to the proposed upgrading of the B714. The upgrading of the B714 will significantly improve connectivity within North Ayrshire and between North Ayrshire and Glasgow, the Central Belt and wider motorway network. Substantially increasing the potential for tourism and economic development and providing enhanced links to the Arran and Cumbrae Ferry services, contributing to the repopulation of our islands and rural areas. The award is subject to the provision of 10% match funding which has been achieved through a £2.370m allocation from the Council's Recovery and Renewal Fund. The total planned expenditure of £26.063m has been added to the Capital Investment Programme with £25.866m profiled for expenditure during the period 2022/23 to 2030/31.
- 2.19 The local government finance settlement 2022/23 has confirmed allocations in relation to the Vacant and Derelict Land Fund, £1.320m, and Local Bridges Infrastructure, £0.567m. Indicative expenditure budgets have been included in relation to both of these amounts pending the completion of detailed project plans which require to be agreed with the Scottish Government.

Additional Investments

- 2.20 Following completion of Stage 2 cost estimates in relation to the Ardrossan Campus development and, following this, from several value engineering workshops and further refinement of budgets across the wider Ardrossan North Shore development, this has resulted in a proposed additional investment of £12.210m over the next four years. This investment has been driven by anticipated cost increases, including the design of the passivhaus energy solution required to achieve the challenging energy targets set by Scottish Futures Trust (SFT), and construction inflation, which is reflective of the significant level of volatility being experienced across the construction industry at this time. It is important to note that the tender process for the two major construction contracts have yet to be completed and, as such, the position may be subject to further change. Options in relation to alternative sources of funding will continue to be explored and progressed to further mitigate this position. In particular, further engagement with SFT is ongoing as it is recognised that current market conditions have increased the costs relative to the proportionate level of funding already set by SFT. As part of the Council's financial planning, it is therefore prudent at this time to recognise the current level of market volatility and risk and make appropriate financial provision based on latest cost estimates.
- 2.21 Further development of the planned AGD Marine Tourism programme has identified a requirement for an additional £2.000m of investment to deliver two breakwaters, therefore increasing the capacity of Ardrossan marina, providing additional tourism and visitor activity and additional jobs and spend in local services. Additional funding of £0.800m has been secured through the North Ayrshire Ventures Trust (NAVT). The balance of investment of £1.200m will be initially supported by prudential borrowing. However, the cost of borrowing, along with maintenance and seabed rental costs, will be met from anticipated income from the marina facility.

- 2.22 In support of the planned expansion of Free School Meals provision a number of improvements to the current kitchen and dining facilities, including some major adaptations across the school estate, have been identified as being essential to increase capacity in line with the anticipated uptake. This has resulted in an anticipated additional cost of investment of £10.357m over the next two years to ensure the learning estate infrastructure can support the policy intent. Important discussions are ongoing via COSLA with the Scottish Government to seek additional capital grant funding to support this investment, however, it would be prudent at this time to include the anticipated cost of this investment in the Capital plan to reflect the fact there remains a risk that full funding will not be made available.
- 2.23 Significant cost risks have been identified across the current Capital Investment Programme linked mainly to the ongoing consequences from the pandemic. Similar to the risks identified in section 2.20 of the report, It is anticipated that these will result in increased contractor and material costs from construction inflation impacting on a number of projects. In order to support the management of these risks, it is proposed that an additional £10.000m investment is included within the Flexibility budget over the next four years.
- 2.24 The current approved Capital Investment Programme to 2030/31 is attached at appendix 1. Full details of the proposed changes to the programme following the refresh, as outlined above, are included in appendix 2. The revised Capital Investment Programme covering the period from 2022/23 to 2030/31 is included in appendix 3. This will deliver a total programme of investment of £409.642m.

Revenue Implications

- 2.25 The revenue implications of both the individual projects included within the draft Programme and the additional borrowing costs associated with the overall draft Programme have been incorporated within the Medium Term Financial Plan 2022/23 to 2024/25. Any further revenue implications associated with those projects which are still to be finalised will be reported once the detailed business cases have been finalised.

Treasury Management and Investment Strategy (TMIS)

- 2.26 Compliance with Regulation and the Prudential Code requires assurance to be provided on affordability and sustainability of the Capital Investment Programme. This is provided in the Treasury Management and Investment Strategy (TMIS) which follows this report on the Council agenda. The TMIS recognises that this will require to be kept under review to ensure the underlying assumptions continue to apply.

Capital Investment Strategy

- 2.27 In addition to the TMIS there is also a requirement for the Council to publish a Capital Investment Strategy (CIS) which provides the overarching framework under which the draft Capital Investment Programme has been developed. The current CIS was approved by Council on 4 March 2021. During 2021/22 this has been refreshed with the revised CIS included at Appendix 4.

Conclusion

- 2.28 The refreshed Capital Investment Programme 2022/23 to 2030/31, including proposed funding, is attached at Appendix 3. This confirms total investment of £409.642m over the period and recognises a significant level of construction cost volatility. The proposed investment aligns with the Council's key priorities, as set out in the Council Plan 2019-2024, core asset management plans and the refreshed Capital Investment Strategy, included at Appendix 4. Key aspects of this investment will support an economic and green recovery and create employment opportunities through a Community Wealth Building approach.
- 2.29 The programme is affordable based on the estimated funding streams set out in the 2022/23 to 2024/25 Medium Term Financial Plan and the Long Term Financial Outlook 2021/22 to 2030/31 considered at Council on 16 December 2020. The affordability of the Programme is highlighted in the Treasury Management and Investment Strategy reported elsewhere on the Agenda and a review of the longer term affordability of the programme will be reviewed as part of the next major review of the capital programme during 2023/24.

3. Proposals

- 3.1 It is proposed that Council :
- (a) approves the refreshed Capital Investment Programme to 2030/31 included in appendix 3;
 - (b) notes that the programme will be reviewed on an on-going basis with the next major review in 2023/24; and
 - (c) approves the refreshed Capital Investment Strategy included in appendix 4.

4. Implications/Socio-economic Duty

Financial

- 4.1 The revised capital programme is based on a number of assumptions around the availability of finance including capital grant and capital receipts. Given the forward projection for 10 years, it is essential that these and the cost of projects are kept under review.

There are a number of assumptions underpinning the current revenue projection including; the level of loans fund support, the level of future interest rates, delivery of the programme within the timelines outlined in the programme and application of the Capital Fund and the Prudential Investment Fund to smooth the revenue implications across the life of the plan.

Due to the long term nature of the borrowing required to support this programme, a review of available financing budgets will require to be undertaken with a view to increasing the available funding to maintain the future affordability of the current and future capital programmes.

Human Resources

- 4.2 Through investment in the Capital Investment Programme it is anticipated there will be additional staffing requirements. This will be considered on a programme and project basis.

Legal

- 4.3 None.

Equality/Socio-economic

- 4.4 Where the Council is making decisions in relation to its spending priorities, it is obliged to comply with the public sector equality duty set out in the Equalities Act 2010. To meet this requirement, the Council assesses the impact of applying a decision against key groups to ensure that certain groups are not disadvantaged by those decisions. A number of the projects within the revised capital programme, will make a positive contribution to the Council's commitment to equalities.

Environmental and Sustainability

- 4.5 All projects within the revised plan will be delivered to minimise the impact on the environment and maximise sustainability. Further, specific projects within the plan will have a positive environmental impact, in particular, through a number of sustainability projects.

Key Priorities

- 4.6 The refreshed Capital Investment Programme 2022/23 to 2030/31 supports the delivery of the outcomes as outlined in the Council Plan 2019-2024.

Community Wealth Building

- 4.7 The Council will aim to maximise opportunities within the context of the 5 pillars of Community Wealth Building from its investment programme. In particular, Ayrshire Growth Deal and growth and investment projects will make a positive contribution to economic regeneration across the region.

5. Consultation

- 5.1 Executive Directors have been consulted as part of the review the current capital investment programme and the identification of the proposed revisions and additions to the programme detailed in this report. In addition, a number of specialist technical assessments have been undertaken reflecting the current level of construction cost volatility.

Mark Boyd
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

Background Papers

Capital Investment Programme 2021/22 to 2030/31 – North Ayrshire Council 4 March 2021

North Ayrshire Council Approved Capital Programme 2022/23 - 2030/31 (BASE)											
Project Description		22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	28/29 £	29/30 £	30/31 £	Total £
EXPENDITURE	Category										
Communities											
Moorpark Primary	Specific Project	4,286,175									4,286,175
Montgomerie Park School	Specific Project	8,311,063	5,480,909								13,791,972
Schools ICT Investment	Specific Project	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000	6,768,000
Ardrossan New Build	Specific Project	12,745,000	31,278,934	18,547,775	1,070,000						63,641,709
Sub Total		26,094,238	37,511,843	19,299,775	1,822,000	752,000	752,000	752,000	752,000	752,000	88,487,856
Chief Executive											
ICT Investment Fund	Specific Project	481,000	255,000	288,400	282,600	702,600	297,600	282,600	282,600	297,600	3,170,000
WAN	Specific Project						500,000				500,000
LAN/WiFi	Specific Project						1,500,000				1,500,000
Telephony	Specific Project						650,000				650,000
Growth & Investment											
AGD - i3 Digilab Phase 1	External Funding	500,000	400,000								900,000
AGD - i3 Digilab Phase 2	External Funding		2,100,000	2,000,000	900,000						5,000,000
AGD - i3 Flexible Business Space	External Funding	1,500,000	2,000,000	2,000,000	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000		13,500,000
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy	External Funding				1,400,000	4,000,000	5,000,000	4,000,000	2,500,000		16,900,000
AGD - Irvine Harbourside Ardeer (The Great Harbour)	External Funding	3,000,000	3,250,000	3,500,000	1,500,000	1,000,000	500,000				12,750,000
AGD - Ardrossan (IMSE)	External Funding							226,450	750,000	2,000,000	2,976,450
AGD - Marine Tourism	External Funding	2,750,000	1,500,000	500,000			1,000,000	1,500,000	1,500,000		8,750,000
Ardrossan Harbour & Landside	Specific Project	2,085,000	1,390,000								3,475,000
Low Carbon Hub	Specific Project	609,105									609,105
Sub Total		10,925,105	10,895,000	8,288,400	6,082,600	7,202,600	10,947,600	7,509,050	6,532,600	2,297,600	70,680,555
Health & Social Care Partnership											
Community Alarms - Analogue to Digital	Specific Project	330,000	333,000	333,000							996,000
Care First Replacement	Specific Project	50,000									50,000
Sub Total		380,000	333,000	333,000							1,046,000

North Ayrshire Council Approved Capital Programme 2022/23 - 2030/31 (BASE)											
Project Description		22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	28/29 £	29/30 £	30/31 £	Total £
Place											
Roads Improvement / Reconstruction	Recurring	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	34,200,000
Lighting	Recurring	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	9,250,000
Upper Garnock FPS	External Funding	2,914,022									2,914,022
Millport Coastal FPS	External Funding	9,923,304	12,635,000	3,874,768							26,433,072
Millport Pier	Specific Project			349,920							349,920
Millburn FPS	External Funding	892,283	234,000								1,126,283
Bridges infrastructure programme	Recurring	736,396	560,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000	5,216,396
Largs Promenade Seawall	Specific Project	80,000	2,725,532	42,000							2,847,532
Property lifecycle investment	Recurring	1,300,000	1,000,000	1,000,000	1,000,000	1,000,000	1,100,000	1,000,000	1,000,000	1,000,000	9,400,000
Improvement grants	Recurring	500,000	500,000	500,000	500,000	500,000	500,000				3,000,000
Cemeteries Replacement Programme	Specific Project	741,813	923,719	585,335	527,257	23,042					2,801,166
Cemeteries Infrastructure Investment	Specific Project	330,983	330,983	330,983	330,981						1,323,930
Vehicles	Recurring	1,500,000	1,500,000	1,022,023	2,000,000	2,977,977	2,000,000	2,000,000	2,000,000	2,000,000	17,000,000
Core Infrastructure, property and Vehicles Renewal Investment	Recurring	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	6,300,000
Shewalton landfill	Specific Project						150,000				150,000
Solar PV Investment	Specific Project	2,256,000									2,256,000
Millport Cars	Specific Project	28,083									28,083
Montgomerie Park Masterplan	Specific Project	100,000			50,000	100,000	850,000	350,000	490,000	500,000	2,440,000
Lochshore, Kilbirnie	Specific Project	500,000									500,000
VDLF - Annickbank Ph 3	External Funding	849,205									849,205
Cycling / Walker / Safer Streets	External Funding	590,000	590,000	590,000	590,000	590,000	590,000	590,000	590,000	590,000	5,310,000
Access Paths Network Programme	Specific Project	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	450,000
Sub Total		29,042,089	26,549,234	14,405,029	11,108,238	11,301,019	11,300,000	10,050,000	10,190,000	10,200,000	134,145,609
Other											
Flexibility / Infrastructure Fund	Specific Project						62,125			1,108,254	1,170,379
Sub Total							62,125			1,108,254	1,170,379
TOTAL EXPENDITURE		66,441,432	75,289,077	42,326,204	19,012,838	19,255,619	23,061,725	18,311,050	17,474,600	14,357,854	295,530,399
		22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	28/29 £	29/30 £	30/31 £	Total £
INCOME											
Prudential Borrowing		37,796,758	48,714,392	24,001,773	4,480,556	2,147,465	4,625,000	799,260	875,555		123,440,759
Specific Grants - AGD		5,627,569	5,537,685	4,458,431	3,765,282	6,341,154	8,019,725	7,094,790	6,182,045	1,855,854	48,882,535
Specific Grants - Cycling, Walking & Safer Streets		590,000	590,000	590,000	590,000	590,000	590,000	590,000	590,000	590,000	5,310,000
Specific Grants - Flooding		9,346,000	10,295,000	3,099,000							22,740,000
General Capital Grant		9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	88,443,000
Investment Fund		1,500,000									1,500,000
Grants & Contributions		1,259,105									1,259,105
Sale of land & buildings		455,000	325,000	350,000	350,000	350,000				2,085,000	3,915,000
Sale of vehicles		40,000									40,000
TOTAL INCOME		66,441,432	75,289,077	42,326,204	19,012,838	19,255,619	23,061,725	18,311,050	17,474,600	14,357,854	295,530,399

North Ayrshire Council Proposed Changes to Capital Programme 2022/23 - 2030/31											
Project Description		Changes 22/23 £	Changes 23/24 £	Changes 24/25 £	Changes 25/26 £	Changes 26/27 £	Changes 27/28 £	Changes 28/29 £	Changes 29/30 £	Changes 30/31 £	Total £
EXPENDITURE	Category										
Communities											
Marress House	External Funding	943,019									943,019
Lamlash Early Years	External Funding	14,818									14,818
Pirnmill Early Years	External Funding	50,368									50,368
Shiskine Early Years	External Funding	33,420									33,420
Corrie Early Years	External Funding	37,161									37,161
Kilmory Early Years	External Funding	28,486									28,486
Brodick Early Years	External Funding	300,000									300,000
Moorpark Primary	Specific Project	1,572,287									1,572,287
Montgomerie Park School	Specific Project	728,916	(422,451)								306,465
Universal Free School Meals Expansion	Specific Project	9,229,000	1,128,000								10,357,000
Kilwinning Estate Learning Env't	Specific Project	199,651									199,651
Ayrshire College Development	Specific Project	200,000									200,000
Ardrossan New Build	Specific Project	(829,883)	4,800,000	2,800,000	200,000						6,970,117
Abbey Tower	Specific Project	70,900									70,900
Sub Total		12,578,143	5,505,549	2,800,000	200,000						21,083,692
Chief Executive											
ICT Investment Fund	Specific Project	127,384									127,384
WAN	Specific Project	40,000									40,000
LAN/WiFi	Specific Project	790,000									790,000
Telephony	Specific Project	230,000									230,000
Growth & Investment											
AGD - i3 Digilab Phase 1	External Funding	(5,449)	(150,000)	250,000							94,551
AGD - i3 Digilab Phase 2	External Funding	424,449	(1,100,000)	897,000	(400,550)						(179,101)
AGD - i3 Flexible Business Space	External Funding	50,000	319,964	946,078	1,506,500	805,000	373,500	(1,410,000)	(1,500,000)		1,091,042
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy	External Funding	230,000	200,000	338,000	2,000,000	(600,000)	(1,600,000)	(600,000)	884,504		852,504
AGD - Irvine Harbourside Ardeer (The Great Harbour)	External Funding	(2,100,000)	(1,200,000)	3,078,000	2,670,784	(1,000,000)	(500,000)				948,784
AGD - Ardrossan (IMSE)	External Funding	174,000	250,000	250,000	3,200,000	3,250,000	3,252,759	(226,450)	(750,000)	(2,000,000)	7,400,309
AGD - Marine Tourism	External Funding	(2,249,950)	(900,000)	4,200,000	3,592,150	1,711,050	(889,000)	(1,500,000)	(1,500,000)		2,464,250
Ardrossan Harbour & Landside	Specific Project	(1,985,000)	(640,000)	2,000,000	794,655						169,655
Irvine Enterprise Area	Specific Project	103,079									103,079
Low Carbon Hub	Specific Project	1,162,982									1,162,982
Ardrossan North Shore	External Funding	24,193,368									24,193,368
VDLF - Harbour Masters Office	External Funding	90,147									90,147
VDLF - I3 Irvine Enterprise	External Funding	49,262									49,262
Sub Total		21,324,272	(3,220,036)	11,959,078	13,363,539	4,166,050	637,259	(3,736,450)	(2,865,496)	(2,000,000)	39,628,216
Health & Social Care Partnership											
Care First Replacement	Specific Project	111,535									111,535
Sub Total		111,535									111,535

North Ayrshire Council											
Proposed Changes to Capital Programme 2022/23 - 2030/31											
Project Description		Changes 22/23	Changes 23/24	Changes 24/25	Changes 25/26	Changes 26/27	Changes 27/28	Changes 28/29	Changes 29/30	Changes 30/31	Total
		£	£	£	£	£	£	£	£	£	£
Place											
Roads Improvement / Reconstruction	Recurring	1,000,000	500,000								1,500,000
Traffic Calming	Specific Project	175,000									175,000
Lighting	Recurring	300,000									300,000
LED Lighting Replacement	Specific Project	262,415									262,415
Millport Coastal FPS	External Funding	(158,403)									(158,403)
Bridges infrastructure programme	Recurring	567,000								(100,000)	467,000
B714 Improvements	Specific Project	857,907	8,305,898	16,702,478							25,866,283
Gallowgate Toilets	Specific Project	250,000									250,000
Parking Charges & DPE	Specific Project	178,875									178,875
Property lifecycle investment	Recurring	1,113,081									1,113,081
Industrial portfolio	Specific Project	430,713									430,713
HOME	Specific Project	3,916,040									3,916,040
BUILD	Specific Project	241,136									241,136
Emergency Control Ctr	Specific Project	158,000									158,000
CCTV Review	Specific Project	350,000									350,000
Improvement grants	Recurring							500,000	500,000	500,000	1,500,000
Cemetery extns, walls & infra	Specific Project	2,597	437,681	300,000	268,162	23,042					1,031,482
Knadgerhill Cemetery Extension	Specific Project	4,377									4,377
Kilwinning Cemetery	Specific Project	878,554									878,554
West Kilbride Cemetery	Specific Project	272,598									272,598
Stevenston Cemetery	Specific Project	318,039									318,039
Kilbirnie Cemetery	Specific Project	195,000	200,000	200,000							595,000
Ardrossan Cemetery	Specific Project	161,727	438,273	300,000							900,000
Kilbirnie Cemetery Wall	Specific Project	183,367	4,003								187,370
Beith Cemetery-Wall Repairs	Specific Project	85,182	1,860								87,042
Abbey Tower Cemetery Wall	Specific Project	93,020	2,030								95,050
Hawthill Cemetery-Wall Repairs	Specific Project	105,921	2,311								108,232
West Kilbride Cemetery Walls	Specific Project	96,911	2,115								99,026
Cemeteries Replacement Programme	Specific Project	(741,813)	(923,719)	(585,335)	(527,257)	(23,042)					(2,801,166)
Cemeteries Infrastructure Investment	Specific Project	(330,983)	(330,983)	(330,983)	(330,981)						(1,323,930)
Goldcraigs Refurbishment	Specific Project	509,000									509,000
Vehicles	Recurring	1,583,091	1,250,000								2,833,091
Vehicle Restraint System Upgrades	Specific Project	100,000									100,000
Core Infrastructure, property and Vehicles Renewal Investment	Recurring	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(6,300,000)
Solar PV Investment	Specific Project	4,468,560									4,468,560
PBIP 36 Bank Street	External Funding	706,000									706,000
Dockhead Street Saltcoats	Specific Project	100,000									100,000
Montgomerie Park Masterplan	Specific Project	(26,468)									(26,468)
Lochshore, Kilbirnie	Specific Project	254,137									254,137
Lochshore, Garnock Hub	External Funding	907,082									907,082
VDLF 2022/23 Allocation	External Funding	1,320,000									1,320,000
VDLF - Annickbank Ph 3	External Funding	107,550									107,550
VDLF - Dalry Rd Saltcoats	External Funding	1,985									1,985
Cycling / Walker / Safer Streets	External Funding	499,015	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	483,015
Access Paths Network Programme	Specific Project	400,673									400,673

North Ayrshire Council Proposed Changes to Capital Programme 2022/23 - 2030/31											
Project Description		Changes 22/23 £	Changes 23/24 £	Changes 24/25 £	Changes 25/26 £	Changes 26/27 £	Changes 27/28 £	Changes 28/29 £	Changes 29/30 £	Changes 30/31 £	Total £
Sub Total		21,196,886	9,187,469	15,884,160	(1,292,076)	(702,000)	(702,000)	(202,000)	(202,000)	(302,000)	42,866,439
Other											
Flexibility / Infrastructure Fund	Specific Project	2,500,000	2,500,000	2,500,000	2,500,000					422,146	10,422,146
Sub Total		2,500,000	2,500,000	2,500,000	2,500,000					422,146	10,422,146
TOTAL EXPENDITURE		57,710,836	13,972,982	33,143,238	14,771,463	3,464,050	(64,741)	(3,938,450)	(3,067,496)	(1,879,854)	114,112,028
		Changes 22/23 £	Changes 23/24 £	Changes 24/25 £	Changes 25/26 £	Changes 26/27 £	Changes 27/28 £	Changes 28/29 £	Changes 29/30 £	Changes 30/31 £	Total £
INCOME											
Prudential Borrowing		56,718,576	5,024,095	6,471,524	4,692,011	1,365,916	1,080,471	(285,660)	(245,955)		74,820,978
Specific Grants - AGD		(3,587,449)	639,489	9,543,236	10,453,452	2,472,134	(1,121,212)	(3,628,790)	(2,797,541)	(1,855,854)	10,117,465
Specific Grants - Early Learning & Childcare		464,253									464,253
Specific Grants - Cycling, Walking & Safer Streets		521,122	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	505,122
Specific Grants - Vacant & Derelict Funding		3,710,375									3,710,375
Specific Grants - Place Based Investment Programme		706,000									706,000
Specific Grants - Bridges Infrastructure		567,000									567,000
Specific Grants - B714 Improvements		857,907	8,305,898	14,332,478							23,496,283
Specific Grants - Flooding		(6,568,000)									(6,568,000)
General Capital Grant		(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(198,000)
CFCR		600,000									600,000
Investment Fund		3,218,975									3,218,975
Renewal & Recovery				2,370,000							2,370,000
Grants & Contributions		666,577		800,000							1,466,577
Sale of land & buildings		(142,500)	27,500	(350,000)	(350,000)	(350,000)					(1,165,000)
TOTAL INCOME		57,710,836	13,972,982	33,143,238	14,771,463	3,464,050	(64,741)	(3,938,450)	(3,067,496)	(1,879,854)	114,112,028

North Ayrshire Council Revised Capital Programme 2022/23 - 2030/31											
Project Description		Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
EXPENDITURE	Category										
Communities											
Marress House	External Funding	943,019									943,019
Lamlash Early Years	External Funding	14,818									14,818
Pirnmill Early Years	External Funding	50,368									50,368
Shiskine Early Years	External Funding	33,420									33,420
Corrie Early Years	External Funding	37,161									37,161
Kilmory Early Years	External Funding	28,486									28,486
Brodict Early Years	External Funding	300,000									300,000
Moorpark Primary	Specific Project	5,858,462									5,858,462
Montgomery Park School	Specific Project	9,039,979	5,058,458								14,098,437
Universal Free School Meals Expansion	Specific Project	9,229,000	1,128,000								10,357,000
Schools ICT Investment	Specific Project	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000	6,768,000
Kilwinning Estate Learning Env't	Specific Project	199,651									199,651
Ayrshire College Development	Specific Project	200,000									200,000
Ardrossan New Build	Specific Project	11,915,117	36,078,934	21,347,775	1,270,000						70,611,826
Abbey Tower	Specific Project	70,900									70,900
Sub Total		38,672,381	43,017,392	22,099,775	2,022,000	752,000	752,000	752,000	752,000	752,000	109,571,548
Chief Executive											
ICT Investment Fund	Specific Project	608,384	255,000	288,400	282,600	702,600	297,600	282,600	282,600	297,600	3,297,384
WAN	Specific Project	40,000					500,000				540,000
LAN/WiFi	Specific Project	790,000					1,500,000				2,290,000
Telephony	Specific Project	230,000					650,000				880,000
Growth & Investment											
AGD - i3 Digilab Phase 1	External Funding	494,551	250,000	250,000							994,551
AGD - i3 Digilab Phase 2	External Funding	424,449	1,000,000	2,897,000	499,450						4,820,899
AGD - i3 Flexible Business Space	External Funding	1,550,000	2,319,964	2,946,078	3,506,500	2,305,000	1,873,500	90,000			14,591,042
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy	External Funding	230,000	200,000	338,000	3,400,000	3,400,000	3,400,000	3,400,000	3,384,504		17,752,504
AGD - Irvine Harbourside Ardeer (The Great Harbour)	External Funding	900,000	2,050,000	6,578,000	4,170,784						13,698,784
AGD - Ardrossan (IMSE)	External Funding	174,000	250,000	250,000	3,200,000	3,250,000	3,252,759				10,376,759
AGD - Marine Tourism	External Funding	500,050	600,000	4,700,000	3,592,150	1,711,050	111,000				11,214,250
Ardrossan Harbour & Landside	Specific Project	100,000	750,000	2,000,000	794,655						3,644,655
Irvine Enterprise Area	Specific Project	103,079									103,079
Low Carbon Hub	Specific Project	1,772,087									1,772,087
Ardrossan North Shore	External Funding	24,193,368									24,193,368
VDLF - Harbour Masters Office	External Funding	90,147									90,147
VDLF - i3 Irvine Enterprise	External Funding	49,262									49,262
Sub Total		32,249,377	7,674,964	20,247,478	19,446,139	11,368,650	11,584,859	3,772,600	3,667,104	297,600	110,308,771
Health & Social Care Partnership											
Community Alarms - Analogue to Digital	Specific Project	330,000	333,000	333,000							996,000
Care First Replacement	Specific Project	161,535									161,535
Sub Total		491,535	333,000	333,000							1,157,535

North Ayrshire Council Revised Capital Programme 2022/23 - 2030/31											
Project Description		Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
Place											
Roads Improvement / Reconstruction	Recurring	4,800,000	4,300,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	35,700,000
Traffic Calming	Specific Project	175,000									175,000
Lighting	Recurring	1,550,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	9,550,000
LED Lighting Replacement	Specific Project	262,415									262,415
Upper Garnock FPS	External Funding	2,914,022									2,914,022
Millport Coastal FPS	External Funding	9,764,901	12,635,000	3,874,768							26,274,669
Millport Pier	Specific Project			349,920							349,920
Millburn FPS	External Funding	892,283	234,000								1,126,283
Bridges infrastructure programme	Recurring	1,303,396	560,000	560,000	560,000	560,000	560,000	560,000	560,000	460,000	5,683,396
Largs Promenade Seawall	Specific Project	80,000	2,725,532	42,000							2,847,532
B714 Improvements	Specific Project	857,907	8,305,898	16,702,478							25,866,283
Gallowgate Toilets	Specific Project	250,000									250,000
Parking Charges & DPE	Specific Project	178,875									178,875
Property lifecycle investment	Recurring	2,413,081	1,000,000	1,000,000	1,000,000	1,000,000	1,100,000	1,000,000	1,000,000	1,000,000	10,513,081
Industrial portfolio	Specific Project	430,713									430,713
HOME	Specific Project	3,916,040									3,916,040
BUILD	Specific Project	241,136									241,136
Emergency Control Ctr	Specific Project	158,000									158,000
CCTV Review	Specific Project	350,000									350,000
Improvement grants	Recurring	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,500,000
Cemetery extns, walls & infra	Specific Project	2,597	437,681	300,000	268,162	23,042					1,031,482
Knadgerhill Cemetery Extension	Specific Project	4,377									4,377
Kilwinning Cemetery	Specific Project	878,554									878,554
West Kilbride Cemetery	Specific Project	272,598									272,598
Stevenston Cemetery	Specific Project	318,039									318,039
Kilbirnie Cemetery	Specific Project	195,000	200,000	200,000							595,000
Ardrossan Cemetery	Specific Project	161,727	438,273	300,000							900,000
Kilbirnie Cemetery Wall	Specific Project	183,367	4,003								187,370
Beith Cemetery-Wall Repairs	Specific Project	85,182	1,860								87,042
Abbey Tower Cemetery Wall	Specific Project	93,020	2,030								95,050
Hawthill Cemetery-Wall Repairs	Specific Project	105,921	2,311								108,232
West Kilbride Cemetery Walls	Specific Project	96,911	2,115								99,026
Goldcraigs Refurbishment	Specific Project	509,000									509,000
Vehicles	Recurring	3,083,091	2,750,000	1,022,023	2,000,000	2,977,977	2,000,000	2,000,000	2,000,000	2,000,000	19,833,091
Vehicle Restraint System Upgrades	Specific Project	100,000									100,000
Shewalton landfill	Specific Project						150,000				150,000
Solar PV Investment	Specific Project	6,724,560									6,724,560
PBIP 36 Bank Street	External Funding	706,000									706,000
Dockhead Street Saltcoats	Specific Project	100,000									100,000
Millport Cars	Specific Project	28,083									28,083
Montgomerie Park Masterplan	Specific Project	73,532			50,000	100,000	850,000	350,000	490,000	500,000	2,413,532
Lochshore, Kilbirnie	Specific Project	754,137									754,137
Lochshore, Garnock Hub	Specific Project	907,082									907,082
VDLF 2022/23 Allocation	External Funding	1,320,000									1,320,000

North Ayrshire Council Revised Capital Programme 2022/23 - 2030/31											
Project Description		Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
VDLF - Annickbank Ph 3	External Funding	956,755									956,755
VDLF - Dalry Rd Saltcoats	External Funding	1,985									1,985
Cycling / Walker / Safer Streets	External Funding	1,089,015	588,000	588,000	588,000	588,000	588,000	588,000	588,000	588,000	5,793,015
Access Paths Network Programme	Specific Project	450,673	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	850,673
Sub Total		50,238,975	35,736,703	30,289,189	9,816,162	10,599,019	10,598,000	9,848,000	9,988,000	9,898,000	177,012,048
Other											
Flexibility / Infrastructure Fund	Specific Project	2,500,000	2,500,000	2,500,000	2,500,000		62,125			1,530,400	11,592,525
Sub Total		2,500,000	2,500,000	2,500,000	2,500,000		62,125			1,530,400	11,592,525
TOTAL EXPENDITURE		124,152,268	89,262,059	75,469,442	33,784,301	22,719,669	22,996,984	14,372,600	14,407,104	12,478,000	409,642,427
		Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
INCOME					£	£	£	£	£	£	£
Prudential Borrowing		94,515,334	53,738,487	30,473,297	9,172,567	3,513,381	5,705,471	513,600	629,600		198,261,737
Specific Grants - AGD		2,040,120	6,177,174	14,001,667	14,218,734	8,813,288	6,898,513	3,466,000	3,384,504		59,000,000
Specific Grants - Early Learning & Childcare		464,253									464,253
Specific Grants - Cycling, Walking & Safer Streets		1,111,122	588,000	588,000	588,000	588,000	588,000	588,000	588,000	588,000	5,815,122
Specific Grants - Vacant & Derelict Funding		3,710,375									3,710,375
Specific Grants - Place Based Investment Programme		706,000									706,000
Specific Grants - Bridges Infrastructure		567,000									567,000
Specific Grants - B714 Improvements		857,907	8,305,898	14,332,478							23,496,283
Specific Grants - Flooding		2,778,000	10,295,000	3,099,000							16,172,000
General Capital Grant		9,805,000	9,805,000	9,805,000	9,805,000	9,805,000	9,805,000	9,805,000	9,805,000	9,805,000	88,245,000
CFCR		600,000									600,000
Investment Fund		4,718,975									4,718,975
Renewal & Recovery				2,370,000							2,370,000
Grants & Contributions		1,925,682		800,000							2,725,682
Sale of land & buildings		312,500	352,500							2,085,000	2,750,000
Sale of vehicles		40,000									40,000
TOTAL INCOME		124,152,268	89,262,059	75,469,442	33,784,301	22,719,669	22,996,984	14,372,600	14,407,104	12,478,000	409,642,427

Capital Investment Strategy 2022- 31

Introduction

The Capital Investment Strategy for North Ayrshire Council provides an overview of how capital expenditure plans, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of North Ayrshire communities and citizens. This refreshed strategy takes a long-term view and covers the period from 2022 to 2031. This is aligned to the Capital Investment Programme.

The Capital Investment Strategy is a reporting requirement of the CIPFA Prudential Code. Local authorities produce many plans and strategies in the course of their operations, however, it is recognised that within the context of capital planning, there is a need to produce an overarching view that addresses the following key considerations: -

- Ensuring that capital plans are aligned to the strategic priorities as set out in the Council Plan.
- Ensuring that capital plans are affordable, prudent and sustainable.
- Demonstrating the linkage to local strategic planning and local asset management planning.
- Ensuring that financing decisions are taken in accordance with good professional practice and a full understanding of the risks involved.
- Demonstrating the Council has robust governance arrangements to support its capital planning activities

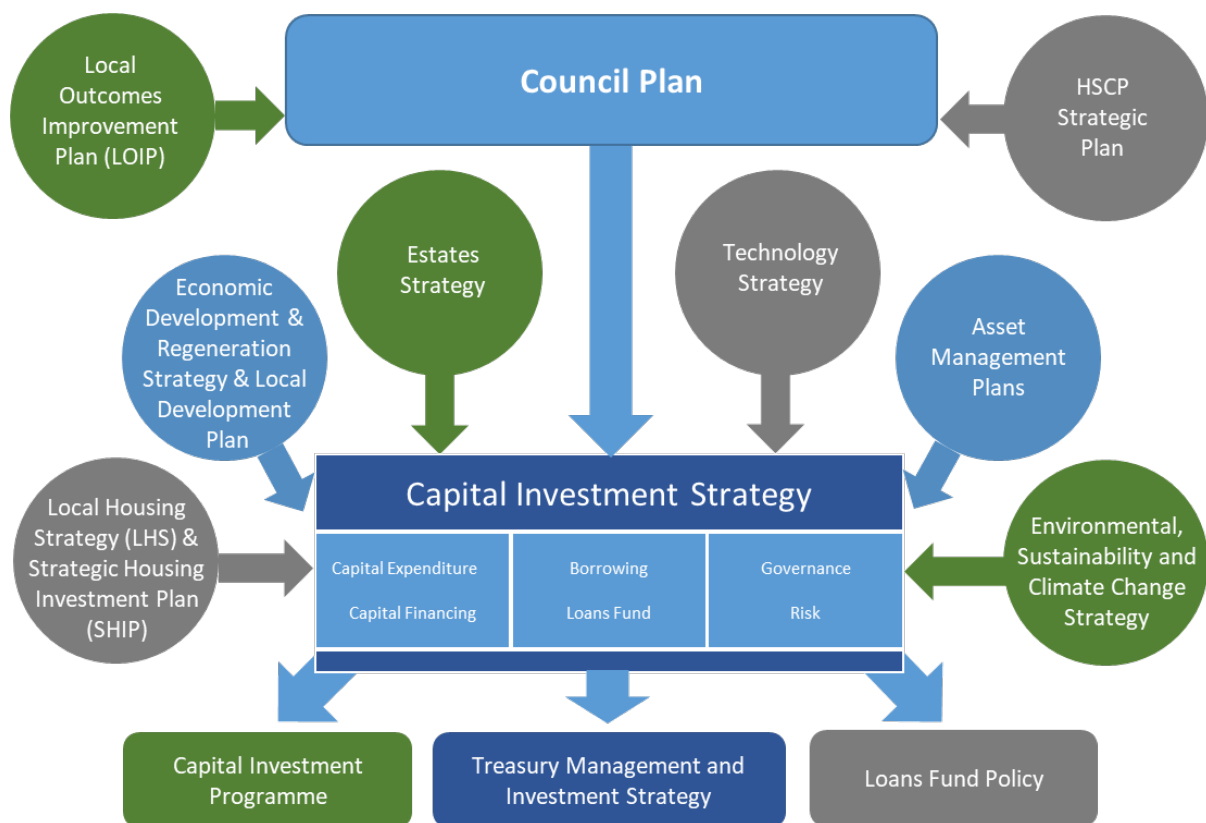
In December 2021 CIPFA published a revised Prudential Code and a revised Treasury management Code. It should be noted that the 2021 Prudential Code applies with immediate effect. However, Councils may defer introducing the revised reporting requirements until the 2023/24 financial year if they wish. Due to the timing of these publications and their associated guidance, this Strategy has been developed in compliance with the 2017 versions of the codes.

Background

North Ayrshire Council has ambitious plans to deliver significant capital investment over the planning period across housing, schools, economic development and infrastructure. Working in partnership with East Ayrshire, South Ayrshire, the UK and Scottish Government, the Ayrshire Growth deal will see the regeneration of the region through investment in strategic infrastructure across various sectors, including life sciences, tourism, manufacturing and aerospace.

Events in 2020 and 2021 have been dominated by the health and economic effects of the coronavirus pandemic. The level of capital investment has and continues to be impacted by restrictions. It is recognised that capital investment will play a key role in the economic and green recovery for North Ayrshire. The pandemic has not changed the Council's key priorities, in fact it has strengthened them. However, the investment reflected in the Capital Investment programme should also be considered with the context of the Council's Recovery and Renewal Strategy and the Economic Recovery and Renewal Approach, both approved by Cabinet on 8 September 2020, and, importantly, through a Community Wealth Building lens.

The Capital Investment Strategy takes account of the Council's strategic priorities and considers any new investment within the context of outcomes, affordability or invest to save. Decisions made over the course of the programme for capital and treasury management will have financial consequences for the Council for many years in the future. There is also recognition of the need to balance investment between maintaining current assets and infrastructure against the ambitions for acquiring new assets. In addition to the Recovery and Renewal Strategy and Economic Recovery and Renewal Approach, North Ayrshire Council's Capital Investment Programme is shaped and influenced by various associated strategies and plans.



The primary purpose of the Capital Investment Strategy is to provide an overarching view of how various plans and strategies inform capital investment and to demonstrate that this is both affordable and sustainable. The associated plans and strategies each focus on specific priority areas and, through appropriate governance structures, ultimately shape and influence the investment plans delivered through the Capital Investment Programme. Underpinning the Capital Investment Programme is the Treasury Management and Investment Strategy and Loans Fund Policy. Both ultimately consider the delivery of the capital programme within the context of affordability and risk and apply a measurement of what this means against key prudential and treasury indicators. The aim being to demonstrate affordability and sustainability over the long term.

Plans and Strategies

Council Plan 2019-2024

The mission for North Ayrshire Council is ***“Working together to improve well-being, prosperity and equity in North Ayrshire.”*** To deliver on this mission key strategic priorities, outlined below, have been developed to direct plans now and into the future.

Our Priorities

Aspiring Communities

- ▶ Active and strong communities
- ▶ Children and young people experience the best start in life
- ▶ Inclusive, growing and enterprising local economy
- ▶ Residents and communities enjoy good life-long health and well-being
- ▶ Residents and communities are safe

Inspiring Place

- ▶ Well connected with effective infrastructure
- ▶ Homes that meet residents' needs
- ▶ Vibrant, welcoming and attractive environment
- ▶ A sustainable environment

A Council for the Future

- ▶ An accessible Council that puts residents and communities at the heart of what we do
- ▶ An efficient Council that maximises resources and provides value for money
- ▶ A valued workforce that delivers high quality services
- ▶ A powerful and respected voice

Our Vision

A North Ayrshire
that is 'Fair For All'

Our Mission

Working together to
improve well-being,
prosperity and
equality in
North Ayrshire

Through appropriate governance frameworks all capital investment must demonstrate that it is aligned to the Council's strategic themes, with particular focus and priority given to capital investment opportunities that meet multiple strategic priorities.

Community Planning Partnerships and Local Outcomes Improvement Plan

The North Ayrshire Community Planning Partnership is a partnership across a wide range of organisations. The **Local Outcomes Improvement Plan (LOIP) 2017 – 2022** replaced the Single Outcome Agreement and provides a commitment by all partners to North Ayrshire communities and citizens across four main priority areas:



Work is ongoing to produce a plan for the period 2022-2030 and will be implemented from Spring 2022. The forthcoming plan will reflect the impact made to date and take into consideration the learning from joint action undertaken during the pandemic.

The Community Planning Partnership consists of 6 Locality Partnerships across North Ayrshire. Key to the success of the LOIP is working in partnership with a number of agencies to deliver better outcomes for citizens and communities. The partnership includes Scottish Government, Police Scotland, NHS Ayrshire and Arran, Skills Development Scotland, KA Leisure, Scottish Fire and Rescue and Scottish Enterprise. Through the Local Development Plan, one of the strategic policies is to deliver on local community priorities. Each Locality Partnership has developed their own local priorities:

North Ayrshire Locality Partnership Priorities August 2021

Arran
(Existing priorities continuing while engagement on priorities refresh ongoing)

- Affordable Housing
- Transport
- Social Isolation

North Coast and Cumbraes

- Improving access to financial services
- Increasing social inclusion
- Improving mental wellbeing
- Supporting skills and work opportunities

Three Towns

- Promoting the local economy and tourism
- Regenerating community facilities
- Increasing civic pride and community engagement
- Improving community wellbeing

Garnock Valley
(Previous priorities maintained)

- Work & Local Community
- Moving Around
- Facilities & Amenities

Kilwinning

- Supporting skills and work opportunities
- Improving our local environment
- Alleviating poverty and promoting equality of access to opportunities
- Improving community wellbeing

Irvine

- Supporting skills and work opportunities
- Enhancing our mental health and wellbeing
- Alleviating poverty
- Championing green health and the natural environment



North Ayrshire
Community Planning Partnership

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This framework of community engagement and structured partnership working is vital when planning capital investment. More importantly, that local priorities are considered as part of any strategic planning framework.

Health and Social Care Partnership Strategic Plan

The Health & Social Care Partnership developed a one year bridging strategic commissioning plan for the period 2021-2022 which builds on the NAHSCP Strategic Plan 2018-21. This plan reflects on the partnership's achievements, Covid 19 experience and the impact on services. It also outlines the partnerships approach to recovery and learning.

Development work is ongoing to prepare a new long term strategic plan covering the period April 2022 to March 2030.

The one year bridging plan has been informed by public feedback. The bridging plan continues the existing vision that **“all people who live in North Ayrshire are able to have a safe, healthy and active life”** and to achieve this the HSCP focuses on key priorities:



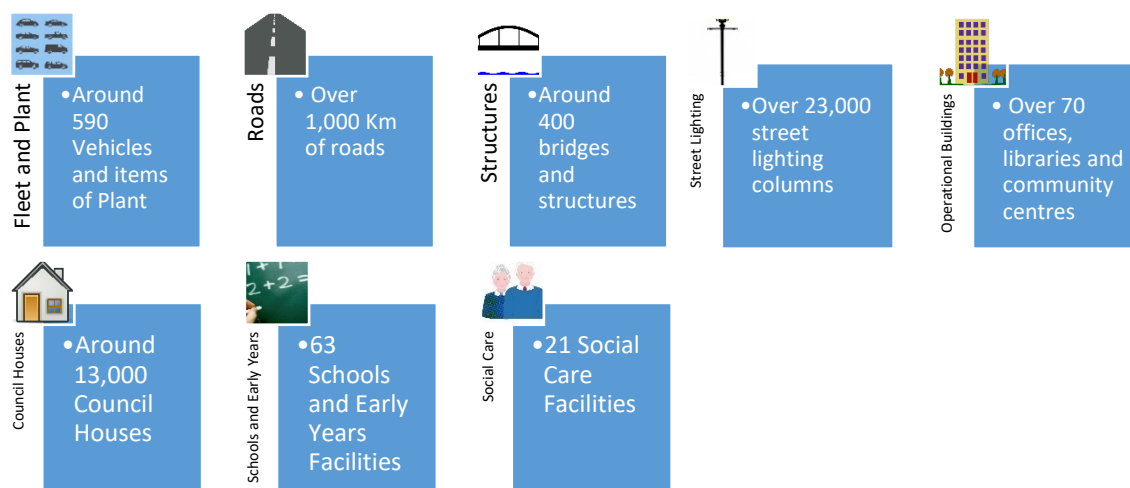
Asset Management Plans

Asset Management Plans aim to ensure that the Council holds the right assets and that they are fit for purpose in terms of condition, suitability and accessibility. The plans also provide the vehicle for identifying future investment needs across all asset classes. In line with the CIPFA “Guide to Asset Management and Capital Planning in Local Authorities” North Ayrshire has classified its assets into six categories:



The Council's assets play a key role in the delivery of a wide range of essential services to our local communities, contribute to regeneration and help drive economic growth. The plans set out clear actions and include details of lifecycle investment costs required to maintain assets and infrastructure to an appropriate standard that supports service delivery. The plans are updated on an annual basis and chief officers across all Directorates hold the responsibility for maintaining the plans and reporting progress to the Council's Cabinet on a bi-annual basis.

A snapshot of the asset portfolio for North Ayrshire Council includes:



Both capital and revenue financial resources across the General Fund and Housing Revenue Account are used to maintain the current asset base. From a capital perspective, planned investment which has been incorporated in the current Capital Investment Programme includes:

Roads, Structures and Lighting	<ul style="list-style-type: none"> Planned investment of £117.6m to 2030/31 including improvements to the roads and street lighting network, flood prevention works at Upper Garnock and Millport and bridges infrastructure improvement.
Fleet, Plant and Equipment	<ul style="list-style-type: none"> Procurement and maintenance of all Council fleet vehicles and plant ensuring the fleet of 586 vehicles and heavy plant are maintained and operated in accordance with the Council's Operator's licences and Road Transport legislation. Vehicle and plant capital investment is planned at £19.9m to 2030/31.
Property	<ul style="list-style-type: none"> To ensure Council properties meet all legislative requirements and they are sustainable, energy efficient and maintained to a high standard as well as ensuring the physical environment is able to support mobile and flexible work programmes, Investment is planned at £23.2m to 2030/31. It is also recognised that through the Estates Strategy further rationalisation and remodelling will continue to be progressed on a locality by locality basis, with capital receipts incorporated into the capital programme.
Housing	<ul style="list-style-type: none"> Underpinned by the Local Housing Strategy, the Strategic Housing Investment Plan and the 30 Year HRA Business Plan, responsibility for maintenance of around 13,000 council houses, ensuring legislative compliance and meeting the needs of tenants. In addition, delivery of an ambitious house building and improvement programme over the period 2022-2027 will see capital investment by the Council total £296.5m.
ICT	<ul style="list-style-type: none"> The Technology Strategy sets out how ICT supports service delivery and transformation. Significant changes to our ICT infrastructure have been reflected in the ICT Asset Management Plan. To deliver on the 6 key principles as outlined in the Technology Strategy £7.0m investment to 2030/31 is planned.
Open Spaces	<ul style="list-style-type: none"> The service maintains 2,410 hectares of public open space, a Country Park, 14 local parks, 44 cemeteries and burial grounds, 37 war memorials & monuments, 366 hectares of woodlands, 3 allotments, 91 sports facilities and playing fields, 84 equipped play areas and 12 multi-use games areas, residential greenspace, 38 water courses and open water features, 5 promenades and 16 beaches, three of which are Sites of Special Scientific Interest. The majority of investment is delivered through the Place service revenue budget, however, specific capital investment of £4.6m is planned to 2030/31 for cemetery infrastructure.

Local Housing Strategy 2018-22 and Strategic Housing Investment Plan 2022-27

The key strategic outcomes for the Local Housing Strategy for North Ayrshire include ensuring the supply of housing meets the needs and aspirations of local people that they live in good quality homes which are located in strong, safe communities. The Strategic Housing Investment Plan (SHIP) sets out the priorities for affordable housing investment in North Ayrshire over the next five years:

Health and
Educational
Benefits

Contribute to
Regeneration of
North Ayrshire

Sustainable
Investment

Meet Local
Demand and
Aspirations

Maximise ROI
and achieve VFM

Involve the local
community

The SHIP will secure investment in a total of 1,900 properties across North Ayrshire and provide sustainable, affordable, accessible high-quality homes which will contribute to the wider regeneration aims for the area, taking the total investment for the period to £102m. Developments continue to be progressed across the five main housing market areas:

- Arran
- Garnock Valley
- Irvine / Kilwinning
- North Coast (Incorporating Cumbrae)
- Three Towns

In addressing projected demographic trends of an ageing population in North Ayrshire, the Local Housing Strategy sets a target of approximately 25% of new build homes being suitable for older people through amenity housing or sheltered housing with cognisance taken in the design stage for changing mobility needs. The SHIP supports the Health and Social Care Partnership to meet specialist housing need through dedicated supported accommodation projects.

The Council also recognises that bringing former social housing stock back into social ownership can assist with housing management and maintenance issues and increase the housing available. As such, a second hand and empty homes buy-back programme has been incorporated into the SHIP.

Making sustainable investment in housing is a key priority within the SHIP and this is achieved by incorporating energy efficiency measures and renewable technologies within the new build programme. The developments benefit from a range of sustainable measures including low carbon heat, solar photovoltaic panels and smart technologies. This investment aligns to the Council's Environmental, Sustainability and Climate Change Strategy in supporting affordable warmth to households across North Ayrshire.

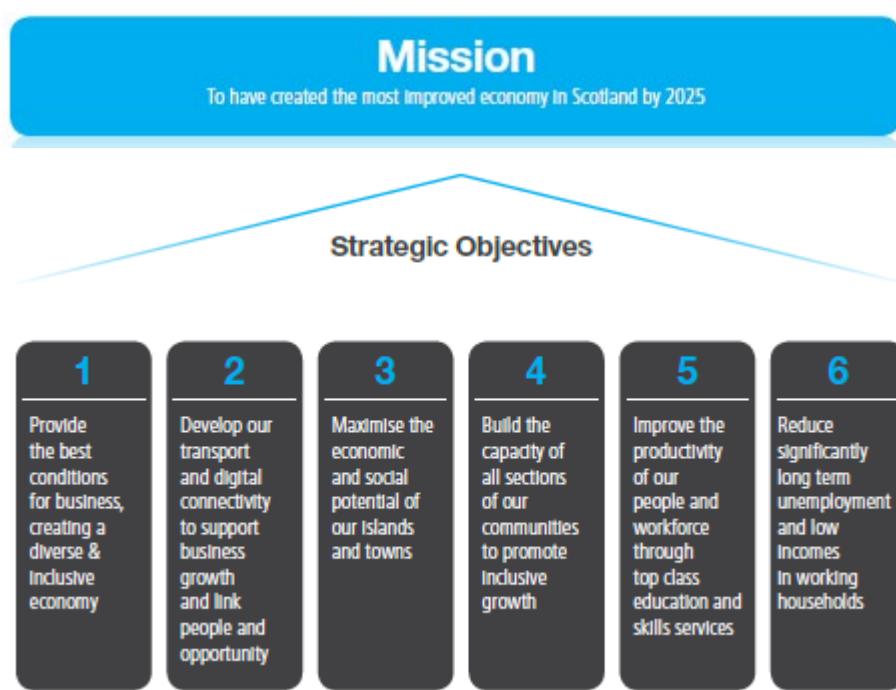
The regeneration of North Ayrshire communities is a strategic priority within the Council Plan and the SHIP. The Scottish Index of Multiple Deprivation shows that 52 of North Ayrshire's 186 data zones are in the 15% most deprived areas in Scotland. Through housing led regeneration and the provision of high-quality homes, desirable communities are created where people want to live and which in turn can also attract private sector investment. The demolition of the Fullarton tower blocks in Irvine will see the replacement of all 275 of these homes within the Irvine locality.

Furthermore, the Council has approved a £10m estate-based regeneration programme to invest in the improvement of our existing housing estates. The SHIP includes the provision of funding for 200 units to assist the delivery and funding of the regeneration programme.

Economic Development & Regeneration Strategy and Local Development Plan

The Economic Development and Regeneration Strategy has been produced in partnership with the Economic Development and Regeneration Board (EDR Board), consisting of council representation and membership from the public, private sector and third sector. The Strategy sets out the ambitious mission for North Ayrshire to create the most improved economy in Scotland by the year 2025.

Through Investment, Innovation and Internalisation the strategy aims to deliver Inclusive growth for North Ayrshire, focusing on six key strategic objectives:

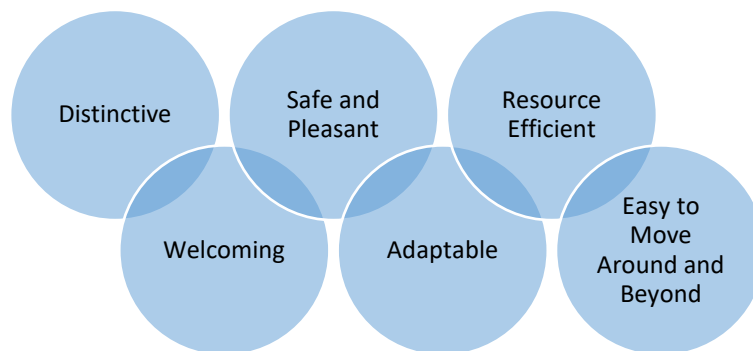


The Local Development Plan was adopted in November 2019 and aligns to the six strategic objectives as set out in the Economic Development and Regeneration Strategy, it brings a targeted local context in guiding development and investment in North Ayrshire over the next 20 years. The focus is supporting and growing the business base across key sectors including manufacturing, engineering, life sciences, tourism and hospitality and regenerating towns and communities. The overarching aim of the plan is to deliver the Community Planning Partnership vision of a “Better Life” to the citizens and communities of North Ayrshire. The plan outlines the land use strategy that supports delivery of the Local Outcomes Improvement Plan 2017 – 2022 and focuses on four key strategic policies:



The Spatial Strategy is an overarching policy for supporting the LOIP. This directs development to towns and villages to support communities, the economy and environment, while recognising the value that the countryside and coastal areas offer both as natural resources worthy of protection and as an economic driver. An example of directing investment to towns is evidenced by the Montgomerie Park development with Council investment in road and service infrastructure to facilitate large scale housing development and regeneration and using capital receipts from land sale as a key source of funding.

The Placemaking policy addresses the LOIP priority to make North Ayrshire safer and healthier by ensuring that all development contributes to making quality places. This is measured by six qualities that define a successful place:



Through the Local Development Plan eight strategic development areas have been identified:

Hunterston	North Shire - Ardrossan	i3 - Irvine	Montgomerie Park, Irvine
Kilbirnie	Irvine Harbourside	Brodick Harbourside	Cumbrae-Millport

Working in partnership with the UK and Scottish Government and East Ayrshire and South Ayrshire councils, the Ayrshire Growth Deal will regenerate the region through investment in strategic infrastructure across various sectors, including life sciences, tourism, manufacturing and aerospace, with total investment of over £251.5m. From a North Ayrshire perspective and to support investment into the strategic development areas, including the Ayrshire Growth Deal and wider economic regeneration activity, the Capital Investment Programme to 2030/31 includes planned investment of £114.9m to 2030/31. It is recognised that the Ayrshire Growth Deal investment will extend beyond the current 10-year Capital Investment planning period.

Finally, our Community Wealth Building Strategy introduces a new model to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base, ensuring that wealth is locally owned and benefits local people. All capital and revenue investment will be considered within the context of the Community Wealth Building Strategy, with maximising opportunities for local suppliers through procurement a key priority and pillar of the strategy.

Technology Strategy

The Technology Strategy was approved by North Ayrshire Council in May 2018 and sets out the vision, principles and key technologies that will support transformational change across North Ayrshire Council. Solutions will be designed in partnership to improve processes, service delivery and collaboration and ultimately improve outcomes. The six key Technology Strategy principles are:

Deliberately designed	People at the core	Anytime, anywhere access	Cloud first	Data driven	Secure
<ul style="list-style-type: none"> Holistic view of the business and design efficient, effective and agile solutions 	<ul style="list-style-type: none"> Solutions built around the needs of customers and people 	<ul style="list-style-type: none"> Access to systems, applications and information wherever they are 	<ul style="list-style-type: none"> Utilise cloud based technologies wherever possible 	<ul style="list-style-type: none"> Utilise data to effectively inform our decision making 	<ul style="list-style-type: none"> Operate securely when taking advantage of technology innovations

Key technologies include Office 365, a cloud platform based approach to business application delivery and virtual desktop infrastructure (VDI). The ICT Asset Management Plan incorporates the technology principles and, in terms of investment, a total of £7m is planned to 2030/31 to deliver technology solutions aligned to this strategy. From a financial planning perspective it is also recognised the shift from capital financing to revenue through software as a service, will lead to a remodelling of the way in which ICT investment is funded.

Estates Strategy

The key objective of North Ayrshire Council's Estate Strategy is to achieve rationalisation and remodelling of the Council's property portfolio on a locality basis. This neighbourhood approach focuses across three main areas of property provision and aims to:

Service Hubs	•Provide fit-for-purpose and conveniently located service hubs that users can readily access.
Education and Leisure	•Provide fit-for-purpose and conveniently located education and leisure facilities for service users. Maximising any investment across multiple strategic priority areas through a community facilities approach incorporating education, leisure and health and social care facilities, therefore delivering wider economic regeneration benefits.
Office Accommodation	•Provide modern, flexible office accommodation for staff that is economically and environmentally efficient.

The Estates Strategy plays a key role in maximising capital investment across multiple strategic priority areas, e.g. moving away from the traditional like for like school replacements to incorporating wider community campus facilities, including leisure and health and social care facilities. This approach was evidenced through the Largs campus facility which delivered primary, secondary and early years provision as well as community use sport, theatre and leisure facilities.

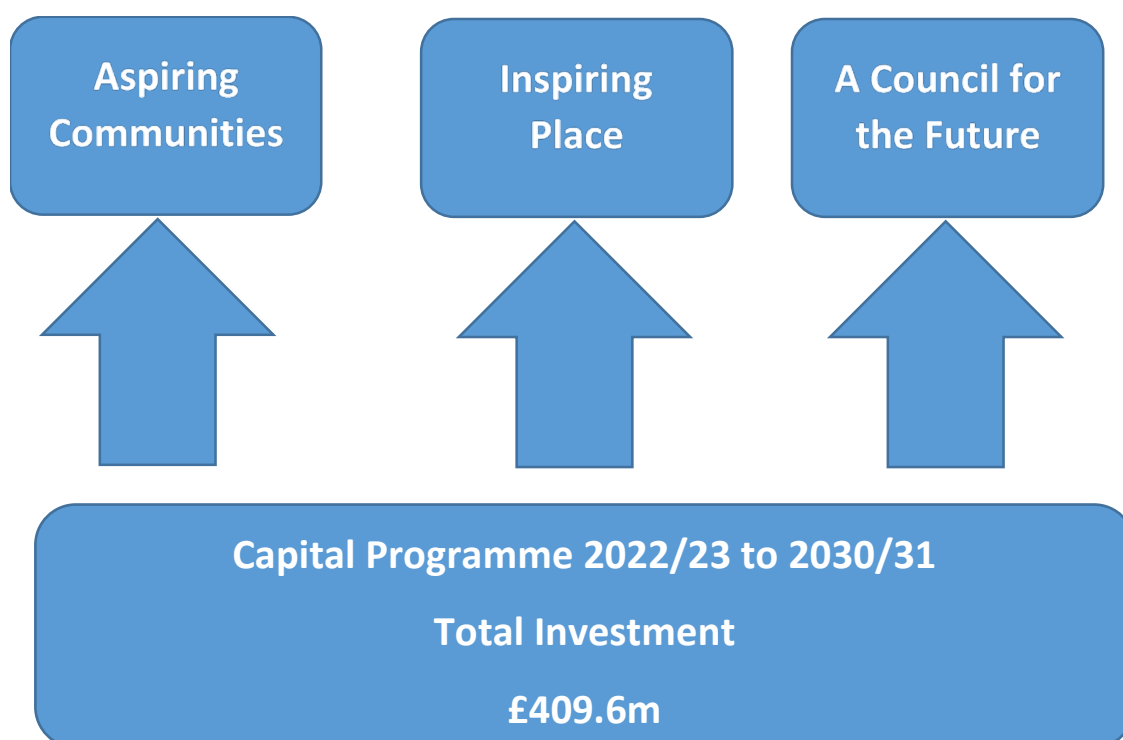
Through rationalisation of the Council's property portfolio, a key funding component to support the capital programme and provide flexibility in the Council's Revenue account, is the generation of capital receipts. Anticipated income from land and property capital receipts planned to support the capital programme totals £2.8m to 2030/31.

The neighbourhood approach outlined in the Estates Strategy also recognises community empowerment and, in particular, provides support to communities for asset transfers. This engagement is progressed through the Community Planning Partnerships.

General Fund Capital Investment Programme

North Ayrshire Council takes a long-term approach to capital investment, covering a 10-year period. The plan is updated annually and 2022/23 represents year 2 of the 10-year plan. A full refresh is undertaken every 3 years. The current Capital Investment programme is aligned to the strategic priorities as set out in the Council Plan and is the product of the various plans and strategies which impact on the assets and infrastructure of North Ayrshire Council. Through the Community Planning Partnerships and the Local Development Plan there is also clear linkage to local strategic planning and local asset planning.

Total capital investment of £409.6m from the Council's General Fund is planned over the period from 2022/23 to 2030/31, supporting the 3 key strategic priorities from the Council Plan. This includes planned expenditure of £73.4m towards the Ayrshire Growth Deal to 2030/31. It is recognised that the total level of investment across Ayrshire will be in the region of £251.5m (including £103m commitments from both the UK and Scottish Governments) and this will extend beyond the current 10-year planning period.



The capital plan includes £109.5m planned investment in education and early years.

The major areas of education investment include;

Universal School meals Expansion - £10.4m	Ardrossan Academy - £70.6m	Montgomerie Park school £14.1m	Moorpark Primary School £5.9m
<ul style="list-style-type: none">•Improvements to current kitchen and dining facilities across the school estate to create capacity for the anticipated uptake.	<ul style="list-style-type: none">•New build project as part of an exciting wider community facility development	<ul style="list-style-type: none">•New primary provision linked to Montgomerie park regeneration project and housing developments	<ul style="list-style-type: none">•New primary provision

Investment in education reflects the Council's desire to ensure children and young people have access to high quality facilities which support and promote excellent learning and teaching. Well designed and well-equipped buildings also support the promotion of positive health and well-being.

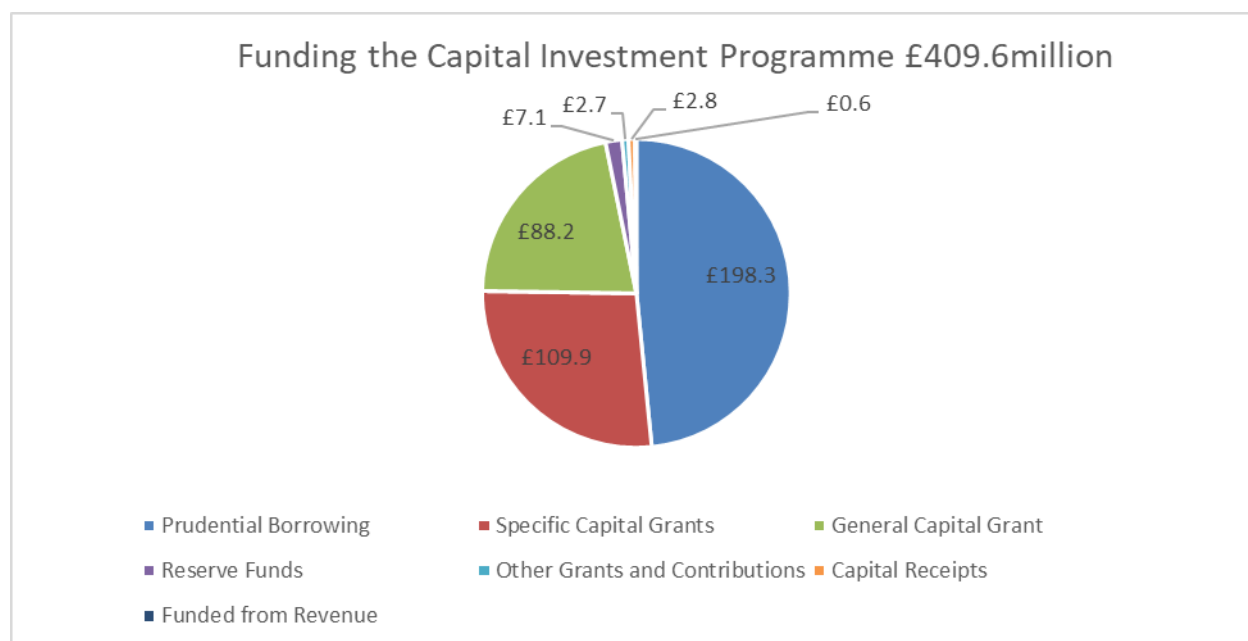
It is also recognised that investment in education contributes to and can be integrated within wider economic development and regeneration within the localities and this is reflected in the nature of the planned developments for Ardrossan Academy and Montgomerie Park school. Through stakeholder engagement, effective cross Directorate working within North Ayrshire Council and collaboration with other agencies including the Scottish Government, these new developments combine education provision with community facilities, residential, respite and housing provision as part of a wider focus on economic regeneration.

Investing in core assets and infrastructure is key to ensuring sustainability. A planned investment of £117.6m within Roads, Structures and Lighting includes £35.7m road improvements, £30.3m on flood prevention works and £25.9m on the upgrading of the B714 following a successful application to the UK Governments Levelling Up Fund. Property lifecycle investment of £10.5m, to support the property asset management plan, will ensure Council properties continue to be maintained to the appropriate standards in delivering services to citizens and communities. The plan includes investment in several key programmes of regeneration within North Ayrshire and, in respect of the Ayrshire Growth Deal, on a wider pan Ayrshire basis.

The Capital Investment Programme 2022/23 to 2030/31 sets out the ambition of North Ayrshire Council and supports the key strategic themes of the Council Plan. Through investment that supports regeneration and delivers first class education and community facilities, this strategic approach will help grow the population and the local economy. It is also recognised that key to a sustainable environment is the requirement to continue to invest in core assets and infrastructure.

Funding the Capital Investment Programme

Funding the Capital Investment Programme requires to be planned in an affordable and sustainable manner. The funding sources to support delivery of the £409.6m capital investment programme to 2030/31 include;



The major sources of funding include assumptions on the level of general capital grant from Scottish Government to 2030/31 (£88.2m) and the level of prudential borrowing (£198.3m) required. The cost of borrowing is included within the Council's revenue budget process through the Medium-Term Financial Plan and the impact of borrowing is included as part of the Council's Treasury Management and Investment Strategy.

The Council takes a prudent approach when phasing the capital investment over the period, with the main objective to ensure general capital grant from Scottish Government is maximised.

Other income sources are also explored including external income, grants, partner contributions and capital receipts. The balance of funding is met from affordable prudential borrowing. This approach helps to ensure that investment in assets to deliver on the Council's strategic priorities is sustainable in the long term.

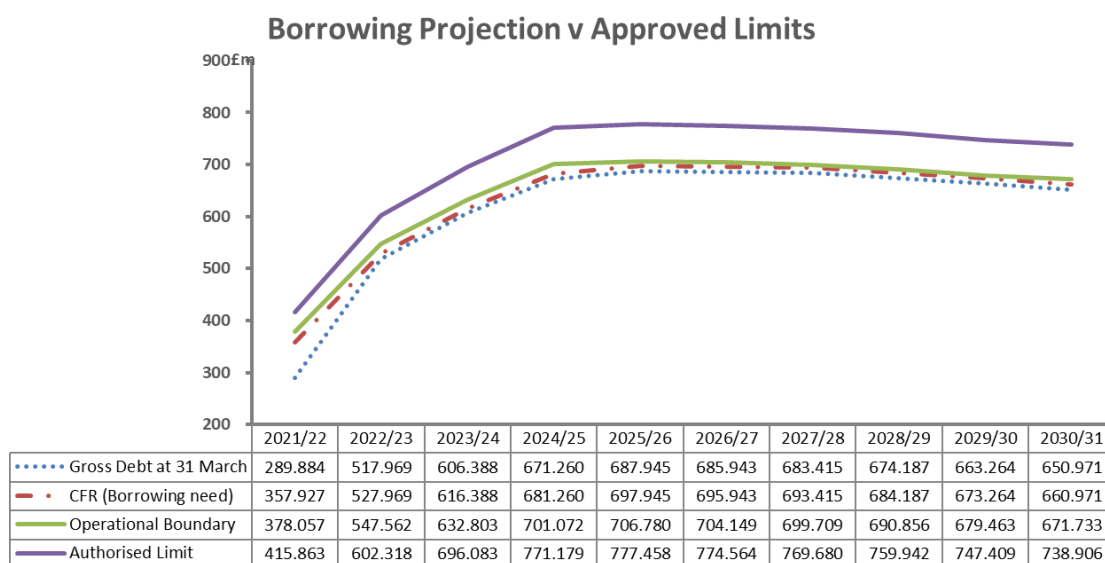
Treasury Management Strategy and Loans Fund Policy

The Prudential Code for Capital Finance in Local Authorities enables councils to set their own borrowing limits with a requirement to ensure that investment plans are affordable, prudent and sustainable. The Council can borrow over a number of years to supplement its capital income, provided the resultant annual debt repayments can be accommodated within future years' revenue budgets. The Council's annual Treasury Management and Investment Strategy sets out the prudential indicators and parameters over the medium to long term, with regular reporting to Council members through:

- Annual Treasury Management and Investment Strategy
- Mid-Year Treasury Update report
- Annual Report following the financial year end describing the activity compared to the strategy

The key prudential and treasury indicators include:

- Capital expenditure and financing
- The Council's overall borrowing need (the Capital Financing Requirement)
- Limits to borrowing activity through the Operational Boundary and the Authorised Limit.



As reflected in the Treasury Management Strategy for 2022/23, the analysis of the Capital Financing Requirement for North Ayrshire Council indicates that the borrowing needs to support delivery of the capital programme will increase to £697.945m at 2025/26 and then reduce annually to 2030/31. The analysis also indicates that this borrowing need continues to be within the parameters of both the Operational Boundary (the expected maximum borrowing position of the Council) and the Authorised limit (the limit beyond which external debt is prohibited).

Another key affordability indicator is the ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long-term liabilities, net of investment income) against the net revenue stream of the Council. The estimates of financing costs include current commitments and those arising from the capital programme. The Housing Revenue Account (HRA) costs are aligned with the 30-year business plan.

Proportion of financing costs to net revenue stream	2021/22 Probable Outturn %	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %
General Services	3.0%	3.7%	4.6%	5.1%
HRA	18.7%	21.7%	26.9%	30.2%

The estimated ratio of debt to net revenue stream across the next 3 years averages at 4.5% for General Services and 26.2% for the HRA. From a General Fund perspective, the Scottish Local Authority average 5.86% (Source: CIPFA Directors of Finance Performance Indicators 2020/21), therefore demonstrating a prudent borrowing policy. For the HRA, the Scottish average in was 21.62%. The rising ratio within the HRA is indicative of the significant capital investment programme as outlined in the Strategic Housing Investment Plan. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

Loans Fund Policy

In July 2016 the Scottish Government confirmed the new Loans Fund accounting arrangements under the provisions of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. This regulation requires the Council to outline its policy on the repayment of Loans Fund advances. The Loans Fund advance is effectively the repayment of the principal linked to the capital expenditure which is required to be funded from borrowing. The broad aim of prudent repayment is to ensure that the authority's unfinanced capital expenditure is financed over the expected life of the asset and that each year's repayment amount is reasonably commensurate with the period and pattern of the benefits.

From a governance perspective the Loans Fund policy of North Ayrshire Council is included as part of the Treasury Management and Investment Strategy and submitted for approval to the North Ayrshire Council committee on an annual basis.

Governance

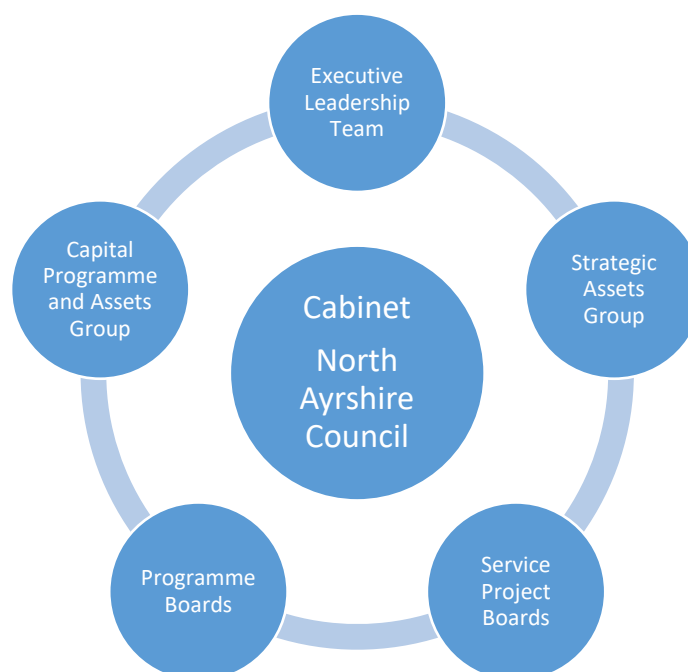
Having robust governance arrangements in place is key to ensuring effective strategic management of assets, from initial planning through to delivery, utilisation and disposal. North Ayrshire Council delivers a governance framework through a number of officer and member represented groups / committees.

To ensure a consistent approach is adopted when considering any new capital investment, a business case framework has been developed. The framework includes key criteria across:

- Aims and strategic objectives
- Scope and Benefits
- Options Appraisal,
- Risks, Constraints & Dependencies
- Procurement arrangements
- Monitoring of Key milestones
- Evaluation criteria & scoring
- Investment costs, funding and impact on revenue

All business cases are considered by the Capital Programme and Assets Group and the Executive Leadership Team, with a recommendation being made to Cabinet / Council, for inclusion of new projects into the Capital Investment Programme. A key focus when assessing potential capital investment is the alignment to the Council's strategic priorities, with the aim being to maximise opportunities where investment meets multiple strategic priorities and where there is the potential to lever in external funding.

The current governance framework is illustrated below:



The **Strategic Assets Group** provides a strategic focus on the Council's property assets. The key objective of the group is the effective utilisation of Council assets and to reduce the public sector's building footprint and deliver improved services from a smaller, more efficient and fit for purpose estate.

Service Project Boards are chaired by Executive Directors across each Directorate area with representation from relevant service managers. Following approval by North Ayrshire Council committee on the Capital Investment Programme, the Service Project Board is responsible for ensuring robust project management is in place to deliver projects on time and within budget.

Programme Boards provide a strategic focus at programme level and are chaired by the responsible Chief Officer. Each programme can include a number of individual projects across each Directorate which contribute to specific Council and programme objectives. To ensure the objectives are met the Chief Officer for the programme is responsible for strategic oversight including all projects that form part of the overall programme.

The Capital Programme and Assets Group is chaired by the Head of Service (Finance) and is responsible for:

- Ensuring a strategic and corporate overview of the Council's capital programme is in place.
- Developing and monitoring the Council's capital investment programme, tracking slippage on delivery and expenditure against approved budgets.
- Developing clear criteria for investment of Council resources on asset matters and assessing all investment business cases.
- Developing a prudent capital receipts programme for inclusion in the Council's Capital Programme.

The **Executive Leadership Team** consists of the Chief Executive, Executive Director Communities, Executive Director Place, Director of Growth and Investment, Head of Democratic Services, Head of People and ICT and Head of Finance and is responsible for advising members on the relative priorities of the Council's long term investment needs and plays a key monitoring role in ensuring the major capital projects deliver the anticipated benefits on time and within budget. The Executive Leadership Team also considers all business cases for new areas of capital investment as well as being the escalation point for any key strategic decisions across the Capital Investment Programme prior to consideration by Cabinet or Council.

Cabinet is chaired by the Leader of the Council and is the main decision-making body of the Council. It consists of member portfolio holders from the Administration. Cabinet receives regular progress reports and approves amendments to the Capital Investment Programme.

North Ayrshire Council consists of all elected members and is chaired by the Provost. The Council approves the corporate framework and the medium and longer term Capital Investment Programme.

Knowledge & Skills

North Ayrshire Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

The Head of Finance is a qualified accountant and holds the position of Section 95 officer for the Council. The Council's Section 95 Officer is responsible for the proper administration of the Council's financial affairs and is required:

- to recommend treasury management policies / practices, review these regularly and monitor compliance;
- to submit regular treasury management updates;
- to receive and review management information;
- to review the performance of the treasury management function;
- to ensure the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function; and
- to approve the appointment of external service providers.

Where the Council does not have the knowledge and skills required, use is made of external advisers that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers to ensure that we have access to specialist knowledge and skills if required.

Decisions to invest in land and property are overseen in accordance with Council policies and the priorities from our Council plan, to capitalise on its position, power and influence to deliver tangible improvements to the lives of people in North Ayrshire. These decisions are made by suitably qualified personnel including architects and surveyors.

Risk

There are risks inherent across all capital planning and project delivery activity. Key planning risks are managed / mitigated through detailed business case development prior to any capital investment project getting approved. From a project delivery perspective, risk registers are maintained throughout the duration of the project and in accordance with standard project management practice. The long-term view to capital investment and the development of associated strategies also play a key role in risk management. Examples include:

- Development of a 10-year capital programme, considering funding and priorities in the long term
- Asset Management Plans and lifecycle maintenance which inform capital plans in the long term
- Treasury Management and Investment Strategy which considers borrowing levels in the long term.
- Local Housing Strategy and Strategic Housing Investment Plan takes a medium and long-term view of housing and regeneration priorities.

Conclusion

The Capital Investment Strategy for North Ayrshire Council provides an overview of how capital expenditure plans, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of North Ayrshire communities and citizens. It is a reporting requirement of the CIPFA Prudential Code.

The Strategy takes account of the Council's strategic priorities and considers any new investment within the context of outcomes and affordability. There is also recognition of the need to balance investment between maintaining current assets and infrastructure against the ambitions for acquiring new assets.

The current capital programme demonstrates an innovative approach in maximising investment across multiple strategic priority areas, with developments that incorporate education provision, community facilities, health and social care services and housing. This approach, whilst providing key services that deliver positive outcomes to communities, also contributes to the wider economic regeneration of North Ayrshire, helping to grow the population and the local economy.

Working in partnership with the UK and Scottish Government and East Ayrshire and South Ayrshire councils, the Ayrshire Growth Deal will regenerate the region through investment in strategic infrastructure across various sectors, including life sciences, tourism, manufacturing and aerospace, with total investment of over £251m.

Related Documents / Strategies / Plans

	Council Plan
	Local Development Plan
	Asset Management Plans
	Local Outcomes Improvement Plan
	Local Housing Strategy
	Strategic Housing Investment Plan
	Technology Strategy
	Estates Strategy
	10 Year Capital Investment Programme
	Economic Development and Regeneration Strategy
	Treasury Management and Investment Strategy
	Loans Fund Policy
	HSCP Strategic Plan
	Environmental,Sustainability & Climate Change Strategy

NORTH AYRSHIRE COUNCIL

2 March 2022

North Ayrshire Council

Title:	Revenue Estimates 2022/23 – Common Good Funds and Trusts
Purpose:	To advise Council on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and seek approval for the level of funding to be made available for disbursement during 2022/23.
Recommendation:	<p>That Council :</p> <ul style="list-style-type: none"> (a) approves the 2022/23 revenue estimates for the Common Good Funds and registered charitable Trusts detailed in Appendix 2; (b) approves the carry forward of funds from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle, as noted at paragraph 2.3; (c) approves the amounts available for disbursement noted at paragraph 2.10; and (d) agrees to capital spend from the dormant and low value Trusts and the Irvine, Largs, Millport and Saltcoats Common Good Funds and instructs officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust.

1. Executive Summary

- 1.1 The Council is the custodian of the Common Good Funds for the former burghs of Ardrossan, Irvine, Largs, Millport, Saltcoats and Stevenston and a number of charitable Trusts, which are largely composed of bequests made many years ago.
- 1.2 This report provides Members with an overview of the financial position of each Common Good Fund and charitable Trust and recommends the level of expenditure which can be disbursed from each for 2022/23.
- 1.3 Following delays in the previous two financial years, previously approved urgent and essential works at Seagate Castle have not yet been completed and Council is asked to approve the carry forward of this budget to allow the completion of these works

during 2022/23. Should cost projections exceed estimates, a further report will be presented to Council.

- 1.4 Estimated rental income for Irvine Common Good is expected to decrease by £0.025m per annum due to vacation of the Woodlands Centre.
- 1.5 The Common Good Funds and Trusts make annual disbursements of grants to groups and individuals. The level of funding available for these grants is normally set at the net annual income of each Fund or Trust after meeting their expenditure commitments. Where the expenditure commitments exceed the annual income, the recommended budget for grant disbursement reflects the level of disbursements in previous years.
- 1.6 In order to encourage the utilisation of funds across communities, in particular where the Trusts have been dormant or have low levels of income, it is recommended that, with the exception of those Trusts with significant balances, the full balance of the Trusts are approved as available for disbursement. Any disbursement which utilises the full capital balance will result in closure and will require the approval of Office of the Scottish Charity Regulator (OSCR).

2. Background

Common Good Funds

- 2.1 The Council is the custodian of the Common Good Funds for the former burghs of Ardrossan, Irvine, Largs, Millport, Saltcoats and Stevenston. The purpose of the Common Good Funds is to benefit the general population within the defined areas of each of their respective towns.
- 2.2 In April 2021, sale proceeds of £1 were received for Millport Town Hall, which was owned by Millport Common Good Fund.
- 2.3 At its meeting on 5 March 2020, Council approved the allocation of £0.250m from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle. Following delays in the completion of these works during the previous two financial years, the anticipated expenditure for the year is only £0.010m and Council is asked to approve the carry forward of the £0.220m balance to allow the completion of the works during 2022/23. The Council are awaiting approval from Historic Environment Scotland to proceed. As noted in the previous report to Council, working on a structure as historic as this may flag up further works which may need to be addressed at the same time. Should cost projections exceed estimates, a further report will be presented to Council.
- 2.4 Irvine Common Good currently receive rental income of £0.025m per annum in relation to the Woodlands Centre. Due to the poor condition of this property, it has now been vacated and the rental income will cease on 31 March 2022. The property is due for demolition during 2022/23.

- 2.5 The Common Good Funds make annual disbursements to groups and individuals based on approved criteria. The levels of grant available for disbursement is determined after all expenditure commitments and projected income from assets has been assessed. Current practice has been for the remaining surplus to be made available for trustees to disburse, ensuring that capital balances are left intact, with the disbursement of funds from the capital balance requiring Council approval. It is recommended that this practice continues for those Common Good Funds with sufficient net income.
- 2.6 In the case of Irvine, Largs, Millport and Saltcoats Common Good Funds the level of expenditure exceeds the level of income. In order to maximise the benefits to the community, it is proposed that the budgets for grant disbursement are set at a level which reflects previous years' disbursements, with a minimum level for each of £1,000.

Charitable Trusts

- 2.7 The Council also administers a number of Trusts which are largely composed of bequests made many years ago. Of these Trusts, there are only two which accrue significant levels of income; the Spier's Trust and the Margaret Archibald Trust. The Spier's Trust was founded in 1936 for the administration of Spier's School, Beith and for the provision of certain educational grants and bursaries with the local area of benefit comprising the parishes of Beith, Dalry, Dunlop, Kilbirnie, Lochwinnoch and Neilston. The purpose of the Margaret Archibald Trust is "to apply the capital and income from time to time, at the discretion of the Council, for the charitable purpose of persons in need who have attained sixty five years of age, living in the Parish of Dalry, Ayrshire".
- 2.8 The remaining Trusts comprise four town Trusts, covering Dalry, Kilbirnie & Glengarnock, Kilwinning and Largs, which provide assistance to persons in need within the defined area of each fund; the North Ayrshire Council Trust, which incorporates a further seven smaller funds; two minor Trusts and a number of sundry bequests listed on Appendix 1.
- 2.9 Historically a number of Trusts have experienced periods of dormancy where no grants have been disbursed. This has been further exacerbated by the recent pandemic restrictions. The Office of the Scottish Charity Regulator (OSCR) is keen that charities fulfil their charitable purposes and the Council's external auditors have previously expressed concern about continued lack of activity in these Trusts. If no other action is taken, the annual external audit fee and administrative charges will eventually exhaust these Trusts. As such, the utilisation of available funds through a particular project which complies with the Trust's purposes should be considered. It is therefore recommended that, with the exception of those Trusts with significant balances, the full balances of the town and minor Trusts are made available for disbursement. It should be noted that any disbursement which would result in the winding up of a registered Trust must be approved by the Office of the Scottish Charity Regulator (OSCR) before the relevant Locality Partnership agrees the grant. For those Trusts with significant balances, it is proposed that the budgets for grant disbursement are set at a level which reflects previous years' disbursements.

2.10 The following table summarises the anticipated income and expenditure for each Common Good Fund and Trusts and the proposed budget for grant disbursement for each:

	Estimated Balance at 1 April 2022	Estimated Income 2022/23	Estimated Expenditure 2022/23	Available for Disbursement	Estimated Balance at 31 March 2023
	£	£	£	£	£
Common Good Fund					
Ardrossan	305,355	38,910	(13,715)	(25,195)	305,355
Irvine	1,093,581	30,117	(268,961)	(26,500)	828,237
Largs	436,275	14,588	(20,016)	(10,000)	420,847
Millport	66,711	88	(369)	(1,000)	65,430
Saltcoats	17,036	22	(90)	(1,000)	15,968
Stevenston	173,825	14,464	(897)	(13,567)	173,825
TOTAL	2,092,783	98,189	(304,048)	(77,262)	1,809,662
Registered Charitable Trusts					
Dalry	2,019	3	(162)	(1,860)	-
Kilbimie & Glengamock	3,115	4	(169)	(2,950)	-
Kilwinning	37,328	50	(361)	(37,017)	-
Largs	6,433	5	(170)	(6,268)	-
Speir's Trust	52,055	3,584	(1,087)	(2,497)	52,055
Margaret Archibald Trust	187,941	6,065	(422)	(5,643)	187,941
Douglas Sellers Trust	439	1	(153)	(287)	-
Anderson Park Trust*	159	-	-	(159)	-
NAC Charitable Trust	42,853	1,779	(321)	(1,458)	42,853
TOTAL	332,342	11,491	(2,845)	(58,139)	282,849

* Administrative Charges of up to £152 will be charged to Anderson Park Trust on 31 March 2023 based on the actual available balance

2.11 The remaining smaller trusts administered by the Council are listed in Appendix 1. They generate around £17 of income per year and during 2021/22 thus far there have been no disbursements. Therefore, the full balance is available for disbursement during 2022/23.

3. Proposals

3.1 It is proposed that Council :

- approves the 2022/23 revenue estimates for the Common Good Funds and registered charitable Trusts detailed in Appendix 2;
- approves the carry forward of funds from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle, as noted at paragraph 2.3;
- approves the amounts available for disbursement noted at paragraph 2.10; and
- agrees to capital spend from the dormant and low value Trusts and the Irvine, Largs, Millport and Saltcoats Common Good Funds and instructs officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust.

4. Implications/Socio-economic Duty

Financial

- 4.1 Approval of the budgets will allow each Locality Partnership to disburse individual grants up to the approved levels.

All income and expenditure which relates to Common Good properties must be charged to the relevant Common Good Fund.

Human Resources

- 4.2 None.

Legal

- 4.3 All expenditure from Trusts and Common Good Funds must be for the purposes of the Trust or meet the Common Good criteria of benefitting the inhabitants of the Common Good area.

Equality/Socio-economic

- 4.4 None.

Environmental and Sustainability

- 4.5 None.

Key Priorities

- 4.6 This report directly supports the Council Plan 2019 to 2024 by supporting active and strong communities through the disbursement of grants to groups and individuals.

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 Legal Services have been consulted on the recommendations and procedures for winding up the Trusts.

Mark Boyd
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

Background Papers

None

Sundry Bequests

Name of Funds	Investment	Projected Income 2022/23	Available for Disbursement 2022/23	Purpose of Bequest
	£	£	£	
Isabella McPhee Memorial Fund	2,789	4	2,793	Largs - Annual Putting Competition (Mackerston)
N Stewart	1,584	2	1,586	Provision of Liberty at Rothesay and Arran
Sturrock	2,956	4	2,960	Upkeep of Springside Community Centre
Clark Trophy	534	1	535	Road Safety Competition
Ayrshire Accident Relief	3,775	5	3,780	Accident Relief
Cast/Florist/N Child	273	-	273	No information available
Miss Hanslip Bequest	1,125	1	1,126	No information available
Total	13,036	17	13,053	

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Budget 2021/22 £	Projected Outturn 2021/22 £	COMMON GOOD FUND - ARDROSSAN	Proposed Budget 2022/23 £
262,510	280,005	Projected Common Good Balance Brought Forward at 1 April	305,355
		<u>INCOME</u>	
38,500	38,500	Rental - Ardrossan Civic Centre	38,500
825	411	Loans Fund Interest (on cash balances)	410
39,325	38,911	TOTAL INCOME FOR THE YEAR	38,910
		<u>EXPENDITURE</u>	
		Property Costs	
12,000	12,104	External Property Repairs - Ardrossan Civic Centre	12,000
		Others	
1,403	1,457	Administration - Charge from Finance	1,715
13,403	13,561	SUB TOTAL OF EXPENDITURE	13,715
25,922	25,350	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	25,195
25,922	-	Available for Disbursement as Grants	25,195
-	25,350	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
262,510	305,355	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	305,355

Budget 2021/22 £	Projected Outturn 2021/22 £	COMMON GOOD FUND - IRVINE	Proposed Budget 2022/23 £
1,109,774	1,102,357	Projected Common Good Balance Brought Forward at 1 April	1,093,581
		INCOME	
		Property Rentals	
25,000	25,000	Woodlands Centre (Property to be demolished)	-
11,500	11,500	Bank Street (Church of Latter Day Saints)	11,500
11,000	2,500	Fairground (Marymass)	2,500
13,000	13,000	Ground East Road (McConnachies)	13,000
2,000	2,000	East Road New Car Park	2,000
		Other Income	
2,795	1,474	Loans Fund Interest (on cash balances)	1,117
65,295	55,474	TOTAL INCOME FOR THE YEAR	30,117
		EXPENDITURE	
		Property Costs	
500	206	General Repairs	500
10,234	10,033	Rates on vacant properties (36/38 Bank Street)	10,033
600	2,200	Electricity	2,310
30,445	28,995	Grounds Maintenance*	30,445
230,000	10,000	Property Maintenance - Seagate Castle	220,000
1,455	1,097	Other Property Costs	1,000
273,234	52,531		264,288
		Others	
4,814	5,219	Administration - Charge from Finance	4,673
4,814	5,219		4,673
278,048	57,750	SUB TOTAL OF EXPENDITURE	268,961
(212,753)	(2,276)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(238,844)
26,500	6,500	Available for Disbursement as Grants	26,500
(239,253)	(8,776)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(265,344)
870,522	1,093,581	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	828,237

* For the upkeep of ground at the Moor, Low Green, Recreational Parks, Galt Avenue, Old Parish Church, Redburn Community Centre, Berry Drive

Budget 2021/22 £	Projected Outturn 2021/22 £	COMMON GOOD FUND - LARGS	Proposed Budget 2022/23 £
441,098	443,183	Projected Common Good Balance Brought Forward at 1 April	436,275
		INCOME	
		Property Rentals (Including Insurance Premiums)	
7,312	7,312	Haylie House	7,315
4,373	1,250	Douglas Park Bowling Club	1,250
210	210	Douglas Park Grazings	210
4,000	5,244	Douglas Park Tennis Club & Children's Nursery	5,245
		Other Income	
1,300	588	Loans Fund Interest (on cash balances)	568
17,195	14,604	TOTAL INCOME FOR THE YEAR	14,588
		EXPENDITURE	
		Property Costs	
1,030	3,163	Electricity	3,321
24,070	14,418	Grounds Maintenance*	12,199
500	1,849	Other Property Costs	2,122
		Others	
2,315	2,082	Administration - Charge from Finance	2,374
27,915	21,512	SUB TOTAL OF EXPENDITURE	20,016
(10,720)	(6,908)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(5,428)
10,000	-	Available for Disbursement as Grants	10,000
(20,720)	(6,908)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(15,428)
420,378	436,275	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	420,847

* For the upkeep of ground at Douglas Park.

Budget 2021/22 £	Projected Outturn 2021/22 £	COMMON GOOD FUND - MILLPORT	Proposed Budget 2022/23 £
66,970	66,938	Projected Common Good Balance Brought Forward at 1 April	66,711
		<u>INCOME</u>	
		Disposal of Fixed Assets	
	1	Sale of Property (Millport Town Hall)	-
		Other Income	
210	90	Loans Fund Interest (on cash balances)	88
210	91	TOTAL INCOME FOR THE YEAR	88
		<u>EXPENDITURE</u>	
		Others	
355	318	Administration - Charge from Finance	369
355	318	SUB TOTAL OF EXPENDITURE	369
(145)	(227)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(281)
1,000	-	Available for Disbursement as Grants	1,000
(1,145)	(227)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(1,281)
65,825	66,711	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	65,430

Budget 2021/22 £	Projected Outturn 2021/22 £	COMMON GOOD FUND - SALTCOATS	Proposed Budget 2022/23 £
17,101	17,094	Projected Common Good Balance Brought Forward at 1 April	17,036
54	23	<u>INCOME</u> Loans Fund Interest (on cash balances)	22
54	23	TOTAL INCOME FOR THE YEAR	22
91	81	<u>EXPENDITURE</u> Administration - Charge from Finance	90
91	81	SUB TOTAL OF EXPENDITURE	90
(37)	(58)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(68)
1,000	-	Available for Disbursement as Grants	1,000
(1,037)	(58)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(1,068)
16,064	17,036	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	15,968

Budget 2021/22 £	Projected Outturn 2021/22 £	COMMON GOOD FUND - STEVENSTON	Proposed Budget 2022/23 £
170,426	173,028	Projected Common Good Balance Brought Forward at 1 April	173,825
		INCOME	
		Property Rentals	
14,250	14,250	New Street (Health & Social Care)	14,250
		Other Income	
535	234	Loans Fund Interest (on cash balances)	214
14,785	14,484	TOTAL INCOME FOR THE YEAR	14,464
		EXPENDITURE	
		Property Costs	
250	-	Property Repairs	-
		Others	
909	830	Administration - Charge from Finance	897
1,159	830	SUB TOTAL OF EXPENDITURE	897
13,626	13,654	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	13,567
13,626	12,857	Available for Disbursement as Grants	13,567
-	797	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
170,426	173,825	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	173,825

Budget 2021/22	Projected Outturn 2021/22	NAC (DALRY) CHARITABLE TRUST	Proposed Budget 2022/23
£	£		£
2,177	2,176	Projected Trust Balance Brought Forward at 1 April	2,019
7	3	<u>INCOME</u> Loans Fund Interest (on cash balances)	3
7	3	TOTAL INCOME FOR THE YEAR	3
161	160	<u>EXPENDITURE</u> Administration - Charge to Finance	162
161	160	SUB TOTAL OF EXPENDITURE FOR THE YEAR	162
(154)	- 157	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(159)
2,023	-	Available for Disbursement as Grants	1,860
(2,177)	(157)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(2,019)
-	2,019	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2021/22	Projected Outturn 2021/22	NAC (KILBIRNIE & GLENGARNOCK) CHARITABLE TRUST	Proposed Budget 2022/23
£	£		£
3,277	3,276	Projected Trust Balance Brought Forward at 1 April	3,115
11	4	INCOME Loans Fund Interest (on cash balances)	4
11	4	TOTAL INCOME FOR THE YEAR	4
166	165	EXPENDITURE Administration - Charge from Finance	169
166	165	SUB TOTAL OF EXPENDITURE FOR THE YEAR	169
(155)	(161)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(165)
3,122	-	Available for Disbursement as Grants	2,950
(3,277)	(161)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR	(3,115)
-	3,115	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2021/22	Projected Outturn 2021/22	NAC (KILWINNING) CHARITABLE TRUST	Proposed Budget 2022/23
£	£		£
32,631	37,606	Projected Trust Balance Brought Forward at 1 April	37,328
102	50	<u>INCOME</u> Loans Fund Interest (on cash balances)	50
102	50	TOTAL INCOME FOR THE YEAR	50
324	328	<u>EXPENDITURE</u> Administration - Charge from Finance	361
324	328	SUB TOTAL OF EXPENDITURE FOR THE YEAR	361
(222)	(278)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(311)
32,409	-	Available for Disbursement as Grants	37,017
(32,631)	(278)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(37,328)
-	37,328	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2021/22	Projected Outturn 2021/22	NAC (LARGS) CHARITABLE TRUST	Proposed Budget 2022/23
£	£		£
6,599	6,595	Projected Trust Balance Brought Forward at 1 April	6,433
20	5	INCOME Loans Fund Interest (on cash balances)	5
20	5	TOTAL INCOME FOR THE YEAR	5
185	167	EXPENDITURE Administration - Charge from Finance	170
185	167	SUB TOTAL OF EXPENDITURE FOR THE YEAR	170
(165)	(162)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(165)
6,434	-	Available for Disbursement as Grants	6,268
(6,599)	(162)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(6,433)
-	6,433	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2021/22 £	Projected Outturn 2021/22 £	SPIER'S TRUST	Proposed Budget 2022/23 £
46,869	49,013	Projected Trust Balance Brought Forward at 1 April	52,055
		<u>INCOME</u>	
850	867	Share dividends	870
116	54	Loans Fund Interest (on cash balances)	54
2,660	2,660	Rent	2,660
3,626	3,581	TOTAL INCOME FOR THE YEAR	3,584
		<u>EXPENDITURE</u>	
140	157	Insurance	169
100	118	Broker Fees	120
500	-	Property Maintenance	500
253	264	Administration - Charge from Finance	298
993	539	SUB TOTAL OF EXPENDITURE FOR THE YEAR	1,087
2,633	3,042	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	2,497
2,633	-	Available for Disbursement as Grants	2,497
-	3,042	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
46,869	52,055	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	52,055

Budget 2021/22 £	Projected Outturn 2021/22 £	MARGARET ARCHIBALD BEQUEST	Proposed Budget 2022/23 £
191,255	188,481	Projected Trust Balance Brought Forward at 1 April	187,941
		<u>INCOME</u>	
9,000	5,774	Share dividends	6,000
190	65	Loans Fund Interest (on cash balances)	65
9,190	5,839	TOTAL INCOME FOR THE YEAR	6,065
		<u>EXPENDITURE</u>	
423	379	Administration - Charge from Finance	422
423	379	SUB TOTAL OF EXPENDITURE FOR THE YEAR	422
8,767	5,460	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	5,643
8,767	6,000	Available for Disbursement as Grants	5,643
-	(540)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
191,255	187,941	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	187,941

Budget 2021/22 £	Projected Outturn 2021/22 £	DOUGLAS SELLERS TRUST	Proposed Budget 2022/23 £
591	591	Projected Trust Balance Brought Forward at 1 April	439
2	1	<u>INCOME</u> Loans Fund Interest (on cash balances)	1
2	1	TOTAL INCOME FOR THE YEAR	1
153	153	<u>EXPENDITURE</u> Administration - Charge from Finance	153
153	153	SUB TOTAL OF EXPENDITURE FOR THE YEAR	153
(151)	(152)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(152)
440	-	Available for Disbursement as Grants	287
(591)	(152)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR	(439)
-	439	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2021/22 £	Projected Outturn 2021/22 £	ANDERSON PARK TRUST	Proposed Budget 2022/23 £
310	310	Projected Trust Balance Brought Forward at 1 April	159
1	-	INCOME Loans Fund Interest (on cash balances)	-
1	-	TOTAL INCOME FOR THE YEAR	-
152	151	EXPENDITURE Administration - Charge from Finance (<i>Only to be applied if funds not disbursed as grants</i>)	152
152	151	SUB TOTAL OF EXPENDITURE FOR THE YEAR	-
(151)	(151)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	-
159	-	Available for Disbursement as Grants	159
(310)	(151)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(159)
-	159	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2021/22	Projected Outturn 2021/22	NORTH AYRSHIRE COUNCIL CHARITABLE TRUST (excluding SPIERS TRUST)	Proposed Budget 2022/23
£	£		Total £
41,940	41,624	Projected Trust Balance Brought Forward at 1 April	42,853
		<u>INCOME</u>	
2,180	1,697	Dividends	1,720
130	56	Loans Fund Interest (on cash balances)	59
2,310	1,753	TOTAL INCOME FOR THE YEAR	1,779
		<u>EXPENDITURE</u>	
298	274	Administration - Charge from Finance	321
298	274	SUB TOTAL OF EXPENDITURE FOR THE YEAR	321
2,012	1,479	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	1,458
2,012	250	Available for Disbursement as Grants	1,458
-	1,229	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
41,940	42,853	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	42,853

NORTH AYRSHIRE COUNCIL

2 March 2022

Cabinet

Title: Treasury Management and Investment Strategy 2022/23

Purpose: To seek approval for the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2022/23.

Recommendation: That Council approves the Treasury Management and Investment Strategy for 2022/23 as attached at Appendix 1.

1. Executive Summary

- 1.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017) to approve a Treasury Management Strategy before the start of each financial year. The Council is also required by regulation to have regard to CIPFA's Prudential Code (revised 2017) under Part 7 of the Local Government in Scotland Act 2003. In addition, the Consent by Scottish Ministers for the Investment of Money by Scottish Local Authorities Regulation (April 2010) requires the Council to approve an Investment Strategy before the start of each financial year.
- 1.2 In December 2021 CIPFA published a revised Prudential Code and a revised Treasury management Code. It should be noted that the 2021 Prudential Code applies with immediate effect. However, Councils may defer introducing the revised reporting requirements until the 2023/24 financial year if they wish. Due to the timing of these publications and their associated guidance, which was published in February 2022, this Strategy has been developed in compliance with the 2017 versions of the codes.
- 1.3 The Treasury Management and Investment Strategy attached to this report complies fully with these requirements and provides:
 - a summary of the Council's capital plans;
 - outlines the Treasury Management Strategy in relation to borrowing and the impact of council plans on borrowing;
 - outlines the Investment Strategy including the instruments available for investments and permitted counterparties.

- 1.4 The strategy provides key prudential and treasury indicators to 2030/31 which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurance in relation to the affordability and sustainability of capital investment plans.
- 1.5 The key points highlighted in this report are;
- the continuation of an “under borrowed” position;
 - interest rates forecasts predict that the UK Bank Rate will rise to 1.0% in the first half of 2022 and remain at that level until December 2024;
 - notes the introduction of International Financial Reporting Standard (IFRS)16 which from 1 April 2022 will see leases, which were previously off balance sheet, now being included. Although leases form part of the other long term liability figures which make up the Prudential Indicators, it is not currently anticipated that the Indicators will be exceeded. Once the detailed data gathering has been substantially completed, later in the 2022/23 financial year, an updated report may be required to inform the members of the detailed impact of IFRS 16 with amended Prudential Indicators for approval.

2. Background

- 2.1 CIPFA defines treasury management as:

‘The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’

- 2.2 The Local Government Scotland Act 2003 and the Prudential Code requires the Council to approve an annual Treasury Management and Investment Strategy which outlines the Council's strategy in relation to borrowing and the Council's strategy for managing investments giving priority to the security and liquidity of those investments.
- 2.3 The Treasury Management and Investment Strategy 2022/23 is attached at Appendix 1. The overall objectives of the strategy are as follows:

Borrowing

- to minimise the revenue cost of borrowings;
- to manage the Council's cash flow;
- to manage the borrowing repayment profile;
- to assess interest rates' movements and borrow/invest accordingly;
- to monitor and review the level of variable rate loans held in order to take advantage of interest rate movements; and
- to identify and evaluate opportunities for debt rescheduling.

Investments

- to protect capital security of the invested funds;
- to obtain the best market return whilst recognising that security and liquidity are key priorities;
- to specify criteria for identifying creditworthy counterparties; and
- to specify the types of investments permitted and appropriate limits for each.

2.4 The strategy provides detailed key prudential and treasury indicators to 2030/31, aligned to the Council's current capital investment programme, which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurances in relation to the affordability and sustainability of capital investment strategy, including;

- the General Services capital plan to 2030/31; and
- the one-year programme for the Housing Revenue Account, with investment requirements for future years outlined within the HRA 30-year Business Plan.

2.5 The strategy also links with the key objectives of the Prudential Code that capital investment programmes:

- should be set at a level that delivers the Council's strategic priorities; and
- are affordable in terms of the impact of the resultant debt repayments on revenue budgets.

2.6 The Treasury Management and Investment Strategy includes prudential indicators which are critical in assessing the affordability of capital investment plans and their impact on the Council's overall finances. The indicator used to demonstrate affordability is the proportion of financing costs to the net revenue stream (for both General Fund and Housing Revenue Account).

2.7 There are a number of other key indicators designed to ensure that the Council operates within well-defined limits. The strategy, therefore, specifies:

- limits we do not expect external debt to exceed;
- appropriate levels of fixed rate borrowing versus variable rate borrowing;
- upper and lower limits on the maturity of the debt portfolio, which reduces the Council's exposure to large sums falling due for refinancing at any one time; and
- limits on investments placed for more than 365 days.

2.8 The Council expects to hold an 'under-borrowed' position at 31 March 2022. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded by debt, due to the level of the Council's internal funds. The use of internal funds instead of borrowing will continue due to the low level of investment rates in the market and the saving which can be made in borrowing costs. This under-borrowed position will decline through time as internal funds reduce and borrowing is required to be undertaken to replace internal funding.

- 2.9 The Treasury Management and Investment Strategy includes details of the Council's policy on repayment of loans fund advances. The Council's policy complies with the options currently available under the Local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 and the asset lives and methodologies used have been reviewed to provide for the prudent repayment of advances.

3. Proposals

- 3.1 That Council approves the Treasury Management and Investment Strategy for 2022/23 as attached at Appendix 1.

4. Implications/Socio-economic Duty

Financial

- 4.1 Financial implications are detailed in the report attached at Appendix 1.

Human Resources

- 4.2 None.

Legal

- 4.3 The Local Government in Scotland Act 2003 and supporting regulations require the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy. The Local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 require the Council to set a policy for the repayment of loans fund advances.

Equality/Socio-economic

- 4.4 None.

Environmental and Sustainability

- 4.5 None.

Key Priorities

- 4.6 The Treasury Management Strategy aligns with the Council Plan by maximising resources and providing value for money to support financially sustainable delivery models.

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 The Council's treasury advisors, Arlingclose Ltd, were consulted in the preparation of the Strategy.

Mark Boyd
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

Background Papers

None



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Treasury Management and Investment Strategy

2022/23



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1 Purpose

The Council is required by regulations issued under the Local Government in Scotland Act 2003 and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017) to approve a Treasury Management Strategy before the start of each financial year. The Council is also required by regulation to have regard to CIPFA's Prudential Code (revised 2017) under Part 7 of the Local Government in Scotland Act 2003.

In addition, the Consent by Scottish Ministers for the Investment of Money by Scottish Local Authorities, which came into force in April 2010, requires the Authority to approve an Investment Strategy before the start of each financial year.

This strategy meets these requirements fully.

In December 2021 CIPFA published a revised Prudential Code and a revised Treasury management Code. It should be noted that the 2021 Prudential Code applies with immediate effect. However, Councils may defer introducing the revised reporting requirements until the 2023/24 financial year if they wish. Due to the timing of these publications and their associated guidance, which was published in February 2022, this Strategy has been developed in compliance with the 2017 versions of the codes.

Three main reports on Treasury Management activity are presented to Members each year, incorporating a variety of policies, estimates and actuals. These are:

- **Annual Treasury Management and Investment Strategy** (this report), which is submitted to full Council before the start of each financial year.
- **Mid-Year Treasury Management and Investment Report**, submitted to Cabinet as soon as possible following 30 September each year.
- **Annual Treasury Management and Investment Report**, submitted to full Council annually by the 30 June following the end of each financial year.

Responsibilities

Regulations place responsibility on Members for the review and scrutiny of treasury management policy and activities. The following Scheme of Delegation has been adopted by the Council:

Full Council

- to receive and review reports on treasury management policies, practices and activities;
- to approve the annual Treasury Management and Investment Strategy.

Cabinet

- to approve amendments to the treasury management policy statement and treasury management practices;
- to approve the division of responsibilities;
- to receive and review regular monitoring reports and act on recommendations.

Section 95 Officer

The Council's Section 95 Officer is responsible for the proper administration of the Council's financial affairs and is required:

- to recommend treasury management policies / practices, review these regularly and monitor compliance;
- to submit regular treasury management updates;
- to receive and review management information;
- to review the performance of the treasury management function;
- to ensure the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function; and
- to approve the appointment of external service providers.

External Treasury Advisers

The Council recognises that there is value in employing external providers of treasury management services, in order to access specialist skills and resources.

However, it recognises that the responsibility for treasury management decisions remains with the Council at all times and officers will ensure that undue reliance is not placed upon external advice.

The Council's current external treasury management advisors are Arlingclose Limited. The contract started on 5 April 2021 and is in place for an initial 3 year period. The Council will ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed, documented and subject to regular review.

2 Executive Summary

The treasury management function ensures that the Council's funds are managed in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity. This involves both the organisation of the cashflow and, where capital plans require, the organisation of appropriate borrowing facilities.

CIPFA defines treasury management as:

“The management of the local authority’s investments and cashflows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

This document outlines the Council's Annual Treasury Management Strategy and Annual Investment Strategy providing:

- a summary of the Council's capital plans;
- an outline of the treasury management strategy in relation to borrowing and the impact of capital plans on this borrowing; and
- an outline of the investment strategy including the type of instruments available for investment and our permitted counterparties.

Key prudential and treasury indicators are provided throughout this strategy which clearly articulate the operational parameters in relation to Treasury Management and Investment, as well as providing assurances in relation to the affordability and sustainability of capital investment plans. Table 1 contains the key prudential and treasury indicators within the report.

Table 1

Prudential and Treasury Indicators	2021/22 Probable Outturn £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital Expenditure:				
General Services	59.442	124.152	89.262	75.469
HRA	43.885	114.507	76.000	71.543
Total	103.327	238.659	165.262	147.012
Loans Capital Financing Requirement (CFR):				
General Services	208.941	298.935	347.256	371.678
HRA	148.986	229.034	269.132	309.582
Total	357.927	527.969	616.388	681.260
Gross Borrowing	289.884	517.969	606.388	671.260
Operational Boundary for Borrowing	378.057	547.562	632.803	701.072
Authorised Limit for Borrowing	415.863	602.318	696.083	771.179
Total Operational Boundary (Including PPP/NPD)	470.396	635.952	716.653	780.586
Total Authorised Limit (Including PPP/NPD)	508.202	690.708	779.933	850.693
Investments	30.000	20.000	20.000	20.000

A summary of this is provided as follows, with more detailed information provided in the body of the report.

Capital Expenditure for the General Fund (GF) reflects the capital investment programme for 2022/23 to 2030/31 and Housing Revenue Account (HRA) reflects the capital investment programme for 2022/23 and the capital investment plans included in the latest business plan. To ensure the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2030/31 and these can be found in Appendix 1.

The **Capital Financing Requirement (CFR)** is the underlying borrowing requirements of the Council.

Gross Borrowing reflects the actual borrowing which has been undertaken. This is projected to be lower than the CFR as the Council continues with its strategy to use internal funds.

The **Operational Boundary** is the maximum borrowing and other long-term liabilities to fund previous years' and the current year capital programme, building in flexibility for the timing of the different funding streams and principal repayments. The operational boundary includes any other long-term liabilities (e.g. PPP/NPD schemes, finance leases) however no borrowing is actually required against these schemes as a borrowing facility is included in the contract.

The **Authorised Limits** is set at 10% above the Operational Boundary to give some flexibility around raising funds for future year capital investment.

Affordability of borrowing is measured by the percentage of financial costs relative to the net revenue stream of the GF and HRA.

Full details of these can be found on page 10.

The **average investment** rate estimated for 2022/23 is 0.50% and is reflective of the Council's appetite for risk, the short term nature of investments and the permitted instruments and counterparties selected.

Other prudential and treasury indicators and supporting information can be found in the main body of this report.

Client Status

The introduction of the second Market in Financial Instruments Directive (MiFID II) in January 2018, classifies Local Authorities as "retail clients" unless it chooses to opt-up to "professional client" status. This has the advantages of lower fees and access to a greater range of products and investment firms. The Council continues to opt-up to professional client status. In order to meet the professional client criteria, the Council must hold a £10m investment portfolio at all times and have at least one officer with the necessary level of experience and knowledge to understand the risks involved in the management of the investments.

3 Capital and Prudential Indicators 2022/23 – 2024/25

In exercising its power to borrow, the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 require the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The Prudential Code is a framework to ensure Councils demonstrate effective control over levels of, and decisions relating to, capital investment activity, including borrowing. The Treasury indicators are used to ensure that risk is managed and controlled effectively. Together the Prudential and Treasury Indicators consider the affordability and impact of capital expenditure decisions and set out the Council's overall capital framework.

(a) Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of the 2022/23 budget setting.

The 2022/23 budget proposes an updated Capital Investment Programme for General Services to 2030/31 and updated investment plans for the HRA for 2022/23 and the capital investment plans included in the latest business plan. All projects within the Capital programme are linked to the Council's key strategic priorities. These are also covered in the Capital Investment Strategy, produced in line with the requirements of the 2017 Prudential Code. To ensure that the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2030/31 and these can be found in Appendix 1. Table 2 shows the capital expenditure plans and how they are being financed by capital or revenue resources over the next three years. The borrowing figure in Table 2 is the difference between the estimates for total capital expenditure and the other funding sources.

Table 2

Estimates of Capital Expenditure and Income	2021/22 Probable Outturn £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
General Services Capital expenditure	59.442	124.152	89.262	75.469
Funded by:				
Borrowing	28.582	94.515	53.739	30.473
Receipts / Grants	28.982	24.318	35.523	42.626
Funded from Revenue	0.162	0.600	-	-
Funded from Reserves	1.716	4.719	-	2.370
Total	59.442	124.152	89.262	75.469
HRA Capital expenditure	43.885	114.507	76.000	71.543
Funded by:				
Borrowing	17.707	85.376	47.265	49.211
Receipts / Grants	13.784	14.175	15.190	10.260
Funded from Revenue	10.599	12.209	10.067	10.242
Funded from Reserves	1.795	2.747	3.478	1.830
Total	43.885	114.507	76.000	71.543

(b) The Council's Overall Borrowing Need (the Capital Financing Requirement)

This indicator outlines the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not been paid from either a capital or a revenue resource and, therefore, needs to be funded from borrowing. It is essentially a measure of the Council's underlying borrowing need.

Part of the Council's treasury activity is to meet the funding requirements for this borrowing need. The treasury management section organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB], or the money markets), or utilising temporary cash resources within the Council.

The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. The Council is required to make an annual revenue charge, called the Loans Fund Principal Repayment. This is effectively a repayment of the borrowing need and it is charged to revenue over the life of the asset. This charge reduces the CFR each year. This differs from the treasury management arrangements, which ensure that cash is available to meet the payment of capital commitments on an ongoing basis. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- increasing the annual revenue charge.

The Council's CFR is shown below and is a key prudential indicator. The opening balances include the PPP/NPD schemes on the balance sheet, which increase the Council's borrowing need. This is shown to give a complete picture of the Council's debt. However, no borrowing is actually required against these schemes as a borrowing facility is included in the contract and, as such, this is subtracted from the total CFR to identify the Loans CFR. The Loans CFR is forecast to rise over the next few years as capital expenditure financed by borrowing increases.

Table 3

Capital Financing Requirement (CFR)	2021/22 Probable Outturn £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
General Services	301.280	387.325	431.106	451.192
HRA	148.986	229.034	269.132	309.582
Sub-total	450.266	616.359	700.238	760.774
Less PPP/NPD long-term liability	(92.339)	(88.390)	(83.850)	(79.514)
Loans Capital Financing Requirement (CFR)	357.927	527.969	616.388	681.260
Movement in CFR				
General Services		89.994	48.321	24.422
HRA		80.048	40.098	40.450
Annual Change		170.042	88.419	64.872

(c) Limits to borrowing activity

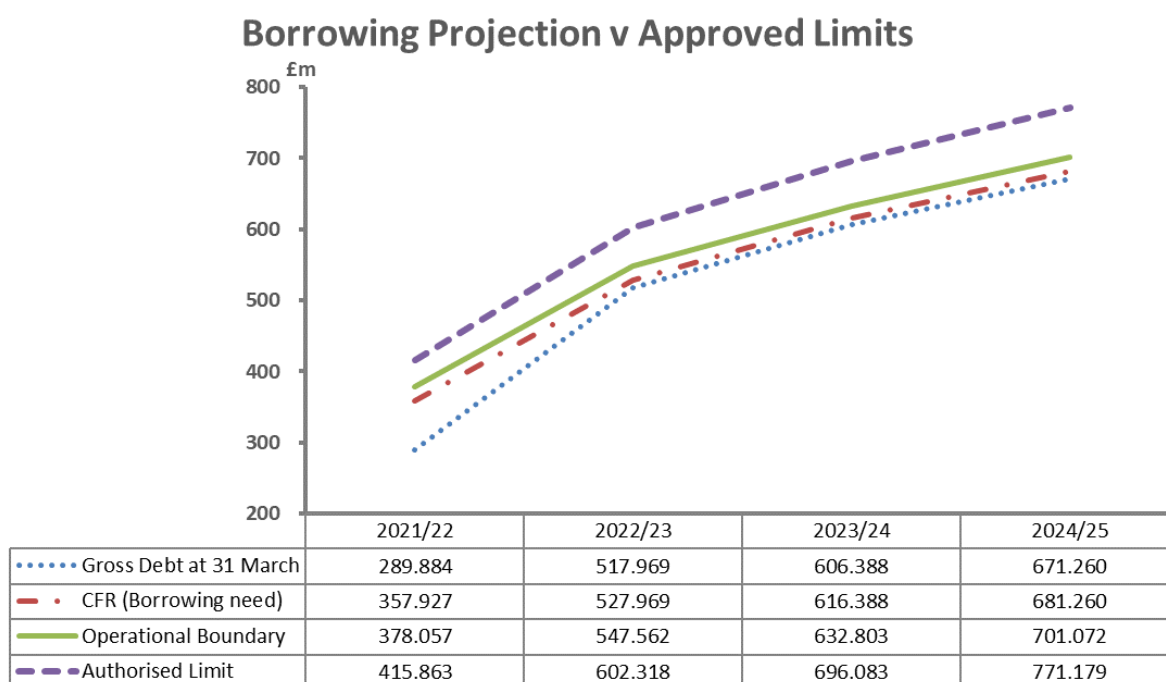
The Operational Boundary

The operational boundary is the expected maximum borrowing position of the Council during the year, taking account of the timing of various funding streams and the recharge of principal repayments from the revenue account. Periods where the actual position varies from the boundary are acceptable, subject to the authorised limit not being breached.

The Authorised Limit

The authorised limit represents a limit beyond which external debt is prohibited. This limit is set by Council and can only be revised by Council approval. It reflects the level of external borrowing which, while not desirable, could be afforded in the short term, but is not sustainable in the longer. The current limit is set at 10% above the Operational Boundary.

The following graph shows the projected levels of the Operational Boundary and Authorised Limit for Borrowing, compared with the Council's CFR and gross debt position. CIPFA's Prudential Code for Capital Finance in Local Authority's recommends that the Council's total debt should not exceed the highest forecast CFR over the next three years. This provides Councils with some flexibility to borrow to meet future capital investment requirements but provides a balance to ensure debt is not held for long periods of time without an underlying need to fund capital investment. The graph below confirms that the Council expects to comply with this recommendation.



*NB: Figures exclude PPP/NPD

Leasing – International Financial Reporting Standard (IFRS) 16

From 1 April 2022, leases which were previously off balance sheet will now be included. Although leases form part of the other long term liability figures which make up the Prudential Indicators above, it is not currently anticipated that the Indicators will be exceeded. Once the detailed data gathering has been substantially completed, later in the 2022/23 financial year, an updated report may be required to inform the members of the detailed impact of IFRS 16 with amended Prudential Indicators for approval.

(d) Affordability Prudential Indicators

These Prudential Indicators assess the affordability of capital investment plans and provide an indication of the impact of capital investment plans on the Council's overall finances. The cost impact of borrowing decisions are reflected in the Council's budget as loan charges. These have been projected to 2030/31 in line with the capital plan.

Actual and estimates of the proportion of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long-term liabilities net of investment income) against the net revenue stream and reflects the profile of the loans fund advances together with future capital investment. The estimates of financing costs include current commitments and those arising from the capital programme. The HRA costs are aligned with the 30-year business plan.

Table 4

Proportion of financing costs to net revenue stream	2021/22 Probable Outturn %	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %
General Services	3.0%	3.7%	4.6%	5.1%
HRA	18.7%	21.7%	26.9%	30.2%

Capital expenditure impacts on the revenue budget through financing charges so it is essential that the Council ensures the financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available. From a General Fund perspective, the Scottish Local Authority average in 2020/21 was 5.86%, therefore demonstrating a prudent borrowing policy. For the HRA, the Scottish average in 2020/21 was 21.62%. The rising ratio within the HRA is indicative of the significant capital investment programme as outlined in the Strategic Housing Investment Plan. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

4 Treasury Management Strategy

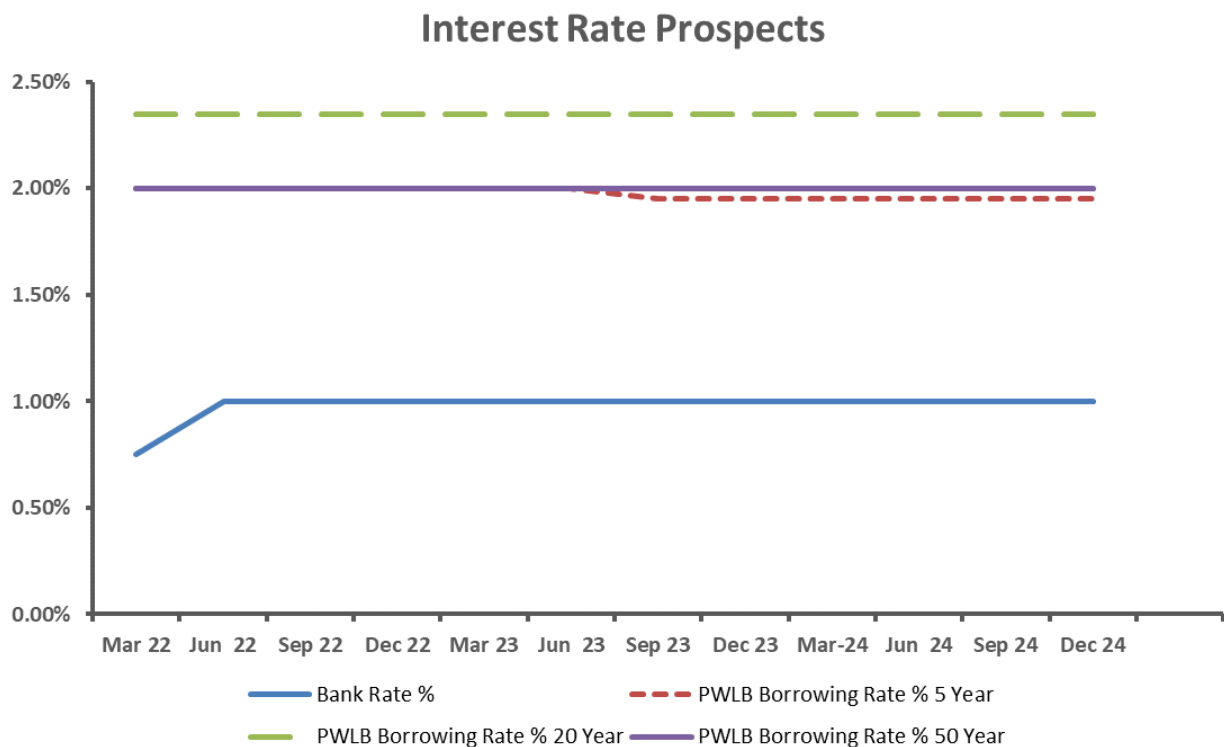
The treasury management function ensures that the Council's funds are managed in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity. This involves both the organisation of the cashflow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy. The primary objectives of the Council's borrowing strategy is to minimise the revenue impact of borrowing and to effectively manage the repayment profile of the debt.

The treasury strategy aligns with the Council Plan by contributing to "an efficient Council that maximises resources and provides value for money as referred to under the objective of "A Council for the Future". The Council Plan can be found on the Council's website at: www.north-ayrshire.gov.uk.

Economic Outlook

Interest rate forecast

Interest rate forecasts are key to forecasting the costs of future borrowing. The Council's treasury management adviser Arlingclose is forecasting that the bank rate will continue to rise during 2022 with rates rising to 1% from June 22 and then remaining at that level. The projected rates are shown in the following graph alongside an assessment of PWLB borrowing rates to December 2024:



Current portfolio position

The Council's treasury portfolio position at 31 March 2022, with forward projections, are summarised below. Table 5 shows the actual external debt against the underlying capital borrowing need (the CFR), highlighting any over or under borrowing. Both the external debt and CFR exclude the Council's liabilities in respect of the PPP/NPD schemes.

Table 5

Current Portfolio Position (excluding PPP/NPD)	2021/22	2022/23	2023/24	2024/25
	Probable Outturn £m	Estimate £m	Estimate £m	Estimate £m
Gross Debt at 31 March	289.884	517.969	606.388	671.260
CFR	357.927	527.969	616.388	681.260
(Under)/Over Borrowed Position	(68.043)	(10.000)	(10.000)	(10.000)

Within the prudential indicators there are a number of key indicators to ensure that the Council operates within well-defined limits. One of these is that the Council's gross debt should not, except in the short term, exceed the total of the CFR. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.

The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The Council is currently under-borrowed. This means that the capital financing requirement (CFR), has not been fully funded with loan debt because the cash supporting the Council's internal balances and cashflow is being used as a temporary measure. This strategy is currently prudent, as investment returns are low and counterparty risk is high. Where possible, the Council will continue to use internal funds but will balance this strategy against movements in interest rates as outlined above.

Against this background and the risks within the economic forecast, caution will be adopted within 2022/23 treasury operations. The Section 95 Officer will monitor interest rates and adopt a pragmatic approach to changing circumstances. For example:

- if it is anticipated that there is a significant risk of a sharp fall in long and short-term rates, then long-term borrowings will be postponed and potential rescheduling from fixed rate funding into short-term borrowing will be considered.
- if it is anticipated that there is a significant risk of a sharp rise in long and short-term rates than that currently forecast, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they are expected to be in the next few years.

Any such decisions will be reported to the Cabinet as part of the mid-year and annual treasury outturn report. A summary of treasury risks and mitigating controls can be found at Appendix 2.

Controls on borrowing activity

The purpose of these controls is to manage the risk and impact of any adverse movement in interest rates. However, if they are set to be too restrictive, they may impair opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.

Table 6

	2021/22 Probable Outturn £m	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m
Limits on fixed interest rates based on net debt	238.934	415.863	602.318	696.083	771.179
Limits on variable interest rates based on net debt	50.950	60.000	60.000	60.000	60.000

- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large sums falling due for refinancing; both upper and lower limits are required.

Table 7

Maturity Profile of Borrowing	2021/22 Probable Outturn £m	2021/22 Probable Outturn %	Lower Limit %	Upper Limit %
Under 12 months	68.901	28%	0%	50%
12 months and within 24 months	2.888	1%	0%	50%
24 months and within 5 years	10.175	4%	0%	50%
5 years and within 10 years	24.439	10%	0%	75%
10 years and above	143.927	57%	25%	90%
Total Borrowing	250.329	100%		

* Note the Under 12 months figure in the above table includes £48.600m LOBOs which have call options in year.

LOBOs

The Council currently holds £50.950m of Lender's Option Borrower's Option (LOBO) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. Similar to other debt held by the Council we continue to work with treasury management advisers to identify financially beneficial opportunities to repay LOBO loans.

Policy on borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely to profit from the investment of the extra sum borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any advance borrowing activity will be subject to appraisal and subsequent reporting in either the mid-year or annual treasury report.

Debt rescheduling

As short-term borrowing rates are considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the cost of any premiums incurred on early debt repayment.

Potential reasons for debt rescheduling include:

- the generation of cash savings and / or discounted cashflow savings; or
- the enhancement of the portfolio balance (amend the maturity profile and / or risk).

All debt rescheduling proposals will be reported to Cabinet / full Council as part of the annual or mid-year report.

Borrowing Sources

Approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board) and any successor body;
- Any institution approved for investments (see Appendix 3);
- Any other bank or building society authorised to operate in the UK;
- Any other UK public sector body;
- UK public and private sector pension fund (except Strathclyde Pension Fund);
- Capital market bond investors; or
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

In addition, capital finance can be raised by the following methods that are not borrowing, but are classed as other debt liabilities:

- Leases;
- Hire purchase;
- Private Finance Initiatives (including PPP/NPD); or
- Sale and leaseback arrangements.

Alternatives to PWLB

North Ayrshire Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities. The Council will also investigate the possibility of issuing bonds and similar instruments, which may offer lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. One example of such funding is the UK Municipal Bonds Agency, an organisation which plans to issue bonds on the capital markets and lend the proceeds to local authorities. As these will represent a more complex form of borrowing, any decision to borrow in this way will be the subject of a separate report to Council.

PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield. The Council therefore intends to avoid this activity in order to retain its access to PWLB loans.

Policy on Use of Financial Derivatives

A financial derivative is a contract, which derives its value from the performance of an underlying entity. They are used for a number of purposes, including insuring against price movements. In the absence of any explicit legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, future and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used and the risks that they present will be managed in line with the overall treasury risk management strategy.

Policy on Repayment of Loans Fund Advances

The prudent repayment of Loans Fund Advances are made under the provisions of The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, which came into force on 1 April 2016.

These Regulations require North Ayrshire Council to outline its policy on the repayment of loans fund advances. The loans fund advance is effectively the repayment of the 'principal' linked to the capital expenditure which is funded from borrowing.

The statutory guidance identifies a number of options for the prudent repayment of advances, including basing the repayments on:

- the depreciation charges made against the assets;
- the life of the assets, using either the annuity or equal instalments methodology; or
- the funding or income streams attached to the assets.

For the majority of projects undertaken by the Council, the policy is to repay loans fund advances linked to asset life using the annuity methodology. However, where appropriate, the repayment of advances arising from projects with associated income streams will be matched to the profile of the income.

The Council will continue to consider the most appropriate repayment methods, which align to the benefits of the assets and ensure a prudent repayment, for existing and future advances.

The policy is outlined in full in Appendix 4.

5 Investment Strategy

The Council's investment strategy has regard to the Local Government Investment (Scotland) Regulations (and accompanying finance circular) and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults or of receiving unacceptably low investment income.

The aim of the Investment Strategy is to provide security of investment and minimisation of risk by generating a list of high creditworthy counterparties which will enable diversification. Investment instruments identified for use in the financial year, along with their associated risks and controls can be found in Appendix 3.

Counterparty limits are set through the Council's Treasury Management Practices. The maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of banks under the same ownership, will be treated as a single organisation for limit purposes.

The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's revenue budget and cash flow forecast.

Given the risk of bail-in (as defined on page 18) and continued low returns from short-term unsecured bank investments, the Council will take opportunities, as cash flows permit, to further diversify into more secure asset classes during 2022/23. This diversification will mitigate further risks associated with investments.

Current Portfolio Position

Table 8

Current Portfolio Position	2021/22 Probable Outturn £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Investments at 31 March	30.000	20.000	20.000	20.000
Net Debt at 31 March	259.884	497.969	586.388	651.260

Creditworthiness policy

In accordance with the above, and in order to minimise risk, the Council has clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on its lending list. The Council uses Arlingclose's Approved Counterparties List (see Appendix 5) which takes full account of the ratings, outlooks and watches published by all three ratings agencies. Ratings are monitored on a real time basis with any changes notified electronically supplemented by weekly update.

Investment decisions are made by reference to the lowest published long-term credit rating and analysis from the Council's treasury management advisers. The Council considers high credit quality organisations and investments as those having a credit rating of A- or higher and which are domiciled in the UK or in a foreign country with a sovereign rating of AA+ or higher. For money market funds that are more diversified, "high credit quality" is defined as those having a credit rating of A- or higher. However, in addition to credit ratings, the Council will consider investments in organisations based on independent analysis from our treasury management advisors.

All credit ratings are monitored by the Treasury Team who are alerted to changes in ratings of the main rating agencies through Arlingclose's weekly updates and following credit developments. Where a downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, any investment will be withdrawn immediately, where breakage costs are not excessive.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

The Council recognises that credit ratings are good, but not comprehensive, indicators of investment default. Full regard is therefore given to other available information on the credit quality of the organisations in which it invests including credit default swap prices, financial statements, information on government support, reports in the financial press and analysis from the Council's treasury management adviser. No investment will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Bail-in Risk

Since the financial crisis, global authorities have embarked on a wide ranging review of the banking sector to ensure that the cost to the public purse of any future crises is contained. One of the most significant changes has arisen from the Financial Services (Banking Reform) Act 2013 which added the bail-in of certain unsecured creditors to the Special Resolution Regime (SRR) granted to the Bank of England under the Banking Act 2009. Bail-in is the opposite of bail-out and requires certain creditors to bail-in funds from existing investments if a bank requires it to remain financially sustainable.

Local authority deposits in banks are unsecured and because other previously unsecured creditors such as retail investors have become preferred under UK and EU Directives, it means that the risks associated with local authority unsecured investments in banks have risen.

The best solution to mitigating against bail-in risk is to invest with high quality and credit worthy institutions. The identification of these institutions remains a key objective of the investment strategy. Ensuring diversification of investment counterparties is also an effective risk management approach and is reflected in investment counterparty limits.

Investment Strategy and Permitted Investments

The Investment Regulations (Code on the Investment of Money by Local Authorities) require the Council to approve all types of investments to be used and to set appropriate limits for the amount that can be held in each investment type. In determining its permitted investments, the Council must identify the treasury risks associated with each type of instrument and the controls put in place to limit risk on each investment type. Full details can be found in Appendix 3.

Investment returns expectations

Bank Rate is forecast to rise to 1% in the first half of 2022 and remain at this level until December 2024. Bank Rate forecasts for financial year ends (March) are:

- 2022/23 1.00%
- 2023/24 1.00%
- 2024/25 1.00%

The estimated rates for returns on investments placed for periods up to 100 days during each financial year for the next three years are as follows:

- 2022/23 0.50%
- 2023/24 1.00%
- 2024/25 1.00%

Investment treasury indicator and limit

This is a control on the total principal funds invested for greater than 1 year. This limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and is based on the availability of funds after each year-end.

Table 9

Maximum principal sums invested for more than 1 year	2021/22 Probable Outturn £m	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m
Principal sums invested for more than 1 year	-	10.000	10.000	10.000

For cashflow management, the Council will seek to utilise its 15 and 30 day notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

Summary of Material Investments, Guarantees and Liabilities

In line with the requirements in respect of the Council's Capital Investment Strategy information is provided on material Investments, Guarantees and Liabilities. Reporting of this fits better within the TMIS. Information is provided in the table below;

The Council has the current historic investments on the balance sheet as at 31st March 2021:

	Value as at 31 March 2021 £m
Long-term Debtors	0.439
Total	0.439

The long-term debtors represent loan finance provided by the Council to other parties which currently consists of the loans to North Ayrshire Ventures Trust Ltd (£0.292m) and Advances for House Rents (£0.147m).

Monitoring of Investment Strategy

An update on the investment position of the Council will be reported to Cabinet in the 2022/23 Mid-Year Treasury report and the Annual Treasury Report will be submitted to the Council after the end of the financial year.

Appendix 1: Prudential Indicators 2024 to 2031

Estimates of Capital Expenditure and Income	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
General Services Capital expenditure	33.784	22.720	22.997	14.373	14.407	12.478
Funded by:						
Borrowing	9.172	3.514	5.705	0.514	0.630	-
Receipts / Grants	24.612	19.206	17.292	13.859	13.777	12.478
Funded from Revenue	-	-	-	-	-	-
Funded from Reserves	-	-	-	-	-	-
Total	33.784	22.720	22.997	14.373	14.407	12.478
HRA Capital expenditure	40.774	27.456	22.535	22.690	22.044	23.479
Funded by:						
Borrowing	24.597	12.080	8.061	6.927	4.646	6.384
Receipts / Grants	4.297	3.700	-	-	-	-
Funded from Revenue	10.129	11.066	14.474	15.763	17.398	17.095
Funded from Reserves	1.751	0.610	-	-	-	-
Total	40.774	27.456	22.535	22.690	22.044	23.479

Capital Financing Requirement (CFR)	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
General Services	449.228	441.942	435.852	424.550	413.322	400.584
HRA	323.690	324.265	322.305	319.048	313.626	308.270
Sub-total	772.918	766.207	758.157	743.598	726.948	708.854
Less PPP/NPD long-term liability	(74.973)	(70.264)	(64.742)	(59.411)	(53.684)	(47.883)
Sub-total	697.945	695.943	693.415	684.187	673.264	660.971
Movement in CFR						
General Services	2.577	(2.577)	(0.568)	(5.971)	(5.501)	(6.937)
HRA	14.108	0.575	(1.960)	(3.257)	(5.422)	(5.356)
Annual Change	16.685	(2.002)	(2.528)	(9.228)	(10.923)	(12.293)

Proportion of financing costs to net revenue stream	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
General Services	5.4%	5.2%	5.3%	5.3%	5.2%	5.4%
HRA	32.3%	32.3%	29.0%	28.3%	27.1%	28.4%

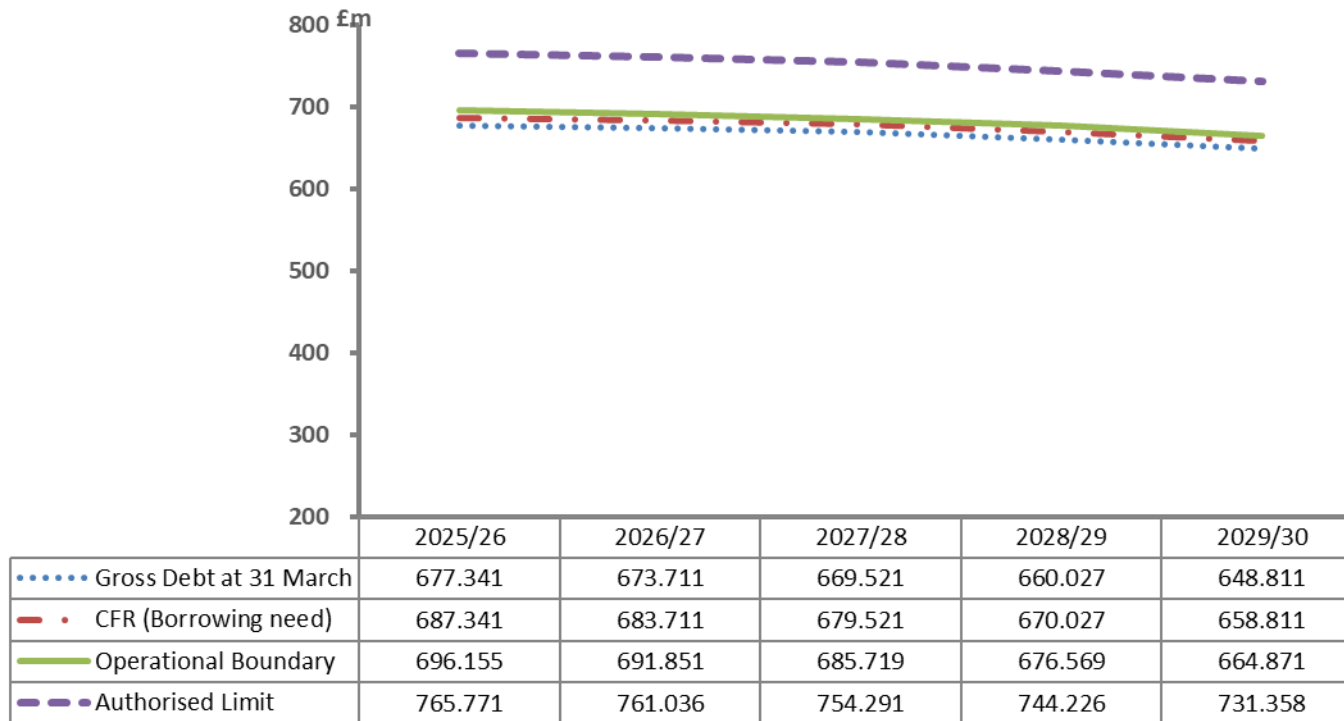
Current Portfolio Position (excluding PPP/NPD)	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Gross Debt at 31 March	687.945	685.943	683.415	674.187	663.264	650.971
CFR	697.945	695.943	693.415	684.187	673.264	660.971
(Under)/Over Borrowed Position	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)

Current Portfolio Position	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Investments at 31 March	20.000	20.000	20.000	20.000	20.000	20.000
Net Debt at 31 March	667.945	665.943	663.415	654.187	643.264	630.971

Operational Boundary	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Anticipated borrowing	706.780	704.149	699.709	690.856	679.463	671.733
PPP/NPD long-term liability	74.973	70.264	64.742	59.411	53.684	47.883
Operational Boundary	781.753	774.413	764.451	750.267	733.147	719.616

Authorised Limit	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Operational Boundary + 10%	777.458	774.564	769.680	759.942	747.409	738.906
PPP/NPD long-term liability	74.973	70.264	64.742	59.411	53.684	47.883
Authorised Limit	852.431	844.828	834.422	819.353	801.093	786.789

Borrowing Projection v Approved Limits



Appendix 2: Treasury Risk Register

Risk Title	Description	Consequence of Risk	Current Controls	RAG Status
Credit and Counterparty Risk	This is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the organisation particularly due to the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have a very high level of creditworthiness.	That investment funds will not be returned in full to the Council as per the contractual obligation of the counterparty.	The Council sets minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to invest securely. The RAG status is Amber because this risk will never be fully eliminated.	Amber
Liquidity Risk	This is the risk that cash will not be available when it is needed. Whilst it could be said that all counterparties are subject to at least a very small level of liquidity risk, in this document, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. While some forms of investment e.g. gilts, Certificates of Deposit, corporate bonds can usually be sold immediately if the need arises, there are two caveats: - a) cash may not be available until a settlement date up to three days after the sale; and b) there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer.	That the Council has insufficient access to cash to enable it to carry out its activities.	The Council has a cash flow forecasting model to enable it to determine how long investments can be made for and how much can be invested. This has a high level of assurance around regular cash inflows and outflows. Some of the Council's cashflow related investments are invested in Money Market Funds which provide very high daily liquidity.	Green

Risk Title	Description	Consequence of Risk	Current Controls	RAG Status
Market Risk	This is the risk that, through adverse market fluctuations in the value of the sums that the Council borrows and invests, there is a detrimental impact on the Council.	That investment funds will not be returned in full to the Council as per the contractual obligation of the counterparty due to market variations.	Only a proportion of the Council's investments will be invested in instruments whose value are subject to market movements. The proportion will not exceed the maximum percentage the Council will invest in investments over 1 year	Green
Interest Rate Risk	This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. The Council has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report	That the Council will be faced with unexpected higher interest costs due to market variations.	The Council manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing.	Green
Legal and Regulatory Risk	This is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, including failure to comply with the CIPFA Codes and that the organisation suffers losses accordingly.	That investment funds will not be returned in full to the Council due to the failure of the counterparty to comply with their contractual obligations	The Council will not undertake any form of investing until it has ensured that it has all necessary powers and has complied with all regulations.	Green

Appendix 3: Permitted Investments, Risks and Mitigating Controls

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Banks Unsecured	These are accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks, which are established by more than one country e.g. European Investment Bank. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.	Diversifying investments is crucial to managing bail-in risk, in addition to determining proportionate counterparty and maturity limits. Certificates of Deposit, which are tradable on the secondary market and which can be sold prior to maturity, will also assist in managing credit risk.	The combined secured and unsecured investments in any one bank will not exceed £10m.
Banks Secured	These are covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. Reverse purchase agreements involve the purchase of securities with the agreement to sell at a future date at a higher price. Collateralised arrangement are an investment with collateral such as properties or debt.	These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.	The combined secured and unsecured investments in any one bank will not exceed £10m.

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Operational Bank Accounts	The Council will incur operational exposures to its banking services provider, Clydesdale Bank, through current accounts. The bank is not currently on the Council's lending list as its credit ratings are below the investment credit rating criteria of A-. These balances are not classed as investments but are still subject to the risk of bail-in and balances will therefore be minimised.	The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion (which applies to Clydesdale Bank) are more likely to be bailed in than made insolvent, increasing the chance of the Council maintaining operational continuity. .	The Council monitors its operational accounts on a daily basis, transferring any surplus funds to investment accounts and there for minimising the amount held in the operational bank account at any time.
Government	These are loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. Includes the UK Debt Management Office.	These investments are not subject to bail-in, and there is an insignificant risk of insolvency.	Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
Corporates	These are loans, bonds and commercial paper issued by companies other than banks and registered social landlords. Loans to unrated companies will only be made if approved through a separate report to Council.	These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. This risk will be mitigated by taking independent external advice and diversifying investments over a number of counterparties.	Loans to unrated companies would be made as part of a diversified pool in order to spread the risk widely.

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Registered Social Landlords	These are loans and bonds issued by, guaranteed by or secured on the assets of Registered Social Landlords (Housing Associations). These bodies are regulated by the Scottish Housing Regulator and by the Homes and Communities Agency for Registered Providers of Social Housing in England.	As providers of public services, they retain the likelihood of receiving government support if needed and are therefore considered low risk.	Policy driven, managing all associated risks.
Money Market Funds	These are diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a management fee.	Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts.	<p>It is recommended that no more than 10% of the Council's total investments are invested in any one MMF and that the amount invested is no more than 0.5% of the size of a MMF used for liquidity purposes.</p> <p>For pooled investment vehicles that invest in bonds, equities and property, all of which operate on a variable net asset value (VNAV) it is recommended that no more than 10% of the Council's total investments are invested in each fund. These investments will be held for periods greater than 1 year.</p>

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Other types of investments			
Investment Properties	These are non-operational properties that are being held pending disposal, or for a longer-term rental income stream. They are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids).	<p>In larger investment portfolios, some small allocation of property-based investment may counterbalance/ complement the wider cash portfolio. Property holding will be re-valued regularly and reported annually with gross and net rental streams.</p> <p>Member approval required and each application must be supported by the service rationale behind the loan and the likelihood of partial or full default.</p>	Policy driven, managing all associated risks.
Loans to third parties, including soft loans	These are service investments either at market rates of interest, or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application must be supported by the service rationale behind the loan and the likelihood of partial or full default. Interest payments and loan repayments will be monitored and the likelihood of partial or full default re-assessed regularly.	Policy driven, amount and loan maturity limit will be determined on a case-by-case basis.

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Loans to a local authority company	These are service investments either at market rates of interest, or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each loan to a local authority company requires Member approval and each application must be supported by the service rationale behind the loan and the likelihood of partial or full default. Interest payments, loan repayments, and their timeliness will be monitored and the likelihood of partial or full default reassessed regularly.	Policy driven, amount and loan maturity limit determined on a case-by-case basis, managing all associated risks.
Shareholdings in a local authority company	These are service investments, which may exhibit market risk and are likely to be highly illiquid.	Each equity investment in a local authority company requires Member approval and each application must be supported by the service rationale behind the investment and the likelihood of loss. Service investments will be subject to scrutiny by Financial Services on a regular basis, and will include scrutiny of financial statements issued by the local authority company.	Policy driven, amount determined on a case-by-case basis, managing all associated risks.
Non-local authority shareholdings	These are non-service investments, which may exhibit market risk, will only be considered for longer term investments and are likely to be liquid.	Any non-service equity investment will require separate Member approval and each application must be supported by the service rationale behind the investment and the likelihood of loss. Non-service investments will be subject to scrutiny by Financial Services on a regular basis, reported to Members, and will include scrutiny of financial statements issued by the company.	Policy driven, amount and anticipated time frame for shareholding determined on a case-by-case basis, managing all associated risks.

Appendix 4: Policy on Repayment of Loans Fund Advances

Policy on Repayment of Loans Fund Advances

The purpose of the Loans Fund is to record advances from the loan fund for expenditure incurred, or loans made to third parties, which a local authority has determined are to be financed from borrowing as set out in Regulation 2 of The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 [“the Regulations”]. The Council is also statutorily required to repay Loans Fund advances and to prudently determine the periods over which it will repay Loans Fund advances and the amount of repayments in any financial year.

Loans Fund advances comprise several items and the estimated opening balances for 2022/23, where applicable for North Ayrshire Council, are:

- capital expenditure (£357.927m);
- grants to third parties and expenditure on third party assets which would be classified as capital expenditure by a local authority (£0m);
- loans to third parties (£0m); and
- expenditure for which a borrowing consent has been issued by the Scottish Government (£0m).

Prudent repayment of Loans Fund advances

The loans fund advance is effectively the repayment of the ‘principal’ linked to the expenditure classified above which is unfinanced and is required to be funded from borrowing. Repayment of loans fund advances are required to be made in line with Scottish Government statutory guidance on Loans Fund Accounting. The Council’s annual accounts require to include a disclosure of details of Loans Fund transactions. The HRA Loans Fund advances and associated annual repayments are identified separately from that of the General Fund.

The broad aim of prudent repayment is to ensure that the Council’s unfinanced capital expenditure is repaid over the period of years in which that expenditure is expected to provide a benefit and that each year’s repayment amount is reasonably commensurate with the period and pattern of the benefits.

The statutory guidance requires the Council to approve a policy on Loans Fund repayments each year and recommends a number of options for calculating prudent repayments. North Ayrshire Council’s policy is as follows:

For the majority of projects undertaken by the Council the policy is to use the asset life method to repay loans fund advances on an annuity basis, which is similar to the repayment of a mortgage where principal payments are lower at the start of the mortgage and build up to deliver full repayment over the term of the mortgage. As well as annuity, the asset life method has the option of equal instalments.

The Council will continue to consider the most appropriate repayment method which aligns to the benefits of the assets and ensures a prudent repayment.

In addition, there are some projects where income streams are attached to the project which can be reasonably associated with the borrowing which will be undertaken. In these circumstances it may be more appropriate for the advances to be repaid on a profile which matches this income. For these unique projects, loans fund advances may be profiled for repayment to match the income and not on the annuity basis.

These options comply with the statutory guidance and the Council will continue to consider all options available to it.

The repayment of Loans Fund advances will therefore be equal to the annual amount determined in accordance with the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.

The above regulations state that Council's may vary the period and/or amount of the repayments if they consider it prudent to do so. As a result, officers continue to review existing loans fund advances for opportunities to ensure the most prudent repayment method is being used.

Estimates of prudent Loans Fund repayment

The Authority's latest estimates of its Loans Fund account information are as follows:

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment by HRA £m	Closing Balance £m
2020/21 actual	309.449	3.591	15.003	-4.662	-3.832	319.549
2021/22	319.549	28.582	17.707	-3.466	-4.445	357.927
2022/23 - 26/27	357.927	191.413	219.405	-28.677	-43.250	696.818
2027/28 - 31/32	696.818	6.849	31.282	-33.527	-54.194	647.228
2032/33 - 36/37	647.228	0.000	71.890	-40.410	-74.564	604.143
2037/38 - 41/42	604.143	0.000	141.789	-45.637	-99.197	601.098
2042/43 - 46/47	601.098	0.000	43.007	-51.247	-102.043	490.815
2047/48 - 51/52	490.815	0.000	0.000	-60.720	-92.330	337.765
2052/53 - 56/57	337.765	0.000	0.000	-45.750	-93.724	198.291
2057/58 - 61/62	198.291	0.000	0.000	-34.509	-73.458	90.324
2062/63 - 66/67	90.324	0.000	0.000	-33.191	-23.598	33.535
2067/68 & later	33.535	0.000	0.000	-33.535	0.000	0.000

Policy on Apportioning Interest to the HRA

Interest and expenses on all new borrowing is allocated to the HRA based on the share of total borrowing taken each year.

Appendix 5: Counterparty Limits

The status of counterparties is monitored regularly. The Council receives credit rating and market information from Arlingclose Limited, including when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately and, if required, new counterparties which meet the criteria will be added to the list. The list of local authorities in the table are those, which are credit rated; however, the Council may lend to rated and unrated UK local authorities.

The Council may invest its funds with any of the counterparties detailed below, subject to the cash limits (per counterparty) and time limits shown. This list reflects the current (January 2022) counterparty list and will be updated throughout the year based on information received by our Treasury Adviser.

								AUTHORITY SPECIFIC LIMITS		
								Individual Cash Limit (£/%)		
Counterparty	Country of Domicile	Maximum Deposit/CD Duration	Repo & Covered Bonds	Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	£10m unless Specified	Group Cash Limit (£/%)	Max Investment period
UNITED KINGDOM: BANKS										
BANK OF SCOTLAND PLC	GB	100 days	Yes	A+	A1	A+	Lloyds Banking Group		£10,000,000	100 days
LLOYDS BANK PLC	GB	100 days	Yes	A+	A1	A+				100 days
BARCLAYS BANK PLC	GB	100 days	-	A+	A1	A		Barclays Group		
BARCLAYS BANK UK PLC	GB	100 days	Yes	A+	A1	A			100 days	
HANDELSBANKEN PLC	GB	100 days	-	AA		AA-	Svenska HB			100 days
HSBC BANK PLC	GB	100 days	Yes	AA-	A1	A+	HSBC Group			100 days
HSBC UK BANK PLC	GB	100 days	-	AA-	A1	A+				100 days
NATIONAL WESTMINSTER BANK	GB	100 days	Yes	A+	A1	A	NatWest Group		£10,000,000	100 days
NATWEST MARKETS PLC	GB	100 days	-	A+	A2	A-				100 days
ROYAL BANK OF SCOTLAND PLC/T	GB	100 days	-	A+	A1	A				100 days
SANTANDER UK PLC	GB	100 days	-	A+	A1	A	Santander			100 days
STANDARD CHARTERED BANK	GB	100 days	-	A+	A1	A+				100 days
UK: BUILDING SOCIETIES										
NATIONWIDE BUILDING SOCIETY	GB	100 days	Yes	A+	A1	A+				100 days

								AUTHORITY SPECIFIC LIMITS		
								Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
Counterparty	Country of Domicile	Maximum Deposit/CD Duration	Repo & Covered Bonds	Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	£10m unless Specified		
UK: LOCAL AUTHORITIES										
ABERDEEN CITY COUNCIL	GB	2 years +	-		A1					2 years +
CORNWALL COUNCIL	GB	2 years +	-		Aa3					2 years +
GREATER LONDON AUTHORITY	GB	2 years +	-			AA				2 years +
GUILDFORD BOROUGH COUNCIL	GB	2 years +	-		Aa3					2 years +
LANCASHIRE COUNTY COUNCIL	GB	2 years +	-		A1					2 years +
SUTTON LONDON BOROUGH OF	GB	2 years +	-		Aa3					2 years +
TRANSPORT FOR LONDON	GB	2 years	-	A+	A3	A+				2 years
WARRINGTON BOROUGH COUNCIL	GB	2 years +	-		A2					2 years +
UK: OTHER INSTITUTIONS										
LCR FINANCE PLC	GB	10 years	-	AA-	Aa3	AA				10 years
NETWORK RAIL INFRASTRUCTURE	GB	10 years	-	AA-	Aa3					10 years
UNITED KINGDOM	GB	50 years	-	AA-	Aa3	AAu				50 years
WELLCOME TRUST FINANCE PLC	GB	20 years	-		Aaa	AAA				20 years
AUSTRALIA	AU		-	AAA	Aaa	AAAu				
AUST AND NZ BANKING GROUP	AU	100 days	Yes	A+	Aa3	AA-				100 days
COMMONWEALTH BANK OF AUSTRAL	AU	100 days	Yes	A+	Aa3	AA-				100 days
NATIONAL AUSTRALIA BANK LTD	AU	100 days	Yes	A+	Aa3	AA-				100 days
WESTPAC BANKING CORP	AU	100 days	-	A+	Aa3	AA-				100 days
CANADA	CA		-	AA+	Aaa	AAA				
BANK OF MONTREAL	CA	100 days	Yes	AA	Aa2	A+				100 days
BANK OF NOVA SCOTIA	CA	100 days	Yes	AA	Aa2	A+				100 days
CAN IMPERIAL BK OF COMMERCE	CA	100 days	Yes	AA	Aa2	A+				100 days
NATIONAL BANK OF CANADA	CA	100 days	-	AA-	Aa3	A				100 days
ROYAL BANK OF CANADA	CA	100 days	Yes	AA	Aa2 *+	AA-				100 days
TORONTO-DOMINION BANK	CA	100 days	Yes	AA	Aa1	AA-				100 days
FINLAND	FI		-	AA+	Aa1	AA+				
NORDEA BANK ABP	FI	100 days	-	AA	Aa3	AA-				100 days
OP CORPORATE BANK PLC	FI	100 days	-		Aa3	AA-				100 days
GERMANY	GE		-	AAA	Aaa	AAAu				
BAYERISCHE LANDESBANK	GE	100 days	-	A	Aa3	NR				100 days
DZ BANK AG DEUTSCHE ZENTRAL-	GE	100 days	-	AA-	Aa2	A+				100 days
KREDITANSTALT FUER WIEDERAUFBRAU (KFW)	GE	25 years	-	AAA		AAA				25 years
LANDESBANK BADEN-WUERTTEMBER	GE	100 days	-	A	Aa3	NR				100 days
LANDESBANK HESSEN-THURINGEN	GE	100 days	-	A+	Aa3	A-				100 days

Counterparty	Country of Domicile	Maximum Deposit/CD Duration	Repo & Covered Bonds	Fitch Long-term Moody's Long-term S&P Long-term			Banking Group	AUTHORITY SPECIFIC LIMITS		
								Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
NETHERLANDS	NE		-	AAA	Aaa	AAAu				
COOPERATIEVE RABOBANK UA	NE	100 days	-	AA-	Aa2	A+				100 days
SINGAPORE	SI		-	AAA	Aaa	AAAu				
DBS BANK LTD	SI	100 days	-	AA-	Aa1	AA-				100 days
OVERSEA-CHINESE BANKING CORP	SI	100 days	Yes	AA-	Aa1	AA-				100 days
UNITED OVERSEAS BANK LTD	SI	100 days	Yes	AA-	Aa1	AA-				100 days
UNITED STATES OF AMERICA	US		-	AAA	Aaa	AA+u				
SUPRANATIONAL										
COUNCIL OF EUROPE DEVELOPMENT BANK (CEDB)	FR	15 years	-	AA+	Aa1	AAA				15 years
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)	GB	25 years	-	AAA	Aaa	AAA				25 years
EUROPEAN INVESTMENT BANK (EIB)	LX	25 years	-	AAA	Aaa	AAA				25 years
INTER-AMERICAN DEVELOPMENT BANK (IADB)	US	25 years	-	AAA	Aaa	AAA				25 years
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (THE WORLD BANK)	US	25 years	-	AAA	Aaa	AAA	World Bank Group			25 years
NORDIC INVESTMENT BANK (NIB)	FI	25 years	-		Aaa	AAA				25 years

Appendix 6: Economic Background – Arlingclose's View January 2022

Economic Outlook

The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England's (BoE) increased Bank Rate to 0.25% in December 2021 and again in February 2022 to 0.5% and also announced a tailing down of its erstwhile Quantitative Easing programme. The Monetary Policy Committee (MPC) voted 5-4 to raise rates by 0.25% at the February meeting, the four dissenters had voted for an 0.5% rise at this meeting which means a very high likelihood of further rate rises in 2022.

At the time of the MPC meeting in November 2021, the economic uncertainty surrounding the Omicron variant of coronavirus was much more prevalent and the forecast for growth was depressed as a result. Since then, the uncertainty surrounding this variant had declined and the negative effects that it might have had on the global economy were shown to be less damaging and more short lived than previously expected. On the other hand, exceptionally strong demand for goods combined with supply chain disruptions and rising energy prices have weighed on activity throughout the early parts of Q1 2022.

In its February 2022 Monetary Policy Report the Bank of England noted 12-month CPI inflation for December was 5.4% which is 1% above the expectations set out in its previous Report in November 2021. Rising energy prices and core goods prices are the leading drivers of this inflation.

The MPC projects CPI inflation will continue its upward trajectory in the coming months to around 6% in February and March before peaking at 7.25% in April. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

The most recent Labour Force Data for the period to November 2021 shows that the labour market continues to recover. The number of job vacancies in Q4 2021 rose to a new record of 1,247,000, and the unemployment rate fell to 4.1%.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. Looking ahead, Q4 growth (data for which will be released in February) is expected to be soft.

According to a first estimation of annual growth for 2021, GDP increased by 5.2% in both the euro area and the EU. Core CPI inflation was 5.1% y/y in December. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 6.9% in Q4 2021. CPI rose 7% in 2021, the largest 12-month increase since June 1982. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

Credit outlook

Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

