



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

North Ayrshire Council

A Special Meeting of North Ayrshire Council will be held remotely on **Thursday, 04 March 2021** at **14:00** to consider the undernoted business.

Arrangements in Terms of COVID-19

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

1 Apologies

2 Declarations of Interest

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

3 General Services Revenue Estimates 2021/22 to 2023/24

Submit report by the Head of Service (Finance) on (a) the Council's revenue spending requirements and anticipated funding for 2021/22 to 2023/24; (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 2021/22 to 2030/31

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

- 5 Revenue Estimates 2021/22 – Common Good Funds and Trusts**
Submit report by the Head of Service (Finance) on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and seek approval for the level of grant funding to be made available for disbursement in 2021/22 (copy enclosed).
- 6 Treasury Management and Investment Strategy 2021/22**
Submit report by the Head of Service (Finance) on the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2021/22 (copy enclosed).
- 7 Urgent Items**
Any other items which the Provost considers to be urgent.

Webcasting

Please note: this meeting may be filmed for live and subsequent broadcast via the Council's internet site. At the start of the meeting, the Provost will confirm if all or part of the meeting is being live-streamed/webcast.

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By joining the remote Council meeting, you are consenting to being filmed and consenting to the use and storage of those images and sound recordings and any information pertaining to you contained in them for webcasting or training purposes and for the purpose of keeping historical records and making those records available to the public. If you do not wish to participate in a recording, you should leave the meeting at this point. This will constitute your revocation of consent.

If you have any queries regarding this and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact dataprotectionofficer@north-ayrshire.gov.uk.

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

4 March 2021

North Ayrshire Council

Title: **General Services Revenue Estimates 2021/22 to 2023/24**

Purpose: To advise Council on (a) the Council's revenue spending requirements and anticipated funding for 2021/22 to 2023/24; (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 2021/22 and notes the indicative requirements for 2022/23 and 2023/24;
 - c) notes the projected outturn position for 2020/21 within the context of risks facing the Council from the COVID-19 pandemic and approves the utilisation of available financial flexibilities to address pressures during 2021/22 and beyond;
 - d) notes the Scottish Government announcement of 16 February 2021 on further funding anticipated in 2020/21 to help address financial pressures of the pandemic and that further expenditure proposals are developed as part of recovery and renewal;
 - e) notes the level of reserves and fund balances held by the Council and approves any use and contributions to and from these;
 - f) approves the additional contribution to the HSCP noted at 1.10;
 - g) approves additional investment proposals outlined at 2.7.6;
 - h) approves efficiencies and savings to ensure a balanced budget for 2021/22, consequential and new proposals in future years;
 - i) approves the schedule of Council fees and charges detailed in Appendix 6;
 - j) determines the level of Council Tax for 2021/22 as noted at 2.3;
 - k) notes the anticipated funding gap for 2022/23 and 2023/24;
 - l) considers the equality and children's rights and islands impact of any proposed service changes;
 - m) notes progress to date on the Council's Transformation and Renewal programme and corporate Workforce Planning; and
 - n) approves the budget matrix for 2021/22.
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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, 2021/22 to 2023/24. It also sets out the information required to enable the Council to set a balanced budget and its Council Tax for 2021/22 by 11 March as required by statute.
- 1.3. A report "Long Term Financial Outlook 2021/22 to 2030/31 and the Medium Term Financial Outlook 2021/22 to 2023/24" was presented to Council on 16 December 2020. In addition, Members' sessions were held between December 2020 and February 2021 during which officers provided Members with information on the financial pressures faced by the Council and options to reduce expenditure within the context of the priorities within the Council Plan 2019-2024.

Revenue Budget

- 1.4. When the Council set its budget for 2020/21 on 5 March 2020 the decisions taken resulted in a balanced budget for 2020/21 with indicative funding gaps of £9.773m and £9.818m for 2021/22 and 2022/23 respectively.
- 1.5. The Medium Term Financial Plan (MTFP) for 2021/22 to 2023/24 builds on last year's MTFP and the analysis within the updated LTFO. The proposals in this report provide a balanced budget for 2021/22 with indicative funding gaps remaining for 2022/23 and 2023/24 of £4.424m and £8.440m respectively. A summary of the key components underpinning this is provided at section 2.7.
- 1.6. Detail is provided at section 2.5 on the anticipated level of earmarked, unearmarked and specific reserves with unearmarked reserves at the level of 2.7% equal to £9.659m, earmarked reserves of £30.684m and specific reserves of £6.321m aligning with anticipated future commitments. This represents an increase of £4.350m on reserves relative to the position as at March 2020.
- 1.7. The MTFP incorporates further investment proposals to support families in dealing with the financial challenges associated with the cost of the school day as well as additional support to the capital programme and to build on and supplement the Investment fund in delivering environmental projects, core infrastructure investment and Community Wealth Building activity. Council is asked to consider these proposals.
- 1.8. On the 16 February 2021 the Scottish Government announced details of further non-recurring funding to be made available in 2020/21 to local authorities to support vulnerable families, meet costs of the Education recovery and help

address financial pressures associated with the pandemic. At the time of writing this report the allocation of funding to North Ayrshire Council is not known. Council should note that the funding will be received in 2020/21 and depending on the final outturn position for 2020/21, elements of funding will be considered through the 2020/21 financial performance reporting for carry forward to 2021/22, to help further address the uncertain financial impact of the pandemic. It is also anticipated that further expenditure proposals will be developed as part the Council's recovery and renewal planning.

Health and Social Care Partnership

- 1.9 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).
- 1.10 The proposed additional contribution for 2021/22 is £1.861m. This reflects the requirements as set out in the local government finance settlement.
- 1.11 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.
- 1.12 In addition to the above, the Council's core budget includes £1.486m to support repayment of the IJB £5.293m 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

- 1.13 The 2021/22 annual budget and 2021/22 to 2023/24 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 2021/22 Annual Budget is robust. It is the responsibility of Chief Officers, including the HSCP, to manage any variance from the underlying assumptions.
- 1.14 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 and recognises the ongoing financial pressures associated with the pandemic. 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 and Renewal programme.
- 1.15 Unearmarked reserves continue to remain at the lower level of recognised best practice.

2. Background

2.1 Financial Context

2.1.1 The Long Term Financial Outlook for the Council covering the 10 year period 2021/22 to 2030/31 was considered by Council at its meeting on 16 December 2020. This is the cornerstone of the Council's strategic financial planning framework and has informed the development of the Medium-Term Financial Plan 2021/22 to 2023/24.

2.1.2 The economic outlook for the Scottish, UK and global economy continues to be dominated by the impact of the pandemic. Reductions in economic output continue to be experienced due to ongoing lockdown restrictions across the UK, with most economists predicting that economic output will not return to pre-pandemic levels until late 2022.

2.2 Scottish Government Funding

2.2.1 The Local Government Finance Settlement for 2021/22 was published on 1 February 2021. 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 provisional settlement is subject to Parliamentary approval. Stages 2 and 3 of the Scottish Budget debate is scheduled for 8th and 9th March 2021 respectively.

2.2.4 North Ayrshire Council's anticipated Scottish Government funding support, as distributed, for 2021/22 is £303.879m.

2.2.5 The Settlement resulted in an increase of £2.492m (0.84%) in the core grant funding when compared to the 2020/21 settlement. In addition to the core settlement, funding has been received to meet the cost of new national expenditure requirements. The main elements include;

- £1.133m to fund final tranche Early Learning and Childcare expansion;
- Additional HSCP funding of £1.861m for real living wage, free personal care and nursing care and Carers Act;
- £2.182m to fund a Council Tax Freeze at 2020/21 levels;
- Pupil Equity Fund and Attainment Challenge funding to continue in 2021/22;
- Funding continued to maintain the pupil:teacher ratio at a national level and secure places for all probationer teachers;
- Continuation of funding for teachers pay and pensions;

- 2.2.6 The Settlement announcement included 100% NDR relief for the first 3 months of 2021/22 for the retail, leisure and hospitality sector as well as a reduction in NDR Poundage to 49p. A subsequent Scottish Government Budget announcement on 16 February 2021 has confirmed extension of NDR relief covering the full year in 2021/22.
- 2.2.7 Although not included in the Settlement, the Scottish Government announced an additional £259.000m non-recurring COVID funding to be distributed in 2021/22. Funding will be discussed and agreed with COSLA and will be subject to specific commitments.
- 2.2.8 The Scottish Government's requirements as set out in the Settlement letter 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 2020/21 recurring baseline position (£1.861m);
 - Funding of £2.182m to North Ayrshire Council to support a Council Tax freeze at 2020/21 levels.
- 2.2.9 For 2022/23 and 2023/24 the current planning assumption is that the level of core grant support will reduce by 1% for each year. A 1% reduction in core grant equates to around £3.000m. It is also assumed at this time that the funding to support a Council tax freeze in 2021/22 will be made available on a recurring basis.

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 As noted in section 2.2 the 2021/22 Settlement includes funding of £2.182m to support a Council tax freeze at 2020/21 levels. Although not explicit in the Settlement letter, it is implicit that those Councils who choose to increase Council tax would in turn lose this funding. Further, as noted in 2.2.9 it is assumed that this funding will be made available on a recurring basis.
- 2.3.3 It is recognised that the pandemic has impacted collection levels through 2020/21. To the end of January, 2021 the in-year collection rate was 89% compared with 92% up to the same period the previous year. For 2021/22 the budgeted collection rate of 96.5% has been applied and takes account of income collected up to a 5-year period. The total estimated Council Tax Income based on a Council tax freeze at 2020/21 levels, and excluding Council Tax for second homes, for 2021/22 is £58.626m, after applying the council tax reduction scheme. Further increases of 3% per annum and other adjustments

in 2022/23 and 2023/24 will increase Council Tax income to £60.559m and £62.555m, respectively. It should also be noted that the impact of any future increase for those on the lowest incomes will continue to be mitigated through the Council Tax Reduction scheme.

- 2.3.4 The above will result in the following Council Tax charges in 2021/22 for each property band (excluding charges for water and sewage).

Band	Valuation (at 1991 levels)	2020/21 Council Tax	0% Increase	2021/22 Council Tax
A	Under £26,999	£895.12	-	£895.12
B	£27,000 to £34,999	£1,044.31	-	£1,044.31
C	£35,000 to £44,999	£1,193.49	-	£1,193.49
D	£45,000 to £57,999	£1,342.69	-	£1,342.69
E	£58,000 to £79,999	£1,764.14	-	£1,764.14
F	£80,000 to £105,999	£2,181.86	-	£2,181.86
G	£106,000 to £211,999	£2,629.42	-	£2,629.42
H	Over £212,000	£3,289.58	-	£3,289.58

- 2.3.5 Comparative information on Band D is provided within the Council Tax leaflet that is issued with Council Tax Bills. The comparative information for 2020/21 is as follows;

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

2.4 Probable Outturn 2020/21

- 2.4.1 Based on the revenue financial performance report for 2020/21 at the end of November 2020, a break-even budget position is currently forecast. The factors contributing to this and associated risks were reported to Cabinet on 26 January 2021. The major risk to the forecast position is the uncertainty around the progress of the Covid-19 pandemic. The imposition of Tier 4 restrictions and ongoing impact of any future restrictions are expected to result in more constrained working environments, resulting in additional cost and income pressures throughout the remainder of the current financial year. Further grant support is anticipated in relation to specific cost pressures.

- 2.4.2 The Settlement letter included reference to Scottish Government funding during 2020/21 in respect of the income loss recovery scheme. The overall support allocation due to be distributed to local authorities has increased from £90.000m to £200.000m. Although this has yet to be distributed it will include funding to support Arms-Length Organisations. Based on the current forecast 2020/21 position this funding will be required to support the ongoing impact of the pandemic on income streams in 2021/22.

2.4.3 On the 16 February 2021 the Scottish Government announced details of further non-recurring funding to be made available in 2020/21 to local authorities to support vulnerable families, meet costs of the Education recovery and help address financial pressures associated with the pandemic. At the time of writing this report the allocation of funding to North Ayrshire Council is not known. Council should note that the funding will be received in 2020/21 and depending on the final outturn position for 2020/21, elements of funding will be considered through 2020/21 financial performance reporting for carry forward to 2021/22, to help further address the uncertain financial impact of the pandemic. It is also anticipated that further expenditure proposals will be developed as part the Council's recovery and renewal planning.

2.4.4 Local authorities continue to engage with COSLA and the Scottish Government around additional support measures including a range of financial flexibilities which may be applied to address the financial impact of the pandemic on both the revenue and capital accounts. These include;

- Use of capital grant or borrowing to meet pressures;
- Use of capital receipts in 20/21 or 21/22 to meet pressures;
- Credit arrangements – Changes to accounting approach for PPP contracts;
- Loans fund principal repayment holiday

2.4.5 Based on the current commitments in the capital programme and from analysis of draft guidance issued by the Scottish Government to date, the medium-term benefits to North Ayrshire Council are relatively limited. Further, based on the forecast outturn position for 2020/21 and the ongoing financial impact of the pandemic into 2021/22, progress on the guidance and potential benefit to the Council will continue to be monitored and Council is asked to approve the use of such flexibility to meet COVID related pressures should this need arise through 2021/22.

2.5 Reserve and Fund Balances

Introduction

2.5.1 Setting the General Fund Reserve is one of several related decisions in the formulation of the 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".

Application of Reserves

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

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

Reserves Policy

Unearmarked Reserve

2.5.3 This reserve is held to ensure the Council remains in a prudent financial position in 2021/22 and could respond to major unforeseen incidents or emergencies.

2.5.4 On 17 March 2020, Cabinet agreed that any in-year underspend in 2019/20 would be used to help mitigate the impact of Covid-19 and support recovery and renewal activities. At 31 March 2020, the Council had unearmarked reserves of £9.659m. Based on the projected outturn position for 2020/21 it is unlikely there will be a requirement to draw on these funds, however, it would be prudent to retain at current levels to help mitigate the ongoing financial impact of the pandemic.

2.5.5 It is therefore anticipated at 31 March 2021 the balance of unearmarked reserves will be retained at £9.659m which equates to 2.7% of the Council's net expenditure budget. The unearmarked reserve continues to be at the lower end of the recommended range of 2% - 4% for general reserves.

Earmarked Reserves

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

- Affordable Housing – accumulated from Council Tax collected from second homes and long-term empty properties;
- Project-specific funds - these funds will be carried forward from 2020/21 to allow for the completion of specific projects after 31 March 2021;

- Prudential Investment Fund - resources to smooth the revenue implications of loan charges supporting the Capital Investment Programme;
- Change and Service Redesign Fund – supports delivery of transformation and renewal activity, and
- Investment fund commitments.

2.5.7 On 5 March 2020 North Ayrshire Council approved an £8.800m Investment fund to support environmental projects (including renewable energy), infrastructure investment and Community Wealth Building activity and to secure a return on investment. Details of current commitments against the Investment fund are outlined in the undernoted table. It is recognised that this approach to sustainable investment supports the key priorities of the Council and through a Community Wealth Building approach supports the economic and green recovery. To build on this and in view of the current level of commitments, Council is asked to consider further investment of £2.000m on a non-recurring basis. This additional investment will be targeted towards renewable energy developments and explore further Community Wealth Building opportunities across the Council's land and property assets.

Project / Activity	Commitment £m
Tree Planting Strategy	£0.500m
Community Wealth Building – Community Based Initiatives	£0.250m
Annickbank Commercial Property	£0.250m
LED Investment – 4440 replacement units	£0.695m
Solar PV Farm Investment – Nethermaines Development	£4.500m
Green Jobs Fund	£0.250m
Community Wealth Building – Communities and Town Centres	£1.200m
Commercial Estate / Infrastructure / Town Centre Investment	£1.155m
Total	£8.800m

Specific Reserves

2.5.8 Comments on the specific reserves are as follows;

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

Summary

2.5.9 The projected accumulated balances on the Council's Funds and Reserves at 31 March 2021 are outlined in the table below, with the majority of these being earmarked for specific purposes. The value of reserves is anticipated to increase during 2020/21 by £4.350m.

	Balance at 31 March 2020 £m	Transfers Approved by Cabinet 26 Jan 2021 £m	Projected Transfers to 31 Mar 2021 £m	Transfers Included in Budget Paper £m	Projected Balance at 31 Mar 2021 £m	Anticipated Future Spend £m	Projected Future Balance £m
General Fund Unearmarked	9.659	-	-	-	9.659	-	9.659
<u>General Fund Earmarked</u>							
Education DMR	0.341	(0.341)	-	-	-	-	-
Affordable Housing	3.081	(1.290)	-	-	1.791	(1.791)	-
Project Specific Funds	8.968	3.204	(0.114)	(0.862)	11.196	(11.196)	-
Prudential Investment Fund	0.589	3.641	-	-	4.230	(4.230)	-
Change and Service Redesign Fund	3.144	(0.227)	-	-	2.917	(2.917)	-
Investment Fund	8.800	(0.250)	-	2.000	10.550	(10.550)	-
Total Earmarked Funds	24.923	4.737	(0.114)	1.138	30.684	(30.684)	-
Total General Fund Balances	34.582	4.737	(0.114)	1.138	40.343	(30.684)	9.659
<u>Specific Reserves</u>							
Insurance Fund	3.214	-	-	-	3.214	(3.214)	-
Capital Fund	4.518	(1.411)	-	-	3.107	(3.107)	-
Total Specific Reserves	7.732	(1.411)	-	-	6.321	(6.321)	-
Total General Fund Reserves	42.314	3.326	(0.114)	1.138	46.664	(37.005)	9.659

2.5.10 Based on the risks the Council faces, mostly as a consequence of the ongoing pandemic, the current level of Reserves is considered prudent.

2.6 Income Summary

2.6.1 Total funding available to the Council to finance its expenditure plans in 2021/22 is noted in the table below. The main assumptions are as follows;

- 2021/22 Scottish Government Funding in line with the Finance Circular and letter of 1 February 2021 with an assumption that all 2021/22 grant is recurring. A 1% reduction in core funding is projected for years 2 and 3, excluding anticipated adjustments in respect of loan charge support;
- A Council tax freeze for 2021/22 in line with 2020/21 levels and supported by Scottish Government funding, with an appropriate adjustment for the number of households and further assumed increases of 3.00% per annum for 2022/23 and 2023/24 respectively;
- Use of Reserves in line with the Council's Reserves Strategy with the requirement for more sustainable recurring solutions to be in place for 2022/23 through the Council's Transformation and Renewal programme; and

- Outwith specific proposals, fees and charges for 2021/22 retained at 2020/21 levels and uplifted annually by 5% for 2022/23 and 2023/24.

	2021/22 £m	2022/23 £m	2023/24 £m
Aggregate External Finance	303.879	301.472	298.615
Additional Aggregate External Finance due: Teachers' Induction Scheme	0.734	0.734	0.734
Council Tax	58.626	60.559	62.555
Additional Council Tax Income from Second Homes	1.195	1.231	1.268
Contribution from Earmarked Reserves	0.862	-	-
Total Funding Available	365.296	363.996	363.172

2.7 Expenditure Requirement

2.7.1 The revised expenditure requirement for 2021/22 is £365.296m and is summarised in Appendix 1. This is the 2020/21 base budget adjusted to reflect the outcome of a full review of service pressures, previously approved savings, operational budget adjustments, national expenditure requirements and the proposed funding contribution to the Health and Social Care Partnership. The main assumptions and pressures are summarised below;

- Costs of continuing the current level of service;
- Inflationary pressures, including assumed pay awards, teachers pensions, contractual commitments and utilities;
- The 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.

2.7.2 It should be noted that in the absence of an agreed pay settlement to date through COSLA, the SJC and SNCT, the financial planning assumption for pay inflation for 2021/22 remains at 3% and further 3% increases for 2022/23 and 2023/24 respectively.

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

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

2.7.5 As part of the 2020/21 revenue budget, savings were approved for 2021/22 and 2022/23 and they are detailed at Appendix 3.

2.7.6 The expenditure requirements include additional investment proposals totalling £3.089m for Council to consider, specifically;

- Support to vulnerable families of £0.500m on a recurring basis in addressing the cost of the school day, including investment in digital, food and clothing support;
- £2.000m on a non-recurring basis to supplement the Investment fund and develop further renewable energy opportunities in solar and wind projects to reduce our carbon footprint and secure a return on investment. The investment will also be used to focus on further Community Wealth Building opportunities across the Council's land and property assets to support economic recovery and renewal; and
- From a recurring revenue financing cost budget of £0.589m, secure additional capital investment of up to £7.000m in core infrastructure including roads, active travel routes, property adaptations and energy efficiency improvements. The investment will also be used to help transition the Council's vehicle fleet to more sustainable electric, low emission / hybrid technologies and be supported by an electric vehicle charging strategy.

2.7.7 The expenditure requirements identified for 2021/22 to 2023/24, excluding investment proposals noted above, are detailed in appendix 4.

2.7.8 Based on this expenditure forecast, savings of £0.490m / £5.684m / £8.555m are required for 2021/22, 2022/23 and 2023/24 respectively.

2.8 Health and Social Care Partnership

2.8.1 Included in the Finance Settlement on 1 February 2021, a further £72.6 million transferred from the health portfolio to the Local Authorities in 2021/22 for investment in health and social care and mental health services that are delegated to Integration Authorities. The additional funding comprises a contribution to continued delivery of the real Living Wage (£34 million), uprating of free personal and nursing care payments (£10.1 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£28.5 million). The share for North Ayrshire totals £1.861m with a requirement to passport to the HSCP. As a condition of the settlement the funding should be in addition to the 2020/21 recurring budget.

2.8.2 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.

2.8.3 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 £1.861m in 2021/22 represents the full allocation required for the HSCP to meet new and existing spending commitments. For years 2022/23 and 2023/24 the financial planning assumption from the Council is that the financial pressures facing the IJB will be fully met by savings.

- 2.8.4 In addition to the above, the Council's core budget includes £1.486m to support repayment of the IJB £5.293m 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.

2.9 Efficiencies and Savings Proposals

- 2.9.1 Proposals for efficiencies and savings have been made which can deliver a balanced budget for 2021/22, after applying £0.862m of reserves. There are estimated net budget shortfalls of £4.424m and £8.440m in 2022/23 and 2023/24. Proposed savings, excluding the HSCP, are summarised at Appendix 5.

- 2.9.2 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 Transformation themes;
- 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 2021/22.

- 2.9.3 Included in the 2020/21 Budget was approval to increase fees and charges by 5% per annum including 2021/22 and 2022/23. In recognising the impact of increased fees and charges to citizens and businesses during this challenging period of the pandemic, it is now proposed that charges in 2021/22 are retained at 2020/21 levels, with further increases deferred to 2022/23 and 2023/24. The schedule included in Appendix 6 contains the charges with effect from 1 April 2021. It is important to note that fee and charge levels in respect of the HSCP is for the IJB to consider. Further, the schedule also contains some statutory charges which are set at a national level and are, therefore, not subject to the proposals outlined in this report.

- 2.9.4 The table below summarises the anticipated community impact of new savings;

Community Impact	Number of Savings Options	Value of Savings Options £m
No Impact	8	0.490
Low Impact	-	-
Medium Impact	1	-
High Impact	-	-
Positive Impact	-	-
Total	9	0.490

2.10 Equality and Children's Rights Impacts of Budget Proposals

- 2.10.1 The Council has a legal duty to consider the equalities and children's rights impact of proposals on groups with protected characteristics, being age, disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation. The Council also has a duty to assess the socio-economic impact of proposals (The Fairer Scotland Duty) and Island proofing. This requires an assessment of the impact of proposals on reducing inequalities.
- 2.10.2 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).
- 2.10.3 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.
- 2.10.4 A link to the relevant assessments will be issued to elected members prior to the Council meeting.
- 2.10.5 Any alternative proposals from Members will require to be screened and assessed to ensure Council is aware of impacts before making any decision.
- 2.10.6 Responsibility for the funding allocations within the HSCP rests with the Integrated Joint Board which has responsibility for assessment of the impact of the decisions it takes.

2.11 Community Engagement

- 2.11.1 The Council carried out a virtual programme of engagement through November and early December across each locality with community representatives. The main focus of the sessions included a reflection on the role of the community hubs in supporting vulnerable citizens and families as part of the pandemic response and a discussion on the development of the Council's Renewal programme to build on progress across the Council's Transformation themes.

2.11.2 Feedback from the community engagement sessions has helped shape the Transformation and Renewal programme (with progress noted in section 2.12) and will continue to influence the structure of current and future service delivery. The main areas of feedback included;

- The benefits in a locality based approach to community hubs support and services
- Need to address food insecurity for vulnerable families and citizens
- The specific impact of the pandemic on children and young people
- The importance of the outdoors and physical environment for health and wellbeing
- Digital support and connectivity
- Council staff, services and future ways of working
- Health and Social Care at home

2.12 Transformation / Renewal Programme

2.12.1 Progress continues to be made in developing projects and activities aligned to the Council's Transformation themes. The objective is to develop a programme of activity that delivers positive outcomes in accordance with the Council Plan priorities and to build sustainable financial savings to help address the projected funding gaps over the short, medium and long term. The Transformation themes include;

- *Caring for People (HSCP)*
- *Land and Property Assets*
- *Service Delivery Models*
- *Transport and Travel*
- *Charging for Services / Funding*
- *Children, Young People and Communities*

2.12.2 Influenced by the experiences from the pandemic response, including lessons learned and recognising good practice, the Council developed a Recovery and Renewal strategy which was approved by Cabinet on 8 September 2020. The strategy sets out key principles to recovery and renewal to help shape and influence service delivery moving forward, ensuring communities remain at the heart of any activity. Allied to the feedback from the recent community engagement sessions, the key emerging renewal themes include;

- The needs of vulnerable citizens and families are best served through a locality based model which brings together key council services as well as community associations, the third sector and other agencies in an integrated model of support.
- The pandemic response and in particular the food response to citizens reinforced the requirement for North Ayrshire to develop a sustainable model and network of food support.
- The specific impact of the pandemic on children and young people and the need for a cross Directorate, Multi-agency support network to be put in place.

- The importance of the outdoors to health and well-being and having a sustainable physical environment
- New ways of working for Council staff and service delivery, including digital support.

2.12.3 The programme builds on the existing Transformation themes and incorporates recent developments in renewal activity and has been consolidated into a Transformation and Renewal Programme. A summary of the programme is included below;



2.12.4 To support delivery of the Transformation and Renewal programme a revised governance framework is now in place and includes programme development and monitoring through the Council's Transformation Board and Executive Leadership Team.

- 2.12.5 In addressing recommendations outlined in the Council's Best Value Audit in June 2020 and to support governance arrangements, a robust monitoring framework has been developed which allows progress to be tracked against planned outcomes, any workforce implications and importantly, how the financial efficiencies within the programme address projected funding gaps across the short, medium and long term. Financial performance associated with programme will continue to be incorporated into the Council's financial monitoring process.

2.13 Workforce Planning

- 2.13.1 The shape of our workforce is critical to the delivery of efficient and effective services and is a significant factor in how we transform our Council and deliver our financial challenges. Our workforce planning approach is live and organic and utilises a variety of tools and techniques to ensure our workforce requirements for the future in terms of skills and capabilities are planned.
- 2.13.2 To demonstrate the Council's approach to workforce planning each Directorate has developed PESTLE analysis specific to their area which provides an in-depth view of the demands and challenges of the Service and this is aligned to the current financial challenges and captures any workforce implications from the Transformation and Renewal programme. Changes to the current and future workforce are also considered within the context of span of control methodology which is embedded in discussions to support the staffing structures across Council services as well as opportunities for succession planning and career development.
- 2.13.3 Employees are the Council's most valuable resource and ensuring we have the right people with the right skills is critical. It is recognised that we require to have a pipeline of resources identified in order to shape the workforce of the future and to enable the Council to meet areas of demand. Attracting our future workforce, developing talent and succession planning are key elements in ensuring this is achieved. This work ranges from modern / graduate apprentice recruitment programmes to identifying skills gaps, technical / professional development, coaching, attracting new staff, retraining and redeployment. To recognise specific requirements across services this corporate approach to workforce planning is managed across individual Directorates.
- 2.13.4 North Ayrshire Council has a total of 5,935 full time equivalent employees at an annual cost of £239.728m. Anticipated workforce implications associated with the Budget programme over the next 3 years is summarised in the undernoted table. Additional investment through pressures and growth and the expansion of the Early Learning and Childcare programme have been partially offset by operational adjustments and previously approved savings and the HSCP. In 2021/22 the workforce is projected to grow by 12.9 FTE's, with further growth anticipated in 2022/23 and 2023/24, however, it is noted that further changes may occur through development of the Budget Programme in 2022/23.

Category	2021/22 FTE	2022/23 FTE	2023/24 FTE
Operational Budget Adjustments	(1.3)	2.0	-
Previously Approved Savings	(1.0)	5.4	-
Pressures and Growth	10.0	1.2	14.0
Savings to be Approved	-	-	-
HSCP Net Position	(11.0)	3.9	10.5
Early Learning Childcare Expansion	16.2	-	-
Total Workforce Implications	12.9	12.5	24.5

2.13.5 Through a corporate workforce planning approach, changes to workforce levels, as noted above will be managed through vacancy management, voluntary early retirement, redeployment, recruitment and through the skills pipeline.

2.14 Management of Risk

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

Risk	Likelihood Score	Impact Score
Financial Environment – Funding not keeping pace with cost of service delivery	4	5
Financial Sustainability of the HSCP	4	4
Delivery of the Transformation and Renewal Programme - To address projected budget deficit	4	4

2.15 Revenue Budget - Objective and Subjective Analysis

2.15.1 The Codes of Financial Practice outline categories of service delivery, known as the Objective Analysis, and categories of expenditure type, known as the Subjective Analysis. Based on the budget presented within this report, the budget matrix for 2021/22 is attached in Appendix 7.

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

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

2.16 Summary

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

2.16.2 A total of £0.862m of reserves provides non-recurring funding in 2021/22 with a sustainable solution required for 2022/23.

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

	2021/22 £m	2022/23 £m	2023/24 £m
Council Tax Increase	0.00%	3.00%	3.00%
SG Core Grant Movement	0.84%	-1.00%	-1.00%
Operational Adjustments	-£1.837m	+£0.025m	+£0.002m
Previously Approved Savings	-£0.514	-£1.626m	-£0.607m
Expenditure Requirements (exc loan charges, new funding and HSCP)	+£7.499m	+£7.353m	+£8.179m
New Investment Proposals	+£3.089m	-	-
HSCP Funding	£1.861m	-	-
Savings to be Approved	-£0.490m	-£4.424m	-£8.440m

2.16.4 The proposed additional contribution for the HSCP in 2021/22 is £1.861m. This reflects the requirements as set out in the local government finance settlement.

2.16.5 A total of £0.665m net additional funding has been provided for 2021/22 to meet new national expenditure requirements.

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

3 Proposals

That Council:

- a) notes the anticipated funding available to meet expenditure requirements;
- b) approves the Council's expenditure requirements for 2021/22 and notes the indicative requirements for 2022/23 and 2023/24;
- c) notes the projected outturn position for 2020/21 within the context of risks facing the Council from the COVID-19 pandemic and approves the utilisation of available financial flexibilities to address pressures during 2021/22 and beyond;
- d) notes the Scottish Government announcement of 16 February 2021 on further funding anticipated in 2020/21 to help address financial pressures of the pandemic and that further expenditure proposals are developed as part of recovery and renewal;
- e) notes the level of reserves and fund balances held by the Council and approves any use and contributions to and from these;
- f) approves the additional contribution to the HSCP noted at 1.10;
- g) approves additional investment proposals outlined at 2.7.6;
- h) approves efficiencies and savings to ensure a balanced budget for 2021/22, consequentials and new proposals in future years;
- i) approves the schedule of Council fees and charges detailed in Appendix 6;
- j) determines the level of Council Tax for 2021/22 as noted at 2.3;
- k) notes the anticipated funding gap for 2022/23 and 2023/24;
- l) considers the equality and children's rights and islands impact of any proposed service changes;
- m) notes progress to date on the Council's Transformation and Renewal programme and corporate Workforce Planning; and
- n) approves the budget matrix for 2021/22.

4 Implications / Socio-economic Duty

Financial

- 4.1 The financial implications are as outlined in the report. Members require to approve a package of efficiencies and savings, excluding any decision taken by the IJB in respect of social care services, totalling £0.490m for 2021/22. The recommendations are based on a freeze to Council Tax at 2020/21 levels. Any increase in net expenditure above that outlined in the draft budget will require to be funded. Failure to agree to the requirements outlined in the Scottish Government's grant offer as outlined at 2.2.8 may result in a less favourable settlement.

Human Resources

- 4.2 The total anticipated impact on the workforce is net growth of 12.9 FTE posts in 2021/22. This includes a reduction within the HSCP and growth across areas of the Council which also includes the final stage of the early learning and childcare expansion programme. The new savings proposals for 2021/22 has no workforce

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

Legal

- 4.3 The Council is obliged by the Local Government Finance Act 1992 to set a budget for 2021/22 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 2.10 of the report.

The Equality and Children's Rights Impact Assessments (incorporating Fairer Scotland Duty and Island Proofing) and a summary of screenings will be made available to elected members prior to the Council meeting.

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 2020 and February 2021.
- 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 2020. This has been incorporated into the Council's Transformation and Renewal Programme and taken into consideration when setting the 2021/22 Budget.

Mark Boyd
Head of Service (Finance)

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

Background Papers

Supplementary Budget Schedules

**North Ayrshire Council
Revenue Budget 2021/22
Revenue Budget Summary Position**

APPENDIX 1

Funding	2021/22 £000's	Consequential £000's	2022/23 Rephased/New £000's	Total £000's	Consequential £000's	2023/24 Rephased/New £000's	Total £000's
Aggregate external finance	303,879		301,472	301,472		298,615	298,615
Additional aggregate external finance due : Teachers' Induction Scheme	734		734	734		734	734
Council Tax Income	58,626		60,559	60,559		62,555	62,555
Council Tax Income from 2nd homes	1,195		1,231	1,231		1,268	1,268
Contribution from General Reserves	862		-	-		-	-
Total Funding Available	365,296	-	363,996	363,996	-	363,172	363,172
Expenditure							
Base Budget	357,928		365,296	365,296		363,996	363,996
Operational Budget Adjustments							
Inspiring Places	(1,062)		(96)	(96)		(35)	(35)
Aspiring Communities	(29)		-	-		-	-
A Council for the Future	(747)		121	121		37	37
Total Operational Budget Adjustments	(1,838)	-	25	25	-	2	2
Savings Previously Approved							
Inspiring Places	15		(1,015)	(1,015)		(95)	(95)
Aspiring Communities	(475)		(278)	(278)		(160)	(160)
A Council for the Future	(54)		(333)	(333)		(353)	(353)
Total Savings Previously Approved	(514)	-	(1,626)	(1,626)	-	(608)	(608)
Investments - Contractual/Unavoidable							
Inspiring Places	984		65	65		128	128
Aspiring Communities	232	-	369	369	-	910	910
A Council for the Future	284	-	-	-	-	-	-
Corporate Investment	3,777	-	7,453	7,453	-	7,198	7,198
Total Contractual / Unavoidable	5,277	-	7,887	7,887	-	8,236	8,236
Investments - National/Local Pressures							
Inspiring Places	50	-	-	-	-	-	-
Aspiring Communities	595	-	98	98	-	101	101
A Council for the Future	(188)	-	-	-	-	-	-
Total National / Local Pressures	457	-	98	98	-	101	101

North Ayrshire Council
Revenue Budget 2021/22
Revenue Budget Summary Position

APPENDIX 1

	2021/22 £000's	Consequential £000's	2022/23 Rephased/New £000's	Total £000's	Consequential £000's	2023/24 Rephased/New £000's	Total £000's
New National Expenditure Requirements							
Inspiring Places	-	-	-	-	-	-	-
Aspiring Communities	623	-	-	-	-	-	-
A Council for the Future	(8)	-	-	-	-	-	-
Total National Expenditure Requirements	615	-	-	-	-	-	-
Total Expenditure Requirements (excl HSCP)	6,349	-	7,985	7,985	-	8,337	8,337
Health and Social Care Partnership							
New HSCP National Expenditure Requirements - Recurring	1,861	-	-	-	-	-	-
Total Health and Social Care Partnership	1,861	-	-	-	-	-	-
Total Expenditure Requirements	8,210	-	7,985	7,985	-	8,337	8,337
Additional Investment							
Contribution to Investment Fund	2,000		(2,000)	(2,000)		-	-
Total Adjustments	7,858	-	4,384	4,384	-	7,731	7,731
Total Expenditure Requirement	365,786	-	369,680	369,680	-	371,727	371,727
(Surplus)/Deficit for Year	490	-	5,684	5,684	-	8,555	8,555
New Savings Proposed							
Inspiring Places	-	-	(65)	(65)	(30)	-	(30)
Aspiring Communities	(400)	(770)	(50)	(820)	-	(50)	(50)
A Council for the Future	(90)	(375)	-	(375)	(35)	-	(35)
Total Savings Proposed	(490)	(1,145)	(115)	(1,260)	(65)	(50)	(115)
Revised Expenditure Requirement	365,296	1,145	369,565	368,420	65	371,677	371,612
Revised (Surplus)/Deficit for Year if all Savings Proposals are Accepted	-	(1,145)	5,569	4,424	(65)	8,505	8,440
Net Contribution to the HSCP							
Expenditure Requirements	4,231		4,234	4,234		4,336	4,336
Proposed Savings	(4,231)		(4,234)	(4,234)		(4,336)	(4,336)
Net Adjustments to the Contribution to the HSCP	-		-	-		-	-

North Ayrshire Council Revenue Budget 2020/21 Revenue Budget Operational Budget Adjustments				APPENDIX 2		
Council Objective/Theme	Operational Budget Adjustment	Reference	Category	2021/22 £'s	2022/23 £'s	2023/24 £'s
Inspiring Places						
Charging for Services, Alternative Funding	Increased Employability Programme match funding	SP-PL-20-19	Green	350,000	-	-
Charging for Services, Alternative Funding	Planning Services - release of earmarked funds	SP-PL-21-12	Green	(47,000)	47,000	-
Charging for Services, Alternative Funding	Review non ERDF Economic Growth support funding	SP-PL-20-20	Green	(185,000)	-	-
Charging for Services, Alternative Funding	Sub Total			118,000	47,000	-
Land, Property and Assets	Road Lighting - Energy Efficiency Lunar 2	SP-PL-20-14	Green	(37,500)	-	-
Land, Property and Assets	Non-Domestic Rates revaluation	SP-PL-21-20	Green	(245,219)	-	-
Land, Property and Assets	Regeneration - Annickbank	SP-PL-21-14	Green	-	-	(35,000)
Land, Property and Assets	Reduction in departmental / property costs budget lines	SP-PL-21-21	Green	(15,548)	-	-
Land, Property and Assets	Homeless Service provision and implementation of the agreed Rapid Re-Housing Transition Plan	SP-PL-21-15	Green	(816,408)	(97,607)	-
Land, Property and Assets	Remove PMI budget for portacabin rental	SP-PL-19-39	Green	(25,000)	-	-
Land, Property and Assets	Sub Total			(1,139,675)	(97,607)	(35,000)
Service Delivery Models	Relocation of Homelessness Team	SP-PL-20-26	Green	-	(45,000)	-
Service Delivery Models	Reduction of Economic Policy sector research budget	SP-PL-21-10	Green	(40,000)	-	-
Service Delivery Models	Sub Total			(40,000)	(45,000)	-
Total				(1,061,675)	(95,607)	(35,000)
Aspiring Communities						
Children, Young People and Communities	ASN Review	SP-COM-20-10	Amber	(29,190)	-	-
Children, Young People and Communities	Sub Total			(29,190)	-	-
Total				(29,190)	-	-

North Ayrshire Council Revenue Budget 2020/21 Revenue Budget Operational Budget Adjustments				APPENDIX 2		
Council Objective/Theme	Operational Budget Adjustment	Reference	Category	2021/22 £'s	2022/23 £'s	2023/24 £'s
A Council for the Future						
Other	Contribution to Affordable Housing Reserve		Green	55,000	36,000	37,000
Other	Review of Contingency Funds	SP-OCI-21-01	Green	(250,000)	-	-
Other	Sub Total			(195,000)	36,000	37,000
Service Delivery Models	Legal and Licensing restructure	SP-CX-18-04	Green	(11,224)	-	-
Service Delivery Models	Benefit Admin Subsidy Adjustment	SP-FCS-20-03	Green	(77,876)	-	-
Service Delivery Models	Benefits Review & Digital Automation	SP-FCS-20-02	Green	(48,000)	-	-
Service Delivery Models	Review of Chief Officer Structure	SP-OCI-20-02	Green	(31,907)	-	-
Service Delivery Models	Review of Chief Officer Support Structure	SP-CE-21-01	Green	(22,505)	-	-
Service Delivery Models	ICT Platform Budget - cessation of contract	SP-CE-21-02	Green	(175,000)	-	-
Service Delivery Models	Review of Debt Recovery Arrangements	SP-CE-21-03	Green	(100,000)	-	-
Service Delivery Models	Review of Procurement Team Funding	SP-CE-21-04	Green	(85,000)	85,000	-
Service Delivery Models	Sub Total			(551,512)	85,000	-
Total				(746,512)	121,000	37,000
TOTAL OPERATIONAL BUDGET ADJUSTMENTS				(1,837,377)	25,393	2,000






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

APPENDIX 3

Council Objective/Theme	Saving	Reference	Category	2021/22 £'s	2022/23 £'s	2023/24 £'s
Inspiring Places						
Charging for Services, Alternative Funding	Review of commercial waste at Arran Waste Transfer Station	SP-PL-20-16	Green	(8,500)	-	-
Charging for Services, Alternative Funding	Sub Total			(8,500)	-	-
Land, Property and Assets	Reduction in Property Maintenance Budgets	SP-PL-19-26	Red	-	(300,000)	-
Land, Property and Assets	Introduction of Car Parking charges and Decriminalised Parking	SP-PL-20-03	Green	-	(340,000)	-
Land, Property and Assets	Property Rationalisation	SP-PL-18-40	Green	173,000	-	-
Land, Property and Assets	Land & Property Transformation	SP-PL-20-31	Amber	(50,000)	(50,000)	-
Land, Property and Assets	Sub Total			123,000	(690,000)	-
Service Delivery Models	Review of Community Safety Service	SP-PL-20-21	Green	(25,000)	-	(95,000)
Service Delivery Models	Waste Resource Service Review	SP-PL-20-09	Green	-	-	(95,000)
Service Delivery Models	Sub Total			(25,000)	-	(95,000)
Transport and Travel	Transformation Project - Council Transport	SP-PL-20-01	Amber	(75,000)	(325,000)	-
Transport and Travel	Sub Total			(75,000)	(325,000)	-
Total				14,500	(1,015,000)	(95,000)
Aspiring Communities						
Children, Young People and Communities	Educational Psychology service redesign	SP-EY-19-04	Green	(60,000)	-	-
Children, Young People and Communities	Children & Young People - External Residential Placements (joint action with HSCP)	SP-COM-21-12	Amber	(262,463)	(177,418)	-
Children, Young People and Communities	Review of Modern Apprentice Programme	SP-PL-20-18	Green	(153,000)	-	-
Children, Young People and Communities	Sub Total			(475,463)	(177,418)	-
Service Delivery Models	KA Leisure Contribution	SP-COM-20-05	Green	-	(100,808)	(159,692)
Service Delivery Models	Sub Total			-	(100,808)	(159,692)
Total				(475,463)	(278,226)	(159,692)
A Council for the Future						
Charging for Services, Alternative Funding	Fees & Charges Inflation		Green	-	(333,067)	(352,787)
Charging for Services, Alternative Funding	Municipalisation Agenda - Cross Service	SP-PL-20-17	Green	(53,119)	-	-
Charging for Services, Alternative Funding	Sub Total			(53,119)	(333,067)	(352,787)
Total				(53,119)	(333,067)	(352,787)
TOTAL SAVINGS PREVIOUSLY APPROVED				(514,082)	(1,626,293)	(607,479)

North Ayrshire Council Revenue Budget 2020/21 Revenue Expenditure Requirements				APPENDIX 4		
Council Objective/Theme	Investment	Category	Reference	2021/22 £'s	2022/23 £'s	2023/24 £'s
Inspiring Places						
Service Delivery Models	Waste Processing Contract Costs	Contractual/Unavoidable	BID-PL-21-09	983,852	65,355	128,489
Sub Total		Contractual/Unavoidable		983,852	65,355	128,489
Service Delivery Models	Rapid Rehousing Transition Plan	New National Expenditure Requirement		16,000	-	-
Service Delivery Models	Additional Environmental Health Provision	New National Expenditure Requirement		34,000	-	-
Sub Total		National/Local Pressures		50,000	-	-
Total				1,033,852	65,355	128,489
Aspiring Communities						
Land, Property and Assets	PPP/DBFM annual indexation	Contractual/Unavoidable	BID-COM-21-01	142,027	273,985	273,666
Land, Property and Assets	Additional School running costs from the Capital Programme	Contractual/Unavoidable	BID-PL-21-01	89,778	95,078	636,141
Sub Total		Contractual/Unavoidable		231,805	369,063	909,807
Children, Young People and Communities	Food Price Inflation	National/Local Pressures	BID-PL-21-05	95,224	98,081	101,023
Children, Young People and Communities	Cost of the School Day Investment	National/Local Pressures		500,000	-	-
Sub Total		National/Local Pressures		595,224	98,081	101,023
Children, Young People and Communities	CPP Transitional Funding	New National Expenditure Requirement		12,000	-	-
Children, Young People and Communities	Early Learning and Childcare Expansion	New National Expenditure Requirement		1,133,000	-	-
Children, Young People and Communities	1 + 2 Languages	New National Expenditure Requirement		(16,000)	-	-
Children, Young People and Communities	Pupil Equity Fund	New National Expenditure Requirement		(37,000)	-	-
Service Delivery Models	British Sign Language	New National Expenditure Requirement		(5,000)	-	-
Service Delivery Models	Discretionary Housing Payments	New National Expenditure Requirement		(471,000)	-	-
Transport and Travel	Seatbelt Provision	New National Expenditure Requirement		7,000	-	-
Sub Total		New National Expenditure Requirements		623,000	-	-
Total				1,450,029	467,144	1,010,830

North Ayrshire Council Revenue Budget 2020/21 Revenue Expenditure Requirements				APPENDIX 4		
Council Objective/Theme	Investment	Category	Reference	2021/22 £'s	2022/23 £'s	2023/24 £'s
A Council for the Future						
Service Delivery Models	Transformation Programme Staffing	Contractual/Unavoidable	BID-FCS-20-01	75,983	-	-
Service Delivery Models	ICT Workforce Resource	Contractual/Unavoidable	BID-CE-21-01	185,128	-	-
Service Delivery Models	Reduction in Childcare Voucher Employer NI Savings	Contractual/Unavoidable	BID-CE-21-03	22,500	-	-
Sub Total		Contractual/Unavoidable		283,611	-	-
Service Delivery Models	Support for Community Wealth Building	National/Local Pressures	BID-PL-20-07	(101,275)	-	-
Service Delivery Models	Drug Emergency Fund Contribution	National/Local Pressures		(86,000)	-	-
Sub Total		National/Local Pressures		(187,275)	-	-
Other	Barclay Implementation	New National Expenditure Requirement		(8,000)		
Sub Total		New National Expenditure Requirements		(8,000)	-	-
Total				88,336	-	-
Council Wide Pressures						
Inflation	Joint Board requisitions	Contractual/Unavoidable		7,647	105,121	108,276
Inflation	Pay Award	Contractual/Unavoidable		5,246,857	5,498,556	5,664,918
Inflation	Pension Fund Auto Enrolment	Contractual/Unavoidable		50,744	289,826	298,521
Inflation	Corporate issues (energy, fuel, NDR)	Contractual/Unavoidable		744,118	927,018	967,883
Sub Total				6,049,366	6,820,521	7,039,598
Other	Loan charges	Contractual/Unavoidable		(2,272,000)	632,000	158,000
Sub Total				(2,272,000)	632,000	158,000
Total				3,777,366	7,452,521	7,197,598
TOTAL REVENUE EXPENDITURE REQUIREMENTS				6,349,583	7,985,019	8,336,918

North Ayrshire Council Revenue Budget 2020/21											
Revenue Budget Savings to be Approved											
Council Objective / Reference Theme	Reference	Savings Proposal	Community Impact	Delivery Risk	2020/21 Current Budget £	2021/22		2022/23		2023/24	
						Proposed Saving £	Workforce implications £	Consequential Savings £	New Saving £	Consequential Savings £	New Saving £
Inspiring Places											
Land, Property and Assets	SP-PL-21-05	Grounds Maintenance Review & Community Planting Review maintenance schedules where the NAC has no statutory duty to maintain the land and introduce a community planting fund	Medium Negative		-	-	-	-	(65,000)	(30,000)	-
Total						-	-	-	(65,000)	(30,000)	-
Aspiring Communities											
Children, Young People and Communities	SP-COM-21-02	Review of Devolved School Management Scheme Review of non-staffing resources in Education HQ and in schools	None		3,147,402	-	-	(270,000)	-	-	-
Children, Young People and Communities	SP-COM-21-03	Review Early Years Parenting Programmes Review and consolidate various early years parenting programmes	None		685,615	(200,000)	-	-	-	-	-
Children, Young People and Communities	SP-COM-21-04	Review of Day Care and Childminding Service Review of service following a benchmarking exercise against other local authorities	None		411,654	(100,000)	-	-	-	-	-
Children, Young People and Communities	SP-COM-21-06	Redesign of Communities HQ support function Redesign of function across the Directorate	None		1,818,472	(100,000)	-	-	-	-	-
Service Delivery Models	SP-COM-21-10	Arran Outdoor Education Centre Reshaping of the outdoor education service within the context of the current and future restrictions of the Covid pandemic	None		418,478	-	-	-	(50,000)	-	(50,000)
Children, Young People and Communities	SP-COM-21-11	Review of Teacher Turnover target Increased target for managed savings within teachers' salary budgets	None		(750,000)	-	-	(200,000)	-	-	-
Service Delivery Models	SP-COM-21-12	Review of Early Learning and Childcare service provision Review of non staffing elements within expanded service provision	None		2,408,000	-	-	(300,000)	-	-	-
Total						(400,000)	-	(770,000)	(50,000)	-	(50,000)
A Council for the Future											
Land & Property Assets	SP-OCI-21-06	New Ways of Working Developing work-styles through digital technology, including office based and remote working and aligning the property footprint	None			(90,000)		(375,000)		(35,000)	
Total						(90,000)	-	(375,000)	-	(35,000)	-
TOTAL SAVINGS TO BE APPROVED						(490,000)	-	(1,145,000)	(115,000)	(65,000)	(50,000)

Directorate	Service	Manager	Charge Description	Approved Charge (2020/21) £	Proposed Charge (2021/22)	Indicative Charge (2022/23)	Indicative Charge (2023/24)	Basis of increase (20-21)
Chief Executives	Legal - Licensing	Aileen Craig	Amendment (due to Licence Partnership)	£126.00	£126.00	£132.30	£138.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Amendment or Duplicate Licence	£35.00	£35.00	£36.80	£38.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Indoor Sports Entertainment Licence (Temporary)	£682.00	£682.00	£716.10	£751.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Indoor Sports Entertainment Licence (when another NAC Licence is held)	£171.00	£171.00	£179.60	£188.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Indoor Sports Entertainment Licence (when no other NAC Licences are held)	£341.00	£341.00	£358.10	£376.00	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence (Commercial or Community Premises)	£262.00	£262.00	£275.10	£288.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence (Commercial Premises with Fairground)	£398.00	£398.00	£417.90	£438.80	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence - Full Licence (maximum duration of 3 years, and renewable)	£364.00	£364.00	£382.20	£401.30	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£323.00	£323.00	£339.20	£356.20	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Public Entertainment Licence (Major Event - Pop Concert etc)	Total fee is £2632 + variable dependent upon proposed size of the event and number of persons proposed to attend.	proposed to attend.	Total fee is £2764 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2902 + variable dependent upon proposed size of the event and number of persons proposed to attend.	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (1 to 10 Animals)	£85.00	£85.00	£89.30	£93.80	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (11 to 20 Animals)	£113.00	£113.00	£118.70	£124.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (21 to 30 Animals)	£148.00	£148.00	£155.40	£163.20	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (31 to 50 Animals)	£216.00	£216.00	£226.80	£238.10	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (51 to 70 Animals)	£278.00	£278.00	£291.90	£306.50	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Animal Boarding Licence (Over 70 Animals)	£352.00	£352.00	£369.60	£388.10	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Booking Office (with public access)	£341.00	£341.00	£358.10	£376.00	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Booking Office (without public access)	£228.00	£228.00	£239.40	£251.40	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Breeding of Dogs Licence (Breeding of Dogs Act 1973) - New	£477.00	£477.00	£500.90	£525.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Breeding of Dogs Licence (Breeding of Dogs Act 1973) - Renewal	£210.00	£210.00	£220.50	£231.50	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Cinema Licence - grant or renewal for one year	£278.00	£278.00	£291.90	£306.50	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Cinema Licence - grant or renewal for under a year - per month (total not to exceed the one year fee)	£93.00	£93.00	£97.70	£102.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Cinema Licence - Transfer	£56.00	£56.00	£58.80	£61.70	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Dangerous Wild Animals - New & Renewal (maximum duration of 12 months, and renewable)	£301.00	£301.00	£316.10	£331.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Duplicate Licence	£35.00	£35.00	£36.80	£38.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Fireworks Storage Licence (under 250 kg)	Various fees for £108 to £236 depending on term and renewal or new	and renewal or new	Various fees for £113 to £248 depending on term and renewal or new	Various fees for £119 to £260 depending on term and renewal or new	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Knife Dealers Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£341.00	£341.00	£358.10	£376.00	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Late Hours Catering Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£181.00	£181.00	£190.10	£199.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Market Operators Licence	£386.00	£386.00	£405.30	£425.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Metal Dealers Licence (Premises & Itinerant)	£119.00	£119.00	£125.00	£131.30	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Pet Shop Licence (Pet Animals Act 1951) New or Renewal - (maximum duration of 12 months, and renewable)	£199.00	£199.00	£209.00	£219.50	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Registration to sell non medical poisons (new)	£25.00	£25.00	£26.30	£27.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Registration to sell non medical poisons (retention)	£13.00	£13.00	£13.70	£14.40	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Second Hand Dealers Licence - New (Full - maximum duration of 3 years, and renewable)	£239.00	£239.00	£251.00	£263.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Second Hand Dealers Licence - Already Licenced (Full - maximum duration of 3 years, and renewable)	£126.00	£126.00	£132.30	£138.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Sex Shop Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£2,027.00	£2,027.00	£2,128.40	£2,234.80	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Skin Piercing or Tattooing Licence (with Premises)	£358.00	£358.00	£375.90	£394.70	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Skin Piercing or Tattooing Licence (without Premises)	£301.00	£301.00	£316.10	£331.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Employee Licence - Full licence (maximum duration of 3 years, and renewable)	£136.00	£136.00	£142.80	£149.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Employee Licence - Temporary Licence (maximum duration of 3 years, and renewable)	£103.00	£103.00	£108.20	£113.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Operator - Substitute Vehicle	£119.00	£119.00	£125.00	£131.30	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Operator Licence - Full Licence (maximum duration of 3 years, and renewable)	£273.00	£273.00	£286.70	£301.00	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Street Trader Operator Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£187.00	£187.00	£196.40	£206.20	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Zoo Licence (New - maximum duration of 4 years, and renewable. Vet inspections are charged in addition)	£301.00	£301.00	£316.10	£331.90	0.0%

Directorate	Service	Manager	Charge Description	Approved Charge (2020/21) £	Proposed Charge (2021/22)	Indicative Charge (2022/23)	Indicative Charge (2023/24)	Basis of increase (20-21)
Chief Executives	Legal - Licensing	Aileen Craig	Zoo Licence (Renewal - maximum duration of 6 years, and renewable. Vet inspections are charged in addition)	£301.00	£301.00	£316.10	£331.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Venison Dealer	£126.00	£126.00	£132.30	£138.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Venison Employee / Agent	£68.00	£68.00	£71.40	£75.00	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Game Dealers	£5.00	£5.00	£5.30	£5.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Poisons alteration	£6.00	£6.00	£6.30	£6.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	House in Multiple Occupation Licence (New)	£954.00	£954.00	£1,001.70	£1,051.80	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	House in Multiple Occupation Licence (Already Licenced)	£716.00	£716.00	£751.80	£789.40	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Riding Establishment Licence (1 year, New & Renewal)	£477.00	£477.00	£500.90	£525.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Riding Establishment Licence (One year, If already licenced)	£358.00	£358.00	£375.90	£394.70	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Door Sign	£17.00	£17.00	£17.90	£18.80	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Licence resulting from change of address	£14.00	£14.00	£14.70	£15.40	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Plate	£34.00	£34.00	£35.70	£37.50	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Tariff Card	£14.00	£14.00	£14.70	£15.40	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Taxi / Private Hire Car Driver Badge	£19.00	£19.00	£20.00	£21.00	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Replacement Window Stickers	£19.00	£19.00	£20.00	£21.00	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Request to be added to waiting list (for a Taxi Licence)	£8.00	£8.00	£8.40	£8.80	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Substitution of Vehicle (Taxi or Private Hire Car)	£212.00	£212.00	£222.60	£233.70	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Taxi Driver's Licence - Full Licence (1 year, and renewable)	£85.00	£85.00	£89.30	£93.80	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Taxi Driver's Licence - Full Licence (maximum duration of 3 years, and renewable)	£199.00	£199.00	£209.00	£219.50	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Private Hire Car Driver Licence - Full licence (maximum duration of 3 years, and renewable)	£199.00	£199.00	£209.00	£219.50	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Private Hire Car Licence (Operator) - Full Licence (1 year, and renewable)	£352.00	£352.00	£369.60	£388.10	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Private Hire Car Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£590.00	£590.00	£619.50	£650.50	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Taxi Licence (1 year)	£381.00	£381.00	£400.10	£420.10	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Taxi Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£658.00	£658.00	£690.90	£725.40	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Variation of a Licence	£58.00	£58.00	£60.90	£63.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Private Hire Car Driver's Licence - Full Licence (1 yr, and renewable)	£85.00	£85.00	£89.30	£93.80	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Inspection of Vehicle (Taxi or Private Hire Car)	£88.00	£88.00	£92.40	£97.00	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Re-inspection of Vehicle (Taxi or Private Hire Car)	£47.00	£47.00	£49.40	£51.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Re-seal of Taximeter	£23.00	£23.00	£24.20	£25.40	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Civic Government (Scotland) Act 1982 - Temporary Licence (duration specified in Licence, maximum 6 weeks, and not renewable) (unless specifically mentioned in this table)	£171.00	£171.00	£179.60	£188.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Landlord Registration - Principal	£66.00	£67.00	£70.40	£73.90	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Landlord Registration - Property	£15.00	£15.00	£15.80	£16.60	0.0%
Chief Executives	Legal - Licensing	Aileen Craig	Landlord Registration - Late Application	£132.00	£133.00	£139.70	£146.70	0.0%
Chief Executives	Registration Services	Elaine Nixon	Civil Marriages / Partnerships at Registration Office outwith office hours	£458.00	£458.00	£480.90	£504.90	0.0%
Chief Executives	Registration Services	Elaine Nixon	Civil Marriages / Partnerships at Registration Office during office hours	£278.00	£278.00	£291.90	£306.50	0.0%
Chief Executives	Registration Services	Elaine Nixon	All Ceremonies at approved venues - fee for attendance of a Registrar during office hours	£445.00	£445.00	£467.30	£490.70	0.0%
Chief Executives	Registration Services	Elaine Nixon	All Ceremonies at approved venues - fee for attendance of a Registrar outwith office hours	£504.00	£504.00	£529.20	£555.70	0.0%
Chief Executives	Registration Services	Elaine Nixon	Guest Supplement: during office hours when more than 4 guests attend a marriage/civil partnership at Registration offices	£153.00	£153.00	£160.70	£168.70	0.0%
Chief Executives	Registration Services	Elaine Nixon	Naming & Renewal of Vows Ceremonies conducted at Registration Offices during office hours	£290.00	£290.00	£304.50	£319.70	0.0%
Chief Executives	Registration Services	Elaine Nixon	Naming & Renewal of Vows Ceremonies conducted at Registration Offices outwith office hours	£348.00	£348.00	£365.40	£383.70	0.0%
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Registration Offices outwith office hours	£596.00	£596.00	£625.80	£657.10	0.0%
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues outwith office hours	£666.00	£666.00	£699.30	£734.30	0.0%
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues during office hours	£579.00	£579.00	£608.00	£638.40	0.0%
Chief Executives	Registration Services	Elaine Nixon	Guest supplement: during office hours when more than 4 guests attend a Civil Marriage/Partnership & Naming Ceremony at Registration Offices	£394.00	£394.00	£413.70	£434.40	0.0%
Health & Social Care	Adults		Care at Home Adults	£14.80	£16.00	£16.80	£17.64	5.0%
Health & Social Care	Adults		Day Care (purchased and provided)	£13.20	£14.00	£14.70	£15.44	5.0%
Health & Social Care	Adults		Day Care (charges to Other Las)	£220.50	£232.00	£243.60	£255.78	5.0%
Health & Social Care	Adults and Older People		Guest Room Charges at Sheltered Housing Accommodations	£5.00	£5.00	£5.25	£5.51	5.0%
Health & Social Care	Adults and Older People		Community Alarms service - mainland	£4.70	£5.00	£5.24	£5.50	5.0%
Health & Social Care	Adults and Older People		Community Alarms service - Arran	£2.30	£2.00	£2.10	£2.21	5.0%
Health & Social Care	Adults and Older People		Meals on Wheels	£2.95	£3.00	£3.14	£3.30	5.0%

Directorate	Service	Manager	Charge Description	Approved Charge (2020/21)	Proposed Charge (2021/22)	Indicative Charge (2022/23)	Indicative Charge (2023/24)	Basis of increase (20-21)
				£				
Health & Social Care	Older People		Care at Home Older People per hour	£14.80	£16.00	£16.80	£17.64	5.0%
Health & Social Care	Older People		Day Care (purchased and provided) Older People	£13.20	£14.00	£14.70	£15.44	5.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hire of table linen	£6.20	£6.20	£6.50	£6.80	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hire of twinkle curtain	£78.20	£78.20	£82.10	£86.20	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hire of Red Carpet	£38.80	£38.80	£40.70	£42.70	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Store Requests, hires and deliveries	£33.45	£33.45	£35.10	£36.90	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Stores hire of tables go pack	£5.75	£5.75	£6.00	£6.30	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Stores hire of tables round	£11.15	£11.15	£11.70	£12.30	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Inflatable hire package	£133.90	£133.90	£140.60	£147.60	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Party Package Civic Centre	£164.00	£164.00	£172.20	£180.80	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Wedding packages - Ceremony and Reception	£859.45	£859.45	£902.40	£947.50	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Wedding packages - Reception only	£616.50	£616.50	£647.30	£679.70	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Tea/Coffee/Biscuits	£1.70	£1.70	£1.80	£1.90	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Holidays 3 days/2 nights (4 people)	£592.00	£592.00	£621.60	£652.70	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Holidays 5 days/4 nights (4 people)	£1,176.00	£1,176.00	£1,234.80	£1,296.50	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Bed and breakfast (adult)	£41.00	£41.00	£43.10	£45.30	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Dinner, bed and breakfast (adult)	£52.00	£52.00	£54.60	£57.30	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Half day activity (adult)	£53.00	£53.00	£55.70	£58.50	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Half day activity (child)	£37.00	£37.00	£38.90	£40.80	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Full day activity (adult)	£106.00	£106.00	£111.30	£116.90	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Full day activity (child)	£74.00	£74.00	£77.70	£81.60	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Commercial large classroom	£37.00	£37.00	£38.90	£40.80	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Family Function large classroom	£22.00	£22.00	£23.10	£24.30	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire NAC large classroom	£20.00	£20.00	£21.00	£22.10	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire general meeting large classroom	£12.00	£12.00	£12.60	£13.20	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Childcare large classroom	£7.00	£7.00	£7.40	£7.80	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Disabled/charity large classroom	£5.00	£5.00	£5.30	£5.60	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Commercial small chartroom	£19.00	£19.00	£20.00	£21.00	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Family Function small chartroom	£11.00	£11.00	£11.60	£12.20	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire NAC small chartroom	£10.00	£10.00	£10.50	£11.00	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire genral meeting small chartroom	£6.00	£6.00	£6.30	£6.60	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Childcare small chartroom	£3.00	£3.00	£3.20	£3.40	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Disabled/charity small chartroom	£2.00	£2.00	£2.10	£2.20	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	NAC School Group 5 days/4 nights (per person)	£208.00	£208.00	£218.40	£229.30	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 5 days/4 nights (per person)	£418.00	£418.00	£438.90	£460.80	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	NAC School Group 3 days/2 nights (per person)	£110.00	£110.00	£115.50	£121.30	0.0%
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 3 days/2 nights (per person)	£220.00	£220.00	£231.00	£242.60	0.0%
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 1 - Commercial	£26.00	£26.00	£27.30	£28.70	0.0%
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 1 - Non-Commercial	£18.00	£18.00	£18.90	£19.80	0.0%
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 2 - Commercial	£19.00	£19.00	£20.00	£21.00	0.0%
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 2 - Non-Commercial	£7.25	£7.25	£7.60	£8.00	0.0%
Communities	Connected Communities (Arts)	Lesley Forsyth	Theatre Hire - Commercial	£71.00	£71.00	£74.60	£78.30	0.0%
Communities	Connected Communities (Arts)	Lesley Forsyth	Theatre Hire - Non-Commercial	£42.00	£42.00	£44.10	£46.30	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - SMALL ROOM	£21.40	£21.40	£22.50	£23.60	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - LARGE ROOM	£43.25	£43.25	£45.40	£47.70	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - SMALL ROOM	£12.65	£12.65	£13.30	£14.00	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - LARGE ROOM	£25.30	£25.30	£26.60	£27.90	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - SMALL ROOM	£7.00	£7.00	£7.40	£7.80	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - LARGE ROOM	£14.00	£14.00	£14.70	£15.40	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 4 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	£3.50	£3.70	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 4 user (eg Pre 5 groups) - LARGE ROOM	£6.45	£6.45	£6.80	£7.10	0.0%

Directorate	Service	Manager	Charge Description	Approved Charge (2020/21) £	Proposed Charge (2021/22)	Indicative Charge (2022/23)	Indicative Charge (2023/24)	Basis of increase (20-21)
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 5 user (eg Disabled org's) - SMALL ROOM	£3.10	£3.10	£3.30	£3.50	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 5 user (eg Disabled Org's) - LARGE ROOM	£6.10	£6.10	£6.40	£6.70	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Astro Pitch Youth	£14.40	£14.40	£15.10	£15.90	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Astro Pitch Adult	£21.60	£21.60	£22.70	£23.80	0.0%
Communities	Connected Communities (Community Facilities)	Donna Morrison	Floodlights	£7.75	£7.75	£8.10	£8.50	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Campsite	£9.00	£9.00	£9.50	£10.00	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Events Fields	£111.00	£111.00	£116.60	£122.40	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Campsite Field	£67.00	£67.00	£70.40	£73.90	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Visitor Facility Block - Full Day	£75.00	£75.00	£78.80	£82.70	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Visitor Facility Block - Half Day	£37.50	£37.50	£39.40	£41.40	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Portacabin Toilets	£19.00	£19.00	£20.00	£21.00	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Racquet Hall - NAC Group / School	£14.00	£14.00	£14.70	£15.40	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Racquet Hall - Non Commercial	£25.30	£25.30	£26.60	£27.90	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Racquet Hall - Commercial	£43.25	£43.25	£45.40	£47.70	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Ranger Service - NAC Group	No charge	No charge	No charge	No charge	0.0%
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Ranger Service - All Other Groups	£30.00	£30.00	£31.50	£33.10	0.0%
Place	Economic Growth (Planning Services)	Jim Miller	Planning Search fees	£101.00	£101.00	£106.10	£111.40	0.0%
Place	Economic Growth (Planning Services)	Jim Miller	Section 50 Certificates	£107.40	£107.40	£112.80	£118.40	0.0%
Place	Economic Growth (Planning Services)	Jim Miller	Press Adverts Arran	£92.00	£92.00	£96.60	£101.40	0.0%
Place	Economic Growth (Planning Services)	Jim Miller	Press Adverts Mainland	£203.00	£203.00	£213.20	£223.90	0.0%
Place	Economic Growth (Planning Services)	Jim Miller	All Planning Application fees:		£0.00	£0.00	£0.00	0.0%
Place	Economic Growth (Planning Services)	Jim Miller	Operations:		£0.00	£0.00	£0.00	0.0%
Place	Economic Growth (Planning Services)	Jim Miller	eg Construction of buildings - planning permission in principle	£401.00	£401.00	£421.10	£442.20	Fees are fixed by statute
Place	Economic Growth (Planning Services)	Jim Miller	eg The erection of buildings - planning permission in principle	£401.00	£401.00	£421.10	£442.20	Fees are fixed by statute
Place	Economic Growth (Planning Services)	Jim Miller	eg The erection of buildings - where the area of gross floor space to be created does not exceed 40 sq metres	£202.00	£202.00	£212.10	£222.70	Fees are fixed by statute
Place	Economic Growth (Planning Services)	Jim Miller	Uses of land:		£0.00	£0.00	£0.00	Fees are fixed by statute
Place	Economic Growth (Planning Services)	Jim Miller	eg The change of use of a building	£401.00	£401.00	£421.10	£442.20	Fees are fixed by statute
Place	Economic Growth (Transportation)	Claire Fitzsimmons	Construction Consent Amendments	£365.00	£365.00	£383.30	£402.50	0.0%
Place	Economic Growth (Transportation)	Claire Fitzsimmons	Supply of Traffic Count data	£200.85	£200.85	£210.90	£221.40	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1874 - one line of family tree	£48.00	£48.00	£50.40	£52.90	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1874 - two lines of family tree	£95.00	£95.00	£99.80	£104.80	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1874 - three lines of family tree	£136.00	£136.00	£142.80	£149.90	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1874 - four lines of family tree	£183.00	£183.00	£192.20	£201.80	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1900 - one line of family tree	£55.00	£55.00	£57.80	£60.70	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1900 - two lines of family tree	£109.00	£109.00	£114.50	£120.20	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1900 - three lines of family tree	£158.00	£158.00	£165.90	£174.20	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1900 - four lines of family tree	£212.00	£212.00	£222.60	£233.70	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1920 - one line of family tree	£56.00	£56.00	£58.80	£61.70	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1920 - two lines of family tree	£111.00	£111.00	£116.60	£122.40	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1920 - three lines of family tree	£161.00	£161.00	£169.10	£177.60	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy pre 1920 - four lines of family tree	£217.00	£217.00	£227.90	£239.30	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy post 1935 - one line of family tree	£63.00	£63.00	£66.20	£69.50	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy post 1935 - two lines of family tree	£125.00	£125.00	£131.30	£137.90	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy post 1935 - three lines of family tree	£182.00	£182.00	£191.10	£200.70	0.0%
Communities	Heritage	Lesley Forsyth	Genealogy post 1935 - four lines of family tree	£245.00	£245.00	£257.30	£270.20	0.0%
Communities	Libraries	Lesley Forsyth	Magnifying Sheets	£2.00	£2.00	£2.10	£2.20	0.0%
Communities	Libraries	Lesley Forsyth	Tea/Coffee	£1.20	£1.20	£1.30	£1.40	0.0%
Communities	Libraries	Lesley Forsyth	Street Plans	£2.90	£2.90	£3.00	£3.20	0.0%
Communities	Libraries	Lesley Forsyth	Lost and Damaged Books		£0.00	£0.00	£0.00	0.0%
Communities	Libraries	Lesley Forsyth	Lost and Damaged Audio		£0.00	£0.00	£0.00	0.0%
Communities	Libraries	Lesley Forsyth	Book Sales (NAC Stock)		£0.00	£0.00	£0.00	0.0%
Communities	Libraries	Lesley Forsyth	Black and White Photocopying/Printing A4 or A3 single-sided	£0.10	£0.10	£0.10	£0.10	0.0%
Communities	Libraries	Lesley Forsyth	Black and White Photocopying/Printing A4 or A3 double-sided	£0.25	£0.20	£0.20	£0.20	0.0%
Communities	Libraries	Lesley Forsyth	Colour Photocopying/Printing A4 or A3 single-sided	£0.35	£0.35	£0.40	£0.40	0.0%
Communities	Libraries	Lesley Forsyth	Colour Photocopying/Printing A4 or A3 double-sided	£0.65	£0.70	£0.70	£0.70	0.0%
Communities	Libraries	Lesley Forsyth	DVD Lending Service - DVD's per Week hire	£1.75	£1.75	£1.80	£1.90	0.0%
Communities	Libraries	Lesley Forsyth	DVD Lending Service - Day ones (New releases) 2 nights hire	£2.00	£2.00	£2.10	£2.20	0.0%
Communities	Libraries	Lesley Forsyth	Audio Charges - CD	£0.30	£0.30	£0.30	£0.30	0.0%
Communities	Libraries	Lesley Forsyth	Room Hire - Category 1 user (eg Commercial Activities) - SMALL ROOM	£21.40	£21.40	£22.50	£23.60	0.0%
Communities	Libraries	Lesley Forsyth	Room Hire - Category 2 user (eg Family Functions) - SMALL ROOM	£12.65	£12.65	£13.30	£14.00	0.0%
Communities	Libraries	Lesley Forsyth	Room Hire - Category 3 user (eg Agency Letting) - SMALL ROOM	£7.00	£7.00	£7.40	£7.80	0.0%
Communities	Libraries	Lesley Forsyth	Room Hire - Category 4 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	£3.50	£3.70	0.0%
Communities	Libraries	Lesley Forsyth	Room Hire - Category 5 user (eg Disabled org's) - SMALL ROOM	£3.10	£3.10	£3.30	£3.50	0.0%
Place	Protective Services (Building Standards)	Scott McKenzie	Clearance Certificates	£235.10	£235.10	£246.90	£259.20	0.0%
Place	Protective Services (Building Standards)	Scott McKenzie	Searches	£101.00	£101.00	£106.10	£111.40	0.0%

Directorate	Service	Manager	Charge Description	Approved Charge (2020/21) £	Proposed Charge (2021/22)	Indicative Charge (2022/23)	Indicative Charge (2023/24)	Basis of increase (20-21)
Place	Protective Services (Building Standards)	Scott McKenzie	Section 50 Certificates	£125.00	£125.00	£131.30	£137.90	0.0%
Place	Protective Services (Building Standards)	Scott McKenzie	Section 89 Certificates	£408.80	£408.80	£429.20	£450.70	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Bacteriological Swimming Pool Sampling	£51.00	£51.00	£53.60	£56.30	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Legionella Swimming Pool Sampling	£95.00	£95.00	£99.80	£104.80	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Chemical Swimming Pool Sampling	£70.00	£70.00	£73.50	£77.20	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control - Fumigations/Sprays for heavy infestations e.g. bedbugs, fleas includes survey and revisit.	£77.00	£77.00	£80.90	£84.90	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Insects (Domestic)	£50.00	£50.00	£52.50	£55.10	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Rats/Mice/Insects (Commercial)	£77.00	£77.00	£80.90	£84.90	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Rats/Mice/Squirrels (Domestic) includes up to 3 visits.	£77.00	£77.00	£80.90	£84.90	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Wasp Nests/Bees	£50.00	£50.00	£52.50	£55.10	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Food Hygiene Training Delegate Charge	£29.00	£29.00	£30.50	£32.00	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Section 50 Certificates	£125.00	£125.00	£131.30	£137.90	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Certificate of Compliance (not required as part of licence application)	£100.00	£100.00	£105.00	£110.30	0.0%
Place	Protective Services (Environmental Health)	Scott McKenzie	Health Certificate for export to China	£36.00	£36.00	£37.80	£39.70	0.0%
Place	Protective Services (Trading Standards)	Scott McKenzie	Liquid fuel measuring instruments - first meter tested	£159.00	£159.00	£167.00	£175.40	0.0%
Place	Protective Services (Trading Standards)	Scott McKenzie	Liquid fuel measuring instruments @each additional meter tested during same visit	£98.00	£98.00	£102.90	£108.00	0.0%
Place	Protective Services (Trading Standards)	Scott McKenzie	All other weighing and measuring equipment @one officer on site (per hour)	£86.00	£86.00	£90.30	£94.80	0.0%
Place	Protective Services (Trading Standards)	Scott McKenzie	All other weighing and measuring equipment@two or more officers on site (per hour)	£138.00	£138.00	£144.90	£152.10	0.0%
Communities	Early Years	Callum Maxwell	Wraparound Charges	£4.00	£4.00	£4.20	£4.40	0.0%
Communities	Music Services	Ronan Watson	Tuition Fee	£198.00	£198.00	£207.90	£218.30	0.0%
Communities	Music Services	Ronan Watson	Tuition Fee - siblings	£99.00	£99.00	£104.00	£109.20	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment of Eighteen and Over	£806.00	£806.00	£886.60	£975.30	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial (New Lair)	£859.00	£859.00	£944.90	£1,039.40	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial (Woodland Area)	£859.00	£859.00	£944.90	£1,039.40	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment of Cremated Remains (Aged 18 and over)	£228.00	£228.00	£250.80	£275.90	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Memorial Foundation	£176.00	£176.00	£184.80	£194.00	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Dis-interments	£970.00	£970.00	£1,018.50	£1,069.40	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment in common ground	£252.00	£252.00	£264.60	£277.80	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial - Cremated Remains Only (New Lair)	£471.00	£471.00	£518.10	£569.90	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial - Cremated Remains Only in Garden of Remembrance (New Lair)	£471.00	£471.00	£518.10	£569.90	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial - Private Baby Lair	FOC	FOC	FOC	FOC	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment of Eighteen and Over (Saturdays and Public Holidays)	£1,209.00	£1,209.00	£1,329.90	£1,462.90	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Transfer of Title Deeds/Duplicate Title Deeds	£21.00	£21.00	£22.10	£23.20	0.0%
Place	Bereavement Service	Wallace Turpie/ David Mackay	Memorial permit	£44.00	£44.00	£46.20	£48.50	0.0%
School Meals	FM	Carolyn Hope	Secondary School meals	£2.05	£2.05	£2.20	£2.30	0.0%
School Meals	FM	Carolyn Hope	Primary School meals	£2.05	£2.05	£2.20	£2.30	0.0%
Place	Largs Car Park	Wallace Turpie/ David Mackay	Car park Charges - up to 1 hour	£1.00	£1.00	£1.00	£1.00	0.0%
Place	Largs Car Park	Wallace Turpie/ David Mackay	Car park Charges - over 1 hour up to 3 hours	£3.00	£3.00	£3.00	£3.00	0.0%
Place	Largs Car Park	Wallace Turpie/ David Mackay	Car park Charges - over 3 hours	£4.00	£4.00	£4.00	£4.00	0.0%
Place	Streetscene Services	Wallace Turpie/ David Mackay	Abandoned Trolley Charge	£33.00	£33.00	£34.70	£36.40	0.0%
Place	Streetscene Services	Wallace Turpie/ David Mackay	Grass Cutting Scheme	£70.00	£70.00	£73.50	£77.20	0.0%
Place	Transport Services	Gordon Mitchell	Car Inspection	£30.00	£30.00	£31.50	£33.10	0.0%
Place	Transport Services	Gordon Mitchell	MOT Class 4	£57.00	£57.00	£59.90	£62.90	0.0%
Place	Transport Services	Gordon Mitchell	MOT Class 5	£75.00	£75.00	£78.80	£82.70	0.0%
Place	Transport Services	Gordon Mitchell	MOT Class 7	£62.00	£62.00	£65.10	£68.40	0.0%
Place	Transport Services	Gordon Mitchell	Tachograph Calibration	£58.00	£58.00	£60.90	£63.90	0.0%
Place	Transport Services	Gordon Mitchell	Tachograph 2 year inspection	£40.00	£40.00	£42.00	£44.10	0.0%
Place	Transport Services	Gordon Mitchell	Tachograph 6 year inspection	£58.00	£58.00	£60.90	£63.90	0.0%
Place	Transport Services	Gordon Mitchell	Per hire charge for transport hires to external groups.	£23.00	£23.00	£24.20	£25.40	0.0%
Place	Roads	Campbell Dempster	Section 56 Roads Opening Permit Vehicle Access Crossing	£74.00	£74.00	£77.70	£81.60	0.0%
Place	Roads	Campbell Dempster	Section 56 Road Opening Permit Other works involving excavation in the public road	£208.00	£208.00	£218.40	£229.30	0.0%
Place	Roads	Campbell Dempster	Section 56 Road Opening Permit Other works involving excavation in the public road. Duration charge for additional week.	£98.00	£98.00	£102.90	£108.00	0.0%

Directorate	Service	Manager	Charge Description	Approved Charge (2020/21) £	Proposed Charge (2021/22)	Indicative Charge (2022/23)	Indicative Charge (2023/24)	Basis of increase (20-21)
Place	Roads	Campbell Dempster	Section 58 Road Occupation Permits Builders Materials - for up to 4 weeks	£86.00	£86.00	£90.30	£94.80	0.0%
Place	Roads	Campbell Dempster	Section 58 Road Occupation Permits Cranes - for up to 4 weeks	£86.00	£86.00	£90.30	£94.80	0.0%
Place	Roads	Campbell Dempster	Section 58 Road Occupation Permits Scaffolding - for up to 4 weeks	£86.00	£86.00	£90.30	£94.80	0.0%
Place	Roads	Campbell Dempster	Section 85 Skip Permits - for up to 4 weeks	£51.00	£51.00	£53.60	£56.30	0.0%
Place	Roads	Campbell Dempster	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge.	£122.00	£122.00	£128.10	£134.50	0.0%
Place	Roads	Campbell Dempster	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge. Duration charge for addi	£122.00	£122.00	£128.10	£134.50	0.0%
Place	Roads	Campbell Dempster	Property Enquiry Adoption Plan	£37.00	£37.00	£38.90	£40.80	0.0%
Place	Roads	Campbell Dempster	NRSWA Section 109 Permission	£317.00	£317.00	£332.90	£349.50	0.0%
Place	Roads	Campbell Dempster	NRSWA Public Utility Sample Inspections	£36.00	£36.00	£37.80	£39.70	0.0%
Place	Roads	Campbell Dempster	5 day Temporary Traffic Order (by notice)	£426.00	£426.00	£447.30	£469.70	0.0%
Place	Roads	Campbell Dempster	Emergency Temporary Traffic Order (by notice)	£426.00	£426.00	£447.30	£469.70	0.0%
Place	Roads	Campbell Dempster	Temporary Traffic Orders (advertised in press). Advertising costs are extra.	£658.00	£658.00	£690.90	£725.40	0.0%
Place	Roads	Campbell Dempster	Supply of Traffic Count Data. Price per site.	£208.00	£208.00	£218.40	£229.30	0.0%
Place	Roads	Campbell Dempster	Supply / Use of information from the Saturn Traffic Model	£1,340.00	£1,340.00	£1,407.00	£1,477.40	0.0%
Place	Roads	Campbell Dempster	Neighbourhood Watch Signs	£37.00	£37.00	£38.90	£40.80	0.0%
Place	Roads	Campbell Dempster	Switching off Traffic Signals for third parties	£147.00	£147.00	£154.40	£162.10	0.0%
Place	Roads	Campbell Dempster	Temporary signs for events.	£98.00	£98.00	£102.90	£108.00	0.0%
Place	Roads	Campbell Dempster	Signs for new Housing Developments	£378.00	£378.00	£396.90	£416.70	0.0%
Place	Roads	Campbell Dempster	H Bar Markings (Access protection markings)	£61.00	£61.00	£64.10	£67.30	0.0%
Place	Waste Resources	David Mackay	New/Replacement Waste Container 360 Litre	£75.01	£75.01	£78.80	£82.70	0.0%
Place	Waste Resources	David Mackay	New/Replacement Waste Container 1100 Litre	£382.14	£382.14	£401.20	£421.30	0.0%
Place	Waste Resources	David Mackay	New/Replacement Waste Container 1280 Litre	£444.65	£444.65	£466.90	£490.20	0.0%
Place	Waste Resources	David Mackay	Uplift Commercial White Goods per item	£49.67	£49.67	£52.20	£54.80	0.0%
Place	Waste Resources	David Mackay	Bin Repair - standard lock supply & fitting	£22.71	£22.71	£23.80	£25.00	0.0%
Place	Waste Resources	David Mackay	Bin Repair - new forest lock lock supply & fitting	£33.00	£33.00	£34.70	£36.40	0.0%
Place	Waste Resources	David Mackay	Bin Repair - push to lock supply & fitting	£45.84	£45.84	£48.10	£50.50	0.0%
Place	Waste Resources	David Mackay	Bin Repair - lid supplied & lock fixed cost	£141.35	£141.35	£148.40	£155.80	0.0%
Place	Waste Resources	David Mackay	BIN Repair - one front wheel supplied and fitted cost	£73.86	£73.86	£77.60	£81.50	0.0%
Place	Waste Resources	David Mackay	Bin Repair - one back wheel supplied and fitted cost	£80.00	£80.00	£84.00	£88.20	0.0%
Place	Waste Resources	David Mackay	New/Replacement Waste Container 240 Litre	£45.50	£45.50	£47.80	£50.20	0.0%
Place	Waste Resources	David Mackay	New/Replacement Waste Container 140 Litre	£31.26	£31.26	£32.80	£34.40	0.0%
Place	Waste Resources	David Mackay	New/Replacement Waste Container 660 Litre	£319.50	£319.50	£335.50	£352.30	0.0%
Place	Waste Resources	David Mackay	Special Uplift Charges	£25.20	£25.20	£26.50	£27.80	0.0%
Place	Waste Resources	David Mackay	Special Uplift individual item Charges	£5.04	£5.04	£5.30	£5.60	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£5.81	£5.81	£6.10	£6.40	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£8.72	£8.72	£9.20	£9.70	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£15.97	£15.97	£16.80	£17.60	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£26.64	£26.64	£28.00	£29.40	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£31.07	£31.07	£32.60	£34.20	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 240 Litre bin	£6.27	£6.27	£6.60	£6.90	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 360 Litre bin	£9.41	£9.41	£9.90	£10.40	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 660 Litre bin	£17.23	£17.23	£18.10	£19.00	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 1100 Litre bin	£28.75	£28.75	£30.20	£31.70	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 1280 Litre bin	£33.54	£33.54	£35.20	£37.00	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£4.86	£4.86	£5.10	£5.40	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Garden Waste 240 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£17.38	£17.38	£18.20	£19.10	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 240 Litre bin	£0.00	£0.00	£0.00	£0.00	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 140 Litre bin	£0.00	£0.00	£0.00	£0.00	0.0%
Place	Waste Resources	David Mackay	Subcontractor Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£6.17	£6.17	£6.50	£6.80	0.0%
Place	Waste Resources	David Mackay	Subcontractor Commercial Refuse Scheduled Bin Uplift Garden Waste 240 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%
Place	Waste Resources	David Mackay	SubcontractorCommercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£22.01	£22.01	£23.10	£24.30	0.0%
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£2.91	£2.91	£3.10	£3.30	0.0%
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£4.37	£4.37	£4.60	£4.80	0.0%
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£7.99	£7.99	£8.40	£8.80	0.0%
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£13.31	£13.31	£14.00	£14.70	0.0%
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£15.53	£15.53	£16.30	£17.10	0.0%
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 140 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£2.25	£2.25	£2.40	£2.50	0.0%
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£3.36	£3.36	£3.50	£3.70	0.0%
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£6.18	£6.18	£6.50	£6.80	0.0%
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£10.29	£10.29	£10.80	£11.30	0.0%
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£11.96	£11.96	£12.60	£13.20	0.0%
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Food/Organic 140 Litre Bin	£2.44	£2.44	£2.60	£2.70	0.0%
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Garden Waste 240 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Food/Organic 500 Litre Bin	£8.68	£8.68	£9.10	£9.60	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 140 Litre Bin	£0.00	£0.00	£0.00	£0.00	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£4.48	£4.48	£4.70	£4.90	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£6.74	£6.74	£7.10	£7.50	0.0%

Directorate	Service	Manager	Charge Description	Approved Charge (2020/21) £	Proposed Charge (2021/22)	Indicative Charge (2022/23)	Indicative Charge (2023/24)	Basis of increase (20-21)
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£12.34	£12.34	£13.00	£13.70	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£20.57	£20.57	£21.60	£22.70	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£23.93	£23.93	£25.10	£26.40	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 140 Litre bin	£3.68	£3.68	£3.90	£4.10	0.0%
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£1.69	£1.69	£1.80	£1.90	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 140 Litre bin	£1.84	£1.84	£1.90	£2.00	0.0%
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£3.39	£3.39	£3.60	£3.80	0.0%
Place	Waste Resources	David Mackay	Sack Sales Pre-Paid - Trade Recycling per 100	£125.66	£125.66	£131.90	£138.50	0.0%
Place	Waste Resources	David Mackay	Sack Sales Pre-Paid - Trade Waste per 50	£121.79	£121.79	£127.90	£134.30	0.0%
Place	Waste Resources	David Mackay	Sub contract Sack Sales Pre-Paid - Trade Recycling per 100	£134.15	£134.15	£140.90	£147.90	0.0%
Place	Waste Resources	David Mackay	Sub contract Sack Sales Pre-Paid - Trade Waste per 50	£133.06	£133.06	£139.70	£146.70	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 240 Litre bin	£3.14	£3.14	£3.30	£3.50	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 360 Litre bin	£4.70	£4.70	£4.90	£5.10	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 660 Litre bin	£8.62	£8.62	£9.10	£9.60	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 1100 Litre bin	£14.37	£14.37	£15.10	£15.90	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 1280 Litre bin	£16.77	£16.77	£17.60	£18.50	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 240 Litre bin	£2.44	£2.44	£2.60	£2.70	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 360 Litre bin	£3.64	£3.64	£3.80	£4.00	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 660 Litre bin	£6.66	£6.66	£7.00	£7.40	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 1100 Litre bin	£11.10	£11.10	£11.70	£12.30	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 1280 Litre bin	£12.92	£12.92	£13.60	£14.30	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Food/Organic Waste 140 Litre bin	£3.09	£3.09	£3.20	£3.40	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Charity Food/Organic Waste 500 Litre bin	£11.00	£11.00	£11.60	£12.20	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 240 Litre bin	£4.85	£4.85	£5.10	£5.40	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 360 Litre bin	£7.27	£7.27	£7.60	£8.00	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 660 Litre bin	£13.31	£13.31	£14.00	£14.70	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 1100 Litre bin	£22.21	£22.21	£23.30	£24.50	0.0%
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 1280 Litre bin	£25.81	£25.81	£27.10	£28.50	0.0%
Place	Waste Resources	David Mackay	Event container delivery & uplift	£69.46	£69.46	£72.90	£76.50	0.0%
Place	Waste Resources	David Mackay	Contamination charge - 140/240/360 ltr bins	£17.37	£17.37	£18.20	£19.10	0.0%
Place	Waste Resources	David Mackay	Contamination charge - 500/660/1100/1280 ltr bins	£40.52	£40.52	£42.50	£44.60	0.0%
Place	Waste Resources	David Mackay	Container retrieval - 140/240/360 ltr bins	£17.37	£17.37	£18.20	£19.10	0.0%
Place	Waste Resources	David Mackay	Container retrieval - 500/660/1100/1280 ltr bins	£40.52	£40.52	£42.50	£44.60	0.0%
Place	Waste Resources	David Mackay	Arran Yellow Tip Permit	£58.68	£58.68	£61.60	£64.70	0.0%
Place	Waste Resources	David Mackay	Arran Blue Tip Permit	£97.71	£97.71	£102.60	£107.70	0.0%
Place	Waste Resources	David Mackay	Green - Treatment per Te	£57.89	£57.89	£60.80	£63.80	0.0%
Place	Waste Resources	David Mackay	Soil - Treatment per Te	£34.73	£34.73	£36.50	£38.30	0.0%
Place	Waste Resources	David Mackay	Scrap - Treatment per Te	£34.73	£34.73	£36.50	£38.30	0.0%
Place	Waste Resources	David Mackay	Wood - Treatment per Te	£34.73	£34.73	£36.50	£38.30	0.0%
Place	Waste Resources	David Mackay	Plastics - Treatment per Te	£57.89	£57.89	£60.80	£63.80	0.0%
Place	Waste Resources	David Mackay	Bricks/rubble - Treatment per Te	£34.73	£34.73	£36.50	£38.30	0.0%
Place	Waste Resources	David Mackay	Lampheads - Treatment per Te	£34.73	£34.73	£36.50	£38.30	0.0%
Place	Waste Resources	David Mackay	Void Uplift bin charge (Up to full set)	£50.23	£50.23	£52.70	£55.30	0.0%
Place	Waste Resources	David Mackay	Special Uplift Squad - 30 min	£50.23	£50.23	£52.70	£55.30	0.0%
Place	Waste Resources	David Mackay	Special Uplift Squad - 60 min	£100.45	£100.45	£105.50	£110.80	0.0%
Place	Waste Resources	David Mackay	Special Uplift - disposal - 1/4te	£37.40	£37.40	£39.30	£41.30	0.0%
Place	Waste Resources	David Mackay	Special Uplift - disposal - 1/2te	£74.79	£74.79	£78.50	£82.40	0.0%
Place	Waste Resources	David Mackay	Special Uplift - disposal - Te	£149.58	£149.58	£157.10	£165.00	0.0%
Place	Waste Resources	David Mackay	Special uplift - Confidential waste per bag	£6.22	£6.22	£6.50	£6.80	0.0%
Place	Waste Resources	David Mackay	Direct disposal and treatment EFW per Te	£149.58	£149.58	£157.10	£165.00	0.0%

North Ayrshire Council General Services Revenue Budget 2021-22											
APPENDIX 7											
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
Chief Executives	16,575	68	2,991	43	1,462	2,056	48,496	200	0	(50,980)	20,911
Communities	124,320	363	15,309	144	577	9,408	580	1,384	78	(2,255)	149,908
Place	53,902	21,361	12,648	7,229	1,291	17,516	0	279	77	(50,067)	64,235
Other Corporate Items	1,895	328	9,965	275	337	4,758	0	304	14,611	(2,248)	30,226
Total Expenditure	196,692	22,120	40,913	7,691	3,668	33,739	49,076	2,167	14,766	(105,550)	265,280
Health & Social Care Partnership											100,016
Revised Total Expenditure	196,692	22,120	40,913	7,691	3,668	33,739	49,076	2,167	14,766	(105,550)	365,296

Funded by:

AEF						150				(304,763)	(304,613)
Council Tax							11,621			(71,442)	(59,821)
Contribution from Reserves										(862)	(862)
Total Funding	0	0	0	0	0	150	11,621	0	0	(377,067)	(365,296)

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2021-22										
	Finance & Corporate Support										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Third Party Payments £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Directorate	701	0	8	3	24	0	0	0	0	(8)	727
Audit,Fraud,Safety & Insurance	753	61	16	7	14	7	0	0	0	(293)	564
Corporate Procurement	857	0	12	2	7	96	0	0	0	(108)	868
Financial Services	1,336	0	90	1	29	2	0	0	0	(168)	1,288
Revenues	407	0	47	0	222	0	47,895	200	0	(47,742)	1,030
Business Support	1,336	0	7	0	17	0	0	0	0	(185)	1,175
Customer Services	2,260	0	244	5	96	1,183	601	0	0	(922)	3,466
Employee Services	1,038	0	60	1	23	5	0	0	0	(31)	1,095
HR & OD	744	0	21	1	60	422	0	0	0	(426)	822
ICT	3,220	0	2,260	13	19	0	0	0	0	(239)	5,273
Civil Contingencies	0	0	0	0	1	60	0	0	0	0	61
Committee Services	530	6	114	1	13	61	0	0	0	(112)	613
Communications	455	0	10	1	11	0	0	0	0	(7)	470
Information Governance	430	0	2	0	5	0	0	0	0	(21)	416
Legal & Licensing	1,150	0	35	6	46	0	0	0	0	(717)	520
Member Services	177	0	35	0	865	88	0	0	0	0	1,164
Policy,Performance & Elections	407	0	20	2	9	7	0	0	0	0	445
Growth & Investment	106	0	0	0	0	103	0	0	0	0	209
Transformation Services	669	0	10	1	3	22	0	0	0	0	704
Total	16,575	68	2,991	43	1,462	2,056	48,496	200	0	(50,980)	20,911

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2021-22										
	Education & Youth Employment										
	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
Additional Support Needs	14,056	0	151	54	60	2,077	0	0	0	(267)	16,133
Attainment Challenge	101	0	0	0	0	0	0	0	0	0	101
Connected Communities	6,648	237	839	40	175	4,251	0	0	0	(635)	11,555
Early Years Education	23,071	9	406	13	64	1,701	0	664	0	0	25,929
Education - Other	2,316	117	279	20	226	1,070	580	676	78	(1,234)	4,128
Primary Education	35,569	0	1,535	9	28	141	0	43	0	(55)	37,270
Pupil Equity Fund	4,277	0	0	0	0	0	0	0	0	0	4,277
Secondary Education	38,282	0	12,098	8	24	167	0	0	0	(63)	50,515
Total	124,320	363	15,309	144	577	9,408	580	1,384	78	(2,255)	149,908

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2021-22										
	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
Directorate and support	244	0	7	0	13	0	0	0	0	(23)	241
Head of Commercial Services	148	0	43	1	8	0	0	0	0	0	200
Economic Development	2,775	30	8	22	17	1,566	0	0	0	(477)	3,941
Internal Transport	1,609	28	132	6,372	20	2,353	0	0	0	(756)	9,759
Management	332	1	10	1	14	41	0	0	0	0	400
Planning & Protective Services	2,540	0	163	45	44	211	0	0	0	(1,325)	1,678
Roads	4,178	24	2,011	41	200	1,429	0	0	0	(1,125)	6,758
Streetscene	6,642	213	414	129	52	214	0	0	0	(2,828)	4,836
Waste Resources	4,736	17	383	166	97	6,461	0	78	0	(2,920)	9,017
Head of Physical Environment	152	0	0	0	0	0	0	0	0	(34)	119
Building Services	8,664	141	5,374	308	13	2,841	0	0	0	(19,850)	(2,510)
Energy & Sustainability	364	4,503	5	1	5	168	0	0	0	(636)	4,409
Facilities Management	11,694	865	3,462	27	103	14	0	1	0	(3,954)	12,212
Other Housing	4,413	2,297	134	55	74	1,930	0	200	77	(5,877)	3,304
PMI	4,164	13,234	343	55	361	167	0	0	0	(8,403)	9,921
Property Governance	1,249	7	158	6	271	121	0	0	0	(1,862)	(50)
Total	53,902	21,361	12,648	7,229	1,291	17,516	0	279	77	(50,067)	64,235

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2021-22										
	Other Corporate Items										
	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
Central Telephones	0	0	0	0	86	0	0	0	0	0	86
Insurance	0	328	0	275	251	1,332	0	0	0	(2,168)	19
Joint Boards	0	0	0	0	0	3,426	0	0	0	0	3,426
Loan Charges & Capital Charges	0	0	0	0	0	0	0	0	14,611	(80)	14,531
Pension Costs	1,895	0	0	0	0	0	0	0	0	0	1,895
Other Corporate Items	0	0	9,965	0	0	0	0	304	0	0	10,269
Total	1,895	328	9,965	275	337	4,758	0	304	14,611	(2,248)	30,226

NORTH AYRSHIRE COUNCIL

4 March 2021

North Ayrshire Council

Title:	Capital Investment Programme 2021/22 to 2030/31
Purpose:	To advise Council on the Capital Investment Programme to 2030/31.
Recommendation:	That Council (a) approves the Capital Investment Programme to 2030/31 (b) notes that the programme will be reviewed on an on-going basis with the next major review to be completed during 2023/34; and (c) approves the refreshed Capital Investment Strategy.

1. Executive Summary

- 1.1 This report outlines the recommendations of the full review of the capital investment programme which was undertaken during 2020/21.
- 1.2 A key element of the review was an assessment of all funding sources over the 10 years of the plan. Given high levels of uncertainty, no assumptions have been made about external funding. However, all appropriate funding sources will be explored. The review identified additional funding of £63.044m.
- 1.3 The review considered the current capital programme and prioritised projects in line with the Council Plan objectives. The criteria used to rank the projects were those set out in the Council's Capital Investment Strategy 2019-28 approved by Council on 27 February 2019.
- 1.4 The review also considered the economic impact of the pandemic and the requirement to accelerate activity to support an economic and green recovery. It is recognised that investment in the Capital Programme will play a key role in the economic recovery, generating employment opportunities through a Community Wealth Building approach.
- 1.5 The proposed revised Capital Investment Programme aligned to the Council Plan priorities, attached in Appendix 3, will deliver a total programme of £373.392m to 2030/31.
- 1.6 Compliance with Regulations and the Prudential Code requires assurance to be provided on affordability and sustainability of the capital investment programme, this is provided in the Treasury Management and Investment Strategy (TMIS) which follows this report on the Council agenda. The TMIS recognises that this will require to be kept under review to ensure the underlying assumptions continue to apply.
- 1.7 In addition to the TMIS, there is also a requirement for the Council to publish a Capital Investment Strategy (CIS). As part of the review of the capital investment programme,

a refresh of the current CIS has been undertaken during 2020/21. The refreshed Strategy is attached at Appendix 4.

- 1.8 The capital programme will continue to be reviewed on an on-going basis with any additional funding requests brought forward for approval as appropriate. Major reviews will be undertaken on a 3-year basis, with the next due to be completed during 2023/24.

2. Background

Capital Investment Programme 2021/22 to 2030/31

- 2.1 North Ayrshire Council approved the current Capital Investment Programme for the period to 2020/21 to 2027/28 on 5 March 2020. A comprehensive review of the Programme was undertaken during 2020/21. This report contains the outcome of that review.

Capital Grant Funding

- 2.2 Local Government Finance Circular 1/2021 detailed the finance settlement for 2021/22 and confirmed the level of general capital grant as £9.827m for 2021/22, a reduction of £0.184m from that previously anticipated. Projected at this level to 2030/31, the total General Capital Grant (GCG) for the period is forecast as £98.270m. In addition, the rephasing of the General Capital Grant in relation to Flooding Projects resulted in a reduction in grant of (£11.128m) for 2021/22. However, it is anticipated that these funds will be rephased into future years in line with the revised project plans, with a total Flooding GCG of £11.612m projected over the span of the programme.
- 2.3 In addition to the General Capital Grant, the Council will receive two specific grants:
 - £1.320m to tackle Vacant and Derelict Land, with work underway to develop projects which will require Cabinet and Scottish Government approval; and
 - £0.590m, to fund cycling, walking and safer streets (CWSS).
- 2.4 The programme also includes previous year Specific Grant allocations which have been carried over into 2021/22 in line with the revised project plans, including:
 - £3.838m for the expansion of Early Learning and Childcare;
 - £1.163m from the 2020/21 Vacant and Derelict Land allocation;
 - £1.460m for the Lochshore Garnock Community Visitor Hub; and
 - £0.100m in relation to Town Centre Regeneration.

Capital Receipts

- 2.5 A review of capital receipts projections has been undertaken during 2020/21. This is forecast to realise income of £8.861m over the period of the programme in relation to two components:
 - £3.656m is anticipated in respect of proposed developments at Montgomerie Park; and
 - £5.205m is anticipated in relation to the sale of other Council owned assets.

Other External Funding

- 2.6 The programme includes funding from the Scottish and UK Government to support the Ayrshire Growth Deal. The total anticipated funding is £59.000m. However, the profile of this programme extends beyond the draft Capital Investment Programme timeframe and only the £51.886m which is projected to be received up to 2030/31 has been included at this time. It is recognised that expenditure profiles and funding will be subject to ongoing review on a pan Ayrshire basis.
- 2.7 In relation to additional grant funding from other external bodies, given the level of uncertainty around securing these funds, only those funds which have been confirmed but not yet drawn-down have been included, with no new funding included at this time.

Use of Internal Funding

- 2.8 In addition to the funding from external sources, the Programme includes the projected utilisation of £7.305m of internal North Ayrshire Council resources to support the Capital Investment Programme. These are primarily drawn from the Council's Capital Fund, which supports the overall phasing of the Capital Investment Programme, and the Investment Fund, which was created by the Council in March 2020 to support Community Wealth Building activity, deliver sustainable investment in infrastructure and environmental projects and support an economic and green recovery.

Prudential Borrowing

- 2.9 The difference between the Council's Capital Investment Programme and funding from the above sources is met through prudential borrowing of £179.883m. The proposed Capital Investment Programme will be delivered within the approved loan charges revenue budget, utilising the balances held in the Prudential Investment Fund and Capital Fund to smooth the revenue implications of the borrowing costs associated with the draft Programme.

Development of the Capital Investment Programme to 2030/31

- 2.10 The approach to developing the draft Capital Investment Programme to 2030/31 included:
- A full review of the current programme to 2027/28;
 - Identification of opportunities to reprioritise uncommitted projects;
 - Review of the phasing of projects from a delivery and affordability perspective and to support an economic and green recovery;
 - Options appraisal of new requirements;
 - Consideration of lifecycle investment to protect core assets.
- 2.11 The current capital investment programme to 2027/28, as approved by Council on 5 March 2020, has been updated to reflect approved changes during 2020/21, including any re-phasing of programmes as a consequence of the Covid-19 pandemic restrictions.
- 2.12 The review has been undertaken in line with the criteria set out in the Council's Capital Investment Strategy 2019-28 approved by Council on 27 February 2019.

2.13 The review also considered the economic impact of the pandemic and the requirement to accelerate activity where possible to support an economic and green recovery. It is recognised that investment in the Capital Programme will play a key role in the economic recovery and generate employment opportunities through a Community Wealth Building approach.

Re-phasing of Projects

2.14 As part of the review an assessment was undertaken of the anticipated delivery of projects and the overall profile of the programme to ensure affordability within available resources. This has included the rephasing of £32.993m of planned expenditure into later years. The main changes are noted below:

- £8.962m in relation to Lockhart Campus
- £4.413m in relation to Moorpark Primary School;
- £3.722m in relation to Flood Protection Schemes;
- £3.661m for the Expansion of Early Learning and Childcare;
- £3.650m for Ardrossan Harbour and Landside;
- £2.376m of 2020/21 Vacant and Derelict Land projects;
- £1.985m for the Residential and Respite Unit;
- £1.315m for the Low Carbon Hub, linked to external Transport Scotland and ERDF funding; and
- £1.267m in relation to Flexibility which will be applied to address cost inflation, potential contractor claims and investment to support our future working environment as part of the Council's Transformation and Renewal Programme.

Where these projects have associated external funding or specific grants, the income has also been rephased to reflect the revised project plans. It is recognised the level of capital expenditure profiled in the next 4 years is ambitious within the context of deliverability. Plans will be subject to further development and monitoring, however, It is important to accelerate activity to support an economic and green recovery.

Lifecycle Investment

2.15 Informed by the asset management plans, £53.396m has been included in the Capital Investment Programme to ensure the Council continues to invest in its core assets and infrastructure. Many of these programmes include recurring annual investment which has been extended to include the period between the end of the current Capital Programme and 2030/31. This includes:

- £15.600m for Roads investment to maintain a steady state road condition over the next ten years;
- £3.000m for Street Lighting replacement reflecting the age and condition of the lighting network;
- £2.000m for the Bridges infrastructure programme;
- £3.800m for Property Lifecycle Investment to enable high priority cyclical and statutory investment to extend the life of the Council's core assets ensuring that they remain fit for purpose and support delivery of core front line services;
- £3.726m for the Cemeteries Replacement and Infrastructure Investment programmes;

- £6.000m to support the critical fleet review to meet the Council's transport requirements;
- £5.212m digital investment to support the Council's core ICT infrastructure and additional digital investment aligned to the development of staff workstyles as part of our future working environment Transformation and Renewal programme; and
- £6.252m for Schools ICT investment, learning the lessons from the pandemic to support the digital learning infrastructure (and utilising other funding sources) and ensuring the schools ICT equipment and device investment levels support the needs of young people with replacement timescales aligned to the useful economic life of the assets.

New Investment

2.16 The proposed Capital Investment Programme includes proposals for £67.691m of new investment across a range of innovative projects which will support the delivery of the key priorities detailed in the Council Plan 2019-2024. These include:

- Ardrossan Community Campus - £38.077m. The overall investment in a new educational and community campus has been updated to reflect the gross costs of £68.826m, including the anticipated milestone based revenue contribution through the Scottish Futures Trust as part of the Learning Estate Investment Programme;
- Solar Photovoltaic (PV) investment of £6.768m. Cabinet on 26 January 2021 approved the development of a Solar PV farm at the former Nethermain's landfill site. This is supported by £4.5m investment from the Council's Investment Fund and will make a positive contribution to the Council's carbon reduction commitment through the provision of a clean, renewable energy supply;
- Montgomerie Park Primary School;- £5.821m. Additional investment to include early learning and childcare provision within the proposed new school following the successful submission for inclusion in the Scottish Future Trust's Learning Estate Investment Programme;
- Cycling, Walking and Safer Streets projects - £5.077m. Linked to the anticipated Specific Grant funding;
- Home Ownership Made Easy (HOME) programme - £4.446m. This represents the approved gross investment required to support the construction of 33 units to be developed under the innovative affordable homes initiative. The additional borrowing costs are offset by anticipated income included within the Medium Term Financial Plan 2021/22 to 2023/24;
- Lochshore Regeneration Project – £3.736m. The projected costs of delivering the Garnock Visitor & Community Hub are supported by external funding awarded from a range of national and local bodies;
- £2.920m to carry out essential repairs to stabilise the Largs promenade seawall;
- Community Alarms - £0.996m to support the digitalisation of all Community Alarms by 2025.

- Included in the General Services Revenue Estimates report for 2021/22 to 2023/24 is an investment proposal of £0.589m recurring revenue financing costs that will support up to £7.000m capital expenditure over the life of the programme. The investment will be targeted at core infrastructure including roads and active travel, property and additional vehicle renewal investment to support low carbon, electric / hybrid alternatives.

Other Adjustments and Considerations

- 2.17 £15.463m has been included in relation to the next phase of the Ayrshire Growth Deal (AGD) covering the period from 2028/29 to 2030/31. The AGD will deliver a Community Wealth Building approach to transformational inclusive growth across Ayrshire over a 15-year period and is supported by investment from the UK and Scottish Governments.
- 2.18 The programme includes significant investment in the learning estate over the next 10-year period. Although not included in the programme at this time, further investment in the secondary school estate will be considered as part of a wider strategic review and within the context of any available Scottish Future's Trust funding, borrowing implications and affordability.
- 2.19 The current approved Capital Investment Programme to 2027/28 is attached at Appendix 1. A full review of the programme has been undertaken as outlined above and the proposed changes are detailed in Appendix 2. The revised Capital Investment Programme covering the period from 2021/22 to 20230/31 is included in Appendix 3. This will deliver a total programme of investment of £373.392m over the 10 year period.

Revenue Implications

- 2.20 The revenue implications of both the individual projects included within the draft Programme and the additional borrowing costs associated with the overall draft Programme have been incorporated within the Medium Term Financial Plan 2021/22 to 2023/24. Any further revenue implications associated with those projects which are still to be finalised will be reported once the detailed business cases have been finalised.

Treasury Management and Investment Strategy (TMIS)

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

Capital Investment Strategy

- 2.22 In addition to the TMIS there is also a requirement for the Council to publish a Capital Investment Strategy (CIS) which provides the overarching framework under which the draft Capital Investment Programme has been developed. The current CIS was approved by Council on 27 February 2019. During 2020/21 this has been subject to a full review and the refreshed CIS is included at Appendix 4.

Conclusion

- 2.23 The draft Capital Investment Programme 2021/22 to 2030/31, including proposed funding, is attached at Appendix 3. This confirms total investment of £373.392m over the period. The proposed investment aligns with the Council's key priorities, as set out in the Council Plan 2019-2024, core asset management plans and the refreshed Capital Investment Strategy, included at Appendix 4. Within the context of the pandemic, it is vital for this investment to support an economic and green recovery and create employment opportunities through a Community Wealth Building approach.
- 2.24 The programme is affordable based on the estimated funding streams set out in the 2021/22 to 2023/24 Medium Term Financial Plan and the Long Term Financial Outlook 2021/22 to 2030/31 considered at Council on 16 December 2020. The long term affordability of the Programme is highlighted in the Treasury Management and Investment Strategy reported elsewhere on the Agenda.

3. Proposals

- 3.1 That Council (a) approves the draft Capital Investment Programme to 2030/31 (b) notes that the programme will be reviewed on an on-going basis with the next major review to be completed during 2023/34; and (c) approves the refreshed Capital Investment Strategy.

4. Implications/Socio-economic Duty Financial

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

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

Human Resources

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

Legal

- 4.3 None.

Equality/Socio-economic

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

Environmental and Sustainability

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

Key Priorities

- 4.6 The Capital Investment Programme 2021/22 to 2030/31 supports the delivery of the outcomes as outlined in the Council Plan 2019-2024.

Community Wealth Building

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

5. Consultation

- 5.1 A full consultation has taken place with all Executive Directors to identify capital investment requirements that has the maximum impact on the communities of North Ayrshire. Key elements / changes of the draft programme has been shared with all Elected Members as the programme has been developed. Formal public consultation for investment proposals is also included in programme plans.

Mark Boyd
Head of Service (Finance)

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

Background Papers

None

Appendix 1 Revised Capital Programme 2021/22 - 2027/28

Appendix 2 Proposed Changes to Capital Programme 2021/22 - 2030/31

Appendix 3 Revised Capital Programme 2021/22 - 2030/31

Appendix 4 Capital Investment Strategy

North Ayrshire Council Revised Capital Programme 2021/22 - 2027/28 (BASE)								
Project Description	21/22 £	22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Total £
EXPENDITURE								
Communities								
Marress House	1,024,837							1,024,837
Lamlash Early Years	300,000							300,000
Moorpark Primary	5,944,886							5,944,886
Montgomerie Park School	6,185,000	2,463,950						8,648,950
Schools ICT Investment	350,000	350,000	350,000	350,000	350,000			1,750,000
Kilwinning Estate Learning Env't	286,199							286,199
Ardrossan New Build	9,159,010	10,000,000	11,000,000	590,000				30,749,010
Lockhart Campus	1,287,514							1,287,514
Sub Total	24,537,446	12,813,950	11,350,000	940,000	350,000			49,991,396
Chief Executive								
PC replacement/virtual desktop	86,000	60,000	60,000	100,000	100,000			406,000
Data rationalisation & storage					50,000			50,000
Business continuity					50,000			50,000
Infrastructure enhancements					50,000			50,000
Technology Infrastructure	148,000	124,000	100,000	150,000				522,000
WAN	66,420							66,420
LAN/WiFi	195,500							195,500
Telephony	42,467							42,467
Growth & Investment								
Ayrshire Growth Deal								
AGD - Irvine Harbourside Ardeer (The Great Harbour)	1,000,000	3,000,000	3,250,000	3,500,000	1,500,000	1,000,000	500,000	13,750,000
AGD - i3 Flexible Business Space	1,000,000	1,500,000	2,000,000	2,000,000	2,000,000	1,500,000	1,500,000	11,500,000
AGD - Marine Tourism	500,000	2,750,000	1,500,000	500,000			1,000,000	6,250,000
AGD - i3 Digilab Phase 1	100,000	500,000	2,500,000		900,000			4,000,000
AGD - Ardrossan (IMSE)				2,000,000				2,000,000
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy	1,000,000				1,400,000	4,000,000	5,000,000	11,400,000
Sub Total	4,138,387	7,934,000	9,410,000	8,250,000	6,050,000	6,500,000	8,000,000	50,282,387
Health & Social Care Partnership								
Care First Replacement	250,000							250,000
Residential & Respite Unit for Children	103,163							103,163
Sub Total	353,163							353,163

North Ayrshire Council Revised Capital Programme 2021/22 - 2027/28 (BASE)								
Project Description	21/22 £	22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Total £
Place								
Roads Improvement / Reconstruction	3,800,000	3,800,000	3,800,000	2,800,000	2,800,000	2,700,000	2,700,000	22,400,000
Lighting	1,250,000	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	7,500,000
Upper Garnock FPS	7,681,891	350,000						8,031,891
Millport Coastal FPS	13,310,109	12,635,000	665,000					26,610,109
Millport Pier	49,920	300,000						349,920
Millburn FPS	942,283	24,000						966,283
Bridges infrastructure programme	560,000	560,000	560,000	560,000	560,000	560,000	560,000	3,920,000
Largs Promenade Seawall	26,618							26,618
Property lifecycle investment	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,500,000	1,500,000	9,250,000
Improvement grants	500,000	500,000	500,000	500,000	500,000	500,000	500,000	3,500,000
Cemetery extns, walls & infra		785,000	112,000	35,000	200,000			1,132,000
Vehicles	1,500,000	1,500,000	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	12,500,000
Shewalton landfill							150,000	150,000
Montgomerie Park Masterplan		600,000	500,000	625,000	625,000	625,000	625,000	3,600,000
Lochshore, Kilbirnie	55,000							55,000
Cycling / Walker / Safer Streets	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,295,000
Access Paths Network Programme	50,000	50,000						100,000
Sub Total	31,160,821	23,789,000	10,072,000	8,955,000	9,120,000	9,070,000	9,220,000	101,386,821
Other								
Flexibility / Infrastructure Fund						1,576,000	159,000	1,735,000
Sub Total						1,576,000	159,000	1,735,000
TOTAL EXPENDITURE	60,189,817	44,536,950	30,832,000	18,145,000	15,520,000	17,146,000	17,379,000	203,748,767
	21/22 £	22/23 £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Total £
INCOME								
Prudential Borrowing	30,567,429	26,426,274	12,917,227	3,249,000	224,000			73,383,930
Specific Grants - AGD	2,905,000	6,630,000	5,865,000	4,700,000	5,100,000	6,950,000	7,183,000	39,333,000
Specific Grants - Early Learning & Childcare	1,324,837							1,324,837
Specific Grants - Cycling, Walking & Safer Streets	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,295,000
Specific Grants - Flooding	10,400,000							10,400,000
General Capital Grant	10,011,000	10,011,000	10,011,000	10,011,000	10,011,000	10,011,000	10,011,000	70,077,000
Capital Fund	159,000							159,000
Sale of land & buildings	3,617,700							3,617,700
Sale of vehicles	40,000	40,000						80,000
Montgomerie Park Receipts	979,851	1,244,676	1,853,773					4,078,300
TOTAL INCOME	60,189,817	44,536,950	30,832,000	18,145,000	15,520,000	17,146,000	17,379,000	203,748,767

North Ayrshire Council Proposed Changes to Capital Programme 2021/22 - 2030/31											
Project Description	Changes 21/22 £	Changes 22/23 £	Changes 23/24 £	Changes 24/25 £	Changes 25/26 £	Changes 26/27 £	Changes 27/28 £	Changes 28/29 £	Changes 29/30 £	Changes 30/31 £	Total £
EXPENDITURE											
Communities											
Early Learning & Childcare Future Projects	307,068										307,068
Elderbanks Early Years	34,488										34,488
St Bridget's Early Years	437,587										437,587
St Peter's Early Years	16,113										16,113
West Kilbride Early Years	5,215										5,215
Gateside Early Years	8,437										8,437
Marshall House	1,709,380										1,709,380
Mayfield PS Early Years	128,714										128,714
Beith PS Early Years	125,398										125,398
Skelmorlie PS Early Years	294,912										294,912
St John Ogilvie Early Years	3,500										3,500
Fairlie Early Years	65,203										65,203
Pirbright Early Years	51,755										51,755
Shiskine Early Years	53,420										53,420
Corrie Early Years	25,700										25,700
Kilmory Early Years	24,800										24,800
Lawthorn Early Years	4,037										4,037
Annick Primary Extension - Early Years Provision	365,393										365,393
Moorpark Primary	126,950	4,286,175									4,413,125
Montgomerie Park School	(5,506,972)	5,847,113	5,480,909								5,821,050
Schools ICT Investment	884,000	402,000	402,000	402,000	402,000	752,000	752,000	752,000	752,000	752,000	6,252,000
Kilwinning Estate Learning Env't	265,865										265,865
Ayrshire College Development	200,000										200,000
Ardrossan New Build	(3,975,050)	2,745,000	20,278,934	17,957,775	1,070,000						38,076,659
Lockhart Campus	8,961,647										8,961,647
Castles & Historic Monuments	59,149										59,149
Abbey Tower	78,437										78,437
Sub Total	4,755,146	13,280,288	26,161,843	18,359,775	1,472,000	752,000	752,000	752,000	752,000	752,000	67,789,052
Chief Executive											
PC replacement/virtual desktop	(86,000)	(60,000)	(60,000)	(100,000)	(100,000)						(406,000)
Data rationalisation & storage					(50,000)						(50,000)
Business continuity					(50,000)						(50,000)
Infrastructure enhancements					(50,000)						(50,000)
Technology Infrastructure	(148,000)	(124,000)	(100,000)	(150,000)							(522,000)
ICT Investment Fund	499,000	481,000	255,000	288,400	282,600	702,600	297,600	282,600	282,600	297,600	3,669,000
WAN	59,990						500,000				559,990
LAN/WiFi	719,002						1,500,000				2,219,002
Telephony	227,226						650,000				877,226

North Ayrshire Council Proposed Changes to Capital Programme 2021/22 - 2030/31											
Project Description	Changes 21/22 £	Changes 22/23 £	Changes 23/24 £	Changes 24/25 £	Changes 25/26 £	Changes 26/27 £	Changes 27/28 £	Changes 28/29 £	Changes 29/30 £	Changes 30/31 £	Total £
Growth & Investment											
AGD - i3 Flexible Business Space								1,500,000	1,500,000		3,000,000
AGD - Marine Tourism								1,500,000	1,500,000		3,000,000
AGD - i3 Digilab Phase 1	(13,457)		(2,100,000)		(900,000)						(3,013,457)
AGD - i3 Digilab Phase 2			2,100,000	2,000,000	900,000						5,000,000
AGD - Ardrossan (IMSE)				(2,000,000)				226,450	750,000	2,000,000	976,450
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy								4,000,000	2,500,000		6,500,000
Ardrossan Harbour & Landside	175,000	2,085,000	1,390,000								3,650,000
Irvine Enterprise Area	87,579										87,579
Low Carbon Hub	706,388	609,105									1,315,493
Sub Total	2,226,728	2,991,105	1,485,000	38,400	32,600	702,600	2,947,600	7,509,050	6,532,600	2,297,600	26,763,283
Health & Social Care Partnership											
Community Alarms - Analogue to Digital		330,000	333,000	333,000							996,000
Care First Replacement	100,000	50,000									150,000
Residential & Respite Unit for Children	1,985,495										1,985,495
Sub Total	2,085,495	380,000	333,000	333,000							3,131,495
Place											
Roads Improvement / Reconstruction	100,000			1,000,000	1,000,000	1,100,000	1,100,000	3,800,000	3,800,000	3,800,000	15,700,000
Lighting								1,000,000	1,000,000	1,000,000	3,000,000
LED Lighting Replacement	695,000										695,000
Upper Garnock FPS	925,820	2,564,022									3,489,842
Millport Coastal FPS	(13,110,109)	(2,711,696)	11,970,000	3,874,768							22,963
Millport Pier	(49,920)	(300,000)		349,920							
Millburn FPS	(892,283)	868,283	234,000								210,000
Bridges infrastructure programme	150,000	176,396						560,000	560,000	560,000	2,006,396
Largs Promenade Seawall	73,382	80,000	2,725,532	42,000							2,920,914
Parking Charges & DPE	142,705										142,705
Property lifecycle investment	1,337,572	50,000	(250,000)	(250,000)	(250,000)	(500,000)	(400,000)	1,000,000	1,000,000	1,000,000	2,737,572
Industrial portfolio	430,713										430,713
HOME	4,446,000										4,446,000
BUILD	267,000										267,000
Cemetery extns, walls & infra		(785,000)	(112,000)	(35,000)	(200,000)						(1,132,000)
Cemeteries Replacement Programme	402,500	741,813	923,719	585,335	527,257	23,042					3,203,666
Cemeteries Infrastructure Investment	330,983	330,983	330,983	330,983	330,981						1,654,913
Vehicles				(977,977)		977,977		2,000,000	2,000,000	2,000,000	6,000,000
Core Infrastructure, property and Vehicles Renewal Investment	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	7,000,000
Solar PV Retrofit Extension	79,155										79,155
Solar PV Investment	4,512,000	2,256,000									6,768,000
Non Domestic Energy Efficiency Programme	63,589										63,589
Town Centre Regeneration	100,000										100,000
Irvine High Street Shop Fronts	150,000										150,000
Irvine High Street Phase 2	359,429										359,429
Millport Cars	191,316	28,083									219,399
Montgomerie Park Masterplan	100,000	(500,000)	(500,000)	(625,000)	(575,000)	(525,000)	225,000	350,000	490,000	500,000	(1,060,000)
Lochshore, Kilbirnie	3,235,702	500,000									3,735,702

North Ayrshire Council Proposed Changes to Capital Programme 2021/22 - 2030/31											
Project Description	Changes 21/22 £	Changes 22/23 £	Changes 23/24 £	Changes 24/25 £	Changes 25/26 £	Changes 26/27 £	Changes 27/28 £	Changes 28/29 £	Changes 29/30 £	Changes 30/31 £	Total £
VDLF 20-21 Allocation:											
VDLF - Ardrossan North Shore	643,631										643,631
VDLF - Annickbank Ph 3	220,000	849,205									1,069,205
VDLF - I3 Irvine Enterprise	535,907										535,907
VDLF - Main St Kilbirnie	28,000										28,000
VDLF - Gas Works	100,000										100,000
Quarry Road Phase 2	61,031										61,031
Cycling / Walker / Safer Streets	876,787	405,000	405,000	405,000	405,000	405,000	405,000	590,000	590,000	590,000	5,076,787
Access Paths Network Programme			50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	400,000
Electric Vehicles	31,632										31,632
Sub Total	7,237,542	5,253,089	16,477,234	5,450,029	1,988,238	2,231,019	2,080,000	10,050,000	10,190,000	10,200,000	71,157,151
Other											
Flexibility / Infrastructure Fund	1,267,058					(1,576,000)	(96,875)			1,108,254	702,437
Sub Total	1,267,058					(1,576,000)	(96,875)			1,108,254	702,437
TOTAL EXPENDITURE	17,571,969	21,904,482	44,457,077	24,181,204	3,492,838	2,109,619	5,682,725	18,311,050	17,474,600	14,357,854	169,543,418
	Changes 21/22 £	Changes 22/23 £	Changes 23/24 £	Changes 24/25 £	Changes 25/26 £	Changes 26/27 £	Changes 27/28 £	Changes 28/29 £	Changes 29/30 £	Changes 30/31 £	Total £
INCOME											
Prudential Borrowing	25,875,284	11,370,484	35,797,165	20,752,773	4,256,556	2,147,465	4,625,000	799,260	875,555		106,499,542
Specific Grants - AGD	98,572	(1,002,431)	(327,315)	(241,569)	(1,334,718)	(608,846)	836,725	7,094,790	6,182,045	1,855,854	12,553,107
Specific Grants - Early Learning & Childcare	2,513,488										2,513,488
Specific Grants - Cycling, Walking & Safer Streets	876,787	405,000	405,000	405,000	405,000	405,000	405,000	590,000	590,000	590,000	5,076,787
Specific Grants - Vacant & Derelict Funding	1,163,183										1,163,183
Specific Grants - Town Centre Regeneration	100,000										100,000
Specific Grants - Flooding	(21,528,000)	9,346,000	10,295,000	3,099,000							1,212,000
Specific Grants - Lochshore Garnock Community Visitor Hub	1,460,000										1,460,000
General Capital Grant	(184,000)	(184,000)	(184,000)	(184,000)	(184,000)	(184,000)	(184,000)	9,827,000	9,827,000	9,827,000	28,193,000
CFCR	949,239										949,239
Capital Fund	1,001,904										1,001,904
Investment Fund	3,695,000	1,500,000									5,195,000
Grants & Contributions	1,282,421	1,259,105									2,541,526
Sale of land & buildings	(2,407,700)	455,000	325,000	350,000	350,000	350,000				2,085,000	1,507,300
Montgomerie Park Receipts	2,675,791	(1,244,676)	(1,853,773)								(422,658)
TOTAL INCOME	17,571,969	21,904,482	44,457,077	24,181,204	3,492,838	2,109,619	5,682,725	18,311,050	17,474,600	14,357,854	169,543,418

North Ayrshire Council Revised Capital Programme 2021/22 - 2030/31											
Project Description	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	Revised 30/31	Total £
EXPENDITURE											
Communities											
Early Learning & Childcare Future Projects	307,068										307,068
Elderbanks Early Years	34,488										34,488
St Bridgets Early Years	437,587										437,587
St Peters Early Years	16,113										16,113
West Kilbride Early Years	5,215										5,215
Gateside Early Years	8,437										8,437
Marress House	2,734,217										2,734,217
Mayfield PS Early Years	128,714										128,714
Beith PS Early Years	125,398										125,398
Skelmorlie PS Early Years	294,912										294,912
St John Ogilvie Early Years	3,500										3,500
Fairlie Early Years	65,203										65,203
Lamlash Early Years	300,000										300,000
Pirnmill Early Years	51,755										51,755
Shiskine Early Years	53,420										53,420
Corrie Early Years	25,700										25,700
Kilmory Early Years	24,800										24,800
Lawthorn Early Years	4,037										4,037
Annick Primary Extension - Early Years Provision	365,393										365,393
Moorpark Primary	6,071,836	4,286,175									10,358,011
Montgomerie Park School	678,028	8,311,063	5,480,909								14,470,000
Schools ICT Investment	1,234,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000	8,002,000
Kilwinning Estate Learning Env't	552,064										552,064
Ayrshire College Development	200,000										200,000
Ardrossan New Build	5,183,960	12,745,000	31,278,934	18,547,775	1,070,000						68,825,669
Lockhart Campus	10,249,161										10,249,161
Castles & Historic Monuments	59,149										59,149
Abbey Tower	78,437										78,437
Sub Total	29,292,592	26,094,238	37,511,843	19,299,775	1,822,000	752,000	752,000	752,000	752,000	752,000	117,780,448
Chief Executive											
ICT Investment Fund	499,000	481,000	255,000	288,400	282,600	702,600	297,600	282,600	282,600	297,600	3,669,000
WAN	126,410						500,000				626,410
LAN/WiFi	914,502						1,500,000				2,414,502
Telephony	269,693						650,000				919,693
Growth & Investment											
Ayrshire Growth Deal:											
AGD - Irvine Harbourside Ardeer (The Great Harbour)	1,000,000	3,000,000	3,250,000	3,500,000	1,500,000	1,000,000	500,000				13,750,000
AGD - i3 Flexible Business Space	1,000,000	1,500,000	2,000,000	2,000,000	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000		14,500,000
AGD - Marine Tourism	500,000	2,750,000	1,500,000	500,000			1,000,000	1,500,000	1,500,000		9,250,000
AGD - i3 Digilab Phase 1	86,543	500,000	400,000								986,543
AGD - i3 Digilab Phase 2			2,100,000	2,000,000	900,000						5,000,000
AGD - Ardrossan (IMSE)								226,450	750,000	2,000,000	2,976,450
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy	1,000,000				1,400,000	4,000,000	5,000,000	4,000,000	2,500,000		17,900,000
Ardrossan Harbour & Landside	175,000	2,085,000	1,390,000								3,650,000
Irvine Enterprise Area	87,579										87,579
Low Carbon Hub	706,388	609,105									1,315,493
Sub Total	6,365,115	10,925,105	10,895,000	8,288,400	6,082,600	7,202,600	10,947,600	7,509,050	6,532,600	2,297,600	77,045,670

North Ayrshire Council Revised Capital Programme 2021/22 - 2030/31											
Project Description	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	Revised 30/31	Total £
Health & Social Care Partnership											
Community Alarms - Analogue to Digital		330,000	333,000	333,000							996,000
Care First Replacement	350,000	50,000									400,000
Residential & Respite Unit for Children	2,088,658										2,088,658
Sub Total	2,438,658	380,000	333,000	333,000							3,484,658
Place											
Roads Improvement / Reconstruction	3,900,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	38,100,000
Lighting	1,250,000	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,500,000
LED Lighting Replacement	695,000										695,000
Upper Garnock FPS	8,607,711	2,914,022									11,521,733
Millport Coastal FPS	200,000	9,923,304	12,635,000	3,874,768							26,633,072
Millport Pier				349,920							349,920
Millburn FPS	50,000	892,283	234,000								1,176,283
Bridges infrastructure programme	710,000	736,396	560,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000	5,926,396
Largs Promenade Seawall	100,000	80,000	2,725,532	42,000							2,947,532
Parking Charges & DPE	142,705										142,705
Property lifecycle investment	2,587,572	1,300,000	1,000,000	1,000,000	1,000,000	1,000,000	1,100,000	1,000,000	1,000,000	1,000,000	11,987,572
Industrial portfolio	430,713										430,713
HOME	4,446,000										4,446,000
BUILD	267,000										267,000
Improvement grants	500,000	500,000	500,000	500,000	500,000	500,000	500,000				3,500,000
Cemeteries Replacement Programme	402,500	741,813	923,719	585,335	527,257	23,042					3,203,666
Cemeteries Infrastructure Investment	330,983	330,983	330,983	330,983	330,981						1,654,913
Vehicles	1,500,000	1,500,000	1,500,000	1,022,023	2,000,000	2,977,977	2,000,000	2,000,000	2,000,000	2,000,000	18,500,000
Core Infrastructure, property and Vehicles Renewal Investment	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	7,000,000
Shewalton landfill							150,000				150,000
Solar PV Retrofit Extension	79,155										79,155
Solar PV Investment	4,512,000	2,256,000									6,768,000
Non Domestic Energy Efficiency Programme	63,589										63,589
Town Centre Regeneration	100,000										100,000
Irvine High Street Shop Fronts	150,000										150,000
Irvine High Street Phase 2	359,429										359,429
Millport Cars	191,316	28,083									219,399
Montgomerie Park Masterplan	100,000	100,000			50,000	100,000	850,000	350,000	490,000	500,000	2,540,000
Lochshore, Kilbirnie	3,290,702	500,000									3,790,702
VDLF 20-21 Allocation:											
VDLF - Ardrossan North Shore	643,631										643,631
VDLF - Annickbank Ph 3	220,000	849,205									1,069,205
VDLF - I3 Irvine Enterprise	535,907										535,907
VDLF - Main St Kilbirnie	28,000										28,000
VDLF - Gas Works	100,000										100,000
Quarry Road Phase 2	61,031										61,031
Cycling / Walker / Safer Streets	1,061,787	590,000	590,000	590,000	590,000	590,000	590,000	590,000	590,000	590,000	6,371,787
Access Paths Network Programme	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Electric Vehicles	31,632										31,632
Sub Total	38,398,363	29,042,089	26,549,234	14,405,029	11,108,238	11,301,019	11,300,000	10,050,000	10,190,000	10,200,000	172,543,972

North Ayrshire Council Revised Capital Programme 2021/22 - 2030/31											
Project Description	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	Revised 30/31	Total £
Other											
Flexibility / Infrastructure Fund	1,267,058						62,125			1,108,254	2,437,437
Sub Total	1,267,058						62,125			1,108,254	2,437,437
TOTAL EXPENDITURE	77,761,786	66,441,432	75,289,077	42,326,204	19,012,838	19,255,619	23,061,725	18,311,050	17,474,600	14,357,854	373,292,185
	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 £	Revised 30/31 £	Total £
INCOME											
Prudential Borrowing	56,442,713	37,796,758	48,714,392	24,001,773	4,480,556	2,147,465	4,625,000	799,260	875,555		179,883,472
Specific Grants - AGD	3,003,572	5,627,569	5,537,685	4,458,431	3,765,282	6,341,154	8,019,725	7,094,790	6,182,045	1,855,854	51,886,107
Specific Grants - Early Learning & Childcare	3,838,325										3,838,325
Specific Grants - Cycling, Walking & Safer Streets	1,061,787	590,000	590,000	590,000	590,000	590,000	590,000	590,000	590,000	590,000	6,371,787
Specific Grants - Vacant & Derelict Funding	1,163,183										1,163,183
Specific Grants - Town Centre Regeneration	100,000										100,000
Specific Grants - Flooding	(11,128,000)	9,346,000	10,295,000	3,099,000							11,612,000
Specific Grants - Lochshore Garnock Community Visitor Hub	1,460,000										1,460,000
General Capital Grant	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	9,827,000	98,270,000
CFCR	949,239										949,239
Capital Fund	1,160,904										1,160,904
Investment Fund	3,695,000	1,500,000									5,195,000
Grants & Contributions	1,282,421	1,259,105									2,541,526
Sale of land & buildings	1,210,000	455,000	325,000	350,000	350,000	350,000				2,085,000	5,125,000
Sale of vehicles	40,000	40,000									80,000
Montgomerie Park Receipts	3,655,642										3,655,642
TOTAL INCOME	77,761,786	66,441,432	75,289,077	42,326,204	19,012,838	19,255,619	23,061,725	18,311,050	17,474,600	14,357,854	373,292,185

Introduction

The Capital Investment Strategy for North Ayrshire Council provides an overview of how capital expenditure plans, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of North Ayrshire communities and citizens. The Strategy takes a long-term view and covers the period from 2021 to 2031. This is aligned to the 10-year capital programme.

The Capital Investment Strategy is a reporting requirement introduced by the 2017 edition of the CIPFA Prudential Code. Local authorities produce many plans and strategies in the course of their operations, however, it is recognised that within the context of capital planning, there is a need to produce an overarching view that addresses the following key considerations: -

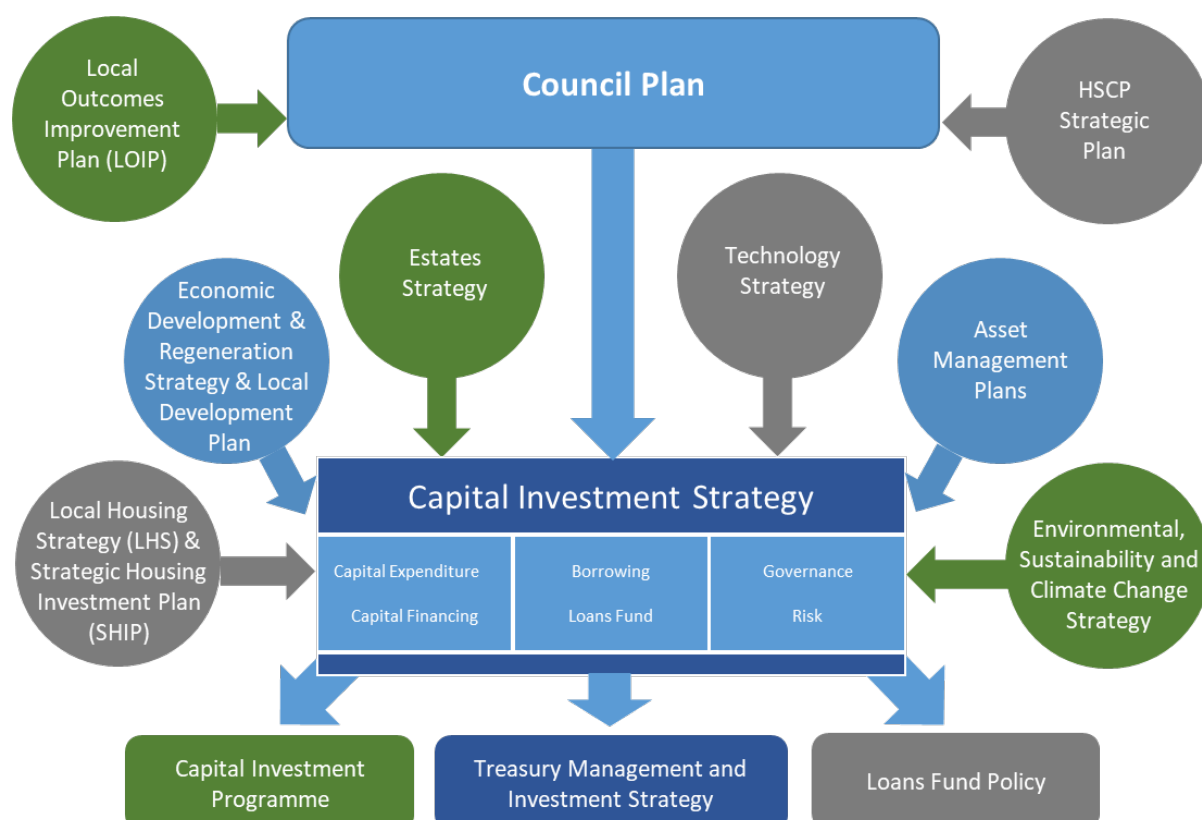
- Ensuring that capital plans are aligned to the strategic priorities as set out in the Council Plan.
- Ensuring that capital plans are affordable, prudent and sustainable.
- Demonstrating the linkage to local strategic planning and local asset management planning.
- Ensuring that financing decisions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

Background

North Ayrshire Council has ambitious plans to deliver significant capital investment over the 10-year planning period across housing, the education learning estate, economic development and infrastructure. Working in partnership with East Ayrshire, South Ayrshire, the UK and Scottish Government, the Ayrshire Growth deal will see the regeneration of the region through investment in strategic infrastructure across various sectors, including life sciences, tourism, manufacturing and aerospace.

Events in 2020 and 2021 to date have been dominated by the health and economic effects of the coronavirus pandemic. The level of capital investment has and continues to be impacted by lockdown restrictions. It is recognised that capital investment will play a key role in the economic and green recovery for North Ayrshire. The pandemic has not changed the Council's key priorities, in fact it has strengthened them, however, the investment reflected in the 10-year Capital Investment programme should also be considered with the context of the Council's recent Recovery and Renewal Strategy and the Economic Recovery and Renewal Approach, both approved by Cabinet on 8 September, 2020 and importantly, through a Community Wealth Building lens.

The Capital Investment Strategy takes account of the Council's strategic priorities and considers any new investment within the context of outcomes, affordability or invest to save. Decisions made over the 10-year programme for capital and treasury management will have financial consequences for the Council for many years in the future. There is also recognition of the need to balance investment between maintaining current assets and infrastructure against the ambitions for acquiring new assets. In addition to the recently approved Recovery and Renewal Strategy and Economic Recovery and Renewal Approach, North Ayrshire Council's current capital programme is shaped and influenced by various associated strategies and plans.



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

Plans and Strategies

Council Plan 2019-2024

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

Our Priorities

Aspiring Communities

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

Inspiring Place

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

A Council for the Future

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

Our Vision

A North Ayrshire
that is 'Fair For All'

Our Mission

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

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

Community Planning Partnerships and Local Outcomes Improvement Plan

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



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



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

Health and Social Care Partnership Strategic Plan

The Health & Social Care Partnership existing strategic plan ends on 31 March 2021. Development work is ongoing to prepare a one-year bridging strategic plan covering the period April 2021 to March 2022. This will reflect on the current plan, outline the recovery and the 2030 vision. During the recovery period, the Partnership plan to develop a longer-term detailed strategic commissioning plan setting out the IJBs direction to 2030 and will be published by March 2022.

The latest available strategic plan was created in partnership with the third and independent sector, public health, community planning partners, local communities and people who use the service. The vision is that **“all people who live in North Ayrshire are able to have a safe, healthy and active life”** and to achieve this the HSCP focuses on key priorities;



To address demographic pressures and maximise capital investment an innovative approach is adopted through the integration of investment across education, economic regeneration, health and social care and housing, therefore delivering on multiple strategic priorities across the Council and the HSCP.

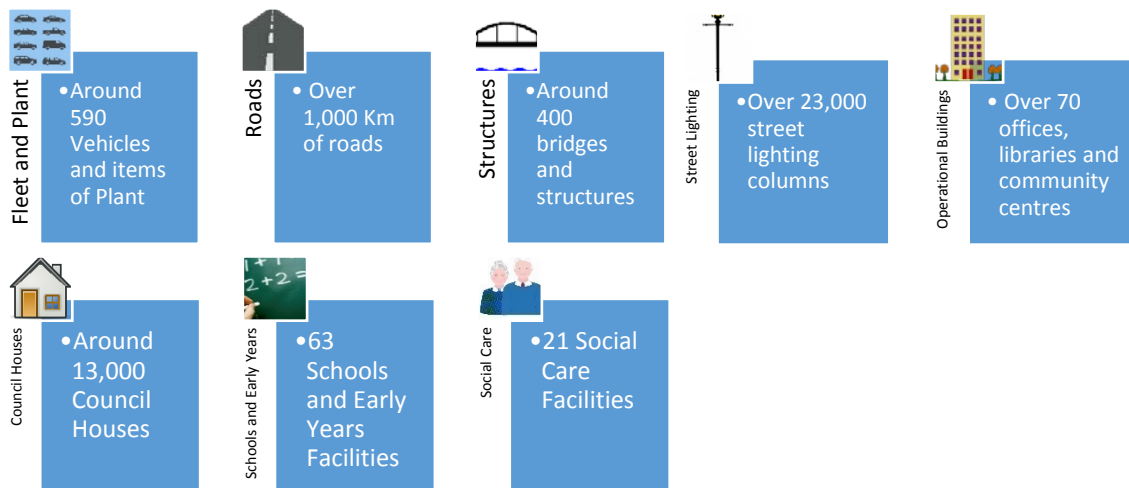
Asset Management Plans

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



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

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



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

Roads, Structures and Lighting	<ul style="list-style-type: none"> Planned investment of £104.9m to 2030/31 including improvements to the roads and street lighting network, flood prevention works at Upper Garnock and Millport and bridges infrastructure improvement.
Fleet, Plant and Equipment	<ul style="list-style-type: none"> Procurement and maintenance of all Council fleet vehicles and plant ensuring the fleet of 586 vehicles and heavy plant are maintained and operated in accordance with the Council's Operator's licences and Road Transport legislation. Vehicle and plant capital investment is planned at £18.5m to 2030/31. To address the Council's environmental aspirations a key focus of vehicle fleet renewal will include the transition to low carbon, electric / hybrid alternatives.
Property	<ul style="list-style-type: none"> To ensure Council properties meet all legislative requirements and they are sustainable, energy efficient and maintained to a high standard as well as ensuring the physical environment is able to support mobile and flexible work programmes aligned to the Council's Renewal programme, Investment is planned at £24m to 2030/31. It is also recognised that through the Estates Strategy further rationalisation and remodelling will continue to be progressed on a locality by locality basis, with capital receipts incorporated into the capital programme.

Housing	<ul style="list-style-type: none"> • Underpinned by the Local Housing Strategy, the Strategic Housing Investment Plan and the 30 Year HRA Business Plan, responsibility for maintenance of around 13,000 council houses, ensuring legislative compliance and meeting the needs of tenants. In addition, delivery of an ambitious house building and improvement programme over the period 2021-2026 will see capital investment by the Council total £306.6m.
ICT	<ul style="list-style-type: none"> • The Technology Strategy sets out how ICT supports service delivery and transformation. Significant changes to our ICT infrastructure have been reflected in the ICT Asset Management Plan. Corporate ICT investment to support our future working environment and schools ICT to support digital learning is included. In order to deliver on the 6 key principles as outlined in the Technology Strategy £7.6m investment to 2030/31 is planned.
Open Spaces	<ul style="list-style-type: none"> • The service maintains 2,410 hectares of public open space, a Country Park, 14 local parks, 44 cemeteries and burial grounds, 37 war memorials & monuments, 366 hectares of woodlands, 3 allotments, 91 sports facilities and playing fields, 84 equipped play areas and 12 multi-use games areas, residential greenspace, 38 water courses and open water features, 5 promenades and 16 beaches, three of which are Sites of Special Scientific Interest. The majority of investment is delivered through the Place service revenue budget, however, specific capital investment of £4.9m is planned to 2030/31 for cemetery infrastructure. Recognising the impact of the pandemic and the importance of open spaces and the physical environment a review of open spaces will be progressed through 2021/22.

Local Housing Strategy 2018-22 and Strategic Housing Investment Plan 2021-26

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

Health and Educational Benefits	Contribute to Regeneration of North Ayrshire	Sustainable Investment	Meet Local Demand and Aspirations	Maximise ROI and achieve VFM
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The SHIP will secure investment in a total of 1,900 properties across North Ayrshire and provide sustainable, affordable, accessible high-quality homes which will contribute to the wider regeneration aims for the area, taking the total investment for the period to £87m. Developments continue to be progressed across the five main housing market areas: -

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

In addressing projected demographic trends of an ageing population in North Ayrshire at least 25% of new build homes will be designed for older people through amenity housing or sheltered housing, with cognisance taken in the design stage for changing mobility needs. The SHIP supports the Health and Social Care Partnership to meet specialist housing need through dedicated supported accommodation projects.

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

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

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

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

Finally, our Community Wealth Building Strategy introduces a new model to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base, ensuring that wealth is locally owned and benefits local people.

Economic Development & Regeneration Strategy and Local Development Plan

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

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

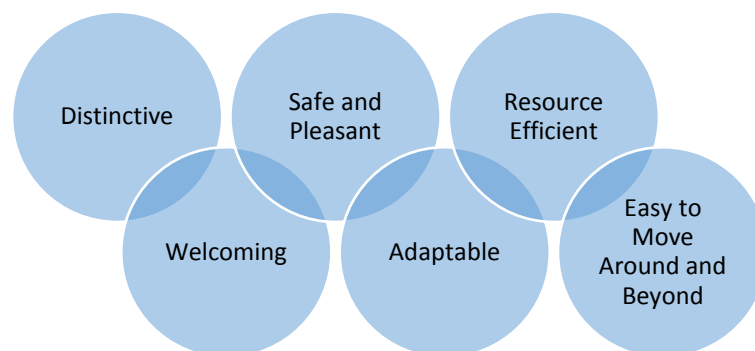


The Local Development Plan was adopted in November 2019 and aligns to the six strategic objectives as set out in the Economic Development and Regeneration Strategy, it brings a targeted local context in guiding development and investment in North Ayrshire over the next 20 years. The focus is supporting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



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

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



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

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

Working in partnership with the UK and Scottish Government and East Ayrshire and South Ayrshire councils, the Ayrshire Growth Deal will regenerate the region through investment in strategic infrastructure across various sectors, including life sciences, tourism, manufacturing and aerospace, with total investment of over £251.5m. From a North Ayrshire perspective and to support investment into the strategic development areas, including the Ayrshire Growth Deal and wider economic regeneration activity, the current Capital Investment Programme to 2030/31 includes planned investment of £64.4m to 2030/31. It is recognised that the Ayrshire Growth Deal investment will extend beyond the current 10-year Capital Investment planning period, although the profile of project expenditure and funding continues to be reviewed.

Technology Strategy

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

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

Key technologies include Office 365, a cloud platform based approach to business application delivery has provided the robust and effective software infrastructure to support officers and ultimately manage council business during a sustained period of remote working during the pandemic. The ICT Asset Management Plan incorporates the technology principles and, in terms of investment, a total of £7.6m is planned to 2030/31 to deliver technology solutions aligned to this strategy, including corporate ICT investment to support our future working environment and, in terms of schools ICT, further investment to support digital learning. From a financial planning perspective it is also recognised the shift from capital financing to revenue through software as a service, will lead to a remodelling of the way in which ICT investment is funded.

Estates / Renewal Strategy

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

Customer to Citizen Locality Hub and Spoke Model	<ul style="list-style-type: none"> • Building on the pandemic response, Locality based hub and spoke model providing multi-agency support and services to citizens as part of the Customer to Citizen journey.
Education and Leisure	<ul style="list-style-type: none"> • Provide fit-for-purpose and conveniently located education and leisure facilities for service users. Maximising any investment across multiple strategic priority areas through a community facilities approach incorporating education, leisure and health and social care facilities, therefore delivering wider economic regeneration benefits.
Office Accommodation	<ul style="list-style-type: none"> • Provide modern, flexible office accommodation for staff that is economically and environmentally efficient, however, set within the context of the Renewal programme and office rationalisation where staff work-styles are further developed around remote working.

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

Through rationalisation of the Council's property portfolio, including office rationalisation as part of our future working environment programme, a key funding component to support the capital

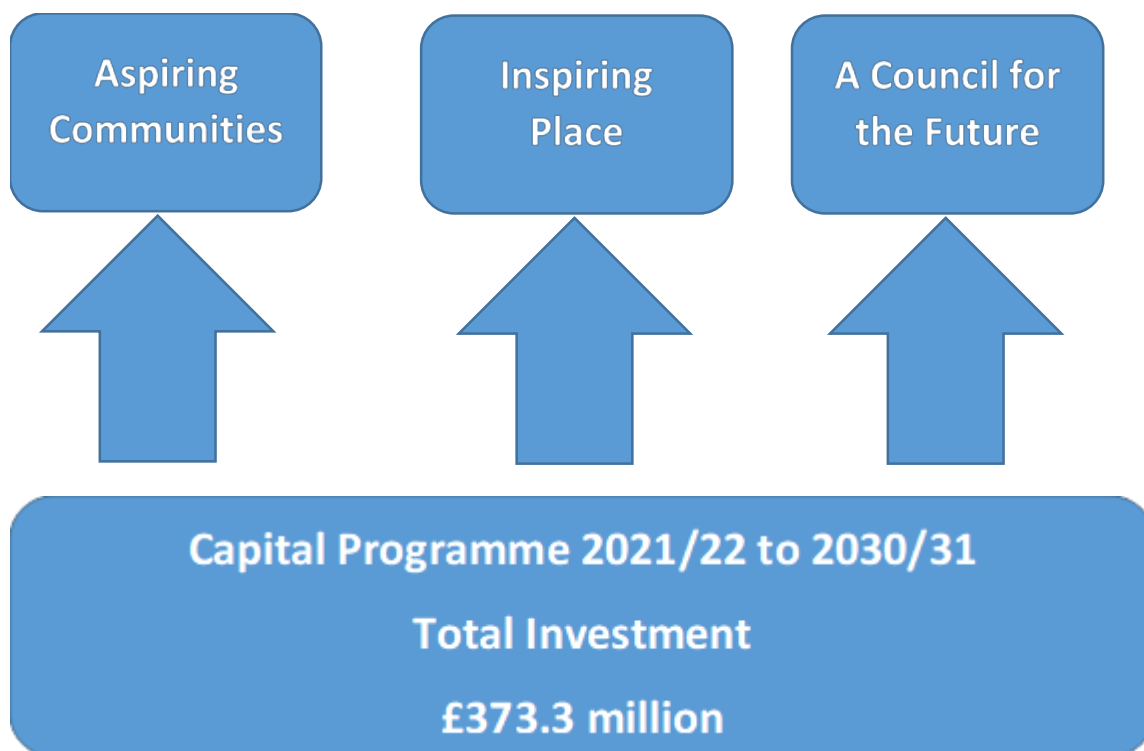
programme and provide flexibility in the Council's Revenue account, is the generation of capital receipts. Anticipated income from land and property capital receipts planned to support the capital programme totals £8.9m to 2030/31.

The neighbourhood approach, outlined in the Estates Strategy, has been strengthened through the pandemic response and the Council's Customer to Citizen locality hub and spoke model. This recognises community empowerment and, in particular, provides support to communities for asset transfers. This engagement is progressed through the Community Planning Partnerships.

General Fund Capital Investment Programme

North Ayrshire Council takes a long-term approach to capital investment, covering a 10-year period. The plan is updated annually and 2021/22 represents year 1 of the 10-year plan. A full refresh is undertaken every 3 years. The current Capital Investment programme is aligned to the strategic priorities as set out in the Council Plan and is the product of the various plans and strategies which impact on the assets and infrastructure of North Ayrshire Council. Through the Community Planning Partnerships and the Local Development Plan there is also clear linkage to local strategic planning and local asset planning.

Total capital investment of £373.3m from the Council's General Fund is planned over the period from 2021/22 to 2030/31, supporting the 3 key strategic priorities from the Council Plan. This includes planned expenditure of £64.4m towards the Ayrshire Growth Deal to 2030/31. It is recognised that the total level of investment across Ayrshire will be in the region of £251.5m (including £103m commitments from both the UK and Scottish Governments) and this will extend beyond the current 10-year planning period.



The capital plan includes £117.6m planned investment in education and early years. The major areas of education investment include;

Early Years Expansion - £4.6m	Ardrossan Academy - £68.8m	ASN Campus £10.2m	Montgomerie Park school £14.5m	Moorpark Primary School £10.4m
<ul style="list-style-type: none"> • Consisting new build, extensions and refurbs to deliver 1,140 hours childcare provision. 	<ul style="list-style-type: none"> • New build project as part of an exciting wider community facility development 	<ul style="list-style-type: none"> • New Additional Support Needs campus as part of combined HSCP development including residential and respite provision. 	<ul style="list-style-type: none"> • New primary provision linked to Montgomerie park regeneration project and housing developments 	<ul style="list-style-type: none"> • New primary provision

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

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

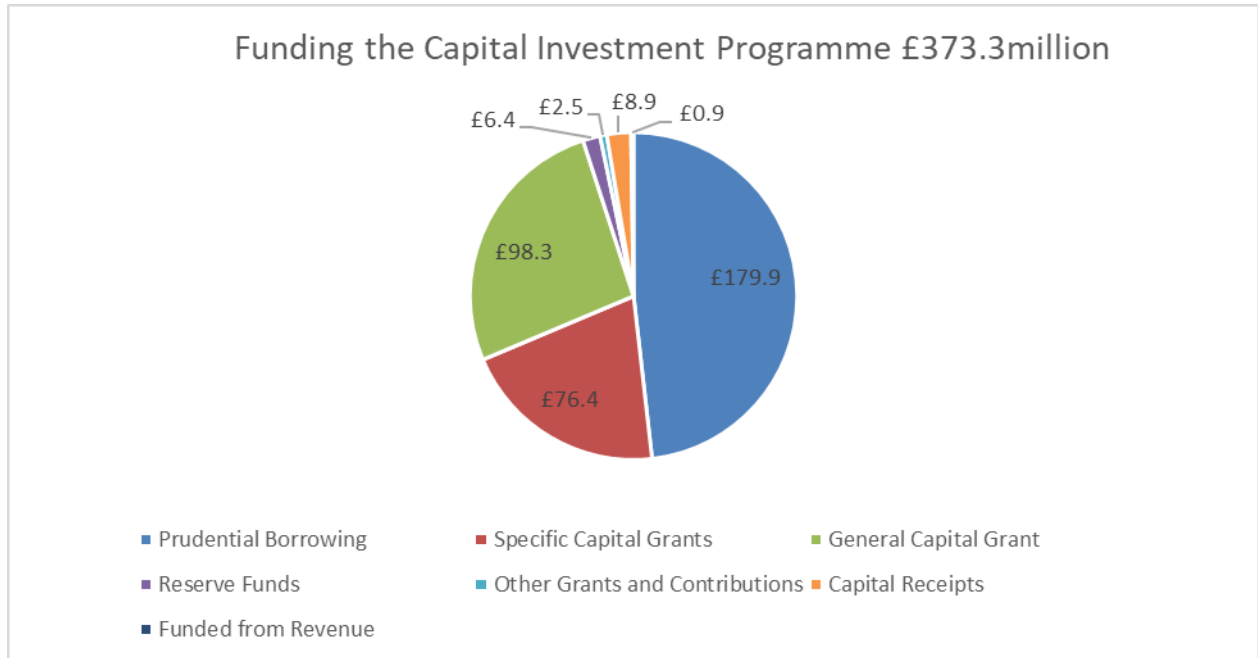
With the aim of making sure young people get the best start in life, the increase in funded hours care for early learning and childcare contributes to the capital investment needs across the early years' estate. Due to the impact of the pandemic, there have been delays in providing the 1,140 hours provision. There are currently eleven early years' facilities delivery the full 1,140 hours provision and we are working towards full delivery in all facilities from August 2021. The remaining investment programme includes new build, extensions and building re-provisioning and will deliver capital investment of up to £4.6m.

Investing in core assets and infrastructure is key to ensuring sustainability. A planned investment of £104.5m within Roads, Structures and Lighting includes £38.1m road improvements and £39.3m on flood prevention works. Property lifecycle investment of £12m, to support the property asset management plan, will ensure Council properties continue to be maintained to the appropriate standards in delivering services to citizens and communities. The plan includes investment in several key programmes of regeneration within North Ayrshire and, in respect of the Ayrshire Growth Deal, on a wider pan Ayrshire basis.

The current Capital Investment Programme 2021/22 to 2030/31 sets out the ambition of North Ayrshire Council and supports the key strategic themes of the Council Plan. Through investment that supports regeneration and delivers first class education and community facilities, this strategic approach will help grow the population and the local economy. It is also recognised that key to a sustainable environment is the requirement to continue to invest in core assets and infrastructure.

Funding the Capital Investment Programme

Funding the Capital Investment Programme requires to be planned in an affordable and sustainable manner. The funding sources to support delivery of the £373.3m capital investment programme to 2030/31 include;



The major sources of funding include assumptions on the level of general capital grant from Scottish Government to 2030/31 (£98.3m) and the level of prudential borrowing (£179.9m) required. The cost of borrowing is included within the Council's revenue budget process through the Medium-Term Financial Plan and the impact of borrowing is included as part of the Council's Treasury Management and Investment Strategy.

The Council takes a prudent approach when phasing the capital investment over the 10-year period, with the main objective to ensure general capital grant from Scottish Government is maximised.

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

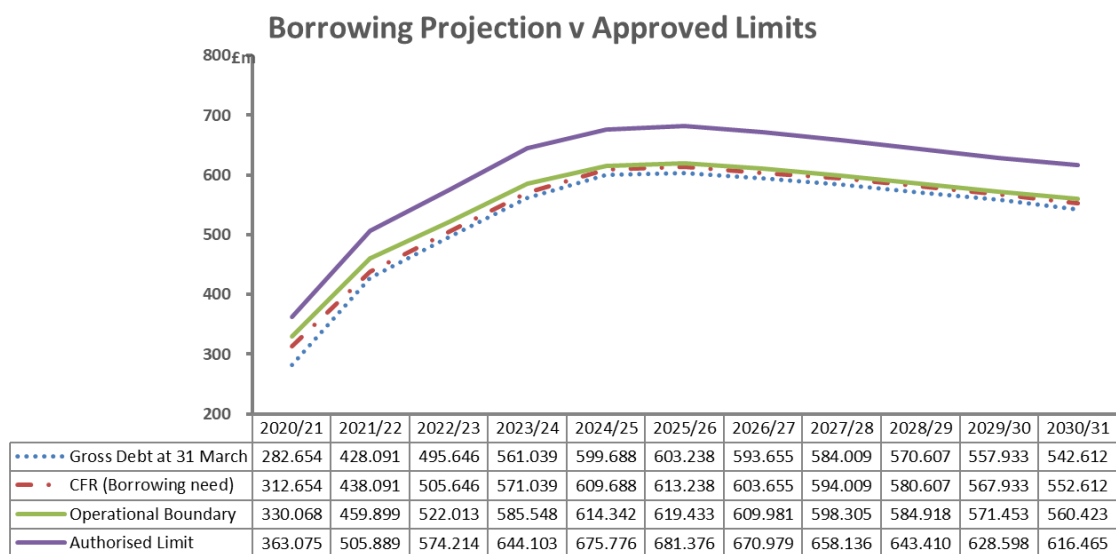
Treasury Management Strategy and Loans Fund Policy

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

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

The key prudential and treasury indicators include;

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



As reflected in the Treasury Management Strategy for 2021/22, the analysis of the Capital Financing Requirement for North Ayrshire Council indicates that the borrowing needs to support delivery of the capital programme will increase to £613.238m at 2025/26 and then reduce annually to 2030/31. The analysis also indicates that this borrowing need continues to be within the parameters of both the Operational Boundary (the expected maximum borrowing position of the Council) and the Authorised limit (the limit beyond which external debt is prohibited).

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

Proportion of financing costs to net revenue stream	2020/21 Probable Outturn %	2021/22 Estimate %	2022/23 Estimate %	2023/24 Estimate %
General Services	3.5%	3.4%	4.0%	4.4%
HRA	18.5%	21.2%	25.7%	27.6%

The estimated ratio of debt to net revenue stream across the next 3 years averages at 4.0% for General Services and 24.8% for the HRA. From a General Fund perspective, the Scottish Local Authority average 6.94% (Source: CIPFA Directors of Finance Performance Indicators 2019/20), therefore demonstrating a prudent borrowing policy. For the HRA, the Scottish average in was 22.68%. The rising ratio within the HRA is indicative of the significant capital investment programme as outlined in the Strategic Housing Investment Plan. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

Loans Fund Policy

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

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

Governance

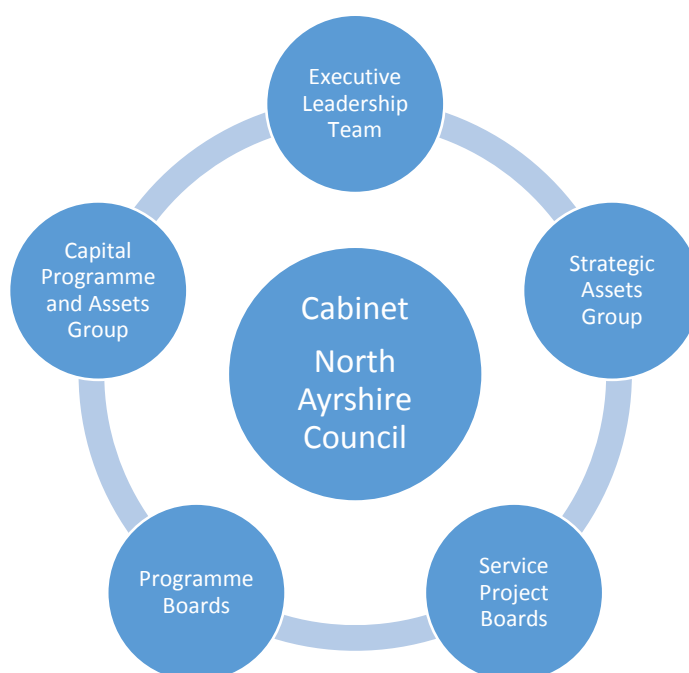
Having robust governance arrangements in place is key to ensuring effective strategic management of assets, from initial planning through to delivery, utilisation and disposal. North Ayrshire Council delivers a governance framework through a number of officer and member represented groups / committees.

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

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

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

The current governance framework is illustrated below;



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

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

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

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

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

The **Executive Leadership Team** consists of the Chief Executive, Executive Director Interim Communities, Executive Director Place, Director of Growth and Investment, Head of Democratic

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

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

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

Knowledge & Skills

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

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

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

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

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

Risk

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

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

Conclusion

The Capital Investment Strategy for North Ayrshire Council provides an overview of how capital expenditure plans, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of North Ayrshire communities and citizens. It is a reporting requirement introduced by the 2017 edition of the CIPFA Prudential Code.

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

Events in 2020 and 2021 have been dominated by the health and economic effects of the coronavirus pandemic. The level of capital investment has and continues to be impacted by lockdown restrictions. It is recognised that capital investment will play a key role in the economic and green recovery for North Ayrshire. The pandemic has not changed the Council's key priorities, in fact it has strengthened them, however, the investment reflected in the 10-year Capital Investment programme is now considered with the context of the Council's recent Recovery and Renewal Strategy and the Economic Recovery and Renewal Approach.

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

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

Related Documents / Strategies / Plans

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

NORTH AYRSHIRE COUNCIL

4 March 2021

North Ayrshire Council

Title:	Revenue Estimates 2021/22 – 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 2021/22.
Recommendation:	That Council (a) approves the 2021/22 revenue estimates for the Common Good Funds and registered charitable Trusts detailed in Appendix 2; (b) approves the carry forward of funds from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle, as noted at paragraph 2.3; (c) approves the amounts available for disbursement noted at paragraph 2.11; (d) agrees to capital spend from the dormant and low value Trusts and the Irvine, Largs, Millport and Saltcoats Common Good Funds and instructs officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust; and (e) agrees to (i) amend the constitution of and/or the Trustees' powers in relation to the James Dyer Simpson Fund, H Watt Trust and J H Watt Trust, held within North Ayrshire Charitable Trust, so as to allow the disbursement of the remaining capital and the winding up of the trusts fund, with the approval of OSCR, and (ii) allow the capital to be spent, where this is considered the most appropriate way of achieving the trusts' purposes.

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 2021/22.

- 1.3 Following delays during 2020/21, previously approved urgent and essential works at Seagate Castle have not been completed during the year and Council is asked to approve the carry forward of this budget to allow the completion of these works during 2021/22. 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. Discussions are still ongoing in relation to this sale which is expected to complete during 2021.
- 2.3 At its meeting on 5 March 2020, Council approved the allocation of £0.250m from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle. Following delays in the completion of these works during 2020/21, the anticipated expenditure for the year is only £0.020m and Council is asked to approve the carry forward of the £0.230m balance to allow the completion of the works during 2021/22. As noted in the previous report to Council, working on a structure as historic as this may flag up further works which may need to be addressed at the same time. Should cost projections exceed estimates, a further report will be presented to Council.
- 2.4 The Common Good Funds make annual disbursements to groups and individuals based on approved criteria. The levels of grant available for disbursement is determined after all expenditure commitments and projected income from assets has been assessed. Current practice has been for the remaining surplus to be made available for trustees to disburse, ensuring that capital balances are left intact, with the disbursement of funds from the capital balance requiring Council approval. It is recommended that this practice continues for those Common Good Funds with sufficient net income.

- 2.5 In the case of Irvine, Largs, Millport and Saltcoats Common Good Funds the level of expenditure exceeds the level of income. In order to maximise the benefits to the community, it is proposed that the budgets for grant disbursement are set at a level which reflects previous years' disbursements, with a minimum level for each of £1,000.

Charitable Trusts

- 2.6 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 2020/21, the previous McGavin Park fund held within the North Ayrshire Council 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.
- 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 It has been identified that some of the smaller Trusts have constitutions and / or Trustees' powers which limit the utilisation of the capital held by Trusts and their subsequent winding up. The Trusts in question form part of the North Ayrshire Charitable Trust and it is proposed that the constitutions and Trustees' powers are amended to allow the disbursement of the remaining capital and the winding up of these Trusts, subject to the approval of OSCR. The Trusts in question are: the James Dyer Simpson Fund, current balance £197.08, the H Watt Trust, current balance £14.15, and the J H Watt Trust, current balance £1,115.52.

2.11 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 2021	Estimated Income 2021/22	Estimated Expenditure 2021/22	Available for Disbursement	Estimated Balance at 31 March 2022
	£	£	£	£	£
Common Good Fund					
Ardrossan	262,510	39,325	(13,403)	(25,922)	262,510
Irvine	1,109,774	65,295	(278,048)	(26,500)	870,522
Largs	441,098	17,195	(27,915)	(10,000)	420,378
Millport	66,970	210	(355)	(1,000)	65,825
Saltcoats	17,101	54	(91)	(1,000)	16,064
Stevenston	170,426	14,785	(1,159)	(13,626)	170,426
TOTAL	2,067,880	136,864	(320,971)	(78,048)	1,805,726
Registered Charitable Trusts					
Dalry	2,177	7	(161)	(2,023)	-
Kilbirnie & Glengarnock	3,277	11	(166)	(3,122)	-
Kilwinning	32,631	102	(324)	(32,409)	-
Largs	6,599	20	(185)	(6,434)	-
Speir's Trust	46,869	3,626	(993)	(2,633)	46,869
Margaret Archibald Trust	191,255	9,190	(423)	(8,767)	191,255
Douglas Sellers Trust	591	2	(153)	(440)	-
Anderson Park Trust	310	1	(152)	(159)	-
NAC Charitable Trust	41,940	2,310	(298)	(2,012)	41,940
TOTAL	325,649	15,269	(2,855)	(57,999)	280,064

2.12 The remaining smaller trusts administered by the Council are listed in Appendix 1. They generate around £40 of income per year and during 2020/21 thus far there have been no disbursements. Therefore, the full balance is available for disbursement in 2021/22.

3. Proposals

3.1 That Council (a) approves the 2021/22 revenue estimates for the Common Good Funds and registered charitable Trusts detailed in Appendix 2; (b) approves the carry forward of funds from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle, as noted at paragraph 2.3; (c) approves the amounts available for disbursement noted at paragraph 2.11; (d) agrees to capital spend from the dormant and low value Trusts and the Irvine, Largs, Millport and Saltcoats Common Good Funds and instructs officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust and (e) agrees to (i) amend the constitution of and/or the Trustees' powers in relation to the James Dyer Simpson Fund, H Watt Trust and J H Watt Trust, held within North Ayrshire Charitable Trust, so as to allow the disbursement of the remaining capital and the winding up of the trusts fund, with the approval of OSCR, and (ii) allow the capital to be spent, where this is considered the most appropriate way of achieving the trusts' purposes.

4. Implications/Socio-economic Duty

Financial

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

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

Human Resources

- 4.2 None.

Legal

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

Equality/Socio-economic

- 4.4 None.

Environmental and Sustainability

- 4.5 None.

Key Priorities

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

Community Wealth Building

- 4.7 None.

5. Consultation

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

Mark Boyd
Head of Service (Finance)

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

Background Papers

None

Sundry Bequests

Name of Funds	Investment	Projected Income 2021/22	Available for Disbursement 2021/22	Purpose of Bequest
	£	£	£	
Isabella McPhee Memorial Fund	2,787	8	2,795	Largs - Annual Putting Competition (Mackerston)
N Stewart	1,582	5	1,587	Provision of Liberty at Rothesay and Arran
Sturrock	2,853	9	2,862	Upkeep of Springside Community Centre
Clark Trophy	534	2	536	Road Safety Competition
Ayrshire Accident Relief	3,772	12	3,784	Accident Relief
Cast/Florist/N Child	273	1	274	No information available
Miss Hanslip Bequest	1,120	3	1,123	No information available
Total	12,921	40	12,961	

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Budget 2020/21 £	Projected Outturn 2020/21 £	COMMON GOOD FUND - ARDROSSAN	Proposed Budget 2021/22 £
242,375	242,375	Projected Common Good Balance Brought Forward at 1 April	262,510
		INCOME	
38,500	38,500	Rental - Ardrossan Civic Centre	38,500
1,539	864	Loans Fund Interest (on cash balances)	825
40,039	39,364	TOTAL INCOME FOR THE YEAR	39,325
		EXPENDITURE	
		Property Costs	
12,000	12,000	External Property Repairs - Ardrossan Civic Centre	12,000
		Others	
1,079	1,228	Administration - Charge from Finance	1,403
13,079	13,228	SUB TOTAL OF EXPENDITURE	13,403
26,960	26,136	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	25,922
26,960	6,000	Available for Disbursement as Grants	25,922
-	20,136	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
242,375	262,510	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	262,510

Budget 2020/21 £	Projected Outturn 2020/21 £	COMMON GOOD FUND - IRVINE	Proposed Budget 2021/22 £
1,123,517	1,123,517	Projected Common Good Balance Brought Forward at 1 April	1,109,774
		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	-	Redburn Community Centre (Education & Youth Employment)	-
11,000	-	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	
-	2,000	Sale of Ground	-
6,721	3,530	Loans Fund Interest (on cash balances)	2,795
71,061	57,030	TOTAL INCOME FOR THE YEAR	65,295
		EXPENDITURE	
		Property Costs	
500	300	General Repairs	500
-	340	Legal Costs	-
10,234	10,033	Rates on vacant properties (36/38 Bank Street)	10,234
600	500	Electricity	600
30,445	28,995	Grounds Maintenance*	30,445
250,000	20,000	Property Maintenance - Seagate Castle	230,000
500	1,415	Other Property Costs	1,455
292,279	61,583		273,234
		Others	
4,712	5,190	Administration - Charge from Finance	4,814
4,712	5,190		4,814
296,991	66,773	SUB TOTAL OF EXPENDITURE	278,048
(225,930)	(9,743)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(212,753)
26,500	4,000	Available for Disbursement as Grants	26,500
(252,430)	(13,743)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(239,253)
871,087	1,109,774	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	870,522

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

Budget 2020/21 £	Projected Outturn 2020/21 £	COMMON GOOD FUND - LARGS	Proposed Budget 2021/22 £
460,584	460,584	Projected Common Good Balance Brought Forward at 1 April	441,098
		INCOME	
		Property Rentals (Including Insurance Premiums)	
7,312	7,312	Haylie House	7,312
3,553	3,553	Douglas Park Bowling Club (Including Ground Cost)	4,373
210	210	Douglas Park Grazings	210
4,000	483	Douglas Park Tennis Club & Children's Nursery	4,000
		Other Income	
3,377	1,391	Loans Fund Interest (on cash balances)	1,300
18,452	12,949	TOTAL INCOME FOR THE YEAR	17,195
		EXPENDITURE	
		Property Costs	
2,000	1,000	Electricity	1,030
32,452	22,924	Grounds Maintenance*	24,070
500	-	Other Property Costs	500
		Others	
2,367	2,068	Administration - Charge from Finance	2,315
37,319	25,992	SUB TOTAL OF EXPENDITURE	27,915
(18,867)	(13,043)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(10,720)
10,000	6,443	Available for Disbursement as Grants	10,000
(28,867)	(19,486)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(20,720)
431,717	441,098	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	420,378

* For the upkeep of ground at Douglas Park.

Budget 2020/21 £	Projected Outturn 2020/21 £	COMMON GOOD FUND - MILLPORT	Proposed Budget 2021/22 £
67,073	67,073	Projected Common Good Balance Brought Forward at 1 April	66,970
533	211	<u>INCOME</u> Loans Fund Interest (on cash balances)	210
533	211	TOTAL INCOME FOR THE YEAR	210
373	313	<u>EXPENDITURE</u> Others Administration - Charge from Finance	355
373	313	SUB TOTAL OF EXPENDITURE	355
160	(102)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(145)
160	-	Available for Disbursement as Grants	1,000
-	(102)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(1,145)
67,073	66,970	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	65,825

Budget 2020/21 £	Projected Outturn 2020/21 £	COMMON GOOD FUND - SALTCOATS	Proposed Budget 2021/22 £
17,128	17,128	Projected Common Good Balance Brought Forward at 1 April	17,101
135	54	<u>INCOME</u> Loans Fund Interest (on cash balances)	54
135	54	TOTAL INCOME FOR THE YEAR	54
95	80	<u>EXPENDITURE</u> Administration - Charge from Finance	91
95	80	SUB TOTAL OF EXPENDITURE	91
40	(26)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(37)
40	-	Available for Disbursement as Grants	1,000
-	(26)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(1,037)
17,128	17,101	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	16,064

Budget 2020/21 £	Projected Outturn 2020/21 £	COMMON GOOD FUND - STEVENSTON	Proposed Budget 2021/22 £
159,128	159,128	Projected Common Good Balance Brought Forward at 1 April	170,426
		INCOME	
		Property Rentals	
14,250	14,250	New Street (Health & Social Care)	14,250
		Other Income	
1,250	545	Loans Fund Interest (on cash balances)	535
15,500	14,795	TOTAL INCOME FOR THE YEAR	14,785
		EXPENDITURE	
		Property Costs	
250	-	Property Repairs	250
		Others	
876	797	Administration - Charge from Finance	909
1,126	797	SUB TOTAL OF EXPENDITURE	1,159
14,374	13,998	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	13,626
14,374	2,700	Available for Disbursement as Grants	13,626
-	11,298	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
159,128	170,426	COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH	170,426

Budget 2020/21	Projected Outturn 2020/21	NAC (DALRY) CHARITABLE TRUST	Proposed Budget 2021/22
£	£		£
2,331	2,331	Projected Trust Balance Brought Forward at 1 April	2,177
13	7	<u>INCOME</u> Loans Fund Interest (on cash balances)	7
13	7	TOTAL INCOME FOR THE YEAR	7
159	161	<u>EXPENDITURE</u> Administration - Charge to Finance	161
159	161	SUB TOTAL OF EXPENDITURE FOR THE YEAR	161
(146)	- 154	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(154)
1,444	-	Available for Disbursement as Grants	2,023
(1,590)	(154)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(2,177)
741	2,177	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	0

Budget 2020/21	Projected Outturn 2020/21	NAC (KILBIRNIE & GLENGARNOCK) CHARITABLE TRUST	Proposed Budget 2021/22
£	£		£
3,433	3,433	Projected Trust Balance Brought Forward at 1 April	3,277
26	11	<u>INCOME</u> Loans Fund Interest (on cash balances)	11
26	11	TOTAL INCOME FOR THE YEAR	11
169	166	<u>EXPENDITURE</u> Administration - Charge from Finance	166
169	166	SUB TOTAL OF EXPENDITURE FOR THE YEAR	166
(143)	(155)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(155)
3,215	-	Available for Disbursement as Grants	3,122
(3,358)	(155)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR	(3,277)
75	3,277	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2020/21	Projected Outturn 2020/21	NAC (KILWINNING) CHARITABLE TRUST	Proposed Budget 2021/22
£	£		£
37,831	37,831	Projected Trust Balance Brought Forward at 1 April	32,631
260	103	INCOME Loans Fund Interest (on cash balances)	102
260	103	TOTAL INCOME FOR THE YEAR	102
332	303	EXPENDITURE Administration - Charge from Finance	324
332	303	SUB TOTAL OF EXPENDITURE FOR THE YEAR	324
(72)	(200)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(222)
32,749	5,000	Available for Disbursement as Grants	32,409
(32,821)	(5,200)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(32,631)
5,010	32,631	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2020/21	Projected Outturn 2020/21	NAC (LARGS) CHARITABLE TRUST	Proposed Budget 2021/22
£	£		£
6,760	6,760	Projected Trust Balance Brought Forward at 1 April	6,599
53	21	<u>INCOME</u> Loans Fund Interest (on cash balances)	20
53	21	TOTAL INCOME FOR THE YEAR	20
187	182	<u>EXPENDITURE</u> Administration - Charge from Finance	185
187	182	SUB TOTAL OF EXPENDITURE FOR THE YEAR	185
(134)	(161)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(165)
6,548	-	Available for Disbursement as Grants	6,434
(6,682)	(161)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(6,599)
78	6,599	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2020/21 £	Projected Outturn 2020/21 £	SPIER'S TRUST	Proposed Budget 2021/22 £
45,722	45,722	Projected Trust Balance Brought Forward at 1 April	46,869
		<u>INCOME</u>	
1,000	850	Share dividends	850
292	110	Loans Fund Interest (on cash balances)	116
2,660	2,660	Rent	2,660
3,952	3,620	TOTAL INCOME FOR THE YEAR	3,626
		<u>EXPENDITURE</u>	
140	140	Insurance	140
100	100	Broker Fees	100
-	2,000	Property Maintenance	500
276	233	Administration - Charge from Finance	253
516	2,473	SUB TOTAL OF EXPENDITURE FOR THE YEAR	993
3,436	1,147	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	2,633
3,436	-	Available for Disbursement as Grants	2,633
-	1,147	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
45,722	46,869	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	46,869

Budget 2020/21 £	Projected Outturn 2020/21 £	MARGARET ARCHIBALD BEQUEST	Proposed Budget 2021/22 £
184,420	184,420	Projected Trust Balance Brought Forward at 1 April	191,255
		INCOME	
9,000	9,200	Share dividends	9,000
431	162	Loans Fund Interest (on cash balances)	190
9,431	9,362	TOTAL INCOME FOR THE YEAR	9,190
		EXPENDITURE	
452	391	Administration - Charge from Finance	423
452	391	SUB TOTAL OF EXPENDITURE FOR THE YEAR	423
8,979	8,971	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	8,767
8,979	2,136	Available for Disbursement as Grants	8,767
-	6,835	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
184,420	191,255	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	191,255

Budget 2020/21 £	Projected Outturn 2020/21 £	DOUGLAS SELLERS TRUST	Proposed Budget 2021/22 £
742	742	Projected Trust Balance Brought Forward at 1 April	591
5	2	<u>INCOME</u> Loans Fund Interest (on cash balances)	2
5	2	TOTAL INCOME FOR THE YEAR	2
154	153	<u>EXPENDITURE</u> Administration - Charge from Finance	153
154	153	SUB TOTAL OF EXPENDITURE FOR THE YEAR	153
(149)	(151)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(151)
518	-	Available for Disbursement as Grants	440
(667)	(151)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR	(591)
75	591	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2020/21 £	Projected Outturn 2020/21 £	ANDERSON PARK TRUST	Proposed Budget 2021/22 £
461	461	Projected Trust Balance Brought Forward at 1 April	310
3	1	<u>INCOME</u> Loans Fund Interest (on cash balances)	1
3	1	TOTAL INCOME FOR THE YEAR	1
152	152	<u>EXPENDITURE</u> Administration - Charge from Finance	152
152	152	SUB TOTAL OF EXPENDITURE FOR THE YEAR	152
(149)	(151)	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	(151)
236	-	Available for Disbursement as Grants	159
(385)	(151)	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	(310)
76	310	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2020/21	Projected Outturn 2020/21	NORTH AYRSHIRE COUNCIL CHARITABLE TRUST (excluding SPIERS TRUST)	Proposed Budget 2021/22 Total
£	£		£
40,129	40,129	Projected Trust Balance Brought Forward at 1 April	41,940
		<u>INCOME</u>	
2,130	2,232	Dividends	2,180
321	128	Loans Fund Interest (on cash balances)	130
2,451	2,360	TOTAL INCOME FOR THE YEAR	2,310
		<u>EXPENDITURE</u>	
303	270	Administration - Charge from Finance	298
303	270	SUB TOTAL OF EXPENDITURE FOR THE YEAR	298
2,148	2,090	SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS	2,012
2,148	280	Available for Disbursement as Grants	2,012
-	1,810	FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS	-
40,129	41,940	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	41,940

NORTH AYRSHIRE COUNCIL**4 March 2021****Cabinet**

Title: **Treasury Management and Investment Strategy 2021/22**

Purpose: To seek approval for the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2021/22.

Recommendation: That Council approves the Treasury Management and Investment Strategy for 2021/22 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 2030/31 which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurance in relation to the affordability and sustainability of capital investment plans.

1.4 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 0.10% until at least the first quarter of 2024; and
- following the consultation on the PWLB lending terms during 2020, PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield

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 2021/22 is attached at Appendix 1. The overall objectives of the strategy are as follows:

Borrowing

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

Investments

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

- 2.4 The strategy provides detailed key prudential and treasury indicators to 2030/31, aligned to the Council's current capital investment programme, which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurances in relation to the affordability and sustainability of capital investment strategy, including;
- the General Services capital plan to 2030/31; and
 - the one-year programme for the Housing Revenue Account, with investment requirements for future years outlined within the HRA 30-year Business Plan.
- 2.5 The strategy also links with the key objectives of the Prudential Code that capital investment programmes:
- should be set at a level that delivers the Council's strategic priorities; and
 - are affordable in terms of the impact of the resultant debt repayments on revenue budgets.
- 2.6 The Treasury Management and Investment Strategy includes prudential indicators which are critical in assessing the affordability of capital investment plans and their impact on the Council's overall finances. The indicator used to demonstrate affordability is the proportion of financing costs to the net revenue stream (for both General Fund and Housing Revenue Account).
- 2.7 There are a number of other key indicators designed to ensure that the Council operates within well-defined limits. The strategy, therefore, specifies:
- limits we do not expect external debt to exceed;
 - appropriate levels of fixed rate borrowing versus variable rate borrowing;
 - upper and lower limits on the maturity of the debt portfolio, which reduces the Council's exposure to large sums falling due for refinancing at any one time; and
 - limits on investments placed for more than 365 days.
- 2.8 The Council expects to hold an 'under-borrowed' position at 31 March 2021. 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 During 2020 North Ayrshire Council invested £5.000m with the London Borough of Croydon. This investment was made in line with the Treasury Management and Investment Strategy 2020/21. On 11 November 2020 it was announced that the London Borough of Croydon had issued a Section 114 notice under the Local Government Finance Act 1988. Although this limited the Council's ability to enter into any new agreements, pending a recovery plan being put in place, our treasury advisors have confirmed that there is no impact on loans made before the section 114 notice was issued and that they expect these to be repaid in full on maturity.

2.10 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 2021/22 as attached at Appendix 1.

4. Implications/Socio-economic Duty

Financial

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

Human Resources

4.2 None.

Legal

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

Equality/Socio-economic

4.4 None.

Environmental and Sustainability

4.5 None.

Key Priorities

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

Community Wealth Building

4.7 None.

5. Consultation

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

Mark Boyd
Head of Service (Finance)

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

Background Papers

None



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Treasury Management and Investment Strategy

2021/22



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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 is due to expire during 2021 and a tendering exercise to confirm the new treasury advisors will be completed before the start of the 21/22 financial year. 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	2020/21 Probable Outturn £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Capital Expenditure:				
General Services	41.514	77.762	66.441	75.289
HRA	47.215	109.447	68.270	60.236
Total	88.729	187.209	134.711	135.525
Loans Capital Financing Requirement (CFR):				
General Services	180.234	233.228	266.453	310.562
HRA	132.420	203.931	237.986	258.896
Total	312.654	437.159	504.439	569.458
Gross Borrowing	282.654	427.159	494.439	559.458
Operational Boundary for Borrowing	330.068	458.967	520.331	583.492
Authorised Limit for Borrowing	363.075	504.864	572.364	641.841
Total Operational Boundary (Including PPP/NPD)	426.056	551.306	608.721	667.342
Total Authorised Limit (Including PPP/NPD)	459.063	597.203	660.754	725.691
Investments	40.000	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 2021/22 to 2030/31 and Housing Revenue Account (HRA) reflects the capital investment programme for 2021/22 and the capital investment plans included in the latest business plan. To ensure the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2030/31 and these can be found in Appendix 1.

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

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

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

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

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

Full details of these can be found on page 10.

The **average investment** rate estimated for 2021/22 is 0.10% 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 2021/22 – 2023/24

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 2021/22 budget setting.

The 2021/22 budget proposes an updated Capital Investment Programme for General Services to 2030/31 and updated investment plans for the HRA for 2021/22 and the capital investment plans included in the latest business plan. All projects within the Capital programme are linked to the Council's key strategic priorities. These are also covered in the Capital Investment Strategy, produced in line with the requirements of the 2017 Prudential Code. To ensure that the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2030/31 and these can be found in Appendix 1. Table 2 shows the capital expenditure plans and how they are being financed by capital or revenue resources over the next three years. The borrowing figure in Table 2 is the difference between the estimates for total capital expenditure and the other funding sources.

Table 2

Estimates of Capital Expenditure and Income	2020/21 Probable Outturn £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
General Services Capital expenditure	41.514	77.762	66.441	75.289
Funded by:				
Borrowing	-	56.443	37.796	48.714
Receipts / Grants	40.074	15.514	27.145	26.575
Funded from Revenue	-	0.949	-	-
Funded from Reserves	1.440	4.856	1.500	-
Total	41.514	77.762	66.441	75.289
HRA Capital expenditure	47.215	109.447	68.270	60.236
Funded by:				
Borrowing	11.699	75.899	40.258	28.238
Receipts / Grants	20.532	15.031	13.987	17.941
Funded from Revenue	11.467	15.590	12.161	12.281
Funded from Reserves	3.517	2.927	1.864	1.776
Total	47.215	109.447	68.270	60.236

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

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

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

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

The total CFR can also be reduced by:

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

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

Table 3

Capital Financing Requirement (CFR)	2020/21 Probable Outturn £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
General Services	276.222	325.567	354.843	394.412
HRA	132.420	203.931	237.986	258.896
Sub-total	408.642	529.498	592.829	653.308
Less PPP/NPD long-term liability	(95.988)	(92.339)	(88.390)	(83.850)
Loans Capital Financing Requirement (CFR)	312.654	437.159	504.439	569.458
Movement in CFR				
General Services		52.994	33.225	44.109
HRA		71.511	34.055	20.910
Annual Change		124.505	67.280	65.019

(c) Limits to borrowing activity

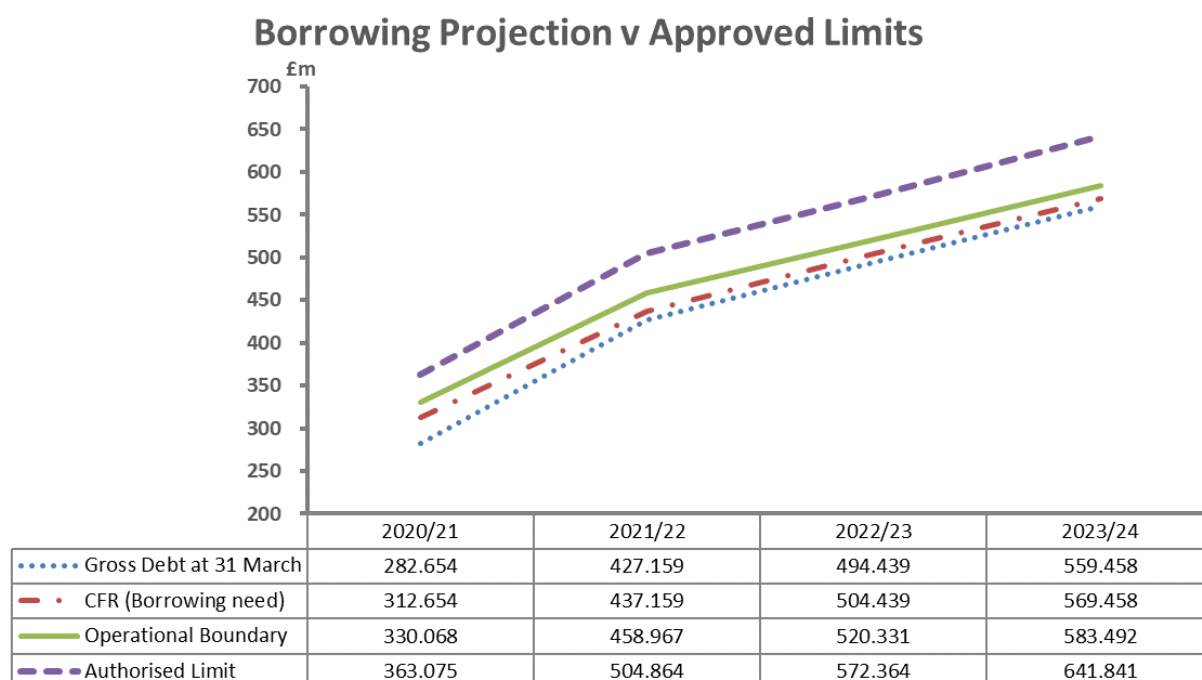
The Operational Boundary

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

The Authorised Limit

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

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



**NB: Figures exclude PPP/NPD*

(d) Affordability Prudential Indicators

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

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

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

Table 4

Proportion of financing costs to net revenue stream	2020/21 Probable Outturn %	2021/22 Estimate %	2022/23 Estimate %	2023/24 Estimate %
General Services	3.5%	3.4%	4.0%	4.4%
HRA	18.5%	21.2%	25.7%	27.6%

Capital expenditure impacts on the revenue budget through financing charges so it is essential that the Council ensures the financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available. From a General Fund perspective, the Scottish Local Authority average in 2019/20 was 6.94%, therefore demonstrating a prudent borrowing policy. For the HRA, the Scottish average in 2019/20 was 22.68%. The rising ratio within the HRA is indicative of the significant capital investment programme as outlined in the Strategic Housing Investment Plan. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

4 Treasury Management Strategy

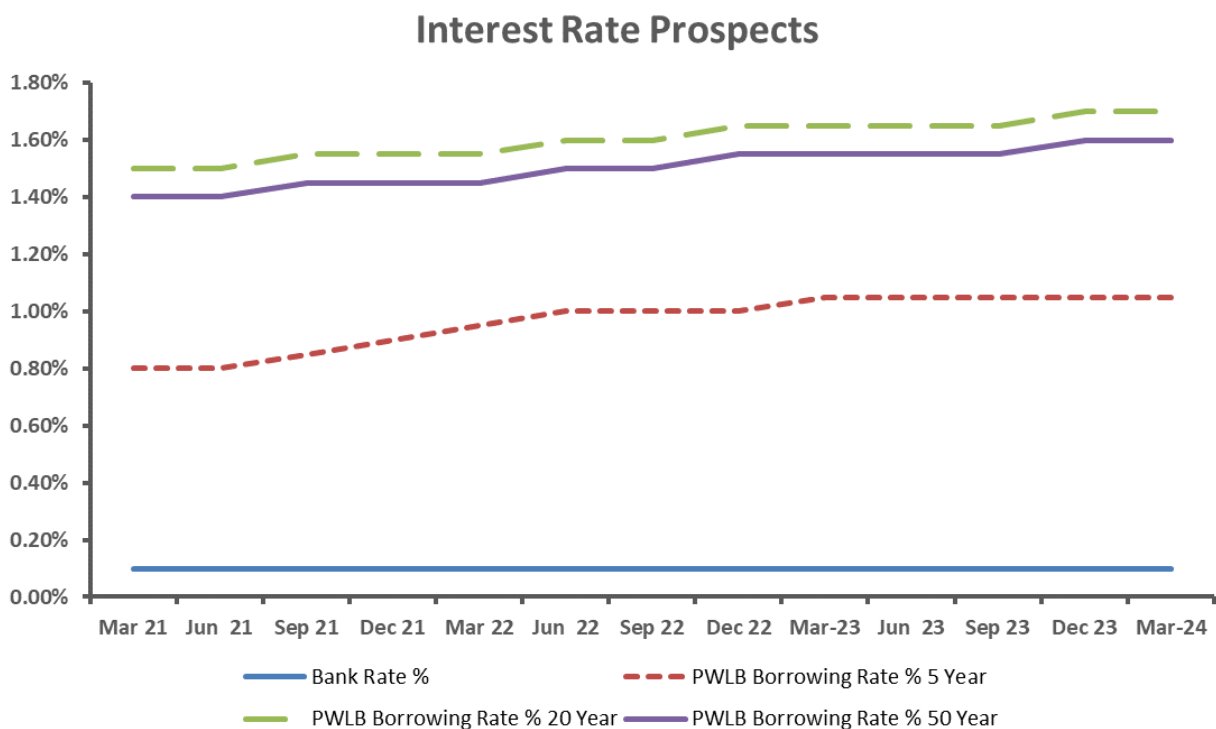
The treasury management function ensures that the Council's funds are managed in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity. This involves both the organisation of the cashflow and, where capital plans require, the organisation of appropriate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

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

Economic Outlook

Interest rate forecast

Interest rate forecasts are key to forecasting the costs of future borrowing. The Council's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. However, the forecasts have been complicated by the uncertainty over the impact of how the BoE and the UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The projected rates are shown in the following graph alongside an assessment of PWLB borrowing rates to March 2024:



Current portfolio position

The Council's treasury portfolio position at 31 March 2021, 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)	2020/21 Probable Outturn £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Gross Debt at 31 March	282.654	427.159	494.439	559.458
CFR	312.654	437.159	504.439	569.458
(Under)/Over Borrowed Position	(30.000)	(10.000)	(10.000)	(10.000)

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

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

Against this background and the risks within the economic forecast, caution will be adopted within 2021/22 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

	2020/21 Probable Outturn £m	2020/21 Limit £m	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m
Limits on fixed interest rates based on net debt	231.704	363.075	504.864	572.364	641.841
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	2020/21 Probable Outturn £m	2020/21 Probable Outturn %	Lower Limit %	Upper Limit %
Under 12 months	42.914	17%	0%	50%
12 months and within 24 months	2.932	1%	0%	50%
24 months and within 5 years	8.743	3%	0%	50%
5 years and within 10 years	25.933	10%	0%	75%
10 years and above	170.065	68%	25%	90%
Total Borrowing	250.587	100%		

* Note the Under 12 months figure in the above table includes £25.950m 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:

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

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

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

Alternatives to PWLB

North Ayrshire Council has previously raised the majority of its long-term borrowing from the PWLB. Following a consultation during 2020 on the PWLB future lending terms, the PWLB rate was lowered by 1 percent in November 2020. However, PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield. The Council therefore intends to avoid this activity in order to retain its access to PWLB loans.

The Council will continue to investigate other sources of long term borrowing which may be more beneficial, including banks, pensions and local authorities.

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

Policy on Use of Financial Derivatives

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

Policy on Repayment of Loans Fund Advances

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

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

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

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

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

Following consideration of the revised Regulations, a review was carried out during 2019/20 which resulted in advances being recalculated using the most appropriate asset life and methodology 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 18) and continued low returns from short-term unsecured bank investments, the Council will take opportunities, as cash flows permit, to further diversify into more secure asset classes during 2021/22. This diversification will mitigate further risks associated with investments.

Current Portfolio Position

Table 8

Current Portfolio Position	2020/21 Probable Outturn £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Investments at 31 March	40.000	20.000	20.000	20.000
Net Debt at 31 March	242.654	407.159	474.439	539.458

The above investment portfolio includes a £5m loan to The London Borough of Croydon until 20 August 2021. The Council is aware that the London Borough of Croydon was issued with a Section 114 notice on the 11 November 2020 which prevents the Council from entering into new expenditure arrangements. However, contractual expenditure, including loan repayments remains necessary and allowable.

Arlingclose have advised that our current loan arrangement is protected under sections 6 and 13 of the Local Government Act 2003 and, as such, we can expect the full amount of the loan, including any interest payments to be recovered on the maturity date. Officers continue to monitor the situation.

Creditworthiness policy

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

Investment decisions are made by reference to the lowest published long-term credit rating and analysis from the Council's treasury management advisers. The Council considers high credit quality organisations and investments as those having a credit rating of A- or higher and which are domiciled in the UK or in a foreign country with a sovereign rating of AA+ or higher. For money market funds that are more diversified, "high credit quality" is defined as those having a credit rating of A- or higher. However, in addition to credit ratings, the Council will consider investments in organisations based on independent analysis from our treasury management 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 or treasury bills, or will be invested with 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 0.10% until March 2024. Bank Rate forecasts for financial year ends (March) are:

- 2021/22 0.10%
- 2022/23 0.10%
- 2023/24 0.10%

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:

- 2021/22 0.10%
- 2022/23 0.10%
- 2023/24 0.10%

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	2020/21 Probable Outturn £m	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m
Principal sums invested for more than 1 year	-	8.000	8.000	8.000

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

Summary of Material Investments, Guarantees and Liabilities

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

The Council has the current historic investments on the balance sheet as at 31st March 2020:

	Value as at 31 March 2020 £m
Long-term Debtors	0.649
Long-term Investments	0.350
Total	0.999

The long-term debtors represent loan finance provided by the Council to other parties which currently consists of the loans to North Ayrshire Ventures Trust Ltd (£0.502m) and Advances for House Rents (£0.147m).

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 2021/22 Mid-Year Treasury report and the Annual Treasury Report will be submitted to the Council after the end of the financial year.

Appendix 1: Prudential Indicators 2024 to 2031

Estimates of Capital Expenditure and Income	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
General Services Capital expenditure	42.326	19.013	19.256	23.062	18.311	17.475	14.358
Funded by:							
Borrowing	24.002	4.481	2.148	4.625	0.799	0.876	-
Receipts / Grants	18.324	14.532	17.108	18.437	17.512	16.599	14.358
Funded from Revenue	-	-	-	-	-	-	-
Funded from Reserves	-	-	-	-	-	-	-
Total	42.326	19.013	19.256	23.062	18.311	17.475	14.358
HRA Capital expenditure	41.176	27.182	17.887	14.519	15.042	15.572	22.264
Funded by:							
Borrowing	27.647	14.089	3.470	-	-	-	0.405
Receipts / Grants	0.209	-	-	-	-	-	-
Funded from Revenue	12.892	13.093	14.417	14.519	15.042	15.572	21.859
Funded from Reserves	0.428	-	-	-	-	-	-
Total	41.176	27.182	17.887	14.519	15.042	15.572	22.264

Capital Financing Requirement (CFR)	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
General Services	408.809	402.849	394.982	388.646	378.520	368.468	356.704
HRA	277.936	282.080	274.880	266.023	257.306	248.987	239.629
Sub-total	686.745	684.929	669.862	654.669	635.826	617.455	596.333
Less PPP/NPD long-term liability	(79.514)	(74.973)	(70.264)	(64.742)	(59.411)	(53.684)	(47.883)
Sub-total	607.231	609.956	599.598	589.927	576.415	563.771	548.450
Movement in CFR							
General Services	18.733	(1.419)	(3.158)	(0.814)	(4.795)	(4.325)	(5.963)
HRA	19.040	4.144	(7.200)	(8.857)	(8.717)	(8.319)	(9.358)
Annual Change	37.773	2.725	(10.358)	(9.671)	(13.512)	(12.644)	(15.321)

Proportion of financing costs to net revenue stream	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
General Services	4.8%	5.1%	4.9%	4.9%	4.9%	4.8%	5.0%
HRA	29.5%	30.9%	30.7%	26.8%	25.6%	23.9%	24.9%

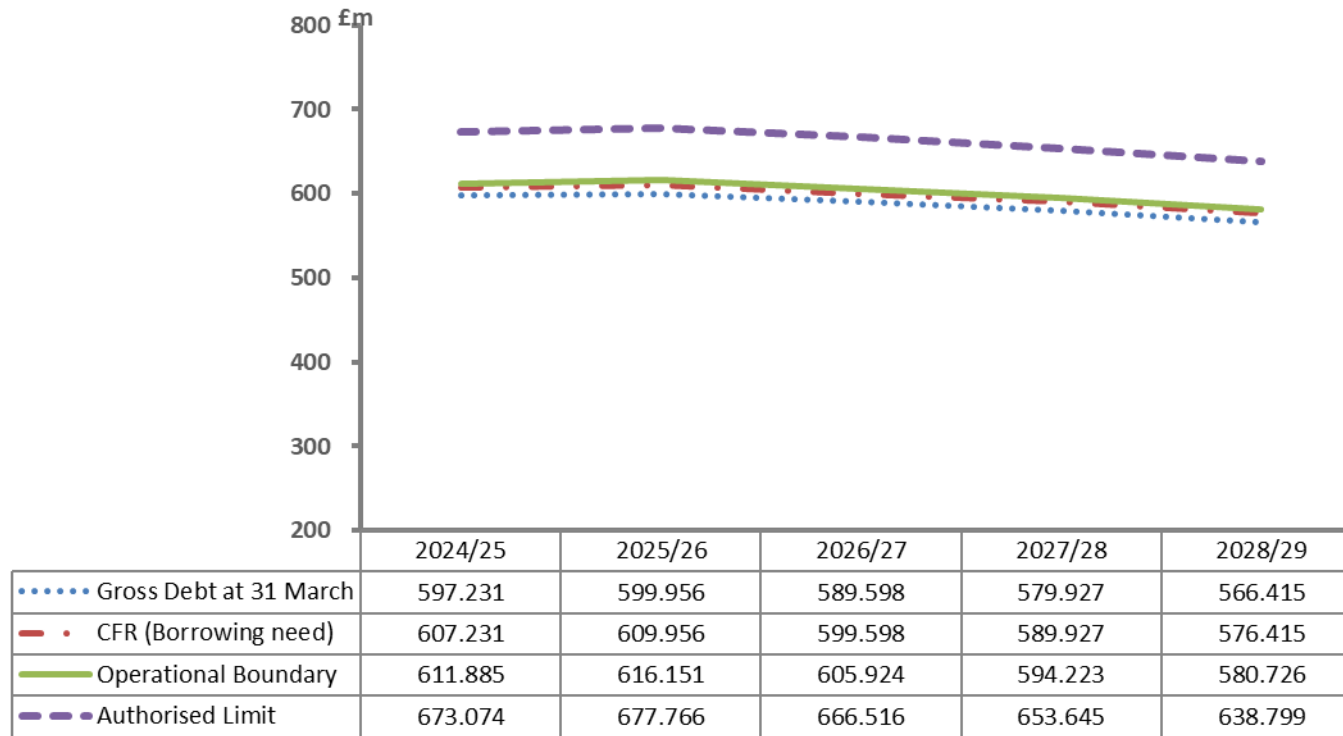
Current Portfolio Position (excluding PPP/NPD)	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Gross Debt at 31 March	597.231	599.956	589.598	579.927	566.415	553.771	538.450
CFR	607.231	609.956	599.598	589.927	576.415	563.771	548.450
(Under)/Over Borrowed Position	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)

Current Portfolio Position	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Investments at 31 March	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Net Debt at 31 March	577.231	579.956	569.598	559.927	546.415	533.771	518.450

Operational Boundary	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Anticipated borrowing	611.885	616.151	605.924	594.223	580.726	567.291	556.261
PPP/NPD long-term liability	79.514	74.973	70.264	64.742	59.411	53.684	47.883
Operational Boundary	691.399	691.124	676.188	658.965	640.137	620.975	604.144

Authorised Limit	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Operational Boundary + 10%	673.074	677.766	666.516	653.645	638.799	624.020	611.887
PPP/NPD long-term liability	79.514	74.973	70.264	64.742	59.411	53.684	47.883
Authorised Limit	752.588	752.739	736.780	718.387	698.210	677.704	659.770

Borrowing Projection v Approved Limits



Appendix 2: Treasury Risk Register

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

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

Appendix 3: Permitted Investments, Risks and Mitigating Controls

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

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

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

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

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Loans to a local authority company	These are service investments either at market rates of interest, or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	<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 2021/22, where applicable for North Ayrshire Council, are:

- capital expenditure (£312.654m);
- grants to third parties and expenditure on third party assets which would be classified as capital expenditure by a local authority (£0m);
- loans to third parties (£0m); and
- expenditure for which a borrowing consent has been issued by the Scottish Government (£0m).

Prudent repayment of Loans Fund advances

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

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

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

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

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

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

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

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

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

Estimates of prudent Loans Fund repayment

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

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment by HRA £m	Closing Balance £m
2019/20 actual	307.680	5.807	7.509	-8.279	-3.268	309.449
2020/21	309.449	0.000	11.699	-4.662	-3.832	312.654
2021/22 - 25/26	312.654	171.436	186.131	-23.695	-36.472	610.054
2026/27 - 30/31	610.054	8.448	3.875	-27.149	-46.325	548.903
2031/32 - 35/36	548.903	0.000	0.000	-33.485	-54.595	460.823
2036/37 - 40/41	460.823	0.000	0.000	-37.125	-59.778	363.920
2041/42 - 45/46	363.920	0.000	0.000	-39.613	-41.265	283.042
2046/47 - 50/51	283.042	0.000	0.000	-45.688	-22.404	214.950
2051/52 - 55/56	214.950	0.000	0.000	-46.843	-24.076	144.032
2056/57 - 60/61	144.032	0.000	0.000	-35.980	-26.315	81.737
2061/62 - 65/66	81.737	0.000	0.000	-34.664	-11.197	35.876
2066/67 & later	35.876	0.000	0.000	-35.876	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 2021) counterparty list and will be updated throughout the year based on information received by our Treasury Adviser.

Counterparty	Country of Domicile	Maximum Deposit/CD Duration	Repo & Covered Bonds	Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	AUTHORITY SPECIFIC LIMITS		
								Individual Cash Limit (£/%) £10m unless specified	Group Cash Limit (£/%)	Max Investment period
UNITED KINGDOM: BANKS										
BANK OF SCOTLAND PLC	GB	35 days	Yes	A+	A1	A+	Lloyds Banking Group		£10,000,000	35 days
LLOYDS BANK PLC	GB	35 days	Yes	A+	A1	A+				35 days
BARCLAYS BANK PLC	GB	35 days	-	A+	A1	A	Barclays Group			35 days
BARCLAYS BANK UK PLC	GB	35 days	Yes	A+	A1	A				35 days
HSBC BANK PLC	GB	35 days	Yes	AA-	A1	A+	HSBC Group			35 days
HSBC UK BANK PLC	GB	35 days	-	AA-	Aa3	A+				35 days
NATIONAL WESTMINSTER BANK	GB	35 days	Yes	A+	A1	A	RBS Group		£10,000,000	35 days
ROYAL BANK OF SCOTLAND PLC/T	GB	35 days	-	A+	A1	A				35 days
ULSTER BANK LIMITED	GB	35 days	-	A+	A1	A				35 days
SANTANDER UK PLC	GB	35 days	-	A+	A1	A				35 days
STANDARD CHARTERED BANK	GB	35 days	-	A+	A1	A	-			35 days
UK: BUILDING SOCIETIES										
NATIONWIDE BUILDING SOCIETY	GB	35 days	Yes	A+	A1	A				35 days

Counterparty	Country of Domicile	Maximum Deposit/CD Duration	Repo & Covered Bonds	Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	AUTHORITY SPECIFIC LIMITS		
								Individual Cash Limit (£/%) £10m unless specified	Group Cash Limit (£/%)	Max Investment period
UK: LOCAL AUTHORITIES										
ABERDEEN CITY COUNCIL	GB	2 years +	-		A1		-			2 years +
CORNWALL COUNCIL	GB	2 years +	-		Aa3		-			2 years +
GREATER LONDON AUTHORITY	GB	2 years +	-			AA	-			2 years +
GUILDFORD BOROUGH COUNCIL	GB	2 years +	-		Aa3		-			2 years +
LANCASHIRE COUNTY COUNCIL	GB	2 years +	-		A1		-			2 years +
SUTTON LONDON BOROUGH OF	GB	2 years +	-		Aa3		-			2 years +
TRANSPORT FOR LONDON	GB	2 years	-	A+	A1	A+	-			2 years
WARRINGTON BOROUGH COUNCIL	GB	2 years +	-		A2		-			2 years +
UK: OTHER INSTITUTIONS										
LCR FINANCE PLC	GB	10 years	-	AA-	Aa3	AA				10 years
NETWORK RAIL INFRASTRUCTURE	GB	10 years	-	AA-	Aa3					10 years
UNITED KINGDOM	GB	50 years	-	AA-	Aa3	AAu				50 years
WELLCOME TRUST FINANCE PLC	GB	20 years	-		Aaa	AAA				20 years
AUSTRALIA	AU			AAA	Aaa	AAAu				
AUST AND NZ BANKING GROUP	AU	35 days	Yes	A+	Aa3	AA-				35 days
NATIONAL AUSTRALIA BANK LTD	AU	35 days	Yes	A+	Aa3	AA-				35 days
FINLAND	FI	15 years		AA+	Aa1	AA+				15 years
NORDEA BANK ABP	FI	35 days	-	AA	Aa3	AA-				35 days
GERMANY	GE			AAA	Aaa	AAAu				
DZ BANK AG DEUTSCHE ZENTRAL-	GE	35 days	-	AA-	Aa1	AA-				35 days
KREDITANSTALT FUER WIEDERAUFBRAU (KFW)	GE	25 years	-	AAA		AAA				25 years
LANDESBANK BADEN-WUERTTEMBER	GE	35 days	-	A	Aa3	NR				35 days
IRELAND	IR			A+	A2	AA-				
ALLIED IRISH BANKS PLC	IR			BBB+	A2	BBB+				
BANK OF IRELAND	IR			BBB+	A2	A-				
NETHERLANDS	NE			AAA	Aaa	AAAu				
COOPERATIEVE RABOBANK UA	NE	35 days	-	AA-	Aa3	A+				35 days
SINGAPORE	SI			AAA	Aaa	AAAu				
DBS BANK LTD	SI	35 days	-	AA-	Aa1	AA-		£10,000,000		35 days
UNITED STATES OF AMERICA	US			AAA	Aaa	AA+u				

Counterparty	Country of Domicile	Maximum Deposit/CD Duration	Repo & Covered Bonds	Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	AUTHORITY SPECIFIC LIMITS		
								Individual Cash Limit (£/%) £10m unless specified	Group Cash Limit (£/%)	Max Investment period
SUPRANATIONAL										
COUNCIL OF EUROPE DEVELOPMENT BANK (CEDB)	FR	15 years	-	AA+	Aa1	AAA				15 years
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)	GB	25 years	-	AAA	Aaa	AAA				25 years
EUROPEAN INVESTMENT BANK (EIB)	LX	25 years	-	AAA	Aaa	AAA				25 years
INTER-AMERICAN DEVELOPMENT BANK (IADB)	US	25 years	-	AAA	Aaa	AAA				25 years
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (THE WORLD BANK)	US	25 years	-	AAA	Aaa	AAA	World Bank Group			25 years
NORDIC INVESTMENT BANK (NIB)	FI	25 years	-		Aaa	AAA				25 years

Appendix 6: Economic Background – Arlingclose's View January 2021

Economic Outlook

The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the Authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a COVID-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages were 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in November, the fourth successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

The US economy contracted at an annualised rate of 31.4% in Q2 2020 and then rebounded by 33.4% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

Credit outlook

After spiking in late March as coronavirus became a global pandemic and then rising again in October/November, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

