



NORTH AYRSHIRE
COUNCIL

Cunninghame House,
Irvine.

15 November 2012

Cabinet

You are requested to attend a Meeting of the above mentioned Committee of North Ayrshire Council to be held in the Council Chambers, Cunninghame House, Irvine on **TUESDAY 20 NOVEMBER 2012** at **2.30 p.m.** to consider the undernoted business.

Yours faithfully

Elma Murray

Chief Executive

1. Declarations of Interest

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

2. Minutes (Page 7)

The Minutes of the previous meeting of the Cabinet held on 6 November 2012 will be signed in accordance with paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

GENERAL BUSINESS FOR DECISION

3. Social Services Change Programme (Page 15)

Submit report and receive presentation by the Corporate Director (Social Services & Health) on progress made in developing the Social Services Change Programme and seeking approval for a new model of service for Community Care (copy enclosed).

4. Revenue Budget 2012/13 : Budgetary Control Statement to 30 September 2012 (Page 31)

Submit report by the Corporate Director (Finance and Corporate Support) on the revenue budgetary control position for the Council at 30 September 2012 (copy enclosed).

5. Capital Monitoring to 30 September 2012 (Page 63)

Submit report by the Corporate Director (Finance and Corporate Support) on progress in delivering the Capital Investment Programme as at 30 September 2012 (copy enclosed).

6. Property Management Services (Page 83)

Submit report by the Corporate Director (Finance and Corporate Support) on the development of Property Management Services, North Ayrshire's corporate landlord model (copy enclosed).

7. Pensions Reform – Implementation of Auto Enrolment (Page 95)

Submit report by the Corporate Director (Finance and Corporate Support) on the impact of the Pensions Act 2011 (copy enclosed).

8. Irvine - Montgomerie Park Surface Water System Vesting (Page 103)

Submit report by Solicitor to the Council on the progress of negotiations with Scottish Water to vest the sewerage system at Montgomerie Park and to tender and secure contracts to undertake essential improvement works to the Sustainable Urban Drainage Systems (SUDS) to secure the transfer of maintenance obligations to Scottish Water (copy enclosed).

9. Write off of Tenant Rent Arrears (Page 107)

Submit report by the Corporate Director (Finance and Corporate Support) on tenant rent arrears and court costs and to seek approval to write off irrecoverable amounts (copy enclosed).

10. Self-Assessment Strategy Update (Page 111)

Submit report by the Chief Executive on the Council's self-assessment strategy and seeking the Cabinet's support for the forthcoming Council wide self-assessment exercise (copy enclosed).

GENERAL BUSINESS FOR INFORMATION

11. Change Programme: Progress as at 31 October 2012 (Page 123)

Submit report by Chief Executive in relation to the Change Programme (copy enclosed).

CONTRACT APPROVAL

12. Currie Court Complex, Ardrossan (Page 139)

Submit report by the Corporate Director (Finance and Corporate Support) on the contract for the conversion of the Independent Living and Sheltered Housing Accommodation (copy enclosed).

MINUTES FOR INFORMATION

13. Environment and Infrastructure Policy Board (Page 153)

Submit report by the Corporate Director (Development and Environment) on the Minutes of the Environment and Infrastructure Policy Board held on 22 October 2012 (copy enclosed).

14. Finance and Corporate Support Policy Board (Page 161)

Submit report by the Corporate Director (Finance and Corporate Support) on the Minutes of the Finance and Corporate Support Policy Board held on 29 October 2012 (copy enclosed).

15. Urgent Items

Any other items which the Chair considers to be urgent.

Cabinet

Sederunt:

Elected Members

Willie Gibson (Chair)
Alan Hill (Vice-Chair)
Marie Burns
Anthea Dickson
John Ferguson
Tony Gurney
Alex McLean

Chair:

Attending:

Apologies:

Meeting Ended:

Cabinet
6 November 2012

IRVINE, 6 November 2012 - At a Meeting of the Cabinet of North Ayrshire Council at 2.30 p.m.

Present

Willie Gibson, Marie Burns, Anthea Dickson, John Ferguson, Tony Gurney, Alan Hill and Alex McLean; and, for Education Business, M. Fraser, E. Higon and Very Reverend M. Canon McManus (Church Representatives), G. Smith (Teaching Representative) and R. Kean and H. McIntosh (Pupil Representatives).

Also Present

Donald Reid.

In Attendance

E. Murray, Chief Executive; L. Friel, Corporate Director (Finance and Corporate Support); I. Colvin, Corporate Director, O. Clayton, Head of Service (Community Care and Housing) and Lisbeth Raeside (Finance and Performance) (Social Services and Health); C. Kirk, Corporate Director and M. Armstrong, Head of Service (Logistics and Infrastructure) (Education and Skills); C. Hatton, Corporate Director (Development and Environment); I. Mackay, Solicitor to the Council and C. Andrew, Senior Manager (Legal Services) (Corporate Services); J. Montgomery, General Manager (Policy and Service Reform); D. Moroney, Communications Officer and M. Anderson, Committee Services Officer (Chief Executive's Service).

Chair

Councillor Gibson in the Chair

1. Declarations of Interest

In terms of Standing Order 16 and Section 5 of the Code of Conduct for Councillors, Councillor Dickson, as a Director of North Ayrshire Citizens Advice Service, declared an interest in Agenda Item 9 (Financial Advice Services in North Ayrshire) and took no part in its determination.

2. Minutes

The Minutes of the previous meeting of the Cabinet held on 23 October 2012, were signed in accordance with paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Scotland's Schools for the Future: Phase 3 Investment

Submitted report by the Corporate Director (Education and Skills) on the outcome of a funding application to the Scottish Government to invest in North Ayrshire schools.

Following a successful funding application to the Scottish Government for its Phase 3 programme of investment in Scottish schools, the Council has been offered revenue support of £22.445m for the replacement of Auchenharvie and Ardrossan Academies.

Table 1 of the report summarised two options for using the funding support. Option 1 would see the development of a campus incorporating James McFarlane school, Haysholm school, Auchenharvie Academy and Ardrossan Academy, and Option 2 the replacement of Auchenharvie and Ardrossan Academies only. The report recommended support for Option 1, with the campus to be located in the Three Towns area on a site to be selected in consultation with Elected Members of Wards 4, 5 and 6.

Members asked questions, and received clarification, on the following:-

- proposed action in the event of the consultation process failing to find support for the project among the local community;
- the extent to which facilities and teaching staff would be shared across the campus;
- the anticipated timescale for the consultation exercise and drawing down of the funding; and
- proposals for hubco to undertake responsibility for the maintenance of the infrastructure of the building, rather than for catering and cleaning.

The Cabinet agreed to (a) note and accept the indicative offer received from the Scottish Government, as contained in the report; (b) approve Option 1 as the agreed approach; (c) receive statutory public consultation documents at a future Cabinet meeting, including a recommendation on a suitable location for the proposed campus; (d) hold a workshop with local Members to consider a suitable location; and (e) receive updates on the progress of the proposals at future Cabinet meetings.

4. School Transport to St Matthew's Academy

Submitted report by the Corporate Director (Education and Skills) on changes to the current school transport policy in relation to pupils transferring to St Matthew's Academy from P7 from a non-denominational primary serving the communities of North Ayrshire.

The current school transport policy provides school transport for secondary aged children who live 3 or more miles from their catchment school. When St. Matthew's Academy was opened in 2007, the catchment area took in the whole of North Ayrshire Council. However, given the expected demand for places and the resulting transport costs, it was agreed that, from the 2013/2014 school session, pupils attending a North Ayrshire Council non-denominational primary school in Primary 7 and wishing too enrol at St Matthew's Academy for their secondary education, would not be entitled to free school transport to St Matthew's Academy. Since the introduction of this policy and over the past 6 school sessions at St. Matthew's, the demand for places and transport has not been as high as originally envisaged. In addition, it is considered that the application of different eligibility criteria in relation to

St. Matthew's may be open to challenge through equalities legislation.

Members received clarification on any wider equalities implications for school transport policy associated with other schools in North Ayrshire.

The Cabinet agreed that the school transport policy be amended to provide free school transport to all pupils who are entitled to transport and who are enrolling in St Matthew's Academy from Primary 7 to Secondary 1.

5. North Ayrshire Children's Panel Advisory Committee: Appointment

Submitted report by the Chief Executive on proposed appointments to North Ayrshire Children's Panel Advisory Committee (CPAC).

At a recent meeting, the CPAC agreed to increase the membership of the Committee to six in preparation for the transfer to the new Ayrshire Area Support Team when the Children's Hearing (Scotland) Act 2011 is implemented in June 2013. Interviews took place on 5 October 2012 and, at a CPAC meeting on 11 October 2012, it was agreed to recommend to the Cabinet that Mrs Elynn Crone and Mrs Anne Kerr be appointed as the Council's representatives on the CPAC, Mrs Crone, as a member and Mrs Kerr as a sub member.

The Cabinet agreed to confirm the appointment of Mrs Elynn Crone as a member and Mrs Anne Kerr as a sub member of North Ayrshire Children's Panel Advisory Committee.

6. The Barony Centre, West Kilbride

Submitted report by the Solicitor to the Council on legal issues in respect of the Lease to West Kilbride Community Initiative Limited (WKCIL) of ground at the Barony Centre, Main Street, West Kilbride and on a proposed extension to the Lease.

Previous reports to the Cabinet on 6 June and 21 August 2012 outlined the difficulties regarding the lease of ground to the Initiative. At its meeting on 21 August 2012, the Cabinet agreed to instruct the Solicitor to the Council to obtain the Opinion of Counsel on the prospects of a successful legal challenge to the Lease as granted to WKCIL, on the basis that the ground which was approved by the Executive on 1 March 2011 is not as shown on the Lease granted by the Council in 2012. An Opinion has now been obtained from Counsel which clearly advises that the Council would not be successful in pursuing action against WKCIL.

The report proposed that, in the circumstances, no further legal action should be undertaken in respect of the ground currently leased to WKCIL. It was recommended that an additional area of ground, as shown on the plan at Appendix 1 to the report, be leased to WKCIL for the purposes of housing heating and ventilation equipment and for no other purpose, with the rent payable increased on a pro rata basis from £400 p.a. to £500 p.a.

The Cabinet agreed to (a) take no further steps to remove the wooden decking from the site of the former churchyard; (b) extend the ground leased to West Kilbride Community Initiative Limited to accommodate heat and ventilation equipment on a pro rata basis; and (c) regularise the Lease to reflect the ground occupied by West Kilbride Community Initiative Limited, including the decking area as constructed.

7. Better Regulation: A Consultation Response

Submitted report by the Solicitor to the Council on the consultation paper issued by the Scottish Government on the proposal for a Better Regulation Bill.

The Scottish Government has issued a consultation paper on a proposal to introduce legislation to address the way in which many regulatory procedures are undertaken across Scotland in areas such as planning, economic development and licensing. The aim would be to address variations which are considered to be in some cases hindering the smooth operation of businesses and other community activities.

The consultation paper proposed the introduction of a range of provisions set out at Section 2.2 of the report, including the application of "sunsetting" provisions and a common commencement date for all new regulations. A proposed consultation response was provided at Appendix 1 to the report, and the key points summarised at Section 3.

The Cabinet agreed to approve the proposed written response as set out in Appendix 1 to the report.

8. Kinship Care Scheme

Submitted report by the Corporate Director (Social Services and Health) on the current kinship care arrangements and the changes required to develop and improve the scheme.

The Council previously agreed that those eligible for kinship care payments would be restricted to children who were subject to Section 70 of the Children (Scotland) Act 1995, or to a residence order under Section 11 of the Children (Scotland) Act 1995. Work has now been undertaken to review the criteria used.

The report proposed that, in order to make the system more flexible, it would no longer be a requirement for a child or a young person to be subject to a Section 70 Order in order for their kinship carer to be eligible to receive a kinship care payment. However, as kinship care is an alternative to residential/foster care, there would be a requirement for social work involvement in the initial placement before any kinship care placement could be made. A full assessment would require to be undertaken and the carer approved at a kinship panel prior to a kinship payment being made. The report also proposed that all kinship and residence payments be paid via Section 22, which would allow for payments to continue to 18 years of age.

Members asked questions, and received clarification, on the following:-

- the flexibility afforded by the proposals;
- whether the change to the criteria would result in a significant increase in the number of kinship care payments; and
- the scope for imposing a supervision order at a later date, if required.

The Cabinet agreed to approve the recommendations set out in Sections 3.1-3.5 of the report.

9. Financial Advice Services in North Ayrshire

Submitted report by the Corporate Director (Social Services and Health) on the outcome of the mapping of financial advice services in North Ayrshire and seeking approval for the future focus of delivery of these services.

As part of the Service Access change project being developed by Social Services and Health, it is proposed that the Council's Money Matters service in future concentrate on those areas of work that contribute to the wider objectives of Social Services, namely advising people already engaged with Social Services and Housing Services, income maximisation, outreach in areas where there is a high incidence of child poverty, and managing the MacMillan Money Matters service on behalf of all three Ayrshire Councils. The report proposed that the funding provided from the Money Matters budget to CLASP and 1st Alliance Credit Union continue unchanged.

Four options were presented for North Ayrshire Citizens Advice Service (NACAS), ranging from a "do nothing" option to full funding of the NACAS corporate strategic plan. The cost of each option was set out in the table at Section 3.9 of the report, the figures provided being in addition to the core grant of £170,000 p.a. For each option, the costs in 2012/2013 could be met from savings in the Money Matters budget planned for 2013/2014 but already achieved, with the balance sought from the Council's proposed Welfare Reform fund. The advantages and disadvantages of each option were analysed at Sections 3.10-3.13 of the report. Option 2 (part-funding of the NACAS corporate strategic plan) was recommended as the preferred option.

Members asked questions on the following:-

- the proposal to retain existing levels of funding for CLASP and the nature of the Council's contract with the organisation; and
- the number of clients seeking advice on the Money Matters services referred to in Sections 3.2 and 3.3 of the report.

The Head of Service (Finance and Performance) (Social Services and Health) undertook to provide information to Members of the Cabinet on (i) the full range of services provided by CLASP on behalf of the Council, beyond the financial inclusion outreach service; and (ii) the footfall figures in respect of the Money Matters services referred to in Sections 3.2 and 3.3 of the report.

The Cabinet agreed (a) the future priorities for delivery of advice services by the Council's Money Matters service; (b) to extend interim funding to North Ayrshire Citizens Advice Service to enable the existing service to be maintained until 31 March 2013, at a cost of £29,109 in addition to the bridging finance already approved for the period to September 2012; and (c) to take forward Option 2, as set out in the report, for the future funding of NACAS to be considered as a call against the proposed Welfare Reform Fund.

10. Empty Homes: Bid for 'North Ayrshire Empty Homes Recyclable Loan Fund'

Submitted report by Corporate Director (Social Services and Health) on a Scottish Government initiative which offers funding for the purpose of bringing empty properties back into use.

The report set out a proposal to submit a bid for £200,000 from the Scottish Government Empty Homes Loan Fund, to be used to provide income for a 'North Ayrshire Empty Homes Recyclable Loan Fund'. Among the aims of the fund, would be an increase in the number of affordable homes in North Ayrshire and the provision of incentives for owners of empty homes to bring their properties back into use. Repayments to the fund would again be offered as loans.

Loans would be offered at a 0% interest rate for an agreed duration of no longer than 4 years to owners of properties which have been vacant for more than six months. The overall loan value would be capped at £15,000 and secured on the property to mitigate risk to the Council. Other conditions in respect of the loans, together with penalties associated with a failure to repay the loan or use it for its agreed purpose, were summarised in Section 3 of the report.

Members asked questions, and received clarification, on the following:-

- the anticipated level of take-up from the fund;
- whether there was a closing date for applications to the fund; and
- when the Scottish Government funding would be available to draw down.

The Cabinet agreed to approve the funding bid, as summarised within the report.

11. Future Delivery of Building Services

Submitted report by Corporate Director (Finance and Infrastructure) on the outcome of an exercise to identify the most suitable arm's length model for the future delivery of Building Services.

In April 2011, Building Services were aligned with Environment and Related Services to progress the implementation of the Revitalise and Re-brand programme. Specialist support was procured to advise on the most suitable arm's length model for Building Services and detailed work has now been completed, as outlined in Section 2 of the report. A number of scenarios has been modelled, from existing services to new clients, new services to current internal clients, and new services to

new clients. Five models were examined, as detailed in Section 2.20-2.42 of the report. Model 5 (continued delivery of the Revitalise and Re-brand model) was recommended.

The Cabinet agreed that (a) the continued and enhanced delivery of the Revitalise and Re-brand programme be implemented by October 2013, (b) where value for money can be demonstrated through appropriate schedules of rates, Building Services be utilised to undertake additional Council work-streams; (c) pilot schemes be continued and developed further for internal works that require new skills within the service and are, therefore, procured externally; (d) a shadow team be established within the service for large projects that are currently procured externally to gain an understanding of how the service needs to develop to compete for these work-streams; (e) the Cabinet receive an annual business report setting out progress against the improvement actions, benchmarking information, additional work-streams secured and market conditions, as well as a forward look to ensure the service anticipates market changes and opportunities to ensure a sustainable service is maintained; (f) a procurement exercise be undertaken for the supply, installation and maintenance of an appropriate ICT based property repairs and maintenance system, including a comprehensive job costing module; and (g) the Head of Environment and Related Services, in consultation with the Council's Procurement Service, negotiate terms with Xmbrace to extend the implementation of the workflow scheduling system currently utilised within the responsive and void repairs areas across the whole service.

12. Sophos Anti-Virus Contract - Renewal of Support and Maintenance

Submitted report by Solicitor to the Council on the renewal of the Sophos Anti-Virus support and maintenance contract for Education devices.

The Council's Education desktop devices are currently protected by Sophos anti-virus software under a 3-year agreement. A strategic approach was taken to roll out the Sophos security product set across all relevant Education devices. To enable a continued strategy of deploying and enhancing the existing functionality already imbedded within Education IT hardware, the Council has negotiated a price with Sophos for an enhanced product set which provides additional device control, at a unit cost which is much lower than in the existing support contract. The cost of support and maintenance over the past 3 years was £4.20 per device. Support and maintenance for the next 3 years will be £33,500 at a unit cost of £3.35 per device.

The Cabinet agreed to (a) approve the use of the Negotiated Procedure to renew the Sophos contract to provide the Council with ongoing anti-virus and malware protection across the Education estate; and (b) authorise the Solicitor to the Council to conclude the new contract.

13. Contract for Family Support Service

Submitted report by Corporate Director (Social Services and Health) on the procurement exercise undertaken for the provision of a Family Support Service and seeking approval for the award of a contract.

Three tender submissions were received. Stage One of the tender evaluation assessed the responses to the minimum criteria. Two organisations failed to meet the minimum criteria at Stage One and, therefore, were not evaluated at Stage Two. One organisation progressed to Stage Two of the evaluation, which assessed the organisation's tender submission on the basis of 60% quality and 40% price. The preferred supplier, following the evaluation, is Quarriers.

The Cabinet agreed to approve the award of the contract for the provision of a Family Support Service to Quarriers, for the contract period of two years, with the option to extend for up to a further two years.

14. Minutes of Corporate Health and Safety Group and 1st Tier JCC

Submitted report by Chief Executive on the Minutes of the meetings of the Corporate Health and Safety Group and 1st Tier JCC held on 20 September 2012.

Noted.

15 Community Empowerment Policy Board

Submitted report by the Corporate Director (Education and Skills) on the Minutes of the Meeting of the Community Empowerment Policy Board held on 17 September 2012.

Noted.

16. Health and Social Care Policy Board

Submitted report by the Corporate Director (Social Services and Health) on the Minutes of the Meeting of the Health and Social Care Policy Board held on 8 October 2012.

Noted.

The meeting ended at 3.25 p.m.

NORTH AYRSHIRE COUNCIL

Agenda Item 3

20 November 2012

Cabinet

Subject:	Social Services Change Programme
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Purpose:	To advise the Cabinet of progress made in developing the Social Services Change Programme and to seek approval for a new model of service for Community Care.
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Recommendation:	The Cabinet is asked to (a) note the progress made in developing the Social Services Change Programme; (b) approve the new model of service for Community Care; (c) agree to redesign strategies for all care groups in Community care to be brought forward for further approval; (d) agree to further developments of the model to meet the needs of the Children and Families and Criminal Justice Service; and (e) agree to receive a further progress report in March 2013.
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1. Introduction

- 1.1 Social Services is committed to delivering a programme of change which will transform the way in which social work and social care services are delivered in North Ayrshire. The changes are designed to be the blueprint that will take social care services forward to integration with the NHS. This report advises members of the progress made and seeks approval for further development of the change programme. The proposals set out in this report relate at present only to Community Care. The next stage will be to develop the model further, in partnership with our staff, the NHS, service users and carers. We will also redesign services for Children and Families based on the same structure. When the outcome of the Government review of Criminal Justice Social Work is announced we will develop proposals for Criminal Justice.

- 1.2 At its meeting on 21 June 2011 the Executive of North Ayrshire Council received reports on two of the major strands of the Social Services change programme, Reshaping Care for Older People and Personalisation. The Executive agreed to the proposals to redesign services for older people focussed on four main workstreams:
- Models of long-term support
 - Telecare / assistive technology
 - Rehabilitation and enablement
 - Supported accommodation
- 1.3 The Executive also approved the development of a personalisation strategy to offer service users choice and control over the care that they receive.
- 1.4 The third strand of the change programme, Service Access, was the subject of a report to the Executive on 8 November 2011. The Executive approved the proposals contained in that report to redesign the service user journey from initial referral to Social Services to provision of services.
- 1.5 The change programme has now reached the stage of development where the individual projects need to be merged into a single change project that will deliver a transformed approach to access to and delivery of services.
- 1.6 The key drivers for change are:
- Traditional models of service no longer meet the aspirations of those who receive them. For some years, now there has been a move to shift the balance of care from institutions, whether hospitals or care homes, to community-based services. This applies equally to older and to younger people who now look for a wider range of provision in order to enable them to access opportunities for support, including work and leisure, within the community.
 - Social Services is currently facing unprecedented levels of demand, particularly for services for older people and for children. The growth in demand, coupled with the current financial constraints on public sector expenditure, cannot be met using a traditional model of service provision.

- Scottish Government's Self Directed Support Bill is expected to receive Royal Assent early in 2013. If enacted, it will impose duties on local authorities to provide citizens with choice and control over the services they receive. The development of North Ayrshire Council's personalisation strategy will ensure that the Council is in a position to meet the demands of the legislation.
 - Legislation is expected early in 2013 to bring about the integration of adult health and social care.
- 1.7 This report sets out a new model for the service user journey and a new approach to assessment and care management that is intended to maximise independence and offer choice and control to service users. It will place the Council in a strong position to address each of the key drivers for change.

2. Current Position

- 2.1 Social Services maintains Reception Services at four mainland bases and on Arran. Reception Service staff undertake initial screening and assessment of all new referrals. A high volume of these referrals is dealt with by Reception Services only, with many involving information and advice as well as sign-posting to universal services or community resources. When Reception Services identify that an individual's needs are beyond the scope of low level supports and require further assessment and, potentially, longer-term support from Social Services, core information is gathered and passed to the relevant functional team. These teams are designed along the functional specialisms of Older People, Physical Disability, Learning Disability and Mental Health.
- 2.2 There is a traditional approach to assessment and care management processes, with the functional teams having responsibility for assessing need, developing a care plan to meet assessed need and undertaking care management and review. Services are either provided directly by the Council or are purchased and arranged by the Council, for example care at home services or centre-based day care services. These services are person-centred and aim to enable service users to influence the services that they receive. This model does not, however, offer service users the extent of choice and control that is envisaged under the proposed self-directed support legislation.

- 2.3 Over the past year, care at home services have been redesigned to offer a enablement approach and increase the use of assistive technology to promote independence and to keep people safe in their own home. All communities across North Ayrshire now have access to an enablement service. The Council's enablement service works in partnership with the NHS community intermediate care service to re-establish independence after a fall or illness. Enablement is producing better outcomes for older people, over half of those receiving a enablement approach ceasing service and resuming independent lives.
- 2.4 Increased use of assistive technology is also supporting people to remain as independent as possible in their own home. There are now 370 people using enhanced telecare and 3,000 people using community alarms. People with more complex needs, including dementia, are able to access higher levels of care at home over evenings and weekends. The dementia support service offers specialist care at home services. The use of assistive technology underpins these initiatives and helps older people to access support when they most need it.
- 2.5 A personalisation pathfinder ran from January until August 2012 involving 49 service users from all service groups. The personalisation pathfinder introduced an outcome focussed approach to assessment of needs as opposed to assessment for services. The purpose of the pathfinder was to act as a live, controlled test of the policy, guidance and forms that had been developed during the earliest phases of the personalisation project. In addition, the pathfinder tested the practical impact of the Resource Allocation System (RAS). A RAS is a means of deciding how much money people should receive to purchase the support they need. The RAS defines each person's individual budget. It is designed to take account of the budget the Council has to spend on personal social care services in order that we can ensure that the service is affordable and sustainable.

- 2.6 The pathfinder is currently the subject of a full evaluation. However, the key lessons learned have been incorporated in this report. The pathfinder was designed to assess whether a single RAS could be used across all care groups. The idea behind this is that using the RAS it might be possible to begin to shift resources from care groups that have historically had high care packages (e.g. learning disability) to those where care packages have been lower (e.g. older people and mental health services). Care packages would therefore be based on absolute need rather on the care group to which the individual belonged. The pilot demonstrated that a single RAS would not be possible, at least initially, and that the RAS would have to have an adjustment (a budget deflator or inflator) dependent on the care group until financial resources can be aligned between different care groups. The pilot found that SDS will only work if the individual's position is stable and not at the point of crisis, which is often when people seek Social Services' help. This emphasises the need for regular reviews to be undertaken and for service users to have completed enablement before an individual budget is calculated.
- 2.7 Service users are able to take their individual budget as a direct payment and use it to purchase services, either from the Council or from another provider to meet their agreed outcomes. They may also use a direct payment to employ a personal assistant. Historically North Ayrshire Council has had a very low uptake of direct payments. In April 2011 only 58 service users were taking a direct payment. As part of the change programme we have been working to increase that and the number now stands at 113.

3. Proposals

- 3.1 A new model of service has been designed that will streamline the service user journey from initial referral through assessment and enablement to long term support. The model is based on the principle that Social Services is not, nor should it be, a universal service. Social Services should be a safety net for the most vulnerable people in the community. The aim of the model is, as far as possible, to enable people who are referred to Social Services and to maximise their independence so that only those with the highest needs have a long term involvement with the service.

Initial Referral

- 3.2. Reception Services is already successfully dealing with a large proportion of referrals without further intervention by specialist teams. In 2011, for example, 73% of referrals in respect of older people were successfully dealt with at Reception Services. It is proposed to develop this approach further so that people whose needs can be met by low level interventions or by community supports do not progress to a full assessment. Reception Services teams, to be redesignated Social Care Access teams, will be based at a number of Social Services offices in North Ayrshire and will undertake initial assessment and screening to identify those people who require further assistance and intervention and ensure that only those individuals pass to the next stage of the process. While the model of care for Children & Families has yet to be designed, Social Care Access is envisaged as a cross-cutting service that will be the first point of contact for both Community Care and Children & Families.
- 3.3 The provision of low tariff supports, as soon as possible after the need for them is identified, can help to prevent people's needs from escalating. We will, therefore, develop self-assessment and assisted self-assessment processes for supports such as simple aids, frozen meals service and community alarms. This will be handled at Reception Services and will enable people who need only those supports to access them quickly.
- 3.4 The availability of high quality information about Council services and about community supports will also help to reduce the amount of time spent dealing with people with lower level needs and make more time available to deal with complex cases. The service will, therefore, publish clear information about the new models of service and community supports both on the Council website and in printed form.

Assessment and Enablement

- 3.5 Those people who are identified at Reception Services as requiring further assessment and intervention will pass to an assessment and enablement team. This team will work across both older people and adults.

- 3.6 Enablement is an approach which can include rehabilitation, intermediate care and early intervention, all of which are directed towards maximising recovery and promoting independence. It recognises that, once someone enters the service, the pattern is that the service is delivered on a life long basis with people and their families becoming dependent on the support. The assessment and enablement process will be time-limited for up to twelve weeks and will involve intensive work with individuals and their carers. The intervention with each individual will focus on improved independence through a goal-setting approach. It will support people to use mainstream facilities, for example, leisure and public transport, to maintain their independence. People will have a skilled, multi-disciplinary team who will work with them to achieve identified goals. This team will include, as appropriate, care at home staff trained in enablement, occupational therapy staff, specialist services such as the Dirrans Head Injury Service and financial assessment and income maximisation.
- 3.7 In anticipation of the forthcoming integration of health and social care the assessment and enablement team will be able to encompass a variety of health disciplines, including physiotherapy, community nursing and dieticians. We will work with the NHS to develop the model further to become a holistic and integrated health and social care approach. Work already undertaken in North Ayrshire, using an enablement approach, suggest that 56% of older people can be successfully reabled. National evidence is that this would also apply to people under 65 with physical disabilities. The remainder will progress to a full outcome-focussed assessment of need, the calculation of an individual budget and the development of a support plan to meet assessed needs. For those people, Self-Directed Support (SDS) will be implemented over a two year period from April 2013. This will allow North Ayrshire to meet the suggested Scottish Government targets for implementation.
- Stage 1 (April - September 2013) will include training for staff in eligibility criteria, new forms and processes and outcome-focussed support planning. Also during this time there will be a focus on the culture change required to make Self-Directed Support successful.
 - Stage 2 (September 2013 - March 2014) will see SDS implemented for new service users.
 - Stage 3 (April 2014 - April 2015) will involve the implementation of SDS for all service users.

- 3.8 The RAS is a means of allocating resource to service users transparently and efficiently. The SDS pilot demonstrated that a single RAS for all care groups is not at this stage practicable within existing budgets. We propose to develop financial strategies for each care group to address the shift in resources required to meet new ways of working while managing existing purchased and provided services. Initially, therefore, the RAS will be adjusted for individual care groups so that overall the cost of support remains within the total budget available to Social Services.
- 3.9 People will be able to use their individual budget either to take a direct payment which they will use to purchase services to meet the outcomes agreed in their assessment or to have services directly provided or purchased and provided by the Council.
- 3.10 Once the support plan has been worked out, the individual will transfer to the longer term care management and review teams. It is proposed that there will be specialist teams for mental health, learning disability and addictions and a separate community care monitoring and review team that will work with older people and adults under 65 with physical disabilities and long-term conditions. Those teams will be responsible for reviewing all service users who are engaged with the service on a longer term basis and ensuring that their support plan continues to meet their needs.
- 3.11 To ensure that the range of services available meets the needs of people receiving care and support from North Ayrshire Council, we will redesign care group strategies for people with learning disabilities, physical disabilities and mental health problems. This will involve the production of commissioning strategies and plans for each care group. A full review of purchased and provided Learning Disability services will be undertaken and will include the development of a social enterprise approach towards providing supported employment opportunities for people who seek employment as an alternative to traditional services. Community Based Services for people with a learning disability are developing a catering service which currently fulfils 8 -12 buffet lunch orders per week, 25 meals each day at Caley Court and 25 service user lunches daily. It is our intention to develop this into a social enterprise. We will shortly bring forward proposals for Public Social Partnership for a horticulture project based at the Hazeldene day service. This would provide supported 15 -20 supported employment opportunities.

Implementation

- 3.12 During the period until March 2013 the professional detail of the model will be developed in consultation with our staff, service users and carers, the NHS and independent providers with a view to implementing the new model with effect from October 2013. Work will be undertaken throughout 2013 on developing care group strategies and commissioning plans within Community Care. This will include the proposed review of our provided Learning Disability services.
- 3.13 During the period from May to October 2013, a new model of service for children will be designed in partnership with Education and Health Services. This will be the subject of a future report to Cabinet.
- 3.14 A progress report will be prepared for Cabinet in March 2013.
- 3.15 The Cabinet is invited to (a) note the progress made in developing the Social Services Change Programme; (b) approve the new model of service for Community Care; (c) agree to redesign strategies for all care groups in Community care; (d) agree to further developments of the model to meet the needs of the Children and Families and Criminal Justice Service; and (e) agree to receive a further progress report in March 2013.

4. Implications

Financial Implications

- 4.1 As noted in Section 1.5, a key driver for the Social Services change programme is the need to transform services in order to meet increasing demand. The proposals in this report will contribute £1,181,000 to the savings targets set for the service.
- 4.2 The redesign of the model of care will deliver savings of around £345,000 by a reduction of posts in Community Care assessment and care management teams and associated support staff.
- 4.3 It is envisaged that the redesign of Learning Disability services will produce savings of around £286,000 in provided day services and £59,000 in purchased services.
- 4.4 It is envisaged that the review of the care group strategies for physical disabilities and mental health will produce savings of around £353,000 and £138,000 respectively.

- 4.5 The Social Services change programme has benefitted from resources allocated from the Council's Change funds. These are in place until the end of the year. Through careful use of existing staff resources, the service has not used the full amount allocated from the Change funds. We are currently assessing the resources that will be required for completion of the development and for implementation.

Human Resource Implications

- 4.6 The proposed new models of service will have significant implications for the workforce. The new models will require a change in culture and philosophy to move practitioners from a model of assessing for service to a model of maximising independence and empowering service user choice and control. They will also require practitioners to acquire new skills around outcome focussed planning and review. The groups of staff who are directly affected by the integration of health and social care will require new skills around partnership working. All staff will require an understanding of the new systems and procedures that will support the new models of care.
- 4.7 The redesign of the model of care will result in the reduction of around ten posts in Community Care fieldwork and support staffing. We expect that these reductions can be made through a combination of the Council's Voluntary Early Release scheme and normal staff turnover.
- 4.8 It is envisaged that the redesign of learning disability services will result in a reduction of around 9 posts we will work with staff and trades unions to achieve the reductions through voluntary measures.
- 4.9 Nationally the Scottish Social Services Council has a project investigating the future shape of the Social Services workforce which may help us to develop local organisational, learning and development initiatives.

Legal Implications

- 4.10 The proposed changes will ensure that the Council is in a position to implement the forthcoming legislation on self-directed support.

Equality Implications

- 4.11 An equality impact assessment has been undertaken on the proposals contained in this report. The assessment concluded that although there is potential for a negative impact on older people, women and people affected by a disability, there is sufficient mitigating action to ensure that there is no unlawful discrimination. Moreover, the proposals aim to ensure that all service users will receive an efficient, personalised service based on individual need. All aspects of people's lives will be taken into consideration when identifying required services. This should result in positive changes for people who receive services.

Environmental Implications

- 4.12 There are no environmental implications arising from the proposals contained in this report.

Implications for Key Priorities

- 4.13 The proposals in this report are directly related to the Single Outcome Agreement priority "A Healthy and Active North Ayrshire" and in particular to the outcome "More vulnerable are supported within their own communities".

5. Consultations

- 5.1 The Social Services Change Programme in its entirety has been the subject of ongoing consultation with service users and carers, partners, staff and trades unions. Consultation around the specific proposals within this report will take place over the next four months. Consultation will also take place with the NHS and independent providers over the future model of care to ensure that what is developed is a fully integrated health and social care approach.
- 5.2 These consultations will continue as the proposals in this report are further developed. In particular, the Council's staff will be involved in the detailed development of the model of care and of individual care group strategies and commissioning plans.

6. Conclusion

- 6.1 The new model of service for community care will offer service users a more streamlined and personalised service. By maximising independence and dealing quickly with the provision of low tariff supports, it will help to ensure that resources are directed towards those with the greatest level of need.



IONA COLVIN

Corporate Director (Social Services and Health)

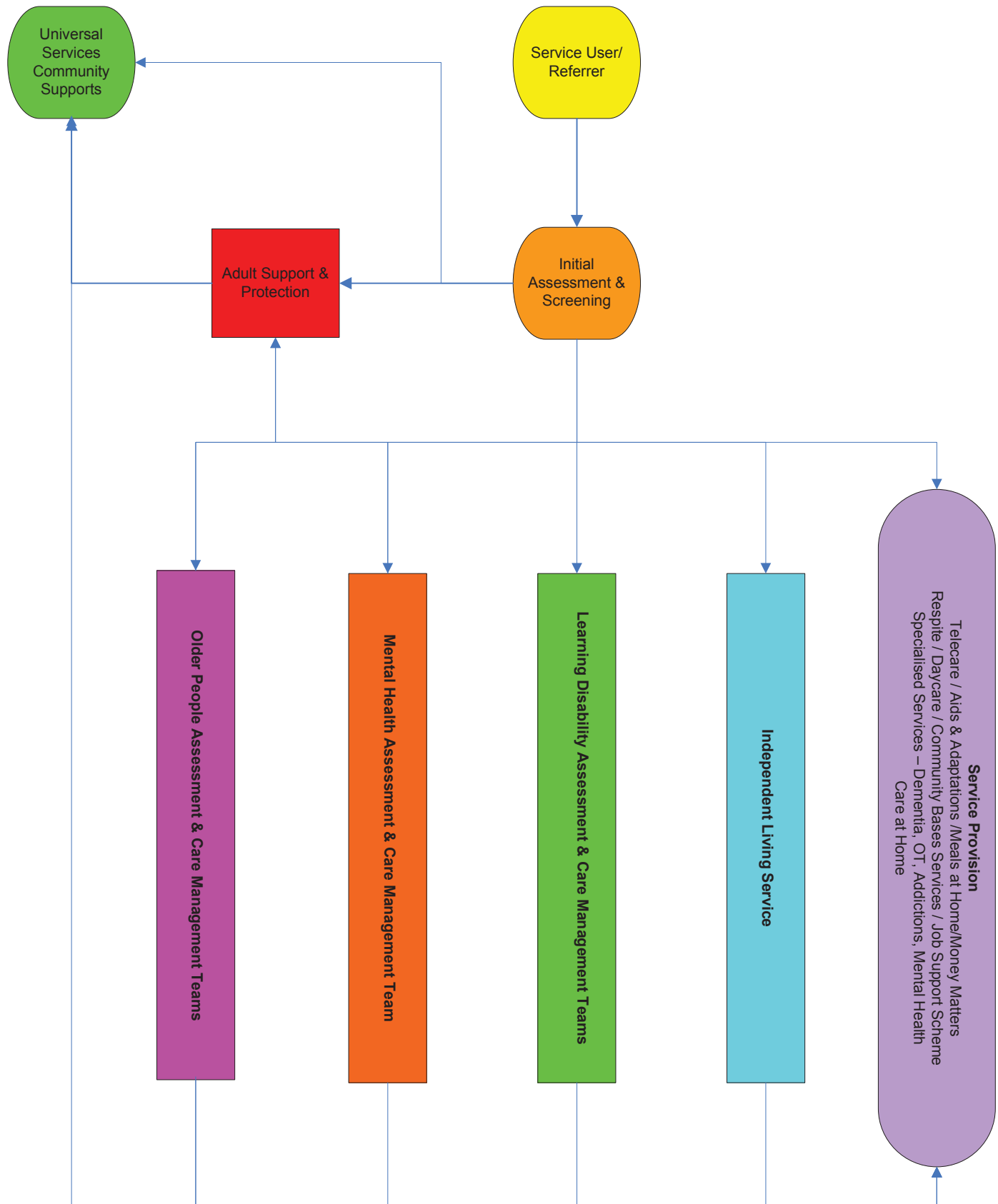
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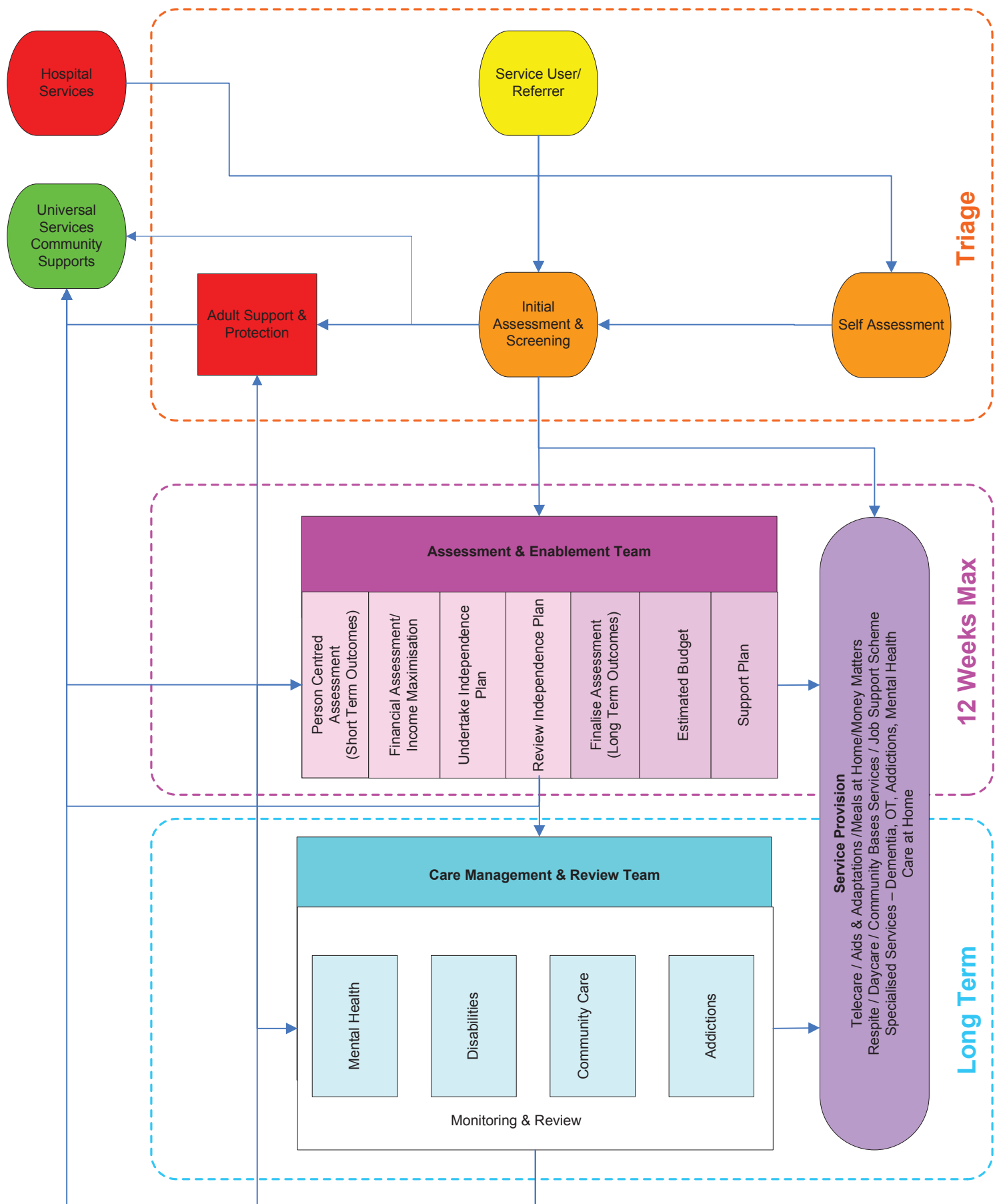
For further information please contact Lisbeth Raeside, Head of Service Development on telephonem number 01294 317705.

Background Papers

None

Service User Journey – Current





NORTH AYRSHIRE COUNCIL

Agenda Item 4

20 November 2012

Cabinet

Subject: **Revenue Budget 2012/13 : Budgetary Control Statement to 30 September 2012**

Purpose: To advise the Cabinet of the revenue budgetary control position for the Council at 30 September 2012.

Recommendation: That the Cabinet (a) notes the information and financial projections outlined in the report; (b) approves the carry forwards of £3.745m outlined within paragraph 3.1 of the report.

1. Introduction

- 1.1 The Council's General Fund and Housing Revenue budgets for 2012/13 were approved at a special meeting of the Council held on 1 February 2012.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, budgetary control reports are presented on a regular basis. This is the second report for 2012/13 and covers the period to the end of September 2012 (period 6). Future reports for 2012/13 will inform Members of the financial situation at the end of November, January and March. Projections of the year-end position have been made.
- 1.3 The Period 4 report, which was submitted to Cabinet on 18 September 2012, highlighted a projected in-year overspend of £0.327m at 31 March 2012 for General Services and an underspend of £0.435m for the HRA.

2. Current Position

General Fund

- 2.1 The unaudited annual accounts for 2011/12 reflected a General Fund uncommitted balance of £5.442m at 31 March 2012, equivalent to 1.6% of the net revenue budget.

- 2.2 Following the closure of the accounts on 30 June, a number of issues were identified during the audit period which required to be reflected in the final version of the accounts. This resulted in a revised uncommitted balance of £6.029m. Details are as follows:-

	£000
Uncommitted General Fund balance (per unaudited accounts)	5,442
School Placement income for 2011/12 received in 2012/13	273
Creditors' batch posted in error to 2011/12	80
Refund from HMRC of overpaid VAT relating to previous years	324
Overstatement of provision for termination benefits	17
Capital expenditure funded from General Fund instead of Capital Items Replacement Fund	(107)
Uncommitted General Fund Balance (per audited accounts)	6,029

- 2.3 The Council has budgeted for a surplus of £0.155m in 2012/13 in order to increase the level of uncommitted balance.
- 2.4 Current financial projections indicate that a net in-year surplus of £1.975m is anticipated for the year to 31 March 2013 i.e. an underspend of £1.820m against the budgeted surplus of £0.155m.

Commentary on Significant General Services Variances

- 2.5 A number of significant over and underspends across Council services contribute to the overall projected financial position.
- 2.6 A brief explanation of Services' major variances is outlined below, with further details provided in the attached appendices.
- 2.7 In the Chief Executive's Service (Appendix 1), as reported to Cabinet at period 4, a review of the overall budget position for the Economic Development Service was being undertaken as a result of the significant additional funding that the service has received in the past. The review is almost complete and it is projected that there will be an underspend of £2.159m. Of this underspend, it is anticipated that £2.000m requires to be carried forward to meet commitments to programmes that have already commenced and support the Economic and Development Regeneration Strategy. A report with details on the proposed carry forward will be presented at the next meeting of the Cabinet.

- 2.8 Within Policy and Service Reform, there is a projected underspend of £0.106m which is largely due to funding of £0.104m received from the Scottish Government in respect of the costs of the electronic count at the May 2012 elections. Provision, however, had already been made within the Council's budget for these costs.
- 2.9 Overall, within the Chief Executive's Service, an underspend of £0.318m is anticipated.
- 2.10 Within Corporate Services (Appendix 2) the underspend has increased significantly from £0.020m at Period 4 to £0.372m at Period 6. This is largely due to funds of £0.280m which were earmarked and carried forward from 2011/12 to meet the costs of the Hunterston Enquiry and the Local Development Plan but which are no longer required. However, it is proposed that £0.135m from the 2012/13 budget should be earmarked and carried forward to meet costs of the Local Development Plan which are anticipated in 2013/14. In addition, further underspends have been identified within Supplies & Services and Administration costs which have been identified as budget savings in 2013/14.
- 2.11 Within Education & Skills (Appendix 3) an underspend of £0.998m is anticipated, which represents an increase of £0.579m over Period 4. The increase in the underspend is largely due to savings of £0.261m now anticipated in the budgets for ASN day and residential placement fees based on current trends and commitments. In addition, there is an expected over-recovery of income of £0.108m from other local authorities who place pupils in North Ayrshire schools combined with an underspend of £0.060m due to fewer North Ayrshire pupils being placed outwith the authority. Further savings have been identified in pupil transportation costs (£0.157m) and the HQ teachers' flexibility budget (£0.150m). There is a projected overspend of £0.070m due to the increased requirement for ASN classroom assistants within Primary Schools. The anticipated underspend on Cultural & Community services is £0.243m, this has decreased by £0.097m since period 4 due to the virement of resources to meet additional expenditure. It should also be noted that £0.181m of the projected underspend here relates to over-achievement of budget savings.

- 2.12 For Social Services & Health (Appendix 4) a net overall overspend of £2.271m is projected. This is a reduction of £0.506m from the figures reported at period 4. The net overspend relates mainly to the costs associated with the care of Older People. Work is currently underway to identify corrective measures which can be taken throughout the remainder of the financial year, in addition to the on-going review of both residential and home care rates. Pressures are also evident within Independent Living and Learning Disability services, in the latter service significant savings had been anticipated in the current financial year. Work is in progress to confirm delivery of those savings, including reviews of rates paid to providers and individual care packages. It is recognised that financial projections could be improved through the development of financial modules around the CareFirst system. A review of timescales for achieving this will commence shortly.
- 2.13 Within Finance and Infrastructure (Appendix 5) the projected underspend of £1.022m represents only a small increase of over the Period 4 projection of £0.930m. The vast majority of the underspend is still attributable to Environment & Related Services £0.944m. £0.384m and £0.166m of future years savings have been delivered in respect of facilities management and street scene together with an underspend of £0.236m in waste services. The increased underspend since period 4 relates to further savings in employee costs (£0.040m) within Recycling as a result of the delayed appointment of waste awareness officers. A minor underspend of £0.062m is projected within Financial Services mainly as a result of vacant posts.
- 2.14 The projected underspend for Building Services (Appendix 7) has increased by £0.381m to £1.156m. The variance within the service is mainly due to lower than budgeted payroll costs and increased income of £0.921m. The increased income is partially offset by higher than budgeted costs of materials and agency workers due to the increased workload.
- 2.15 Savings of £0.225m are anticipated in Loan Charges as a result of slippage in the capital programme in 2010/11 and 2011/12, combined with external borrowing falling below anticipated levels due to the short-term use of cash balances currently held by the Council.

- 2.16 The Council has budgeted for income from Council Tax of £58.047m in 2012/13, based on an estimated 96.5% collection level, and income from Non Domestic Rates (NDR) of £32.755m. Collection levels for Council Tax show that in-year collection of 56.2% to the end of September is 0.2% lower than the previous year. In cash terms this amounts £0.134m. In respect of NDR, the collection level is approximately 2.2% below the targeted level when compared to 2011/12 which equates to £0.840m. The NDR team is working closely with the sheriff officer to maximise collection by the year-end. The mid-year data suggests that the year end targets will be achieved but projections will be refined as the year progresses and payment trends become more established.
- 2.17 Within the Corporate Items budget there is a projected underspend of £1.610m. This relates to various cross-Council Service Development Initiatives that were approved by Council on 1 February 2012 and which are expected to underspend in the current year. It is proposed that this underspend is carried forward to assist with the Council's financial plans for 2013/14.
- 2.18 An analysis of the year end General Services revenue projections as at the end of September 2012 is shown in the undernoted table:

	Annual Budget £000	Projection to 31 March 2013 £000	Projected Variance for year £000
<u>Service Expenditure</u>		<u>(Fav)/Adv</u>	<u>(Fav)/Adv</u>
Chief Executive	16,366	16,048	(318)
Corporate Services	4,492	4,120	(372)
Education and Skills	152,183	151,185	(998)
Finance and Infrastructure	35,915	34,893	(1,022)
Building Services	(99)	(1,255)	(1,156)
Social Services and Health	92,068	94,339	2,271
Major Revenue Works	1,500	1,500	-
Requisitions/ CCSF	34,680	34,680	-
Corporate Items	3,555	3,555	-
Balance for Services	340,660	339,065	(1,595)
Loan Charges etc	5,153	4,928	(0.225)
Total Planned Expenditure	345,813	343,993	(1,820)
<u>Planned Income</u>			
AEF	(283,871)	(283,871)	-
Council Tax and former Community Charge	(58,107)	(58,107)	-
Use of Change Fund	(828)	(828)	-
Use of Other Funds	(3,162)	(3,162)	-
Total Planned Income	(345,968)	(345,968)	-
Net Expenditure/(Income)	(155)	(1,975)	(1,820)

2.19 The Corporate Director (Social Services & Health) has been consulted in relation to the projected overspend of £2.271m within the Service and has confirmed that work is currently underway to identify corrective measures which can be taken throughout the remainder of the financial year.

Housing Revenue Account

- 2.20 The position on the Housing Revenue Account at the end of September 2012 is outlined in the table below, with further details provided in Appendix 9:

	<u>Annual Budget £000</u>	<u>Projection to 31 March 2013 £000</u>	<u>Projected Variance for Year £000</u>
		<u>(Fav)/Adv</u>	<u>(Fav)/Adv</u>
Supervision and Management	7,622	7,216	(406)
Repairs and Maintenance	29,451	29,638	187
Short Stay Hostel	(72)	(92)	(20)
Homelessness	71	(124)	(195)
Loan Charges	7,019	7,008	(11)
Rental Income	(41,289)	(41,126)	163
Balance on Year's Activities	2,802	2,520	(282)

- 2.21 The Housing Revenue Account budgeted for a deficit of £2.802m in 2012/13 to be funded from the surplus brought forward from previous years. There is a projected underspend for the year at Period 6 of £0.282m compared to £0.435m at Period 4. The movement is due mainly to savings on employee costs of £0.133m now likely to be required in relation to the management of Welfare Reform plus an anticipated overspend of £0.369m in Council House repairs. These variances have been partially offset by the movement in the loan charges projection (£0.141m) due to movements within the 2012/13 capital programme plus further staff cost savings and higher rental income within the Homelessness section.

3. Proposals

- 3.1 The Cabinet is asked to (a) note the information and financial projections outlined in the report; (b) approve the carry forward of £3.745m to 2013/14 in respect of Economic Development projects (£2.000m), Service Development Initiatives (£1.610m) and the funding of the Local Development Plan (£0.135m).

4. Implications

Financial Implications

- 4.1 The net projection for the year at the end of September 2012 for General Services is a surplus for the year of £1.975m compared to a budgeted surplus of £0.155m, i.e. an underspend of £1.820m.
- 4.2 The net projection for the year on the Housing Revenue Account is a £2.520m deficit compared to a budgeted deficit of £2.802m, an underspend of £0.282m. The table below summarises the projected balance on the Housing Revenue Account at 31 March 2013. The uncommitted balance at 31 March 2013 will be used to assist with the mitigation of the impact of Welfare Reform. In addition to this, a review of the HRA business plan is due to be undertaken which may result in additional funding requirements.

	Brought forward from 2011/12	Period 6 projection	Projected balance at 31 March 2013
	£m	£m	£m
Council House Building Fund	3.712		3.712
Contingency Balance	0.400		0.400
Uncommitted Balance	1.316	0.282	1.598
	5.428	0.282	5.710

- 4.3 The position for both the General Fund and Housing Revenue Account revenue budgets will continue to be monitored closely until the year-end.

Human Resource Implications

- 4.4 There are no human resource implications.

Legal Implications

- 4.5 There are no legal implications.

Equality Implications

- 4.6 There are no equality implications.

Environmental Implications

- 4.7 There are no environmental implications.

Implications for Key Priorities

- 4.8 This budget monitoring report directly supports local outcome 15b - "Public Services are more efficient and effective" within the Single Outcome Agreement 2009/12.

5. Consultations

- 5.1 All budget holders have been consulted as part of the budgetary control process and have approved the projected variances contained in this report.

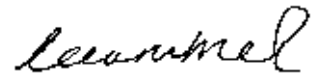
6. Conclusion

General Services

- 6.1 Current financial projections indicate that a net in-year surplus of £1.975m is anticipated for the year to 31 March 2013, i.e., an underspend of £1.820m against the budgeted surplus of £0.155m.

Housing Revenue Account

- 6.2 Current financial projections indicate that a net in-year deficit of £2.520m is anticipated for the year to 31 March 2013, i.e., an underspend of £0.282m against the budgeted deficit of £2.802m.



LAURA FRIEL

Corporate Director (Finance and Corporate Support)

Reference :

For further information please contact Hazel Hair, Senior Manager (Financial Management) on 01294 324548

Background Papers

0

CHIEF EXECUTIVE
BUDGETARY CONTROL 2012/13

REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Objective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)	Note No
	£000	£000	£000	
Policy & Service Reform	1,072	966	(106)	1
Economic Development	9,863	7,704	(2,159)	2
Human Resources	567	522	(45)	3
Corporate & Democratic Core	4,864	4,856	(8)	
	16,366	14,048	(2,318)	
Carry forward to 2013/14	-	2,000	2,000	1
Totals	16,366	16,048	(318)	

Subjective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)
	£000	£000	£000
Employee Costs	5,527	5,421	(106)
Property Costs	106	109	3
Supplies and Services	584	580	(4)
Transport and Plant Costs	64	64	-
Administration Costs	4,500	4,548	48
Other Agencies & Bodies	10,953	10,947	(6)
Other Expenditure	295	295	-
Capital Financing	114	114	-
Gross Expenditure	22,143	22,078	(65)
Income	(5,777)	(6,030)	(253)
Net Expenditure	16,366	16,048	(318)

EXPLANATION OF MAJOR PROJECTED VARIANCES

1. POLICY AND SERVICE REFORM

A contribution of £0.104m relating to the May 2012 election was received from the Scottish Government towards the cost of the electronic count. However, budget provision had already been made to cover the costs incurred and the income does not require to be returned.

CHIEF EXECUTIVE
BUDGETARY CONTROL 2012/13

2. ECONOMIC DEVELOPMENT

As reported to Cabinet at period 4, a review of the overall budget position for the Economic Development Service was being undertaken as a result of the significant additional funding that the service has received in the past. The review is almost complete and it is projected that there will be an underspend of £2.159m. Of this underspend it is anticipated that £2m could be carried forward to meet commitments to programmes that have already commenced and support the Economic and Development Regeneration Strategy. A report with details on the proposed carry forward will be presented at the next meeting of the Cabinet.

3. HUMAN RESOURCES

This projected underspend arises largely from staff vacancies in the first 6 months of the year.

CORPORATE SERVICES
BUDGETARY CONTROL 2012/13

REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Objective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)	Note No
	£000	£000	£000	
Legal, Planning & Protective Services	4,481	4,042	(439)	1
Information Technology	-	(66)	(66)	2
Customer Services	11	9	(2)	
	4,492	3,985	(507)	
Carry forward to 2013/14	-	135	135	1
	4,492	4,120	(372)	

Subjective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)
	£000	£000	£000
Employee Costs	8,229	8,053	(176)
Property Costs	303	265	(38)
Supplies and Services	932	738	(194)
Transport and Plant Costs	109	113	4
Administration Costs	2,988	2,974	(14)
Other Agencies & Bodies	727	522	(205)
Other Expenditure	49	49	0
Capital Financing	687	687	0
Gross Expenditure	14,024	13,401	(623)
Income	(9,532)	(9,281)	251
Net Expenditure	4,492	4,120	(372)

EXPLANATION OF MAJOR PROJECTED VARIANCES

1. LEGAL, PLANNING AND PROTECTIVE SERVICES

As a result of the current economic downturn, income from building warrants is anticipated to be under-recovered by £0.311m. However, this is largely offset by anticipated savings within employee costs of £0.176m due to vacant posts plus £0.030m saving due to the formation of the Scottish Scientific Service. £0.150m which was carried forward from 2011/12 to meet the costs of the Hunterston Enquiry is now no longer required. In addition, there has been a further delay in the production of the Local Development Plan and it is requested that £0.135m be carried forward to 2013/14 to meet the anticipated costs. £0.130m had also been earmarked and carried forward from 2011/12 for this purpose but this sum will no longer be required.

2. INFORMATION TECHNOLOGY

This projected underspend arises from staff vacancies, which will be filled during the remainder of the financial year and also anticipated underspends in Internet and Software costs, which are reflected in the savings proposals for 2013/14.

EDUCATION & SKILLS
BUDGETARY CONTROL 2012/13

REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)	Note No
Objective Summary	£000	£000	£000	
Nursery Education	8,944	8,891	(53)	1
Primary Education	51,862	51,679	(183)	2
Secondary Education	60,551	60,543	(8)	3
Additional Support Needs	8,999	8,535	(464)	4
Education - Other	3,943	3,896	(47)	5
Cultural & Community Leisure Trust	14,222 3,662	13,979 3,662	(243) -	6
Total	152,183	151,185	(998)	

	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)
Subjective Summary	£000	£000	£000
Employee Costs	88,488	87,805	(683)
Property Costs	12,970	12,985	15
Supplies and Services	15,493	15,646	153
Transport and Plant Costs	2,076	2,007	(69)
Administration Costs	7,433	7,446	13
Other Agencies & Bodies	22,992	22,600	(392)
Transfer Payments	851	851	-
Capital Financing	9,957	9,957	-
Gross Expenditure	160,259	159,296	(963)
Income	(8,076)	(8,111)	(35)
Net Expenditure	152,183	151,185	(998)

EXPLANATION OF MAJOR PROJECTED VARIANCES

1. NURSERY EDUCATION

There is currently an anticipated underspend of £0.043m in respect of Pupil Transport Private Contractors due to a decrease in the number of pupils requiring transport.

EDUCATION & SKILLS

BUDGETARY CONTROL 2012/13

2. PRIMARY EDUCATION

The Teacher Refresh programme will deliver £0.056m in employee cost savings and based on current trends, the HQ teachers flexibility budget is expected to underspend by £0.150m. Monthly paid staff costs are expected to overspend by £0.070m due to the increased requirement for Additional Support Needs (ASN) classroom assistants in primary schools. There are additional PPP costs of £0.015m due to the contract indexation exceeding original estimates. An underspend of £0.056m is anticipated in respect of Pupil Transport Private Contractors due to a decrease in the number of pupils requiring transport. SPT Pupil Transport is also showing an anticipated underspend of £0.025m mainly due to a decrease in the cost of temporary contracts.

3. SECONDARY EDUCATION

The Teacher Refresh programme will deliver £0.098m in employee cost savings. There are additional PPP costs of £0.127m due to the contract indexation exceeding original estimates and an overspend of £0.043m is anticipated in respect of Pupil Transport Private Contractors due to an increase in the number of contracts awarded. There is an anticipated underspend of £0.053m against SPT Pupil Transport, as a result of the contacts now being placed with Private Contractors. There are estimated savings of £0.015m in respect of PPP Contract Deductions. Sales, Fees & Charges are expected to over-recover by £0.020m due to higher than anticipated income from the Music Instruction Scheme.

4. ADDITIONAL SUPPORT NEEDS (ASN)

There is currently an anticipated underspend of £0.023m in respect of Pupil Transport Private Contractors due to a decrease in the number of contracts awarded. Payments to Other Local Authorities is currently showing an anticipated underspend of £0.060m due to less North Ayrshire pupils being placed in other Local Authority schools than anticipated. The ASN Day Placement and residential placement fees are currently showing an anticipated underspend of £0.124m and £0.137m respectively. Income from other local authorities shows an anticipated over recovery of £0.108m due to other local authorities placing more pupils in North Ayrshire schools than anticipated.

5. EDUCATION - OTHER

Employee cost savings will accrue in Education & Skills Resources of £0.080m due to service reviews and vacant posts. There are further employee cost savings in the Quality Improvement Service of £0.071m as a result of 2 vacant posts. These posts are being held pending discussions on future savings. This is offset by an under recovery of income in the Arran Outdoor Education Centre of £0.110m, due to a delay in the implementation of the adventure tourism element of the new business plan.

EDUCATION & SKILLS
BUDGETARY CONTROL 2012/13

6. CULTURAL AND COMMUNITY

There is a projected underspend of £0.263m relating to savings in staffing costs across Cultural and Community of which £0.181m arises from over-achieved savings as a result of amended work patterns and reduced overtime costs in Community Facilities.

The remainder of this projected underspend can be attributed as follows:
£0.016m in Community Development due to non-filling of vacancies, £0.019m in Arts Service due to a vacant post and the delay in completing a restructure of the service plus £0.004m in Libraries, £0.025m in Children's Services and £0.006m in Healthy Start Clubs all resulting from vacant posts. All vacant posts are being held pending future reviews.

SOCIAL SERVICES
BUDGETARY CONTROL 2012/13

REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Objective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)	
	£000	£000	£000	
Management and Support	156	(410)	(566)	1
Service Strategy and Regulation	1,134	1,046	(88)	2
Children and Families	24,275	24,310	35	
Older People's Services	34,523	37,403	2,880	3
Independent Services	5,430	5,833	403	4
Learning Disabilities	13,568	13,818	250	5
Mental Health Needs	3,116	2,883	(233)	6
Criminal Justice	147	98	(49)	
Addiction Services	1,299	1,296	(3)	
Change	645	645	-	
Other Housing	7,775	7,417	(358)	7
Totals	92,068	94,339	2,271	

Subjective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)
	£000	£000	£000
Employee Costs	41,224	40,121	(1,103)
Property Costs	2,282	2,548	266
Supplies and Services	1,739	1,787	48
Transport and Plant Costs	1,411	1,538	127
Administration Costs	13,101	13,141	40
Other Agencies & Bodies	56,066	59,551	3,485
Transfer Payments	1,063	1,639	576
Other Expenditure	315	40	(275)
Capital Financing	889	769	(120)
Gross Expenditure	118,090	121,134	3,044
Income	(26,022)	(26,795)	(773)
Net Expenditure	92,068	94,339	2,271

EXPLANATION OF MAJOR PROJECTED VARIANCES

1.MANAGEMENT AND SUPPORT

This projected underspend is mainly due to vacancy management (£0.332m) and the early achievement of future years' savings (£0.235m).

2. SERVICE STRATEGY AND REGULATION

The (£0.078m) underspend is mainly due to vacancy management.

3. OLDER PEOPLE'S SERVICES

The areas of overspend here are :

Care Homes	£1.154m
Purchased Care at Home	£1.531m
Provided Care at Home	£0.420m

There are currently 932 service users in a care home setting. 221 of those service users have been placed in a care home for more than four years, with 20 having been resident for more than 10 years.

Current projections indicate that demand for Care at Home services has increased by 20% this year in comparison with last years outturn. This increase in demand is impacting on the delivery of the 2012/13 savings of £0.400m. The zero waiting list for services is also impacting on the current overspend.

Corrective actions:

Client reviews will be undertaken together with further work to review benefits of reablement.

A review of the underlying financial projections around homecare will take place to ensure they are robust.

4. INDEPENDENT SERVICES

The areas of overspend here are:

Direct Payments	£0.240m
Residential Accommodation and Community Packages	£0.230m

Reviews are underway to revisit the rates currently been paid for both Residential Care and Community Packages.

5. LEARNING DISABILITIES

The areas of overspend here are :

Community Packages	£0.343m
Residential Care	£0.297m
Direct Payments	£0.102m

Underspends offsetting in part:

Vacancy Management	(£0.365m)
Over-recovery in Charges to Users	(£0.182m)

Savings of £0.669m and £0.218m respectively for Community Packages and Residential Care were approved as part of the 12/13 budget.

Client reviews of high cost care packages are underway, as well as work to revisit the rates currently been paid for both Residential Care and Community Packages. Work is also underway to confirm the value of savings which have been delivered to date.

6. MENTAL HEALTH

The projected underspend of £0.223m for mental health is mainly due to reductions in community packages and residential accommodation costs.

7. HOUSING

The projected underspend against Housing Services is mainly against budgets for improvement grants (£0.120m), combined with underspends in staff costs, as a result of vacant posts (£0.068m), a reduction in internal charges for management of improvement grants and graffiti squad (£0.051m) and savings in contracts with external providers (£0.049m) and general budget efficiencies identified through the review of budgets (£0.035m).

8. COMMENTARY ON PROJECTED OVERSPEND

The overspend of £2.271m is £0.506m less than the £2.777m reported at Period 4.

The Corporate Director (Social Services & Skills) has been consulted in relation to the projected overspend and confirmed that work is currently underway to identify corrective measures which can be taken throughout the remainder of the financial year.

It is recognised that financial projections could be improved through the development of financial modules around the CareFirst system. A review of timescales for achieving this will commence shortly.

FINANCE & INFRASTRUCTURE
BUDGETARY CONTROL 2012/13

REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Objective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)	Note No
	£000	£000	£000	
Finance	907	845	(62)	1
Infrastructure & Design	12,898	12,874	(24)	2
Environment & Related Services	20,574	19,630	(944)	3
Other				
Office Accommodation	(1)	9	10	
Central Property Account	(141)	(139)	2	
Pension Costs	1,678	1,674	(4)	
Totals	35,915	34,893	(1,022)	

Subjective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)
	£000	£000	£000
Employee Costs	35,493	34,367	(1,126)
Property Costs	7,414	7,438	24
Supplies and Services	7,984	8,118	134
Transport and Plant Costs	6,758	6,552	(206)
Administration Costs	12,904	12,862	(42)
Other Agencies & Bodies	13,575	13,573	(2)
Transfer Payments	49,573	49,573	-
Other Expenditure	428	382	(46)
Capital Financing	5,946	5,946	-
Gross Expenditure	140,075	138,811	(1,264)
Income	(104,160)	(103,918)	242
Net Expenditure	35,915	34,893	(1,022)

EXPLANATION OF MAJOR PROJECTED VARIANCES

1. FINANCE

Finance Support

There are no major variances projected at present.

Revenues

Collection of Council Tax is expected to underspend by £0.021m due to a £0.010m performance reward from Scottish Water and an anticipated £0.010m over-recovery in Statutory Additions. Collection of Non-Domestic Rates is expected to overspend by £0.077m due to an anticipated shortfall in income from Statutory Additions. Benefits admin is expected to be £0.079m under budget, mostly due to staff vacancies. In addition, there is an expected underspend of £0.021m in Debt Recovery due to a vacant post.

FINANCE & INFRASTRUCTURE

BUDGETARY CONTROL 2012/13

2. INFRASTRUCTURE & DESIGN

There is a projected underspend of £0.072m on employee costs due to vacancies. Administration is projecting an underspend of £0.0118m in supplies & services, admin and other agencies costs and contractors budget an underspend of £0.041m. These underspends will be partially offset by an overspend in payments to contractors of £0.057m due to emergency work on Millport Pier. Major Works income is anticipated to be £0.145m lower than budget. Full details of the Property Management Services budget and proposed virement is being considered in the 'Property Management and Investment' report on the current Cabinet agenda.

3. ENVIRONMENTAL & RELATED SERVICES

Facilities Management (£0.384m)

There is anticipated to be an underspend of £0.257m in Catering, mainly in employee costs (£0.193m) due to the early realisation of savings arising from the Facilities Management Review. There is also expected to be additional income for special catering of £0.025m and for school meals income an additional £0.040m. Cleaning is expected to be £0.156m under budget mainly as a result of efficient staff management (£0.141m) and additional income from temporary variation orders (£0.016m).

Waste Management (£0.236m)

In Refuse Collection there are projected employee savings of £0.033m due to vacancies, refuse containers £0.028m and fuel savings of £0.100m partly offset by under-recovery of £0.055m in commercial refuse income due to the loss of the NHS contract. There are also savings due to vacancies in Disposal (£0.055m) and Civic Amenity sites (£0.024m). Other savings include fuel in Disposal (£0.030m) which partly offsets projected overspends in the repair and maintenance of vehicles £0.012m. There is a projected overspend in Landfill Tax (Inactive) of £0.028m due to new regulations which have resulted in a wider range of materials liable for Landfill Tax partly offset by savings in tools & implements £0.007m, special uplifts £0.008m and disposal site fees £0.005m.

There are further savings of £0.040m in Recycling employee costs due to delay in recruitment of new Waste Awareness Officers.

Streetscene Strategy (£0.166m)

There are projected employee savings of £0.106m and savings in tools and implements of £0.028m as a result of early realisation of the 2013/14 Streetscene review. There are also anticipated fuel savings of £0.016m.

Streetscene Operations (£0.065m)

This is due to projected savings of £0.059m in fuel and £0.014m in employee costs.

Transport (£0.086m)

The revised charging policy by Transport for exceptional wear and tear is estimated to generate £0.075m of additional income. There are also expected employee savings of £0.010m.

REQUISITIONS / CCSF
BUDGETARY CONTROL 2012/13

REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)	Note No
Objective Summary	£000	£000	£000	
Strathclyde Police	22,642	22,642	-	
Strathclyde Fire & Rescue	8,036	8,036	-	
Strathclyde Passenger Transport	2,416	2,416	-	
SPT - Concessionary Fares	257	257	-	
Ayrshire Valuation Joint Board	808	808	-	
Changing Children's Services Fund	521	521	-	
Totals	34,680	34,680	-	

	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)
Subjective Summary	£000	£000	£000
Employee Costs	395	395	-
Supplies and Services	59	59	-
Transport and Plant Costs	47	47	-
Administration Costs	91	91	-
Other Agencies & Bodies	34,653	34,653	-
Other Expenditure	12	12	-
Capital Financing	-	-	-
Gross Expenditure	35,257	35,257	-
Income	(577)	(577)	-
Net Expenditure	34,680	34,680	-

EXPLANATION OF MAJOR PROJECTED VARIANCES

There are no projected variances for Requisitions / CCSF at this time.

BUILDING SERVICES
BUDGETARY CONTROL 2012/13

REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	
	£000	£000	£000	
Employee Costs	7,974	7,974	-	
Property Costs	419	443	24	
Supplies and Services	5,359	5,434	75	1
Transport and Plant Costs	1,357	1,378	21	
Administration Costs	639	651	12	
Other Agencies & Bodies	1,940	2,299	359	2
Other Expenditure	1,119	458	(661)	3
Capital Financing	572	507	(65)	
Gross Expenditure	19,379	19,144	(235)	
Income	(19,478)	(20,399)	(921)	4
Net Expenditure	(99)	(1,255)	(1,156)	

EXPLANATION OF MAJOR PROJECTED VARIANCES

BUILDING SERVICES

1. Anticipated increased material cost as a result of an increased workload.
2. Anticipated unbudgeted cost of agency workers is £0.355m, in relation to use of agency workers to cover for vacancies, to meet additional workload and to reduce the usage of subcontractors. Contracts of the remaining agency workers are due to end in October and there is a recruitment drive to reduce the requirement for agency staff.
3. Payroll efficiency savings of £1.119m identified over past years were set aside to meet the cost of job evaluation. Implementation is currently estimated at 1 November 2012 resulting in an anticipated underspend against the budget provision of £0.661m.
4. The service has various income streams with the following significant budget variances anticipated:-

	£m
	Adv/(Fav)
Income from Other NAC Departments	(0.154)
Emergency and Urgent repairs	(0.217)
Routine Repairs	(0.195)
Timber Treatment	(0.240)
Asbestos removal	(0.089)
	<u>(0.895)</u>

MAJOR REVENUE WORKS
BUDGETARY CONTROL 2012/13

REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Objective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)	Note No
	£000	£000	£000	
Education & Skills	703	703	-	
Social Services & Health	523	523	-	
Finance & Infrastructure	268	268	-	
Currently unallocated Balance	6	6	-	
Totals	1,500	1,500	-	

EXPLANATION OF MAJOR PROJECTED VARIANCES

The Council's Capital Programme and Assets Group (CPAG) has reviewed options for the use of the previously unallocated of £0.611m. It is now anticipated that £1.500m will be spent by 31 March 2013.

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2012/13

REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Objective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)	Note No
	£000	£000	£000	
Supervision and Management	7,622	7,216	(406)	1
Repairs and Maintenance	29,451	29,638	187	2
Short Stay Hostel	(72)	(92)	(20)	
Homelessness	71	(124)	(195)	3
Loan Charges	7,019	7,008	(11)	4
Rental Income	(41,289)	(41,126)	163	5
Totals	2,802	2,520	(282)	6

Subjective Summary	Annual Budget	Projected Year End Outturn	Projected Annual Variance Adverse or (Favourable)
	£000	£000	£000
Employee Costs	6,046	5,890	(156)
Property Costs	17,890	18,105	215
Supplies and Services	316	316	0
Transport and Plant Costs	87	87	0
Administration Costs	1,830	1,575	(255)
Other Agencies & Bodies	1,593	1,495	(98)
Transfer Payments	3	3	0
Other Expenditure	498	438	(60)
Capital Financing	20,229	20,218	(11)
Gross Expenditure	48,492	48,127	(365)
Income	(45,690)	(45,607)	83
Net Expenditure for year	2,802	2,520	(282)

EXPLANATION OF MAJOR PROJECTED VARIANCES

1. SUPERVISION AND MANAGEMENT

The main elements of the projection against this section are; underspends in central support and office accommodation costs (£0.235m), an underspend in relation to recharges from other NAC services (£0.098m) and efficiency savings identified through a review of budgets (£0.060m). Additional staffing costs, during 2012/13, in relation to the management of Welfare Reform (c £0.133m) are expected to be absorbed by a similar level of payroll cost savings due to vacancy management.

HOUSING REVENUE ACCOUNT

BUDGETARY CONTROL 2012/13

2. REPAIRS AND MAINTENANCE

The main elements of the projected outturn against this section is an anticipated overspend in council house repairs (£0.369m) offset in part by underspends in utility costs (£0.088m), lower than estimated void house rent loss (£0.065m) and higher than budgeted tenant recharges (£0.133m).

3. HOMELESSNESS

The projected underspend against the Homelessness section is due to payroll savings through vacancy management (£0.130m), combined with a rental income surplus (£0.065m).

4. LOAN CHARGES

The projection against this section relates to higher than budgeted loans fund interest and principal repayments (£0.030m) in relation to outstanding Housing Revenue Account debt, offset by additional revenue interest received (£0.041m).

5. RENTAL INCOME

The projection against this section mainly relates to a projected underrecovery in House Rental income compared with estimated levels, due to the timing of house closures in relation to the Vineburgh Regeneration project.

6. HRA BALANCES

The total HRA balance brought forward from 2011/12 was £8.230m, of which £2.802m has been committed to fund the 2012/13 budget, resulting in an available balance at 1 April 2012, consisting of the following elements:

	B/f from 2011/12 £m	Period 6 £m	C/f to 2013/14 £m
Council House Building Fund	3.712		3.712
Contingency Balance	0.400		0.400
Uncommitted Balance	1.316	0.282	1.598
	5.428	0.282	5.710

The uncommitted balance will be used to assist the housing management function following the impact of welfare reform and in addition to this, a review of the HRA business plan is about to be undertaken, which is likely to result in additional funding requirements.

NORTH AYRSHIRE COUNCIL

Agenda Item 5

20 November 2012

Cabinet

Subject:	Capital Monitoring to 30 September 2012
Purpose:	To advise the Cabinet of progress in delivering the Capital Investment Programme as at 30 September 2012.
Recommendation:	That the Cabinet agrees to (a) approve the revisions to budgets outlined at paragraph 2.1; and (b) note (i) the actual General Services and HRA expenditure to 30 September 2012 and (ii) the forecast of expenditure to 31 March 2013.

1. Introduction

- 1.1 The General Services and Housing Revenue Account (HRA) capital budgets were approved at a special meeting of the Council on 1 February 2012. The General Services capital programme approval covered a 4 year period from 1 April 2012 to 31 March 2016 and the HRA budget for 2012/13.
- 1.2 This report identifies the current programme for 2012/13, taking account of adjustments made to budgets since the meeting on 1 February. The report also advises of actual expenditure to 30 September 2012 and forecast expenditure to 31 March 2013.

2. Current Position

2.1 The table below outlines the movements in the General Services budget since the report on 18 September:-

	2012/13
	£m
Budget as at 31 July 2012	38.152
a) Alterations to phasing of projects:-	
2012/13 to 2013/14 or later years (see Appendix 1 for details)	(2.199)
2013/14 to 2012/13 (see Appendix 1 for details)	0.100
b) Flexibility budget allocated to Irvine Townhouse 2013/14	(3.000)
c) Other grants & contributions	0.376
Budget as at 30 September 2012	33.429

2.2 Capital Expenditure to 30 September 2012

Actual expenditure to 30 September 2012 (Period 6) amounted to £8.170m or 24.5% (compared to anticipated expenditure of 28.3%) of the revised annual budget for 2012/13 of £33.429m. The key points to note are:-

- funding for tourism and Irvine Town Centre Car Park require to be carried forward to 2013/14;
- the contractor has now been appointed for the Irvine East and West schools, this will allow a more accurate phasing of the budget to be developed;
- the profile of actual expenditure within Finance and Infrastructure is not in line with the original projection, however all projects are anticipated to deliver to the current annual budget.

Details of actual spend by project against the revised budget for 2012/13 can be found in Appendix 1, alongside anticipated spend to 31 March 2013. The projections are summarised by service in the table below:-

Service	Revised Budget 2012/13	Projected Expenditure / Income to 31 March 2013	Projected Variance Over / (Under) Spend	True Over / (Under) Spend	Carry Forward to 2013/14
	£m	£m	£m	£m	£m
Expenditure					
Chief Executive	0.605	0.598	(0.007)	0.047	(0.054)
Corporate Services	1.629	1.629	-	-	-
Education & Skills	13.187	13.198	0.011	0.011	-
Finance & Infrastructure	14.164	13.877	(0.287)	-	(0.287)
Social Services & Health	3.668	3.668	-	-	-
Flexibility	0.176	-	(0.176)	(0.176)	-
Total Expenditure	33.429	32.970	(0.459)	(0.118)	(0.341)
Income					
General Capital Grant	(9.013)	(9.013)	-	-	-
Specific Capital Grant	(0.157)	(0.157)	-	-	-
Use of Reserve Funds	(3.956)	(4.002)	(0.046)	(0.046)	-
Capital Funded from Current Revenue	(2.476)	(2.476)	-	-	-
Capital Receipts	(0.300)	(0.300)	-	-	-
Other Grants & Contributions	(3.809)	(3.818)	(0.009)	(0.009)	-
Prudential Borrowing	(13.718)	(13.204)	0.514	0.173	0.341
Total Income	(33.429)	(32.970)	0.459	(0.118)	(0.341)
Net Expenditure	-	-	-	-	-

- 2.3 The table below outlines the movements in the flexibility budget since the report on 18 September 2012:-

	2012/13
	£m
Budget as at 31 July 2012	3.180
Allocated to minor project overspends	(0.004)
Allocated to Irvine Townhouse	(3.000)
Budget as at 30 September 2012	0.176

If the flexibility budget is not required to fund projects within 2012/13 it will be earmarked as available funding for the capital programme in future years.

Housing Revenue Account

- 2.4 At the meeting of the Council on 1 February, approval was given for the 2012/13 Housing Revenue Account Capital Budget of £28.572m.
- 2.5 Following the report to Cabinet on 18 September, various adjustments were made to the budgets to bring them into line with the proposed programme of works for 2012/13 as agreed between Housing Services, Building Services and Infrastructure & Design Services. These changes are reflected in the detailed programme which can be found in Appendix 2. This resulted in a revised budget at 30 September of £28.182m.

Capital Expenditure

- 2.6 Actual expenditure to 30 September 2012 (Period 6) amounted to £8.921m or 31.6% of the revised annual budget of £28.182m. Current projections suggest that there will be a small underspend of £0.065m at 31 March 2013. It is proposed, however, that this sum is earmarked to contribute to additional costs arising on the project at Currie Court, Ardrossan. The project is part of the General Services capital programme but currently incorporates £0.991m of funding from the Housing Revenue Account capital programme. There is a full report elsewhere on this agenda which gives further detail on the projected costs associated with the Currie Court re-provisioning.

2.7 The undernoted table summarises the HRA Capital budget position as at 30 September 2012:

	Revised Budget 2012/13	Projection to 31 March 2013	Projected over (under) spend 2012/13	True Over / (Under) Spend	Carry Forward to 2013/14
	£m	£m	£m	£m	£m
Expenditure	28.182	28.117	(0.065)	(0.065)	-
Income					
Sale of Council Houses	(0.775)	(0.775)	-	-	-
Sale of Other Assets	(0.382)	(0.382)			-
Capital Funded from Current Revenue	(13.210)	(13.210)	-	-	-
Capital Grants	(0.543)	(0.543)	-	-	-
Affordable Housing Contribution	(0.672)	(0.672)	-	-	-
Prudential Borrowing	(12.600)	(12.535)	0.065	0.065	-
Total Income	(28.182)	(28.117)	0.065	0.065	-
Net Expenditure	-	-	-	-	-

3. Proposals

3.1 It is proposed that:-

In General Services -

The Cabinet is invited to (a) approve the further revisions to budgets outlined at paragraph 2.1; and (b) note (i) the actual expenditure to 30 September 2012 and (ii) the forecast of expenditure to 31 March 2013.

In the H.R.A. -

The Cabinet is invited to (a) note the actual expenditure to 30 September 2012.

4. Implications

Financial Implications

- 4.1 The financial implications are as outlined in the report. Expenditure will continue to be closely monitored to ensure early action is taken re any projected underspends or overspends.

Human Resource Implications

- 4.2 There are no human resource Implications.

Legal Implications

- 4.3 There are no legal Implications.

Equality Implications

- 4.4 There are no equality Implications.

Environmental Implications

- 4.5 There are no environmental Implications.

Implications for Key Priorities

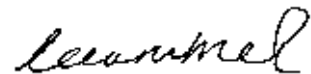
- 4.6 A delay in completion of projects could affect the delivery of services and have implications for revenue budgets and service planning.

5. Consultations

- 5.1 Consultations have taken place with all services in respect of their projects.

6. Conclusion

- 6.1 The report invites the Cabinet to note the revisions to budgets for General Services and Housing Revenue Account and the level of capital expenditure to 30 September and projections to 31 March 2013.



LAURA FRIEL
Corporate Director (Finance and Corporate Support)

Reference :

For further information please contact Hazel Hair, Senior Manager, (Financial Management) on 01294 324548.

Background Papers

0

North Ayrshire Council
Capital Statement
Year Ended 31st March 2013

Project Description	Approved Budget at 1st February 2012	Carry Forward from 2011/12	Additional Funds Awarded 2012/13	Approved Revisions to Programme	Total Revised Budget 2012/13	Year to Date Budget 2012/13	Actual Expenditure to 30 September 2012	Year to Date Variance 2012/13	Projected Expenditure to 31st March 2013	True Over/ (Under) Spend	Carry Forward to 2013/14	COMMENTS
	£	£	£	£	£	£	£	£	£	£	£	
EXPENDITURE												
Chief Executives												
Economic Development	250,000	171,171	0	0	421,171	161,171	30,135	(131,036)	367,171	0	(54,000)	Tourism Infrastructure
Office Accommodation	34,182	0	149,850	0	184,032	146,600	158,709	12,109	231,377	47,345	0	0 Cunningham House 3rd Floor West
Corporate Services												
Legal & Protective	65,000	0	316,000	207,000	588,000	0	(1,309)	(1,309)	588,000	0	0	0
Information Technology	1,013,625	107,623	0	(80,000)	1,041,248	618,084	511,429	(106,655)	1,041,248	0	0	0
Education & Skills												
Primary Schools	9,312,372	3,477,991	0	(1,767,849)	11,022,514	3,729,675	3,162,541	(567,134)	11,025,851	3,337	0	0
Secondary Schools	1,438,000	(471)	0	(1,167,053)	270,476	86,912	66,662	(20,250)	270,476	0	0	0
Special Education	136,000	14,811	0	(95,811)	55,000	0	3,750	3,750	55,000	0	0	0
General School Projects	0	45,614	0	(45,614)	0	0	0	0	0	0	0	0
Sports & Leisure	5,570,436	553,572	0	(5,328,865)	795,143	211,003	382,699	171,696	793,997	(1,146)	0	0
Cultural & Community	975,445	5,305	0	63,583	1,044,333	430,480	385,995	(44,485)	1,053,562	9,229	0	0 West Kilbride Gym- external funding
Finance & Infrastructure												
Financial Services	0	62,760	0	(62,760)	0	0	0	0	0	0	0	0
Infrastructure & Design	16,375,934	361,585	1,100,000	(7,243,323)	10,594,196	2,477,331	2,002,533	(474,798)	10,307,196	0	(287,000)	Irvine Town Centre Car Park
Environmental Services	2,228,000	733,314	647,000	(38,147)	3,570,167	1,157,051	1,070,062	(86,969)	3,570,167	0	0	0
Social Services & Health												
Management & Support	376,573	(32,197)	0	(24,545)	319,831	0	11,310	11,310	319,831	0	0	0
Older People	1,526,914	1,131,937	991,000	(1,032,030)	2,617,821	142,604	143,646	1,042	2,617,821	0	0	0
Physical or Sensory Disabled	0	0	300,000	(210,000)	90,000	0	11,060	11,060	90,000	0	0	0
Housing Non HRA	1,247,000	0	0	(607,000)	640,000	315,000	231,182	(83,818)	640,000	0	0	0
Other												
Flexibility Budget	0	179,325	1,604,662	(1,608,151)	175,836	0	0	0	0	(175,836)	£3m to Irvine Townhouse	
Total Project Expenditure	40,549,481	6,812,340	5,108,512	(19,040,565)	33,429,768	9,475,911	8,170,425	(1,305,486)	32,971,697	(117,071)	(341,000)	
Income	(40,549,481)	(6,812,340)	(5,108,512)	19,040,565	(33,429,768)	(4,821,002)	(4,821,002)	0	(32,971,697)	117,071	341,000	
Total Project Income	(40,549,481)	(6,812,340)	(5,108,512)	19,040,565	(33,429,768)	(4,821,002)	(4,821,002)	0	(32,971,697)	117,071	341,000	
Total Net Expenditure	0	0	0	0	0	4,654,909	3,349,423	(1,305,486)	0	0	0	

North Ayrshire Council
Capital Programme Funding 2012-13

Funding Description	Approved Budget at 1st February 2012 £	Carry Forward from 2011/12 £	Additional Funds Awarded 2012/13 £	Approved Revisions to Programme £	Total Revised Budget 2012/13 £	Actual as at 30 September 2012 £	Projected Income to 31st March 2013 £
CAPITAL BORROWING							
Prudential Borrowing	26,180,238	6,578,550		(19,040,565)	13,718,223		13,204,766
SUB TOTAL	26,180,238	6,578,550	0	(19,040,565)	13,718,223	0	13,204,766
SCOTTISH GOVERNMENT FUNDING							
Specific Capital Grants	157,000				157,000		157,000
Cycling / Walking Routes							
Capital Grants	8,806,000	207,000			9,013,000	4,710,498	9,013,000
General Capital Grant							
SUB TOTAL	8,963,000	0	207,000	0	9,170,000	4,710,498	9,170,000
OTHER INCOME TO PROGRAMME							
Use of Funds	3,500,000				3,500,000		3,500,000
Repairs & Renewals Fund							
Capital Fund	300,000				300,000		300,000
General Fund Balance	6,243				6,243		6,243
Change Fund		149,850			149,850		196,007
Capital Funded from Current Revenue	850,000	1,626,000			2,476,000		2,476,000
Grants & Contributions							
SPT Funding from 2011-12		233,790			233,790		233,790
SPT Funding			1,100,000		1,100,000	71,749	1,100,000
CSGN Development Fund		36,000			36,000		36,000
Insurance Recovery - Cemetery Walls		12,000			12,000	12,000	12,000
HRA Contribution to Currie Court		991,000			991,000		991,000
HUB Capital Enabling Funds		706,662			706,662		706,662
Other Contributions	450,000				450,000		459,229
Largs Car Park Fund		50,000			50,000		50,000
Sustrans Scotland		230,000			230,000		230,000
Capital Receipts	300,000				300,000	26,755	300,000
Milgarholm Pumping Station					0		0
Sale of Vehicles					0	4,092	0
Sale of Land					0	20,663	0
					0	2,000	0
					0	0	0
					0	0	0
					0	0	0
SUB TOTAL	5,406,243	233,790	4,901,512	0	10,541,545	110,504	10,596,931
TOTAL CAPITAL PROGRAMME FUNDING	40,549,481	6,812,340	5,108,512	(19,040,565)	33,429,768	4,821,002	32,971,697

Year Ended 31st March 2013

[illegible]

CAPITAL MONITORING 2012/13

Year Ended 31st March 2013

CORPORATE SERVICES

Project Description	Lead Officer	COMPLETION DATE			CURRENT YEAR 2012/13 EXPENDITURE										Comments		
		Original Target	Revised Forecast	Difference (SPt)	Approved Budget at 1 Feb 2012	Carry Forward From 2011/12	Additional Funds Awarded 2012/13	Approved Revisions To Programme	Total Revised Budget 2012/13	Year to Date Budget 2012/13	Actual Expenditure to 30 September 2012	Year to Date Variance 2012/13	Projected Expenditure to 31 March 2013	Projected Over/ (Under) Spend for 12/13		% Expenditure to Date for 12/13	% Expenditure Projected for year 12/13 (CPI)
<u>Legal & Protective</u>																	
E-PLANNING	J Miller	31-Mar-12	31-Mar-13	52	65,000				65,000	0		0	65,000	0	0.00%	100.00%	In discussion with supplier and IT. Further meeting in October to firm up specification.
																	Designs and Bills of Quantity have been prepared for the upgrade of NCN Route 75 at Largs and will be subject to public consultation in the near future. Designs are currently being prepared for the upgrade of NCN Route 73 at Brodick. Meetings were held with the landowner and key stakeholders in September 2012 to agree the specification for the works. Tenders are currently being prepared for the remaining works.
ACCESS PATH NETWORK PROGRAMME	J Miller	31-Mar-13	31-Mar-13	0	0		316,000	207,000	523,000	0	12,114	12,114	523,000	0	2.32%	100.00%	The £13,423 is a retention from works carried out in 2011/12. This will be paid to the contractor in March 2013 in line with the terms of the retention agreement.
MONTGOMERIE PARK DEVELOPMENT	J Miller	31-Mar-12	31-Mar-12	0	0				0	0	(13,423)	(13,423)	0	0	No budget	No budget	
<u>Total Legal & Protective</u>					65,000	0	316,000	207,000	588,000	0	(1,309)	(1,309)	588,000	0	-0.22%	100.00%	
<u>Information Technology</u>																	
NETWORK DEVELOPMENT	A. Blakely	31-Mar-12	31-Mar-13	52	50,000	41,314			91,314	41,711	49,600	7,889	91,314	0	54.32%	100.00%	
PC REPLACEMENT	L Morley	31-Mar-13	31-Mar-13	0	170,000				170,000	132,722	146,129	13,407	170,000	0	85.96%	100.00%	
MICROSOFT OFFICE UPGRADE	I Chisholm	31-Mar-13	31-Mar-13	0	275,000				275,000	268,832	260,832	(7,168)	275,000	0	94.85%	100.00%	
URL INTERNET FILTERING	I Chisholm	31-Mar-13	31-Mar-13	0	120,000				120,000	0	0	0	120,000	0	0.00%	100.00%	3 year contract due for renewal Nov 2012
ICT SECURITY	I Chisholm	31-Mar-13	31-Mar-13	0	30,000	40,217			70,217	320	17,331	17,011	70,217	0	24.68%	100.00%	Tender phase at the moment for email anti virus. Penetration testing underway Sept
SUN SERVER REPLACEMENT PROG	B Quigley	31-Mar-13	31-Mar-13	0	58,625			(30,000)	28,625	2,619	19,217	16,598	28,625	0	67.13%	100.00%	Capital and Rev bid in for next year. Consultancy stage complete. Funds required for next year as part of the Capital bid)
INFO & RECORDS MANAGEMENT	H Lauder	31-Mar-13	31-Mar-13	0	0	5,501			5,501	5,501	0	(5,501)	5,501	0	0.00%	100.00%	Slight variation in timing of payments. £50k will be spent in Period 7. No impact on delivery of overall programme.
WINDOWS SERVER MIGRATION	I Chisholm	31-Mar-13	31-Mar-13	0	100,000	2,558			102,558	88,800	9,088	(79,732)	102,558	0	8.84%	100.00%	Web development project rescheduled in line with Customer Services Strategy (Capital required next year as part of capital bid)
NEW COUNCIL ICT STRATEGY	A. Blakely	31-Mar-13	31-Mar-13	0	210,000	18,033		(50,000)	178,033	78,411	9,252	(69,199)	178,033	0	5.20%	100.00%	
<u>Total Information Technology</u>					1,019,625	107,623	0	(80,000)	1,041,248	618,084	511,429	(106,655)	1,041,248	0	49.12%	100.00%	
					1,078,625	107,623	316,000	127,000	1,629,248	618,084	510,120	(107,964)	1,629,248	0	31.31%	100.00%	

CAPITAL MONITORING 2012/13

Year Ended 31st March 2013

EDUCATION & SKILLS

Project Description	Lead Officer	COMPLETION DATE			CURRENT YEAR 2012/13 EXPENDITURE										Comments			
		Original Target	Revised Forecast	Difference (SPI)	Approved Budget at 1 Feb 2012	Carry Forward From 2011/12	Additional Funds Awarded 2011/12	Approved Revisions To Programme	Total Revised Budget 2012/13	Year to Date Budget 2012/13	Actual Expenditure to 30 September 2012	Year to Date Variance 2012/13	Projected Expenditure to 31 March 2013	Projected Over/ (Under) Spend for 12/13		True Over/(Under) Spend	% Expenditure to Date for 12/13	% Expenditure Projected for year 12/13 (CPI)
Primary Schools																		
WOODLANDS PS EXTENSION	D Yuille	30-Apr-13	30-Apr-13	0	983,526	373,611			1,337,137	104,599	37,684	(66,915)	1,337,137	0		2.82%	100.00%	Contractor now appointed. Budget being re-profiled.
PENNYBURN PS ROOF REPLACE	S Laughlan	Complete	Complete		0	5,308			5,308	0	0	0	5,308	0		0.00%	100.00%	Retention to be paid by March 2013
KELBURN PARTITIONS	A Martin	30-Aug-13	30-Aug-13	0	0	0			5,544	5,544	0	0	5,544	0		0.00%	100.00%	Tender documentation being produced this financial year. Due to be on site Summer 2013
SKELMORLIE PARTITIONS	A Martin	30-Aug-13	30-Aug-13	0	0	0			2,680	2,680	0	0	2,680	0		0.00%	100.00%	Tender documentation being produced this financial year. Due to be on site Summer 2013
REPLACE SHUTTERS VARIOUS	D Mackay	31-Mar-13	31-Mar-13	0	100,000	(18,700)			81,300	12,500	15,317	2,817	81,300	0		18.84%	100.00%	Rolling Programme. On schedule to spend
IRVINE EAST PS	S Storie	07-Apr-14	07-Apr-14	0	2,783,099	406,272			1,328,235	316,087	191,207	(124,880)	1,328,235	0		14.40%	100.00%	Contractor now appointed. Budget being re-profiled.
ST LUKES PS-EXTENSION	L Martin	Complete	Complete		0	226,003			231,268	226,003	111,516	(114,487)	235,055	3,787	3,787	48.22%	101.64%	Overspend to be addressed. Includes £526k Retention to be paid in 13/14.
DREGHORN PS UPGRADE REPLC	A Martin	18-Aug-12	22-Oct-12	9	2,411,208	1,467,328			3,959,270	2,616,336	2,606,241	(10,095)	3,959,270	0		65.83%	100.00%	Staff and pupils moving into new school following October break.
KILMORY PS DDA AND TOILETS	Complete	Complete	Complete		0	450			450	0	0	0	0	(450)	(450)	0.00%	0.00%	Overall underspend.
CASTLEPARK PS	D Yuille	30-May-13	30-Jul-13	9	2,989,216	999,869			3,989,085	449,791	191,993	(257,798)	3,989,085	0		4.81%	100.00%	Contractor now appointed. Budget being re-profiled.
GLENCAIRN PS GYM EXT	S Laughlan	Complete	Complete		15,323	3,661			18,048	4,359	0	(4,359)	18,048	0		0.00%	100.00%	Retention to be paid December 2012.
KITCHEN UPGRADES	D Mackay	31-Mar-13	31-Mar-13	0	50,000	14,189			64,189	0	8,534	8,534	64,189	0		13.29%	100.00%	On schedule to spend
Total Primary Education					9,312,372	3,477,991	0	(1,787,849)	11,022,514	3,729,675	3,162,541	(587,134)	11,025,851	3,337	3,337	28.69%	100.03%	
Secondary Schools																		
GARNOCK ACADEMY REPLACEMENT	S Storie	30-Aug-15	30-Aug-15	0	1,438,000	(471)			270,476	86,912	66,662	(20,250)	270,476	0		24.65%	100.00%	Site visits have taken place. Site still to be agreed. Full council meeting in 7th November to discuss. To be re-profiled.
Total Secondary Education					1,438,000	(471)	0	(1,187,053)	270,476	86,912	66,662	(20,250)	270,476	0	0	24.65%	100.00%	
Special Education																		
STANECastle WALLS/WINDOWS	M McIntosh	31-Mar-13	31-Mar-13	0	136,000	14,811			95,811)	55,000	3,750	3,750	55,000	0		6.82%	100.00%	Programme of works being planned based on 6-monthly reports. Tenders being drawn up.
Total Special Education					136,000	14,811	0	(95,811)	55,000	0	3,750	3,750	55,000	0	0	6.82%	100.00%	
Sports & Leisure																		
LARGS SPORTS DEVELOPMENT	D Wilson	31-Mar-12	31-Mar-14	104	75,000				51,000	51,000	0	(51,000)	51,000	0		0.00%	100.00%	Interdepartmental recharge to be processed by EARS.
HARVIES UPGRADE	Complete	Complete	Complete		0	2,483			2,483	0	694	694	694	(1,789)	(1,789)	27.95%	27.95%	Overall underspend. Townhouse funding now approved.
IRVINE LEISURE CENTRE	D Yuille	15-Aug-14	20-Jul-15	43	5,489,011	435,409			623,364	45,863	299,536	253,673	623,364	0		48.05%	100.00%	Seeking Procurement Team guidance on OJEU short listing procedures as an historic building now included in project.
MEADOWSIDE PARK RESURFACING	S Laughlan	Complete	Complete		6,425	4,595			11,020	5,000	7,041	2,041	11,020	0		63.89%	100.00%	Programme delayed. To be re-profiled.
MONTGOMERIE PARK MUGAS	B Ingram	30-Aug-13	30-Aug-12	(52)	0	109,140			105,331	109,140	73,454	(35,686)	105,974	643	643	69.74%	100.61%	Retention to be paid by March 2013. Small overspend anticipated. Landscaping works to be completed. Retention to be paid by March 2013..

CAPITAL MONITORING 2012/13

Year Ended 31st March 2013

EDUCATION & SKILLS

Project Description	Lead Officer	COMPLETION DATE			CURRENT YEAR 2012/13 EXPENDITURE										Comments			
		Original Target	Revised Forecast	Difference (SPI)	Approved Budget at 1 Feb 2012	Carry Forward From 2011/12	Additional Funds Awarded 2011/12	Approved Revisions To Programme	Total Revised Budget 2012/13	Year to Date Budget 2012/13	Actual Expenditure to 30 September 2012	Year to Date Variance 2012/13	Projected Expenditure to 31 March 2013	Projected Over/ (Under) Spend for 12/13		True Over/(Under) Spend	% Expenditure to Date for 12/13	% Expenditure Projected for year 12/13 (CPI)
Total Sports & Leisure					5,570,436	563,572	0	(5,328,865)	795,143	211,003	382,699	171,696	793,997	(1,146)	(1,146)	48.13%	99.86%	
Cultural & Community																		
CORPORATE TRAINING CENTRE	S Laughlan	Complete	Complete		443,062	5,305		(47,867)	400,480	400,480	371,451	(29,029)	400,480	0		92.75%	100.00%	Includes £17K to be accrued for retention. £42k in 2013/14 not now required.
WEST KILBRIDE CC GYMNASIUM	D Watts	23-Feb-13	26-Apr-13	9	532,383	0		(10,430)	521,953	30,000	14,544	(15,456)	531,182	9,229	9,229	2.79%	101.77%	Additional external funding secured. Works rephased to accommodate User Groups. On target to complete by March 2013 within budget.
ARDROSSAN CASTLE	D Mackay			0	0			121,900	121,900	0	0	0	121,900	0		0.00%	100.00%	Target Completion Date still to be confirmed. Approval being sought from Historic Scotland for stabilisation works. May not spend this financial year. Re-profiling to be confirmed.
Total Cultural & Community					975,445	5,305	0	65,583	1,044,333	430,480	385,995	(44,485)	1,053,562	9,229	9,229	36.96%	100.86%	
					17,432,253	4,096,822	0	(8,341,609)	13,187,466	4,455,070	4,001,848	(456,422)	13,198,896	11,420	11,420	30.34%	100.09%	

FINANCE & INFRASTRUCTURE		CAPITAL MONITORING 2012/13	
		Year Ended 31st March 2013	

Project Description	Lead Officer	COMPLETION DATE			CURRENT YEAR 2012/13 EXPENDITURE										Comments			
		Original Target	Revised Forecast	Difference (SPt)	Approved Budget at 1 Feb 2012	Carry Forward From 2011/12	Additional Funds Awarded 2012/13	Approved Revisions To Programme	Total Revised Budget 2012/13	Year to Date Budget 2012/13	Actual Expenditure to 30 September 2012	Year to Date Variance 2012/13	Projected Expenditure to 31 March 2013	Projected Over/ (Under) Spend for 12/13		True Over/(Under) Spend	% Expenditure to Date for 12/13	% Expenditure Projected for year 12/13 (CPI)
Infrastructure & Design																		Contractor's spend profile does not appear to be accurate and further information has been requested. Works progressing well on site, curtain walling package has commenced.
BRIDGEGATE HOUSE REFURB	A Bodie	08-Jul-13	08-Jul-13	0	12,883,934	(159,816)		(9,295,468)	3,428,648	558,046	553,326	(4,720)	3,428,648	0		16.14%	100.00%	Site start date to be agreed, may now be after Christmas.
TRINITY CHURCH REFURBISHMENT	A Bodie				0	0		481,101	481,101	40,000	0	(40,000)	481,101	0		0.00%	100.00%	Unexpected Services have caused delay on site, gas main now diverted. Impact of additional services work on programme to be assessed. Two construction invoices approved to date (total £112k) not yet ledgered.
BRIDGEGATE PUBLIC REALM	A Bodie				0	0		1,384,044	1,384,044	130,435	0	(130,435)	1,384,044	0		0.00%	100.00%	
CORP ASSET MANAGEMENT SYSTEM	Y Baulk	31-Mar-13	31-Mar-13	0	0	83,392		83,392		0	0	0	83,392	0		0.00%	100.00%	
ASSET MANAGEMENT	J. Smith	31-Mar-13	31-Mar-13	0	3,000				3,000	3,000	0	(3,000)	3,000	0		0.00%	100.00%	
ROADS IMPROVE/RECONSTRUCTION	J. Smith	31-Mar-13	31-Mar-13	0	1,882,000	14,669		1,896,669	1,896,669	1,030,000	976,890	(53,110)	1,896,669	0		51.51%	100.00%	
LIGHTING	G.Wilson	31-Mar-13	31-Mar-13	0	1,250,000	97,442		1,347,442	1,347,442	279,850	265,500	(24,350)	1,347,442	0		18.96%	100.00%	
CULVERTS & COAST PROT AST	P. Cobley	31-Mar-13	31-Mar-13	0	0	37,167			37,167	0	2,068	2,068	37,167	0		5.56%	100.00%	Final account to be agreed. Overspend anticipated. £5265 Retention to be accrued to be paid in 13/14 included in figures .
																		Variance YTD due to late submission of Consultants invoices. A further £100k spend anticipated in the next few months. Currently undertaking Site Investigations, Updating Geoenvironment Report, Structural Condition Survey and Modelling Work. On target to be met by end of year. A slight underspend on the SPT grants awarded for Kilmerring Park & Ride. This is currently being discussed with SPT.
KILBIRNIE FPS	P Rowley	31-Mar-13	31-Mar-13	0	200,000	54,943			254,943	105,000	12,679	(92,321)	254,943	0		4.97%	100.00%	Retention on completed project
SPT FUNDED PROJECTS	D. Lodge	31-Mar-13	31-Mar-13	0	0	233,790			1,333,790	331,000	202,069	(128,931)	1,333,790	0		15.15%	100.00%	To assist with the Council's Car Parking Strategy. See report for detail.
BAILEY BRIDGE REPLACEMENT		Complete	Complete					57,000	57,000				57,000	0				Design work has commenced which will take several months to finalise. Majority of funding is likely to be spent during 2013/14. To be re-profiled.
IRVINE TOWN CENTRE CAR PARK	A Bodie																	
Total Infrastructure & Design					16,375,934	361,585	1,100,000	(7,243,323)	10,594,196	2,477,331	2,002,533	(474,799)	10,307,196	(287,000)	0	18.90%	97.29%	
Environmental																		
VEHICLES/EXCL 2.4 & 0.8 LEASE	G.Mitchell	31-Mar-13	31-Mar-13	0	715,000	47,842			1,397,842	483,000	436,757	(46,243)	1,397,842	0		31.22%	100.00%	£800k spend due in December with the delivery of 6 new refuse collection vehicles
ARRAN GARAGE IMPROVEMENTS	G.Mitchell	09-Jul-12	17-Aug-12	6	0	131,495		9,756	141,251	131,495	128,083	(3,432)	141,251	0		90.66%	100.00%	Additional works instructed.
CLEANSING-SHEWALTON LANDFILL	D.Mackay	31-Mar-13	31-Mar-13	0	825,000	316,494		(210,000)	931,494	53,411	83,125	29,714	931,494	0		8.92%	100.00%	Delays experienced in awarding and commencing contract works. Projects commenced August 2012. Re-profiling of capital expenditure carried out for future years.
LARGS HWRC	D.Mackay	31-Mar-13	31-Oct-12	(22)	175,000	65,631		41,685	282,316	282,316	277,460	(4,857)	282,316	0		98.28%	100.00%	Works complete apart from phone line which is being installed in October. Final invoices due for payment in November. Retention costs of £7,913 in 2013/14. Defects liability period commenced for works.
WASTE MANAGEMENT SYS	D.Mackay	31-Mar-13	31-Mar-13	0	0	94,292			94,292	30,000	72,131	42,131	94,292	0		76.50%	100.00%	In-cab devices due October 2012 which will use remaining capital budget.

CAPITAL MONITORING 2012/13
Year Ended 31st March 2013

FINANCE & INFRASTRUCTURE

Project Description	Lead Officer	COMPLETION DATE			CURRENT YEAR 2012/13 EXPENDITURE										Comments			
		Original Target	Revised Forecast	Difference (SPI)	Approved Budget at 1 Feb 2012	Carry Forward From 2011/12	Additional Funds Awarded 2012/13	Approved Revisions To Programme	Total Revised Budget 2012/13	Year to Date Budget 2012/13	Actual Expenditure to 30 September 2012	Year to Date Variance 2012/13	Projected Expenditure to 31 March 2013	Projected Over/(Under) Spend for 12/13		True Over/(Under) Spend	% Expenditure to Date for 12/13	% Expenditure Projected for year 12/13 (CPI)
DEPOT REFURBISHMENT	D.Mackay	31-Mar-13	31-Mar-13	0	0	13,828			13,828	13,828	3,414	(10,414)	13,828	0	0	24.69%	100.00%	Invoice received from Building Services for works.
STREETSCENE SCHEDULING SYSTEM	W.Turpie	31-Mar-13	31-Mar-13		0			95,500	95,500	0	0	0	95,500	0	0	0.00%	100.00%	Order placed October 2012.
WEST KILBRIDE CEMETERY EXTEN	D.Wilson	31-Mar-13	31-Mar-13	0	81,000	16,250		24,912	122,162	7,000	7,728	728	122,162	0		6.33%	100.00%	Additional works required for ground condition surveys in relation to depth of burial plots.
NEW STEVENSTON CEMETERY	D.Wilson	31-Mar-13	31-Mar-13	0	0	34,718			34,718	26,601	15,656	(10,946)	34,718	0	0	45.09%	100.00%	
SKELMORLIE CEMETERY WALL	D.Wilson	31-Mar-13	01-Aug-13	13	140,000	12,764		(150,820)	2,144	0	844	844	2,144	0		39.37%	100.00%	Legal problems encountered at Skelmorlie. Underspend £150,620 moved to Cemetery Walls to address issues in other cemeteries and reversed in 13/14.
CEMETERY WALLS	D.Wilson	31-Mar-13	31-Mar-13	0	250,000		12,000	150,620	412,620	100,000	8,338	(91,663)	412,620	0		2.02%	100.00%	Legal problems encountered at Skelmorlie. Underspend £150,620 moved to Cemetery Walls to address issues in other cemeteries and reversed in 13/14.
HAYS MONITORING SYSTEM	W. Turpie	31-Mar-13	31-Mar-13	0	42,000				42,000	29,400	36,568	7,168	42,000	0		87.07%	100.00%	Remaining expenditure will likely be incurred in January 2013 (1 Training day).
Total Environmental					2,228,000	733,314	647,000	(38,147)	3,570,167	1,157,051	1,070,082	(66,969)	3,570,167	0	0	29.97%	100.00%	
					18,603,934	1,157,659	1,747,000	(7,344,230)	14,164,383	3,634,382	3,072,615	(561,767)	13,877,383	(287,000)	0	21.66%	97.97%	

CAPITAL MONITORING 2012/13
Year Ended 31st March 2013

SOCIAL SERVICES & HEALTH

Project Description	Lead Officer	COMPLETION DATE			CURRENT YEAR 2012/13 EXPENDITURE										Comments			
		Original Target	Revised Forecast	Difference (SPI)	Approved Budget at 1 Feb 2012	Carry Forward From 2011/12	Additional Funds Awarded 2012/13	Approved Revisions To Programme	Total Revised Budget 2012/13	Year to Date Budget 2012/13	Actual Expenditure to 30 September 2012	Year to Date Variance 2012/13	Projected Expenditure to 31 March 2013	Projected Over/ (Under) Spend for 12/13		True Over/(Under) Spend	% Expenditure to Date for 12/13	% Expenditure Projected for year 12/13 (CPI)
Management & Support																		
CARE COMMISSION UPGRADES	J Davis	31-Mar-11	31-Mar-13	104	44,000	545		(24,546)	20,000	0	0	0	20,000	0		0.00%	100.00%	£24.5k carried forward to 2013/14. Balance of large project. Out to tender for Care at Home system. Contract expected to be signed by December 2012
CAREFIRST PROJECTS	J Davis	31-Mar-11	31-Mar-13	104	332,573	(32,742)			299,831	0	11,310	11,310	299,831	0		3.77%	100.00%	
Total Management & Support					376,573	(32,197)	0	(24,546)	319,831	0	11,310	11,310	319,831	0		3.54%	100.00%	
Older People																		
CALEY COURT LRU DDA ETC	Complete	30-Nov-11	Complete		0	403		24,418	24,821	0	5,892	5,892	24,821	0		23.74%	100.00%	Retention to be paid.
MONTROSE HSE REDESIGN FACILIT	M Harkis	31-Mar-13	31-Mar-14	52	826,914	534,534		(643,448)	718,000	92,604	85,954	(6,650)	718,000	0		11.97%	100.00%	Delay in site investigations but £713k spend anticipated by end of year.
CURRIE COURT CONVERSION	A Adrain	31-Mar-14	31-Mar-14	0	500,000	597,000	991,000	(213,000)	1,875,000	50,000	51,800	1,800	1,875,000	0		2.76%	100.00%	
Total Older People					1,526,914	1,131,937	991,000	(1,032,030)	2,617,821	142,604	143,646	1,042	2,617,821	0	0	5.49%	100.00%	
Physical or Sensory Disabled																		
DERRANS REHABILITATION CENTRE	A Brown			0	0		300,000	(210,000)	90,000	0	11,060	11,060	90,000	0		12.29%	100.00%	Site investigations taking place. PID being drawn up.
Total Physical or Sensory Disabled					0	0	300,000	(210,000)	90,000	0	11,060	11,060	90,000	0	0	12.29%	100.00%	
Housing Non HRA																		
IMPROVEMENT GRANTS	A Adrain	31-Mar-13	31-Mar-13	0	1,247,000			(607,000)	640,000	315,000	173,194	(141,806)	640,000	0		27.06%	100.00%	
REPAIRS GRANTS	A Adrain			0	0				0	0	3,493	3,493		0		No budget	No budget	Met from Improvement Grants budget
CARE & REPAIR	A Adrain			0	0				0	0	54,495	54,495		0		No budget	No budget	Met from Improvement Grants budget
Total Housing Non HRA					1,247,000	0	0	(607,000)	640,000	315,000	231,182	(83,818)	640,000	0	0	36.12%	100.00%	
					3,150,437	1,069,740	1,291,000	(1,873,575)	3,667,852	457,604	397,197	(60,407)	3,667,852	0	0	10.83%	100.00%	

CAPITAL MONITORING 2012/13
Year Ended 31st March 2013

Project Description	Client Service Lead Officer	COMPLETION DATE			CURRENT YEAR 2012/13 EXPENDITURE										Comments	
		Original Target	Revised Forecast	Difference (SP)	Approved Budget at 2 Feb 2012	Carry Forward From 2012/13	Additional Funds Awarded 2012/13	Approved Revisions To Programme	Total Revised Budget 2012/13	Year to Date Budget 2012/13	Actual Expenditure to 30 September 2012	Year to Date Variance 2012/13	Projected Expenditure to 31 March 2013	Projected Over/(Under) Spend for 12/13		% Expenditure to Date for 12/13
	n/a			0		179,325	1,604,662	(1,606,151)	175,836	0	0	0		(175,836)		0.00%
FLEXIBILITY BUDGET					0	179,325	1,604,662	(1,606,151)	175,836	0	0	0	0	(175,836)	0	0.00%

North Ayrshire Council											
Capital Statement											
Period ended 30 September 2012											
2012/13											
Description	Budget Approved 1 Feb 2012	Budget B/Fwd/ (C/Fwd)	Approved Revisions to programme	Revised budget 2012/13	Budget to 30 September 2012	Actual expenditure to 30 September 2012	Year to Date Variance	Projected Expenditure to 31 March 2013	Projected over/(under) Spend for 12/13	True (Under)/Over spend	Comments
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
HOUSING REVENUE ACCOUNT											
MORTGAGE TO RENT	608	521	1,043	2,172	564	544	(20)	2,172	0	0	
ACQUISITION OF HOUSES ON OPEN MARKET	0	1,000	0	1,000	143	0	(143)	1,000	0	0	
NEW BUILD CASTLEPARK	0	87	(34)	53	52	(1)	(53)	53	0	0	
NEW BUILD WINTON AVENUE	0	353	(113)	240	240	2	(238)	240	0	0	
NEW BUILD REDSTONE AVE	5,384	(1)	(4,490)	893	268	319	51	893	0	0	
NEW BUILD COPELAND CRES	1,634	(2)	(512)	1,120	69	75	6	1,120	0	0	
							0			0	
CENTRAL HEATING	1,586	(9)	0	1,577	964	773	(191)	1,577	0	0	
RE-ROOFING	2,474	(5)	519	2,988	1,126	497	(629)	2,988	0	0	
RE-RENDERING	2,000	(12)	0	1,988	827	587	(240)	1,988	0	0	
MULTI STOREY FLATS	0	15	0	15	0	0	0	15	0	0	
WINDOW REPLACEMENT	2,621	1,871	(371)	4,121	2,213	2,205	(8)	4,121	0	0	
BATHROOM PROGRAMME	1,000	864	358	2,222	1,181	1,074	(107)	2,222	0	0	
KITCHEN PROGRAMME	2,122	(119)	485	2,488	1,175	1,002	(173)	2,488	0	0	
ELECTRICAL REWIRING	1,807	(8)	99	1,898	750	525	(225)	1,898	0	0	
											Savings as a result of tender/procurement process for Western Gateway project. There is, however, a possibility that this sum will be required to contribute towards potential additional costs of the Currie Court Sheltered Project.Final costs have yet to be established.
REGENERATION/REFURB PROJECTS	530	514	(743)	301	0	1	1	236	(65)	(65)	
REFURBISHMENT SCHEMES	350	648	0	998	60	102	42	998	0	0	
DOOR ENTRY SYSTEMS		217	(105)	112	0	76	76	112	0	0	
SHELTERED HOUSING UNITS	1,286	799	(520)	1,565	0	14	14	1,565	0	0	
OTHER CAPITAL WORKS	849	12	(19)	842	471	480	9	842	0	0	
CATCH-UP REPAIRS	0	60	(60)	0	0	0	0	0	0	0	
RAINWATER PRODUCTS	519	0	(519)	0	0	0	0	0	0	0	
NON-ADOPTED ROADS & LIGHTING	0	25	(25)	0	0	0	0	0	0	0	
VINEBURGH REGENERATION	0	9	39	48	15	47	32	48	0	0	
PROFESSIONAL MANAGEMENT CHARGES	1,541	0	0	1,541	578	599	21	1,541	0	0	
TOTAL EXPENDITURE	26,311	6,839	(4,968)	28,182	10,696	8,921	(1,775)	28,117	(65)	(65)	
INCOME	(26,311)	(6,839)	4,968	(28,182)	0	(1,507)	(1,507)	(28,117)	65	65	
TOTAL NET EXPENDITURE	0	0	0	0	10,696	7,414	(3,282)	0	0	0	

NORTH AYRSHIRE COUNCIL

Agenda Item 6

20 November 2012

Cabinet

Subject: Property Management and Investment

Purpose: To advise Cabinet of the development of the Property Management and Investment teams as North Ayrshire's corporate landlord.

Recommendation: That the Cabinet agrees to (a) note the establishment of Property Management and Investment as the corporate landlord for the management of all property assets; (b) note the fees structure summarised at Appendix 1; (c) approve the virement at Appendix 2; and (d) note the resources and funding bases of the Service as summarised at Appendix 3.

1. Introduction

- 1.1 As part of the Corporate Change Programme, the work stream group Our Future Working Environment recommended to the Executive of 21 September 2010 that there should be corporate "ownership" of the Council's non-housing Property Assets.
- 1.2 The report to the Executive of 22 November 2011 set out the principles of a corporate landlord model. In summary these are:-
- A corporate approach to decision making with regard to property assets.
 - The creation of a single point of contact across the Council for all matters affecting land and property assets.
 - Locating appropriately trained, qualified and experienced personnel in a single team.
 - Freeing up Services to concentrate their resources on their core businesses.
 - Consolidation of all information on property assets.
 - Establishment of consistent accommodation and maintenance standards across the Council.
 - Effective management of surplus property.
- 1.3 Corporate ownership will result in more effective management and governance of the Council's property assets and realise savings through consolidation, rationalisation and disposal. It also demonstrates compliance with best practice.

2. Current Position

- 2.1 A Project Board, comprising the Corporate Director, Finance and Infrastructure, Head of Infrastructure and Design Services and the Head of Logistics and Infrastructure (Education and Skills) was formed in October 2011. A Project group chaired by a Change Management Team Project Manager and comprising staff from Finance, Education and Skills, Infrastructure and Design Services and Social Services was also formed to develop the proposal.
- 2.2 The review considered various models of property management in place in other Councils and private sector organisations, such as universities and major banks, which have significant property portfolios.
- 2.3 The principles of good practice in the management of Property Assets are described in the Scottish Futures Trust publication "Improving Asset Management across the Scottish Public Sector: Local Civil Estate" as well as various Audit Scotland publications. The recommendations in the above documents are underpinned by the corporate management of property assets, as such adoption of a corporate landlord model ensures the Council is complying with the best practice in public and private sector.
- 2.4 Establishment of the new service aligns with the development and implementation of the Council's property and housing asset management plans with one team managing housing assets and the second team managing all other property assets.
- 2.5 North Ayrshire's corporate landlord service will be called Property Management and Investment. An interim structure has been established to consolidate resources across Services, this will operate until Summer 2013, by which time the initial actions associated with the property and housing asset management plans will have been implemented, the relationship with hubco will have developed and progress made in the supporting services review. This will provide clarity on future resource requirements.
- 2.6 The full cost of the housing team is charged directly to either the revenue or capital budget of the Housing Service.
- 2.7 Currently the cost of the non housing team service is charged to other Council Services in a number of ways; (a) central support allocation, similar to a number of other corporate services, (b) recharge of costs based on actual services delivered e.g. repairs and maintenance of properties and (c) fees for capital projects. There are no proposals to change the allocation bases, however a fundamental review of the fee levels charged to capital projects has been undertaken.

- 2.8 The review of fees, which apply to non housing capital projects, has resulted in the establishment of a new fee matrix for professional fees dependant on the services provided and value of the works, the fee matrix is attached at appendix 1. These fees have been benchmarked with private sector corporators and demonstrate best value. Given that the Council has only recently established its relationship with hubco it is not possible at this stage to set a definitive fee which will be due to Property Management and Investment, as such a best estimate has been included within the fee matrix. This matrix will be reviewed annually to ensure ongoing best value. Based on the new fee matrix, and a review at individual project level of Council's General Fund Capital Programme to 2015/16, there is a requirement to vire resources within Infrastructure and Design Services, to ensure the design team resources align with fee income anticipated, the proposed virement is attached at Appendix 2. The level of resources will continue to be monitored against future years' Capital Investment plans.
- 2.9 A summary of key information on each of the main services is provided at Appendix 3. The complete list of non housing projects to which the fees apply is available to Members.

3. Proposals

- 3.1 Establishment of Property Management and Investment as the Council's "Corporate Landlord" will provide a single corporate approach to the management of property assets and deliver best value whilst ensuring the portfolio meets future Service demands.
- 3.2 Property Management and Investment will be responsible for:-
- All operational, non-operational and surplus property.
 - Housing Revenue Account operational property (excluding Council Houses) and HRA shops.
 - Working with Council Services to identify accommodation needs and requirements.
 - Delivery of property development projects, including design, project management and financial monitoring.
 - Establishing a 10 year capital investment programme for land and property assets.
 - Collecting and updating of all land and property related data, including the Asset Management System, GIS and Ordnance Survey Data and land surveying.
 - Estates Management, including the Commercial and Industrial estate.
 - Acquisitions, disposals, leases, seasonal lets and asset transfers.
 - Providing a planned and reactive maintenance service, ensuring statutory compliances.

- 3.3 The non housing team will be formed from the current non housing team within Infrastructure and Design Services and three staff who will transfer from Education and Skills (Logistics and Infrastructure) and will be established from 1 December 2012 .
- 3.4 There are no proposed changes to the structure of the housing team at this time, however agreement has been reached with the service to establish two additional posts to respond to requirements in respect of asbestos and property factoring.
- 3.5 Revised service standards will be incorporated into a new Service Level Agreement. The focus will be on delivering excellent customer service.
- 3.6 The future vision of property asset management in North Ayrshire is summarised below;
- Property Management and Investment will deliver a range of professional and innovative services which meet the needs of the all Council Services.
 - The service structure will be organised to deliver the Council's strategic objectives, balancing priorities and successfully delivering the Council's revenue and capital work programmes.
 - A pro-active approach to property management focussed on implementation of the Property and Housing Asset Management Plans.
 - A design section that will focus on project management, providing technical expertise and engaging specialist assistance to flexibly resource demand.
 - Informed decision making on the overall estate, including co-location of services, maximising use of assets, reduced running costs, a reviewed focus on property disposal and maximisation of capital receipts.
 - CO2 emissions and energy consumption will be reduced through active energy management and property rationalisation, contributing to the Council's energy targets and releasing resources .
 - A robust performance management framework, will ensure greater transparency, better value for money and a culture of continuous improvement.
- 3.7 It is proposed that Cabinet agrees to (a) note the establishment of Property Management and Investment as the corporate landlord for the management of all property assets; (b) note the fees structure summarised at Appendix 1; (c) approve the virement at Appendix 2; and (d) note the resources and funding bases of the Service as summarised at Appendix 3.

4. Implications

Financial Implications

- 4.1 The adoption of the corporate landlord model will ensure more effective decision-making and better use of scarce resources. Improved planning will reduce maintenance and energy expenditure. Opportunities to rationalise property and generate income from disposals will be prioritised. Better project and financial management will reduce capital slippage and maximise delivery of the capital programme.
- 4.2 Over a number of years, the fee income budget for the current Infrastructure and Design Services had not been reduced to reflect the downsizing of the team. As a result, the fee income budget exceeded the level of income which the team could deliver. Steps were taken last financial year to reduce the gap in 2012/13 by £485,000, there is a requirement to reduce this by a further £158,000, the proposed virement is attached at Appendix 2. Resources and fee income will continue to be monitored to ensure these reflect the Council's capital investment programme.

Human Resource Implications

- 4.3 Three staff members currently within Education and Skills will be transferred to the new Property Management Services.

Legal Implications

- 4.4 There are no legal implications.

Equality Implications

- 45 There are no equality implications.

Environmental Implications

- 4.6 Property rationalisation will result in a reduced Council carbon footprint by both reducing the energy consumption of buildings and reduction of travelling between buildings.

Implications for Key Priorities

4.7 The establishment of Property Management and Investment will deliver the following key priorities:-

- 15b - Public Services are more efficient and effective.
- 12a - Our environment is protected and enhanced.
- 14b - The public sector's carbon footprint has reduced.

5. Consultations

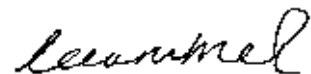
5.1 Trade Unions and all staff affected have been regularly consulted through meetings and newsletters.

5.2 The Council's Change Management team has facilitated the project.

6. Conclusion

6.1 The Council continues to make good progress in the development of asset management across all services. The establishment of Property Management and Investment represents a major step towards having robust and effective corporate management of all properties throughout their lifecycle.

6.2 Property Management and Investment will focus on delivering the Property and Housing Asset Management Plans, working with Services to maximise the use of assets, lead on long term investment planning, and deliver capital receipts.



LAURA FRIEL

Corporate Director (Finance and Corporate Support)

Reference : AB/AK/II

For further information please contact Laura Friel, Corporate Director (Finance and Corporate Support) on telephone number 01294 324554.

Background Papers

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Proposed Fee Matrix

Service Provider		Up to £30,000 <i>Framework rates</i> <i>(Quick Quote)</i>	£30,000 to £100,000 <i>Framework rates</i> <i>Traditional Lump Sum - Firm BQ</i>	£100,000 to £250,000 <i>Framework rates</i> <i>Traditional Lump Sum - Firm BQ</i>	£250,000 to £1.5m <i>Framework rates</i> <i>Traditional Lump Sum - Firm BQ</i>	Over £1.5m <i>Framework rates</i> <i>Traditional Lump Sum - Firm BQ</i>	Over £1.5m <i>SLA rates</i> <i>Lump Sum - Design & Build</i>	Over £1.5m by Hubco <i>Proposed to end Stage E</i> <i>Lump Sum - Design & Build</i>	Over £1.5m by Hubco <i>Proposed to end Stage C</i> <i>Lump Sum - Design & Build</i>
Building Design	Average	Time Charge	6.22%	5.05%	4.32%	3.99%	2.59%	3.02%	0.80%
Cost Management	Average	Time Charge	3.68%	2.65%	2.12%	1.44%	0.94%	1.48%	0.29%
Services Design	Average	Time Charge	2.58%	2.05%	1.71%	1.55%	1.00%	1.19%	0.31%
Structural & Civils	Average	Time Charge	2.47%	1.62%	1.27%	1.02%	0.66%	0.89%	0.20%
Overall Management		Time Charge	1.00%	1.00%	1.00%	1.00%	0.50%	1.00%	1.00%
Benchmarked Against External Provider		Time Charge	15.95%	12.37%	10.41%	8.99%	5.69%	7.59%	2.60%
Actual Fee Charged		Time Charge	15%	12%	10.3%	8.5%	5.7%	7.5%	2.5%

Definitions;

Framework Rates	Rates included in competitively tendered service contracts from private sector providers.
Quickquote	Scotland Excel simplified tendering procedure for small works
Traditional Lump Sum - firm BQ	Fixed price form of contract with full design, drawings, Bills of Quantities and Specifications.
Lump sum design and build	Contractor takes design liability, contract is a fixed price, (subject to variations).
SLA rates	Fee levels defined in Service Level Agreements.
Stage E	A scheme design which is developed to the stage where the client can approve its final form and a probable cost is available, but contract and tender documents still have to be completed.
Stage C	An initial conceptual design which will require further development, normally at a budget cost stage.

Note; fees re Hubco are indicative at this stage, these will be revised as respective roles of the Hubco and Council are clarified.

**BUDGET MANAGEMENT 30 SEPTEMBER 2012
VIREMENT / BUDGET ADJUSTMENT REQUESTS**

	2012/13	
	Permanent/ Temporary Change	Virement £m
Budgets to be adjusted		
Finance & Infrastructure		
<i>Infrastructure and Design</i>		
Reduction to Contractors Budgets with Property Maintenance	Permanent	(0.025)
Reduction in Carbon allowances budget	Permanent	(0.012)
Reduction in Roads Admin budget	Permanent	(0.020)
Reduction in Roads Travel and Subsistence	Permanent	(0.010)
Reduction in Property Maintenance Admin Budgets	Permanent	(0.034)
Reduction in Street Lighting Costs	Permanent	(0.035)
Reduction in payments to other bodies within Roads	Permanent	(0.025)
Shortfall in Fee income offset by reduction in budgets within IDS	Permanent	0.161
Total		-

Service	wte	Employee Costs	Non Employee Costs	Total Cost	Sales, Fees and Charges	GF Capital	GF Revenue	HRA Capital	HRA Revenue	Total Income	Net Expenditure	Comments
Non Housing												
Management	2.00	£98,852	£27,841	£126,693	£0	£0	£0	£0	£0	£0	£126,693	
Major Capital Projects	4.00	£222,346	£0	£222,346	£0	-£222,346	£0	£0	£0	-£222,346	£0	Includes 2 temporary posts relating to Bridgegate House
Estates & Asset Management	20.60	£748,904	£405,764	£1,154,668	-£46,439	£0	-£895,950	£0	-£129,671	-£1,072,060	£82,608	Includes 2 temporary posts to assist with delivery of Property Asset Management Plan
Project Management	16.00	£606,536	£325,675	£932,211	£0	£0	-£932,211	£0	£0	-£932,211	£0	
Development	13.00	£498,625	£134,263	£632,888	£0	-£536,303	-£160,718	£0	£0	-£697,021	-£64,133	
Non Housing Total	55.60	£2,175,263	£893,543	£3,068,806	-£46,439	-£758,649	-£1,988,879	£0	-£129,671	-£2,923,638	£145,168	Includes 3 posts due to transfer from Education & Skills in November 2012
Housing												
Management / Strategy & Performance	3.00	£148,544	£20,716	£169,260	£0	£0	£0	-£117,107	-£52,153	-£169,260	£0	
Contract Supervision	9.50	£268,557	£234,154	£502,711	£0	£0	£0	-£267,712	-£234,715	-£502,427	£284	
Architects	4.00	£156,791	£183,992	£340,783	£0	£0	£0	-£334,682	-£6,101	-£340,783	£0	
Quantity Surveyors	9.00	£322,639	£0	£322,639	£0	£0	£0	-£306,507	-£16,132	-£322,639	£0	
Project Delivery	1.00	£56,893	£88,179	£145,072	£0	£0	£0	-£137,818	-£7,254	-£145,072	£0	
Inspection Unit	12.00	£398,092	£177,962	£576,054	£0	£0	£0	-£143,738	-£432,316	-£576,054	£0	
Asset & Resource Planning	3.20	£121,306	£0	£121,306	£0	£0	£0	-£119,029	-£2,276	-£121,305	£1	
Housing Total	41.70	£1,472,822	£705,003	£2,177,825	£0	£0	£0	-£1,426,593	-£750,947	-£2,177,540	£285	
Property Management Total	97.30	£3,648,085	£1,598,546	£5,246,631	-£46,439	-£758,649	-£1,988,879	-£1,426,593	-£880,618	-£5,101,178	£145,453	

NORTH AYRSHIRE COUNCIL

Agenda Item 7

20 November 2012

Cabinet

Subject: **Pensions Reform – Implementation of Auto Enrolment**

Purpose: To update Cabinet on the impact of the Pensions Act 2011 which affects how employees access pension schemes; advise of the Council's staging date of 1 April 2013; and make a recommendation on an implementation date.

Recommendation: The Cabinet agrees to (a) note the content of this report; and (b) implement auto enrolment on 1 January 2018.

1. Introduction

- 1.1 Changes to pension law, as a result of the Pensions Act 2011, will affect all employers with at least one worker in the UK. From October 2012 the new pension legislation introduces a number of new employer duties in relation to the automatic enrolment of eligible workers into a pension scheme at their allocated staging date; the date at which the new legislation comes into effect for a particular employer.

2. Current Position

- 2.1 Employees of North Ayrshire Council are contractually entered into the Local Government Pension Scheme (Scotland) (LGPS) or the Scottish Teachers Superannuation Scheme (STSS). North Ayrshire Council's partner organisations also have agreements in place as Admitted Bodies in the LGPS to allow their employees to join that scheme.

Staging Dates

- 2.2 The staging date is the date at which the Employer Duties in relation to automatic enrolment apply. This date is determined by the Pensions Regulator, and is driven by the number of employees within the organisation's PAYE scheme at 1 April 2012.

- 2.3 Based on the assessment on 1 April 2012, the staging date for North Ayrshire Council is 1 April 2013. The staging dates for the Council's partner organisations have not yet been confirmed by the Pensions Regulator, but based on the number of employees; the date for North Ayrshire Leisure will be February 2014. For Irvine Bay Regeneration, South West Scotland Criminal Justice Authority and CCTV the staging date is likely to be June 2015 or later.
- 2.4 There are around 1,000 employees (excluding casual employees) who would be eligible at the Council's staging date.
- 2.5 The staging date for the Council cannot be changed. However, the guidance issued by the Pensions Regulator allows employers with a defined benefit or a hybrid pension scheme, and for certain employees only, to delay the implementation of Auto Enrolment. North Ayrshire Council would be allowed to delay implementation; however there are a number of issues that require to be considered. The Council can:
- implement on 1 April 2013
 - defer for up to 3 months until 1 July 2013
 - use transitional arrangements until 30 September 2017
 - use transitional arrangements until 30 September 2017 followed by a postponement for 3 months until 1 January 2018.

2.6 Options for Implementation

2.6.1 The options for implementation are set out below:-

2.6.2 **Implement on 1 July 2013** – this would provide the Council more time to fully prepare and train relevant HR and Payroll staff for implementation; however a delay of this time frame will require information to be communicated to the workforce both on 1 April 2013 and again on 1 July 2013.

2.6.3 **Apply transitional period** - This would mean that the Council would auto enrol the 1,000 employees into the scheme on 30 September 2017, where these employees meet and sustain the following criteria:

- the eligible jobholder has been employed by the Council for a continuous period before the Council's first enrolment date;

- at a point before the Council's first enrolment date, the eligible jobholder was entitled to become an active member of the defined benefit (DB) pension scheme
- the eligible jobholder is, and always has been since that point, entitled to become an active member of the DB pension scheme;
- the DB pension scheme is a qualifying scheme.

2.6.4 The above criteria apply to employees of North Ayrshire Council; as such the Council can make use of the transitional period.

2.6.5 However, the Council will be required to actively promote and encourage pension membership. This could result in all or some of the 1,000 employees becoming members during the transition period. Prior to the Council's staging date, individual employees will receive advance written information around the benefits of auto-enrolment into the defined benefit pension scheme. If the Council chooses to use a transitional delay period then all employees must receive written notice within one month of the original staging date, that the Council intends to defer automatic enrolment for that person until the end of the transitional period. The Council will require, during the transitional period, to assess and continually monitor employees who have been deferred each pay period to ensure the above criteria continue to be met. The Council will continue to actively promote pension membership.

2.6.6 **Transitional period followed by postponement for 3 months until 1 January 2018** – Utilising this option of the transitional period followed by postponement would mean the Council implemented the legislation at the latest possible date.

2.7 Pension Reform subgroup

2.7.1 In order to implement automatic enrolment effectively and to achieve consistency in approach, South Lanarkshire Council is chairing a Scotland-wide sub-group on which North Ayrshire Council is represented. Whilst initially consisting of mainly Strathclyde Pension Fund employers, the group has grown to include representatives from Councils across Scotland as well as Strathclyde Pension Fund Administrators. Close links with representatives from The Pension Regulator have been established, this ensures immediate access to developments and information as it becomes available.

2.7.2 The sub-group has developed documents for implementation to ensure that a consistent message is being communicated across all Local Authorities in Scotland.

2.8 Communication

- 2.8.1 A key objective of the sub-group has been to develop a joint approach to communication; and the main activities in this regard are contained within Appendix 1.
- 2.8.2 Following Elected Member approval, communication will commence through trade union briefings to Full Time Officers for all employee groups to ensure that the Trade Unions are fully aware of the implications.
- 2.8.3 On a local level, and in order to ensure that managers within the Council are fully aware of the changes and the impact on employees, information will be made available through Navigate and other means such as a written brief for employees that do not have Navigate access. The Pensions Regulator has set out a range of information and communication requirements for employers in relation to auto-enrolment with standard templates available to employers for written communications.
- 2.8.4 North Ayrshire Council will work closely with partner organisations to ensure that information that we prepare is shared to ensure a consistent message is communicated across all organisations.

3. Proposals

3.1 Next steps

- 3.1.1 A number of key issues still require clarification at a national level. There are provisions within the current Local Government Pension Scheme (Scotland) Regulations 2008 which are not fully compliant with the requirements of the Pensions Act 2011, in particular, the treatment of casual workers and fixed term workers who have contracts for less than 12 weeks, those under the age of 22 and those over state pension age.
- 3.1.2 Discussions are on-going through the Scottish Pension Liaison Group with a view to ensuring that the relevant regulations are amended. It is understood that the amendment regulations are now in draft and will be issued once they have been laid before the Scottish Parliament. Failure to amend the regulations will result in the Council being required to seek a separate pension scheme provider for casual and fixed term workers.
- 3.2 The Cabinet is invited to (a) note the content of this report; and (b) implement auto enrolment on 1 January 2018.

4. Implications

Financial Implications

- 4.1 There are implications in terms of employer's pension costs. For employees that are not members of the scheme, auto enrolling will incur a cost of 19.3% of salary for the Local Government Pension Scheme and 14.9% of salary for the Scottish Teachers Superannuation Scheme. These employees may however choose to opt straight back out when auto enrolled.
- 4.2 There are around 1,000 employees (excluding casual employees) who would be eligible at the Council's staging date. If all of these employees opted in and remained in the scheme the cost to the Council would be approximately £3.1 million per annum.
- 4.3 Research from the Department of Work and Pensions conducted during the drafting of the regulations; suggests that around only 30% of those enrolled on 1 April 2013 will remain within the pension schemes, this opinion has been supported by other local authorities through the SPDS forum. For North Ayrshire Council this would be a cost of approximately £950k per annum commencing from the agreed implementation date.

Human Resource Implications

- 4.4 To ensure that employees understand the changes, information will be made available through Navigate. In addition, an HR bulletin will be developed, to provide all employees with more detail of the changes, and cascaded appropriately. The Council will continue to actively promote pension membership.
- 4.5 Compliance with the Pensions Act 2011 will result in a significant increase on the workload of the Payroll section; it is not possible to fully quantify the resource required at this stage as system functionality is not yet known.

Legal Implications

- 4.6 There are no penalties relating to the transitional period however there would be penalties as a result of non compliance with the relevant legislation.

Equality Implications

- 4.7 Applying a transitional period may adversely affect low paid, part time and female employees.

Environmental Implications

4.8 None

Implications for Key Priorities

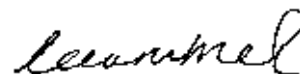
4.9 None

5. Consultations

5.1 Appropriate consultation and communication will take place with employees and trade unions.

6. Conclusion

6.1 The Cabinet is asked to note the options for implementation of auto enrolment and approve an implementation date of 1 January 2018.



LAURA FRIEL

Corporate Director (Finance and Corporate Support)

Reference :

For further information please contact Gavin Macgregor, Head of HR & Organisational Development on telephone number 01294 324651.

Background Papers

Range of guidance and information on auto-enrolment available at the National Employment Savings Trust (NEST) and Strathclyde Pension Fund websites: See www.nestpensions.org.uk and www.spfo.org.uk

Appendix 1 – Project Plan North Ayrshire Council

Pensions - Auto Enrolment

TIMETABLE

Tasks	Feb 12	Mar 12	Apr 12	May 12	Jun 12	July 12	Aug 12	Sept 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13
Pensions reform sub-group established. Reps from HR and Payroll to attend.															
Draft communications - Briefing and Letters produced by group															
2nd Meeting of reform subgroup															
DWP to produce draft communication letters															
Reports produced															
CMT report and Trade Union Briefings															
Legislation comes into force.															
Contracts amended to comply with auto enrolment															
Communication from SPFO and SPPA arranged to promote pension schemes prior to auto enrolment going live, or internal briefings produced and delivered.															
Develop systems and practices in readiness for changes															
Provide training for all HR/Payroll transactional staff															
Letters sent to employees															
Auto enrolment commences for North Ayrshire Council (Staging Date)															
Staging dates for Partner Organisations															



NORTH AYRSHIRE COUNCIL

Agenda Item 8

20 November 2012

Cabinet

Subject: **Irvine - Montgomerie Park Surface Water System Vesting**

Purpose:

1. To advise of progress on negotiations with Scottish Water to vest the sewerage system at Montgomerie Park; and
2. Seek approval to tender and secure contracts to undertake essential improvement works to the Sustainable Urban Drainage Systems (SUDS) to secure the transfer of maintenance obligations to Scottish Water.

Recommendation: That the Cabinet agrees to (a) approve a budget of £175,000 from the 2012/16 Capital Programme to undertake essential repairs and improvements to the installed SUDS at Montgomerie Park; and (b) the completion of a procurement exercise for the appropriate improvement works.

1. Introduction

- 1.1 The Montgomerie Park new development area has been masterplanned and promoted by North Ayrshire Council since initial approval of the proposals by the Corporate Services Committee in January 2003. To date, infrastructure to open up the site for development has been installed by developers on behalf of the Council. These services include electricity, gas, telephone and fibre optics as well as foul and surface water drainage systems. The first phases of distributor and local housing roads and a path and open space network have also been installed.
- 1.2 From mid-2004 onwards, when the sewerage infrastructure design and installation commenced, a strategy for the treatment of surface water was developed in association with Scottish Water and SEPA. The ponds were designed to provide end of line treatment for surface water run-off from houses and roads drainage and followed CIRIA (Construction Industry Research and Information Association) guidance and best practice at the time of design and installation. At this time, Sewers for Scotland was emerging legislation and there was an absence of definitive guidelines, particularly in respect of Scottish Water's definitive requirements for Vesting.

2. Current Position

- 2.1 Scottish Water are now working to the requirements of 'Sewers for Scotland 2' as the standard for the Vesting of surface water drainage systems (including ponds). An inspection of the system at Montgomerie Park was undertaken by Scottish Water in association with a team from Abertay University. This resulted in the submission of a report to North Ayrshire Council in March 2012 outlining the repairs, upgrades and improvements that are required to the surface water system up to a standard deemed acceptable by Scottish Water for its transfer. There are a few issues relating to the foul system, which are currently in hand.
- 2.2 The Solicitor to the Council has been advised by Scottish Water that remediation works are required if North Ayrshire Council wish responsibility for the systems to be transferred. The installed sewerage system serves approximately 260 houses and associated road and path network. A further 90 houses have the benefit of planning permission or are under construction. The Council has also entered missives with a Developer for the sale of Site 2 which will deliver a further 117 houses over the next few years. Maintenance liabilities are likely to increase with the increased load on the systems associated with the additional development.

3. Proposals

- 3.1 The schedule of works identified by Scottish Water to facilitate Vesting, cover a variety of Health and Safety and maintenance issues. They are designed to safeguard the public and the systems as well as facilitating inspection and free flow of pipes, chambers and associated equipment and complying with current Scottish Water operational requirements. Work will be undertaken within the piped and surface sections of the surface water system with alterations also required to inlet and outlet structures and bank gradients in addition to the provision of upgraded vehicular accesses to facilitate maintenance operations and de-silting, as required.
- 3.2 The Cabinet is invited to agree to (a) approve a budget of £175,000 to undertake essential repairs and improvements to the installed SUDS at Montgomerie Park and (b) the completion of a procurement exercise for the appropriate improvement works.

4. Implications

Financial Implications

- 4.1 The projected cost of undertaking the improvements identified in the Abertay report is £175,000. The cost of the work can be met from the 2012/16 Capital Programme. Remediation of the sewerage system at Montgomerie Park will allow the pipes and ponds that have been completed to be Vested with Scottish Water thereby relieving the Council of ongoing maintenance and insurance liabilities.

Human Resource Implications

- 4.2 There are no Human Resource implications.

Legal Implications

- 4.3 A refreshed Risk Assessment of the ponds will be undertaken. This will identify any physical works which are needed from a public safety perspective.

Equality Implications

- 4.4 There are no Equality implications.

Environmental Implications

- 4.5 Failure of any part of the sewerage system may result in unauthorised discharge into the Red Burn, exposing the Council to the potential for prosecution under the terms of the Water Environment and Water Services (Scotland) Act 2003. (WEWS).

Implications for Key Priorities

- 4.6 Single Outcome Agreement: Outcomes and Indicators:-

10 We live in well-designed places

12 Our environment is enhanced

15 Public services are more efficient and effective and Partnership Working has improved.

Interim 2 and Interim 3: NAC Economic Development and Regeneration Strategy: Driving the Regeneration of our towns and continuing to invest in a 3-year programme of regeneration projects.

5. Consultations

- 5.1 The Montgomerie Park Steering Group comprising representatives from all Council Services and CPAG have been consulted.

6. Conclusion

- 6.1 Completion of the remediation and improvements will secure the infrastructure required to protect properties from flooding; reduce the risk of unauthorised discharges to the Red Burn; secure habitats for wetland species and increase the range of plant life and biodiversity along green corridors; support the building of a more sustainable business base by securing the supply of serviced housing sites to accommodate the stabilisation and growth of populations and enable transfer of the assets to Scottish Water. The project will secure the maintenance of the sewerage system at Montgomerie Park through the Vesting process and remove an ongoing maintenance obligation for the Council.

IAN T MACKAY
Solicitor to the Council

Reference :

For further information please contact Sandra Taylor, Planning Regeneration Services on telephone number 01294 324776

Background Papers

Nil

NORTH AYRSHIRE COUNCIL

Agenda Item 9

20 November 2012

Cabinet

Subject: **Write off of Tenant Rent Arrears**

Purpose: To advise Cabinet on tenant rent arrears and court costs and to seek approval to write off irrecoverable amounts.

Recommendation: That Cabinet approves the write-offs totalling £44,612.76, as detailed in section 2 of the report.

1. Introduction

- 1.1 Rent arrears, and associated court costs, for former tenants of Council houses accumulate for a variety of reasons, such as tenants abandoning the house, eviction, imprisonment, or death. In these circumstances, arrears can eventually be deemed to be irrecoverable.
- 1.2 In terms of the Council's Financial Regulations (Code of Financial Practice 3) relating to the control of income, individual arrears of under £1,000 can be written off with the approval of the Corporate Director (Finance & Infrastructure) after consultation with the Chief Executive.
- 1.3 Arrears of £1,000 and over can only be written off following approval by Elected Members.

2. Current Position

- 2.1 Reports are submitted twice yearly to Committee, seeking Members' approval to write off rent arrears. This is the first of two reports to be presented to Cabinet for financial year 2012/13.
- 2.2 Rent arrears of £1,017,260 were outstanding as at 30 September 2012, with £119,726.33 now deemed to be irrecoverable. A further £27,079.16 of court costs were also deemed to be irrecoverable, i.e. a total of £146,805.49.
- 2.3 The HRA Revenue budget for 2012/13 includes a provision of £278,149 to meet the cost of rent write-offs in the year. The proposed write-off represents 0.27% of the Council's budgeted rent income for 2012/13 and 43% of the budget available to meet the costs of write-offs in the year.

- 2.4 In accordance with the Code of Practice, £102,192.73 has been written off with the approval of the Corporate Director (Finance and Corporate Support), after consultation with the Chief Executive. The remaining £44,612.76, relating to tenants with total balances owed of £1,000 or more, requires the approval of Cabinet for write off.
- 2.5 The balance of £44,612.76, noted at section 2.4 above, relates to Tenant accounts that have been pursued by Legal Services and all avenues currently open to them have been exhausted, or the individual concerned has been sequestered.
- 2.6 Members should note that, of the £102,192.73 outlined at section 2.4 above, which was written off by the Corporate Director (Finance and Corporate Support), £436.21 relates to current tenant rent balances that are over one year old, where the debt has been deemed by Housing Services to be uneconomical to pursue. This is in line with the Council's policy on Rent Arrears, approved by the Property Services Committee of the Council on 25 April 2006.
- 2.7 The Welfare Reform Working Group will track changes to benefit entitlements, which may impact adversely on the level of rent arrears and subsequent write off. This will be monitored to identify issues at the earliest opportunity, minimising the impact on residents, the Council's rent collection levels and delivery of the Housing Business Plan.

3. Proposals

- 3.1 It is proposed that Cabinet agrees to write off balances in excess of £1,000, per tenant, totalling £44,612.76.

4. Implications

Financial Implications

- 4.1 The Housing Revenue Account budget for 2012/13 includes sufficient provision to meet the cost of the total proposed rent write-off, as outlined within this report.
- 4.2 Whilst these sums may be written off, every effort will be made to continue to pursue for recovery, if new information becomes available.

Human Resource Implications

- 4.3 There are no Human Resource implications arising from this report.

Legal Implications

- 4.4 There are no Legal implications arising from this report.

Equality Implications

- 4.5 There are no Equality implications arising from this report.

Environmental Implications

- 4.6 There are no Environmental implications arising from this report.

Implications for Key Priorities

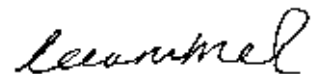
- 4.7 There are no implications for key priorities arising from this report.

5. Consultations

- 5.1 The Head of Community Care and Housing has been consulted on this matter and supports the proposed action.

6. Conclusion

- 6.1 There are certain arrears which are considered to be irrecoverable, for a wide variety of reasons and it is recommended that Cabinet exercises its powers to write these off on the understanding that, if new information comes to light, the debts will be pursued.



LAURA FRIEL

Corporate Director (Finance and Corporate Support)

Reference :

For further information please contact Keith MacDonald, Management Accountant on telephone number 01294 324511

Background Papers

0

NORTH Ayrshire Council

Agenda Item 10

20 November 2012

Cabinet

Subject: **Self-Assessment Strategy Update**

Purpose: To provide an update on the Council's self-assessment strategy and seek the Cabinet's support for the forthcoming Council-wide self-assessment exercise.

Recommendation: That the Cabinet agrees to (a) note (i) the current position with regard to self-assessment in the Council; (ii) that the Council will undertake a Council-wide self-assessment during February-April 2013; and (iii) the progress being made with the Council's Recognised for Excellence journey; and (b) support the Council-wide self-assessment as described at Option A of Section 2.4.4 of this report.

1. Introduction

1.1 The Executive approved the Council's current Self-Assessment Strategy on 30 August 2011, and this was subsequently incorporated into the Performance Management Strategy 2012-15. Key elements of that strategy are:

- The vision is of "sector leading performance management arrangements and a supporting culture by 2014";
- The Public Service Improvement Framework (PSIF) should continue to be the core self-assessment framework;
- Social Services & Health will use PSIF for support services and the Care Inspectorate Performance Improvement Model (PIMS) for frontline services;
- Education & Skills will undertake a thematic self-assessment using Validated Self-Evaluation (VSE);
- A regular, proportionate and risk-based programme of self-assessment activity should recommence across all Services in April 2012;

- The Council should undertake a second Council-wide self-assessment in 2013 and consideration should be given to including Elected Members in the Council-wide exercise;
- The Council should participate in the Quality Scotland recognition scheme known as “Levels of Excellence” which is based on the EFQM Excellence Model:
 - ☐ Committed to Excellence (Achieved in June 2012)
 - ☐ Recognised for Excellence (targeted for achievement in June 2014)

1.2 In addition the strategy stated that those Services which do not have EFQM Accredited Assessors or peer assessors should consider the development of this capacity to provide greater awareness of the Excellence Model and PSIF.

1.3 Services completed their initial PSIF assessments as indicated in the table below

Directorate	Service	Assessment Date
Corporate Services	Legal and Protective Services (Building Control/ Environmental Health/ Trading Standards	2008
	IT and Customer Services	2009
	Development Planning	2009
	Legal (Licensing /Registration/Legal)	2010
Finance and Infrastructure	Benefits	2008
	Revenue	2008
	Infrastructure	2009
	Roads	2009
	Finance	2009
	Street Scene/Waste Services/Transport	2010
	Facilities Management	2010
Education and Skills	Country Parks	2010
Chief Executive's Service	Policy and Service Reform	2009
	Economic Development	2010
	Human Resources	2010
Social Services and Health	Social Services	2010
	Housing Services	2010

2. Current Position

The activities described in this section are summarised diagrammatically at Appendix A.

Service Self-Assessment

2.1 Social Services and Health

2.1.1 Social Services and Health are using the Performance Improvement Model (PIM) promoted by the Care Inspectorate for front line services and have a schedule of assessments for 2012/13 including the following areas:

- Adult support and protection
- Transitions – learning disabilities

2.1.2 Social Services and Health will continue to use PSIF to undertake high level Service wide self-assessment activity. (Such higher level assessments will assist the Service in identifying areas for further examination.) The timetable for the proposed integration of Adult Health and Social Care in Scotland will help determine when the next high level self-assessment will take place.

2.2 Education and Skills

2.2.1 Self-evaluation across the Service is robust and well embedded and supported within the school environment by the Quality Improvement Team. The capability of the Service regarding self-assessment has been acknowledged by Education Scotland and capacity for self-assessment activities is actively encouraged. This can be demonstrated by the number of qualified assessors within the Service (see Section. 2.7 below)

2.2.2 Education and Skills are currently actively carrying out their VSE in partnership with Education Scotland in accordance with the following themes agreed by the Education Executive in August 2011:

- Early years provision
- Additional support for learning
- Raising attainment and achievement

2.2.3 The outcomes of the VSE will be reported to the Cabinet in due course.

2.2.4 Community and Culture are currently engaged in a number of self-assessment activities. These include the following developments:

- Learning Community reviews and Learning Community inspections, in partnership with Education Scotland (ongoing);
- Public Library Quality Improvement Framework reviews, in conjunction with the Scottish Library and Information Council and the Scottish Government (scheduled for winter 2012/spring 2013); and
- How Good is Our Culture and Sport pilot with Education Scotland (spring 2013).

2.3 Other Services

2.3.1 Other Services have included in their 2012/13 Service Plans a statement of their commitment towards self-assessment and indicative timings for their PSIF self-assessments to commence in 2013. Work is being undertaken to enable support resources to be deployed accordingly and in a way commensurate with capacity.

2.3.2 PSIF assessments will be facilitated by Council EFQM assessors supported by Policy and Service Reform.

2.3.3 Policy and Service Reform and the EFQM assessors will work with the Improvement Service (IS) to ensure effective improvement planning. This will include how areas for improvement can be converted into coherent actions, prioritisation of improvements, resourcing and ownership of improvements, linking improvement planning to existing service planning and budget planning processes and monitoring progress with implementation.

2.3.4 The option of using the Entry Level PSIF ("PSIF Light") has been discussed with some Services and this approach will be used where appropriate.

2.3.5 Outcomes from PSIF self-assessments will be reported to Cabinet and to Scrutiny and Petitions Committee to enable Services to:

- Demonstrate that they have completed the self-assessments objectively and with candour
- Report on the progress achieved in implementing their PSIF Improvement Plan
- Provide information on the use of PSIF within their Service.

Council-wide Self-Assessment

2.4.1 The Council-wide PSIF self-assessment is the process for developing a shared understanding of strengths and areas for improvement faced by the strategic leadership and corporate management of the Council. This self-assessment is a key area of work, and forms part of the Council's preparations for the Recognised for Excellence submission as noted in 1.1 and 2.6. The self-assessment will demonstrate how the political leadership, the extended CMT (eCMT) and partners work together to:

- Develop, prioritise and communicate a clear Council vision and values for the area, with clear supporting plans for delivery
- Create, define and achieve measured outcomes
- Effectively manage medium to long term financial pressures and make the most appropriate and effective decisions to manage service delivery
- Develop and demonstrate organisational improvement and effectiveness
- Create a culture of constructive challenge and managed risk taking
- Involve, motivate, develop and communicate with employees
- Improve services through good partner and stakeholder relationships and by learning from good practice both internally and externally
- Review services and implement options to deliver value for money.

2.4.2 There are three stages to the self-assessment process:

Stage 1: A workshop facilitated by a Quality Scotland facilitator which will set out the context, scope, scoring mechanism, question set and evidence gathering requirements.

Stage 2: The eCMT (and, potentially, Cabinet Members - see Option A at 2.4.4 below) are divided into five teams who gather evidence, score and identify areas for improvement for one "enabler" and one "results" section as indicated in the table below. The various assessing teams are supported by officers from Policy and Service Reform and Service EFQM assessors. The support staff will also participate in the Stage 1 and 3 workshops.

	Enablers	Results
Team 1	1 - Leadership	9- Key Performance Results
Team 2	2 - Service Planning	
Team 3	3 - People Resources	7- People Results
Team 4	4 - Partner & Other Resources	8- Community Results
Team 5	5 - Service Processes	6- Customer Results

Stage 3: A consensus workshop facilitated by Quality Scotland with the eCMT (and Cabinet Members if Option A below is selected) providing feedback from the evidence gathering exercise and areas for improvement and the commencement of shaping a corporate improvement plan.

2.4.3 The assessment is scheduled to start February 2013 with the Improvement Plan due to be completed by April 2013.

2.4.4 The options for Elected Member involvement are:

- Option A - Elected Members (Cabinet) are active members of each assessment team
- Option B - Elected Members (Cabinet) undertake a separate assessment and the results are then merged with those of the eCMT into a single improvement plan
- Option C - As was the case with the first Council-wide self-assessment Elected Members (Cabinet and Scrutiny and Petitions Committee) are involved at the end of the process, in scrutinising and approving the Improvement Plan.

2.4.5 The recommended approach for Elected Members' involvement is Option A.

External Recognition

2.5 Recognised for Excellence (R4E) – Housing Services

2.5.1 Housing Services are preparing a detailed submission document in support of the R4E submission. The document will be completed by December 2012 with the Quality Scotland assessing team on site early 2013 and the accreditation confirmed by June 2013. Housing Services will therefore not be carrying out any additional self-assessments until 2014.

2.6 Recognised for Excellence (R4E) - Council-wide

- 2.6.1 The learning from the Housing Services submission process will inform the full Council's R4E submission which will commence in 2013 with the assessment in 2014. A specific project plan which will include the involvement of the Service EFQM assessors will be brought to the Cabinet in January 2013.
- 2.6.2 The Council's R4E submission is also dependent on the Council-wide PSIF assessment being completed as indicated in 2.4 above.

Developing Capacity

- 2.7 22 EFQM Accredited Assessors are now embedded within Services. In Education and Skills, a further nine staff are qualified in assessment-related activity. The EFQM assessors are available to facilitate internal self-assessments for their own services and or for other services and external assessments as appropriate. In addition, Services have been encouraged to further develop the assessors' competencies through involvement in EFQM Recognised for Excellence assessments, COSLA Excellence Award submissions and participation in COSLA Excellence Award long leeting.

3. Proposals

The Cabinet is invited to agree to (a) note (i) the current position with regard to self-assessment in the Council; (ii) that the Council will undertake a Council-wide self-assessment during February-April 2013; and (iii) the progress being made with the Council's Recognised for Excellence journey; and (b) support the Council-wide self-assessment as described at Option A of Section 2.4.4 of this report.

4. Implications

Financial Implications

- 4.1 There is no additional budget requirement as a consequence of the report. All costs are accommodated within existing budgets.
- Training of EFQM Assessors - £1,100 per person – Service cost
 - Council-wide Self Assessment - £3,600 – Policy and Service Reform cost
 - Recognised for Excellence – Housing Services - £ 4,250 - Service cost
 - Recognised for Excellence – Council - £4,250 - Policy and Service Reform cost.

Human Resource Implications

- 4.2 No additional staff are required to implement the various self-assessments. There is however an element of time resource required to carry out the various self-assessments and related activities. Services are aware of these implications in light of the various external assessments being undertaken, the change programme and the various organisational structure changes.

Legal Implications

- 4.3 There are no legal implications arising from this report

Equality Implications

- 4.4 There are no Equality issues arising from this report. No Equality Impact Assessment is required, as the report does not present a new or revised policy.

Environmental Implications

- 4.5 There are no Environmental issues arising from this report. No Strategic Environmental Impact assessment is required, as the report does not represent and new or revised policy.

Implications for Key Priorities

- 4.6 Implementation of self-assessment strategy directly supports "Objective 4 - Operating more Efficiently and Effectively" contained in the Council Plan 2012 -17.

5. Consultations

- 5.1 The extended management team at a meeting held on 5th September 2012 reviewed the content of this report and appropriate observations and comments have been included. In addition all Services through the performance management representatives and or meeting with Corporate Directors have been involved in providing information for this report.

6. Conclusion

- 6.1 The Local Area Network (LAN) of external scrutiny bodies indicated in their Assurance and Improvement Plan 2012 -15 update that "self-evaluation is under developed and the Council still has more work to do to develop a culture of continuous improvement and behavioural change across services".
- 6.2 The successful implementation of all the assessment activities referenced in this report will provide confidence that the Council has the capability and capacity to achieve its performance management vision by 2014.



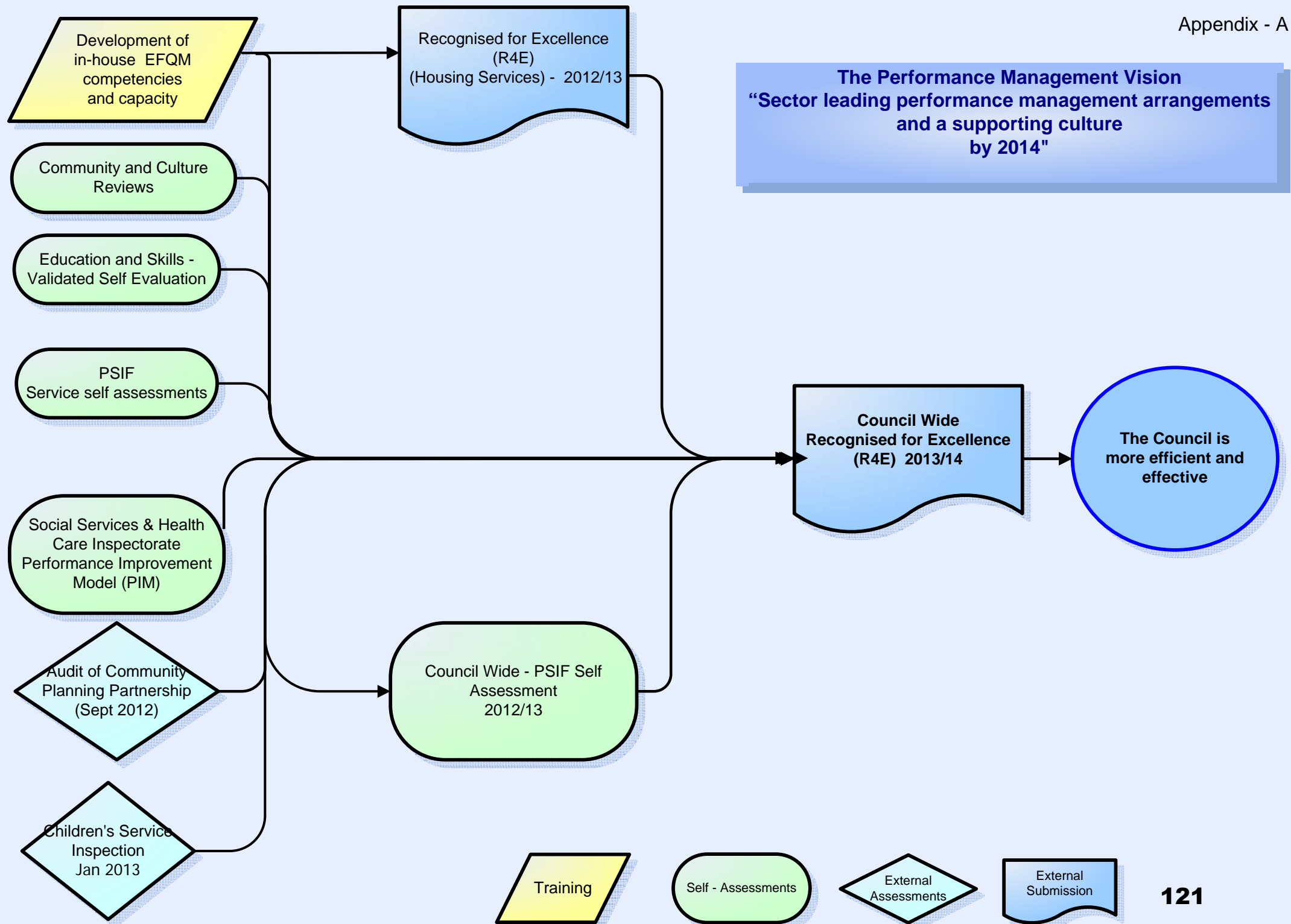
ELMA MURRAY
Chief Executive

Reference :

For further information please contact Jim Montgomery, General Manager
Policy and Service Reform on telephone number 01294 324125

Background Papers

Performance Management Strategy 2012 -15



NORTH AYRSHIRE COUNCIL

Agenda Item 11

20 November 2012

Cabinet

Subject: **Change Programme: Progress as at 31 October 2012**

Purpose: To provide an update in relation to the Change Programme.

Recommendation: That the Cabinet notes (a) the continuing good progress of the Change Programme as at 31 October 2012; and (b) the need to refresh the pipeline of transformational activity, in line with the additional pressures faced by the Council.

1. Introduction

- 1.1 The Change Programme seeks to effect Council-wide transformational change to address unavoidable demographic and financial pressures. This mirrors the national public service reform programme established by the Scottish Government.
- 1.2 On 18 September 2012, the Cabinet agreed to:
- Recognise that the scale and pace of reform activity needs to increase;
 - Place greater emphasis on demand management approaches, such as early intervention and prevention;
 - Extend the Strategic Partner contract with iMPower, now in its final year, to 20 October 2013; and
 - The development of an Outcome Map, describing all of the Council's reform activity and how it relates to better outcomes for North Ayrshire.
- 1.3 This report provides an update on progress as at 31 October 2012.

2. Current Position

Social Services and Health

- 2.1 The Social Services Change Programme is covered in a separate report on this agenda.

Education and Skills

- 2.2 The Education Business Case was approved by the former Education Executive of North Ayrshire Council on 25 October 2011. The work streams within the Business Case are identified below:

- Effective Use of the Education and Skills Estate
- Budget Devolution and Cluster+
- Review of Early Years Provision
- Review of Senior Phase and Post 16 Education

2.2.1 **Effective Use of the Education and Skills Estate**

In February, the Scottish Government invited bids for Phase 3 of the 'Scotland's Schools for the Future' funding. Cabinet approval for the investment application was received on 19 June 2012. This investment application centred on the **secondary school estate** and the educational provision for children and young people with **severe and complex additional support needs**. In September 2012, the Scottish Government announce that North Ayrshire Council had been successful in securing £22.5 million.

Corresponding revenue efficiencies would also be achieved as a result of the proposed changes.

Next steps will be to seek Cabinet approval to progress engagement with key stakeholders, including statutory public consultation, on these proposals.

2.2.2 **Budget Devolution and Cluster +**

Cluster+ is an integral part of the Neighbourhood Approach Project being developed by the Community Planning Partnership. A presentation on Cluster+ was given at the June "Visioning Event" and there is continued representation on the Neighbourhood Approach Project Team.

Education Scotland carried out a Validated Self-Evaluation of the Cluster+ project in May 2012. The feedback from this was that while much of the work is at an early stage, there was clear evidence that new approaches being developed by the project were beginning to create common ground and a shared language of improvement between Education and Skills, other council services, community organisations, and young people.

In June 2012 a further community consultation event was held, resulting in the agreement of outline action plans for the Council and its partners to take forward four work streams: Ardrossan Castle, Asset Based Community Development 0-8 year, Enterprise Project, and Development of a Youth Action Plan.

2.2.3 Review of early years provision

The Early Years Review Group has been established to examine all aspects of early education and childcare in North Ayrshire. The aim is to explore possible options and ensure appropriate and best value provision is available to service users.

A paper was presented to Cabinet on 18 September updating the progress of the Early Years Review. The Cabinet agreed that:-

1. The Early Years Review Group takes no further action to increase Independent Provision.
2. Further work should be done on Developing Future Delivery models through:
 - Carrying out research to identify the impact of alternative and flexible models of local authority provision;
 - Carrying out research into the potential use of community models and trusts in the Early Years Sector; and
 - Exploring income generating opportunities with Economic Development.

A further progress report would be presented to Cabinet by March 2013.

2.2.4 Review of Senior Phase and Post 16 Education

A degree of **timetable harmonisation** has been achieved across both the three towns hub, Ardrossan, Auchenharvie and St Matthew's Academies, and the Irvine/Kilwinning hub, Greenwood, Irvine Royal, and Kilwinning Academies. This has enabled the shared delivery of 3 Advanced Highers and access to college courses respectively.

The Council's **Virtual Learning Environment** (VLE) is being used to deliver 3 advanced Highers, Physics, Chemistry, and French, in alternative locations. It is planned to roll out the pilot to all schools.

The **Education Resource Service's** (ERS) Advanced Higher website is being updated to support the development of the VLE. Schools and the Library service are collaborating to ensure pupils can access learning resources electronically.

Bridgegate House

- 2.3 Work continues on the project to make Bridgegate House the main public face of the Council, relocating front facing functions to a customer services one-stop-shop. The Bridgegate programme represents a £9.3m investment, which will deliver significant benefits to customers and staff whilst contributing to the local economy and regeneration of Irvine town centre.
- 2.3.1 **Demolition and Construction** works are progressing as per programme and the anticipated completion date for the first phase remains mid February 2013.
- 2.3.2 The redevelopment is intended to facilitate mobile and **agile working** practices. This will contribute to delivering the Council's accommodation strategy and the transformation of our working practises and culture.
- 2.3.3 Consultation on floor plans, with Heads of Service and Business Managers whose staff are involved in Phase 1 of the refurbishment, is now complete. Meetings have also taken place with each of the services and ICT to determine the computing and telephony requirements for staff moving.

Changes from the original plan are:

- 30 NHS staff will be co-located;
- Youth Support Team will move from 49 Bank Street; and
- Social Care Finance (now part of Corporate Finance) will remain at Cunninghame House.

Early Intervention and Prevention

- 2.4 The Council agreed to allocate specific funding for early intervention and prevention in the early years during in the budget for 2011/12. An early intervention and prevention programme was subsequently initiated, to improve outcomes for vulnerable young children in North Ayrshire. The main elements of the programme are:

- Parenting Programmes
- Early Years Centres
- Family Support Service
- Multi Agency Domestic Abuse Response Team
- Permanent Care for Children
- Family Nurse Partnership
- Asset Based Community Development (ABCD) Project

The programme recognises the need to take preventative action in the early years, between pregnancy and 3 years, because this period is vital in shaping children's life chances. Evidence on brain formation, communication, and language development show the significant impact of relationships formed at this very young age on mental health and on well-being.

Intervening in the early years should over time reduce the need for crisis interventions in later life which are costly to many services including social services, health, police and criminal justice services.

A Programme Manager was appointed, to oversee implementation and to establish monitoring arrangements, in August 2012. Since when there has been good progress:

- Scoping the programme and agreeing its governance arrangements;
- Establishing the budgetary position of the programme;
- Drafting the outcomes and indicators to be achieved; and
- Organising a Child & Public Protection Chief Officers event on 29 October to review progress and consider future developments

Altering Service Demand

- 2.5 A project has been initiated, in partnership with iMPower, to investigate environmental crime, more specifically fly tipping, dog fouling and littering.

The project seeks to understand what motivates people to commit environmental crime and identify initiatives that could be put in place to stop people committing these acts and to reduce the negative outcomes resulting.

Utilising the techniques previously trialled with Additional Support Needs, young people at James Watt College have agreed to be interviewed and to take part in focus groups around littering. The groups will be held at the Kilwinning Campus in Mid-November. A final report on the findings will then be presented to the Service for their consideration and implementation.

Transport

- 2.6 The Transport Business Case outlined the potential benefits of having a centralised transport hub, including enhanced planning, budgeting, scheduling, procurement, regulation compliance, and health and safety compliance.

Estimated revenue cost savings of £830k per year are expected by 2014/15, along with a significantly reduced capital plan over the same period. Progress includes:

- Work has commenced with the telematics (vehicle tracking system) provider.
- Cabinet Paper and contract proposals ready for presentation in the near future.
- Advertisement placed for Fleet Officer post.
- Distribution of draft telematics policy and procedures to Trade Unions and Services, for information and engagement.

Next steps include collation of business processes to formalise roles and responsibilities of the hub and to capture any additional requirements.

Asset Management

- 2.7 The Council is working towards a "corporate landlord" approach to the management of its properties. This involves a particular focus on corporate ownership and a proactive approach to management of assets, in line with the Council's Property Asset Management Plan. Progress includes:

- This project is nearing conclusion with a planned end in December 2012.
- A new Strategic Property Group has been established with responsibility for delivering the Property Asset Management Plan and reporting progress to CPAG. The group is attended by representatives from Property Enterprises and the Services.
- A vision for the corporate landlord has been established, emphasising cultural change, a client-service partnership, customer service, communication and collaborative working. This is a key output of the project to be taken forward in the business.

- Corporate management of assets, property budgets and a new service fee matrix are being established.
- A Customer Charter is being developed which outlines Property Management and Investment's responsibilities, teams and the services provided.
- The Service has been redesigned with three temporary posts created to target areas of resource requirement.
- Three Education & Skills property staff have been identified and agreed for transfer to Property Management & Investment.

Supporting Services

- 2.8 The Council expects to spend over £22m per annum on “supporting services”, i.e., ICT, Human Resources, Risk and Audit, Payroll, Procurement, Communications, Facilities Management, Asset Management, and Revenues and Benefits. This project sets out to evaluate which model of service delivery offers North Ayrshire best value.

The key outputs from the project are nearing completion and include:

Output specifications: Documenting details of each Service's activities and outcomes as at 2013/14.

Financial baselines: Estimating the cost of the service as at 2013/14, after expected savings initiatives have been incorporated and deducted.

Market research: Describing the experience of other public bodies implementing the alternative delivery models to be assessed.

A final report is expected by January 2013, making recommendations as to the most appropriate delivery model(s) for each service and evaluating any potential savings or improved outcomes available.

Customer Services

- 2.9.1 Work continues to refresh the Council's main customer facing website, www.north-ayrshire.gov.uk, with the updated site planned to go live in April 2013. Progress to date includes appointing:

External Consultants, Liverpool Direct - Website Ltd, to assist defining strategy, governance, and a new operating model for the Council's website. Following consultation, including elected members and senior managers, Liverpool Direct have submitted the first draft of their report.

A **Web Analyst**, bringing the team up to full strength, to support the development and maintenance of the refreshed website. Recruitment is also underway for 3 temporary Web Authors to help migrate content onto the new pages, where necessary reformatting to fit the refreshed design.

- 2.9.2 A review of **Registration Services** has commenced with a view to fully integrating with Customer Services. HR are working on the organisational design and Trade Unions have been consulted on the scheme of delegation. Work is also underway to develop registration processes to gain an understanding of the current working practices.

Initiatives under review

- 2.10 The **Business Change Team** helps Services across the Council to identify, design, and execute transformational change. As well as being directly involved in much of the activity above, the team are currently supporting evaluation of a number of potential opportunities, including:-

Path to purchase: Understanding how technology could enable three way matching of purchase orders, invoices, and receiving, ultimately driving faster payments to suppliers and improving efficiency.

Monitoring services: Examining the different arrangements the Council has in place for monitoring services and the increasing call for related services and assessing the options available to address these demands.

Community assets: Assisting Education & Skills to define and agree a cross service process to progress applications for the transfer of assets to our communities, enabling local policy in line with the Community Empowerment and Renewal Bill.

Transactional services: A process optimisation exercise, across HR and Payroll, to evaluate whether any transactional activities can be improved to make them faster, more efficient, or more reliable.

Print policy and estate: Aiming to make recommendations around the Council's print policy and estate, to drive out further savings in this area.

Public telephone numbers: Working with Customer Services to review the various telephone numbers in use to reach our Contact Centre, aiming to improve the customer experience whilst providing best value.

3. Proposals

- 3.1 The Cabinet is invited to note (a) the continuing good progress of the Change Programme as at 31 October 2012; and (b) the need to refresh the pipeline of transformational activity, in line with the additional pressures faced by the Council.

4. Implications

Financial Implications

- 4.1 Efficiencies generated from the Change Programme are considered as part of the Council's budget process. As business cases are reviewed at key stages in projects, changes to anticipated savings and costs will be agreed with Finance and outlined in subsequent programme updates.
- 4.2 Details of the two funds (Change Fund and Service Redesign and Investment Fund) established to cover the costs of the Change Programme are included at Appendix A and B to this report.
- 4.3 Overall committed expenditure as at 31 October 2012 was £4.866m and £1.736m for the Change and Service Redesign Funds respectively, leaving uncommitted balances of £1.807m and £264k to fund future initiatives. These balances have reduced since the last report, the most significant factor being the £2.8m earmarked for investment in the Council's IT infrastructure.
- 4.4 For future reporting, these two funds will be merged.

Human Resource Implications

- 4.5 Recruitment, funded directly from the Change Fund, is planned for:-
- 4 HR Professionals, to support the Council's transformation agenda.
 - 3 Web Analysts, to migrate content onto the refreshed website.
 - 1 Fleet Officer, to manage the Transport Hub's telematics data.
- 4.6 Other HR Resource implications are addressed through schemes of delegations within individual Services.

Legal Implications

- 4.7 There are no legal implications at this stage.

Equality Implications

- 4.8 There are no equality implications at this stage.

Environmental Implications

- 4.9 There are no environmental implications at this stage.

Implications for Key Priorities

- 4.10 The Change Programme is designed to support all four objectives of the Council Plan.

5. Consultations

- 5.1 The Corporate Management Team continues to review and monitor overall progress, providing necessary sign-off, and resolving strategic issues.

6. Conclusion

- 6.1 The Council's Change Programme needs to increase both pace and scale to help address the additional pressures now faced.

- 6.2 Having taken the more straightforward savings, the Council needs to explore a combination of alternative approaches, including:

- Realising the benefits available through demand management and early intervention and prevention.
- Exploring new opportunities for citizens and staff to feed into the process.
- Utilising an Outcome Based Budgeting approach to evaluate expenditure based on value rather than cost or other simpler measures.
- Converting the cumulative impact of many small changes, over and above the major transformations, into tangible efficiencies or outcomes.
- Revisiting proposals previously rejected under different circumstances.

6.3 Culture within and across of the Council will have a significant impact on the pace and success of the Council's transformation. The behaviours and values that will underpin the Council's success include:

- Focusing on and working towards outcomes rather than outputs.
- Collaborating internally and externally, to work beyond silos and present citizens with a seamless experience.
- Thinking and acting 'entrepreneurially', being risk aware rather than risk averse to implement creative solutions.

6.4 These behaviours should be consistently reinforced through:

Communication: Providing a clear vision of where the Council wants to be and articulating what change is required to get there.

Process: Putting in place mechanisms and approaches which empower, encourage, and recognise, staff to behave differently.

Example: Leaders and managers, across the Council, acting as role models and demonstrating how these behaviours are relevant to their Service will be critical to achieving this change.



ELMA MURRAY
Chief Executive

Reference :

For further information please contact Colin O'Kane, Change Programme Manager on telephone number 01294 324231.

Background Papers

N/A

**North Ayrshire Council
Reserves and Balances**

Name of Reserve: **Change and Reform Programme**

Purpose: To support the delivery of the Council's Change and Reform Agenda, by funding severance and other change-related expenditure.

	£m	£m
Balance at 31 March 2012		6.673
Commitments during 2012-13		
Additional Staffing Resources:-		
Change Team per Scheme of Delegation	(0.281)	
Human Resources	(0.083)	
Education & Skills	(0.059)	
Partnership Analyst	(0.042)	
Customer Services	(0.064)	
Transport Review	(0.016)	
Supporting Services Review	(0.030)	
Early Intervention	(0.035)	
Social Services & Health - additional resources:		
Programme & Project Management	(0.263)	
ICT Support	(0.271)	
Reshaping Care	(0.046)	
Short Term Interventions	(0.049)	
Overhead Costs	(0.042)	
FM Service Change	(0.137)	
Payments to iMPOWER	(0.195)	
Energy from Council Estate - Feasibility Study	(0.020)	(1.633)
Estimated Uncommitted Balance at 31 March 2013		5.040
Commitments during 2013-14		
Additional Staffing Resources:-		
Change Team per Scheme of Delegation	(0.155)	
Human Resources	(0.167)	
Education & Skills	(0.005)	
Partnership Analyst	(0.054)	
Early Intervention	(0.026)	
ICT Infrastructure	(2.826)	(3.233)
Estimated Uncommitted Balance at 31 March 2014		1.807
Commitments during 2014-15		
Estimated Uncommitted Balance at 31 March 2015		1.807

**North Ayrshire Council
Reserves and Balances**

Name of Reserve: **Service Redesign & Investment**

Purpose: To support the delivery of the Council's Change and Reform Agenda, by funding costs incurred as services are redesigned and investment is required.

	£m	£m
Balance at 31 March 2012		2.000
Commitments during 2012-13		
Streetscene ICT	(0.095)	
Waste Management ICT System	(0.070)	
Social Services IT Requirements:		
Licences & Support	(0.077)	
OLM Consultancy	(0.025)	
Care at Home System	(0.271)	
Assistive Technology Equipment	(0.240)	
Customer Services IT Requirements	(0.311)	
Cunninghame House - 3rd Floor West	(0.160)	
Vehicle Tracking System	(0.487)	
		(1.736)
Estimated Uncommitted Balance at 31 March 2013		0.264
Commitments during 2013-14		
Estimated Uncommitted Balance at 31 March 2014		0.264
Commitments during 2014-15		
Estimated Uncommitted Balance at 31 March 2014		0.264
Commitments during 2015-16		
Estimated Uncommitted Balance at 31 March 2014		0.264

NORTH AYRSHIRE COUNCIL

Agenda Item 12

20 November 2012

Cabinet

Subject: **Currie Court Complex, Ardrossan.**

Purpose: To seek approval to award the contract for the conversion of the Independent Living and Sheltered Housing Accommodation at Currie Court, Ardrossan.

Recommendation: That the Cabinet agrees (a) that the project progresses as per the current design specification, with the additional costs being funded via procurement savings achieved via other HRA capital works (£135,000) and the HRA Business Plan - 2013/14 Sheltered housing capital funds (£255,050); and (b) to approve the acceptance of the tender submitted by Frank Haslam Milan Limited, for the sum of £2,298,031, as detailed in the attached Tender Outcome Report.

1. Introduction

- 1.1 On 29 March 2011, the former Executive approved the development of a North Ayrshire Older People's Housing Strategy (NAOPHS).
- 1.2 The research objectives within the NAOPHS are in line with the Scottish Government's five national outcomes, established through the Wider Planning for an Ageing Population Work Stream:
- Clear Strategic leadership is in place at national and local level about housing outcomes to be delivered for older people.
 - Older people are better assisted to remain in, and make best use of, existing housing stock.
 - Investment in new housing provision across the sectors meets future needs of older people.
 - The needs of older people for low level, preventative support are met.
 - The infrastructure to support these outcomes is improved.

- 1.3 On 27 September 2011, a report was submitted to the former Executive to provide an update on the NAOPHS. Part of the update report sought approval to progress with investing approximately £1.8m (excluding SHQS works) in piloting the 'North Ayrshire Sheltered Housing Standard'.
- 1.4 The above-mentioned report provided full analysis of the sheltered housing provision in North Ayrshire and recommended that Currie Court, Ardrossan and Woodgrove, Dreghorn, would be appropriate schemes to pilot the new standard. The report contained a scoring matrix, which clearly outlined the assessment criteria used in determining the appropriate pilot schemes and this was approved by the Executive.
- 1.5 At the September 2011 meeting, it was outlined that the proposal at Currie Court, was likely to incorporate the upgrading of the linked residential unit, which is part of the wider Currie Court complex. It was requested that a follow-up report be submitted, providing more detail on the proposed development of the linked residential unit.
- 1.6 On 22 November 2011, a further report was submitted to the former Executive and approval for the re-provisioning of the Currie Court complex was granted. The Executive agreed to allocate general services funding of £1,097,000 to Social Services and Health to facilitate the delivery of the joint development project. Approval was also given to allocate £991,000 for the upgrading of the sheltered accommodation to the 'North Ayrshire Council Sheltered Housing Standard' and this would be funded via the Housing Revenue Account (HRA).

2. Current Position

- 2.1 Following approval to progress with the development of this project, Housing Services, Social Services and IDS have been working closely to develop the detailed specification for this project and now have a design that fully meets the requirements of the client groups concerned.
- 2.2 No contract is in place for the proposed works with either Scotland Excel or the Scottish Procurement directorate. As a consequence of this, it was appropriate to procure the works via a competitive tender exercise.

- 2.3 The tendering process is now complete, with the most competitive compliant tender being submitted by Frank Haslam Milan Limited. The tender cost is detailed as follows:

Sheltered Housing Unit	£1,381,050	(variance of +£390,050)
Independent Living Unit	£916,981	(variance of -£180,019)
Total submitted tender	£2,298,031	

- 2.4 The Tender Outcome Report (Appendix 1) provides a summary of the procurement process and makes recommendation for the appointment of the successful contractor.
- 2.5 The report also provides the required assurance that the tender evaluation process has been undertaken in accordance with EU Procurement Directives, Public Contracts (Scotland) Regulations 2012 (SSI 2012/88) (as amended) and North Ayrshire Council's Standing Orders Relating to contracts and the contract procedure rules.
- 2.6 The proposed scheme has been developed in detail over the last 12 months and the works now being proposed as part of the new standard, will ensure Currie Court Sheltered Housing Complex is a modern, fit for purpose facility, that will be in high demand for the foreseeable future. The work being delivered includes:
- All required repairs and maintenance in order comply with the SHQS;
 - Improvement and enhancement to the common facilities, including extending the common room and kitchen areas, replacing the communal inefficient boiler plant, improving access/egress and providing scooter storage facilities;
 - The property receiving a full external make-over including roofing replacement works and new insulated roughcasting; and
 - All flats benefitting from new wet rooms, kitchens, windows, electrical rewiring and joinery finishes.
- 2.7 A number of the proposed energy efficiency measures (including the insulated render system and replacement of the communal heating plant) were not included within the original specification. However, by incorporating these works within the project, the complex will become more energy efficient. This will have a positive impact on the level of future utility running costs and will assist in eradicating fuel poverty within this client group.

- 2.8 As noted above the lowest tender received exceeds the previously agreed budget for the Sheltered Housing Unit element of the project. The preferred option is not to compromise on the planned works and the funding proposal is detailed within Section 3.
- 2.9 Subject to Cabinet approval, the project would commence on site during January 2013 and take approximately nine months to complete.

3. Proposals

- 3.1 In order to deliver upon the outcomes of the NAOPHS Strategy and develop the new 'North Ayrshire Council Sheltered Housing Standard', it is proposed that the project progresses as per the current design specification, with the additional costs being funded via:

Procurement savings achieved via other HRA capital works;	£135,000
HRA Business Plan - 2013/14 : Sheltered housing capital funds	£255,050

- 3.2 It is further proposed that the Cabinet approve the acceptance of the tender submitted by Frank Haslam Milan Limited, for the sum of £2,298,031, all as detailed in the attached Tender Outcome Report.

4. Implications

Financial Implications

- 4.1 The costs associated with this proposal are outlined at 2.3 of the report.
- 4.2 The cost of upgrading the independent living unit will be less than previously budgeted. This will result in a saving of approximately £180,019 to the General Services Capital Account.
- 4.3 The additional cost of £390,050 for the sheltered housing unit will be funded as outlined in 3.1. There is £800,000 of capital expenditure allocated within the HRA for financial year 2013/14 for sheltered housing re-provisioning. These monies are not fully committed and can be utilised to fund the shortfall associated with this project.
- 4.4 The current cost profiling projects that 75% of costs will be incurred during financial year 2012/13. This position is likely to change and will be determined upon appointment of the successful contractor. In summary, there will require to be additional financial carry forward into financial year 2013/14.

Human Resource Implications

- 4.5 There are no human resource implications.

Legal Implications

- 4.6 There are no legal implications

Equality Implications

- 4.7 There are no equality implications.

Environmental Implications

- 4.8 These works will enhance the thermal efficiency of the properties affected and will contribute towards the reduction of the Council's carbon footprint.

Implications for Key Priorities

- 4.9 These works will contribute towards the Council's commitment to the Single Outcome Agreement under the following objectives:

6d "More vulnerable people are supported within their own communities."

10a "The quality of social housing has improved."

12a "Our environment is protected and enhanced."

14b "The public sector's carbon footprint has reduced."

Community Benefit Implications

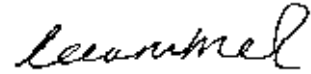
- 4.7 There will be direct community benefit requirements in the contract, as the value of the works are in line with the threshold for the Targeted Recruitment and Training Scheme. These community benefits will be developed with the contractor following successful appointment.

5. Consultations

- 5.1 Throughout the development of the NAOPHS and 'North Ayrshire Council's Sheltered Housing Standard', stakeholder consultation has taken place with the Sheltered Housing Forum, Tenants and Residents Network and Officers Locality Group and HRA Business Plan Implementation Group.
- 5.2 In developing the detailed design and specification for the works as proposed, consultation has taken place with Social Services, Housing Services, the appropriate client groups and major works working group.

6. Conclusion

- 6.1 That the Cabinet approves the acceptance of the tender submitted by Frank Haslam Milan Limited, for the sum of £2,298,031 with funding available as outlined in the report.



LAURA FRIEL
Corporate Director (Finance and Corporate Support)

Reference : AB/DT/II

For further information please contact David Tate, Senior Manager (Housing Assets and Investment) on telephone number 01294 225051

Background Papers

Tender documentation



Tender Outcome Report
For Recommendations over £350K

Contract Number/ARD/328/041

RE-DEVELOPMENT OF SHELTERED HOUSING
UNIT & LINKED RESIDENTIAL UNIT
CURRIE COURT, ARDROSSAN

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Contract Number/ARD/328/041
For the procurement of
RE-DEVELOPMENT OF SHELTERED HOUSING UNIT & LINKED
RESIDENTIAL UNIT : CURRIE COURT , ARDROSSAN

1 PURPOSE

The purpose of this document is to summarise the invitation to tender process and present a recommendation for **re-development of sheltered housing unit & residential unit, Currie Court, Ardrossan** award. The recommendation is based on the results of the tender evaluation carried out on the responses to the **Tender for re-development of sheltered housing unit & residential unit : Currie Court ,Ardrossan** Invitation to Tender. The report will provide assurance that the tender evaluation has been undertaken in accordance with EU Procurement Directives, Public Contracts (Scotland) Regulations 2012 (SSI 2012/88) (as amended) and the Councils Standing Orders Relating to Contracts and Contract Procedure Rules for North Ayrshire Council.

2 INTRODUCTION

- 2.1 This report has been compiled on behalf of the Tender Evaluation Team following the completion of the evaluation of responses to the Invitation To Tenders for the **re-development of sheltered housing unit & residential unit : Currie Court ,Ardrossan**
- 2.2 This document contains information that is Commercial in Confidence and is not in the public domain. The contents of this document must not be disclosed or discussed with any third party.

3 BACKGROUND

- 3.1 North Ayrshire Council required to establish a **Contract for re-development of sheltered housing unit & residential unit: Currie Court, Ardrossan**
- 3.2 In order to comply with the Council's Standing Orders and Public Contracts (Scotland) Regulations 2012 (SSI 2012/88) (as amended) a formal tendering exercise was undertaken.
- 3.3 The contract term is for 40 weeks
- 3.4 The estimated total value of the overall **Contract** (including any possible extensions and all collaborative partners) is **£ 2,298,031.73** with an estimated annual budgetary spend to North Ayrshire Council of **£916,981.45 (Social Services) and £1,381,050.28 (Housing Services HRA)**

4 TENDER NOTICE, INTEREST & RETURNS

- 4.1 A formal contract notice was advertised under the open process in the **Public Contracts Scotland Procurement Portal [17/4/12]** with a return date of 12 noon, **[11/5/12]**.
- 4.2 The contract notice attracted **[33]** expressions of interest from a wide range of potential providers of which **[10]** submitted completed questionnaires
- 4.3 Following evaluation of the Expressions of Interest the following **[6]** potential providers were short-listed to receive Invitation To Tenders documents: **Frank Haslam Milan Ltd, CCG (Scotland) Ltd, Ashleigh(Scotland)Ltd,Morris and Spottiswood Ltd, Lovel Partnership Ltd, Clark Contracts**
- 4.4 The return date for completed Invitation To Tenders was 12 noon, **[12/10/12]**.

5 EVALUATION PROCESS

- 5.1 The evaluation of such Tenders was in two stages. Stage one (PQQ.) assessed the responses to the Minimum Criteria. If, during stage one, it was apparent that a Tenderer has

submitted a fundamentally non-compliant Tender in respect of any of the Invitation To Tenders requirements, then the Council could choose to reject that Tender. Clarification could be sought from Tenderers at this stage, in order to determine whether their Tender is complete and compliant.

5.2 Pre-qualification Process

Interested organisations are required to complete and return the questionnaire including the provision of any supplementary information as identified in the questionnaire to the address given below in accordance with the instructions provided within this document.

Pre-qualification questionnaires will be evaluated on the basis of each applicants legal position, economic capacity, financial capacity, technical capacity and the ability to deliver the work to a minimum quality standard acceptable to North Ayrshire Council. These matters will be evaluated in accordance with the criteria stated in the document. All applicants require to meet a quality standard which will be predetermined by a panel of Council Officers. Failure to meet this minimum standard will exclude the applicant from being invited to tender.

On completion of the PQQ evaluation a minimum of five applicants will progress to the next stage and be invited to tender.

5.3 Procurement

Procurement of the Works is on the basis of a competitive tender using the SBCC Standard Building Contract with Quantities.

Form of Tender, Conditions of Contract, Preliminaries, Specification and Bill of Quantities were issued for completion by tenderers as part of the tender enquiry package.

Tender submissions were evaluated on the basis of price only.

North Ayrshire Council are not bound to accept the lowest or any offer.

5.4 Declaration

The declaration section of this PQQ must be completed and signed by the appropriate person acting with corporate authority for the firm. The signatures will confirm that the contents of the PQQ are true and accurate. If inaccuracies are found within the submission this will automatically disqualify the firm from the PQQ process and exclude the company from future applications.

5.5 PQQ Documentation

North Ayrshire Council retained all submitted documentation for 30 days after the date noted on the PQQ notification letter.

5.6 Selection Process

Two types of scoring were applied to evaluate the PQQ. The first is the compliance section. All applicants must complete this section. Failure to meet any of these criteria would result in the applicant not being invited to tender.

The second is the quality assessment section. All applicants must complete this section. The comparative assessment of applicants will be weighted as indicated within the questionnaire. Each question will carry the points noted totalling 100.

A minimum of the five highest ranked applicants on the comparative quality assessment and who have gained a PASS in all criteria of the compliance section will be included in the list of potential tenderers.

The summary of the scoring system is as per the table below;

REF	COMPLIANCE	POINTS
Part A	Details Of Applicant	PASS/FAIL
Part B	Financial Information	PASS/FAIL
Part C	Business Probity	PASS/FAIL
Part D	Health & Safety	PASS/FAIL
Part E	Financial Status	PASS/FAIL
Part F	Essential Criteria	PASS/FAIL
Part I	Declaration	PASS/FAIL*

REF	QUALITY ASSESSMENT	POINTS
Part G	Relevant Experience	62
Part H	Understanding and Approach	38
	TOTAL AVAILABLE POINTS	100

*Where the declaration is not completed, this will constitute a FAIL

On completion of the PQQ evaluation Contractors shall be advised whether they have been successful or unsuccessful.

The Councils evaluation and scoring shall be final. No further discussion shall be entered into regarding evaluation or scoring matters.

6.0 EVALUATION RESULTS

6.1 Quality (PQQ)

Scoreboard

Re-development of sheltered housing unit and linked residential unit, Currie Court, Ardrossan:

Org Name	Overall Score	Ranking	<u>Reason For Failure</u>
FRANK HASLAM MILAN	96.00	1	
CCG (Scotland) Ltd	95.00	2	
ASHLEIGH (Scotland) Ltd	94.00	3	
LOVEL PARTNERSHIP Ltd	93.00	4	
CLARK CONTRACTS	92.00	5	
MORRIS & SPOTTISWOOD	91.00	6	
ISG	88.00	7	
McLAUGHLIN	86.00	8	
STEWART & SHIELDS		N/A	INSUFFICIENT CREDIT LIMIT
DIXONS	FAIL	N/A	INSUFFICIENT CREDIT LIMIT

7.0 TENDER ABSTRACT

7.1 Following completion of stage one (PQQ.), Tenderers meeting the minimum criteria progressed to stage two of the evaluation. Stage two (PRICE ONLY)

Price [100]%

Quality [assessed at PQQ)

7.2 Abstract of Offers

Re-development of sheltered housing unit and linked residential unit, Currie Court, Ardrossan:

Contractor	Original Offer £	Corrected Offer £	Lowest Offer £
Frank Haslam Milan Ltd Glasgow	£2,278,138.11	£2,298,031.73	£2,298,031.73
Clark Contracts Ltd, Paisley	£2,512,635.15	£2,428,010.53	
Morris & Spottiswood Ltd Glasgow	£2,531,653.72	£2,546,051.50	
CCG (Scotland) Ltd, Glasgow	£2,585,508.19	£2,585,512.69	
Ashleigh(Scotland) Ltd Dumfries	£2,650,139.68	£2,650,139.68	
Lovell Partnership Ltd Glasgow	£2,810,338.44	£2,810,338.44	

The lowest tender submitted, that of £2,298,031:73 is competitive and acceptance is recommended.

8 RECOMMENDATION

- 8.1 The recommendation of the Tender Evaluation Panel is that a Contract be awarded to: *Frank Haslam Milan Ltd, Glasgow*
- 8.2 Subject to approval, Letters of Intent will be issued to all successful and unsuccessful Tenderers
- 8.3 Both successful and unsuccessful Tenderers will be provided with the opportunity to receive a full debrief in accordance with EU Legislation, the Public Contracts (Scotland) Regulations and Scottish Procurement Directorate guidance.

9 AUTHORITY TO APPROVE

- 9.1 In line with Standing Orders Relating to Contracts and Contract Procedure Rules for North Ayrshire Council, the Tender Evaluation Panel seeks to obtain authority from the *Cabinet* to accept the Tender and award a *Contract* to the Tenderer identified in section 8.1.
- 9.2 If authority to accept is given by committee, please attach a copy of the minutes giving approval.

Representative of Cabinet:

PRINT NAME: _____

Signed: _____

Date: _____

NORTH AYRSHIRE COUNCIL

Agenda Item 13

20 November 2012

Cabinet

Subject: **Environment and Infrastructure Policy Board**

Purpose: To submit the Minutes of the Meeting of the Environment and Infrastructure Policy Board held on 22 October 2012.

Recommendation: That the Cabinet note the Minutes attached at Appendix 1.

1. Introduction

- 1.1 The Environment and Infrastructure Policy Board is one of six Policy Boards formed by the new Council following its election in May 2012.

2. Current Position

- 2.1 The second meeting of the Environment and Infrastructure Policy Board was held on 22 October 2012. At that time the Board considered a report in respect of the Winter Service and Weather Emergencies Plan 2012/13. The Minutes of the meeting are attached at Appendix 1.

3. Proposals

- 3.1 That the Cabinet note the Minutes attached at Appendix 1.

4. Implications

Financial Implications

- 4.1 There are no financial implications.

Human Resource Implications

- 4.2 There are no Human Resource Implications.

Legal Implications

- 4.3 There are a number of legal responsibilities and duties that have informed the Winter Service and Weather Emergencies Plan.

Equality Implications

- 4.4 There are no equality implications.

Environmental Implications

- 4.5 There are no Environmental Implications.

Implications for Key Priorities

- 4.6 The Winter Service and Weather Emergencies Plan supports the following key priority:-

10 : We live in well designed, sustainable places where we are able to access amenities and services we need.

5. Consultations

- 5.1 No consultations were required in the formation of this report. However, a number of services contributed to the development of the Winter Services and Weather Emergencies plan.

6. Conclusion

- 6.1 The attached Minutes are submitted for information.



CRAIG HATTON
Corporate Director (Development and Environment)

Reference : AB/LL

For further information please contact Angus Bodie on 01294 225211

Background Papers

Winter Service and Weather Emergencies Plan 2012/13

Environment & Infrastructure Policy Board

Monday 22nd October

At a meeting of the Environment & Infrastructure Policy Board of North Ayrshire Council held on Monday 22nd October 2012 at 2pm in the Council Chambers, Cunninghame House, Irvine.

Members Present:

Cllr Ian Clarkson, Cllr Anthea Dickson, Cllr John Ferguson and Cllr John Hunter

In Attendance:

Angus Bodie (for part), Head of Infrastructure & Design Services

Joe Smith, Senior Manager, Roads Network

Lesley Lyon, Admin Assistant (Minutes)

Chair

Cllr John Ferguson

Apologies for Absence:

Cllr John Bruce, Cllr John Easdale, Cllr Elizabeth McLardy and Cllr Joe Cullinane

The Chair opened the meeting. It was agreed that the previous Board meeting minutes would be approved at the next Environment Policy Board as they would be best placed to answer any questions Members may have and the minutes of this meeting would be approved at the next Infrastructure Policy Board.

1. Winter Service and Weather Emergencies Plan 2012/13

- 1.1 Joe Smith (JS) gave a presentation on the Winter Service and Weather Emergencies Plan for 2012/13, the key issues being as follows:
- 1.2 The Council has a statutory obligation as the local Roads Authority to take steps to prevent snow and ice endangering the safe passage of pedestrians and vehicles over public roads and footways. A map of the priority 1 gritting routes was available for Members and JS advised that 54% of North Ayrshire roads came into this category.
- 1.3 JS discussed a new management system called 'ICEMAN' which works in conjunction with the weather forecast and the gritting navigation systems fitted to all vehicles. This provides NAC with the facility to record more effectively any winter actions that have been taken while providing up to date information to all relevant stakeholders. The ICEMAN system will also be able to identify the amount of salt/grit being used on each route in addition to the time of when any treatments are carried out, which is provided electronically by the gritting navigation system. This is particularly useful in the event of an insurance claim as an accurate record/evidence is available of when and to what level the roads have been treated.

1.4 Discussion took place on last winter's trials on the use of brine (saline) spraying in Irvine and Kilwinning town centres. JS said that this was effective and feed back from local shop keepers was positive largely as there was no residue from the brine spray as there would have been with the salt/grit mix. JS said that brine spray would continue on a reactive basis during the winter of 2012/13 for town centre areas but not as a pre-treatment. Staff from Environment and Related Services will continue to support Roads with footway treatments.

1.5 JS advised that salt is bought in dry and 50% of this is stored in the Dome at Goldcraigs Depot with the remaining 50% being stored outside but under cover. This ensures that the salt remains in its optimum condition providing the maximum results.

It was noted that NAC have around 400 grit bins located throughout the Council area with larger community grit bins also being made available. Residents can apply for grit bins via the Council website. Residents are also advised of Winter Planning via the Council's Winter Road Show which is currently being delivered throughout local communities.

1.6 Questions were invited from Members

- Cllr Hunter asked if the underspend in the budget in 2011/12 is carried forward to 2012/13?

JS advised that any underspend will relate to unused salt so it will transfer into the budget for the following year.

- Cllr Dickson asked if the use of brine effective and is it expensive?

JS advised that brine spraying was used effectively during the trials in Kilwinning and Irvine town centres and NAC received good feedback from local shop keepers. At the moment it is too expensive to roll out across North Ayrshire however it is something that we are looking into.

- Cllr Dickson asked if this something that Community Service teams could do?

JS advised that we do use Community Service teams especially during periods of heavy snow, however we would not be able to use them for brine spraying due to the high turnover of Community Service teams, training and health and safety issues

- Cllr Ferguson asked are there places that are better suited for brine spraying?

JS advised public realm areas such as town centres are more suited to brine spraying. JS explained that normal road salt is turned into a saline solution by the moist conditions and the action of the traffic but this takes a little longer depending on volume of traffic. NAC will continue to use the brine spraying on priority 1 public realm areas on a reactive basis.

- Cllr Hunter – How is the grit recovered – is it just brushed down the drains?

JS advised that Environment and Related Services sweepers clean up surface grit and Roads clean out the gullies/drains after the winter. At the moment NAC are looking into ways of recycling the grit for use again.

- Cllr Dickson asked what are the priorities during a big freeze and snow fall with regards to people falling – previous plans look the same.

JS advised that the Priority 1 routes are still the same as previous years and continue to be the Council's priority for any treatment. Footway treatment will only be carried out on a reactive basis as and when resources allow. It is proposed that the use of brine will remain and we are currently exploring the possibility of adapting more weed spraying vehicles belonging to Environment and Related Services to assist with this, albeit on a reactive basis.

- Cllr Clarkson asked that the use of brine spraying being reactive and not proactive is disappointing.

JS reaffirmed that the public realm areas will continue to be treated reactively and identified that the costs associated with proactive treatment using the brine could not be met with the existing funding for winter.

- Cllr Clarkson asked how many Winter Controllers are there?

JS advised that there are 6 Winter Controllers on a rota system (one per week) – they gather information from the management systems and weather forecast provider in order to make the decision on what treatment if any should be carried out. The Winter Controllers also update NAC Website in relation to any road closures that have been implemented as a result of poor weather.

- Cllr Ferguson asked will this information be available to members of the public?

JS advised that winter information is now available on the Council website - we learned a lot from 2009 and the number of complaints has fallen significantly since then. Work is currently being done to improve the website.

- Cllr Dickson commented that it was good that all Members can get an email advising on what was happening weather wise and actions being taken, as this allowed them to advise constituents.
- Cllr Clarkson asked will the communications team be there to update systems. Sheltered housing complex with grit bins, how do older residents scatter the grit/salt – would shovels be provided? Roads will supply grit

bins and salt only, shovels will not be provided. Spreading of salt may fall under the remit of Housing Services or rely on the goodwill and community spirit of neighbours.

- JS advised that there will be a responsibility for each service to provide relevant updates – every year a cross service and stakeholder meeting is held to discuss the issues that arise over the previous winter period and what has worked and what hasn't. Any actions are reviewed during the process of updating the Winter Action Plan prior to the onset of the next winter period.
- Cllr Dickson & Cllr Clarkson – do they have a number for who is on call? Is there an elected number for Members?

JS advised that residents of North Ayrshire can call the call centre number and whoever is on call will be contacted, however a list of numbers can be provided for Members use only – not to be given out to the public.

- Cllr Clarkson commented that last year there appeared to be problems with operatives from Environment and Related Services?

JS advised that this has now been resolved and a formal rota of staff is now in place.

- Cllr Dickson asked when are we distributing the Winter Leaflet

JS advised that this has already been done and also handed out at the Road Shows.

- Cllr Ferguson asked where do these Road Shows take place?

JS advised that the Road Shows mainly take place in town centre locations and to date have also been outside Tesco in Irvine and Morrisons in the three towns area.

- Cllr Dickson asked if it could also be a possibility to move towards radio announcements too.

JS advised that this was being discussed with the Communications team. There are links to local radio in severe weather.

- Cllr Dickson asked if we work together with East and South Ayrshire Councils?

JS advised that the three Ayrshire Councils work well together with regards to cross boundary working as a lot of the roads merge together and it is more cost and time effective to complete a stretch of road than to stop and start again somewhere else. Such cross border working has worked very effectively for many years.

- Cllr Ferguson asked is there potential savings with an all Ayrshire roads?

JS advised that route optimisation would be explored with possible savings through economies of scale and rationalisation of routes.

- Cllr Dickson asked who salts car parks?

JS advised that if the car park is owned by NAC then Roads would, however this is a low priority. Environment and Related Services could be asked to do this during office hours if they have spare capacity, starting with town centre locations and working out. Quite often car parks are gritted by hand due to the size of vehicles and possible obstructions. Grit bins are situated at car parks to allow drivers to help themselves.

2. Potential Future Infrastructure Agenda Items

The Board considered a number of areas for future review, including

- Street Lighting – new technologies, including LED lighting
- Feasibility of advertising on roundabouts and street furniture
- Public Realm maintenance and aftercare manual
- Management of road drainage system assets
- Sustainable Transport Plan

Cllr Ferguson brought the meeting to a close at 3.25pm

NORTH AYRSHIRE COUNCIL

Agenda Item 14

20 November 2012

Cabinet

Subject: **Finance and Corporate Support Policy Board**

Purpose: To submit the Minute of the Meeting of the Finance and Corporate Support Policy Board held on 29 October 2012.

Recommendation: That the Cabinet agrees to note the Minute attached at Appendix 1.

1. Introduction

- 1.1 The Finance and Corporate Support Policy Board is one of six Policy Boards formed by the new Council following its election in May 2012.

2. Current Position

- 2.1 The second meeting of the Finance and Corporate Support Policy Board was held on 29 October 2012. At that time, the board considered two reports in respect of the Supporting Services Review and Outline of the wider Economic Challenge. The minute of the meeting is attached at Appendix 1.

3. Proposals

- 3.1 That the Cabinet agrees to note the Minute attached at Appendix 1.

4. Implications

Financial Implications

- 4.1 There are no financial implications

Human Resource Implications

- 4.2 There are no Human Resource implications.

Legal Implications

- 4.3 There are no legal implications.

Equality Implications

- 4.4 There are no equality implications.

Environmental Implications

- 4.5 There are no environmental implications.

Implications for Key Priorities

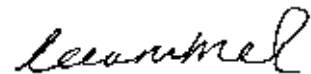
- 4.6 There are no implications.

5. Consultations

- 5.1 No consultations were required in the formation of this report.

6. Conclusion

- 6.1 The attached minute is submitted for information.



LAURA FRIEL

Corporate Director (Finance and Corporate Support)

Reference :

For further information please contact Laura Friel, Corporate Director (Finance and Corporate Support) on telephone number 01294 324554.

Background Papers

Supporting Services Review

Outline of the wider Economic Challenge

Finance & Corporate Support Policy Board
29th October 2012

At a meeting of the Finance & Corporate Support Policy Board of North Ayrshire Council held on **Monday 29th October 2012 at 2pm in Council Chambers, Cunninghame House, Irvine.**

Members Present:

Councillor Alex McLean
Councillor Marie Burns
Councillor Alex Gallagher
Councillor Tony Gurney
Councillor Tom Marshall

In Attendance:

Laura Friel, Corporate Director (Finance & Corporate Support)
Tracy Haggart, Business Analyst (Change Programme)
Gavin Macgregor, Head of Human Resources & Organisational Development
Jim Montgomery, General Manager (Policy & Service Reform)
Colin O'Kane, Change Programme Manager
Debbie Anderson, PA to Corporate Director (Finance & Infrastructure)

Chair

Councillor Alex McLean

1. Welcome and Apologies

Councillor McLean welcomed members to the second meeting of the Finance and Corporate Support Policy Board.

2. Minute of Previous Meeting – 10th September 2012

The minute of the previous meeting was approved as an accurate account of proceedings.

3. Supporting Services Review

Submitted report by Jim Montgomery, General Manager (Policy & Service Reform) on the Supporting Services Review. Jim gave a brief overview of the report and confirmed that the purpose of the review is to identify whether services are delivering best value and to optimum efficiency. He stated that in-house provision has been compared with external market options and of the eleven services reviewed, two were excluded due to lack of market interest, Legal and Accounting & Budgeting. There are nine remaining services within the scope: ICT, Human Resources, Payroll, Asset Management, Facilities Management, Revenues and Benefits, Procurement, Risk and Audit and Communications.

Members raised the following questions:

- Councillor Gallagher sought clarification on the term optimism bias and Tracy Haggart confirmed that this is a financial term covering a range of potential savings between the minimum and maximum value.
- Councillor Gallagher asked for the timescales for finalising this review and Tracy Haggart confirmed that it is nearing an end with the Board meeting in October to discuss progress.
- Councillor Gallagher highlighted his uncertainty of the desired outcome and Tracy confirmed that the purpose is to establish whether North Ayrshire Council is delivering the best it can from its own Services or if external companies can deliver better value for money.
- Councillor McLean asked why there was no external partners for Legal and Accounting & Budgeting as he noted the high number of legal firms in the private sector. Jim Montgomery confirmed that there was no appetite from the external market for these services and Colin O’Kane stated that any interest received had no experience in providing Legal Services within a Council environment which is somewhat different to legal services provided in the private sector.

Jim Montgomery concluded that the results of the review will be reported to the CMT at the end of December 2012 and reported to Cabinet members in 2013.

4. Outline of wider Economic Challenge

Submitted report by Laura Friel, Corporate Director (Finance & Corporate Support) outlining the wider Economic Challenges as per the request from the first meeting of the Policy Board. The report noted that North Ayrshire Council monitors the performance of the economy via a number of sources, namely: Sector, Centre for Public Policy for Regions (CPPR), Office of Budget Responsibility (OBR), Bank of England (BoE), International Monetary Fund (IMF) and Organisation for Economic Co-operation and Development (OECD). The overview noted that reports on economic performance are presented to the Council around four times per year as part of the reporting on Treasury Management and Financial Outlook / Annual Budget updates. The report highlighted the significant financial challenges ahead.

Members raised the following questions:

- Councillor Gallagher felt that it was an excellent report noting that Members were already aware of the issues. He noted the usefulness of the different sources of information and raised the question as to what the Policy Board should do with the report. He questioned whether other elected members would benefit from receiving the report and he looked for clarity on the purpose of this Policy Board.

Laura Friel highlighted that the level of detail contained within the report would not normally be submitted to Cabinet or Council, unless a specific

request was received. Laura stated that she is happy to arrange a seminar for all elected members if required and Councillor Gurney confirmed that this would be useful as there is some information contained within the report that he was not aware of.

- Councillor Marshall stated that he feels the Public Sector deficit is the driving factor in the Economic decline and he confirmed that it would be useful to receive the detailed figures on this.
- Councillor Burns noted that it would be useful to understand the background detail in relation to the financial information presented to members on a routine basis. She confirmed that she is interested to see the next quarter's GDP figures.
- Councillor Burns raised the question as to what scope Councils have to respond to the economic crisis. She also asked for clarity on the term "prudential borrowing". Laura Friel confirmed that "prudential borrowing" is another term for "affordable borrowing" i.e. borrowing sensibly. She stated that this is the reason why the Council sets Prudential Indicators, to ensure that it can afford to borrow to meet its investment needs.
- Councillor Gurney raised the question as to whether PPP is prudential borrowing. Laura confirmed that it is effectively a long term contract which reduces future flexibility in a similar way to long term borrowing.

5. Any Other Competent Business

Councillor Marshall requested that he receive a hard copy of the Policy Board papers for future meetings. Debbie Anderson agreed to ensure this is carried out.

6. Future Agenda Items

Altering Service Demand
Digital Engagement Strategy

7. Date of Next Meeting

Friday 14th December 2012 at 10am within the Council Chambers, Cunninghame House, Irvine.

The meeting ended at 3.00pm.