



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

North Ayrshire Council

A Special Meeting of the **North Ayrshire Council** of North Ayrshire Council will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Thursday, 05 March 2020** at **14:00** to consider the undernoted business.

1 Apologies

2 Declarations of Interest

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

3 General Services Revenue Estimates 2020/21 to 2022/23

Submit report by the Executive Director (Finance and Corporate Support) on (a) the Council's revenue spending requirements and anticipated funding for 2020/21 to 2022/23; (b) the level of reserves and fund balances held by the Council and (c) options to address the funding gap (copy enclosed).

4 Capital Investment Programme 2020/21 to 2027/28

Submit report by the Executive Director (Finance and Corporate Support) on the draft Capital Investment Programme to 2027/28 (copy enclosed).

5 Revenue Estimates 2020/21 – Common Good Funds and Trusts `

Submit report by the Executive Director (Finance and Corporate Support) on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and seek approval for the level of grant funding to be made available for disbursement in 2020/21 (copy enclosed).

6 Treasury Management and Investment Strategy 2020/21

Submit report by the Executive Director (Finance and Corporate Support) on the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2020/21 (copy enclosed).

7 Urgent Items

Any other items which the Provost considers to be urgent.

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North Ayrshire Council Sederunt

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

Chair:

Apologies:

Attending:

NORTH AYRSHIRE COUNCIL

5 March 2020

North Ayrshire Council

Title: **General Services Revenue Estimates 2020/21 to 2022/23**

Purpose: To advise Council on (a) the Council's revenue spending requirements and anticipated funding for 2020/21 to 2022/23; (b) the level of reserves and fund balances held by the Council and (c) options to address the funding gap.

Recommendation: That Council:

- a) notes the anticipated funding available to meet expenditure requirements;
 - b) approves the Council's expenditure requirements for 2020/21 and notes the indicative requirements for 2021/22 and 2022/23;
 - c) notes the level of reserves and fund balances held by the Council and approves any use and contributions to and from these, including;
 - (i) creation of a Climate Fund (£5.000m)
 - (ii) support Community Wealth Building (£1.200m)
 - (iii) creation of an Infrastructure Fund (£2.600m), supplemented by a revenue contribution of £0.186m, to create a Fund balance of £2.786m
 - d) notes the projected outturn position for 2019/20 within the context of risks facing the Council and approves any balance of underspend to supplement the Change and Service Redesign Fund;
 - e) notes the progress made in delivering Transformational projects wholly or partly funded through the application of capital receipts;
 - f) agrees the additional contribution to the HSCP noted at 1.11;
 - g) approves efficiencies and savings to ensure a balanced budget for 2020/21, consequential and new proposals in future years;
 - h) authorises officers to further develop options during 2020/21 for the service areas noted at 2.12;
 - i) approves increases to Council fees and charges detailed in Appendix 6;
 - j) determines the level of Council Tax for 2020/21;
 - k) notes the anticipated funding gap for 2021/22 and 2022/23;
 - l) considers the equality and children's rights impact of any proposed service changes;
 - m) approves the budget matrix for 2020/21.
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1. Executive Summary

Introduction

- 1.1. Section 93 of the Local Government Finance Act 1992 requires Councils to determine the levels of expenditure in the forthcoming financial year, and thereafter to set council tax sufficient to cover any unfunded balance.
- 1.2. This report provides Members with an overview of the Council's anticipated financial position on the General Fund revenue budget for the next three financial years, 2020/21 to 2022/23. It also sets out the information required to enable the Council to set a balanced budget and its Council Tax for 2020/21 by 11 March as required by statute.
- 1.3. A report "Financial Outlook 2020/21 to 2022/23" was presented to Council on 18 December 2019. In addition, a number of Members' seminars were held between December 2019 and February 2020 during which officers provided Members with information on the financial pressures faced by the Council and options to reduce expenditure within the context of the priorities within the Council Plan 2019-2024 and ensure services are delivered within available resources.

Revenue Budget

- 1.4. The Long Term Financial Outlook (LTFO) was considered by Council at its meeting on 4 October 2017. The LTFO sets out the anticipated financial challenge that the Council could face over the ten year period 2018/19 to 2027/28. This will be refreshed during 2020.
- 1.5. When the Council set its budget for 2019/20 on 27 February 2019 the decisions taken resulted in a balanced budget for 2019/20 with indicative funding gaps of £14.666m and £10.742m for 2020/21 and 2021/22 respectively.
- 1.6. The Medium Term Financial Plan (MTFP) for 2020/21 to 2022/23 builds on last year's MTFP and the analysis within the LTFO. The proposals in this report provide a balanced budget for 2020/21 with indicative funding gaps remaining for 2021/22 and 2022/23 of £9.248m and £9.817m respectively. A summary of the key components underpinning this is provided at 2.8.1.
- 1.7. Detail is provided at 2.6 on the anticipated level of earmarked, unearmarked and specific reserves with unearmarked reserves remaining at the minimum level of 2% equal to £7.159m, earmarked reserves of £19.534m and specific reserves of £7.744m aligning with anticipated future commitments. This represents a reduction of £6.677m on reserves relative to the position as at March 2019.
- 1.8. The review of loans fund advances as outlined in the Treasury Management and Investment Mid-Year report presented to Cabinet on 26 November 2019, identified the sum of £9.800m from the Prudential Investment Fund for transfer to unearmarked reserves. Following the Finance Settlement, a reduction in

General Capital Grant has created a shortfall in funding to support the Capital Investment Programme. To address this and mitigate the impact of increased borrowing, a reduced amount of £8.800m has been transferred to unearmarked reserves, with the balance of £1.000m retained to support funding of the current Capital Investment Programme. A review of earmarked reserves has released a further £0.548m available to support the budget.

- 1.9 To support Community Wealth Building activity, deliver sustainable investment in the environment and support the economy, it is recommended that Council approves the use of earmarked reserves for the purpose of;
- Creating a Climate Fund - £5.000m
 - Supporting Community Wealth Building - £1.200m
 - Creating an Infrastructure Fund - £2.600m, supplemented by a revenue contribution of £0.186m, to create a Fund balance of £2.786m.

This investment will help reduce the Medium Term Financial Plan funding gap in 2021/22 and 2022/23.

Health and Social Care Partnership

- 1.10 The Director of the Health and Social Care Partnership (HSCP) has provided Members with information on pressures and potential savings options to inform the Council's proposed contribution to the Partnership. This information is not detailed within the Council's budget proposal on the basis that the final position will be determined by the Integration Joint Board (IJB).
- 1.11 The proposed additional contribution for 2020/21 is £3.257m, reflecting the requirements as set out in the local government finance settlement on 6 February 2020. On 28 February 2020, similar to last year, it was confirmed that flexibility will be available again to local authorities to offset their adult social care allocations to Integration Authorities by up to 2%. In line with this, a total of £1.119m of the proposed additional contribution of £3.257m to the HSCP will be available in 2020/21 on a non-recurring basis.
- 1.12 The Integration Scheme approved by Scottish Ministers states that following determination of the Council and NHS payment to the IJB, the IJB will refine its Strategic Plan and planned service delivery to take account of the totality of resources available, delivering a balanced budget.
- 1.13 In addition to the above, the Council's core budget includes £1.486m to support repayment of the IJB £5.139m debt to the Council in the medium term. In the longer term this funding will be available to support the key priorities of the Council.

Chief Finance Officer Assurance

- 1.14 The 2020/21 annual budget and 2020/21 to 2022/23 Medium Term Financial Plan has been informed by the Council's Long Term Financial Outlook and previous MTFP. Significant scrutiny of the underlying assumptions and savings delivery has been undertaken to ensure the 2020/21 Annual Budget is robust.

It is the responsibility of Chief Officers, including the HSCP, to manage any variance from the underlying assumptions.

- 1.15 The report notes at 2.14 the significant risks and mitigations to the financial sustainability of service delivery. Allied to this is the requirement for the Council to hold a sufficient level of Reserves. The level of Reserves set out in the Budget Report aligns with known future commitments. The Change and Service Redesign Fund will require to be kept under review to ensure sufficient resources are available to continue to support the Council's Transformation programme. It is therefore recommended that any balance of underspend in 2019/20 is directed to supplement the Change and Service Redesign Fund.
- 1.16 Unearmarked reserves sit at the minimum of recognised best practice.

2 Background

2.1 Financial Context

2.1.1 The Long Term Financial Outlook for the Council for the 10 year period 2018/19 to 2027/28 was considered by Council at its meeting on 4 October 2017. This is the cornerstone of the Council's strategic financial planning framework and has informed the development of the Medium Term Financial Plan 2020/21 to 2022/23. This will be refreshed in 2020.

2.1.2 The UK returned to growth in the 3rd quarter of 2019 with activity increasing to 0.3% after a decline of 0.2% the previous quarter. Output is expected to be flat in quarter 4, 2019. The pace of growth continues to be slow and the UK economy remains fragile with annual growth of just 1%. This is the weakest level since early 2010. The outlook for the UK economy remains uncertain.

2.1.3 In addition to economic performance, other factors which influence the availability of funding for core local government services include:

- Protection of other public services as set out in the Scottish Government Medium Term Financial Strategy including Health (and social care);
- Public sector pay and pensions; and
- Expansion of Early Learning and Child Care.

2.2 Scottish Government Funding

2.2.1 The Local Government Finance Settlement for 2020/21 was published on 6 February 2020. Funding support from the Scottish Government comprises:

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

2.2.2 In addition to resources from the Local Government Settlement, some funds are routed through other Scottish Government portfolios.

2.2.3 The Scottish Government announced on the 27 February 2020 additional funding of £95.000m to local authorities. The NAC share is £2.516m.

2.2.4 The provisional settlement is subject to Parliamentary approval. Stages 2 and 3 of the Scottish Budget debate is scheduled for 5 March 2020.

2.2.5 North Ayrshire Council's anticipated Scottish Government funding support, as distributed, for 2020/21 is £296.679m and is subject to the requirements outlined in 2.2.8.

2.2.6 The Settlement resulted in a reduction of £1.205m (0.43%) in the core grant funding when compared to the 2019/20 settlement. In addition to the core funding, £17.788m has been received to meet the cost of new national expenditure requirements. The main elements include;

- £7.068m funding to support teacher pension and pay award;
- £5.173m continued support for early learning childcare expansion;
- £0.384m funding to support additional support staff in schools;
- £0.433m Access to school counselling
- £1.053m Discretionary Housing Payments
- £0.208m funding for Rapid Rehousing Transition Plan;
- £0.341m Carers Act (HSCP);
- £1.612m HSCP general allocation;
- £0.705m HSCP living wage;
- £0.055m Free personal care older people;
- £0.696m Free personal care under 65;

2.2.7 Resource allocation in respect of the Teacher Induction Scheme has yet to be confirmed. The expected funding is £0.734m.

2.2.8 The Scottish Government's requirements as set out in the Settlement letter dated 6 February 2020 includes;

- Maintaining pupil / teacher ratios at a national level and ensuring places for all probationers;
- Funding allocated to the HSCP should be in addition to the 2019/20 recurring baseline position. For NAC this equates to £3.257m;
- Council Tax increase not exceeding 4.84%.

2.2.9 For 2021/22 and 2022/23 the assumption is that the level of core grant support will reduce by 2% being £5.933m and £5.758m respectively, excluding planning assumptions around the level of loan charge support anticipated in 2021/22. Each 1% shift in core grant equates to around £2.900m.

2.3 Council Tax

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

2.3.2 With budgeted collection rates of 96.5%, the total estimated Council Tax Income based on a 4.84% increase, excluding Council Tax for second homes, for 2020/21 is £58.827m, after applying the council tax reduction scheme. Further increases of 3% per annum and other adjustments in 2021/22 and 2022/23 will increase Council Tax income to £60.703m and £62.639m, respectively. It should also be noted that the impact of this increase for those on the lowest incomes will continue to be mitigated through the Council Tax Reduction scheme.

2.3.3 The above will result in the following Council Tax charges in 2020/21 for each property band (excluding charges for water and sewage). For a Band D property this increase in charge equates to an additional £1.19 per week:

Band	Valuation (at 1991 levels)	2019/20 Council Tax	4.84% Increase	2020/21 Council Tax
A	Under £26,999	£853.80	£41.32	£895.12
B	£27,000 to £34,999	£996.10	£48.21	£1,044.31
C	£35,000 to £44,999	£1,138.40	£55.09	£1,193.49
D	£45,000 to £57,999	£1,280.70	£61.99	£1,342.69
E	£58,000 to £79,999	£1,682.69	£81.45	£1,764.14
F	£80,000 to £105,999	£2,081.13	£100.73	£2,181.86
G	£106,000 to £211,999	£2,508.04	£121.38	£2,629.42
H	Over £212,000	£3,137.71	£151.87	£3,289.58

2.3.4 Comparative information on Band D is provided within the Council Tax leaflet that is issued with Council Tax Bills. The comparative information for 2019/20 is as follows;

Scotland	£1,251
North Ayrshire Council	£1,280.70

2.4 Probable Outturn 2019/20

2.4.1 Based on the revenue financial performance report for 2019/20 at the end of November 2019, an underspend position of £1.055m is forecast. The factors contributing to this and associated risks were reported to Cabinet on 21 January 2020. The main risks include the projected outturn of the HSCP i.e. Forecast overspend of £1.434m at end of December 2019, the Council element being £1.980m, the suspension of European Social Fund payments and recovery of funding from the Big Lottery as part of the Better Off North Ayrshire programme. On this basis, the current projected underspend has not been included in the Medium Term Financial Plan, with the exception of the sum of £0.226m required to maintain unearmarked reserves at a level of 2%.

2.4.2 To ensure sufficient resources are available to continue to support the Council's Transformation programme, it is recommended that any balance of underspend in 2019/20 after allowing for the risks noted in 2.4.1 is directed to supplement the Change and Service Redesign Fund.

2.5 Transformation Update – Application of Capital Receipts

2.5.1 On 27 February 2019, Council approved the application of £2.300m of capital receipts to meet severance costs arising from five service transformation projects which fulfilled the Council’s best value parameters and met the terms of the Accounting Regulations. The following table details the actual costs arising from the implementation of each of these projects, the recurring savings realised during 2019/20 and the projected additional savings to be realised in future years.

Project Description	Severance Costs £m	Recurring Savings Realised £m	Projected Additional Recurring Savings £m
Building Service / PMI Integrated structure to improve governance, quality assurance and enhanced productivity.	0.215	0.072	-
School Technician Service Service redesign and re-evaluation of the allocation model and management structure across schools.	0.186	0.146	0.100
Community Learning and Development Redesigned multi-functional team to support focused, localised delivery of services in partnership with local communities.	0.684	0.579	-
ICT Review of applications, process improvement and service redesign to support the delivery of the Digital and Technology strategies	0.726	0.220	0.060
Revenues and Benefits Further development of the “One Team” approach to maximise right first time resolution	0.620	0.229	0.063
Totals	2.431	1.246	0.223
<i>Capital Receipts Applied</i>	<i>2.300</i>		

2.6 Reserve and Fund Balances

Introduction

2.6.1 Setting the General Fund Reserve is one of several related decisions in the formulation of the Medium Term Financial Plan and the annual revenue budget. In setting its budget the Council must have a clear reserves policy that takes account of; known commitments, potential liabilities and the risk profile of the Council, providing flexibility to deal with unforeseen circumstances. The right

level of reserves supports financially sustainable service delivery. The Council's approach is in line with CIPFA's recommended practice as set out in the document "Local Authority Reserves and Balances".

- 2.6.2 The economic outlook and the impact of this on funding for public services alongside the potential impact of the Scottish Government's Medium Term Financial Strategy on funding for local government results in continued risk and uncertainty during and beyond 2020/21. This, together with the challenge of delivering future efficiencies in the context of the level of savings which have been delivered to date, emphasises the importance of the Council maintaining a sufficient level of reserves.

Application of Reserves

- 2.6.3 North Ayrshire Council has used reserves in setting its budget over the last few years. This has included a reduction in unearmarked reserves to the current 2% minimum, release of earmarked reserves no longer required and application of in year underspends. Use of reserves provides a temporary solution but it is recognised that a more sustainable approach requires to be developed. A summary of application of reserves is noted below;

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

Reserves Policy

Unearmarked Reserve

- 2.6.4 This reserve is held to ensure the Council remains in a prudent financial position in 2020/21 and could respond to major unforeseen incidents or emergencies.
- 2.6.5 At 31 March 2019, the Council had unearmarked reserves of £6.933m. The review of loans fund advances as outlined in the Treasury Management and Investment Mid-Year report presented to Cabinet on 26 November 2019, identified the sum of £9.800m from the Prudential Investment Fund for transfer to unearmarked reserves. Following the Finance Settlement, a reduction in general capital grant has created a shortfall in funding to support the Capital Investment Programme. To address this and mitigate the impact of increased borrowing, a reduced amount of £8.800m has been transferred to unearmarked reserves, with the balance of £1.000m retained to support funding of the current Capital Investment Programme.
- 2.6.6 To support Community Wealth Building activity, deliver sustainable investment in the environment and support the economy, it is recommended that Council approves earmarked reserves for the purpose of;

- Creating a Climate Fund - £5.000m
- Supporting Community Wealth Building - £1.200m
- Creating an Infrastructure Fund - £2.600m, supplemented by a revenue contribution of £0.186m, to create a Fund balance of £2.786m.

This investment will help reduce the Medium Term Financial Plan funding gap in 2021/22 and 2022/23.

2.6.7 It is anticipated at 31 March 2020 that the balance of unearmarked reserves will be £7.159m. This includes a contribution of £0.226m from the 2019/20 projected underspend. The reserve continues to be at the lower end of the recommended range of 2% - 4% (£7.159m - £14.318m) for general reserves.

Earmarked Reserves

2.6.8 These Funds have been approved for carry forward to meet known commitments or liabilities which will be settled in future years. Current earmarked funds include:

- Affordable Housing – accumulated from Council Tax collected from second homes and long-term empty properties;
- Project-specific funds - these funds will be carried forward from 2019/20 to allow for the completion of specific projects after 31 March 2020;
- Prudential Investment Fund - resources to smooth the revenue implications of loan charges supporting the Capital Investment Programme. Following the review of Loans Fund advances £8.800m has been transferred to unearmarked reserves, leaving a zero balance, with support for the Capital Investment Programme being delivered through the Capital Fund;
- Change and Service Redesign Fund – supports delivery of significant change and transformation activity;
- Recommended earmarked reserves for Community Wealth Building, Climate Fund and Infrastructure Fund as outlined in 2.6.6.

Specific Reserves

2.6.9 Comments on the specific reserves are as follows;

- Insurance Fund - the current balance on this Fund aligns with the 2019 actuarial valuation, provision for uninsured claims and outstanding liabilities insured through Municipal Mutual Insurance pre-local government reorganisation.
- Capital Fund – This supports the proposed capital investment programme.

Summary

2.6.10 The projected accumulated balances on the Council's Funds and Reserves at 31 March 2020 are outlined in the table below, with the majority of these being earmarked for specific purposes. As can be seen the value of reserves is anticipated to decrease during 2019/20 by £6.677m.

	Balance at 31 March 2019 £m	Transfers Approved by Cabinet 21 Jan 2020 £m	Projected Transfers to 31 Mar 2020 £m	Transfers Included in Budget Paper £m	Projected Balance at 31 Mar 2020 £m	Anticipated Future Spend £m	Projected Future Balance £m
General Fund Unearmarked	6.933	8.800	0.226	(8.800)	7.159	-	7.159
<u>General Fund Earmarked</u>							
Education DMR	0.447	-	-	-	0.447	(0.447)	-
Affordable Housing	3.418	(2.063)	-	-	1.355	(1.355)	-
Project Specific Funds	12.041	(4.885)	-	(0.548)	6.608	(6.608)	-
Prudential Investment Fund	6.210	(8.800)	2.590	-	-	-	-
Change and Service Redesign Fund	2.804	(0.490)	-	-	2.314	(2.314)	-
Commonwealth Legacy Fund	0.010	-	-	-	0.010	(0.010)	-
Climate Change Fund	-	-	-	5.000	5.000	(5.000)	-
Community Wealth Building Fund	-	-	-	1.200	1.200	(1.200)	-
Infrastructure Fund	-	-	-	2.600	2.600	(2.600)	-
Total Earmarked Funds	24.930	(16.238)	2.590	8.252	19.534	(19.534)	-
Total General Fund Balances	31.863	(7.438)	2.816	(0.548)	26.693	(19.534)	7.159
<u>Specific Reserves</u>							
Insurance Fund	2.613	-	-	-	2.613	(2.613)	-
Capital Fund	6.638	(1.975)	0.468	-	5.131	(5.131)	-
Total Specific Reserves	9.251	(1.975)	0.468	-	7.744	(7.744)	-
Total General Fund Reserves	41.114	(9.413)	3.284	(0.548)	34.437	(27.278)	7.159

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

2.7 Income Summary

2.7.1 Total funding available to the Council to finance its expenditure plans in 2020/21 is noted in the table below. The main assumptions are as follows;

- 2020/21 Scottish Government Funding in line with the Finance Circular and letter of 6 February 2020 and the Scottish Government announcement on 27 February confirming additional revenue funding, with an assumption that all 2020/21 grant is recurring. A further 2% reduction in core funding projected for years 2 and 3, excluding planning assumptions around the level of loan charge support in 2021/22;
- An uplift of 4.84% on council tax for 2020/21 in line with the Scottish Government cap, with an appropriate adjustment for the number of households and further assumed increases of 3.00% per annum for 2021/22 and 2022/23 respectively;
- Use of Reserves in line with the Council's Reserves Strategy with the requirement for a recurring solution to be in place for 2021/22; and

- Outwith specific proposals, fees and charges uplifted by 5% annually.

	2020/21 £m	2021/22 £m	2022/23 £m
Aggregate External Finance	296.679	287.884	282.758
Additional Aggregate External Finance due: Teachers' Induction Scheme	0.734	0.734	0.734
Council Tax	58.827	60.703	62.639
Additional Council Tax Income from Second Homes	1.140	1.174	1.210
Contribution from Earmarked Reserves	0.548	0.112	-
Total Funding Available	357.928	350.607	347.341

2.8 Expenditure Requirement

2.8.1 The revised expenditure requirement for 2020/21 is £359.480m and is summarised in Appendix 1. This is the 2019/20 base budget adjusted to reflect the outcome of a full review of service pressures, previously approved savings, operational budget adjustments, national expenditure requirements and the proposed funding contribution to the Health and Social Care Partnership. The main assumptions and pressures are summarised below;

- Costs of continuing the current level of service;
- Significant inflationary pressures, including agreed pay awards, teachers pensions, contractual commitments and utilities;
- The financial implication of decisions already taken by the Council;
- Significant socio economic and demographic pressures including:
 - a growing older population;
 - increased demand for support for adults;
 - increased demand for support for vulnerable children and young people;
- Additional property and operating costs arising from the capital investment programme.

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

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

2.8.4 As part of the 2019/20 revenue budget, savings were approved for 2020/21 and 2021/22 and they are detailed at Appendix 3.

2.8.5 The expenditure requirements identified for 2020/21 to 2022/23 are provided in Appendix 4. These include a non-recurring contribution of £0.186m to the

Infrastructure Fund. Subject to approval of use of earmarked reserves as noted in 2.6.6.

2.8.6 Based on this, savings of £1.552m / £10.555m / £11.317m are required for 2020/21, 2021/22 and 2022/23 respectively.

2.9 Health and Social Care Partnership

2.9.1 Included in the Finance Settlement on 6 February 2020, a total of £3.257m additional funding requires to be passported to the HSCP. As a condition of the settlement the funding should be in addition to the 2019/20 recurring budget. However, on 28 February 2020, similar to last year, it was confirmed that flexibility will be available again to local authorities to offset their adult social care allocations to Integration Authorities by up to 2%. In line with this, £1.119m of the proposed additional contribution of £3.257m to the HSCP will be available in 2020/21 on a non-recurring basis.

HSCP Funding	Amount £
Recurring	£2.138m
Non-Recurring	£1.119m
Total	£3.257m

The funding includes a share of a national £96.000m allocation transferred from the Health portfolio (NAC £2.713m) as well as the full year impact of funding in 2019/20 (£0.544m).

2.9.2 A further £4m was transferred from the Health portfolio to support school counselling. The share for NAC is £0.433m, which represents an additional £0.104m from 2019/20, these funds have been allocated to the Communities Directorate.

2.9.3 In recognition of the role of the Council vis a vis the Integrated Joint Board (IJB), the financial information presented in this report is limited to the proposed contribution the Council will make to the IJB, recognising that final distribution of resources is a matter for the IJB.

2.9.4 The Integration Scheme approved by Scottish Ministers states that, following determination of the Council and NHS payments to the IJB, the IJB will refine its Strategic Plan to take account of the totality of resources available. Accordingly, the proposed financial contribution to the IJB of £3.257m in 2020/21 represents the full allocation required for the HSCP to meet new and existing spending commitments. For years 2021/22 and 2022/23 the financial planning assumption from the Council is that the financial pressures facing the IJB will be fully met by savings.

2.9.5 In addition to the above, the Council's core budget includes £1.486m to support repayment of the IJB £5.139m debt to the Council in the medium term. In the longer term this funding will be available to support the key priorities of the Council.

2.10 Efficiencies and Savings Proposals

2.10.1 Proposals for efficiencies and savings have been made which can deliver a balanced budget for 2020/21, after applying £0.548m of reserves. There are estimated net budget shortfalls of £9.248m and £9.817m in 2021/22 and 2022/23. Proposed savings, excluding the HSCP, are summarised at Appendix 5.

2.10.2 Appendix 5 includes a breakdown of each savings proposal, and in particular;

- Alignment of savings proposals to the key Council priorities of Aspiring Communities, Inspiring Places and a Council for the Future;
- Alignment of savings proposals across new Transformation themes including;
 - Caring for People (HSCP)
 - Land and Property Assets
 - Service Delivery Models
 - Transport and Travel
 - Charging for Services
 - Children, Young People and Communities
- Assessed impact on communities ranging from no impact through low to high negative impact to positive impact;
- Delivery risk status assessed across Red / Amber / Green; and
- Workforce implications of savings proposals for 2020/21.

2.10.3 Included in the 2019/20 Budget was approval to increase fees and charges by 5% per annum. The schedule included in Appendix 6 contains a list of charges to be increased with effect from 1 April 2020. The schedule also contains some statutory charges which are set at a national level and are, therefore, not subject to the standard 5% increase.

2.10.4 The table below summarises the community impact of new savings;

Community Impact	Number of Savings Options	Value of Savings Options £m
No Impact	5	0.223
Low Impact	5	1.132
Medium Impact	1	0.074
High Impact	-	-
Positive Impact	2	0.123
Total	13	1.552

2.11 Equality and Children’s Rights Impacts of Budget Proposals

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

2.11.2 Proposals contained in these papers have been screened to assess whether there are any equalities and socio-economic impacts and, if so, the proposals have been equalities and children’s rights impact assessed (ECRIA).

2.11.3 The purpose of the ECRIA is to ensure that Members are fully informed in advance of taking decisions, they do not prevent Members from making decisions. All ECRIAs have an assessment of risk alongside mitigating actions. This enables Council to consider if any detrimental impact can be minimised and any positive impact maximised.

2.11.4 The table below summarises the outcome of the assessments. A link to the relevant assessments is provided below;

<http://naconnects.north-ayrshire.gov.uk/organisation/equality.aspx>

Equality and Children's Rights Impact	Number of Savings Options	Value of Savings Options £m
Negative Impact	2	0.924
Neutral Impact	10	0.515
Positive Impact	1	0.113
Total	13	1.552

2.11.5 Any alternative proposals from Members will require to be screened and assessed to ensure Council is aware of impacts before making any decision.

2.11.6 Responsibility for the funding allocations within the Health and Social Care Partnership rests with the Integrated Joint Board which has responsibility for assessment of the impact of the decisions it takes.

2.12 Medium Term Financial Plan – Areas for Further Development

2.12.1 A range of service areas were identified in the development of the current Medium Term Financial Plan. It is recognised that, in a number of areas, further work requires to be progressed to explore potential options around service delivery and, where appropriate, for engagement with stakeholders to be undertaken through this process. A summary of some areas of focus include;

- **Review of libraries, halls and centres** (incorporating the school library service) – Following initial engagement, a range of potential options for service delivery should be developed which will be subject to further consultation with key stakeholders.
- **Arran Outdoor Education Centre** – The service provision currently runs at an operating deficit in excess of £0.400m per annum. Alternative operating models and options appraisals will be undertaken, with a view to potentially developing options that move towards a self-financing solution.
- **Countryside Ranger Service** – The team of Rangers based at Eglinton Country Park support a wide range of educational, horticultural, physical and mental health activities, accredited learning and volunteering opportunities. Many of these contribute to the care and maintenance of the park, which will be considered as part of a review to reduce operating costs.
- **Review of the Garden Tidy Scheme** - The Garden Tidy Scheme is available on a first come first serve basis for up to 450 eligible residents. Current eligibility criteria for citizens takes account of age and those in receipt of certain benefits. The charge for the service is £80 per annum and this includes up to seven grass cuts and one hedge trim. The current charge does not reflect full-cost recovery for the service.
- **Transient Visitor Tax (TVT)** – Following the Scottish Government consultation, Stage 1 of the TVT bill process is scheduled to commence in quarter 2 of 2020. Further consideration and development around any potential local discretionary scheme will be progressed during 2020/21.

2.12.2 It is recommended that Council authorises officers to progress further work in these areas during 2020/21, with a view to considering the findings within the context of the Medium Term Financial Plan.

2.13 Community Engagement

2.13.1 The Council carried out a programme of engagement across each locality with the main focus on seeking views from community representatives on the new Council Transformation themes to help inform the Medium Term Financial Plan and the development of Community Charter; In particular, how the relationship between communities and the Council can be reshaped to improve how we work together. The sessions were delivered by the Chief Executive and senior officers through November and December 2019.

2.13.2 Feedback from the community engagement sessions was provided to Members on 13 February 2020. A summary of the feedback across Transformation themes includes:

- Caring for People – The keys strands included; development of an assets based approach and promotion of social networks, maximising use of technology and early intervention and protection and development of integrated locality teams including partnerships with the third sector.
- Land and Property Assets – Recognition of need for rationalisation of Council land and property assets and to utilise land and property for multi-use community hubs, green energy projects including solar and wind farms and an appreciation of requirements for income generation through a more commercial focus around property, including addressing empty properties.
- Service Delivery Models – Broad support for the expansion of a digital approach aligned to robust connectivity, community support and access and improved and standardised use of data.
- Transport and Travel – 4 key themes emerged through discussions including pupil transport, public transport, especially in rural locations, the need for more sustainable forms of transport, including active travel and the willingness from communities to become involved in community transport schemes.
- Charging for Services – Generally broad support around the introduction of a Transient Visitor Tax. Raising council tax received mixed views, in particular, feedback was received around the need for the Council to be clear about availability and quality of services. The Council should consider a more commercial approach around services, whilst ensuring the right balance between charging and encouraging access to services.
- Children, Young People and Communities – Some key themes emerged around the need for a whole systems approach and early intervention to support young people and families. Better support for volunteers to enable partnership working with the Council and, similarly, the importance of developing relationships between schools and communities.

2.13.3 The community engagement sessions explored further the relationship between the Council and communities and, importantly, what can be done together to deliver positive outcomes for citizens and the environment. Key themes included helping others (including tackling social isolation), recycling, building the economy, on-line services, food, volunteering and kindness. A Community Charter will be progressed for each locality and shared with locality partnerships, with a view to completing by Spring 2020.

2.14 Management of Risk

2.14.1 North Ayrshire's financial framework is underpinned by strategic, operational and project risk registers to identify and take steps to mitigate risks. Given the significance of the financial risks the Council faces, this report sets out in the table below a number of the key risks associated with securing financial sustainability.

Risk	Mitigation
<p>Cost of service delivery exceeding financial provision including; pay, demand led pressures and inflation</p> <p>Not securing in year financial balance</p> <p>Savings not delivered timeously</p> <p>Adequacy of reserves and provisions</p>	<p>Robust scrutiny and assurance by Chief Officers of the underlying 2020/21 budget assumptions.</p> <p>Visibility of wider economic climate and UK and Scottish Governments' financial planning assumptions</p> <p>Regular reporting of financial performance and delivery of savings and transformation to Executive Leadership Team, Cabinet and Audit and Scrutiny (HSCP)</p> <p>Through development of MTFP, financial performance reporting and year end closure, regular assessment of potential financial exposure across areas of income non recovery and cost liability is considered and inform the level of reserves</p>
<p>Financial Sustainability of the HSCP</p>	<p>Collaborative working with the HSCP to secure in year financial balance and repayment of the debt to the Council</p> <p>Financial governance and scrutiny of financial performance through monthly Cabinet and Audit and Scrutiny committee.</p>
<p>Delivery of current and future year transformation</p>	<p>Chief Officer sponsorship across key transformation themes</p> <p>Effective governance and scrutiny of the transformation programme through the Chief Officer Leadership Team</p> <p>Robust workforce planning</p>

2.15 Revenue Budget - Objective and Subjective Analysis

2.15.1 The Codes of Financial Practice outline categories of service delivery, known as the Objective Analysis, and categories of expenditure type, known as the

Subjective Analysis. Based on the budget presented within this report, the budget matrix for 2020/21 is attached in Appendix 7.

2.15.2 Once this matrix is approved, services must spend in line with this and any subsequent significant and planned variation to this budget (i.e. virement) must be approved by Cabinet.

2.15.3 All North Ayrshire Council functions relating to health and social care are entirely delegated to the Integrated Joint Board, subject to appropriate reporting throughout the year to the Council.

2.16 Local Government in Scotland Financial Overview 2018/19

2.16.1 Audit Scotland's report titled Local Government in Scotland Financial Overview 2018/19 was reported to Council on 12 February 2020. Some of the key messages from the report are noted below covering Councils and Integrated Joint Boards:

Council

- Councils dependency on Scottish Government funding setting out funding trends since 2013/14 with more detailed information being provided for 2018/19 and 2019/20, presented in both cash terms and real terms with the latter taking account of the impact of inflation;
- The more significant reduction in local government funding than the rest of the Scottish Government budget since 2013/14;
- The growing proportion of Scottish Government funding for national policy initiatives reducing the flexibility councils have in responding to local priorities;
- Councils responses to the funding challenge include; savings, service redesign, reduction to services, increasing charges and increasing use of reserves, with a reduction in reserves over the last three years;
- Councils progress on medium term financial planning with no significant progress in long term financial planning;

Integrated Joint Boards

- Majority of IJB's struggling to breakeven;
- One third of IJBs not agreeing their budgets for the start of 2019/20;
- Improvement in IJBs developing medium term financial plans but no progress on long term financial planning;
- Turnover of IJB senior staff;
- Pace of integration slow with limited evidence of a shift in resources from acute based hospital spend to community health and social care.

2.17 Summary

2.17.1 The estimated financial position included in this report is set in the context of continued uncertainty in the performance of global and UK economies.

2.17.2 A total of £0.548m of reserves provides non-recurring funding in 2020/21 with a sustainable solution required for 2021/22.

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

	2020/21	2021/22	2022/23
	£m	£m	£m
Council Tax Increase	4.84%	3.00%	3.00%
Core Grant Reduction	0.43%	2.00%	2.00%
Operational Adjustments	£-1.176	£0.017	£-0.008
Previously Approved Savings	£-1.604	£-1.045	£-0.330
Expenditure Requirements (excluding HSCP, new funding and loan charges)	£6.584	£7.124	£7.756
Additional Funding for HSCP - Recurring	£2.138	£0	£0
Additional Funding for HSCP – Non-Recurring	£1.119	£0	£0
Total HSCP Funding	£3.257	£0	£0
Savings for Approval	£-1.552	£-1.307	£-1.499

2.17.4 The additional funding to the HSCP in 2020/21 represents the full allocation required for the HSCP to meet new and existing spending commitments.

2.17.5 £17.788m of additional funding has been provided to meet new national expenditure requirements.

2.17.6 Proposed increases in charging are outlined at Appendix 6.

3 Proposals

That Council:

- a) notes the anticipated funding available to meet expenditure requirements;
- b) approves the Council's expenditure requirements for 2020/21 and notes the indicative requirements for 2021/22 and 2022/23;
- c) notes the level of reserves and fund balances held by the Council and approves any use and contributions to and from these, including;
 - (i) creation of a Climate Fund (£5.000m)
 - (ii) support Community Wealth Building (£1.200m)
 - (iii) creation of an Infrastructure fund (£2.600m), supplemented by a revenue contribution of £0.186m, to create a Fund balance of £2.786m
- d) notes the projected outturn position for 2019/20 within the context of risks facing the Council and approves any balance of underspend to supplement the Change and Service Redesign Fund;

- e) notes the progress made in delivering Transformational projects wholly or partly funded through the application of capital receipts;
- f) agrees the additional contribution to the HSCP noted at 1.11;
- g) approves efficiencies and savings to ensure a balanced budget for 2020/21, consequential and new proposals in future years;
- h) authorises officers to further develop options during 2020/21 for the service areas noted at 2.12;
- i) approves increases to Council fees and charges detailed in appendix 6;
- j) determines the level of Council Tax for 2020/21;
- k) notes the anticipated funding gap for 2021/22 and 2022/23;
- l) considers the equality and children's rights impact of any proposed service changes;
- m) approves the budget matrix for 2020/21.

4 Implications / Socio-economic Duty

Financial

- 4.1 The financial implications are as outlined in the report. Members require to approve a package of efficiencies and savings, excluding any decision taken by the IJB in respect of social care services, totalling £1.552m for 2020/21. The recommendations are based on a 4.84% increase to Council Tax. Any increase in net expenditure above that outlined in the draft budget, or any increase in council tax below 4.84% will require to be funded.

Failure to agree to the requirements outlined in the Scottish Government's grant offer as outlined at 2.2.8 may result in a less favourable settlement.

Human Resources

- 4.2 The total anticipated impact on the workforce is net growth of 85.8 wte posts. Investment in the HSCP will generate growth of 36.8 wte and a further 91.5 wte posts from the expansion of early learning and childcare. The impact of the new savings proposals for 2020/21 is an anticipated reduction of 25.5 wte. Workforce implications associated with operational budget adjustments, previously approved savings and expenditure requirements result in a 17 wte reduction.

The Council has a robust workforce planning framework in place. In line with this any reduction to the workforce will be management through vacancies, redeployment, voluntary early retirement and voluntary redundancy. This will be effected by engagement and participation with the Trade Unions on a Service by Service basis to develop and agree implementation plans.

Legal

- 4.3 The Council is obliged by the Local Government Finance Act 1992 to set a budget for 2020/21 and to do so in a manner and at such a time as to ensure that it is able lawfully to set its council tax by 11 March. Failure to do so could result in a number of legal and financial consequences, for both Council and Members.

Equality/Socio-economic

4.4 Obligation in respect of equalities are set out at 2.11 of the report.

Hard copies of the Equality and Children's Rights Impact Assessments and a summary of screenings, have also be placed in the Members Lounge. The link is provided below.

<http://naconnects.north-ayrshire.gov.uk/organisation/equality.aspx>

Environmental and Sustainability

4.5 While setting of the budget has no direct environmental or sustainability impacts, there may be impacts on individual services.

Key Priorities

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

Community Wealth Building

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

5 Consultation

5.1 Significant scrutiny and challenge of the underlying assumptions of the proposed budget has taken place with the Executive Leadership Team prior to submission to Elected Members at a number of sessions between November 2019 and February 2020.

5.2 The key issues within this report have been presented to the Trade Unions.

5.3 Community engagement has taken place across each locality during November and December 2019, with the main focus on seeking views on the new Council Transformation themes and the development of Community Charter. This has been taken into consideration in setting the 2020/21 Budget.

Laura Friel
Executive Director (Finance & Corporate Support)

For further information please contact Laura Friel, Executive Director of Finance and Corporate Support on insert 01294-324554.

Background Papers

None

North Ayrshire Council
Revenue Budget 2020/21
Revenue Budget Summary Position

	2020/21	2021/22		Total £000's	2022/23		Total £000's
	£000's	Consequential £000's	Rephased/New £000's		Consequential £000's	Rephased/New £000's	
Funding							
Aggregate external finance	296,679	287,884		287,884	282,758		282,758
Additional aggregate external finance due : Teachers' Induction Scheme	734	734		734	734		734
Council Tax Income (4.84%)	58,827	60,703		60,703	62,639		62,639
Council Tax Income from 2nd homes	1,140	1,174		1,174	1,210		1,210
Contribution from General Reserves	548	112		112	-		-
Total Funding Available	357,928	350,607	-	350,607	347,341	-	347,341
Expenditure							
Base Budget	343,521	357,928		357,928	350,607		350,607
Operational Budget Adjustments							
Inspiring Places	(805)	103	-	103	(45)	-	(45)
Aspiring Communities	(49)	(29)	-	(29)	-	-	-
A Council for the Future	(321)	(57)	-	(57)	37	-	37
Total Operational Budget Adjustments	(1,175)	17	-	17	(8)	-	(8)
Savings Previously Approved							
Inspiring Places	(417)	(670)	-	(670)	-	-	-
Aspiring Communities	(684)	(60)	-	(60)	-	-	-
A Council for the Future	(502)	(315)	-	(315)	(330)	-	(330)
Total Savings Previously Approved	(1,603)	(1,045)	-	(1,045)	(330)	-	(330)
Investments - Contractual/Unavoidable							
Aspiring Communities	415	-	457	457	-	812	812
A Council for the Future	441	-	76	76	-	-	-
Corporate Investment	2,499	-	3,768	3,768	-	7,332	7,332
Total Contractual / Unavoidable	3,355	-	4,301	4,301	-	8,144	8,144
Investments - National/Local Pressures							
Inspiring Places	77	-	102	102	-	103	103
A Council for the Future	470	-	(231)	(231)	-	49	49
Total National / Local Pressures	740	-	(39)	(39)	-	245	245
New National Expenditure Requirements							
Inspiring Places	208			-			-
Aspiring Communities	11,035			-			-
A Council for the Future	142			-			-

North Ayrshire Council
Revenue Budget 2020/21
Revenue Budget Summary Position

	2020/21	2021/22			2022/23		
	£000's	Consequential £000's	Rephased/New £000's	Total £000's	Consequential £000's	Rephased/New £000's	Total £000's
Total National Expenditure Requirements	11,385	-	-	-	-	-	-
Total Expenditure Requirements (excl HSCP)	15,480	-	4,262	4,262	-	8,389	8,389
Health and Social Care Partnership							
HSCP Net Expenditure Requirements	-	-	-	-	-	-	-
New HSCP National Expenditure Requirements - Recurring	2,138	-	-	-	-	-	-
New HSCP National Expenditure Requirements - Non Recurring	1,119	-	-	-	-	-	-
Total Health and Social Care Partnership	3,257	-	-	-	-	-	-
Total Expenditure Requirements	18,737	-	4,262	4,262	-	8,389	8,389
Total Adjustments	15,959	(1,028)	4,262	3,234	(338)	8,389	8,051
Total Expenditure Requirement	359,480	356,900	4,262	361,162	350,269	8,389	358,658
(Surplus)/Deficit for Year	1,552	6,293	4,262	10,555	2,928	8,389	11,317
New Savings Proposed							
Inspiring Places	(250)	(234)	(50)	(284)	(325)	(370)	(695)
Aspiring Communities	(1,249)	(973)	-	(973)	(355)	-	(355)
A Council for the Future	(53)	-	(50)	(50)	-	(450)	(450)
Total Savings Proposed	(1,552)	(1,207)	(100)	(1,307)	(680)	(820)	(1,500)
Revised Expenditure Requirement	357,928	355,693	4,162	359,855	349,589	7,569	357,158
Revised (Surplus)/Deficit for Year if all Savings Proposals are Accepted	0	5,086	4,162	9,248	2,248	7,569	9,817

North Ayrshire Council
Revenue Budget 2020/21
Revenue Budget Operational Budget Adjustments

Council Objective/Theme	Operational Budget Adjustment	Reference	Category	2020/21 £'s	2021/22 £'s	2022/23 £'s
Inspiring Places						
Charging for Services, Alternative Funding	Increased Employability Programme match funding	SP-PL-20-19	Green	(350,000)	350,000	-
Charging for Services, Alternative Funding	Review non ERDF Economic Growth support funding	SP-PL-20-20	Green	-	(185,000)	-
Charging for Services, Alternative Funding	Increase design team fee income target to reflect current 10 year capital programme	SP-PL-20-27	Green	(92,500)	-	-
Charging for Services, Alternative Funding	Coastal Communities - Review of expenditure aligned to available external funding	SP-PL-20-42	Green	(88,000)	-	-
Charging for Services, Alternative Funding	Sub Total			<u>(530,500)</u>	165,000	-
Land, Property and Assets	Road Lighting - Energy Efficiency Lunar 2	SP-PL-20-14	Green	(37,500)	(37,500)	-
Land, Property and Assets	Road Lighting - Removal of dark lamp night fault inspection	SP-PL-20-15	Green	(6,500)	-	-
Land, Property and Assets	Remove PMI budget for portacabin rental	SP-PL-19-39	Green	-	(25,000)	-
Land, Property and Assets	Clyde Muirshiel Regional Park	SP-COM-20-03	Green	(41,000)	-	-
Land, Property and Assets	Sub Total			<u>(85,000)</u>	(62,500)	-
Service Delivery Models	Further review of vacant posts and those not directly contributing to statutory functions	SP-PL-20-02	Amber	(184,835)	-	-
Service Delivery Models	Relocation of Homelessness Team to Bridgegate House	SP-PL-20-26	Green	-	-	(45,000)
Service Delivery Models	Sub Total			<u>(184,835)</u>	-	(45,000)
Waste Services Review	Reduction in landfill aftercare costs	SP-PL-20-07	Green	(50,000)	-	-
Waste Services Review	Reduce Streetscene purchase of items such as litter bins, benches and planters.	SP-PL-19-04	Green	20,000	-	-
Waste Services Review	Reduction in the waste container expenditure	SP-PL-19-13	Green	25,000	-	-
Waste Services Review	Sub Total			<u>(5,000)</u>	-	-
Total				<u>(805,335)</u>	102,500	(45,000)
Aspiring Communities						
Children, Young People and Communities	ASN Review	SP-COM-20-10	Amber	(23,939)	(29,190)	-
Children, Young People and Communities	Reduce non-employee costs in central Education budgets	SP-COM-20-13	Green	(25,000)	-	-
Children, Young People and Communities	Sub Total			<u>(48,939)</u>	(29,190)	-
Total				<u>(48,939)</u>	(29,190)	-

A Council for the Future

North Ayrshire Council
Revenue Budget 2020/21
Revenue Budget Operational Budget Adjustments

Council Objective/Theme	Operational Budget Adjustment	Reference	Category	2020/21 £'s	2021/22 £'s	2022/23 £'s
Charging for Services, Alternative Funding	Procurement Rebates	SP-FCS-20-01	Green	(20,000)	-	-
Charging for Services, Alternative Funding	Sub Total			<u>(20,000)</u>	<u>-</u>	<u>-</u>
Other	Contribution to Affordable Housing Reserve		Green	44,000	34,000	37,000
Other	Sub Total			<u>44,000</u>	<u>34,000</u>	<u>37,000</u>
Service Delivery Models	Legal and Licensing restructure	SP-CX-18-04	Green	(11,226)	(11,224)	-
Service Delivery Models	Personal Liquor Licence renewal	SP-CX-19-04	Green	26,000	-	-
Service Delivery Models	Benefits Review & Digital Automation	SP-FCS-20-02	Green	(24,000)	(48,000)	-
Service Delivery Models	Digital & Business Support Efficiencies	SP-FCS-20-03	Green	(112,000)	-	-
Service Delivery Models	Review of Chief Officer Structure	SP-OCI-20-02	Green	(224,114)	(31,907)	-
Service Delivery Models	Sub Total			<u>(345,340)</u>	<u>(91,131)</u>	<u>-</u>
Total				<u>(321,340)</u>	<u>(57,131)</u>	<u>37,000</u>
TOTAL OPERATIONAL BUDGET ADJUSTMENTS				<u>(1,175,614)</u>	<u>16,179</u>	<u>(8,000)</u>

North Ayrshire Council
Revenue Budget 2020/21
Revenue Budget Savings Already Approved









Council Objective/Theme	Saving	Reference	Category	2020/21 £'s	2021/22 £'s	2022/23 £'s
Inspiring Places						
Charging for Services, Alternative Funding	Introduction of Car Parking charges and Decriminalised Parking	SP-PL-20-03	Green	-	(340,000)	-
Charging for Services, Alternative Funding	Increase Rent for Temporary Accommodation	SP-PL-19-53	Green	93,297	-	-
Charging for Services, Alternative Funding	Sub Total			93,297	(340,000)	-
Land, Property and Assets	Reduction in Property Maintenance Budgets	SP-PL-19-26	Red	(140,000)	(300,000)	-
Land, Property and Assets	Property Rationalisation	SP-PL-18-40	Green	(205,851)	(30,000)	-
Land, Property and Assets	Sub Total			(345,851)	(330,000)	-
Service Delivery Models	Review of Homelessness Service	SP-PL-19-22	Amber	(116,860)	-	-
Service Delivery Models	Review of venue booking arrangements	SP-PL-19-38	Amber	(47,500)	-	-
Service Delivery Models	Sub Total			(164,360)	-	-
Total				(416,914)	(670,000)	-
Aspiring Communities						
Children, Young People and Communities	Review school technician services	SP-EY-18-13	Green	(100,000)	-	-
Children, Young People and Communities	Reduce staff cover costs	SP-EY-19-03	Green	(192,308)	-	-
Children, Young People and Communities	Educational Psychology service redesign	SP-EY-19-04	Green	(40,000)	(60,000)	-
Children, Young People and Communities	Review Devolved School Management Scheme	SP-EY-19-07	Amber	(108,000)	-	-
Children, Young People and Communities	Sub Total			(440,308)	(60,000)	-
Land, Property and Assets	Reduction in Facilities Management in Schools	SP-PL-19-35	Red	(155,000)	-	-
Land, Property and Assets	Sub Total			(155,000)	-	-
Service Delivery Models	Review Catering Options across Educational Establishments	SP-PL-18-34	Green	(89,000)	-	-
Service Delivery Models	Sub Total			(89,000)	-	-
Total				(684,308)	(60,000)	-
A Council for the Future						
Charging for Services, Alternative Funding	Municipalisation of Service Delivery	SP-PL-19-01	Red	(75,132)	-	-
Charging for Services, Alternative Funding	Fees & Charges Inflation		Green	(300,634)	(314,788)	(329,684)
Charging for Services, Alternative Funding	Sub Total			(375,766)	(314,788)	(329,684)
Service Delivery Models	Cessation of cheque payments across the Council	SP-FCS-18-07	Amber	(3,400)	-	-
Service Delivery Models	Digital Strategy Transformational Projects	SP-FCS-18-11	Green	(60,000)	-	-
Service Delivery Models	Reduced staffing in Benefits Service due to Universal Credit	SP-FCS-18-10	Green	(63,192)	-	-
Service Delivery Models	Sub Total			(126,592)	-	-
Total				(502,358)	(314,788)	(329,684)
TOTAL SAVINGS PREVIOUSLY APPROVED				(1,603,580)	(1,044,788)	(329,684)

**North Ayrshire Council
Revenue Budget 2020/21
Revenue Expenditure Requirements**






Council Objective/Theme	Investment	Category	Reference	2020/21 £'s	2021/22 £'s	2022/23 £'s
Inspiring Places						
Waste Services Review	Replacement Skip Containers	National/Local Pressures	BID-PL-19-02	(67,866)	-	-
Waste Services Review	Waste Haulage and Processing Costs	National/Local Pressures	BID-PL-20-06	39,096	101,690	102,515
Land, Property and Assets	Ayrshire Growth Deal PMO Contribution	National/Local Pressures	BID-OCI-20-01	106,000	-	-
Sub Total		National/Local Pressures		<u>77,230</u>	<u>101,690</u>	<u>102,515</u>
Service Delivery Models	Rapid Rehousing Transition Plan	New National Expenditure Requirement		208,000	-	-
Sub Total		New National Expenditure Requirements		<u>208,000</u>	<u>-</u>	<u>-</u>
Total				<u>285,230</u>	<u>101,690</u>	<u>102,515</u>
Aspiring Communities						
Land, Property and Assets	PPP/DBFM annual indexation	Contractual/Unavoidable	BID-COM-20-01	322,899	307,769	289,469
Land, Property and Assets	Property Running Costs at New Schools	Contractual/Unavoidable	BID-PL-20-05	54,820	149,497	235,136
Children, Young People and Communities	Gaelic Medium & Community Education	Contractual/Unavoidable	BID-COM-20-02	37,505	-	-
Children, Young People and Communities	Montgomerie Park - new school staffing	Contractual/Unavoidable	BID-COM-20-04	-	-	287,392
Sub Total		Contractual/Unavoidable		<u>415,224</u>	<u>457,266</u>	<u>811,997</u>
Children, Young People and Communities	Holiday Meals Provision	National/Local Pressures	BID-PL-20-03	80,680	-	-
Children, Young People and Communities	School Milk Subsidy Reductions	National/Local Pressures	BID-PL-20-04	24,580	-	-
Children, Young People and Communities	Food Price Inflation	National/Local Pressures	BID-PL-20-02	87,751	90,383	93,095
Sub Total		National/Local Pressures		<u>193,011</u>	<u>90,383</u>	<u>93,095</u>
Children, Young People and Communities	Gaelic Education	New National Expenditure Requirement		28,000	-	-
Children, Young People and Communities	1 + 2 Languages	New National Expenditure Requirement		77,000	-	-
Children, Young People and Communities	Pupil Equity Fund	New National Expenditure Requirement		(203,000)	-	-
Children, Young People and Communities	Additional Support for Learning	New National Expenditure Requirement		384,000	-	-
Children, Young People and Communities	Teacher Numbers	New National Expenditure Requirement		4,090,000	-	-
Children, Young People and Communities	Early Learning and Childcare Expansion	New National Expenditure Requirement		5,173,000	-	-
Children, Young People and Communities	Access to Counselling in Schools	New National Expenditure Requirement		433,000	-	-
Service Delivery Models	Discretionary Housing Payments	New National Expenditure Requirement		1,053,000	-	-
Sub Total		New National Expenditure Requirements		<u>11,035,000</u>	<u>-</u>	<u>-</u>
Total				<u>11,643,235</u>	<u>547,649</u>	<u>905,092</u>
A Council for the Future						
Service Delivery Models	Information Governance Team Staffing	Contractual/Unavoidable	BID-DS-20-01	52,270	-	-
Service Delivery Models	Implementation of Office 365	Contractual/Unavoidable	BID-OCI-19-01	130,000	-	-
Service Delivery Models	Applications Refresh: Unified Platform	Contractual/Unavoidable	BID-OCI-19-02	100,000	-	-
Service Delivery Models	Transformation Programme Staffing	Contractual/Unavoidable	BID-FCS-20-01	158,620	75,983	-

North Ayrshire Council Revenue Budget 2020/21 Revenue Expenditure Requirements						
Council Objective/Theme	Investment	Category	Reference	2020/21 £'s	2021/22 £'s	2022/23 £'s
Sub Total		Contractual/Unavoidable		440,890	75,983	-
Service Delivery Models	Benefit Admin Subsidy Reduction	National/Local Pressures	BID-FCS-19-01	60,461	56,632	48,752
Service Delivery Models	Learning & Organisational Development staffing	National/Local Pressures	BID-FCS-19-03	23,700	-	-
Land, Property and Assets	Support for Community Wealth Building	National/Local Pressures	BID-PL-20-07	199,668	(101,275)	-
Land, Property and Assets	Contribution to Infrastructure Fund	National/Local Pressures		186,000	(186,000)	-
Sub Total		National/Local Pressures		469,829	(230,643)	48,752
Other	Barclay Implementation	New National Expenditure Requirement		142,000		
Sub Total		New National Expenditure Requirements		142,000	-	-
Total				1,052,719	(154,660)	48,752
Council Wide Pressures						
Inflation	Joint Board requisitions	Contractual/Unavoidable		119,265	126,171	105,947
Inflation	Pay Award	Contractual/Unavoidable		5,035,021	5,142,314	5,310,878
Inflation	Revised Teachers' Pensions	Contractual/Unavoidable		109,290	-	-
Inflation	Pension Fund Auto Enrolment	Contractual/Unavoidable		(1,133,310)	273,189	273,189
Inflation	Corporate issues (energy, fuel, NDR)	Contractual/Unavoidable		857,582	1,087,274	1,009,927
Sub Total				4,987,848	6,628,948	6,699,941
Other	Loan charges	Contractual/Unavoidable		(2,489,000)	(2,861,000)	632,000
Sub Total				(2,489,000)	(2,861,000)	632,000
Total				2,498,848	3,767,948	7,331,941
TOTAL REVENUE EXPENDITURE REQUIREMENTS				15,480,032	4,262,627	8,388,300

North Ayrshire Council
Revenue Budget 2020/21
Revenue Budget Savings to be Approved

Council Objective / Theme	Reference	Savings Proposal	Community Impact	Delivery Risk	2019/20 Current Budget £	2020/21		2021/22		2022/23	
						Proposed Saving £	Workforce implications £	Consequential Savings £	New Saving £	Consequential Savings £	New Saving £
Inspiring Places											
Land, Property and Assets	SP-PL-20-04	Improved Biodiversity through reduced Verge Cutting on Rural Roads Cutting of grass verges on rural roads changed from twice per year to once per year (excluding where sightlines require to be maintained for safety reasons)	Positive Improved local biodiversity			(10,000)	-	-	-	-	-
Land, Property and Assets	SP-PL-20-31	Land & Property Transformation Further rationalisation of the property estate and unlocking the potential of land assets to reduce expenditure and generate additional income	Low Negative Reduced number of buildings available for service delivery.		5,214,733	-	-	-	(50,000)	-	(50,000)
Service Delivery Models	SP-PL-20-43	Review of Tourism payments to contractor budgets Review of available budgets for payments to contractors. Improved Tourism offerings continue to feature as a key outcome of the developing Ayrshire Growth Deal	Low Negative Remaining budget aligned to Council's tourism priorities.			(100,000)	-	-	-	-	-
Service Delivery Models	SP-PL-20-21	Review of Community Safety Service Review aligned to the Safer North Ayrshire Strategy including removing out of hours service, withdrawing funding for taxi marshalling, removal of neighbour relations team and review of Community Housing Advocacy Project and Violence Against Women contracts	Medium Negative Reduction in commissioned services. Strategy will identify potential mitigations.		176,455	(74,000)	(0.5)	(25,000)	-	-	-
Charging for Services, Alternative Funding	SP-PL-20-41	Additional Planning Fee Income New planning process agreed for Council house building as part of the recently approved Strategic Housing Investment Plan	No Impact There is no anticipated impact on Communities			(40,000)	-	-	-	-	-
Transport and Travel	SP-PL-20-01	Transformation Project - Council Transport A cross-service, transformational approach to review the activity underpinning Transport expenditure to identify potential service improvements and financial savings	No Impact There is no anticipated impact on Communities		12,637,500	-	-	(75,000)	-	(325,000)	-
Waste Services Review	SP-PL-20-09	Waste Resource Service Review Transformation of the Waste Resources Service to consider the impact of the introduction of a Deposit and Return System in Scotland on future service delivery needs	No Impact There is no anticipated impact on Communities		4,988,075	-	-	(125,000)	-	-	(320,000)
Waste Services Review	SP-PL-20-16	Review of charging for commercial waste at Arran Waste Transfer Station Review of commercial charging system to reflect the Council's current haulage and disposal costs of removing and managing the waste	Low Negative Potential opposition as alternative disposal options are limited.		(17,720)	(25,500)	-	(8,500)	-	-	-
Total						(249,500)	(0.5)	(233,500)	(50,000)	(325,000)	(370,000)

North Ayrshire Council
Revenue Budget 2020/21
Revenue Budget Savings to be Approved

Council Objective / Reference Theme	Savings Proposal	Community Impact	Delivery Risk	2019/20 Current Budget	2020/21		2021/22		2022/23		
					Proposed Saving	Workforce implications	Consequential Savings	New Saving	Consequential Savings	New Saving	
Aspiring Communities											
Children, Young People and Communities	SP-COM-20-12	Children & Young People - External Residential Placements (joint action with HSCP) Reduced need for external residential school placements due to enhancing our community supports.	Positive		1,052,293	(112,999)	-	(262,463)	-	(177,418)	-
Children, Young People and Communities	SP-COM-20-08	Review Primary & Secondary School Staffing Recognising a reducing pupil role. Improve efficiency of class structures in primary schools and drive further efficiencies in secondary school timetabling through revisiting the staffing allocation formula.	Low Negative		67,359,680	(850,000)	(25.0)	(425,000)	-	-	-
Children, Young People and Communities	SP-PL-20-18	Review of Modern Apprentice Programme Reduced cost of continued support of 150 young people into MAs by April 22 through more accurate data on age and costs of apprentices	No Impact		1,011,866	(130,000)	-	(153,000)	-	-	-
Service Delivery Models	SP-COM-20-05	KA Leisure Contribution Reduced subsidy in line with Council budget targets met through a review of pitches and facilities' leases.	Low Negative		3,464,475	(156,000)	-	(133,000)	-	(177,000)	-
Total						(1,248,999)	(25.0)	(973,463)	-	(354,418)	-
A Council for the Future											
Charging for Services, Alternative Funding	SP-PL-20-17	Municipalisation Agenda - Cross Service Development of a comprehensive Municipalisation Strategy & Workplan including Maximising Income from land and property assets, New areas of trading activity, Further review of fees & charges and Contracts review	No Impact		(883,826)	(53,119)	-	-	(50,000)	-	(450,000)
Total						(53,119)	-	-	(50,000)	-	(450,000)
TOTAL SAVINGS TO BE APPROVED						(1,551,618)	(25.5)	(1,206,963)	(100,000)	(679,418)	(820,000)

North Ayrshire Council
Fees & Charges for 2020-21

Directorate	Service	Charge Description	Approved Charge (2019/20) £	Proposed Charge (2020/21)	Indicative Charge (2021/22)	Indicative Charge (2022/23)	Basis of increase (20-21)
Communities	Connected Communities (Community Facilities)	Hire of table linen	£5.95	£6.20	£6.50	£6.80	Other
Communities	Connected Communities (Community Facilities)	Hire of twinkle curtain	£75.24	£78.20	£82.10	£86.20	Other
Communities	Connected Communities (Community Facilities)	Hire of Red Carpet	£37.32	£38.80	£40.70	£42.70	Other
Communities	Connected Communities (Community Facilities)	Store Requests, hires and deliveries	£30.00	£33.45	£35.10	£36.90	Other
Communities	Connected Communities (Community Facilities)	Stores hire of tables go pack	£5.51	£5.75	£6.00	£6.30	Other
Communities	Connected Communities (Community Facilities)	Stores hire of tables round	£10.00	£11.15	£11.70	£12.30	Other
Communities	Connected Communities (Community Facilities)	Inflatable hire package	£126.00	£133.90	£140.60	£147.60	Other
Communities	Connected Communities (Community Facilities)	Party Package Civic Centre	£158.00	£164.00	£172.20	£180.80	Other
Communities	Connected Communities (Community Facilities)	Wedding packages - Ceremony and Reception	£826.88	£859.45	£902.40	£947.50	Other
Communities	Connected Communities (Community Facilities)	Wedding packages - Reception only	£593.15	£616.50	£647.30	£679.70	Other
Communities	Connected Communities (Community Facilities)	Tea/Coffee/Biscuits	£1.30	£1.70	£1.80	£1.90	Other
Communities	Connected Communities (Arran Outdoor)	Holidays 3 days/2 nights (4 people)	£410.00	£592.00	£621.60	£652.70	Other
Communities	Connected Communities (Arran Outdoor)	Holidays 5 days/4 nights (4 people)	£819.00	£1,176.00	£1,234.80	£1,296.50	Other
Communities	Connected Communities (Arran Outdoor)	Bed and breakfast (adult)	£40.97	£41.00	£43.10	£45.30	Other
Communities	Connected Communities (Arran Outdoor)	Dinner, bed and breakfast (adult)	£51.21	£52.00	£54.60	£57.30	Other
Communities	Connected Communities (Arran Outdoor)	Half day activity (adult)	£51.21	£53.00	£55.70	£58.50	Other
Communities	Connected Communities (Arran Outdoor)	Half day activity (child)	£35.84	£37.00	£38.90	£40.80	Other
Communities	Connected Communities (Arran Outdoor)	Full day activity (adult)	£97.29	£106.00	£111.30	£116.90	Other
Communities	Connected Communities (Arran Outdoor)	Full day activity (child)	£71.69	£74.00	£77.70	£81.60	Other
Communities	Connected Communities (Arran Outdoor)	Room hire Commercial large classroom	£36.87	£37.00	£38.90	£40.80	Other
Communities	Connected Communities (Arran Outdoor)	Room hire Family Function large classroom	£21.51	£22.00	£23.10	£24.30	Other
Communities	Connected Communities (Arran Outdoor)	Room hire NAC large classroom	£19.46	£20.00	£21.00	£22.10	Other
Communities	Connected Communities (Arran Outdoor)	Room hire general meeting large classroom	£11.88	£12.00	£12.60	£13.20	Other
Communities	Connected Communities (Arran Outdoor)	Room hire Childcare large classroom	£6.45	£7.00	£7.40	£7.80	Other
Communities	Connected Communities (Arran Outdoor)	Room hire Disabled/charity large classroom	£4.30	£5.00	£5.30	£5.60	Other
Communities	Connected Communities (Arran Outdoor)	Room hire Commercial small chartroom	£18.43	£19.00	£20.00	£21.00	Other
Communities	Connected Communities (Arran Outdoor)	Room hire Family Function small chartroom	£10.75	£11.00	£11.60	£12.20	Other
Communities	Connected Communities (Arran Outdoor)	Room hire NAC small chartroom	£9.73	£10.00	£10.50	£11.00	Other
Communities	Connected Communities (Arran Outdoor)	Room hire genral meeting small chartroom	£5.94	£6.00	£6.30	£6.60	Other
Communities	Connected Communities (Arran Outdoor)	Room hire Childcare small chartroom	£3.28	£3.00	£3.20	£3.40	Other
Communities	Connected Communities (Arran Outdoor)	Room hire Disabled/charity small chartroom	£2.15	£2.00	£2.10	£2.20	Other
Communities	Connected Communities (Arran Outdoor)	NAC School Group 5 days/4 nights (per person)	£165.91	£208.00	£218.40	£229.30	Other
Communities	Connected Communities (Arran Outdoor)	Other school Group 5 days/4 nights (per person)	£331.82	£418.00	£438.90	£460.80	Other
Communities	Connected Communities (Arran Outdoor)	NAC School Group 3 days/2 nights (per person)	£87.05	£110.00	£115.50	£121.30	Other
Communities	Connected Communities (Arran Outdoor)	Other school Group 3 days/2 nights (per person)	£174.10	£220.00	£231.00	£242.60	Other
Communities	Connected Communities (Arts)	Studio 1 - Commercial	£24.81	£26.00	£27.30	£28.70	Other
Communities	Connected Communities (Arts)	Studio 1 - Non-Commercial	£17.09	£18.00	£18.90	£19.80	Other
Communities	Connected Communities (Arts)	Studio 2 - Commercial	£18.20	£19.00	£20.00	£21.00	Other
Communities	Connected Communities (Arts)	Studio 2 - Non-Commercial	£6.90	£7.25	£7.60	£8.00	Other
Communities	Connected Communities (Arts)	Theatre Hire - Commercial	£67.25	£71.00	£74.60	£78.30	Other
Communities	Connected Communities (Arts)	Theatre Hire - Non-Commercial	£39.96	£42.00	£44.10	£46.30	Other
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - SMALL ROOM	£20.39	£21.40	£22.50	£23.60	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - LARGE ROOM	£40.76	£43.25	£45.40	£47.70	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - SMALL ROOM	£11.92	£12.65	£13.30	£14.00	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - LARGE ROOM	£23.84	£25.30	£26.60	£27.90	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - SMALL ROOM	£6.58	£7.00	£7.40	£7.80	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - LARGE ROOM	£13.18	£14.00	£14.70	£15.40	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 4 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	£3.50	£3.70	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 4 user (eg Pre 5 groups) - LARGE ROOM	£6.45	£6.45	£6.80	£7.10	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 5 user (eg Disabled org's) - SMALL ROOM	£2.90	£3.10	£3.30	£3.50	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 5 user (eg Disabled Org's) - LARGE ROOM	£5.70	£6.10	£6.40	£6.70	NAFCO agreed rates
Communities	Connected Communities (Community Facilities)	Astro Pitch Youth		£14.40	£15.10	£15.90	Other
Communities	Connected Communities (Community Facilities)	Astro Pitch Adult		£21.60	£22.70	£23.80	Other
Communities	Connected Communities (Community Facilities)	Floodlights		£7.75	£8.10	£8.50	Other
Communities	Connected Communities (Country Parks)	Campsite	£8.52	£9.00	£9.50	£10.00	Other
Communities	Connected Communities (Country Parks)	Events Fields	£105.61	£111.00	£116.60	£122.40	Other
Communities	Connected Communities (Country Parks)	Campsite Field	£64.00	£67.00	£70.40	£73.90	Other
Communities	Connected Communities (Country Parks)	Visitor Facility Block - Full Day	£72.00	£75.00	£78.80	£82.70	Other
Communities	Connected Communities (Country Parks)	Visitor Facility Block - Half Day	N/A	£37.50	£39.40	£41.40	Other
Communities	Connected Communities (Country Parks)	Portacabin Toilets	£18.00	£19.00	£20.00	£21.00	Other
Communities	Connected Communities (Country Parks)	Racquet Hall - NAC Group / School	£12.00	£14.00	£14.70	£15.40	NAFCO agreed rates
Communities	Connected Communities (Country Parks)	Racquet Hall - Non Commercial	£21.60	£25.30	£26.60	£27.90	NAFCO agreed rates
Communities	Connected Communities (Country Parks)	Racquet Hall - Commercial	£37.00	£43.25	£45.40	£47.70	NAFCO agreed rates
Communities	Connected Communities (Country Parks)	Ranger Service - NAC Group	No charge	No charge	No charge	No charge	N/A
Communities	Connected Communities (Country Parks)	Ranger Service - All Other Groups	£30.00	£30.00	£31.50	£33.10	Other
Communities	Heritage	Genealogy pre 1874 - one line of family tree	£45.20	£48.00	£50.40	£52.90	Other
Communities	Heritage	Genealogy pre 1874 - two lines of family tree	£90.41	£95.00	£99.80	£104.80	Other
Communities	Heritage	Genealogy pre 1874 - three lines of family tree	£128.99	£136.00	£142.80	£149.90	Other
Communities	Heritage	Genealogy pre 1874 - four lines of family tree	£174.20	£183.00	£192.20	£201.80	Other
Communities	Heritage	Genealogy pre 1900 - one line of family tree	£51.82	£55.00	£57.80	£60.70	Other

North Ayrshire Council
Fees & Charges for 2020-21

Directorate	Service	Charge Description	Approved Charge (2019/20) £	Proposed Charge (2020/21)	Indicative Charge (2021/22)	Indicative Charge (2022/23)	Basis of increase (20-21)
Communities	Heritage	Genealogy pre 1900 - two lines of family tree	£103.64	£109.00	£114.50	£120.20	Other
Communities	Heritage	Genealogy pre 1900 - three lines of family tree	£149.94	£158.00	£165.90	£174.20	Other
Communities	Heritage	Genealogy pre 1900 - four lines of family tree	£201.76	£212.00	£222.60	£233.70	Other
Communities	Heritage	Genealogy pre 1920 - one line of family tree	£52.92	£56.00	£58.80	£61.70	Other
Communities	Heritage	Genealogy pre 1920 - two lines of family tree	£105.84	£111.00	£116.60	£122.40	Other
Communities	Heritage	Genealogy pre 1920 - three lines of family tree	£153.25	£161.00	£169.10	£177.60	Other
Communities	Heritage	Genealogy pre 1920 - four lines of family tree	£206.17	£217.00	£227.90	£239.30	Other
Communities	Heritage	Genealogy post 1935 - one line of family tree	£59.54	£63.00	£66.20	£69.50	Other
Communities	Heritage	Genealogy post 1935 - two lines of family tree	£119.07	£125.00	£131.30	£137.90	Other
Communities	Heritage	Genealogy post 1935 - three lines of family tree	£173.09	£182.00	£191.10	£200.70	Other
Communities	Heritage	Genealogy post 1935 - four lines of family tree	£232.63	£245.00	£257.30	£270.20	Other
Communities	Libraries	Magnifying Sheets	£1.98	£2.00	£2.10	£2.20	Other
Communities	Libraries	Tea/Coffee	£1.10	£1.20	£1.30	£1.40	Other
Communities	Libraries	Street Plans	£2.76	£2.90	£3.00	£3.20	Other
Communities	Libraries	Posters	£1.66	£1.80	£1.90	£2.00	Other
Communities	Libraries	4 Posters	£5.51	£5.80	£6.10	£6.40	Other
Communities	Libraries	Late charges - 6p per book per day adult max £3	£0.06	Under review			Under review
Communities	Libraries	Late charges - 1p per book per day for young adult max 0.50p	£0.01	Under review			Under review
Communities	Libraries	Late charges - CD's 6p per day max £3	£0.06	Under review			Under review
Communities	Libraries	Late charges - DVD's £1.50 for every week late max £7.50	£1.66	Under review			Under review
Communities	Libraries	Late charges - Day 1 (new release) DVD's £1.75 every 2 days max £8.75	£1.93	Under review			Under review
Communities	Libraries	Lost and Damaged Books			Under review		Charge is based on actual cost of the item
Communities	Libraries	Lost and Damaged Audio			Under review		Charge is based on actual cost of the item
Communities	Libraries	Book Sales (NAC Stock)					Charge is based on actual cost of the item
Communities	Libraries	Black and White Photocopying/Printing A4 or A3 double-sided	£0.22	£0.25	£0.25	£0.25	Other
Communities	Libraries	Black and White Photocopying/Printing Multiple Copies A4 or A3 single-sided Quantity 1-30	£0.10	£0.10	£0.10	£0.10	Other
Communities	Libraries	Black and White Photocopying/Printing Multiple Copies A4 or A3 single-sided Quantity 31-100	£0.07	£0.10	£0.10	£0.10	Other
Communities	Libraries	Black and White Photocopying/Printing Multiple Copies single-sided A4 or A3 Quantity 101+	£0.05	£0.05	£0.05	£0.05	Other
Communities	Libraries	Black and White Photocopying/Printing Multiple Copies double-sided A4 or A3 Quantity 1-30	£0.22	£0.25	£0.25	£0.25	Other
Communities	Libraries	Black and White Photocopying/Printing Multiple Copies double-sided A4 or A3 Quantity 31-100	£0.10	£0.10	£0.10	£0.10	Other
Communities	Libraries	Black and White Photocopying/Printing Multiple Copies double-sided A4 or A3 Quantity 101+	£0.07	£0.10	£0.10	£0.10	Other
Communities	Libraries	Colour Photocopying/Printing A4 single-sided	£0.32	£0.35	£0.35	£0.35	Other
Communities	Libraries	Colour Photocopying/Printing A3 single-sided	£0.64	£0.65	£0.65	£0.65	Other
Communities	Libraries	Colour Photocopying/Printing A4 double-sided	£0.64	£0.65	£0.65	£0.65	Other
Communities	Libraries	Colour Photocopying/Printing A3 double-sided	£1.26	£1.30	£1.30	£1.30	Other
Communities	Libraries	Colour Photocopying/Printing A4 Multiple Copies single-sided Quantity 1-30	£0.32	£0.35	£0.35	£0.35	Other
Communities	Libraries	Colour Photocopying/Printing Multiple Copies A4 single-sided Quantity 31-100	£0.22	£0.25	£0.25	£0.25	Other
Communities	Libraries	Colour Photocopying/Printing Multiple Copies single-sided A4 o Quantity 101+	£0.10	£0.10	£0.10	£0.10	Other
Communities	Libraries	Colour Photocopying/Printing A4 Multiple Copies double-sided Quantity 1-30	£0.64	£0.65	£0.65	£0.65	Other
Communities	Libraries	Colour Photocopying/Printing Multiple Copies double-sided A4 o Quantity 101+	£0.10	£0.10	£0.10	£0.10	Other
Communities	Libraries	Fax Charges - Outward to UK	£0.56	£0.60	£0.60	£0.60	Other
Communities	Libraries	Fax Charges - Outward to Europe & USA first sheet	£1.32	£1.40	£1.50	£1.60	Other
Communities	Libraries	Fax Charges - Outward to Europe & USA 2 sheets or more.	£0.66	£0.70	£0.70	£0.70	Other
Communities	Libraries	Fax Charges - Outward to Rest of the world per sheet.	£1.66	£1.75	£1.80	£1.90	Other
Communities	Libraries	Fax Charges - to receive a fax per sheet	£0.56	£0.60	£0.60	£0.60	Other
Communities	Libraries	DVD Lending Service - DVD's per Week hire.	£1.66	£1.75	£1.80	£1.90	Other
Communities	Libraries	DVD Lending Service - Day ones (New releases) 2 nights hire.	£1.93	£2.00	£2.10	£2.20	Other
Communities	Libraries	Audio Charges - CD	£0.27	£0.30	£0.30	£0.30	Other
Communities	Libraries	Room Hire - Category 1 user (eg Commercial Activities) - SMALL ROOM	£20.39	£21.40	£22.50	£23.60	NAFCO agreed rates
Communities	Libraries	Room Hire - Category 2 user (eg Family Functions) - SMALL ROOM	£11.92	£12.65	£13.30	£14.00	NAFCO agreed rates
Communities	Libraries	Room Hire - Category 3 user (eg Agency Letting) - SMALL ROOM	£6.58	£7.00	£7.40	£7.80	NAFCO agreed rates
Communities	Libraries	Room Hire - Category 4 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	£3.50	£3.70	NAFCO agreed rates
Communities	Libraries	Room Hire - Category 5 user (eg Disabled org's) - SMALL ROOM	£2.90	£3.10	£3.30	£3.50	NAFCO agreed rates
Communities	Early Years	Wraparound Charges	£4.00	£4.00	£4.00	£4.00	No change
Communities	Music Services	Tuition Fee	£198.00	£198.00	£198.00	£198.00	No change
Communities	Music Services	Tuition Fee - siblings	£99.00	£99.00	£99.00	£99.00	No change
Democratic Services	Legal - Licensing	Amendment (due to Licence Partnership)	£122.00	£126.00	£130.00	£134.00	Cost Recovery
Democratic Services	Legal - Licensing	Amendment or Duplicate Licence	£34.00	£35.00	£36.00	£37.00	Cost Recovery
Democratic Services	Legal - Licensing	Indoor Sports Entertainment Licence (Temporary)	£662.00	£682.00	£702.00	£723.00	Cost Recovery
Democratic Services	Legal - Licensing	Indoor Sports Entertainment Licence (when another NAC Licence is held)	£166.00	£171.00	£176.00	£181.00	Cost Recovery
Democratic Services	Legal - Licensing	Indoor Sports Entertainment Licence (when no other NAC Licences are held)	£331.00	£341.00	£351.00	£362.00	Cost Recovery
Democratic Services	Legal - Licensing	Public Entertainment Licence (Commercial or Community Premises)	£254.00	£262.00	£270.00	£278.00	Cost Recovery
Democratic Services	Legal - Licensing	Public Entertainment Licence (Commercial Premises with Fairground)	£386.00	£398.00	£410.00	£422.00	Cost Recovery

North Ayrshire Council
Fees & Charges for 2020-21

Directorate	Service	Charge Description	Approved Charge (2019/20) £	Proposed Charge (2020/21)	Indicative Charge (2021/22)	Indicative Charge (2022/23)	Basis of increase (20-21)
Democratic Services	Legal - Licensing	Public Entertainment Licence - Full Licence (maximum duration of 3 years, and renewable)	£353.00	£364.00	£375.00	£386.00	Cost Recovery
Democratic Services	Legal - Licensing	Public Entertainment Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£314.00	£323.00	£333.00	£343.00	Cost Recovery
Democratic Services	Legal - Licensing	Public Entertainment Licence (Major Event - Pop Concert etc)	Total fee is £2563 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2632 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2711 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2792 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Cost Recovery
Democratic Services	Legal - Licensing	Animal Boarding Licence (1 to 10 Animals)	£83.00	£85.00	£88.00	£91.00	Cost Recovery
Democratic Services	Legal - Licensing	Animal Boarding Licence (11 to 20 Animals)	£110.00	£113.00	£116.00	£119.00	Cost Recovery
Democratic Services	Legal - Licensing	Animal Boarding Licence (21 to 30 Animals)	£144.00	£148.00	£152.00	£157.00	Cost Recovery
Democratic Services	Legal - Licensing	Animal Boarding Licence (31 to 50 Animals)	£210.00	£216.00	£222.00	£229.00	Cost Recovery
Democratic Services	Legal - Licensing	Animal Boarding Licence (51 to 70 Animals)	£270.00	£278.00	£286.00	£295.00	Cost Recovery
Democratic Services	Legal - Licensing	Animal Boarding Licence (Over 70 Animals)	£342.00	£352.00	£363.00	£374.00	Cost Recovery
Democratic Services	Legal - Licensing	Booking Office (with public access)	£331.00	£341.00	£351.00	£362.00	Cost Recovery
Democratic Services	Legal - Licensing	Booking Office (without public access)	£221.00	£228.00	£235.00	£242.00	Cost Recovery
Democratic Services	Legal - Licensing	Breeding of Dogs Licence (Breeding of Dogs Act 1973) - New	£463.00	£477.00	£491.00	£506.00	Cost Recovery
Democratic Services	Legal - Licensing	Breeding of Dogs Licence (Breeding of Dogs Act 1973) - Renewal	£204.00	£210.00	£216.00	£222.00	Cost Recovery
Democratic Services	Legal - Licensing	Cinema Licence - grant or renewal for one year	£270.00	£278.00	£286.00	£295.00	Cost Recovery
Democratic Services	Legal - Licensing	Cinema Licence - grant or renewal for under a year - per month (total not to exceed the one year fee)	£90.00	£93.00	£96.00	£99.00	Cost Recovery
Democratic Services	Legal - Licensing	Cinema Licence - Transfer	£54.00	£56.00	£58.00	£60.00	Cost Recovery
Democratic Services	Legal - Licensing	Dangerous Wild Animals - New & Renewal (maximum duration of 12 months, and renewable)	£292.00	£301.00	£310.00	£319.00	Cost Recovery
Democratic Services	Legal - Licensing	Duplicate Licence	£34.00	£35.00	£36.00	£37.00	Cost Recovery
Democratic Services	Legal - Licensing	Fireworks Storage Licence (under 250 kg)	Various fees for £105 to £229 depending on term and renewal or new	Various fees for £108 to £236 depending on term and renewal or new	Various fees for £111 to £243 depending on term and renewal or new	Various fees for £114 to £250 depending on term and renewal or new	Cost Recovery
Democratic Services	Legal - Licensing	Knife Dealers Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£331.00	£341.00	£351.00	£362.00	Cost Recovery
Democratic Services	Legal - Licensing	Late Hours Catering Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£176.00	£181.00	£186.00	£192.00	Cost Recovery
Democratic Services	Legal - Licensing	Market Operators Licence	£375.00	£386.00	£398.00	£410.00	Cost Recovery
Democratic Services	Legal - Licensing	Metal Dealers Licence (Premises & Itinerant)	£116.00	£119.00	£123.00	£127.00	Cost Recovery
Democratic Services	Legal - Licensing	Pet Shop Licence (Pet Animals Act 1951) New or Renewal - (maximum duration of 12 months, and renewable)	£193.00	£199.00	£205.00	£211.00	Cost Recovery
Democratic Services	Legal - Licensing	Registration to sell non medical poisons (new)	£24.00	£25.00	£26.00	£27.00	Cost Recovery
Democratic Services	Legal - Licensing	Registration to sell non medical poisons (retention)	£12.20	£13.00	£13.00	£13.00	Cost Recovery
Democratic Services	Legal - Licensing	Second Hand Dealers Licence - New (Full - maximum duration of 3 years, and renewable)	£232.00	£239.00	£246.00	£253.00	Cost Recovery
Democratic Services	Legal - Licensing	Second Hand Dealers Licence - Already Licenced (Full - maximum duration of 3 years, and renewable)	£122.00	£126.00	£130.00	£134.00	Cost Recovery
Democratic Services	Legal - Licensing	Sex Shop Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£1,968.00	£2,027.00	£2,088.00	£2,151.00	Cost Recovery
Democratic Services	Legal - Licensing	Skin Piercing or Tattooing Licence (with Premises)	£348.00	£358.00	£369.00	£380.00	Cost Recovery
Democratic Services	Legal - Licensing	Skin Piercing or Tattooing Licence (without Premises)	£292.00	£301.00	£310.00	£319.00	Cost Recovery
Democratic Services	Legal - Licensing	Street Trader Employee Licence - Full licence (maximum duration of 3 years, and renewable)	£132.00	£136.00	£140.00	£144.00	Cost Recovery
Democratic Services	Legal - Licensing	Street Trader Employee Licence - Temporary Licence (maximum duration of 3 years, and renewable)	£100.00	£103.00	£106.00	£109.00	Cost Recovery
Democratic Services	Legal - Licensing	Street Trader Operator - Substitute Vehicle	£116.00	£119.00	£123.00	£127.00	Cost Recovery
Democratic Services	Legal - Licensing	Street Trader Operator Licence - Full Licence (maximum duration of 3 years, and renewable)	£265.00	£273.00	£281.00	£289.00	Cost Recovery
Democratic Services	Legal - Licensing	Street Trader Operator Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£182.00	£187.00	£193.00	£199.00	Cost Recovery
Democratic Services	Legal - Licensing	Zoo Licence (New - maximum duration of 4 years, and renewable. Vet inspections are charged in addition)	£292.00	£301.00	£310.00	£319.00	Cost Recovery
Democratic Services	Legal - Licensing	Zoo Licence (Renewal - maximum duration of 6 years, and renewable. Vet inspections are charged in addition)	£292.00	£301.00	£310.00	£319.00	Cost Recovery
Democratic Services	Legal - Licensing	Venison Dealer	£122.00	£126.00	£130.00	£134.00	Cost Recovery
Democratic Services	Legal - Licensing	Venison Employee / Agent	£66.00	£68.00	£70.00	£72.00	Cost Recovery
Democratic Services	Legal - Licensing	Game Dealers	£4.60	£5.00	£5.00	£5.00	Cost Recovery
Democratic Services	Legal - Licensing	Poisons alteration	£6.20	£6.00	£6.00	£6.00	Cost Recovery

North Ayrshire Council
Fees & Charges for 2020-21

Directorate	Service	Charge Description	Approved Charge (2019/20) £	Proposed Charge (2020/21)	Indicative Charge (2021/22)	Indicative Charge (2022/23)	Basis of increase (20-21)
Democratic Services	Legal - Licensing	House in Multiple Occupation Licence (New)	£926.00	£954.00	£983.00	£1,012.00	Cost Recovery
Democratic Services	Legal - Licensing	House in Multiple Occupation Licence (Already Licenced)	£695.00	£716.00	£737.00	£759.00	Cost Recovery
Democratic Services	Legal - Licensing	Riding Establishment Licence (1 year, New & Renewal)	£463.00	£477.00	£491.00	£506.00	Cost Recovery
Democratic Services	Legal - Licensing	Riding Establishment Licence (One year, If already licenced)	£348.00	£358.00	£369.00	£380.00	Cost Recovery
Democratic Services	Legal - Licensing	Replacement Door Sign	£16.60	£17.00	£18.00	£19.00	Cost Recovery
Democratic Services	Legal - Licensing	Replacement Licence resulting from change of address	£13.20	£14.00	£14.00	£14.00	Cost Recovery
Democratic Services	Legal - Licensing	Replacement Plate	£33.10	£34.00	£35.00	£36.00	Cost Recovery
Democratic Services	Legal - Licensing	Replacement Tariff Card	£13.20	£14.00	£14.00	£14.00	Cost Recovery
Democratic Services	Legal - Licensing	Replacement Taxi / Private Hire Car Driver Badge	£18.80	£19.00	£20.00	£21.00	Cost Recovery
Democratic Services	Legal - Licensing	Replacement Window Stickers	£18.80	£19.00	£20.00	£21.00	Cost Recovery
Democratic Services	Legal - Licensing	Request to be added to waiting list (for a Taxi Licence)	£7.80	£8.00	£8.00	£8.00	Cost Recovery
Democratic Services	Legal - Licensing	Substitution of Vehicle (Taxi or Private Hire Car)	£206.00	£212.00	£218.00	£225.00	Cost Recovery
Democratic Services	Legal - Licensing	Taxi Driver's Licence - Full Licence (1 year, and renewable)	£83.00	£85.00	£88.00	£91.00	Cost Recovery
Democratic Services	Legal - Licensing	Taxi Driver's Licence - Full Licence (maximum duration of 3 years, and renewable)	£193.00	£199.00	£205.00	£211.00	Cost Recovery
Democratic Services	Legal - Licensing	Private Hire Car Driver Licence - Full licence (maximum duration of 3 years, and renewable)	£193.00	£199.00	£205.00	£211.00	Cost Recovery
Democratic Services	Legal - Licensing	Private Hire Car Licence (Operator) - Full Licence (1 year, and renewable)	£342.00	£352.00	£363.00	£374.00	Cost Recovery
Democratic Services	Legal - Licensing	Private Hire Car Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£573.00	£590.00	£608.00	£626.00	Cost Recovery
Democratic Services	Legal - Licensing	Taxi Licence (1 year)	£370.00	£381.00	£392.00	£404.00	Cost Recovery
Democratic Services	Legal - Licensing	Taxi Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£639.00	£658.00	£678.00	£698.00	Cost Recovery
Democratic Services	Legal - Licensing	Variation of a Licence	£56.00	£58.00	£60.00	£62.00	Cost Recovery
Democratic Services	Legal - Licensing	Private Hire Car Driver's Licence - Full Licence (1 yr, and renewable)	£83.00	£85.00	£88.00	£91.00	Cost Recovery
Democratic Services	Legal - Licensing	Inspection of Vehicle (Taxi or Private Hire Car)	£85.00	£88.00	£91.00	£94.00	Cost Recovery
Democratic Services	Legal - Licensing	Re-inspection of Vehicle (Taxi or Private Hire Car)	£46.00	£47.00	£48.00	£49.00	Cost Recovery
Democratic Services	Legal - Licensing	Re-seal of Taximeter	£22.00	£23.00	£24.00	£25.00	Cost Recovery
Democratic Services	Legal - Licensing	Civic Government (Scotland) Act 1982 - Temporary Licence (duration specified in Licence, maximum 6 weeks, and not renewable) (unless specifically mentioned in this table)	£166.00	£171.00	£176.00	£181.00	Cost Recovery

North Ayrshire Council
Fees & Charges for 2020-21

Directorate	Service	Charge Description	Approved Charge (2019/20) £	Proposed Charge (2020/21)	Indicative Charge (2021/22)	Indicative Charge (2022/23)	Basis of increase (20-21)
Finance & Corporate Support	Registration Services	Private Citizenship Ceremonies - during office hours with 4 or less guests attending	£132.00	£139.00	£146.00	£153.00	5% per annum
Finance & Corporate Support	Registration Services	Private Citizenship Ceremonies - during office hours with more than 4 guests attending	£243.00	£255.00	£268.00	£281.00	5% per annum
Finance & Corporate Support	Registration Services	Civil Marriages / Partnerships at Registration Office outwith office hours	£436.00	£458.00	£481.00	£505.00	5% per annum
Finance & Corporate Support	Registration Services	Civil Marriages / Partnerships at Registration Office during office hours	£265.00	£278.00	£292.00	£307.00	5% per annum
Finance & Corporate Support	Registration Services	All Ceremonies at approved venues - fee for attendance of a Registrar during office hours	£424.00	£445.00	£467.00	£490.00	5% per annum
Finance & Corporate Support	Registration Services	All Ceremonies at approved venues - fee for attendance of a Registrar outwith office hours	£480.00	£504.00	£529.00	£555.00	5% per annum
Finance & Corporate Support	Registration Services	Guest Supplement: during office hours when more than 4 guests attend a marriage/civil partnership at Registration offices	£127.00	£133.00	£140.00	£147.00	5% per annum
Finance & Corporate Support	Registration Services	Naming & Renewal of Vows Ceremonies conducted at Registration Offices during office hours	£276.00	£290.00	£305.00	£320.00	5% per annum
Finance & Corporate Support	Registration Services	Naming & Renewal of Vows Ceremonies conducted at Registration Offices outwith office hours	£331.00	£348.00	£365.00	£383.00	5% per annum
Finance & Corporate Support	Registration Services	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Registration Offices outwith office hours	£568.00	£596.00	£626.00	£657.00	5% per annum
Finance & Corporate Support	Registration Services	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues outwith office hours	£634.00	£666.00	£699.00	£734.00	5% per annum
Finance & Corporate Support	Registration Services	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues during office hours	£551.00	£579.00	£608.00	£638.00	5% per annum
Finance & Corporate Support	Registration Services	Guest supplement: during office hours when more than 4 guests attend a Civil Marriage/Partnership & Naming Ceremony at Registration Offices	£232.00	£244.00	£256.00	£269.00	5% per annum
Health & Social Care	Adults	Care at Home Adults	£14.50	£15.23	£15.99	£16.79	5% in 2020-21
Health & Social Care	Adults	Day Care (purchased and provided)	£12.95	£13.60	£14.28	£14.99	5% in 2020-21
Health & Social Care	Adults	Day Care (charges to Other LAs)	£231.50	£243.08	£255.23	£267.99	5% in 2020-21
Health & Social Care	Adults and Older People	Guest Room Charges at Sheltered Housing Accommodations	£5.60	£5.88	£6.17	£6.48	5% in 2020-21
Health & Social Care	Adults and Older People	Community Alarms service - mainland	£4.60	£4.83	£5.07	£5.33	5% in 2020-21
Health & Social Care	Adults and Older People	Community Alarms service - Arran	£2.25	£2.36	£2.48	£2.60	5% in 2020-21
Health & Social Care	Adults and Older People	Meals on Wheels	£2.90	£3.05	£3.20	£3.36	5% in 2020-21
Health & Social Care	Older People	Care at Home Older People per hour	£14.50	£15.23	£15.99	£16.79	5% in 2020-21
Health & Social Care	Adults and Older People	Blue badge	£20.00	£20.00	£20.00	£20.00	5% in 2020-21
Health & Social Care	Adults and Older People	Sleepover	£10.95	£11.50	£12.07	£12.68	5% in 2020-21
Health & Social Care	Adults, Older People and Children	Direct payments – personal assistants	£12.10	£12.71	£13.34	£14.01	5% in 2020-21
Health & Social Care	Adults, Older People and Children	Direct payments – agency rates	£14.40	£15.12	£15.88	£16.67	5% in 2020-21
Health & Social Care	Adults, Older People and Children	Direct payments – sleepover	£11.30	£11.87	£12.46	£13.08	5% in 2020-21
Health & Social Care	Adults and Older People	Montrose House	£437.07	£1,030.00	£1,080.00	£1,130.00	Approved Saving
Health & Social Care	Children	Respite care 16–24 years	£64.50				NCHC rate increase
Health & Social Care	Adults	Respite care 25–59 years	£79.70				NCHC rate increase
Health & Social Care	Older People	Respite care 60 years and over	£139.50				NCHC rate increase
Place	Economic Growth (Planning Services)	Planning Search fees	£96.00	£101.00	£106.10	£111.40	5% in 2020-21
Place	Economic Growth (Planning Services)	Press Adverts Arran	£88.00	£92.00	£96.60	£101.40	5% in 2020-21
Place	Economic Growth (Planning Services)	Press Adverts Mainland	£193.00	£203.00	£213.20	£223.90	5% in 2020-21
Place	Economic Growth (Planning Services)	All Planning Application fees:					
Place	Economic Growth (Planning Services)	Operations:					
Place	Economic Growth (Planning Services)	eg Construction of buildings - planning permission in principle	£401.00	£401.00	£401.00	£401.00	Fees are fixed by statute
Place	Economic Growth (Planning Services)	eg The erection of buildings - planning permission in principle	£401.00	£401.00	£401.00	£401.00	Fees are fixed by statute
Place	Economic Growth (Planning Services)	eg The erection of buildings - where the area of gross floor space to be created does not exceed 40 sq metres	£202.00	£202.00	£202.00	£202.00	Fees are fixed by statute
Place	Economic Growth (Planning Services)	Uses of land:					
Place	Economic Growth (Planning Services)	eg The change of use of a building	£401.00	£401.00	£401.00	£401.00	Fees are fixed by statute
Place	Economic Growth (Transportation)	Construction Consent Amendments	£315.00	£330.75	£347.30	£364.70	5% in 2020-21
Place	Economic Growth (Transportation)	Supply of Traffic Count data	£191.29	£200.85	£210.90	£221.40	5% in 2020-21
Place	Protective Services (Building Standards)	Clearance Certificates	£235.10	£235.10	£235.10	£235.10	No change
Place	Protective Services (Building Standards)	Searches	£96.00	£101.00	£106.10	£111.40	5% in 2020-21
Place	Protective Services (Building Standards)	Section 50 Certificates	£119.00	£125.00	£131.30	£137.90	5% in 2020-21
Place	Protective Services (Building Standards)	Section 89 Certificates	£408.80	£408.80	£408.80	£408.80	No change
Place	Protective Services (Environmental Health)	Bacteriological Swimming Pool Sampling	£48.79	£51.00	£53.60	£56.30	5% in 2020-21
Place	Protective Services (Environmental Health)	Legionella Swimming Pool Sampling	£90.61	£95.00	£99.80	£104.80	5% in 2020-21
Place	Protective Services (Environmental Health)	Chemical Swimming Pool Sampling	£66.22	£70.00	£73.50	£77.20	5% in 2020-21
Place	Protective Services (Environmental Health)	Pest Control - Fumigations/Sprays for heavy infestations e.g. bedbugs, fleas includes survey and revisit. £30 refund payable if no treatment required following initial survey.	£73.50	£77.00	£80.90	£84.90	5% in 2020-21
Place	Protective Services (Environmental Health)	Pest Control Charge - Insects (Domestic)	£47.24	£50.00	£52.50	£55.10	5% in 2020-21
Place	Protective Services (Environmental Health)	Pest Control Charge - Rats/Mice/Insects (Commercial)	£73.50	£77.00	£80.90	£84.90	5% in 2020-21
Place	Protective Services (Environmental Health)	Pest Control Charge - Rats/Mice/Squirrels (Domestic) includes up to 3 visits. £30 refund payable if no treatment is required following initial survey.	£61.00	£64.00	£67.20	£70.60	5% in 2020-21
Place	Protective Services (Environmental Health)	Pest Control Charge - Wasp Nests/Bees	£47.24	£50.00	£52.50	£55.10	5% in 2020-21
Place	Protective Services (Environmental Health)	Food Hygiene Training Delegate Charge	£28.00	£29.00	£30.50	£32.00	5% in 2020-21
Place	Protective Services (Environmental Health)	Section 50 Certificates	£119.00	£125.00	£131.30	£137.90	5% in 2020-21
Place	Protective Services (Environmental Health)	Health Certificate for export to China	£34.00	£36.00	£37.80	£39.70	5% in 2020-21
Place	Protective Services (Trading Standards)	Liquid fuel measuring instruments - first meter tested	£151.00	£159.00	£167.00	£175.40	5% in 2020-21
Place	Protective Services (Trading Standards)	Liquid fuel measuring instruments - each additional meter tested during same visit	£93.00	£98.00	£102.90	£108.00	5% in 2020-21

North Ayrshire Council
Fees & Charges for 2020-21

Directorate	Service	Charge Description	Approved Charge (2019/20) £	Proposed Charge (2020/21)	Indicative Charge (2021/22)	Indicative Charge (2022/23)	Basis of increase (20-21)
Place	Protective Services (Trading Standards)	All other weighing and measuring equipment - one officer on site (per hour)	£82.00	£86.00	£90.30	£94.80	5% in 2020-21
Place	Protective Services (Trading Standards)	All other weighing and measuring equipment - two or more officers on site (per hour)	£131.00	£138.00	£144.90	£152.10	5% in 2020-21
Place	Bereavement Service	Interment of Eighteen and Over	£733.00	£806.00	£887.00	£976.00	10% in 2020-21
Place	Bereavement Service	Purchase of Exclusive Right of Burial (New Lair)	£781.00	£859.00	£945.00	£1,040.00	10% in 2020-21
Place	Bereavement Service	Purchase of Exclusive Right of Burial (Woodland Area)	£781.00	£859.00	£945.00	£1,040.00	10% in 2020-21
Place	Bereavement Service	Interment of Cremated Remains (Aged 18 and over)	£207.00	£228.00	£251.00	£276.00	10% in 2020-21
Place	Bereavement Service	Memorial Foundation	£168.00	£176.00	£185.00	£194.00	5% in 2020-21
Place	Bereavement Service	Dis-interments	£924.00	£970.00	£1,019.00	£1,070.00	5% in 2020-21
Place	Bereavement Service	Interment in common ground	£240.00	£252.00	£265.00	£278.00	5% in 2020-21
Place	Bereavement Service	Purchase of Exclusive Right of Burial - Cremated Remains Only (New Lair)	£428.00	£471.00	£518.00	£570.00	10% in 2020-21
Place	Bereavement Service	Purchase of Exclusive Right of Burial - Cremated Remains Only in Garden of Remembrance (New Lair)	£428.00	£471.00	£518.00	£570.00	10% in 2020-21
Place	Bereavement Service	Purchase of Exclusive Right of Burial - Private Baby Lair	FOC	FOC	FOC	FOC	Child burial fees removed in Sept 2018
Place	Bereavement Service	Interment of Eighteen and Over (Saturdays and Public Holidays)	£1,099.00	£1,209.00	£1,330.00	£1,463.00	10% in 2020-21
Place	Bereavement Service	Transfer of Title Deeds/Duplicate Title Deeds	£20.00	£21.00	£22.00	£23.00	5% in 2020-21
Place	Bereavement Service	Memorial permit	£41.67	£44.00	£46.00	£48.00	5% in 2020-21
School Meals	FM	Secondary School meals	£2.05	£2.15	£2.15	£2.15	5% in 2020-21
School Meals	FM	Primary School meals	£2.05	£2.15	£2.15	£2.15	5% in 2020-21
Place	Largs Car Park	Car park Charges - up to 1 hour	£1.00	£1.00	£1.00	£1.00	No change
Place	Largs Car Park	Car park Charges - over 1 hour up to 3 hours	£3.00	£3.00	£3.00	£3.00	No change
Place	Largs Car Park	Car park Charges - over 3 hours	£4.00	£4.00	£4.00	£4.00	No change
Place	Streetscene Services	Grass Cutting Scheme	£67.00	£70.00	£73.50	£77.20	5% in 2020-21
Place	Transport Services	Car Inspection	£29.00	£30.00	£31.50	£33.10	5% in 2020-21
Place	Transport Services	MOT Class 4	£54.00	£57.00	£59.90	£62.90	5% in 2020-21
Place	Transport Services	MOT Class 5	£71.00	£75.00	£78.80	£82.70	5% in 2020-21
Place	Transport Services	MOT Class 7	£59.00	£62.00	£65.10	£68.40	5% in 2020-21
Place	Transport Services	Tachograph Calibration	£55.00	£58.00	£60.90	£63.90	5% in 2020-21
Place	Transport Services	Tachograph 2 year Inspection	£38.00	£40.00	£42.00	£44.10	5% in 2020-21
Place	Transport Services	Tachograph 6 year Inspection	£55.00	£58.00	£60.90	£63.90	5% in 2020-21
Place	Transport Services	Per hire charge for transport hires to external groups.	£22.00	£23.00	£24.20	£25.40	5% in 2020-21
Place	Transport Services	Vehicle Inspections - Taxi	£79.70	£79.70	£79.70	£79.70	No change
Place	Transport Services	Vehicle Inspections - Taxi Retest	£47.80	£47.80	£47.80	£47.80	No change
Place	Roads	Section 56 Roads Opening Permit Vehicle Access Crossing	£70.00	£74.00	£77.70	£81.60	5% in 2020-21
Place	Roads	Section 56 Road Opening Permit Other works involving excavation in the public road	£198.00	£208.00	£218.40	£229.30	5% in 2020-21
Place	Roads	Section 56 Road Opening Permit Other works involving excavation in the public road. Duration charge for additional week.	£93.00	£98.00	£102.90	£108.00	5% in 2020-21
Place	Roads	Section 58 Road Occupation Permits Builders Materials - for up to 4 weeks	£82.00	£86.00	£90.30	£94.80	5% in 2020-21
Place	Roads	Section 58 Road Occupation Permits Cranes - for up to 4 weeks	£82.00	£86.00	£90.30	£94.80	5% in 2020-21
Place	Roads	Section 58 Road Occupation Permits Scaffolding - for up to 4 weeks	£82.00	£86.00	£90.30	£94.80	5% in 2020-21
Place	Roads	Section 85 Skip Permits - for up to 4 weeks	£49.00	£51.00	£53.60	£56.30	5% in 2020-21
Place	Roads	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge.	£116.00	£122.00	£128.10	£134.50	5% in 2020-21
Place	Roads	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge. Duration charge for additional week.	£116.00	£122.00	£128.10	£134.50	5% in 2020-21
Place	Roads	Property Enquiry Adoption Plan	£35.00	£37.00	£38.90	£40.80	5% in 2020-21
Place	Roads	NRSWA Section 109 Permission	£302.00	£317.00	£332.90	£349.50	5% in 2020-21
Place	Roads	NRSWA Public Utility Sample Inspections	£36.00	£36.00	£36.00	£36.00	Fees are fixed by statute
Place	Roads	5 day Temporary Traffic Order (by notice)	£406.00	£426.00	£447.30	£469.70	5% in 2020-21
Place	Roads	Emergency Temporary Traffic Order (by notice)	£406.00	£426.00	£447.30	£469.70	5% in 2020-21
Place	Roads	Temporary Traffic Orders (advertised in press). Advertising costs are extra.	£627.00	£658.00	£690.90	£725.40	5% in 2020-21
Place	Roads	Supply of Traffic Count Data. Price per site.	£198.00	£208.00	£218.40	£229.30	5% in 2020-21
Place	Roads	Supply / Use of information from the Saturn Traffic Model	£1,276.00	£1,340.00	£1,407.00	£1,477.40	5% in 2020-21
Place	Roads	Neighbourhood Watch Signs	£35.00	£37.00	£38.90	£40.80	5% in 2020-21
Place	Roads	Switching off Traffic Signals for third parties	£140.00	£147.00	£154.40	£162.10	5% in 2020-21
Place	Roads	Temporary signs for events.	£93.00	£98.00	£102.90	£108.00	5% in 2020-21
Place	Roads	Signs for new Housing Developments	£360.00	£378.00	£396.90	£416.70	5% in 2020-21
Place	Roads	H Bar Markings (Access protection markings)	£58.00	£61.00	£64.10	£67.30	5% in 2020-21
Place	Roads	Amendments to Approved Road Construction Consents	£348.00	£365.00	£383.30	£402.50	5% in 2020-21
Place	Waste Resources	New/Replacement Waste Container 360 Litre	£71.44	£75.01	£78.80	£82.70	5% in 2020-21
Place	Waste Resources	New/Replacement Waste Container 1100 Litre	£363.94	£382.14	£401.20	£421.30	5% in 2020-21
Place	Waste Resources	New/Replacement Waste Container 1280 Litre	£423.48	£444.65	£466.90	£490.20	5% in 2020-21
Place	Waste Resources	Uplift Commercial White Goods per item	£47.30	£49.67	£52.20	£54.80	5% in 2020-21
Place	Waste Resources	Bin Repair - standard lock supply & fitting	£21.63	£22.71	£23.80	£25.00	5% in 2020-21
Place	Waste Resources	Bin Repair - new forest lock lock supply & fitting	£31.43	£33.00	£34.70	£36.40	5% in 2020-21
Place	Waste Resources	Bin Repair - push to lock supply & fitting	£43.66	£45.84	£48.10	£50.50	5% in 2020-21
Place	Waste Resources	Bin Repair - lid supplied & lock fixed cost	£134.62	£141.35	£148.40	£155.80	5% in 2020-21
Place	Waste Resources	BIN Repair - front wheels supplied and fitted cost	£70.34	£73.86	£77.60	£81.50	5% in 2020-21
Place	Waste Resources	Bin Repair - back wheels supplied and fitted cost	£76.19	£80.00	£84.00	£88.20	5% in 2020-21
Place	Waste Resources	New/Replacement Waste Container 240 Litre	£43.33	£45.50	£47.80	£50.20	5% in 2020-21

North Ayrshire Council
Fees & Charges for 2020-21

Directorate	Service	Charge Description	Approved Charge (2019/20) £	Proposed Charge (2020/21)	Indicative Charge (2021/22)	Indicative Charge (2022/23)	Basis of increase (20-21)
Place	Waste Resources	New/Replacement Waste Container 140 Litre	£29.77	£31.26	£32.80	£34.40	5% in 2020-21
Place	Waste Resources	New/Replacement Waste Container 660 Litre	£304.29	£319.50	£335.50	£352.30	5% in 2020-21
Place	Waste Resources	Special Uplift Charges	£24.00	£25.20	£26.50	£27.80	5% in 2020-21
Place	Waste Resources	Special Uplift individual item Charges	£4.80	£5.04	£5.30	£5.60	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£5.53	£5.81	£6.10	£6.40	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£8.30	£8.72	£9.20	£9.70	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£15.21	£15.97	£16.80	£17.60	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£25.37	£26.64	£28.00	£29.40	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£29.59	£31.07	£32.60	£34.20	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Residual Waste 240 Litre bin	£5.97	£6.27	£6.60	£6.90	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Residual Waste 360 Litre bin	£8.96	£9.41	£9.90	£10.40	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Residual Waste 660 Litre bin	£16.41	£17.23	£18.10	£19.00	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Residual Waste 1100 Litre bin	£27.38	£28.75	£30.20	£31.70	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Residual Waste 1280 Litre bin	£31.94	£33.54	£35.20	£37.00	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£4.63	£4.86	£5.10	£5.40	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£16.55	£17.38	£18.20	£19.10	5% in 2020-21
Place	Waste Resources	Subcontractor Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£5.88	£6.17	£6.50	£6.80	5% in 2020-21
Place	Waste Resources	Subcontractor Commercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£20.96	£22.01	£23.10	£24.30	5% in 2020-21
Place	Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£2.77	£2.91	£3.10	£3.30	5% in 2020-21
Place	Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£4.16	£4.37	£4.60	£4.80	5% in 2020-21
Place	Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£7.61	£7.99	£8.40	£8.80	5% in 2020-21
Place	Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£12.68	£13.31	£14.00	£14.70	5% in 2020-21
Place	Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£14.79	£15.53	£16.30	£17.10	5% in 2020-21
Place	Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£2.14	£2.25	£2.40	£2.50	5% in 2020-21
Place	Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£3.20	£3.36	£3.50	£3.70	5% in 2020-21
Place	Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£5.89	£6.18	£6.50	£6.80	5% in 2020-21
Place	Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£9.80	£10.29	£10.80	£11.30	5% in 2020-21
Place	Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£11.39	£11.96	£12.60	£13.20	5% in 2020-21
Place	Waste Resources	Charity Scheduled Bin Uplift Food/Organic 140 Litre Bin	£2.32	£2.44	£2.60	£2.70	5% in 2020-21
Place	Waste Resources	Charity Scheduled Bin Uplift Food/Organic 500 Litre Bin	£8.27	£8.68	£9.10	£9.60	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£4.27	£4.48	£4.70	£4.90	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£6.42	£6.74	£7.10	£7.50	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£11.75	£12.34	£13.00	£13.70	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£19.59	£20.57	£21.60	£22.70	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£22.79	£23.93	£25.10	£26.40	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Residual Waste 140 Litre bin	£3.50	£3.68	£3.90	£4.10	5% in 2020-21
Place	Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£1.61	£1.69	£1.80	£1.90	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Residual Waste 140 Litre bin	£1.75	£1.84	£1.90	£2.00	5% in 2020-21
Place	Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£3.23	£3.39	£3.60	£3.80	5% in 2020-21
Place	Waste Resources	Sack Sales Pre-Paid - Trade Recycling per 100	£119.68	£125.66	£131.90	£138.50	5% in 2020-21
Place	Waste Resources	Sack Sales Pre-Paid - Trade Waste per 50	£115.99	£121.79	£127.90	£134.30	5% in 2020-21
Place	Waste Resources	Sub contract Sack Sales Pre-Paid - Trade Recycling per 100	£127.76	£134.15	£140.90	£147.90	5% in 2020-21
Place	Waste Resources	Sub contract Sack Sales Pre-Paid - Trade Waste per 50	£126.72	£133.06	£139.70	£146.70	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Residual Waste 240 Litre bin	£2.99	£3.14	£3.30	£3.50	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Residual Waste 360 Litre bin	£4.48	£4.70	£4.90	£5.10	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Residual Waste 660 Litre bin	£8.21	£8.62	£9.10	£9.60	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Residual Waste 1100 Litre bin	£13.69	£14.37	£15.10	£15.90	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Residual Waste 1280 Litre bin	£15.97	£16.77	£17.60	£18.50	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 240 Litre bin	£2.32	£2.44	£2.60	£2.70	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 360 Litre bin	£3.47	£3.64	£3.80	£4.00	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 660 Litre bin	£6.34	£6.66	£7.00	£7.40	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 1100 Litre bin	£10.57	£11.10	£11.70	£12.30	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 1280 Litre bin	£12.30	£12.92	£13.60	£14.30	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Food/Organic Waste 140 Litre bin	£2.94	£3.09	£3.20	£3.40	5% in 2020-21
Place	Waste Resources	Sub-Contracted Charity Food/Organic Waste 500 Litre bin	£10.48	£11.00	£11.60	£12.20	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 240 Litre bin	£4.62	£4.85	£5.10	£5.40	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 360 Litre bin	£6.92	£7.27	£7.60	£8.00	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 660 Litre bin	£12.68	£13.31	£14.00	£14.70	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 1100 Litre bin	£21.15	£22.21	£23.30	£24.50	5% in 2020-21
Place	Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 1280 Litre bin	£24.58	£25.81	£27.10	£28.50	5% in 2020-21
Place	Waste Resources	Event container delivery & uplift	£66.15	£69.46	£72.90	£76.50	5% in 2020-21
Place	Waste Resources	Contamination charge - 140/240/360 ltr bins	£16.54	£17.37	£18.20	£19.10	5% in 2020-21
Place	Waste Resources	Contamination charge - 500/660/1100/1280 ltr bins	£38.59	£40.52	£42.50	£44.60	5% in 2020-21
Place	Waste Resources	Container retrieval - 140/240/360 ltr bins	£16.54	£17.37	£18.20	£19.10	5% in 2020-21
Place	Waste Resources	Container retrieval - 500/660/1100/1280 ltr bins	£38.59	£40.52	£42.50	£44.60	5% in 2020-21
Place	Waste Resources	Arran Yellow Tip Permit	£55.89	£58.68	£61.60	£64.70	5% in 2020-21
Place	Waste Resources	Arran Blue Tip Permit	£93.06	£97.71	£102.60	£107.70	5% in 2020-21
Place	Waste Resources	Commercial White Goods Collection	£47.30	£49.67	£52.20	£54.80	5% in 2020-21
Place	Waste Resources	Skip Charges 15cyd - no treatment	£83.02	£87.17	£91.50	£96.10	5% in 2020-21
Place	Waste Resources	Skip Charges 35cyd - no treatment	£197.97	£207.87	£219.30	£229.20	5% in 2020-21
Place	Waste Resources	Green - Treatment per Te	£55.13	£57.89	£60.80	£63.80	5% in 2020-21

North Ayrshire Council
Fees & Charges for 2020-21

Directorate	Service	Charge Description	Approved Charge (2019/20)	Proposed Charge (2020/21)	Indicative Charge (2021/22)	Indicative Charge (2022/23)	Basis of increase (20-21)
			£				
Place	Waste Resources	General - Treatment per Te	£49.40	£51.87	£54.50	£57.20	5% in 2020-21
Place	Waste Resources	Soil - Treatment per Te	£33.08	£34.73	£36.50	£38.30	5% in 2020-21
Place	Waste Resources	Scrap - Treatment per Te	£33.08	£34.73	£36.50	£38.30	5% in 2020-21
Place	Waste Resources	Wood - Treatment per Te	£33.08	£34.73	£36.50	£38.30	5% in 2020-21
Place	Waste Resources	Plastics - Treatment per Te	£55.13	£57.89	£60.80	£63.80	5% in 2020-21
Place	Waste Resources	Bricks/rubble - Treatment per Te	£33.08	£34.73	£36.50	£38.30	5% in 2020-21
Place	Waste Resources	Lampheads - Treatment per Te	£33.08	£34.73	£36.50	£38.30	5% in 2020-21
Place	Waste Resources	Void Uplift bin charge (Up to full set)	£47.84	£50.23	£52.70	£55.30	5% in 2020-21
Place	Waste Resources	Special Uplift Squad - 30 min	£47.84	£50.23	£52.70	£55.30	5% in 2020-21
Place	Waste Resources	Special Uplift Squad - 60 min	£95.67	£100.45	£105.50	£110.80	5% in 2020-21
Place	Waste Resources	Special Uplift - disposal landfill- 1/4te	£35.62	£37.40	£39.30	£41.30	5% in 2020-21
Place	Waste Resources	Special Uplift - disposal landfill- 1/2te	£71.23	£74.79	£78.50	£82.40	5% in 2020-21
Place	Waste Resources	Special Uplift - disposal landfill - Te	£142.46	£149.58	£157.10	£165.00	5% in 2020-21
Place	Waste Resources	Special uplift - Confidential waste per bag	£5.92	£6.22	£6.50	£6.80	5% in 2020-21
Place	Waste Resources	Direct Disposal inclusive of Scottish Landfill tax (external customers) PER Te	£142.46	£149.58	£157.10	£165.00	5% in 2020-21

North Ayrshire Council General Services Revenue Budget 2020-21											
Summary by Directorate											
Subjective Analysis											
Directorate	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
Democratic Services	3,436	7	219	11	956	216	0	0	0	(865)	3,979
Finance & Corporate Support	12,555	61	2,662	32	515	1,737	48,967	200	0	(50,403)	16,326
Communities	120,095	388	16,641	166	611	9,511	580	0	61	(2,343)	145,709
Place	51,930	20,233	12,054	7,374	1,193	17,343	0	281	0	(47,380)	63,028
Other Corporate Items	1,895	305	8,128	275	337	4,774	0	304	16,826	(2,225)	30,619
Total Expenditure	189,912	20,993	39,703	7,858	3,612	33,581	49,547	785	16,887	(103,216)	259,662
Health & Social Care Partnership											98,266
Revised Total Expenditure	189,912	20,993	39,703	7,858	3,612	33,581	49,547	785	16,887	(103,216)	357,928

Funded by:

AEF						150				-297,563	(297,413)
Council Tax							11,621			-71,588	(59,967)
Contribution from Reserves										-548	(548)
Total Funding	0	0	0	0	0	150	11,621	0	0	(369,699)	(357,928)

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2020-21										
	Democratic Services										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Legal	1,126	0	35	6	46	0	0	0	0	(717)	496
Policy, Performance & Elections	394	0	20	2	9	7	0	0	0	0	433
Communications	442	0	10	1	11	0	0	0	0	(7)	456
Ayrshire Area Support Team	79	0	2	0	3	54	0	0	0	(87)	52
Committee & Member Services	606	6	148	1	862	95	0	0	0	(25)	1,693
Information Governance	417	0	2	0	5	0	0	0	0	(21)	403
Chief Executive & Business Support	371	0	2	1	19	0	0	0	0	(8)	385
Civil Contingencies	0	0	0	0	1	60	0	0	0	0	61
Total	3,436	7	219	11	956	216	0	0	0	(865)	3,979

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2020-21										
	Finance & Corporate Support										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Director & Heads of Service	274	0	6	1	5	0	0	0	0	0	286
Financial Services	1,224	0	90	1	29	2	0	0	0	(182)	1,162
Corporate Procurement	1,031	0	12	2	8	96	0	0	0	(443)	707
Audit & Risk	794	61	16	7	14	7	0	0	0	(293)	605
Human Resources	1,760	0	73	1	93	427	0	0	0	(474)	1,880
Transformation	1,229	0	70	1	2	22	0	0	0	0	1,325
Revenues	395	0	97	0	222	0	0	0	0	(1,289)	(574)
ICT	2,309	0	2,154	13	19	0	0	0	0	(239)	4,255
Customer Services & Registration	2,238	0	138	5	111	1,183	48,967	200	0	(47,297)	5,545
Business Support	1,300	0	7	0	14	0	0	0	0	(185)	1,136
Total	12,555	61	2,662	32	515	1,737	48,967	200	0	(50,403)	16,326

North Ayrshire Council General Services Revenue Budget 2020-21											
Education & Youth Employment											
Subjective Analysis											
Objective Analysis	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Early Years	21,963	9	506	13	64	1,701	0	0	0	0	24,258
Primary Education	33,281	0	2,159	9	28	139	0	0	0	(55)	35,561
Secondary Education	35,743	0	12,673	7	24	167	0	0	0	(63)	48,550
Additional Support Needs	14,372	0	195	55	60	2,342	0	0	0	(267)	16,757
Education - Other	8,365	134	259	20	245	1,020	580	0	61	(1,242)	9,442
Connected Communities	6,371	244	850	62	189	4,141	0	0	0	(715)	11,142
Total	120,095	388	16,641	166	611	9,511	580	0	61	(2,343)	145,709

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2020-21										
	Place										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Director & Heads of Service	525	0	50	10	36	0	0	0	0	(76)	545
Property Management & Investment	3,998	13,448	331	62	339	116	0	0	0	(8,345)	9,950
Property Governance	581	2	72	3	156	61	0	0	0	(924)	(50)
Energy & Sustainability	357	3,980	3	1	2	501	0	0	0	(649)	4,194
Economic Growth	4,099	31	125	29	56	1,965	0	0	0	(1,349)	4,956
Roads	4,085	18	2,023	43	204	1,406	0	0	0	(1,200)	6,579
Streetscene	6,430	208	418	128	49	214	0	0	0	(2,828)	4,619
Other Housing	4,344	1,472	123	50	105	2,227	0	201	0	(4,559)	3,962
Internal Transport	1,532	28	133	6,483	16	2,353	0	0	0	(749)	9,795
Waste Services	4,549	6	364	184	90	5,493	0	78	0	(2,912)	7,852
Facilities Management	11,436	903	3,509	20	103	14	0	1	0	(4,147)	11,840
Building Services	8,279	137	4,844	324	15	2,816	0	0	0	(18,925)	(2,510)
Protective Services	1,716	0	59	38	22	177	0	0	0	(716)	1,296
Total	51,930	20,233	12,054	7,374	1,193	17,343	0	281	0	(47,380)	63,028

North Ayrshire Council General Services Revenue Budget 2020-21											
Other Corporate Items											
Subjective Analysis											
Objective Analysis	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Joint Boards	0	0	0	0	0	3,418	0	0	0	0	3,418
Pension Costs	1,895	0	0	0	0	0	0	0	0	0	1,895
Loan Charges & Capital Charges	0	0	0	0	0	0	0	0	16,826	(58)	16,769
Central Telephones	0	0	0	0	86	0	0	0	0	0	86
Other Corporate Items	0	0	8,128	0	0	0	0	304	0	0	8,432
Insurance	0	305	0	275	251	1,356	0	0	0	(2,168)	19
Total	1,895	305	8,128	275	337	4,774	0	304	16,826	(2,225)	30,619

NORTH AYRSHIRE COUNCIL
5 March 2020
North Ayrshire Council

Title:	Capital Investment Programme 2020/21 to 2027/28
Purpose:	To advise Council on the Capital Investment Programme to 2027/28
Recommendation:	That Council (a) approves the Capital Investment Programme to 2027/28 included in appendix 3 (b) notes that the programme will be updated on an on-going basis with the next major review in 2020/21 including a refresh of the Capital Investment Strategy and (c) notes the recommendation to earmark funds within the General Services Revenue Estimates 2020/21 to 2022/23 report to Council for the purpose of creating a Climate Fund, supporting Community Wealth Building and creating an Infrastructure Fund.

1. Executive Summary

- 1.1 This report outlines the recommendations of the refresh of the Capital Investment Programme carried out during 2019/20. The next full review of the programme will be carried out in 2020/21.
- 1.2 The refresh has incorporated all funding sources to 2027/28, including assumed levels of general capital grant, specific grants, external funding, capital fund and a prudent assessment of the level of capital receipts to 2027/28. The balance of funding required to deliver the capital programme will be met through prudential borrowing and this is anticipated at £98.720m over the period.
- 1.3 The review of loans fund advances as outlined in the Treasury Management and Investment Mid-Year report presented to Cabinet on 26 November 2019, identified the sum of £9.800m from the Prudential Investment Fund. Following the Finance Settlement and to address the shortfall in funding through the reduction in general capital grant, the sum of £8.800m has been transferred to unearmarked reserves, with the balance of £1.000m retained to support funding of the current programme. Included in the General Services Revenue Estimates 2020/21 to 2022/23 report to Council dated 5 March 2020 is the recommendation to earmark funds for the purpose of;
- Creating a Climate Fund - £5.000m
 - Supporting Community Wealth Building - £1.200m
 - Creating an Infrastructure Fund - £2.600m, supplemented by a revenue contribution of £0.186m, to create a Fund balance of £2.786m.

Although not included in the proposed Capital Investment Programme to 2027/28, it is recognised that, subject to Council approval on 5 March 2020, investment in these specific areas will include expenditure of a capital nature and will therefore be considered for inclusion into the Capital Investment Programme during 2020/21.

1.4 The refresh considered the current programme and takes cognisance of subsequent changes across the following areas:-

- Changes to funding from core capital grant and other sources of income.
- A review of spending profiles across key capital projects to support the Council's priorities as reflected in the Council Plan 2019-2024.
- Revised levels of investment across projects, taking cognisance of Council priorities, external funding sources and investing in core assets through asset management plans.
- New areas of investment.

1.5 The proposed revised Capital Investment Programme aligned to the Council Plan priorities is attached in Appendix 3 will deliver a total programme of £269.137m to 2027/28.

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

1.7 In addition to the TMIS there is also a requirement for the Council to publish a Capital Investment Strategy (CIS). The Capital Investment Strategy was approved by Council on 27 February 2019 and provides the framework which supports the Capital Investment Programme to 2027/28. A refresh of the strategy will be undertaken as part of the next major review of the Capital Investment Programme during 2020/21.

1.8 The programme will continue to be reviewed on an on-going basis by Cabinet with any additional funding brought forward for approval as appropriate.

2. Background

2.1 Capital Investment Programme 2020/21 to 2027/28

2.1.1 At its meeting on 27 February 2019 Council approved the Capital Investment Programme for the period to 2019/20 to 2027/28. A refresh of the programme was undertaken during 2019/20. This report contains the outcome of the refresh. The next major review of the programme will be undertaken during 2020/21 along with a refresh of the Capital Investment Strategy.

2.2 Capital Grant Funding

2.2.1 The Local Government Finance Circular 1/2020 dated 6 February 2020 confirmed the level of general capital grant as £27.565m for 2020/21. This includes £17.554m capital flood grant to support the current schemes. The level of net general capital grant is therefore £10.011m which represents a reduction of £2.364m from 2019/20. Projected at this level to 2027/28 totals £80.088m, which represents an anticipated reduction of £18.912m.

2.2.2 In addition to the general capital grant, a number of specific grants are also available to the Council:

- £1.323m to tackle Vacant and Derelict Land with projects requiring Scottish Government approval. This allocation builds on prior year allocations, elements of which are subject to anticipated carry forward.
- £0.222m, to fund cycling, walking and safer streets (CWSS).
- An additional £2.900m to support the ongoing expansion of Early Learning and Childcare.

2.2.3 A ring fenced £50.000m National Heat Networks Early Adopters Challenge Fund has been established to support local authorities who are ready to bring forward investment ready heat network projects. The fund will have an intervention rate of 50%, requiring local authorities to match fund, and seeks to make progress towards a reduction in greenhouse gas emissions.

2.2.4 On 27 February 2020 the Scottish Government announced further funding to be made available to local authorities, including;

- £15m specific grant capital funding for cycling, walking and safer streets (CWSS). For NAC the share is £0.373m
- £25m additional funding for energy efficiency area based schemes. The distribution for this will be discussed at COSLA.

2.3 Capital Receipts

2.3.1 A revised projection of capital receipts has been undertaken to 2027/28. This is estimated at £10.964m across two main areas:

- £5.058m of capital receipts anticipated in the early years of the proposed development at Montgomerie Park with the latter year receipts flowing through the Capital Fund supporting the phasing of the total programme;
- General capital receipts of £5.906m, which is based on the current assessment of anticipated asset sales;

2.4 Capital Fund

2.4.1 The Capital Fund together with the Prudential Investment Fund supports the overall phasing of the Capital Investment Programme. In order to consolidate this funding, during 2019/20 the balance of the Prudential Investment Fund was

transferred to the Capital Fund. It is forecast that a total of £1.533m will be required to Support the Capital Investment Programme to 2027/28 from the Capital Fund.

2.5 External Funding

2.5.1 The draft programme includes funding from the Scottish and UK Government to support the Ayrshire Growth Deal. The funding profile covers a 10 year and 15 year period respectively and extends beyond the current Capital Investment Programme timeframe to 2027/28. The investment amount currently incorporated in the programme for a community campus in Ardrossan continues to represent the North Ayrshire Council contribution. Once the project scope, deliverables and financials are finalised, the Capital Investment Programme will be updated to reflect the full investment profile and associated funding from the Scottish Government.

2.6 Prudential Borrowing

2.6.1 The difference between the Council's Capital Investment Programme and funding from the above sources is met through prudential borrowing. The proposed revision to the Capital Investment Programme will be delivered within the current loan charges revenue budget and the Capital Fund. The Capital Fund allows the Council to smooth the revenue implications of funding its Capital Investment Programme.

2.7 Refresh of the Capital Investment Programme to 2027/28

2.7.1 The refresh incorporates the re-profiling of a number of projects to better reflect current projected timelines and revised levels of investment that take cognisance of the Council's key priorities as outlined in the Council Plan 2019-2024, funding availability and lifecycle maintenance requirements informed through asset management plans. Included in Appendix 2 is a summary of all the changes from the 2019/20 approved Capital Investment Programme.

Re-Profile Projects

- Ayrshire Growth Deal – The Capital Investment Programme has been updated to incorporate anticipated gross investment levels across the key strategic projects including;
 - Irvine Harbourside Ardeer (The Great Harbour)
 - I3 Flexible Business Space
 - Marine Tourism
 - I3 Digital Automation
 - Ardrossan (International Marine Science and Environmental Centre)
 - Hunterston – Centre for Low Carbon Energy and Circular Economy

Revised Level of Investment

- Early Learning Childcare Expansion – Further investment of £2.900m specific grant from the Scottish Government has been incorporated into the Capital Investment Programme and allocated across a number of early years facilities in 2020/21 to continue the expansion programme and support delivery of 1,140 free childcare hours by August 2020.
- Vacant and Derelict Land funding – A total of £1.323m specific grant was included in the 2020/21 finance settlement to continue to address issues with vacant and derelict land. This builds on existing investment to support the programme of land remediation and economic regeneration.
- Cycling, Walking and Safer Streets – The settlement included £0.222m specific grant for environmentally sustainable investment to support travel and associated infrastructure. A further £0.373m was announced by the Scottish Government on 27 February 2020 taking the revised level of investment to £0.595m in 2020/21.
- Largs Promenade Sea Wall – Additional investment of £0.500m required to complete essential infrastructure works in 2020/21.

Lifecycle Investment

Informed by the asset management plans, significant investment has been included in the Capital Investment Programme to ensure the Council continues to invest in its core assets and infrastructure. This includes roads, lighting, bridges, property, cemeteries and vehicles. Appendix 2 outlines changes to the approved 2019/20 Capital Investment Programme and they are summarised below:

- Re-profile roads expenditure by increasing investment by £0.500m per annum from 2020/21 to 2023/24. This is required to maintain a steady state road condition, as informed by recommendations set out in the recent Road Condition Index survey. For reasons of affordability within the current Capital Investment Programme, reduced levels of investment of £0.500m per annum from 2024/25 to 2027/28 have been forecast at this time.
- Re-profile the lighting investment across each year, taking cognisance of age and condition of the lighting network and to support the current work programme. The result of which is an increase in investment to 2027/28 of £0.250m.

New Investment

- Carefirst – There is a requirement to replace the aging CareFirst case management system to a fit for purpose modern equivalent to continue to support current service provision and enable future service developments. The current application has been in use since 2001, and

although it has been upgraded to a web platform, the supplier does not offer any functional development support with the current application which is outwith statutory reporting requirements. An estimated £0.500m is included in the programme.

- Ardrossan Harbour landside – As part of the programme of landside works at the Ardrossan Harbour development an additional £3.000m has been allocated to the Capital Investment Programme. In terms of funding, the costs will be met from revenue generated from the terminal building and car park.
- The review of loans fund advances as outlined in the Treasury Management and Investment Mid-Year report presented to Cabinet on 26 November 2019, identified the sum of £9.800m from the Prudential Investment Fund. Following the Finance Settlement as outlined in 2.2.1, and to address the shortfall in funding through the reduction in general capital grant, the sum of £8.800m has been transferred to unearmarked reserves, with the balance of £1.000m retained to support funding of the current programme. It should be noted that included in the General Services Revenue Estimates 2020/21 to 2022/23 report to Council dated 5 March 2020 is the recommendation to earmark funds for the purpose of;
 - Creating a Climate Fund - £5.000m
 - Supporting Community Wealth Building - £1.200m
 - Creating an Infrastructure Fund - £2.600m, supplemented by a revenue contribution of £0.186m, to create a Fund balance of £2.786m

Although not included in the proposed Capital Investment Programme to 2027/28, it is recognised that, subject to Council approval on 5 March 2020, investment in these specific areas will include expenditure of a capital nature and will therefore be considered for inclusion into the capital investment programme during 2020/21.

2.8 The current approved Capital Investment Programme to 2027/28 is attached at Appendix 1. A refresh of the programme has been undertaken as outlined above and the changes are included in Appendix 2. The revised Capital Investment Programme covering the period from 2020/21 to 2027/28 and aligned to the Council Plan priorities is included in Appendix 3. This will deliver a total programme of investment of £269.137m.

2.9 Treasury Management and Investment Strategy (TMIS)

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

2.10 Capital Investment Strategy

2.10.1 In addition to the TMIS there is also a requirement for the Council to publish a Capital Investment Strategy (CIS). The CIS was approved by Council on 27 February 2019 and provides the overarching framework which supports the programme to 2027/28. A refresh of the strategy will be undertaken as part of the next major review of the Capital Investment Programme during 2020/21.

2.11 Revenue Implications

2.11.1 The revenue implications for Montgomerie Park, Annick and Moorpark primary schools and the new ASN campus have been incorporated in the Medium Term Financial Plan 2020/21 to 2022/23. Revenue implications associated with the community campus in Ardrossan and the Ayrshire Growth Deal will be reported when the financial analysis is completed and business cases are finalised.

3. Conclusion

3.1 The Capital Investment Programme for the period 2020/21 to 2027/28, including proposed funding is attached at Appendix 3. This confirms £269.137m investment over this period. The capital investment aligns with the Council's key priorities as set out in the Council Plan 2019-2024, core asset management plans and the Capital Investment Strategy.

3.2 The programme is affordable based on the estimated funding streams set out in the 2020/21 to 2022/23 revenue budget, the Long Term Financial Outlook considered at Council on 4 October 2017 and the Capital Fund. The long term affordability of the Programme is highlighted in the Treasury Management and Investment Strategy.

3.3 Subject to Council approval on 5 March 2020, investment to support a Climate Fund, Community Wealth Building and an Infrastructure Fund will include expenditure of a capital nature and will therefore be considered for inclusion into the Capital Investment Programme during 2020/21.

4. Proposals

4.1 That Council (a) approves the Capital Investment Programme to 2027/28 included in appendix 3 (b) notes that the programme will be updated on an ongoing basis with the next major review in 2020/21 including a refresh of the Capital Investment Strategy and (c) notes the recommendation to earmark funds within the General Services Revenue Estimates 2020/21 to 2022/23 report to Council for the purpose of creating a Climate Fund, supporting Community Wealth Building and creating an Infrastructure fund.

5. Implications/Socio-economic Duty

Financial

- 5.1 The revised capital programme is based on a number of assumptions around the availability of finance including capital grant and capital receipts. Given the forward projection to 2027/28 it is essential that these and the cost of projects is kept under review.

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

Human Resources

- 5.2 No direct implications.

Legal

- 5.3 No direct implications.

Equality/Socio-economic

- 5.4 Where the Council is making decisions in relation to its spending priorities, it is obliged to comply with the public sector equality duty set out in the Equalities Act 2010. To meet this requirement, the Council assesses the impact of applying a decision against key groups to ensure that certain groups are not disadvantaged by those decisions.

A number of the projects within the revised capital programme, will make a positive contribution to the Council's commitment to equalities.

Environmental and Sustainability

- 5.5 All projects within the revised plan will be delivered to minimise the impact on the environment and maximise sustainability. Subject to Council approval, the creation of a Climate Fund will have a sustainable environmental impact.

Key Priorities

- 5.6 The Capital Investment Programme 2020/21 to 2027/28 supports delivery of the outcomes as outlined in the Council Plan 2019-2024.

Community Wealth Building

- 5.7 The Council will aim to maximise opportunities within the context of the 5 pillars of Community Wealth Building from its investment programme. In particular,

progressing Ayrshire Growth Deal projects will make a positive contribution to economic regeneration across the region.

6. Consultation

- 6.1 A full consultation has taken place with all Executive Directors to identify and refine capital investment plans within the context of the key priorities set out within the Council Plan 2019-2024. The draft programme has been shared with all Elected Members as the programme has been developed.

Laura Friel
Executive Director (Finance & Corporate Support)

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

Background Papers

None

Appendix 1 Current programme 2020/21 to 2027/28

Appendix 2 Proposed Changes 2020/21 to 2027/28

Appendix 3 Revised programme 2020/21 to 2027/28

North Ayrshire Council Revised Capital Programme 2020/21 - 2027/28 (BASE)											
Project Description	Revised 20/21	Revised 21/22	Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Total £
EXPENDITURE											
Communities											
Early Learning & Childcare Future Projects	(58,644)										(58,644)
St Bridgets Early Years	516,100										516,100
Springside Early Years	247,885										247,885
St Peters Early Years	591,462										591,462
Gateside Early Years	353,602										353,602
Irvine Early Years	925,205	1,024,837									1,950,042
Annick Primary Extension - Early Years Provision	1,613,297										1,613,297
Moorpark Primary	3,322,000	5,944,886									9,266,886
Montgomerie Park School	986,018	6,185,000	2,463,950								9,634,968
Schools ICT Investment	350,000	350,000	350,000	350,000	350,000	350,000					2,100,000
Kilwinning Estate Learning Envnt	1,150,000	286,199									1,436,199
Ayrshire College Development	200,000										200,000
Garnock Campus	8,512										8,512
Ardrossan New Build	800,000	9,159,010	10,000,000	11,000,000	590,000						31,549,010
New Build - ASN School	15,911,328	1,287,514									17,198,842
Castles & Historic Monuments	68,485										68,485
Abbey Tower	78,437										78,437
Sub Total	27,063,687	24,237,446	12,813,950	11,350,000	940,000	350,000					76,755,083
Finance & Corporate Support											
PC replacement/virtual desktop	150,000	86,000	60,000	60,000	100,000	100,000					556,000
Data rationalisation & storage						50,000					50,000
PSN Compliance	7,000										7,000
Agile working	152,003										152,003
Managed WAN services	4,000										4,000
Business continuity						50,000					50,000
Infrastructure enhancements						50,000					50,000
Digital Strategy	218,000										218,000
Technology Infrastructure	410,000	148,000	124,000	100,000	150,000						932,000
WAN	270,680	66,420									337,100
LAN/WiFi	947,500	195,500									1,143,000
Telephony	424,226	42,467									466,693
Sub Total	2,583,409	538,387	184,000	160,000	250,000	250,000					3,965,796
Health & Social Care Partnership											
Residential & Respite Unit for Children	3,851,032	103,163									3,954,195

North Ayrshire Council Revised Capital Programme 2020/21 - 2027/28 (BASE)											
Project Description	Revised 20/21	Revised 21/22	Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Total £
Sub Total	3,851,032	103,163									3,954,195
Place											
Roads Improvement / Reconstruction	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,200,000	3,200,000			26,200,000
Lighting	750,000	750,000	750,000	750,000	1,250,000	1,250,000	1,250,000	1,250,000			8,000,000
Upper Garnock FPS	6,891,889	7,681,891	350,000								14,923,780
Millport Coastal FPS	202,592	13,310,109	12,635,000	665,000							26,812,701
Millport Pier		49,920	300,000								349,920
Millburn FPS	30,000	942,283	24,000								996,283
Bridges infrastructure programme	602,949	560,000	560,000	560,000	560,000	560,000	560,000	560,000			4,522,949
Largs Promenade Seawall	538,080	26,618									564,698
Parking Charges & DPE	200,000										200,000
Property lifecycle investment	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,500,000	1,500,000			10,500,000
Industrial portfolio	430,713										430,713
Woodlands Primary Playingfield Drainage	130,425										130,425
CCTV General	91,719										91,719
Improvement grants	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000			4,000,000
Cemetery extns, walls & infra			785,000	112,000	35,000	200,000					1,132,000
Knadgerhill Cemetery Extension	558,610										558,610
Kilwinning Cemetery	599,000										599,000
Vehicles	1,800,000	1,500,000	1,500,000	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000			14,300,000
Shewalton landfill								163,000			163,000
Irvine High Street	214,649										214,649
Irvine High Street Shop Fronts	150,000										150,000
Millport Cars	232,000										232,000
Montgomerie Park Masterplan	1,000,000		600,000	500,000	625,000	625,000	625,000	625,000			4,600,000
Lochshore, Kilbirnie	1,054,858	55,000									1,109,858
VDLF - Ardrossan North Shore	239,089										239,089
VDLF - I3 Irvine Enterprise	391,981										391,981
Ardrossan Harbour & Landside	850,000										850,000
Quarry Road Phase 2	23,862										23,862
Cycling / Walker / Safer Streets	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000			1,480,000
Access Paths Network Programme	50,000	50,000	50,000								150,000
Irvine Enterprise Area	100,599										100,599
Sub Total	22,368,015	30,160,821	22,789,000	9,322,000	9,705,000	9,870,000	9,820,000	9,983,000			124,017,836
Growth & Investment											
Ayrshire Growth Deal	839,145	1,000,000	1,000,000	1,258,325	1,813,962	1,794,380	2,390,000	2,227,000			12,322,812
Sub Total	839,145	1,000,000	1,000,000	1,258,325	1,813,962	1,794,380	2,390,000	2,227,000			12,322,812

North Ayrshire Council Revised Capital Programme 2020/21 - 2027/28 (BASE)											
Project Description	Revised 20/21	Revised 21/22	Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Total £
Other											
Flexibility / Infrastructure Fund						295,620	350,000	350,000			995,620
Sub Total						295,620	350,000	350,000			995,620
TOTAL EXPENDITURE	56,705,288	56,039,817	36,786,950	22,090,325	12,708,962	12,560,000	12,560,000	12,560,000			222,011,342
	Revised 20/21 £	Revised 21/22	Revised 22/23	Revised 23/24	Revised 24/25	Revised 25-26 £	Revised 26/27 £	Revised 27/28 £	Revised 28/29 £	Revised 29/30 £	Total £
INCOME											
Prudential Borrowing	19,103,158	26,538,429	22,942,274	7,676,552	148,962						76,409,375
Specific Grants -Early Learning & Childcare	2,575,610	1,024,837									3,600,447
Specific Grants - Cycling, Walking & Safer Streets	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000			1,480,000
Specific Grants - Vacant & Derelict Funding	631,070										631,070
Specific Grants - Flooding	17,073,000	11,120,000									28,193,000
General Capital Grant	12,375,000	12,375,000	12,375,000	12,375,000	12,375,000	12,375,000	12,375,000	12,375,000			99,000,000
Capital Fund	1,374,000	159,000									1,533,000
Grants & Contributions	100,599										100,599
Sale of land & buildings	2,288,000	3,617,700									5,905,700
Sale of vehicles	20,000	40,000	40,000								100,000
Montgomerie Park Receipts	979,851	979,851	1,244,676	1,853,773							5,058,151
TOTAL INCOME	56,705,288	56,039,817	36,786,950	22,090,325	12,708,962	12,560,000	12,560,000	12,560,000			222,011,342

North Ayrshire Council Proposed Changes to Capital Programme 2020/21 - 2027/28									
Project Description	Changes 20/21	Changes 21/22	Changes 22/23	Changes 23/24	Changes 24/25	Changes 25/26	Changes 26/27	Changes 27/28	Total £
EXPENDITURE									
Communities									
Early Learning & Childcare Future Projects	762,600								762,600
St Bridgets Early Years	94,579								94,579
Castlepark Early Years	15,936								15,936
West Kilbride Early Years	184,927								184,927
Mayfield PS Early Years	146,529								146,529
Beith PS Early Years	320,774								320,774
Skelmorlie PS Early Years	305,352								305,352
Garnock Campus Early Years	63,164								63,164
St John Ogilvie Early Years	150,847								150,847
Fairlie Early Years	163,008								163,008
Dreghorn Early Years	117,545								117,545
Cumbræ Early Years	60,864								60,864
Largs Campus Early Years	38,000								38,000
Lamlash Early Years		300,000							300,000
Moorpark Early Years	5,000								5,000
Winton Early Years	20,000								20,000
Pirnmill Early Years	51,755								51,755
Shiskine Early Years	53,420								53,420
Corrie Early Years	25,700								25,700
Kilmory Early Years	20,000								20,000
Sub Total	2,600,000	300,000							2,900,000
Health & Social Care Partnership									
Care First Replacement	250,000	250,000							500,000
Sub Total	250,000	250,000							500,000
Place									
Roads Improvement / Reconstruction	500,000	500,000	500,000	500,000	(500,000)	(500,000)	(500,000)	(500,000)	250,000
Lighting		500,000	500,000	250,000	(250,000)	(250,000)	(250,000)	(250,000)	500,000
Largs Promenade Seawall	500,000								(13,000)
Shewalton landfill								(13,000)	(13,000)
VDLF 20-21 Allocation	1,323,000								1,323,000
Ardrossan Harbour & Landside	3,000,000								3,000,000
Cycling / Walker / Safer Streets	410,000								410,000
Sub Total	5,733,000	1,000,000	1,000,000	750,000	(750,000)	(750,000)	(750,000)	(763,000)	5,470,000

North Ayrshire Council Proposed Changes to Capital Programme 2020/21 - 2027/28									
Project Description	Changes 20/21	Changes 21/22	Changes 22/23	Changes 23/24	Changes 24/25	Changes 25/26	Changes 26/27	Changes 27/28	Total £
Growth & Investment									
Ayrshire Growth Deal	(1,000,000)	(1,000,000)	(1,000,000)	(1,258,325)	(1,813,962)	(1,794,380)	(2,390,000)	(2,227,000)	(12,483,667)
AGD - Irvine Harbourside Ardeer (The Great Harbour)	250,000	1,000,000	3,000,000	3,250,000	3,500,000	1,500,000	1,000,000	500,000	14,000,000
AGD - i3 Flexible Business Space	250,000	1,000,000	1,500,000	2,000,000	2,000,000	2,000,000	1,500,000	1,500,000	11,750,000
AGD - Marine Tourism		500,000	2,750,000	1,500,000	500,000			1,000,000	6,250,000
AGD - i3 Digital Automation & Testing Centre (DifiLab)	500,000	100,000	500,000	2,500,000		900,000			4,500,000
AGD - Ardrossan (IMSE)					2,000,000				2,000,000
AGD - Hunterston - Centre for Low Carbon Energy & Circular	100,000	1,000,000				1,400,000	4,000,000	5,000,000	11,500,000
Sub Total	100,000	2,600,000	6,750,000	7,991,675	6,186,038	4,005,620	4,110,000	5,773,000	37,516,333
Other									
Flexibility / Infrastructure Fund						(295,620)	1,226,000	(191,000)	739,380
Sub Total						(295,620)	1,226,000	(191,000)	739,380
TOTAL EXPENDITURE	8,683,000	4,150,000	7,750,000	8,741,675	5,436,038	2,960,000	4,586,000	4,819,000	47,125,713
	Revised 20/21 £	Revised 21/22	Revised 22/23	Revised 23/24	Revised 24/25	Revised 25-26 £	Revised 26/27 £	Revised 27/28 £	Total £
INCOME									
Prudential Borrowing	6,233,000	4,029,000	3,484,000	5,240,675	3,100,038	224,000			22,310,713
UK Government Grant - AGD		1,100,000		2,500,000	1,750,000	2,150,000	4,000,000	4,233,000	15,733,000
Scottish Government Grant - AGD		1,805,000	6,630,000	3,365,000	2,950,000	2,950,000	2,950,000	2,950,000	23,600,000
Specific Grants -Early Learning & Childcare	2,600,000	300,000							2,900,000
Specific Grants - Cycling, Walking & Safer Streets	410,000								410,000
Specific Grants - Vacant & Derelict Funding	1,323,000								1,323,000
Specific Grants - Flooding	481,000	(720,000)							(239,000)
General Capital Grant	(2,364,000)	(2,364,000)	(2,364,000)	(2,364,000)	(2,364,000)	(2,364,000)	(2,364,000)	(2,364,000)	(18,912,000)
TOTAL INCOME	8,683,000	4,150,000	7,750,000	8,741,675	5,436,038	2,960,000	4,586,000	4,819,000	47,125,713

North Ayrshire Council Revised Capital Programme 2020/21 - 2027/28									
Project Description	Revised 20/21	Revised 21/22	Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Total £
EXPENDITURE									
Communities									
Early Learning & Childcare Future Projects	703,956								703,956
St Bridgets Early Years	610,679								610,679
Castlepark Early Years	15,936								15,936
Springside Early Years	247,885								247,885
St Peters Early Years	591,462								591,462
West Kilbride Early Years	184,927								184,927
Gateside Early Years	353,602								353,602
Irvine Early Years	925,205	1,024,837							1,950,042
Mayfield PS Early Years	146,529								146,529
Beith PS Early Years	320,774								320,774
Skelmorlie PS Early Years	305,352								305,352
Garnock Campus Early Years	63,164								63,164
St John Ogilvie Early Years	150,847								150,847
Fairlie Early Years	163,008								163,008
Dreghorn Early Years	117,545								117,545
Cumbræ Early Years	60,864								60,864
Largs Campus Early Years	38,000								38,000
Lamlash Early Years		300,000							300,000
Moorpark Early Years	5,000								5,000
Winton Early Years	20,000								20,000
Pirnmill Early Years	51,755								51,755
Shiskine Early Years	53,420								53,420
Corrie Early Years	25,700								25,700
Kilmory Early Years	20,000								20,000
Annick Primary Extension - Early Years Provision	1,613,297								1,613,297
Moorpark Primary	3,322,000	5,944,886							9,266,886
Montgomerie Park School	986,018	6,185,000	2,463,950						9,634,968
Schools ICT Investment	350,000	350,000	350,000	350,000	350,000	350,000			2,100,000
Kilwinning Estate Learning Envnt	1,150,000	286,199							1,436,199
Ayrshire College Development	200,000								200,000
Garnock Campus	8,512								8,512
Ardrossan New Build	800,000	9,159,010	10,000,000	11,000,000	590,000				31,549,010
New Build - ASN School	15,911,328	1,287,514							17,198,842
Castles & Historic Monuments	68,485								68,485
Abbey Tower	78,437								78,437
Sub Total	29,663,687	24,537,446	12,813,950	11,350,000	940,000	350,000			79,655,083

North Ayrshire Council Revised Capital Programme 2020/21 - 2027/28									
Project Description	Revised 20/21	Revised 21/22	Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Total £
Finance & Corporate Support									
PC replacement/virtual desktop	150,000	86,000	60,000	60,000	100,000	100,000			556,000
Data rationalisation & storage						50,000			50,000
PSN Compliance	7,000								7,000
Agile working	152,003								152,003
Managed WAN services	4,000								4,000
Business continuity						50,000			50,000
Infrastructure enhancements						50,000			50,000
Digital Strategy	218,000								218,000
Technology Infrastructure	410,000	148,000	124,000	100,000	150,000				932,000
WAN	270,680	66,420							337,100
LAN/WiFi	947,500	195,500							1,143,000
Telephony	424,226	42,467							466,693
Sub Total	2,583,409	538,387	184,000	160,000	250,000	250,000			3,965,796
Health & Social Care Partnership									
Care First Replacement	250,000	250,000							500,000
Residential & Respite Unit for Children	3,851,032	103,163							3,954,195
Sub Total	4,101,032	353,163							4,454,195
Place									
Roads Improvement / Reconstruction	3,800,000	3,800,000	3,800,000	3,800,000	2,800,000	2,800,000	2,700,000	2,700,000	26,200,000
Lighting	750,000	1,250,000	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	8,250,000
Upper Garnock FPS	6,891,889	7,681,891	350,000						14,923,780
Millport Coastal FPS	202,592	13,310,109	12,635,000	665,000					26,812,701
Millport Pier		49,920	300,000						349,920
Millburn FPS	30,000	942,283	24,000						996,283
Bridges infrastructure programme	602,949	560,000	560,000	560,000	560,000	560,000	560,000	560,000	4,522,949
Largs Promenade Seawall	1,038,080	26,618							1,064,698
Parking Charges & DPE	200,000								200,000
Property lifecycle investment	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,500,000	1,500,000	10,500,000
Industrial portfolio	430,713								430,713
Woodlands Primary Playingfield Drainage	130,425								130,425
CCTV General	91,719								91,719
Improvement grants	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Cemetery extns, walls & infra			785,000	112,000	35,000	200,000			1,132,000
Knadgerhill Cemetery Extension	558,610								558,610
Kilwinning Cemetery	599,000								599,000
Vehicles	1,800,000	1,500,000	1,500,000	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	14,300,000

North Ayrshire Council Revised Capital Programme 2020/21 - 2027/28									
Project Description	Revised 20/21	Revised 21/22	Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Total £
Shewalton landfill								150,000	150,000
Irvine High Street	214,649								214,649
Irvine High Street Shop Fronts	150,000								150,000
Millport Cars	232,000								232,000
Montgomerie Park Masterplan	1,000,000		600,000	500,000	625,000	625,000	625,000	625,000	4,600,000
Lochshore, Kilbirnie	1,054,858	55,000							1,109,858
VDLF 20-21 Allocation	1,323,000								1,323,000
VDLF - Ardrossan North Shore	239,089								239,089
VDLF - i3 Irvine Enterprise	391,981								391,981
Ardrossan Harbour & Landside	3,850,000								3,850,000
Quarry Road Phase 2	23,862								23,862
Cycling / Walker / Safer Streets	595,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,890,000
Access Paths Network Programme	50,000	50,000	50,000						150,000
Irvine Enterprise Area	100,599								100,599
Sub Total	28,101,015	31,160,821	23,789,000	10,072,000	8,955,000	9,120,000	9,070,000	9,220,000	129,487,836
Growth & Investment									
Ayrshire Growth Deal	(160,855)								(160,855)
AGD - Irvine Harbourside Ardeer (The Great Harbour)	250,000	1,000,000	3,000,000	3,250,000	3,500,000	1,500,000	1,000,000	500,000	14,000,000
AGD - i3 Flexible Business Space	250,000	1,000,000	1,500,000	2,000,000	2,000,000	2,000,000	1,500,000	1,500,000	11,750,000
AGD - Marine Tourism		500,000	2,750,000	1,500,000	500,000			1,000,000	6,250,000
AGD - i3 Digital Automation & Testing Centre (DifiLab)	500,000	100,000	500,000	2,500,000		900,000			4,500,000
AGD - Ardrossan (IMSE)					2,000,000				2,000,000
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy	100,000	1,000,000				1,400,000	4,000,000	5,000,000	11,500,000
Sub Total	939,145	3,600,000	7,750,000	9,250,000	8,000,000	5,800,000	6,500,000	8,000,000	49,839,145
Other									
Flexibility / Infrastructure Fund							1,576,000	159,000	1,735,000
Sub Total							1,576,000	159,000	1,735,000
TOTAL EXPENDITURE	65,388,288	60,189,817	44,536,950	30,832,000	18,145,000	15,520,000	17,146,000	17,379,000	269,137,055
INCOME									
Prudential Borrowing	25,336,158	30,567,429	26,426,274	12,917,227	3,249,000	224,000			98,720,088
UK Government Grant - AGD		1,100,000		2,500,000	1,750,000	2,150,000	4,000,000	4,233,000	15,733,000

North Ayrshire Council
Revised Capital Programme 2020/21 - 2027/28

Project Description	Revised 20/21	Revised 21/22	Revised 22/23	Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Total £
Scottish Government Grant - AGD		1,805,000	6,630,000	3,365,000	2,950,000	2,950,000	2,950,000	2,950,000	23,600,000
Specific Grants -Early Learning & Childcare	5,175,610	1,324,837							6,500,447
Specific Grants - Cycling, Walking & Safer Streets	595,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,890,000
Specific Grants - Vacant & Derelict Funding	1,954,070								1,954,070
Specific Grants - Flooding	17,554,000	10,400,000							27,954,000
General Capital Grant	10,011,000	10,011,000	10,011,000	10,011,000	10,011,000	10,011,000	10,011,000	10,011,000	80,088,000
Capital Fund	1,374,000	159,000							1,533,000
Grants & Contributions	100,599								100,599
Sale of land & buildings	2,288,000	3,617,700							5,905,700
Sale of vehicles	20,000	40,000	40,000						100,000
Montgomerie Park Receipts	979,851	979,851	1,244,676	1,853,773					5,058,151
TOTAL INCOME	65,388,288	60,189,817	44,536,950	30,832,000	18,145,000	15,520,000	17,146,000	17,379,000	269,137,055

Council Plan 2019-2024 Priorities	Sum of Investment £
A Council for the Future	£6,200,796
An efficient Council that maximises resources and provides value for money	£6,200,796
Aspiring Communities	£87,984,788
Children and young people experience the best start in life	£83,462,356
Inclusive, growing and enterprising local economy	£430,713
Residents and communities are safe	£91,719
Residents and communities enjoy good life-long health and well-being	£4,000,000
Inspiring Place	£174,951,471
A sustainable environment	£53,372,684
Homes that meet residents' needs	£4,600,000
Vibrant, welcoming and attractive environment	£743,571
Well connected with effective infrastructure	£116,235,216
Grand Total	£269,137,055

NORTH AYRSHIRE COUNCIL

5 March 2020

North Ayrshire Council

Title: Revenue Estimates 2020/21 – Common Good Funds and Trusts

Purpose: To advise Council of the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and seek approval for the level of funding to be made available for disbursement during 2020/21.

Recommendation: That Council (a) approves the 2020/21 revenue estimates for the Common Good Funds and registered charitable Trusts detailed in Appendix 2; (b) approves the allocation of funds from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle, as noted at paragraph 2.3; (c) approves the amounts available for disbursement noted at paragraph 2.10; and (d) agrees to capital spend from the dormant and low value Trusts, Irvine Common Good Fund and Largs Common Good Fund and instructs officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust.

1. Executive Summary

- 1.1 The Council is the custodian of the Common Good Funds for the former burghs of Ardrossan, Irvine, Largs, Millport, Saltcoats and Stevenston and a number of charitable Trusts, which are largely composed of bequests made many years ago.
- 1.2 This report provides Members with an overview of the financial position of each Common Good Fund and charitable Trust and recommends the level of expenditure which can be disbursed from each for 2020/21.
- 1.3 Reports prepared in conjunction with Historic Environment Scotland, conservation architects and engineers have identified urgent and essential works which require to be carried out to preserve the fabric integrity of Seagate Castle and render its structure safe. The castle is owned by Irvine Common Good Fund and it is proposed that the Fund meets the costs of the proposed works, currently estimated at £0.250m. Should cost projections exceed estimates, a further report will be presented to Council.

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

2. Background

Common Good Funds

- 2.1 The Council is the custodian of the Common Good Funds for the former burghs of Ardrossan, Irvine, Largs, Millport, Saltcoats and Stevenston. The purpose of the Common Good Funds is to benefit the general population within the defined areas of each of their respective towns.
- 2.2 During December 2019 approval was given by the Scottish Courts for the sale of Millport Town Hall, which is currently owned by Millport Common Good Fund, to the community. Negotiations are still ongoing in relation to this sale which is expected to complete during 2020.
- 2.3 Seagate Castle is one of our most historic buildings on one of our oldest streets and is currently owned by Irvine Common Good Fund. Officers from North Ayrshire Council, working with Historic Environment Scotland and external conservation architects and engineers, have prepared reports on the condition and stability of the Castle. Although works have already been undertaken this year to remove vegetation growth as a precautionary measure to help preserve the condition and appearance of the castle, the reports have concluded that a number of urgent and essential works require to be carried out within the next twelve months to preserve fabric integrity and render the structure safe. The costs of the required works have been estimated at £0.250m and Council is asked to approve the allocation of these funds from the Irvine Common Good Fund. It is proposed that works will commence on site May/June 2020, subject to seasonal factors. The estimated costs are based on current information provided by the external consultants. However, it should be noted that working on a structure as historic as this may flag up further works which may need to be addressed at the same time. Should cost projections exceed estimates, a further report will be presented to Council.
- 2.4 The Common Good Funds make annual disbursements to groups and individuals based on approved criteria. The levels of grant available for disbursement is determined after all expenditure commitments and projected income from assets has been assessed. Current practice has been for the remaining surplus to be made available for trustees to disburse, ensuring that capital balances are left intact, with the disbursement

of funds from the capital balance requiring Council approval. It is recommended that this practice continues for the majority of the Common Good Funds.

- 2.5 In the case of Irvine and Largs Common Good Funds the level of expenditure exceeds the level of income. In order to maximise the benefits to the community, it is proposed that the budgets for grant disbursement are set at a level which reflects previous years' disbursements.

Charitable Trusts

- 2.6 The Council also administers a number of Trusts which are largely composed of bequests made many years ago. Of these Trusts, there are only two which accrue significant levels of income; the Spier's Trust and the Margaret Archibald Trust. The Spier's Trust was founded in 1936 for the administration of Spier's School, Beith and for the provision of certain educational grants and bursaries with the local area of benefit comprising the parishes of Beith, Dalry, Dunlop, Kilbirnie, Lochwinnoch and Neilston. The purpose of the Margaret Archibald Trust is "to apply the capital and income from time to time, at the discretion of the Council, for the charitable purpose of persons in need who have attained sixty five years of age, living in the Parish of Dalry, Ayrshire".
- 2.7 The remaining Trusts comprise four town Trusts, covering Dalry, Kilbirnie & Glengarnock, Kilwinning and Largs, which provide assistance to persons in need within the defined area of each fund; the North Ayrshire Council Trust, which incorporates a further seven smaller funds; two minor Trusts and a number of sundry bequests listed on appendix 1.
- 2.8 During 2019/20, the previous Beith & Gateside Charitable Trust was wound up, with the agreement of the Office of the Scottish Charity Regulator, following the exhaustion of its capital through the disbursement of grants. The Council is also currently seeking the agreement of the Office of the Scottish Charity Regulator for the wind up of the McGavin Park fund held within the North Ayrshire Council Trust. It is anticipated that the winding up of this fund will be completed during 2020.
- 2.9 Historically a number of Trusts have experienced periods of dormancy where no grants have been disbursed. The Office of the Scottish Charity Regulator (OSCR) is keen that charities fulfil their charitable purposes and the Council's external auditors have previously expressed concern about continued lack of activity in these Trusts. If no other action is taken, the annual external audit fee and administrative charges will eventually exhaust these Trusts. As such, the utilisation of available funds through a particular project which complies with the Trust's purposes should be considered. It is therefore recommended that, with the exception of those Trusts with significant balances, the full balances of the town and minor Trusts are made available for disbursement. It should be noted that any disbursement which would result in the winding up of a registered Trust must be approved by the Office of the Scottish Charity Regulator (OSCR) before the relevant Locality Partnership agrees the grant. For those Trusts with significant balances, it is proposed that the budgets for grant disbursement are set at a level which reflects previous years' disbursements.

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

	Estimated Balance at 1 April 2020	Estimated Income 2020/21	Estimated Expenditure 2020/21	Available for Disbursement	Estimated Balance at 31 March 2021
	£	£	£	£	£
Common Good Fund					
Ardrossan	201,755	40,039	(13,079)	(26,960)	201,755
Irvine	1,070,250	71,061	(296,990)	(26,500)	817,821
Largs	455,534	18,452	(37,319)	(10,000)	426,667
Millport	67,234	533	(373)	(160)	67,234
Saltcoats	17,126	135	(95)	(40)	17,126
Stevenston	158,088	15,500	(1,126)	(14,374)	158,088
TOTAL	1,969,987	145,720	(348,983)	(78,034)	1,688,690
Registered Charitable Trusts					
Dalry	1,590	13	(159)	(1,444)	-
Kilbirnie & Glengarnock	3,358	26	(169)	(3,215)	-
Kilwinning	32,821	260	(332)	(32,749)	-
Largs	6,682	53	(187)	(6,548)	-
Speir's Trust	44,601	3,952	(516)	(3,436)	44,601
Margaret Archibald Trust	183,810	9,431	(452)	(8,979)	183,810
Douglas Sellers Trust	667	5	(154)	(518)	-
Anderson Park Trust	385	3	(152)	(236)	-
NAC Charitable Trust	39,952	2,451	(303)	(2,148)	39,952
TOTAL	313,866	16,194	(2,424)	(59,273)	268,363

2.11 The remaining smaller trusts administered by the Council are listed in Appendix 1. They generate around £100 of income per year and during 2019/20 thus far there have been no disbursements.

3. Proposals

3.1 It is proposed that Council (a) approves the 2020/21 revenue estimates for the Common Good Funds and registered charitable Trusts detailed in Appendix 2; (b) approves the allocation of funds from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle, as noted at paragraph 2.3; (c) approves the amounts available for disbursement noted at paragraph 2.10; and (d) agrees to capital spend from the dormant and low value Trusts, Irvine Common Good Fund and Largs Common Good Fund and instructs officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust.

4. Implications/Socio-economic Duty

Financial

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

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

Human Resources

- 4.2 None.

Legal

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

Equality/Socio-economic

- 4.4 None.

Environmental and Sustainability

- 4.5 None.

Key Priorities

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

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 Officers consulted with external conservation architects, engineers and representatives of Historic Environment Scotland in relation to the condition and stability of Seagate Castle.

Laura Friel
Executive Director (Finance and Corporate Support)

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

Background Papers

None

Sundry Bequests

Name of Funds	Investment	Projected Income 2020/21	Available for Disbursement 2020/21	Purpose of Bequest
	£	£	£	
Isabella McPhee Memorial Fund	2,757	22	2,779	Largs - Annual Putting Competition (Mackerston)
N Stewart	1,565	12	1,577	Provision of Liberty at Rothesay and Arran
Sturrock	2,831	22	2,853	Upkeep of Springside Community Centre
Clark Trophy	528	4	532	Road Safety Competition
Ayrshire Accident Relief	3,731	29	3,760	Accident Relief
Cast/Florist/N Child	270	2	272	No information available
Miss Hanslip Bequest	1,112	9	1,121	No information available
Total	12,794	100	12,894	

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Budget 2019/20 £	Projected Outturn 2019/20 £	COMMON GOOD FUND - ARDROSSAN	Proposed Budget 2020/21 £
216,793	216,793	Projected Common Good Balance Brought Forward at 1 April	201,755
		<u>INCOME</u>	
38,500	38,500	Rental - Ardrossan Civic Centre	38,500
1,292	1,531	Loans Fund Interest (on cash balances)	1,539
39,792	40,031	TOTAL INCOME FOR THE YEAR	40,039
		<u>EXPENDITURE</u>	
		Property Costs	
12,000	-	External Property Repairs - Ardrossan Civic Centre	12,000
38,000	48,140	Replacement Windows - Ardrossan Civic Centre	-
		Others	
830	929	Administration - Charge from Finance	1,079
50,830	49,069	SUB TOTAL OF EXPENDITURE	13,079
(11,038)	(9,038)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	26,960
26,962	6,000	Available for Disbursement as Grants	26,960
(38,000)	(15,038)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
178,793	201,755	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	201,755

Budget 2019/20 £	Projected Outturn 2019/20 £	COMMON GOOD FUND - IRVINE	Proposed Budget 2020/21 £
1,068,201	1,068,201	Projected Common Good Balance Brought Forward at 1 April	1,070,250
		INCOME	
		Property Rentals	
25,000	25,000	Woodlands Centre (Education & Youth Employment)	25,000
11,500	11,500	Bank Street (Church of Latter Day Saints)	11,500
1,840	1,840	Redburn Community Centre (Education & Youth Employment)	1,840
11,000	12,885	Fairground (Marymass)	11,000
13,000	13,000	Ground East Road (McConnachies)	13,000
2,000	2,000	East Road New Car Park	2,000
		Other Income	
7,113	8,434	Loans Fund Interest (on cash balances)	6,721
71,453	74,659	TOTAL INCOME FOR THE YEAR	71,061
		EXPENDITURE	
		Property Costs	
500	100	General Repairs	500
10,000	10,033	Rates on vacant properties (36/38 Bank Street)	10,234
600	600	Electricity	600
28,995	28,995	Grounds Maintenance*	30,445
		Property Maintenance - Seagate Castle	250,000
500	1,475	Other Property Costs	500
40,595	41,203		292,278
		Others	
4,572	5,121	Administration - Charge from Finance	4,712
4,572	5,121		4,712
45,167	46,324	SUB TOTAL OF EXPENDITURE	296,990
26,286	28,335	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(225,929)
26,286	26,286	Available for Disbursement as Grants	26,500
-	2,049	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(252,429)
1,068,201	1,070,250	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	817,821

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

Budget 2019/20 £	Projected Outturn 2019/20 £	COMMON GOOD FUND - LARGS	Proposed Budget 2020/21 £
468,985	468,985	Projected Common Good Balance Brought Forward at 1 April	455,534
		INCOME	
		Property Rentals (Including Insurance Premiums)	
7,312	7,312	Haylie House	7,312
3,553	2,368	Douglas Park Bowling Club (Including Ground Cost)	3,553
210	210	Douglas Park Grazings	210
4,000	6,580	Douglas Park Tennis Club & Children's Nursery	4,000
		Other Income	
-	6,290	Repayment of Grant	-
3,125	3,590	Loans Fund Interest (on cash balances)	3,377
18,200	26,350	TOTAL INCOME FOR THE YEAR	18,452
		EXPENDITURE	
		Property Costs	
2,000	1,715	Electricity	2,000
30,907	30,907	Grounds Maintenance*	32,452
500	-	Other Property Costs	500
		Others	
2,009	2,179	Administration - Charge from Finance	2,367
35,416	34,801	SUB TOTAL OF EXPENDITURE	37,319
(17,216)	(8,451)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(18,867)
10,000	5,000	Available for Disbursement as Grants	10,000
(27,216)	(13,451)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(28,867)
441,769	455,534	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	426,667

* For the upkeep of ground at Douglas Park.

Budget 2019/20 £	Projected Outturn 2019/20 £	COMMON GOOD FUND - MILLPORT	Proposed Budget 2020/21 £
66,983	66,983	Projected Common Good Balance Brought Forward at 1 April	67,234
		<u>INCOME</u>	
24	-	Sale of published materials	-
-	172	License Agreement	-
535	530	Loans Fund Interest (on cash balances)	533
559	702	TOTAL INCOME FOR THE YEAR	533
		<u>EXPENDITURE</u>	
-	129	Legal Costs	-
		Others	
344	322	Administration - Charge from Finance	373
344	451	SUB TOTAL OF EXPENDITURE	373
215	251	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	160
215	-	Available for Disbursement as Grants	160
-	251	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
66,983	67,234	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	67,234

Budget 2019/20 £	Projected Outturn 2019/20 £	COMMON GOOD FUND - SALTCOATS	Proposed Budget 2020/21 £
17,073	17,073	Projected Common Good Balance Brought Forward at 1 April	17,126
111	135	<u>INCOME</u> Loans Fund Interest (on cash balances)	135
111	135	TOTAL INCOME FOR THE YEAR	135
71	82	<u>EXPENDITURE</u> Administration - Charge from Finance	95
71	82	SUB TOTAL OF EXPENDITURE	95
40	53	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	40
40	-	Available for Disbursement as Grants	40
-	53	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
17,073	17,126	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	17,126

Budget 2019/20 £	Projected Outturn 2019/20 £	COMMON GOOD FUND - STEVENSTON	Proposed Budget 2020/21 £
156,348	156,348	Projected Common Good Balance Brought Forward at 1 April	158,088
		<u>INCOME</u>	
		Property Rentals	
14,250	14,250	New Street (Health & Social Care)	14,250
		Other Income	
1,048	1,246	Loans Fund Interest (on cash balances)	1,250
15,298	15,496	TOTAL INCOME FOR THE YEAR	15,500
		<u>EXPENDITURE</u>	
		Property Costs	
250	-	Property Repairs	250
		Others	
674	756	Administration - Charge from Finance	876
924	756	SUB TOTAL OF EXPENDITURE	1,126
14,374	14,740	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	14,374
14,374	13,000	Available for Disbursement as Grants	14,374
-	1,740	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
156,348	158,088	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	158,088

Budget 2019/20	Projected Outturn 2019/20	NAC (DALRY) CHARITABLE TRUST	Proposed Budget 2020/21
£	£		£
3,737	3,737	Projected Trust Balance Brought Forward at 1 April	1,590
23	20	INCOME Loans Fund Interest (on cash balances)	13
23	20	TOTAL INCOME FOR THE YEAR	13
401	237	EXPENDITURE Administration - Charge to Finance	159
401	237	SUB TOTAL OF EXPENDITURE FOR THE YEAR	159
(378)	- 217	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(146)
3,195	1,930	Available for Disbursement as Grants	1,444
(3,573)	(2,147)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(1,590)
164	1,590	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2019/20	Projected Outturn 2019/20	NAC (KILBIRNIE & GLENGARNOCK) CHARITABLE TRUST	Proposed Budget 2020/21
£	£		£
3,572	3,572	Projected Trust Balance Brought Forward at 1 April	3,358
22	28	<u>INCOME</u> Loans Fund Interest (on cash balances)	26
22	28	TOTAL INCOME FOR THE YEAR	26
384	242	<u>EXPENDITURE</u> Administration - Charge from Finance	169
384	242	SUB TOTAL OF EXPENDITURE FOR THE YEAR	169
(362)	(214)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(143)
3,052	-	Available for Disbursement as Grants	3,215
(3,414)	(214)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR	(3,358)
158	3,358	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2019/20	Projected Outturn 2019/20	NAC (KILWINNING) CHARITABLE TRUST	Proposed Budget 2020/21
£	£		£
39,495	39,495	Projected Trust Balance Brought Forward at 1 April	32,821
646	260	INCOME Loans Fund Interest (on cash balances)	260
646	260	TOTAL INCOME FOR THE YEAR	260
940	384	EXPENDITURE Administration - Charge from Finance	332
940	384	SUB TOTAL OF EXPENDITURE FOR THE YEAR	332
(294)	(124)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(72)
32,000	6,550	Available for Disbursement as Grants	32,749
(32,294)	(6,674)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(32,821)
7,201	32,821	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2019/20	Projected Outturn 2019/20	NAC (LARGS) CHARITABLE TRUST	Proposed Budget 2020/21
£	£		£
7,986	7,986	Projected Trust Balance Brought Forward at 1 April	6,682
51	54	INCOME Loans Fund Interest (on cash balances)	53
51	54	TOTAL INCOME FOR THE YEAR	53
440	258	EXPENDITURE Administration - Charge from Finance	187
440	258	SUB TOTAL OF EXPENDITURE FOR THE YEAR	187
(389)	(204)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(134)
7,441	1,100	Available for Disbursement as Grants	6,548
(7,830)	(1,304)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(6,682)
156	6,682	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2019/20 £	Projected Outturn 2019/20 £	SPIER'S TRUST	Proposed Budget 2020/21 £
43,686	43,686	Projected Trust Balance Brought Forward at 1 April	44,601
		<u>INCOME</u>	
1,000	850	Share dividends	1,000
206	258	Loans Fund Interest (on cash balances)	292
2,660	2,660	Rent	2,660
3,866	3,768	TOTAL INCOME FOR THE YEAR	3,952
		<u>EXPENDITURE</u>	
140	140	Insurance	140
100	76	Broker Fees	100
290	257	Administration - Charge from Finance	276
530	473	SUB TOTAL OF EXPENDITURE FOR THE YEAR	516
3,336	3,295	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	3,436
3,336	2,380	Available for Disbursement as Grants	3,436
-	915	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
43,686	44,601	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	44,601

Budget 2019/20 £	Projected Outturn 2019/20 £	MARGARET ARCHIBALD BEQUEST	Proposed Budget 2020/21 £
182,298	182,298	Projected Trust Balance Brought Forward at 1 April	183,810
		INCOME	
9,000	10,000	Share dividends	9,000
270	348	Loans Fund Interest (on cash balances)	431
9,270	10,348	TOTAL INCOME FOR THE YEAR	9,431
		EXPENDITURE	
540	436	Administration - Charge from Finance	452
540	436	SUB TOTAL OF EXPENDITURE FOR THE YEAR	452
8,730	9,912	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	8,979
8,730	8,400	Available for Disbursement as Grants	8,979
-	1,512	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
182,298	183,810	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	183,810

Budget 2019/20 £	Projected Outturn 2019/20 £	DOUGLAS SELLERS TRUST	Proposed Budget 2020/21 £
889	889	Projected Trust Balance Brought Forward at 1 April	667
5	7	<u>INCOME</u> Loans Fund Interest (on cash balances)	5
5	7	TOTAL INCOME FOR THE YEAR	5
368	229	<u>EXPENDITURE</u> Administration - Charge from Finance	154
368	229	SUB TOTAL OF EXPENDITURE FOR THE YEAR	154
(363)	(222)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(149)
366	-	Available for Disbursement as Grants	518
(729)	(222)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR	(667)
160	667	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2019/20 £	Projected Outturn 2019/20 £	ANDERSON PARK TRUST	Proposed Budget 2020/21 £
608	608	Projected Trust Balance Brought Forward at 1 April	385
3	5	<u>INCOME</u> Loans Fund Interest (on cash balances)	3
3	5	TOTAL INCOME FOR THE YEAR	3
364	228	<u>EXPENDITURE</u> Administration - Charge from Finance	152
364	228	SUB TOTAL OF EXPENDITURE FOR THE YEAR	152
(361)	(223)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(149)
88	-	Available for Disbursement as Grants	236
(449)	(223)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(385)
159	385	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2019/20	Projected Outturn 2019/20	NORTH AYRSHIRE COUNCIL CHARITABLE TRUST (excluding SPIERS TRUST)	Proposed Budget 2020/21
£	£		Total £
40,428	40,428	Projected Trust Balance Brought Forward at 1 April	39,952
		INCOME	
2,225	2,130	Dividends	2,130
260	324	Loans Fund Interest (on cash balances)	321
2,485	2,454	TOTAL INCOME FOR THE YEAR	2,451
		EXPENDITURE	
361	322	Administration - Charge from Finance	303
361	322	SUB TOTAL OF EXPENDITURE FOR THE YEAR	303
2,124	2,132	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	2,148
2,124	2,608	Available for Disbursement as Grants	2,148
-	(476)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
40,428	39,952	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	39,952

NORTH AYRSHIRE COUNCIL**5 March 2020****Cabinet**

Title: Treasury Management and Investment Strategy 2020/21**Purpose:** To seek approval for the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2020/21.**Recommendation:** That Council approves the Treasury Management and Investment Strategy for 2020/21 as attached at Appendix 1.

1. Executive Summary

- 1.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017) to approve a Treasury Management Strategy before the start of each financial year. The Council is also required by regulation to have regard to CIPFA's Prudential Code (revised 2017) under Part 7 of the Local Government in Scotland Act 2003. In addition, the Consent by Scottish Ministers for the Investment of Money by Scottish Local Authorities Regulation (April 2010) requires the Council to approve an Investment Strategy before the start of each financial year.
- 1.2 The Treasury Management and Investment Strategy attached to this report complies fully with these requirements and provides;
 - a summary of the Council's capital plans;
 - outlines the Treasury Management Strategy in relation to borrowing and the impact of council plans on borrowing;
 - outlines the Investment Strategy including the instruments available for investments and permitted counterparties.
- 1.3 The strategy provides key prudential and treasury indicators to 2027/28 which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurance in relation to the affordability and sustainability of capital investment plans.

1.4 The key points highlighted in this report are;

- the continuation of an “under borrowed” position;
- interest rates forecasts predict that the UK Bank Rate will remain at 0.75% until the end of 2022; and
- following the 1% increase in PWLB rates in October 2019 the Council will continue to investigate other sources of long term borrowing which may be more beneficial.

2. Background

2.1 CIPFA defines treasury management as:

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

2.2 The Local Government Scotland Act 2003 and the Prudential Code requires the Council to approve an annual Treasury Management and Investment Strategy which outlines the Council's strategy in relation to borrowing and the Council's strategy for managing investments giving priority to the security and liquidity of those investments.

2.3 The Treasury Management and Investment Strategy 2020/21 is attached at Appendix 1. The overall objectives of the strategy are as follows:

Borrowing

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

Investments

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

- 2.4 The strategy provides detailed key prudential and treasury indicators to 2027/28, aligned to the Council's current capital investment programme, which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurances in relation to the affordability and sustainability of capital investment strategy, including;
- the General Services capital plan to 2027/28; and
 - the one-year programme for the Housing Revenue Account, with investment requirements for future years outlined within the HRA 30-year Business Plan.
- 2.5 The strategy also links with the key objectives of the Prudential Code that capital investment programmes:
- should be set at a level that delivers the Council's strategic priorities; and
 - are affordable in terms of the impact of the resultant debt repayments on revenue budgets.
- 2.6 The Treasury Management and Investment Strategy includes prudential indicators which are critical in assessing the affordability of capital investment plans and their impact on the Council's overall finances. The indicator used to demonstrate affordability is the proportion of financing costs to the net revenue stream (for both General Fund and Housing Revenue Account).
- 2.7 There are a number of other key indicators designed to ensure that the Council operates within well-defined limits. The strategy, therefore, specifies:
- limits we do not expect external debt to exceed;
 - appropriate levels of fixed rate borrowing versus variable rate borrowing;
 - upper and lower limits on the maturity of the debt portfolio, which reduces the Council's exposure to large sums falling due for refinancing at any one time; and
 - limits on investments placed for more than 365 days.
- 2.8 The Council expects to hold an 'under-borrowed' position at 31 March 2020. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded by debt, due to the level of the Council's internal funds. The use of internal funds instead of borrowing will continue due to the low level of investment rates in the market and the saving which can be made in borrowing costs. This under-borrowed position will decline through time as internal funds reduce and borrowing is required to be undertaken to replace internal funding.
- 2.9 The Treasury Management and Investment Strategy includes details of the Council's policy on repayment of loans fund advances. The Council's policy complies with the options currently available under the Local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 and the asset lives and methodologies used have been reviewed to provide for the prudent repayment of advances.

3. Proposals

- 3.1 That Council approves the Treasury Management and Investment Strategy for 2020/21 as attached at Appendix 1.

4. Implications/Socio-economic Duty

Financial

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

Human Resources

- 4.2 None.

Legal

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

Equality/Socio-economic

- 4.4 None.

Environmental and Sustainability

- 4.5 None.

Key Priorities

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

Community Wealth Building

- 4.7 None.

5. Consultation

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

Laura Friel
Executive Director (Finance and Corporate Support)

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

Background Papers

None



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Treasury Management and Investment Strategy

2020/21



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1 Purpose

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

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

This strategy meets these requirements fully.

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

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

Responsibilities

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

Full Council

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

Cabinet

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

Section 95 Officer

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

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

External Treasury Advisers

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

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

The Council's current external treasury management advisors are Arlingclose Limited. The contract started on 1 January 2016 and is in place until January 2021. The Council will ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed, documented and subject to regular review.

2 Executive Summary

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

CIPFA defines treasury management as:

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

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

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

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

Table 1

Prudential and Treasury Indicators	2019/20 Probable Outturn £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Capital Expenditure:				
General Services	42.766	65.388	60.190	44.537
HRA	41.935	91.735	44.267	43.333
Total	84.701	157.123	104.457	87.870
Loans Capital Financing Requirement (CFR):				
General Services	187.044	206.824	232.819	253.753
HRA	127.346	177.323	187.446	201.049
Total	314.390	384.147	420.265	454.802
Gross Borrowing	264.390	354.147	410.265	444.802
Operational Boundary for Borrowing	338.333	401.850	437.763	469.655
Authorised Limit for Borrowing	372.166	442.035	481.539	516.621
Total Operational Boundary (Including PPP/NPD)	440.792	500.641	532.851	560.815
Total Authorised Limit (Including PPP/NPD)	474.625	540.826	576.627	607.781
Investments:				
Longer than 1 year	-	-	-	-
Under 1 year	25.000	20.000	20.000	20.000
Total	25.000	20.000	20.000	20.000

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

Capital Expenditure for the General Fund (GF) reflects the capital investment programme for 2020/21 to 2027/28 and Housing Revenue Account (HRA) reflects the capital investment programme for 2020/21 and the capital investment plans included in the latest business plan. To ensure the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2027/28 and these can be found in Appendix 1.

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

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

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

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

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

Full details of these can be found on page 10.

The **average investment** rate estimated for 2020/21 is 0.65% and is reflective of the Council's appetite for risk, the short term nature of investments and the permitted instruments and counterparties selected.

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

Client Status

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

3 Capital and Prudential Indicators 2020/21 – 2022/23

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

(a) Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of the 2020/21 budget setting.

The 2020/21 budget proposes an updated Capital Investment Programme for General Services to 2027/28 and updated investment plans for the HRA for 2020/21 and the capital investment plans included in the latest business plan. All projects within the Capital programme are linked to the Council's key strategic priorities. These are also covered in the Capital Investment Strategy, produced in line with the requirements of the 2017 Prudential Code. To ensure the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2027/28 and these can be found in Appendix 1. Table 2 shows the capital expenditure plans and how they are being financed by capital or revenue resources over the next three years. The borrowing figure in Table 2 is the difference between the estimates for total capital expenditure and the other funding sources.

Table 2

Estimates of Capital Expenditure and Income	2019/20 Probable Outturn £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
General Services Capital expenditure	42.766	65.388	60.190	44.537
Funded by:				
Borrowing	7.955	25.336	30.567	26.426
Receipts / Grants	31.882	38.678	29.464	18.111
Funded from Revenue	0.715	-	-	-
Funded from Reserves	2.214	1.374	0.159	-
Total	42.766	65.388	60.190	44.537
HRA Capital expenditure	41.935	91.735	44.267	43.333
Funded by:				
Borrowing	10.302	53.845	15.226	19.614
Receipts / Grants	13.621	22.906	15.527	10.407
Funded from Revenue	13.157	11.467	10.488	11.247
Funded from Reserves	4.855	3.517	3.026	2.065
Total	41.935	91.735	44.267	43.333

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

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

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

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

The total CFR can also be reduced by:

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

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

Table 3

Capital Financing Requirement (CFR)	2019/20 Probable Outturn £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
General Services	289.503	305.615	327.907	344.913
HRA	127.346	177.323	187.446	201.049
Sub-total	416.849	482.938	515.353	545.962
Less PPP/NPD long-term liability	(102.459)	(98.791)	(95.088)	(91.160)
Loans Capital Financing Requirement (CFR)	314.390	384.147	420.265	454.802
Movement in CFR				
General Services		19.780	25.995	20.934
HRA		49.977	10.123	13.603
Annual Change		69.757	36.118	34.537

(c) Limits to borrowing activity

The Operational Boundary

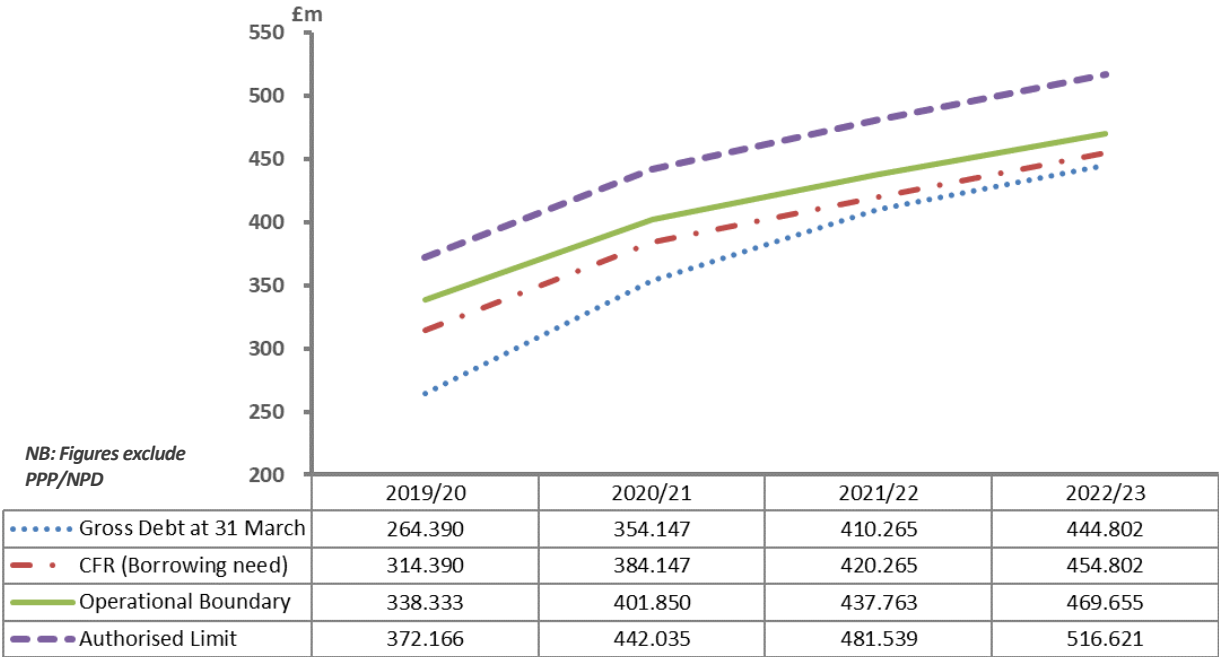
The operational boundary is the expected maximum borrowing position of the Council during the year, taking account of the timing of various funding streams and the recharge of principal repayments from the revenue account. Periods where the actual position varies from the boundary are acceptable, subject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

The Authorised Limit

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

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

Borrowing Projection v Approved Limits



(d) Affordability Prudential Indicators

These Prudential Indicators assess the affordability of capital investment plans and provide an indication of the impact of capital investment plans on the Council’s overall finances. The cost impact of borrowing decisions is reflected in the Council’s budget as loan charges. These have been projected to 2027/28 in line with the capital plan.

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

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

Table 4

Proportion of financing costs to net revenue stream	2019/20 Probable Outturn %	2020/21 Estimate %	2021/22 Estimate %	2022/23 Estimate %
General Services	4.8%	4.2%	4.3%	4.9%
HRA	17.6%	20.6%	24.2%	25.7%

Capital expenditure impacts on the revenue budget through financing charges so it is essential that Council ensures that financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available.

The rising ratio within the HRA is indicative of the significant capital investment programme as outlined in the Strategic Housing Investment Plan. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

4 Treasury Management Strategy

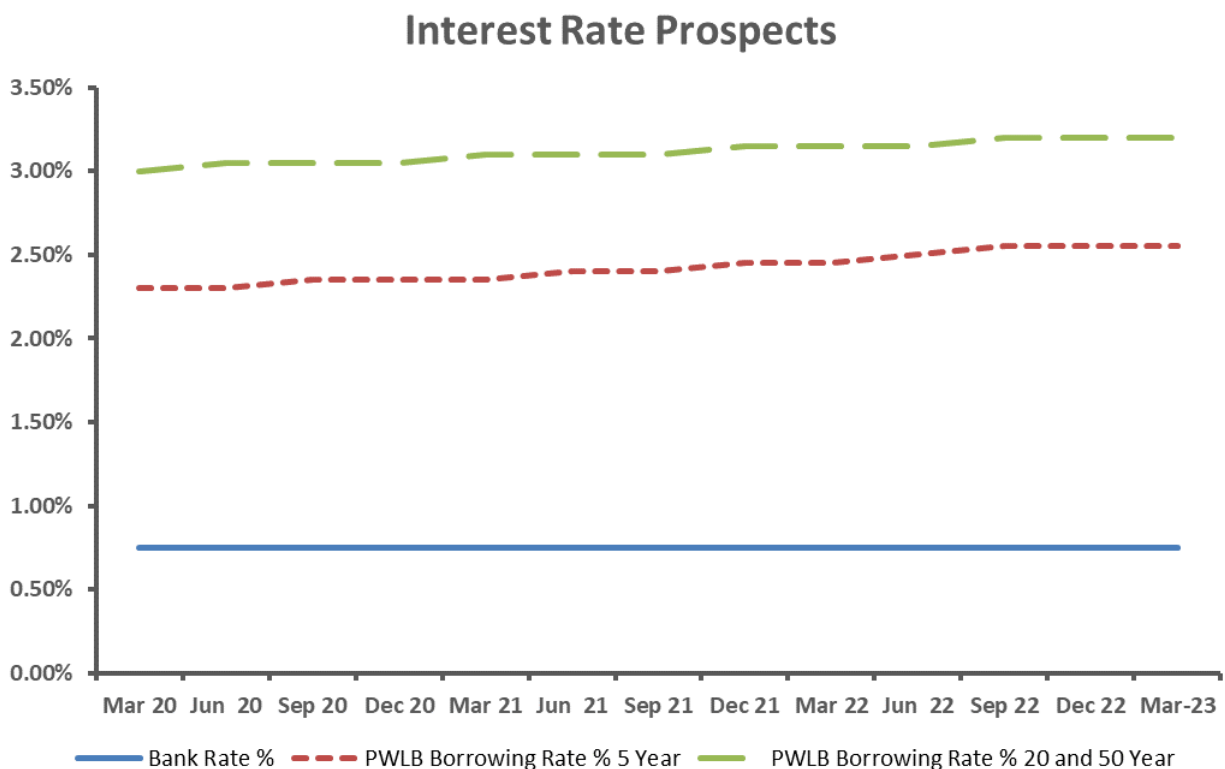
The treasury management function ensures that the Council's funds are managed in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity. This involves both the organisation of the cashflow and, where capital plans require, the organisation of appropriate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

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

Economic Outlook

Interest rate forecast

Interest rate forecasts are key to forecasting the costs of future borrowing. The Council's treasury advisor, Arlingclose, projects that the UK Bank Rate will remain at 0.75% until the end of 2022. However, the forecasts have been complicated by the uncertainty over the end of the Brexit transitional period and the economic impact of COVID-19. Even if the Bank Rate is higher than witnessed in recent years, it will still be low when viewed against historic levels. The projected rates are shown in the following graph alongside an assessment of PWLB borrowing rates to March 2023:



Current portfolio position

The Council's treasury portfolio position at 31 March 2020 with forward projections are summarised below. Table 5 shows the actual external debt against the underlying capital borrowing need (the CFR), highlighting any over or under borrowing. Both the external debt and CFR exclude the Council's liabilities in respect of the PPP/NPD schemes.

Table 5

Current Portfolio Position (excluding PPP/NPD)	2019/20	2020/21	2021/22	2022/23
	Probable Outturn	Estimate	Estimate	Estimate
	£m	£m	£m	£m
Gross Debt at 31 March	264.390	354.147	410.265	444.802
CFR	314.390	384.147	420.265	454.802
(Under)/Over Borrowed Position	(50.000)	(30.000)	(10.000)	(10.000)

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

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

Against this background and the risks within the economic forecast, caution will be adopted within 2020/21 treasury operations. The Section 95 Officer will monitor interest rates and adopt a pragmatic approach to changing circumstances. For example:

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

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

Controls on borrowing activity

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

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

Table 6

	2019/20 Probable Outturn £m	2019/20 Limit £m	2020/21 Limit £m	2021/22 Limit £m	2022/23 Limit £m
Limits on fixed interest rates based on net debt	213.440	372.166	442.035	481.539	516.621
Limits on variable interest rates based on net debt	50.950	60.000	60.000	60.000	60.000

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

Table 7

Maturity Profile of Borrowing	2019/20 Probable Outturn £m	2019/20 Probable Outturn %	Lower Limit %	Upper Limit %
Under 12 months	83.897	32%	0%	50%
12 months and within 24 months	0.021	0%	0%	50%
24 months and within 5 years	0.135	0%	0%	50%
5 years and within 10 years	6.556	2%	0%	75%
10 years and above	173.781	66%	25%	90%
Total Borrowing	264.390	100%		

* Note the Under 12 months figure in the above table includes £38.950m LOBOs which have call options in year.

LOBOs

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

Policy on borrowing in advance of need

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

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

Debt rescheduling

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

Potential reasons for debt rescheduling include:

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

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

Borrowing Sources

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

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

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

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

Alternatives to PWLB

North Ayrshire Council has previously raised the majority of its long-term borrowing from the PWLB. However, the government increased PWLB rates by 1% in October 2019 making it a less competitive option. The Council will continue to investigate other sources of long term borrowing which may be more beneficial, including banks, pension funds and local authorities.

The Council will also investigate the alternative sources of funding which may offer lower interest costs and reduce over-reliance on one source of funding, in line with the CIPFA Code. One example of such funding is the UK Municipal Bonds Agency, an organisation which plans to issue bonds on the capital markets and lend the proceeds to local authorities. As these will represent a more complex form of borrowing, any decision to borrow in this way will be the subject of a separate report to Council.

Policy on Use of Financial Derivatives

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

Policy on Repayment of Loans Fund Advances

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

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

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

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

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

All advances made since the regulations came into force have been re-evaluated to confirm that the most appropriate asset lives and methodologies have been used to ensure prudent repayment of the advances.

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

The policy is outlined in full in Appendix 4.

5 Investment Strategy

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

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

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

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

Given the risk of bail-in (as defined on page 17) and continued low returns from short-term unsecured bank investments, the Council will take opportunities, as cash flows permit, to further diversify into more secure asset classes during 2020/21. This diversification will mitigate further risks associated with investments.

Current Portfolio Position

Table 8

Current Portfolio Position	2019/20 Probable Outturn £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Investments at 31 March	25.000	20.000	20.000	20.000
Net Debt at 31 March	239.390	334.147	390.265	424.802

Creditworthiness policy

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

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

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

Where deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings but can be seen in other market measures. In such circumstances, the Council will restrict its investment activity to those organisations of higher credit quality and will reduce the maximum duration of its investments to maintain the required level of security. If this leads to a restricted number of organisations, funds will be placed with the UK government, via the Debt Management Office, treasury bills, or investment in other local authorities.

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

Bail-in Risk

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

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

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

Investment Strategy and Permitted Investments

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

Investment returns expectations

Bank Rate is forecast to remain at 0.75% until the end of 2022. Bank Rate forecasts for financial year ends (March) are:

- 2020/21 0.75%
- 2021/22 0.75%
- 2022/23 0.75%

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

- 2019/20 0.65%
- 2020/21 0.65%
- 2021/22 0.65%

Investment treasury indicator and limit

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

Table 9

Maximum principal sums invested for more than 1 year	2019/20 Probable Outturn	2020/21 Limit	2021/22 Limit	2022/23 Limit
Principal sums invested for more than 1 year	0%	40%	40%	40%

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

Summary of Material Investments, Guarantees and Liabilities

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

The Council has the current historic investments on the balance sheet as at 31st March 2019:

	Value as at 31 March 2019 £m
Long-term Debtors	0.846
Long-term Investments	0.350
Total	1.196

The long-term debtors represent loan finance provided by the Council to other parties and includes the loans to North Ayrshire Ventures Trust Ltd (£0.690m), Advances for House Rents (£0.147m) and Car and Leisure Loans (£0.009m).

The long-term investment relates to a joint venture to develop land at North Shore, Ardrossan.

Monitoring of Investment Strategy

An update on the investment position of the Council will be reported to Cabinet in the 2020/21 Mid-Year Treasury report and the Annual Treasury Report will be submitted to the Council after the end of the financial year.

Appendix 1: Prudential Indicators 2023 to 2028

Estimates of Capital Expenditure and Income	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Services Capital expenditure	30.832	18.145	15.520	17.146	17.379
Funded by:					
Borrowing	12.917	3.249	0.224	-	-
Receipts / Grants	17.915	14.896	15.296	17.146	17.379
Funded from Revenue	-	-	-	-	-
Funded from Reserves	-	-	-	-	-
Total	30.832	18.145	15.520	17.146	17.379
HRA Capital expenditure	48.940	55.307	11.164	11.549	11.948
Funded by:					
Borrowing	23.711	29.211	-	-	-
Receipts / Grants	11.823	12.000	-	-	-
Funded from Revenue	11.228	11.904	11.164	11.549	11.948
Funded from Reserves	2.178	2.192	-	-	-
Total	48.940	55.307	11.164	11.549	11.948

Capital Financing Requirement (CFR)	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Services	348.059	341.250	330.850	321.650	312.145
HRA	217.956	239.263	230.148	220.731	213.294
Sub-total	566.014	580.512	560.998	542.381	525.438
Less PPP/NPD long-term liability	(86.810)	(82.545)	(78.090)	(73.124)	(67.808)
Sub-total	479.204	497.967	482.908	469.257	457.630
Movement in CFR					
General Services	7.496	(2.544)	(5.945)	(4.234)	(4.189)
HRA	16.907	21.307	(9.114)	(9.418)	(7.437)
Annual Change	24.402	18.763	(15.059)	(13.652)	(11.626)

Proportion of financing costs to net revenue stream	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Services	5.1%	5.3%	5.5%	4.7%	4.7%
HRA	27.3%	28.8%	30.0%	28.9%	24.8%

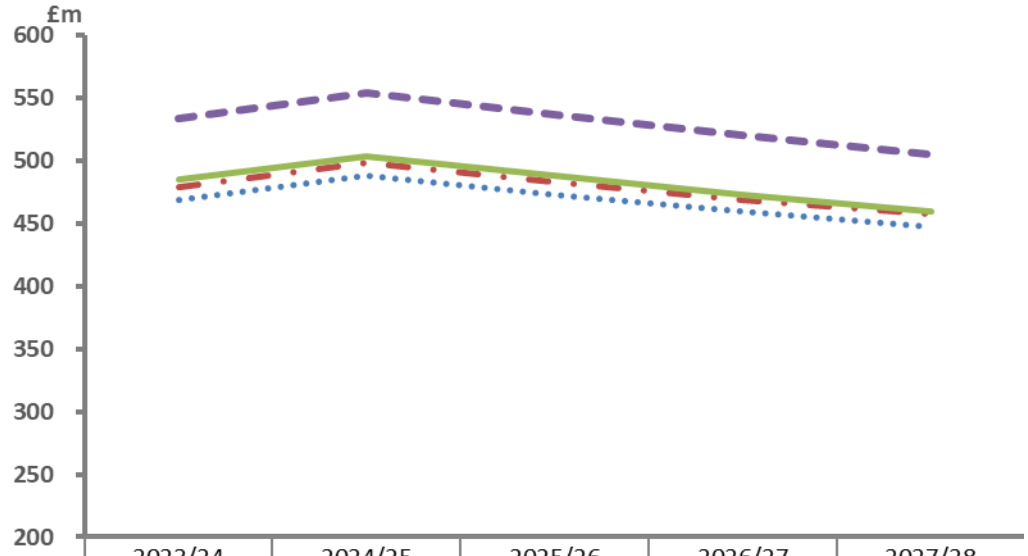
Current Portfolio Position (excluding PPP/NPD)	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Gross Debt at 31 March	469.204	487.967	472.908	459.257	447.630
CFR	479.204	497.967	482.908	469.257	457.630
(Under)/Over Borrowed Position	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)

Current Portfolio Position	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Investments at 31 March	20.000	20.000	20.000	20.000	20.000
Net Debt at 31 March	449.204	467.967	452.908	439.257	427.630

Operational Boundary	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Anticipated borrowing	485.462	503.856	488.191	472.908	459.257
PPP/NPD long-term liability	86.810	82.545	78.090	73.124	67.808
Operational Boundary	572.272	586.401	566.281	546.032	527.065

Authorised Limit	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Operational Boundary + 10%	534.008	554.242	537.011	520.199	505.182
PPP/NPD long-term liability	86.810	82.545	78.090	73.124	67.808
Authorised Limit	620.818	636.787	615.101	593.323	572.990

Borrowing Projection v Approved Limits



	2023/24	2024/25	2025/26	2026/27	2027/28
..... Gross Debt at 31 March	469.204	487.967	472.908	459.257	447.630
- . - CFR (Borrowing need)	479.204	497.967	482.908	469.257	457.630
— Operational Boundary	485.462	503.856	488.191	472.908	459.257
- - - Authorised Limit	534.008	554.242	537.011	520.199	505.182

Appendix 2: Treasury Risk Register

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

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

Appendix 3: Permitted Investments, Risks and Mitigating Controls

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

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

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

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

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

Appendix 4: Policy on Repayment of Loans Fund Advances

Policy on Repayment of Loans Fund Advances

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

Loans Fund advances comprise several items and the estimated opening balances for 2020/21, where applicable for North Ayrshire Council, are:

- capital expenditure (£314.391m);
- grants to third parties and expenditure on third party assets which would be classified as capital expenditure by a local authority (£0m);
- loans to third parties (£0m); and
- expenditure for which a borrowing consent has been issued by the Scottish Government (£0m).

Prudent repayment of Loans Fund advances

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

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

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

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

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

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

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

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

Estimates of prudent Loans Fund repayment

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

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment by HRA £m	Closing Balance £m
2018/19 actual	293.273	21.305	4.301	-8.806	-2.393	307.680
2019/20	307.680	7.955	10.303	-8.279	-3.268	314.391
2020/21 - 24/25	314.391	99.129	141.648	-26.834	-29.089	499.244
2025/26 - 29/30	499.244	0.224	0.000	-22.421	-39.012	438.034
2030/31 - 34/35	438.034	0.000	0.000	-25.007	-42.736	370.291
2035/36 - 39/40	370.291	0.000	0.000	-30.040	-46.005	294.246
2040/41 - 44/45	294.246	0.000	0.000	-32.398	-34.007	227.842
2045/46 - 49/50	227.842	0.000	0.000	-27.935	-20.293	179.614
2050/51 - 54/55	179.614	0.000	0.000	-27.501	-21.864	130.250
2055/56 - 59/60	130.250	0.000	0.000	-30.271	-22.787	77.192
2060/61 - 64/65	77.192	0.000	0.000	-31.109	-13.202	32.881
2065/66 & later	32.881	0.000	0.000	-32.881	0.000	0.000

Policy on Apportioning Interest to the HRA

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

Appendix 5: Counterparty Limits

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

The Council may invest its funds with any of the counterparties detailed below, subject to the cash limits (per counterparty) and time limits shown. This list reflects the current (January 2020) counterparty list and will be updated throughout the year based on information received by our Treasury Adviser.

Counterparty	Country of Domicile	Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	AUTHORITY SPECIFIC LIMITS		
						Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
UNITED KINGDOM : BANKS								
BANK OF SCOTLAND PLC	GB	A+	Aa3	A+	Lloyds Banking Group		£10,000,000	6 months
LLOYDS BANK PLC	GB	A+	Aa3	A+				6 months
BARCLAYS BANK PLC	GB	A+	A2	A		£10,000,000		100 days
BARCLAYS BANK UK PLC	GB	A+	A1	A				100 days
CLOSE BROTHERS LTD	GB	A	Aa3					100 days
GOLDMAN SACHS INT'L BANK	GB	A	A1	A+		£10,000,000		100 days
HANDELSBANKEN PLC	GB	AA		AA-		£10,000,001		6 months
HSBC BANK PLC	GB	A+	Aa3	AA-		£10,000,000		6 months
HSBC UK BANK PLC	GB	A+	Aa3	AA-				6 months
NATIONAL WESTMINSTER BANK	GB	A+	A1	A	RBS Group		£10,000,000	100 days
ROYAL BANK OF SCOTLAND PLC/T	GB	A+	A1	A				100 days
ULSTER BANK LIMITED	GB	A+	A1	A				100 days
SANTANDER UK PLC	GB	A+	Aa3	A	Santander Group	£10,000,000	£10,000,000	6 months

Counterparty	Country of Domicile	Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	AUTHORITY SPECIFIC LIMITS		
						Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
GOVERNMENT OF CANADA	CA	AAA	Aaa	AAA				
BANK OF MONTREAL	CA	AA-	Aa2	A+		£10,000,000		6 months
BANK OF NOVA SCOTIA	CA	AA-	Aa2	A+		£10,000,000		6 months
CAN IMPERIAL BK OF COMMERCE	CA	AA-	Aa2	A+		£10,000,000		6 months
EXPORT DEVELOPMENT CANADA	CA		Aaa	AAA				25 years
ROYAL BANK OF CANADA	CA	AA	Aa2	AA-		£10,000,000		6 months
TORONTO-DOMINION BANK	CA	AA-	Aa1	AA-		£10,000,000		6 months
KINGDOM OF DENMARK	DE	AAA	Aaa	AAAu				
KOMMUNEKREDIT	DE		Aaa	AAA				15 years
REPUBLIC OF FINLAND	FI	AA+	Aa1	AA+				15 years
MUNICIPALITY FINANCE PLC	FI		Aa1	AA+				15 years
NORDEA BANK ABP	FI	AA-	Aa3	AA-				6 months
OP CORPORATE BANK PLC	FI		Aa3	AA-				6 months
FEDERAL REPUBLIC OF GERMANY	GE	AAA	Aaa	AAAu				
BAYERISCHE LANDESBANK	GE	A-	Aa3	NR				6 months
DZ BANK AG DEUTSCHE ZENTRAL-	GE	AA-	Aa1	AA-				6 months
FMS WERTMANAGEMENT	GE		Aaa	AAA				25 years
KREDITANSTALT FUER WIEFERAUF	GE	AAA		AAA				25 years
LANDESBANK HESSEN-THURINGEN	GE	AA-	Aa3	A		£10,000,000		6 months
LANDESKRED BADEN-WUERTT FOER	GE	AAA	Aaa	AAA				25 years
LANDESBANK BADEN-WUERTEMBERG	GE	A-	Aa3	NR				6 months
LANDWIRTSCHAFTLICHE RENTENBA	GE	AAA	Aaa	AAA				25 years
LAND SACHSEN-ANHALT	GE	AAA	Aa1	AA+				15 years

Counterparty	Country of Domicile	Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	AUTHORITY SPECIFIC LIMITS		
						Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
KINGDOM OF THE NETHERLANDS	NE	AAA	Aaa	AAAu				
BNG BANK NV	NE	AAA	Aaa	AAA				5 years
COOPERATIEVE RABOBANK UA	NE	AA-	Aa3	A+		£10,000,000		6 months
NEDERLANDSE WATERSCHAPSBANK	NE		Aaa	AAA				5 years
KINGDOM OF NORWAY	NO	AAA	Aaa	AAA				
KOMMUNALBANKEN AS	NO		Aaa	AAA				5 years
REPUBLIC OF SINGAPORE	SI	AAA	Aaa	AAAu				
DBS BANK LTD	SI	AA-	Aa1	AA-		£10,000,000		6 months
OVERSEA-CHINESE BANKING CORP	SI	AA-	Aa1	AA-		£10,000,000		6 months
TEMASEK FINANCIAL I LTD	SI		Aaa	AAA				10 years
UNITED OVERSEAS BANK LTD	SI	AA-	Aa1	AA-		£10,000,000		6 months
KINGDOM OF SWEDEN	SW	AAA	Aaa	AAAu				
SVENSK EXPORTKREDIT AB	SW		Aa1	AA+				5 years
UNITED STATES OF AMERICA	US	AAA	Aaa	AA+u				
SUPRANATIONAL								
COUNCIL OF EUROPE DEVELOPMNT	FR	AA+	Aa1	AAA				15 years
EUROPEAN BANK FOR RECONSTRUC	GB	AAA	Aaa	AAA				25 years
EUROPEAN COAL & STEEL COMMUN	BE		Aaa	AAA				25 years
EUROPEAN INVESTMENT BANK	LX	AAA	Aaa	AAA				25 years
INTER-AMERICAN DEV BANK	US	AAA	Aaa	AAA				25 years
INTERNATIONAL BANK FOR RECON	US	AAA	Aaa	AAA	World Bank Group			25 years
INTERNATIONAL FINANCE CORP	US		(P)Aaa	AAA				25 years
NORDIC INVESTMENT BANK	FI		Aaa	AAA				25 years

Appendix 6: Economic Background – Arlingclose’s View February 2020

Economic Outlook

The UK’s progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority’s treasury management strategy for 2020/21. More immediately, the effect of the coronavirus epidemic has depressed economic activity in some countries, particularly China, and is likely to have damaging repercussions for the global economy.

The UK economy flatlined in Q4 2019 as the political uncertainties surrounding the General Election and Brexit weighed on business and household sentiment. UK GDP growth was flat in the fourth quarter of 2019, according to the initial estimate from the Office for National Statistics, down from an upwardly revised 0.5% in Q3. A recovery in various economic indicators in Q1 2020 suggested the resumption of confidence following the Election result and likely influenced the Bank of England to maintain Bank Rate at 0.75% in January, following another 7-2 vote by the Monetary Policy Committee, confounding expectations for a rate cut.

Since first appearing in China in December 2019, the coronavirus has now spread to around 40 countries and caused sharp falls in financial markets as part of a flight to quality into sovereign debt and other perceived ‘safe’ assets. The longer-term impact of the virus on global growth remains uncertain at the moment but as the number of cases and affected countries grows, the impact increases in severity, particularly given the importance of China in global trade.

Interest Rate Forecasts

The global economy has entered a period of weaker growth, initially driven by political issues and subsequently the effect of coronavirus. The UK economy continues to experience slower growth, although a moderate rebound in activity in early 2020 is evident in recent data. Global and UK interest rate expectations remain low.

The global outlook has deteriorated since the outbreak of COVID-19. Economic activity in some areas of China is at a standstill. With China being one of the main drivers of global economic growth and its integral position in many global supply chains, a persistent downturn in its economy will have wide-ranging ramifications. Exporters to China in particular, including Germany, are facing a more immediate effect. The eventual economic impact of COVID-19 depends on its longevity.

The UK is proceeding into the post-Brexit trade negotiations but has yet to set out its position ahead of these talks. The EU stance is less ambiguous, suggesting a return to Brexit uncertainty as the year progresses and relations deteriorate. The more stable political environment has, however, prompted a partial return in business and household confidence, and a bounce in economic activity and inflation, but whether this can be maintained throughout the year depends on the influences outlined above.

The government is expected to undertake substantial fiscal easing in 2020/21, which should help support growth in the event of a downturn in private sector activity. The UK economy will therefore grow at a slow to moderate pace.

The weak to moderate outlook for both the UK and global economies and inflation have boosted expectations of looser monetary policy around the world. Given the developments described above, upside risks to Bank Rate are very limited. Arlingclose believe Bank Rate will remain at 0.75% for the foreseeable future. However, substantial downside risks to this forecast exist, arising primarily from the end of the Brexit transitional period and the economic impact of COVID-19. Gilt yields will remain low due to the soft UK and global economic outlooks, and damage to sentiment from coronavirus.

