



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Cabinet

A Meeting of the **Cabinet** of North Ayrshire Council will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Tuesday, 20 March 2018** at **14:30** to consider the undernoted business.

1 Declarations of Interest

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

2 Minutes

The accuracy of the Minutes of the meeting of the Cabinet held on 20 February 2018 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

PRESENTATION

3 Inclusive Growth Diagnostic – Results of Pilot

Submit report and receive presentation by the Executive Director (Economy and Communities) on the North Ayrshire Inclusive Growth Diagnostic Pilot (copy enclosed).

GENERAL BUSINESS FOR DECISION

Reports by the Chief Executive

4 Call In: Communities – Short Life Working Group

Submit report by the Chief Executive on the outcome of a Call In to the Audit and Scrutiny Committee (copy enclosed).

Reports by the Executive Director (Finance and Corporate Support)

- 5 Revenue Budget 2017/18 : Financial Performance to 31 January 2018**
Submit report by the Executive Director (Finance and Corporate Support) on the financial performance of the Council (copy enclosed).
- 6 Capital Programme Performance to 31 January 2018**
Submit report by the Executive Director (Finance and Corporate Support) on the Capital Investment Programme as at 31 January 2018 (copy enclosed).
- 7 Strategic Risk Register 2018/19**
Submit report by the Executive Director (Finance and Corporate Support) on the Strategic Risk Register for 2018/19 (copy enclosed).
- 8 Health and Safety Annual Performance Report 2017**
Submit report by the Executive Director (Finance and Corporate Support) on the Health and Safety performance within Council Services (copy enclosed).

Reports by the Executive Director (Place)

- 9 Road, Structures and Street Lighting Maintenance Programme 2018/19**
Submit report by the Executive Director (Place) on the proposed Road, Structures and Street Lightening Maintenance Programme 2018/19 (copy enclosed).
- 10 Multi- Storey Tower Blocks: Options Appraisal**
Submit report by the Executive Director (Place) on future investment options for the seven multi- storey blocks in Irvine and Saltcoats (copy enclosed).
- 11 Solar PV Social Housing Retrofit**
Submit report by the Executive Director (Place) on the business case to install 500 rooftop solar photovoltaic (pv) systems across North Ayrshire Council housing stock (copy enclosed).
- 12 Window Replacement to Old Building at Ardrossan Civic Centre**
Submit report by the Executive Director (Place) on the window replacement to the old building at Ardrossan Civic Centre (copy enclosed).

Reports by the Executive Director (Economy and Communities)

- 13 Vacant and Derelict Land Funding**
Submit report by the Executive Director (Economy and Communities) on the expenditure of funds allocated by the Scottish Government the Vacant and Derelict Land Fund (copy enclosed).
- 14 Arran Outdoor Education Centre Business Improvement Plan**
Submit report by the Executive Director (Economy and Communities) on the Arran Outdoor Education Centre Business Improvement report (2017) (copy enclosed).

15 Urgent Items

Any other items which the Chair considers to be urgent.

Cabinet Sederunt

Joe Cullinane (Chair)
John Bell (Vice-Chair)
Robert Foster
Alex Gallagher
Louise McPhater
Jim Montgomerie

Chair:

Apologies:

Attending:

Present

Joe Cullinane, John Bell, Robert Foster, Louise McPhater and Jim Montgomerie.

Also Present

Shaun MacAulay, Jean McClung, Davina McTiernan and Donald L. Reid.

In Attendance

Elma Murray, Chief Executive; L. Friel, Executive Director, Maurice McTeague, Category Manager/Team Leader (Supplies and Services) and S. Wallace, Category Manager (Construction and Property Maintenance) (Finance and Corporate Support); K. Yeomans, Executive Director, A. Sutton, Head of Service (Connected Communities) and M. Strachan, Senior Business Manager (Economy and Communities); D. MacRitchie, Senior Manager (Criminal Justice Services) (Health and Social Care Partnership); L. Cree, Senior Manager (Property Management and Investment) (Place); A. Fraser, Head of Democratic Services; A. Beveridge, Communications Support Officer and D. McCaw, Committee Services Officer (Chief Executive's Service).

Chair

Joe Cullinane in the Chair.

Apologies

Alex Gallagher.

1 Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 10 and Section 5 of the Code of Conduct for Councillors.

2 Minutes

The accuracy of the Minutes of the meeting of the Cabinet held on 23 January 2018 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3 Carers (Scotland) Act 2016 – New Duties

Submitted report by the Interim Director (Health and Social Care Partnership) on amendments required to the North Ayrshire Integration Scheme to include new

duties put in place by the Carers (Scotland) Act 2016 and which require to be delegated. The Act comes into effect on 1 April 2018.

The Cabinet agreed to (a) note that duties under the Carers (Scotland) Act 2016 require to be delegated to the Integration Joint Board; (b) recommend to the Council that appropriate changes to the Council's Scheme of Administration and Scheme of Delegation to Officers are made as part of the next review of governance documents; and (c) to amend the North Ayrshire Integration Scheme to include new duties under the Carers (Scotland) Act 2016 and, subject to the agreement of NHS Ayrshire and Arran, to submit the revised Integration Scheme for the approval of Ministers.

4 Community Payback Order Annual Report

Submitted report by the Interim Director (Health and Social Care Partnership) on the work undertaken in the last year through Community Payback Orders with a particular focus on unpaid work requirement. The Annual Report prepared by the Chief Social Work Officer was set out at Appendix 1 to the report.

Members reflected on the positive performance and success of the programme in terms of partnership working with service users in relation to project based work.

Members asked questions and were provided with further information in relation to:-

- flexibility around chosen projects; and
- the breakdown between supervisions and the element of unpaid work.

The Cabinet agreed to (a) endorse the Annual Report set out at Appendix 1 to the report; and (b) congratulate the Social Work Justice Team on their work over the past year.

5 Syrian Resettlement Programme

Submitted report by the Executive Director (Place) on progress made following the Council's humanitarian commitment to participate in the Syrian Resettlement Programme since 2015 and seeking approval to extend this commitment.

Members expressed their thanks to the task force in relation to the partnership working carried out since 2015 to establish support packages.

The Cabinet agreed to (a) note the progress made on the Syrian Resettlement Programme to date; and (b) extend the Resettlement Programme within North Ayrshire by up to a further 60 refugees by 2021.

Please note - this item was heard by the Audit & Scrutiny Committee on 6 March 2018, please refer to the minute for the decision.

6 Communities – Short Life Working Group

Submitted report by the Executive Director (Economy and Communities) on the reconvening of a short life working group from 1 March 2018 comprising of North Ayrshire Council and the North Ayrshire Federation of Community Organisations (NAFCO) to address financial challenges faced by the public and voluntary sector in relation to the role of Community Associations and how they provide services to our communities.

Councillor McPhater proposed that the Working Group should have cross-party Elected Membership and that the format of the Group should be:-

- 3 x NAFCO
- 3 x NAC Officer
- 3 x Elected member (Chair - Cllr McPhater, 1 x SNP; 1 x Scottish Conservative and Unionist - with an Independent Member being offered a place if none of the Conservatives take up the place)

Members of the Cabinet unanimously agreed to this amendment.

Accordingly, the Cabinet agreed to (a) approve the request to reconvene the short life working group from 1 March 2018 comprising North Ayrshire Council and the North Ayrshire Federation of Community Organisations as proposed by Councillor McPhater; (b) that the Clerk contact the SNP and Conservative and Unionist Group Leaders asking for their nominations to the Working Group; and (c) receive future reports in relation to themes which may emerge from the recommendations of the working group.

7 West Of Scotland Loan Fund (WSLF) – Amendment to Members Agreement

Submitted report by the Executive Director (Economy and Communities) on the Articles of Association of the West of Scotland Loan Fund Ltd to enable member authorities to access funds no longer required for lending purposes. The draft Special Resolution was set out at Appendix 1 to the report. Appendix 2 detailed financial calculations for all member authorities at December 2017.

Members asked a question and were provided with further information in relation to other Councils who had still to approve the change.

The Cabinet agreed (a) to approve the proposal to amend the Articles of Association of the West Of Scotland Loan Fund (WSLF) as detailed in Appendix 1 to the report; (b) that NAC withdraws their unused funds subject to all Board

members agreeing the amendment; (c) that unused funds are earmarked to be utilised for the purposes outlined in the objects of the WSLF company and to support new EU applications being submitted in 2018; (d) to delegate to the Executive Director (Economy and Communities) to ensure the draft resolution is signed in accordance with the requirements of WSLF.

8 Year of Young People (YoYP) 2018: North Ayrshire Council Strategic Group

Submitted report by the Executive Director (Economy and Communities) on the establishment, membership and approach in relation to a YoYP Strategic group.

The Chief Executive advised that, in terms of Membership of the Strategic Group, all Members identified had agreed to their representation on the Group.

The Cabinet agreed (a) to approve the establishment of the YoYP Strategic group; and (b) to receive a future report in 2019 on the legacy contribution made by the group to young people in North Ayrshire.

9 Award of a Framework Agreement for the Professional Consultancy Services Partnership – Civil Engineering

Submitted report by the Executive Director (Finance and Corporate Support) on the result of the tender exercise for the Framework Agreement for the Professional Consultancy Services Partnership – Civil Engineering.

The Cabinet agreed to approve the award of Framework Agreement to RPS Consulting Services Ltd.

10 Award of Contract - Tender for Interim Residual Waste Management Contract

Submitted report by the Executive Director (Finance and Corporate Support) on the outcome of the tender for Interim Residual Waste Management Services.

The Cabinet agreed to (a) note the outcome of the tender process; and (b) approve the award of contract to Barr Environmental Ltd.

11 Urgent Items

The Chair agreed that the following item be considered as a matter of urgency to allow the award of contract to be progressed.

12 Award of a contract for Watt Court Sheltered Housing Unit Redevelopment

Submitted report by the Executive Director (Finance and Corporate Support) on the outcome of the tender the contract for Watt Court Sheltered Housing Unit Redevelopment.

The Cabinet agreed to approve the award of contract to Ashleigh Scotland Limited.

The Meeting ended at 3.15 p.m.

NORTH AYRSHIRE COUNCIL

20 March 2018

Cabinet

Title: **Inclusive Growth Diagnostic – Results of Pilot**

Purpose: To update Cabinet on the results of the North Ayrshire Inclusive Growth Diagnostic Pilot undertaken in partnership with the Scottish Government.

Recommendation: It is recommended that the Cabinet:

- (a) Note the findings of the Inclusive Growth Diagnostic Pilot, including the priorities for action and excluded groups.
- (b) Approve the work being undertaken to assess the Diagnostic findings against current Council activities and programmes and to identify areas where enhanced or additional activity is required; and
- (c) Support the dialogue with government and national agencies around what is required to facilitate inclusive growth in the area.

1. Executive Summary

- 1.1 North Ayrshire Council recognise that in an increasingly challenging economic environment, we have to work in new ways in order to deliver inclusive growth. As a result, the Council piloted the Scottish Government's Inclusive Growth Diagnostic, working in partnership with the Scottish Government's Office of Chief Economic Advisor. The main purpose of the diagnostic was to identify constraints and opportunities for driving inclusive growth in North Ayrshire in order to prioritise actions to address them. In December 2017, the Pilot won the 2017 Scottish Public Service Award for Policy Development.
- 1.2 The outputs from the Pilot are a set of identified local constraints that if tackled over a long and sustained period could make a transformational difference to our local communities and excluded groups. The Council will commence work to assess the findings of the Diagnostic against current activities and to identify areas where enhanced or additional activity might be required to tackle the constraints identified by the Diagnostic. The findings from the Diagnostic are also being used to inform the Council's Fair for All Strategy and the Basic Income Pilot.

2. Background

- 2.1 The Scottish Government's Economic Strategy launched in 2015, heralded a shift in emphasis in economic policy. While previous strategies had focused solely on economic growth or recovery, this strategy placed equal emphasis between economic growth and ensuring that all parts of society could benefit from growth, i.e. 'inclusive growth'. The approach to Scottish Government's economic strategy is based on two key mutually supportive pillars: increasing competitiveness and tackling inequality.
- 2.2 The concept of inclusive growth recognises that not all people, groups and places benefit from growth. This trend is evident within North Ayrshire, with certain geographies and groups not fully participating in economic growth. Therefore, Inclusive Growth is a key component of the Council's refreshed Economic Development and Regeneration Strategy.
- 2.3 In early 2016, the Scottish Government informed North Ayrshire Council of their intention to pilot an inclusive growth diagnostic tool. Based on a methodology by Harvard Economists, diagnostics are increasingly used in developing countries to identify the main constraints to growth and prioritise spending actions to unlock them. It is anticipated that taking the same evidence based approach to assessing the North Ayrshire economy would give the Council and its partners an agreed set of priorities. The diagnostic tool attempts to look at all the potential factors constraining inclusive growth in an economy and assess their relative importance in terms of impact and in terms of what issues people care about.
- 2.4 At its meeting of 21 June 2016, Cabinet supported the Council's participation in an Inclusive Growth pilot with Scottish Government and agreed that the results of the pilot are reported to Cabinet as part of the Council's measures to reduce inequality in North Ayrshire.

Method

- 2.5 The Pilot followed a five step process. Officers from Economy and Communities worked alongside the Scottish Government's Office of Chief Economic Advisor (OCEA) throughout this process.
 - 1) Interrogation of data to unpick what is driving local inclusive growth performance
 - 2) What constraints do benchmarking, evidence and local knowledge identify
 - 3) Community consultation to ensure constraints identified are accurate
 - 4) Prioritisation of constraints using diagnostic methodology
 - 5) Local results which are informing priorities and innovative projects
- 2.6 The diagnostic process began by benchmarking North Ayrshire's performance on a range of inclusive growth indicators against neighbouring local authorities and the Scottish average to identify high-level areas of achievement and challenge. This expanded the focus beyond the traditional measures of economic success and highlighted the areas to investigate through the diagnostic.

2.7 Due to the breadth of potential issues identified in North Ayrshire, a holistic diagnostic approach was utilised which investigated three levels:

- The external environment to determine what external drivers may be impacting on growth and inclusion in the area;
- Local conditions that are determining the opportunities of the local population at each stage of life; and,
- Social factors which act to compound an individual's experience of inclusive growth.

2.8 This produced a list of constraints which were agreed on as being the most important in North Ayrshire. At this point a range of groups across North Ayrshire were consulted to identify at a high level whether the constraints identified by the Pilot were considered as barriers by stakeholders. These engagements were held as part of officer's normal meetings/activity schedule. The groups consulted were as follows:

- Community Associations – Broomlands and Bourtreehill Community Association (BABCA), Barrmill Community Association, Pennyburn Community Association, Largs Organic Gardeners
- Criminal Justice partners and clients
- Employability and Skills partners and clients
- North Ayrshire Network Tenants' Inspection Panel and Service Improvement Groups

2.9 Work then took place to priorities this long list of constraints. The prioritisation exercise ranks the identified constraints based on the interaction of two dimensions: impact and care about.

- Impact – An evidence-based approach which ranks constraints based on their relative importance in unlocking inclusive growth opportunities. The methodology considers an assessment of synergies and trade-offs and impact on key excluded groups.
- Care about –This stage is a more qualitative assessment taking account of the preferences of policy-makers, local communities (feedback obtained from engagement undertaken with community groups to ensure correct constraints identified) and the private sector, as well as a time dimension and funding feasibility.

The methodology used to score constraints is attached as appendix 1.

Outcome

2.10 The result of the diagnostic was a list of constraints which the evidence indicates should be prioritised in order to achieve inclusive growth in North Ayrshire.

- Intermediate/Advanced skills
- Jobs density
- Health and well-being

- Basic digital skills
- Entry-level skills/Work-readiness
- Business-specific skills and entrepreneurship
- Childcare
- Migration and Population decline
- Sector composition
- Digital connectivity
- Aspirations
- Digital innovation
- Business premises
- People to jobs (transport)
- Housing
- Goods to market (transport)

The results are outlined in graph form in Appendix 2.

2.11 This exercise also identified ‘excluded’ groups – that is, groups sharing similar characteristics that have been particularly excluded from the benefits of economic growth (and particularly labour market inclusion). The excluded groups identified are as follows:

- Young People;
- Those experiencing long-term health problems;
- Those experiencing in-work poverty; and
- Females.

2.12 Throughout the pilot the importance of ‘social capital’ has been raised but due to difficulties with measuring social capital has not appeared in the analysis. The concept of social capital includes those elements of social networks that can bring about positive social, economic and health development at the micro (individual, family/household) and macro (local, national and international) level. North Ayrshire is now working with Scottish Government to develop a suite of social capital measures.

2.13 In December 2017, the Pilot won the 2017 Scottish Public Service Award for Policy Development.

Next Steps

2.14 The findings of the diagnostic are being used to inform investment and policy decisions in the short, medium and long term. In the short term the work is already being incorporated into the delivery of our current programmes. More emphasis on excluded groups such as females can be seen in recent “Skills for Life” programmes, which have focused on lone parents. We have increased investment in health and employability services recently resulting in increased employability referrals from Health Visitors and providing some support with condition management through an occupational health provider SALUS. We have increased our investment in developing basic digital skills in recent budgets.

2.15 In the medium to longer term it is important that we assess current activity against each of the constraints and excluded groups and identify where further action is required. This will then inform the development of key projects –

- Ayrshire Growth Deal
- Regional Partnership
- Supported Employment for disabled residents
- Final phase of EU funding 2019-2022
- Basic income pilot
- Implementation of Fair for All strategy

2.16 An Inclusive Growth Programme Manager has commenced employment in February 2018 in order to take forward such key pieces of work.

2.17 The inclusive growth diagnostic has influenced the priorities of the local authority in the delivery of its economic development plans, however there needs to be further discussions with government and its national agencies on how they will reflect and respond to the North Ayrshire priorities. To address the low jobs density (2 people of working age for every job in North Ayrshire) will largely depend on investment decisions that are made or directed by government or national agencies. Whilst it is recognised that the priorities in themselves are complex and interdependent, there needs to be recognition that national policy must change to recognise the challenges that North Ayrshire faces if inclusive growth is to be fully addressed. It is proposed that dialogue take places with national agencies and government on how they can facilitate inclusive growth.

Ayrshire Inclusive Growth Diagnostic

2.18 The underperformance of the Ayrshire economy and the stubborn persistence of deprivation means a new approach to growth is required. For Ayrshire to be successful and to build on its current strengths we must reduce the disparities across communities and make full use of the opportunities a growing Ayrshire economy presents. Successful economies are inclusive economies and tackling inequality will help ensure that the region is competitive in an increasingly global market and that our business and communities are resilient to emerging trends and technological advancements in the economy.

2.19 At the meeting of 28 February 2017, Cabinet noted that the Inclusive Growth Diagnostic is being rolled out across Ayrshire to inform the work of the Ayrshire Growth Deal and the Ayrshire Regional Partnership. By focusing on inclusive growth, we will ensure that the needs of all communities in Ayrshire are considered in our economic growth plans.

2.20 Through the work of the Ayrshire 'Inclusive Growth Diagnostic', we have collectively identified the barriers that individuals, local communities and businesses in Ayrshire face in participating in economic growth. This systematic interrogation of data and identification of collective barriers will be the basis of an Ayrshire Inclusive Growth Strategy. Through a regional approach and working with government we will ensure we have the expertise and specialist support, and alignment of the services required, to

remove these barriers, ensuring local communities across Ayrshire have the opportunity participate in regional growth.

3. Proposals

3.1 It is recommended that the Cabinet:

- (a) Note the findings of the Inclusive Growth Diagnostic Pilot, including the priorities for action and excluded groups;
- (b) Approve that work will commence to assess the Diagnostic findings against current Council activities and programmes and to identify areas where enhanced or additional activity is required; and
- (c) Support the dialogue with government and national agencies around what is required to facilitate inclusive growth in the area.

4. Implications

Financial:	There are no financial implications from this report, however the results of the work may influence future local spending priorities.
Human Resources:	There are no Human resource implications from this report.
Legal:	There are no legal implications from this report.
Equality: Children and Young People:	This report illustrates findings that could reduce inequalities in North Ayrshire. Young people have been identified as an 'excluded group' as part of the Diagnostic and work will be explored on how to remove the barriers faced by this group.
Environmental & Sustainability:	This report outlines findings that will support sustainable economic growth.
Key Priorities:	The Inclusive Growth Pilot supports the Council plan priorities of: <ul style="list-style-type: none"> • Growing our economy, increasing employment and regenerating our towns; • Working together to develop stronger communities; and • Ensuring people have the right skills for learning, life and work.
Community Benefits:	There are no community benefits related to this report

5. Consultation

- 5.1 North Ayrshire Council worked in partnership with the Scottish Government to develop the Diagnostic. Consultation has taken place with the Fair for All Steering Group. A range of local groups were consulted as part of the prioritisation exercise.



Karen Yeomans
Executive Director (Economy & Communities)

For further information please contact **Caitriona McAuley** on **01294 324020**.

Background Papers

Appendix 1: Inclusive Growth Diagnostic Prioritisation Methodology

Appendix 2: Inclusive Growth Diagnostic Findings

Appendix 1: Inclusive Growth Diagnostic Prioritisation Methodology

Impact Prioritisation

The following matrix is produced for each constraint in the diagnostic as an overview of the findings for the impact a particular constraint has and supporting evidence.

This is primarily an evidence-based exercise (led by analysts and supported by policy-makers).

Constraint	Inclusion		Growth		Sustainability		Trade-off Synergies	Ranking
	Impact	Evidence	Impact	Evidence	Impact	Evidence		
X	Large	Strong	Small	Strong	Medium	Weak	Positive	1
Y	Medium	Weak	Medium	Weak	Large	Weak	Negative	2
Z	Small	Strong	Medium	Medium	Small	Weak	Neutral	3

Impact Scoring

Impact Descriptor	Score	Inclusion	Growth	Sustainability
Large	3	The constraint significantly impacts upon more than 1 of the excluded groups (i.e. young people, women, long-term health problems, in-work poverty). Also if it significantly impacts upon inclusion within society as a whole.	The constraint is significantly holding back more than 1 of the key drivers of growth (i.e. innovation, investment, human capital, internationalisation).	Easing the constraint would have strong potential to ensure sustainability of inclusive growth, with strong positive implications for the more than one of the sustainability parameters (environmental sustainability, fiscal sustainability and social cohesion).
Medium	2	The constraint significantly impacts upon 1 of the excluded groups (i.e. young people, women, long-term health problems, in-work poverty). Also it impacts upon inclusion within society as a whole.	The constraint is negatively impacting 1 of the key drivers of growth (i.e. innovation, investment, human capital, internationalisation).	Easing the constraint would have positive implications for the one of the sustainability parameters (environmental sustainability, fiscal sustainability and social cohesion).
Small	1	The constraint has a minimal impact upon the excluded groups (i.e. young people, women, long-term health problems, in-work poverty). Also it has some impacts upon inclusion within society as a whole.	The constraint has a minimal impact on the key drivers of growth (i.e. innovation, investment, human capital, internationalisation).	Easing the constraint would have minimal positive implications for the sustainability parameters (environmental sustainability, fiscal sustainability and social cohesion).
Neutral	0	The constraint has no positive or negative impacts upon the inclusion groups or inclusion within society as a whole.	The constraint has no positive or negative impacts on the key drivers of growth.	Easing the constraint would have no positive or negative implications for the sustainability parameters
Negative	-1	If the constraint were to be eased then there would be a	If the constraint were to be eased then there would be a	If the constraint were to be eased then there would be a

		negative effect upon the excluded groups (i.e. young people, women, long-term health problems, in-work poverty) or inclusion within society as a whole.	negative effect on the key drivers of growth (i.e. innovation, investment, human capital, internationalisation).	negative effect on the sustainability of inclusive growth, risking breakdown in fiscal sustainability, social cohesion or environmental damage.
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Evidence Scoring

Evidence Rating	Score	
Strong	3	There is a large amount of good quality both quantitative and qualitative evidence which supports the impact the constraint has on Inclusion/ Growth/ Sustainability.
Medium	2	There is some qualitative evidence which supports the impact the constraint has on Inclusion/ Growth/ Sustainability.
Weak	1	There is minimal qualitative evidence which supports the impact the constraint has on Inclusion/ Growth/ Sustainability.
No Evidence	0	There is no qualitative or quantitative evidence which supports the impact the constraint has on Inclusion/ Growth/ Sustainability.

Trade-offs/ Synergies

Evidence Rating	Score	Calculate the trade off and synergies with easing the constraint
Positive	3	The result is greater synergies than trade-offs.
Neutral	0	The synergies and trade-offs balance out.
Negative	-3	The result is greater trade-offs than synergies.

Overall Ranking

To calculate the overall ranking, firstly multiply each of the Impact scores by their relevant Evidence scores, then add together along with the Trade-offs/ Synergies score. Finally, multiply the overall score with either the Feasibility score. The constraints can be ranked based on these scores. Example:

Constraint	Inclusion		Growth		Sustainability		Trade-off Synergies	Feasibility (SG power)	Ranking (score)
	Impact	Evidence	Impact	Evidence	Impact	Evidence			
X	Large	Strong	Small	Strong	Medium	Weak	Positive	Yes	
Score	3	3	1	3	2	1	3	1	17

'Care About'/ Deliverability Prioritisation

The following matrix is produced for the care about/ deliverability dimension. Equal weightings are given to each of the underlying factors. This represents the policy side of the diagnostic (led by policy-makers with analyst support).

Constraint	Preference of key groups	Time Dimension		Funding	Care about ranking
		Time for constraint to be eased	Time once constraint eased for impact to be felt on inclusive growth		
X	High	Short Term	Medium Term	Medium	1
Y	Medium	Medium Term	Long Term	Low	2
Z	Low	Long Term	Long Term	High	3

The criteria agreed with NAC to rank the constraints are:

1. Preferences of three key groups, including:
 - Local community
 - Businesses
 - Decision/ policy-makers
2. Time dimension (length of time for constraint to be eased and benefit to be felt)
3. Funding (level of funding required to ease constraint)

The criteria for scoring on each of these factors is outlined below.

Preference of key groups

Priority	Score	Inclusion
High	3	The constraint is a key concern for all groups (community, business and decision-makers).
Medium	2	The constraint is a key concern for two groups, or of moderate concern to all groups.
Low	1	The constraint is a concern to only one group, or of low concern to all/ some groups.
Neutral	0	The key groups see no positive or negative impacts from alleviating the constraint.
Negative	-1	One or more groups consider that easing the constraint would have a negative impact.

Time dimension

	Score	Time for constraint to be eased	Time once constraint eased for impact to be felt on inclusive growth
Long Term	1	Policy actions would take longer than 5 years to impact and alleviate the constraint	Once the constraint has been eased, the benefit impact on inclusive growth will be felt after 5 (or more years).
Medium Term	2	Policy actions would take between 1 and 5 years to impact and alleviate the constraint	Once the constraint has been eased, the benefit impact on inclusive growth will be felt after between 1 and 5.

Short Term	3	Policy actions would immediately/within 1 year impact and alleviate the constraint	Once the constraint has been eased, the benefit impact on inclusive growth will be felt immediately/within 1 year
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Funding

	Score	How much funding does easing the constraint need?
High	1	Policy actions needed to take to ease the constraint would approximately more than £1,000,000
Medium	2	Policy actions needed to take to ease the constraint would approximately between £100,000 and £1,000,000
Low	3	Policy actions needed to take to ease the constraint would approximately cost up to £100,000

Overall Score

The overall score was calculated by simply adding these scores. The constraints were then ranked based on these final scores.

North Ayrshire Inclusive Growth Diagnostic Pilot

Winner of 2017 Scottish Public
Service Award for Policy
Development

Delivering our services with

Focus. Passion. Inspiration.

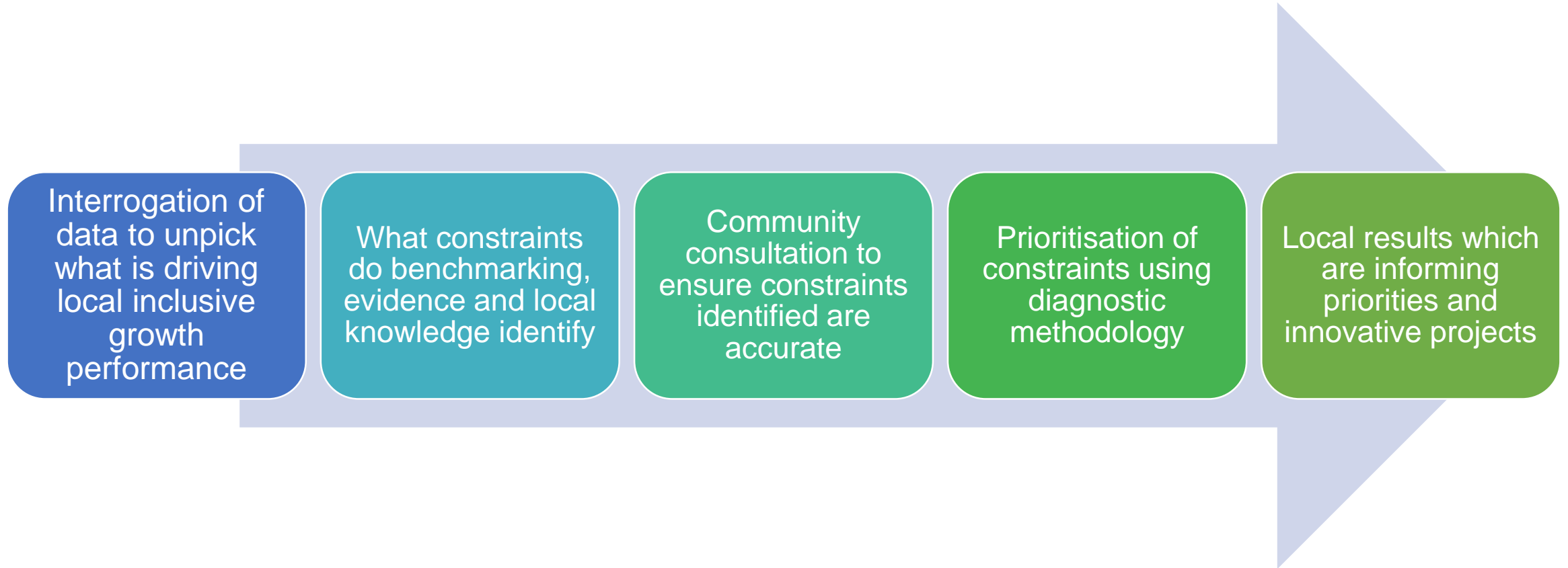


North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Proud to be  Overall Council of the Year 2017



North Ayrshire Inclusive Growth Diagnostic Pilot



Purpose: Main purpose is to identify constraints and opportunities for driving inclusive growth in North Ayrshire in order to prioritise actions to address them.

Excluded Groups Identified

Young people

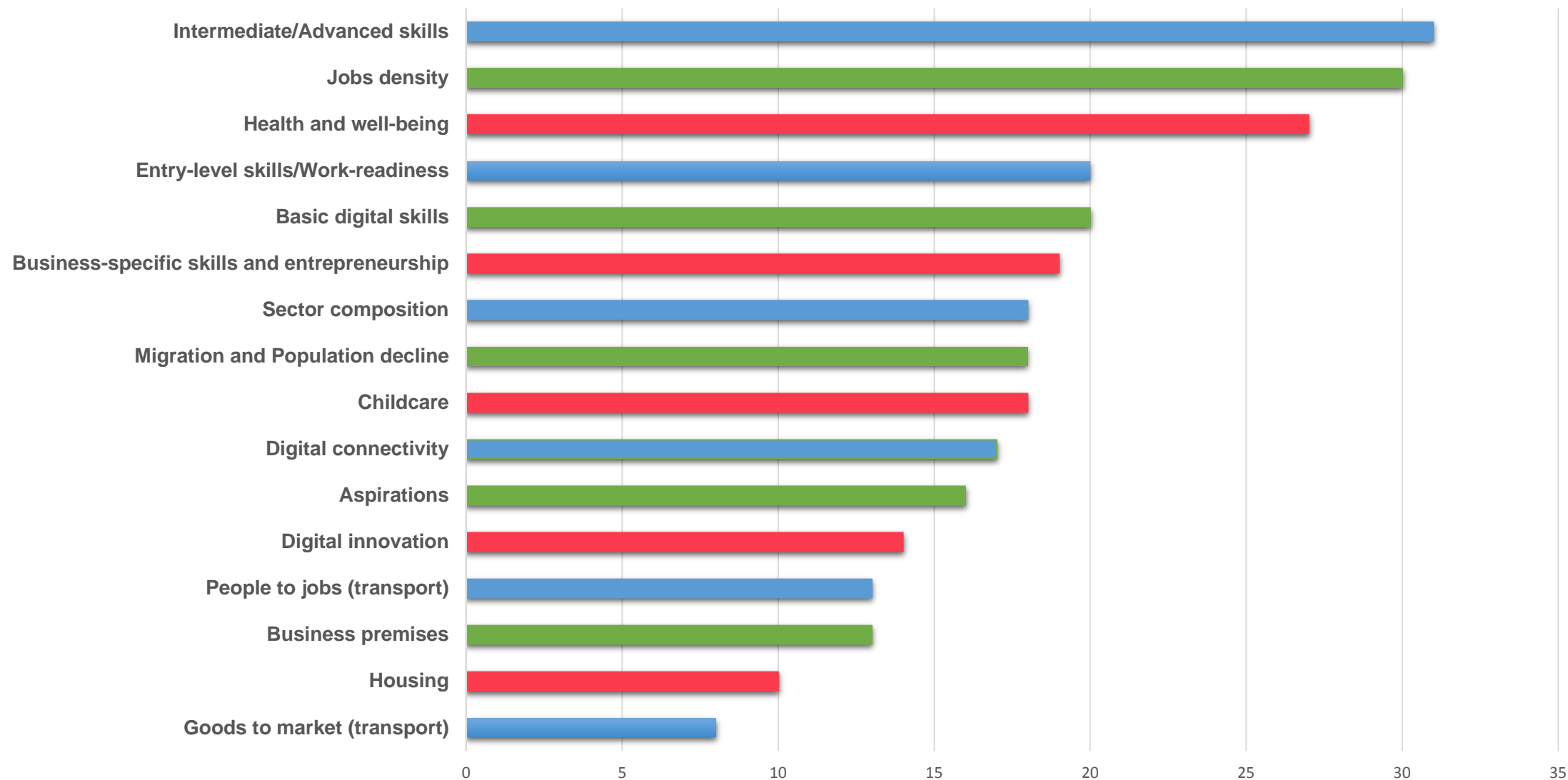
Those experience long-term health problems

Those experiencing in-work poverty

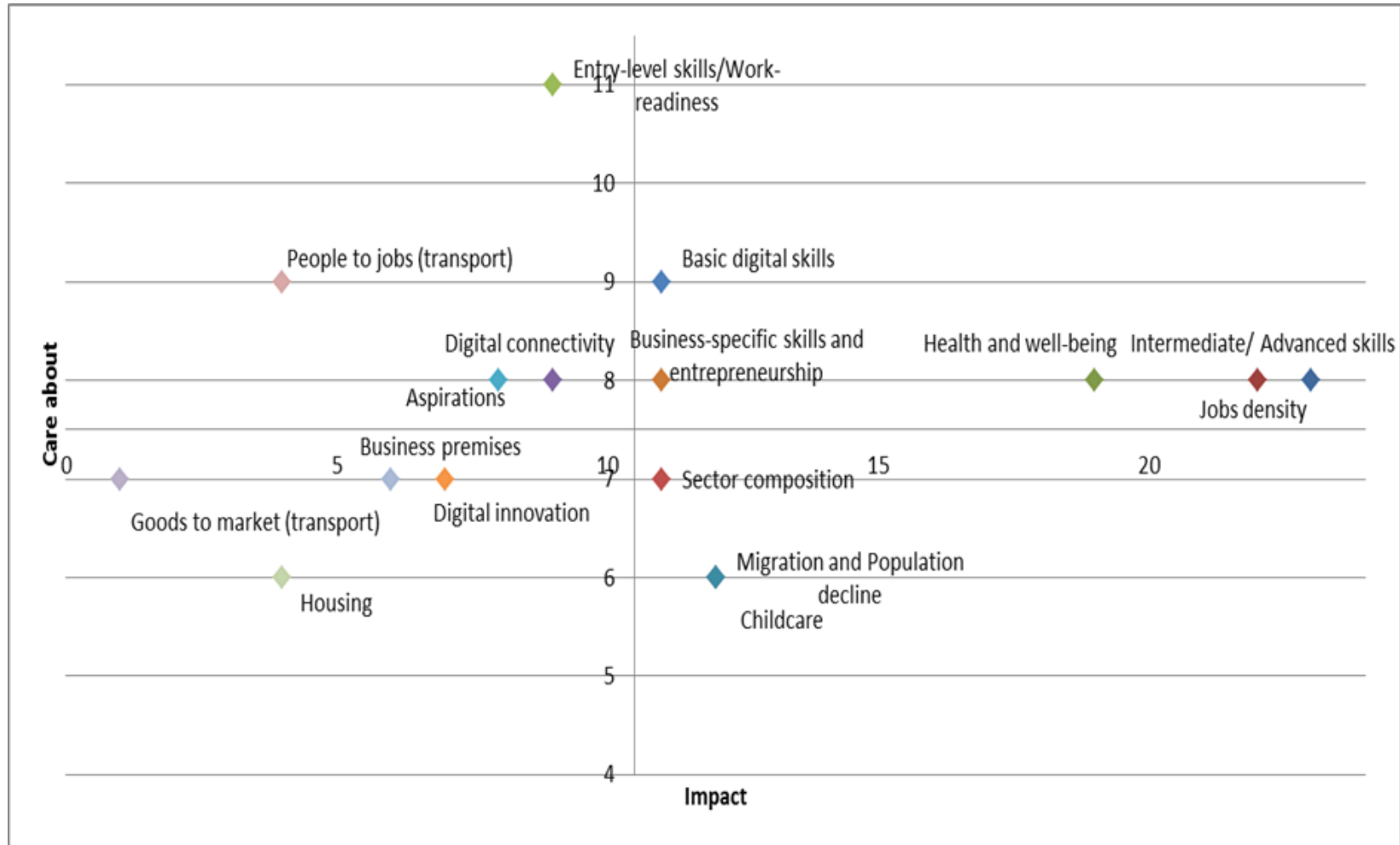
Females



Diagnostic Results: Total Prioritisation Score



Diagnostic Results: Impact and Care About



Diagnostic Results: Impact and Care About

Constraint	Total Score	Impact	Care About
Intermediate/Advanced skills	31	23	8
Jobs density	30	22	8
Health and well-being	27	19	8
Basic digital skills	20	11	9
Entry-level skills/Work-readiness	20	9	11
Business-specific skills and entrepreneurship	19	11	8
Childcare	18	12	6
Migration and Population decline	18	12	6
Sector composition	18	11	7
Digital connectivity	17	9	8
Aspirations	16	8	8
Digital innovation	14	7	7
Business premises	13	6	7
People to jobs (transport)	13	4	9
Housing	10	4	6
Goods to market (transport)	8	1	7

NORTH AYRSHIRE COUNCIL

20 March 2018

Cabinet

Title: **Call In: Communities – Short Life Working Group**

Purpose: To advise the Cabinet of the outcome of a Call In to the Audit and Scrutiny Committee.

Recommendation: That the Cabinet considers the recommendations of the Audit and Scrutiny Committee.

1. Executive Summary

- 1.1 This report sets out (i) the background to a Call In Request in respect of the decision taken by Cabinet at its meeting on 20 February 2018 on reconvening the short-life working group comprising North Ayrshire Council and the North Ayrshire Federation of Community Organisations (NAFCO) and (ii) the outcome of a Special meeting of the Audit and Scrutiny Committee which took place on 6 March 2018 to consider the Call In.

2. Background

- 2.1 The Cabinet, at its meeting on 20 February 2018, considered a report by the Executive Director (Economy and Communities) on the reconvening of a short life working group, from 1 March 2018, comprising North Ayrshire Council and the North Ayrshire Federation of Community Associations (NAFCO) to address financial challenges faced by the public and voluntary sector in relation to the role of community associations and how they provide services to our communities.

2.2 The Cabinet agreed:-

(a) to reconvene the short life working group from 1 March 2018 comprising North Ayrshire Council and the North Ayrshire Federation of Community Organisations and that the format of the Group should be:- • 3 x NAFCO • 3 x NAC Officer • 3 x Elected member (Chair - Cllr McPhater, 1 x SNP; 1 x Scottish Conservative and Unionist - with an Independent Member being offered a place if none of the Conservatives take up the place).;

(b) that the Clerk contact the SNP and Conservative and Unionist Group Leaders asking for their nominations to the Working Group; and

(c) to receive future reports in relation to themes which may emerge from the recommendations of the working group.

- 2.3 A Call A Call In Request, signed by Councillors Barr, McNicol and Donald L. Reid, and referring in particular to (b) and (c) of the above decision, was received in the following terms:-

“Reason for Call In

The working group should have cross party elected membership and that the format of the group should be: 3 NAFCO/3 NAC officers/3 Elected Members (Cllr McPhater, 1 x SNP, 1 Conservative and Unionist —with an Independent Member being offered a place if none of the Conservatives take up the place. Why is an Independent Member not invited to attend the working group?

Desired Outcome

The decision is referred back to Cabinet to reconsider decision and we recommend that all future reports in relation to themes which may emerge from the recommendations of the working group be reported to future meeting of the full Council.”

- 2.4 The Audit and Scrutiny Committee considered the Call In request at a Special meeting on 6 March 2017. The Committee heard from Councillor McNicol on behalf of the Members who had requested the Call In. Councillor McNicol expressed the view that the Independent Members should also be invited to serve on the working group, rather than being offered a place only in the circumstances set out in the Cabinet Minute. Councillor McNicol also intimated that, given the importance of community centres to Elected Members and the communities they serve, any recommendations arising from the working group should be considered by the full Council.
- 2.5 The Leader also addressed the meeting, on behalf of the Cabinet Member for Communities. Councillor Cullinane advised that it had been the intention of the Cabinet to extend the invitation to Independent Members and the Conservative and Unionist Group collectively. He intimated that he was not averse to an additional place being offered to allow an Independent Member to serve on the working group, albeit that NAFCO may also wish an additional place in the interests of parity. Councillor Cullinane indicated that he had no objection to the suggestion that the working group report to the Council rather than to the Cabinet.
- 2.6 The Committee also heard from the Head of Service (Connected Communities) (Economy and Communities), who invited Members to consider the importance of parity of esteem in the Council’s work with NAFCO, as well as the issue of manageability given the work to be carried out by the working group within a short timescale.
- 2.7 Members discussed the need for parity between Elected Member and NAFCO representation and considered the implications in terms of timing of the working group reporting to Council rather than to the Cabinet. Thereafter, the Audit and Scrutiny

Committee agreed to accept, in part, the terms of the Call In and recommended to the Cabinet that the Elected Member representation on the working group be increased to four to allow the appointment of an Independent Member, with a further place also offered to NAFCO in the interests of parity, but that no change be made to the decision that the working group report to the Cabinet.

3. Proposals

3.1 The Audit and Scrutiny Committee invites the Cabinet to consider the following recommendations in respect of its decision of 20 February 2018:-

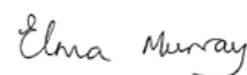
- (a) that the Elected Member representation on the working group be increased to four to allow the appointment of an Independent Member, with a further place also offered to NAFCO in the interests of parity; but
- (b) that no change be made to the decision that the working group report to the Cabinet.

4. Implications

Financial:	None arising from this report.
Human Resources:	None arising from this report.
Legal:	None arising from this report.
Equality:	None arising from this report.
Children and Young People:	None arising from this report.
Environmental & Sustainability:	None arising from this report.
Key Priorities:	None arising from this report.
Community Benefits:	N/A

5. Consultation

5.1 No further consultation has been undertaken in compiling this report.



Elma Murray OBE
Chief Executive

For further information please contact **Melanie Anderson, Committee Services Team Leader** on **telephone number 01294 324131**.

Background Papers

N/A

NORTH AYRSHIRE COUNCIL
20 March 2018**Cabinet**

Title: **Revenue Budget 2017/18 : Financial Performance to 31 January 2018**

Purpose: To advise Cabinet of the financial performance for the Council at 31 January 2018.

Recommendation: That Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) approve the earmarking of £0.312m identified at 2.4 (iv) to meet future year commitments; (c) note the current financial projection for the Health and Social Care Partnership; and (d) approve the virements detailed in Appendix 10.

1. Executive Summary

- 1.1 The Council's General Fund and Housing Revenue budgets for 2017/18 were approved at a special meeting of the Council held on 1 March 2017.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the third report for 2017/18 and covers the period to the end of January 2017 (Period 10). Projections of the year-end position have been made.
- 1.3 At Period 10 the General Fund is forecasting a net in-year underspend of £2.413m (0.7%) after transferring resources to other funds, an increase of £0.081m from that reported at Period 8.
- 1.4 The Housing Revenue Account is forecasting a net in-year surplus of £0.196m. Period 8 reported a break-even position.
- 1.5 The Health and Social Care Partnership is forecasting an overspend of £3.433m at the end of January 2017. The Council services element of the projected overspend is £1.865, after the application of £1.4m from the Challenge Fund to support service delivery. This represents a decrease of £0.377m from that reported at Period 8.

1.6 The General Fund forecast position includes the impact from delays in the realisation of savings previously approved by Council in relation to:

- Place, where slippage on savings is being met from within the core budget; and
- The Health and Social Care Partnership, where a number of savings on Council commissioned services require further action to secure delivery. The forecast position includes an assumption that £0.555m of savings, alongside £0.781m of Challenge Fund savings and £0.462m of other mitigating actions will not be delivered during 2017/18, contributing to the overspend within the Partnership.

2. Background

General Fund

2.1 The Council has set a break-even budget for 2017/18. In addition to the budget approved on 1 March 2017, earmarked funds of £14.742m have been carried forward from 2016/17 for service expenditure in 2017/18 and are reflected in the figures within the 2017/18 financial performance reports as they are drawn down.

2.2 Current financial projections indicate that an in-year surplus of £2.413m, net of transfers to reserves, is anticipated for the year to 31 March 2018. This represents 0.7% of the Council's total budget.

2.3 Details of the current financial projections are summarised in the following table:

	Appendix No	Annual Budget £000's	Projection to 31 March 2018 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 8 (Fav)/Adv £000's	Movement £000's	Note
Service Expenditure							
Chief Executive and Democratic Services	1	3,545	3,469	(76)	(47)	(29)	
Finance & Corporate Support	2	16,439	15,971	(468)	(471)	3	
Education and Youth Employment Place	3	111,130	110,676	(454)	(601)	147	(i)
	4	57,116	56,719	(397)	(258)	(139)	(ii)
Economy and Communities	5	19,346	19,298	(48)	(143)	95	(iii)
Other Corporate Services	6	18,209	16,643	(1,566)	(1,048)	(518)	(iv)
Sub Total		225,785	222,776	(3,009)	(2,568)	(441)	
Health and Social Care Partnership	7,8	88,514	88,514	-	-	-	2.6
Balance for Services		314,299	311,290	(3,009)	(2,568)	(441)	
Financing Charges *	9	19,692	16,986	(2,706)	(2,706)	-	
Total Planned Expenditure		333,991	328,276	(5,715)	(5,274)	(441)	
Planned Income							
Aggregate External Finance	9	(271,853)	(271,853)	-	-	-	
Council Tax	9	(52,002)	(51,818)	184	136	48	
Use of Change Fund	9	(436)	(436)	-	-	-	
Use of Earmarked Funds	9	(9,700)	(9,700)	-	-	-	
Total Planned Income		(333,991)	(333,807)	184	136	48	
Net Expenditure/ (Income)		-	(5,531)	(5,531)	(5,138)	(393)	
Carried Forward Funds *		-	3,118	3,118	2,806	312	
Revised Net Expenditure/(Income)		-	(2,413)	(2,413)	(2,332)	(81)	

* Financing Charges underspend of £2.706m transferred to Loans Fund Reserve in accordance with agreed policy

2.4 Commentary on Significant Movements from the Forecast at Period 8

The Council's overall financial forecast against the previous underspend is an increase of £0.081m. A brief explanation of the significant movements from Period 8 is outlined below:

(i) **Education and Youth Employment - underspend of £0.454m, a decrease of £0.147m**

The decrease is mainly due to additional costs for Residential School placements following a full review and apportionment of all placements with the HSCP.

(ii) **Place - underspend of £0.397m, an increase in underspend of £0.139m**

The increased underspend is primarily related to planned works of £0.260m that will not commence until the new financial year, with a request for carry forward. This is partially offset by an overspend of £0.200m due to severe weather.

(iii) **Other Corporate Services - underspend of £1.566m, an increase in underspend of £0.518m**

The increased underspend relates to additional grant from the Scottish Government in respect of probationer Teachers, release of funds set aside for Discretionary Housing Payments and fuel inflation no longer required.

(iv) **Request to Carry Forward**

It is proposed to carry forward at total of £0.312m. £0.260m of this is within Place as noted above. There are also proposals to carry forward £0.015m within Education for GIRFEC and £0.037m within Economy and Communities for the production of the Local Development Plan.

Health and Social Care Partnership at Period 10

2.5 The Health and Social Care Partnership is forecasting an overspend of £3.433m at the end of January 2018. The Council services element of the projected overspend is £1.865m. This represents a decrease of £0.377m. The main areas of movement since Period 8 are:-

- **Community Care and Health – underspend of £1.211m, an increase in the projected underspend of £0.378m**

Within Locality Services additional income has been secured from charges to users in line with the charging policy (£0.067m), the planned underspend in equipment agreed as part of the mitigation plan has been achieved (£0.200m), these are partially offset with increased spend in care home respite placements (£0.100m). Within Community Care Service Delivery in house homecare has a favourable movement of £0.178m in relation to the mitigation to delay the recruitment of posts.

- **Mental Health Services – overspend of £1.143m, an increase in the projected overspend of £0.193m**

Within Learning Disability, the costs of care packages are increasing (£0.073m) due to young people transitioning to adult services. There are also adverse movements in:

- payments to Cunninghame Housing Association (£0.039m) as the service was unbudgeted,
- direct payments (£0.031m) as the assumed recovery of unspent balances was less than projected; and
- income (£0.080m) due to charges from users and income from other local authorities for the use of Taigh Mor being less than projected.

- **Children's Services and Criminal Justice – an overspend of £2.110m, a reduction in the projected overspend of £0.055m**

Residential Schools and Community Placements show a favourable movement of £0.055m from P8. This is the net result of the review of apportionment of funding

with Education, offset by new placements (1 secure, 2 residential) and revised placement discharge dates.

£2.037m of mitigation was previously approved, of which £0.704m has been delivered and reflected in the £3.433m forecast overspend. Added to the £3.245m deficit brought forward from 2016/17 this could result in a projected closing deficit of £6.678m.

The main areas of pressure continue to be:

- Adult care packages - the packages are being reviewed and progress is monitored through the bi-weekly funding panel chaired by head of service. Care package requests/reductions are made against a risk criteria to ensure all risks are mitigated and vulnerable people can access services in accordance with statutory requirements. Further work is taking place to address planning for young people in transition from children's services.
- Looked after and accommodated children - the projects funded as part of phase 1 of the Challenge Fund are progressing well, however, financial benefit from the resultant reduction in children accommodated will be seen through 2018/19.

The Partnership recognises that it requires to operate within its budgets and that this currently not being achieved. Work is in progress to realign 2018/19 budgets and also to:

- Bring a transformation and change agenda to the forefront.
- Create a financial framework to allow detailed monitoring of month to month spending ensuring early identification of potential overspends and corrective action being put in place.
- Maximising the savings achievable from the Challenge Fund with phase 2 being submitted for approval early in 2018/19
- The medium term financial strategy will be finalised and presented to the IJB in April
- The action plan from the budget management audit will be rolled out to ensure operational budget management arrangements are tightened and fit for purpose to improve financial performance.

The interim Chief Finance and Transformation Officer is working with the HSCP to develop a financial framework that will enforce financial accountability across the Partnership and support more robust financial management. A report will be presented to Audit and Scrutiny Committee outlining the approach to strengthening financial accountability across the Partnership.

A summary of projections is included within Appendices 7 and 8 and members can be provided with copies of the full Integration Joint Board report if required.

Budget Transfers/Virements

- 2.6 A schedule of the budget transfers, or virements, requested by Services which require to be approved by Cabinet is attached at Appendix 10 for Members' consideration and approval.

Housing Revenue Account

- 2.7 The Housing Revenue Account budgeted for a break even position in 2017/18. A net in-year surplus of £0.196m is currently projected. This is summarised in the following table with further details provided in Appendix 11.

	Annual Budget	Projection to 31 March 2018	Projected Variance for year (Fav)/Adv	Projected Variance @ Period 8 (Fav)/Adv	Movement	Note
	£000's	£000's	£000's	£000's	£000's	
Employee Costs	4,522	4,515	(7)	-	(7)	
Property Costs	17,100	16,713	(387)	(187)	(200)	(i)
Supplies and Services	228	230	2	(16)	18	
Transport and Plant Costs	38	34	(4)	(3)	(1)	
Administration Costs	1609	1556	(53)	(60)	7	
Other Agencies and Bodies	1387	1374	(13)	(5)	(8)	
Transfer Payments	121	91	(30)	(30)	-	
Other Expenditure	403	419	16	16	-	
Capital Financing	22284	22291	7	-	7	
Gross Expenditure	47,692	47,223	(469)	(285)	(184)	
Income	(47,692)	(47,419)	273	285	(12)	
Net Expenditure	-	(196)	(196)	-	(196)	

2.8 Commentary on Significant Movements from the Forecast at Period 8

Cabinet at its meeting on 23 January 2018 approved a number of significant virement which realigned resources removing a number of variances reported previously. A brief explanation of the significant movements from period 8 is outlined below.

- (i) **Property Costs - underspend of £0.387m, a decrease in underspend of £0.200m from period 8**

This is due to a reduction in the cost of void and planned repairs.

3. Proposals

- 3.1 That Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) approve the earmarking of £0.312m identified at 2.4 (iv) to meet future year commitments; (c) note the current financial projection for the Health and Social Care Partnership; and (d) approve the virements detailed in Appendix 10.

4. Implications

Financial:	General Services The net projection for the year as at 31 January 2018 is a surplus for the year of £2.413m. Housing Revenue Account The net projection for the year as at 31 January 2018 is an underspend of £0.196m.
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People:	None
Environmental & Sustainability:	None
Key Priorities:	This budget monitoring report directly supports the Council Plan 2015 to 2020 by "making the best use of all resources" and ensuring a "sound financial position".
Community Benefits:	None

5. Consultation

- 5.1 Executive Directors have been consulted as part of the review of financial performance and have approved the projected variances contained in this report.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

For further information please contact Angus Grossart, Team Manager (Financial Management) on (01294) 324455.

Background Papers

Revenue Budget 2017/18 : Financial Performance to 30 November 2017 - Cabinet - 23 January 2018

CHIEF EXECUTIVE SERVICE
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Legal	459	453	(6)	(1%)	1
Policy, Performance & Community Planning	718	750	31	4%	2
Communications	484	424	(59)	(12%)	3
Civil Contingencies	69	73	3	5%	
Committee Services	722	676	(45)	(6%)	4
Members Services	1,093	1,093	(0)	(0%)	
Totals	3,545	3,469	(76)	(2%)	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	2,867	2,729	(138)	(5%)
Property Costs	7	7	-	-
Supplies and Services	141	201	60	43%
Transport and Plant Costs	14	14	0	1%
Administration Costs	962	956	(6)	(1%)
Other Agencies & Bodies	391	401	10	2%
Transfer Payments	-	-	-	-
Other Expenditure	-	-	-	-
Gross Expenditure	4,382	4,307	(75)	(2%)
Income	(837)	(838)	(1)	0%
Net Expenditure	3,545	3,469	(76)	(2%)

CHIEF EXECUTIVE SERVICE
BUDGETARY CONTROL 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Budget £000	Outturn Variance £000	Variance as % of budget	Section
Note 1			Legal
			Movement - increased underspend of £0.025m due to employee costs
1,056	(27)	-3%	Employee costs - There is a projected underspend of (£0.027m) due to anticipated vacancies
32	22	68%	Supplies and Services - There is a projected overspend of £0.022m for purchase of new IT equipment
(699)	(1)	0%	Income - There is a projected over-recovery of income of £0.001m. This is due to anticipated debtor account write offs of £0.033m offset by anticipated over-recovery of licensing income streams
70	1	1%	Other minor variances
(6)			
Note 2			Policy, Performance & Community Planning
			No significant movement
639	15	2%	Employee costs - There is a projected overspend of £0.015m mainly due to turnover target not being achieved
21	18	86%	Supplies and Services - There is a projected overspend of £0.018m mainly for purchase of new IT equipment
59	(2)	-3%	Other minor variances
31			
Note 3			Communications
			No significant movement
455	(75)	-16%	Employee costs - There is a projected underspend of (£0.075m) due to two vacant posts which will be partly used to purchase IT Equipment for the whole of Democratic Services
12	16	127%	Supplies and Services - There is a projected overspend of £0.016m for purchase of new IT equipment
16	-	0%	Other minor variances
(59)			
Note 4			Committee Services
			No significant movement
587	(54)	-9%	Employee costs - There is a projected underspend of (£0.054m) due to a vacant posts
135	9	6%	Other minor variances
(45)			

**FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2017/18**

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Directorate	167	168	1	1%	
Audit & Risk	608	640	32	5%	
Finance					
Head of Service	122	171	49	40%	
FMS Project	77	86	9		
Financial Services	1,598	1,644	46	3%	1
Corporate Procurement	636	646	10	2%	
People & Transformation					
Head of Service	109	109	0	0%	
Human Resources	1,551	1,494	(57)	-4%	2
Customer & Digital Services					
Head of Service	107	107	0	0%	
ICT	3,164	3,075	(89)	-3%	3
Customer Services & Registration	2,296	2,215	(81)	-4%	4
Business Support	1,707	1,523	(184)	-11%	5
Revenues & Benefits	3,605	3,385	(220)	-6%	6
Change Programme	331	351	20	6%	7
Information Governance	361	357	(4)	-1%	
Totals	16,439	15,971	(468)	-3%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	14,177	13,659	(518)	-4%
Property Costs	-	3	3	-
Supplies and Services	45	46	1	2%
Transport and Plant Costs	1,756	1,855	99	6%
Administration Costs	601	561	(40)	-7%
Other Agencies & Bodies	1,729	1,768	39	2%
Transfer Payments	51,797	51,777	(20)	0%
Other Expenditure	-	-	-	-
Capital Financing			-	-
Gross Expenditure	70,105	69,669	(436)	-1%
Income	(53,666)	(53,698)	(32)	0%
Net Expenditure	16,439	15,971	(468)	-3%

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 1		Financial Services
			There is no material change from Period 8.
1,667	(36)	-2%	Employee Costs - There is an underspend of £0.036m due to vacancy management
89	57	64%	Supplies & Services - There is a projected overspend of £0.057m due to software commitments
-191	21	-11%	Income - There is a predicted income shortfall of £0.021m following the cessation of the CJA Admin Grant (£0.005m) and recharges to EAC/SAC for Accountancy services in respect of CJA Accounts that are no longer produced (£0.016m)
33	4	12%	Other minor movements
	46		
	Note 2		Human Resources
			There is no material change from Period 8.
1,387	(22)	-2%	Employee Costs - There is a projected underspend of £0.022m due to the transfer of a vacant post from Business Support alongside reduced hours and maternity-related savings
121	(19)	-16%	Administration Costs - Projected underspend of £0.019m within staff training courses
310	33	11%	Third Party Payments - Projected overspend of £0.033m due to additional Occupational Health charges which are fully recharged out and net off against the additional income.
-343	(45)	13%	Income - There is a projected over recovery in Occupational Health recharges of £0.054m, offset by a projected income shortfall of £0.009m due to the cessation of both Irvine Bay income and CJA Admin Grant income
76	(4)	-5%	Other minor movements
	(57)		
	Note 3		ICT
			There is no material change from Period 8.
2,181	(114)	-5%	Employee Costs - There is a projected underspend of £0.114m due to vacancy management and other savings
983	25	3%	Other minor movements
	(89)		
	Note 4		Customer Services
			There is a movement of (£0.013m) from Period 8 due to reduced vacancies.
2,157	(83)	-4%	Employee Costs - There is a projected underspend of £0.083m due to vacancy management and additional budget received for the Transformation Team
139	2	1%	Other minor movements
	(81)		
	Note 5		Business Support
			There is a movement of (£0.040m) from Period 8 due to reduced vacancies.
1,843	(176)	-10%	Employee Costs - There is a projected underspend of £0.176m due to vacancy management
(136)	(8)	6%	Other minor movements
	(184)		
	Note 6		Revenues & Benefits
			There is a movement of (£0.037m) from Period 8 mainly due to vacancy management
2,162	(185)	-9%	Employee Costs - There is a underspend of £0.185m due to vacancy management
1,443	(35)	-2%	Other minor movements
	(220)		
	Note 7		Change Programme
			There is a movement of £0.047m from Period 8 due to the transfer of a vacant post and a restructuring payment.
331	18	5%	Employee Costs - There is a overspend of £0.018m due to a restructuring payment
-	2	-	Other minor movements
	20		

EDUCATION AND YOUTH EMPLOYMENT
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Early Years Education	11,331	11,147	(184)	(2%)	1
Primary Education	37,785	37,605	(180)	(0%)	2
Secondary Education	50,140	50,028	(112)	(0%)	3
Additional Support Needs	7,840	7,985	145	2%	4
Education - Other	4,034	3,911	(123)	(3%)	5
Totals	111,130	110,676	(454)	(0%)	
Transfer to Earmarked Reserves		15	15		
Net Total	111,130	110,691	(439)		

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	85,795	85,420	(375)	(0%)
Property Costs	315	315	-	-
Supplies and Services	23,815	23,698	(117)	(0%)
Transport and Plant Costs	180	177	(3)	(2%)
Administration Costs	999	998	(1)	(0%)
Other Agencies & Bodies	5,804	6,049	245	4%
Transfer Payments	580	580	-	-
Other Expenditure	-	-	-	-
Capital Financing	65	65	-	-
Gross Expenditure	117,553	117,302	(251)	(0%)
Income	(6,423)	(6,626)	(203)	3%
Net Expenditure	111,130	110,676	(454)	(0%)

EDUCATION AND YOUTH EMPLOYMENT
BUDGETARY CONTROL 2017/18

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2017

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Early Years Education
			Movement - the underspend has decreased by £0.198m due to employee costs of £0.052m and £0.146m transferred to Capital to pay for temporary accommodation at Annick Primary school.
1,776	(105)	-6%	Employee Costs - Underspends in Early Years Teachers of £0.034m. This is due to the difficulty in recruitment of teachers. A further £0.071m has been identified from underspends in the budget set aside for the new early years centre in the new Largs campus.
1,209	(34)	-3%	Payments made to Private Partner Providers currently projected to be underspent due to lower than anticipated uptake of services.
0	(45)		Income from Wraparound Care charges
	(184)		
Note 2			Primary
			Movement - underspend has increased by £0.180m due to movement in employee costs
33,957	(180)	-1%	Employee Costs - there is a £0.180m projected underspend in ASN provision costs due to teacher vacancies.
0			Other minor items
	(180)		
Note 3			Secondary Education
			Movement - the underspend is mainly due to recognition of the penalty deduction income
12,666	(22)	0%	PPP unitary charge - underspend on the variable element of the contract (cleaning, utilities, pensions)
(60)	(90)	150%	PPP contract deductions due to penalties.
	(112)		
Note 4			ASN
			Movement - The previous underspend is now an overspend with a movement of £0.264m mainly due to the realignment of costs within Residential Schools.
4,834	(63)	-1%	Employee Costs - there is a predicted underspend in psychological services of £0.072m due to staff vacancies, which is partially offset by a £0.009m overspend in audiology services.
1,102	400	36%	Overspend on external specialist residential placements. This is due to a realignment of costs between the HSCP and Education and Youth Employment that has increased the costs by £0.348m.
1,004	(81)	-8%	Underspend on external day placements is projected as a result of the rigorous screening process in place that enables the Council to support children in mainstream establishments.
(264)	(70)	27%	Income - Projected over recovery of income due to increased number of pupils placed in North Ayrshire schools and units by other local authorities.
	(33)		Other minor items
			It is requested that £0.015m of this underspend is earmarked for the delayed implementation of the GIRFEC initiative Named Person Service.
	153		
Note 5			Education Other
			Movement - there has been an increase in the underspend of £0.023m due to various smaller budgets.
2,996	(97)	-3%	Employee Costs - There is a predicted underspend of £0.097m largely due to Senior Managers vacancies and changes to work patterns.
0			Other minor variances
810	(26)		Other minor items
	(123)		

PLACE
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Directorate and Support	(46)	(46)	-	-	
Physical Environment					
Head Of Physical Environment	-	-			
Building Services	(3,436)	(3,267)	169	(5%)	1
Works Scoping and Quality Assurance	607	604	(3)	(0%)	
Property Governance	923	877	(46)	(5%)	
Property Management & Investment	1,257	1,214	(43)	(3%)	2
Housing Assets & Investment	(840)	(840)	-	-	
Property Maintenance	3,897	3,637	(260)	(7%)	3
Property Running Costs	4,917	5,047	130	3%	4
Energy and Sustainability	3,722	3,647	(75)	(2%)	5
Facilities Management	11,171	11,171	-	-	6
Other Housing	4,859	4,707	(152)	(3%)	7
Commercial Services					
Head Of Commercial Services	167	167	-	-	
Roads	6,702	6,902	200	3%	8
Streetscene	5,037	5,180	143	3%	9
Internal Transport	9,893	9,680	(213)	(2%)	10
Waste Services	8,288	8,041	(247)	(3%)	11
Total	57,116	56,719	(397)	(1%)	
Less Carry Forward		360	360		
Net Total	57,116	57,079	(37)	(0)	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	41,854	41,866	12	0%
Property Costs	16,506	16,362	(144)	(1%)
Supplies and Services	10,307	10,079	(228)	(2%)
Transport and Plant Costs	10,085	10,050	(35)	(0%)
Administration Costs	2,656	2,602	(54)	(2%)
Other Agencies & Bodies	14,547	14,314	(233)	(2%)
Transfer Payments	1,738	1,738	-	-
Other Expenditure	341	335	(6)	(2%)
Capital Financing	-	-		
Gross Expenditure	98,034	97,346	(688)	(1%)
Income	(40,918)	(40,627)	291	(1%)
Net Expenditure	57,116	56,719	(397)	(1%)

PLACE
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2018

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Building Services
			Movement - There has been an adverse movement of £0.169m since P8 due to revised income projections
7,835	(125)	(2%)	Employee Costs - there is a projected underspend as a result of the management of vacancies .
4,100	(214)	(5%)	Supplies and Services - there has been an increase in the projected underspend of £0.211m due to decreased materials requirements following revised income projections
2,225	99	4%	Third Party Payments - there is a projected overspend of £0.099m due to more specialist work undertaken by sub contractors. This is after applying the £1m virement approved at period 8.
(18,017)	459	(3%)	Income - the overspend is related to the under recovery of income for non housing work (£0.652m), void income (£0.317m) and planned maintenance (£0.288m). This is offset against additional income from Project work (£0.381m) and all other income (£0.462m). This is after applying the £1m virement approved at period 8.
	(50)		Other minor movements
	169		
Note 2			Property Management & Investment
			Movement - There has been no significant movement since P8
2,281	(147)	(6%)	Employee Costs - There is a projected underspend of £0.147m due to staff vacancies this is partially offset against the income noted below.
(509)	97	(19%)	Income - There is a projected under recovery in fees recovered from capital of £0.097m.
	7		Other Minor Movements
	(43)		
Note 3			Property Maintenance
			Movement- There is an increase in the projection since P8 of £0.260m due to projects not being undertaken until 2018/19
200	(100)	(50%)	Condition Survey works - There is a projected underspend of £0.100m due to demolition of Smith Street Depot not being carried out until 2018/19.
795	(160)	(20%)	Property Repairs - There is a projected underspend of £0.160m. Window and Rendering works at Saltcoats Library (£0.040m) and Roofing works at Bridgegate House (£0.100m). These works will not be carried out until 2018/19
	(260)		It is requested that this underspend be earmarked for the works noted above
Note 4			Property Running Costs
			Movement - There has been a reduction in the overspend since P8 of £0.029m largely due to underspends in Landlord repairs.
162	162	100%	Other Property Costs - costs incurred due to slippage in the property rationalisation programme.
	(32)		Other Minor Movements
	130		
Note 5			Energy and Sustainability
			Movement - There is now a projected underspend of £0.075m mainly due to anticipated underspends of £0.097M in electricity.
2,999	(97)	(3%)	Property Costs - expected underspends in electricity.
	22		Other Minor Movements
	(75)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 6			Facilities Management
			Movement - There has been no net movement since P8. There is no longer an overspend on employee costsof £0.106m with increased income from commecrial activity of £0.070m.
144	20	14%	Cleaning materials - £0.020m expenditure is required for the purchase of cleaning equipment for the new Largs Academy.
113	50	44%	Kitchen Equipment - £0.050m is required for alterations to kitchens required to implement future years savings.
(3,093)	(70)	2%	Income - There is a projection of additional income of £0.070m due to Commercial Activities.
0			
Note 7			Other Housing
			Movement -There has been an increase in the projected underspend at P8 of £0.034m primarily due to increased turnover, increased income projections and reduced admin costs offset by increased property costs
3,359	(43)	(1%)	Employee costs - there is decrease in projected employee costs of £0.037m due to anticipated turnover savings.
1,378	57	4%	Property Costs - there is an overspend of £0.056m projected due to increased furniture purchases of £0.065m. £0.043m of this overspend is directly attributable to the setting up of new units of accommodation, which is partly offset by an increase in income from the additional units of £0.029m. The remaining overspend is due to an increase in purchases due to the delays in social fund grant awards over the festive period which has led to homeless households leaving temporary furnished accommodation with no means of furnishing their properties.
1,581	(81)	(5%)	Third party payments - there is an underspend of £0.045m for grants paid to third parties in respect of services for Rough Sleepers. There is also a projected underspend in payments to service providers of £0.033m.
(1,208)	(42)	3%	Income - there is an increase in the projected income of £0.025m primarily due to revised Hostel rents of £0.029m reflecting an increase in Temporary Furnished Units.
	(43)		Other minor movements
	(152)		
Note 8			Roads
			Movement - there is an overspend projected of £0.200m due to increased winter maintenance and associated essential road repairs due to severe weather.
2,913	(250)	(9%)	Employee Costs - there is a projected underspend of £0.250m. This is partly due to the phased implementation of a recent restructure within the service that had resulted in unfilled vacancies (£0.220m) for a period of time. Further underspends have resulted in the implementation of the new operational delivery model of £0.150m. Offset against this underspend is a projected overspend in winter maintenance of £0.120m.
900	(150)	(17%)	Supplies and Services - Roads Materials - part of this underspend (£0.230m) is due to the new operational delivery model. This projection includes an overspend of £0.080m in salt for winter maintenance.
773	600	78%	Payments to Contractors - In line with the new operational delivery model there is more work (£0.380m) now being carried out by contractors. This is offset by underspends in materials and employee costs shown above. £0.220m is projected to be spent on urgent road repairs following the recent severe weather.
200			
Note 9			Streetscene
			Movement - there has been an increase in the projected overspend since P8 of £0.054m, mainly due to an overspend in hire of skips.
5,929	76	1%	Employee Costs - there is a projected overspend of £0.076m mainly due to unachieved turnover of £0.066m.
108	60	56%	Hire of Skips - there is a projected overspend in skips due to an increase in tonnages associated with increased community clean ups.
	7		Other minor movements
143			

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 10			Internal Transport
			Movement - there has been an increase in the underspend since P8 of £0.020m, mainly due to a reduction in the underspend in transport provision costs offset by an increase in the over-recovery of additional income.
1,398	15	1%	Employee Costs - there is a projected overspend of £0.015m mainly due to unachieved turnover.
2,235	(58)	(3%)	Transport Costs - External hires are predicted to be £0.044m overspent which is related to the additional income from external taxi recharges. However this is offset by a projected year end underspend of £0.072m on fuel as a result of the current lower cost of fuel (it is noted that volatility of fuel prices may impact on future projections) and a projected underspend in other transport costs of £0.030m.
4,192	(86)	(2%)	Transport Provision Costs - there is a projected underspend of £0.086m based on the Quarter 3 projection from SPT, however this is subject to change.
(43)	(98)	228%	Income - There is a predicted over-recovery of additional income of £0.044m in relation to external taxi recharges; £0.020m driver transport income and £0.035m internal hire of pool vehicles.
	14		Other minor movements
	(213)		
Note 11			Waste Services
			Movement - the underspend has increased by £0.102m since P8 mainly due to an increase in income projections of £0.147m.
4,340	294	7%	Employee Costs - there is a projected overspend of £0.294m mainly due to a requirement to supplement current resources to reflect seasonal and operational demands. Also there is a six month delay in the efficiency savings (£0.055m) and unachieved turnover of £0.050m. This overspend in total is being offset currently against the Blue Bin contract income.
741	(343)	(46%)	Payments to Contractors - there is an underspend on the Blue Bin contract of £0.343m as a result of an increase in the market values for recyclates.
2,744	(91)	(3%)	Landfill tax - there is a projected underspend of £0.091m due to the tonnages sent to landfill reducing due to the diversion of additional waste for processing and a reduction in waste arisings.
405	60	15%	Civic amenity sites - Diverted Waste - there is a projected overspend of £60k due to increased tonnages being diverted from landfill site to external contractors
(2,659)	(209)	8%	Income - there is additional income of £0.090m in Waste Gas Extraction as a result of the capping of landfill cells and additional gas wells being installed. Also £0.048m in Commercial Refuse Collection Charge projected, mainly due to a net increase in uptake of the service by external businesses. As well as £0.042m additional income from Arran Transfer Station due to increased tonnages from external contractors.
	42		Other Minor Movements
	(247)		

ECONOMY AND COMMUNITIES
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Management	554	554	-	-	
Economic Growth					
Planning & Protective Services	1,573	1,618	45	3%	1
Economic Development	5,459	5,351	(108)	(2%)	2
Connected Communities	11,760	11,775	15	0%	3
	19,346	19,298	(48)	(0%)	
Less Carry Forward		37	37		
Net Total	19,346	19,335	(11)	(0)	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	11,941	11,918	(23)	(0%)
Property Costs	301	272	(29)	(10%)
Supplies and Services	1,049	1,062	13	1%
Transport and Plant Costs	152	149	(3)	(2%)
Administration Costs	299	287	(12)	(4%)
Other Agencies & Bodies	9,344	9,101	(243)	(3%)
Transfer Payments	-	-	-	-
Other Expenditure	-	-	-	-
	-	-	-	-
Gross Expenditure	23,086	22,789	(297)	(1%)
Income	(3,740)	(3,491)	249	(7%)
Net Expenditure	19,346	19,298	(48)	(0%)

ECONOMY AND COMMUNITIES
BUDGETARY CONTROL 2017/18

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2017

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Planning & Protective Services
			Movement - the previously reported underspend has decreased by £0.087m from period 8 as result of less planning income expected.
1,639	(59)	-4%	Employee Costs - There are underspends in Planning Services (£0.036m) and Trading Standards (£0.023m) due to vacancies.
67	(37)	-55%	Other Supplies & Services - There is an anticipated underspend within Planning of (£0.037m) which is in relation to the costs of the Local Development Plan due to a postponement in publication of the proposed plan until April 2018.
544	150	28%	Income - There is a predicted under recovery in Planning Income of £0.150m due the lack of major planning applications.
	(9)		Other minor variances
45			
Note 2			Economic Development
			Movement - There has been an adverse movement of £0.040m due to increased Modern Apprentices costs
1,631	11	1%	Employee Costs - there is an overspend of £0.041m due to Modern Apprentices Placement costs. This is due primarily to a higher proportion of older MA's and 21 placements extending longer than 12 months to enable the attainment of SVQ level 3 qualification. The overspend of £0.041m is offset by an underspend in Regeneration of £0.030m
2,111	(132)	-6%	Payments to Other Bodies/Income - this is due to the recovery of income to cover NAC costs from within ESF projects.
	13		Other minor variances
(108)			
Note 3			Connected Communities
			Movement - the overspend has decreased by £0.032m due to reduced employee costs
6,375	45	1%	Employee Costs - there is an overspend in Community Facilities of £0.070m resulting from the use of casual employees linked to the increased activity in around to Food poverty. This is being managed through a reduction of core hours allocations for community centres. There is also an underspend in Community Development of £0.075m due to staff vacancies. There are also smaller overspends in Active Communities, Country Parks and Arran Outdoor Centre.
	(30)		Other minor variances
15			
			It is requested that £0.037m of the service underspend be earmarked for The Local Development Plan to accommodate additional costs anticipated in 2018/19 for consultation, professional support and public examination costs.

OTHER CORPORATE SERVICES
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Objective Summary	Annual Budget	Final Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,409	2,365	(44)	(2%)	1
SPT Concessionary Fares	283	277	(6)	(2%)	
Ayrshire Joint Valuation Board	780	760	(20)	(3%)	2
Other Corporate Costs					
Pension Costs	1,882	1,787	(95)	(5%)	3
Non-Distributed Costs	-	-	-	-	
Central Telephones	86	76	(10)	(12%)	
Other Corporate Items (incl Additional Resources from Council decisions on 1 March 2017)	12,772	11,296	(1,476)	(12%)	4
Insurance Account	(3)	82	85	(2833%)	5
	18,209	16,643	(1,566)	(9%)	

OTHER CORPORATE SERVICES
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Budget £000	Outturn Variance £000	Variance as % of budget	Section
Note 1			Strathclyde Passenger Transport
			No significant movement
2,409	(44)	(2%)	The projected underspend of £0.044m is due to a reduction in the requisition charge
	(44)		
Note 2			Ayrshire Valuation Joint Board
			No significant movement
780	(20)	(3%)	The projected underspend of £0.020m is due to a reduction in the requisition charge
	(20)		
Note 3			Pension Costs
			No significant movement
1,882	(95)	(5%)	The projected underspend of £0.095m is due to reduced pension costs relating to the period before local government reorganisation
	(95)		
Note 4			Other Corporate Items
			Movement - the underspend has increased by £0.518m due to increased Scottish Government grant received in respect of probationer Teachers (£0.171) and further releasing of the Benefits Cap funding (£0.200m) and £0.148m from the centrally held fuel budget.
11,916	(1,468)	(12%)	Centrally held funds in respect of the revised Benefits Cap are not anticipated to be fully drawdown following additional provisions within the 2017/18 Local Government Finance Settlement combined with lower than anticipated take up rates. Additional Scottish Government funding in relation to temporary accommodation will not be drawn down in year. Other previously identified pressures related to fuel, utility and pension costs are now not anticipated to be fully drawdown. Additional Grant has been received in respect of the number of probationer Teachers.
	(8)		Other minor items
	(1,476)		
Note 5			Insurance Account
			No significant movement
(3)	85		The increase in insurance costs has been greater than anticipated due to increased excesses.
	85		

2017/18 Budget Monitoring Report – Period 10 Objective Summary

Partnership Budget - Objective Summary	2017/18 Budget								
	Council			Health			TOTAL		
	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMUNITY CARE AND HEALTH	54,072	52,861	(1,211)	10,524	10,691	167	64,596	63,552	(1,044)
: Locality Services	26,157	25,564	(593)	3,441	3,399	(42)	29,598	28,963	(635)
: Community Care Service Delivery	25,383	24,788	(595)	-	-	-	25,383	24,788	(595)
: Rehabilitation and Reablement	756	780	24	1,837	2,126	289	2,593	2,906	313
: Long Term Conditions	1,325	1,358	33	2,962	2,922	(40)	4,287	4,280	(7)
: Integrated Island Services	451	371	(80)	2,284	2,244	(40)	2,735	2,615	(120)
MENTAL HEALTH SERVICES	22,369	23,512	1,143	49,320	49,715	395	71,689	73,227	1,538
: Learning Disabilities	17,199	18,323	1,124	467	464	(3)	17,666	18,787	1,121
: Community Mental Health	3,824	3,920	96	1,844	1,779	(65)	5,668	5,699	31
: Addictions	1,346	1,269	(77)	1,171	1,166	(5)	2,517	2,435	(82)
: Lead Partnership Mental Health NHS Area Wide	-	-	-	45,838	46,306	468	45,838	46,306	468
CHILDREN'S SERVICES AND CRIMINAL JUSTICE	30,035	32,145	2,110	4,672	4,535	(137)	34,707	36,680	1,973
: Intervention Services	3,823	3,706	(117)	295	321	26	4,118	4,027	(91)
: Looked After & Accomodated Children	15,284	17,561	2,277	-	-	-	15,284	17,561	2,277
: Fieldwork	6,518	6,642	124	-	-	-	6,518	6,642	124
: CCSF	395	366	(29)	-	-	-	395	366	(29)
: Criminal Justice	2,902	2,902	-	-	-	-	2,902	2,902	-
: Early Years	311	218	(93)	1,697	1,594	(103)	2,008	1,812	(196)
: Policy & Practice	802	750	(52)	-	-	-	802	750	(52)
: Lead Partnership NHS Children's Services Area Wide	-	-	-	2,680	2,620	(60)	2,680	2,620	(60)
PRIMARY CARE	-	-	-	47,582	47,582	-	47,582	47,582	-
MANAGEMENT AND SUPPORT COSTS	4,517	4,658	141	33	1,188	1,155	4,550	5,846	1,296
CHANGE PROGRAMME		(318)	(318)	2,177	2,032	(145)	2,177	1,714	(463)
LEAD PARTNERSHIP AND SET ASIDE	-	-	-	-	133	133	-	133	133
TOTAL	110,993	112,858	1,865	114,308	115,876	1,568	225,301	228,734	3,433

2017/18 Budget Monitoring Report

Period 10 Subjective Summary

Partnership Budget Subjective Summary	2017/18 Budget								
	Council			Health			TOTAL		
	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	44,507	44,228	(279)	55,281	56,267	986	99,788	100,495	707
Property Costs	389	362	(27)	16	55	39	405	417	12
Supplies and Services	2,290	2,276	(14)	5,259	5,588	329	7,549	7,864	315
Prescribing Costs	-	-	-	30,136	30,136	-	30,136	30,136	-
Primary Medical Services	-	-	-	17,446	17,446	-	17,446	17,446	-
Transport and Plant	523	645	122	-	-	-	523	645	122
Admin Costs	639	798	159	1,899	1,693	(206)	2,538	2,491	(47)
Other Agencies & Bodies	84,094	86,939	2,845	6,120	6,012	(108)	90,214	92,951	2,737
Transfer Payments	2,665	2,672	7	-	-	-	2,665	2,672	7
Other Expenditure	-	7	7	-	-	-	-	7	7
Capital Expenditure	-	-	-	-	-	-	-	-	-
Income	(24,114)	(25,069)	(955)	(1,849)	(1,321)	528	(25,963)	(26,390)	(427)
TOTAL	110,993	112,858	1,865	114,308	115,876	1,568	225,301	228,734	3,433

MISCELLANEOUS ITEMS
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	19,592	16,886	(2,706)	(14%)	1
Aggregate External Finance	(271,853)	(271,853)	-		
Council Tax	(52,002)	(51,818)	184	(0%)	2
Use of Change Fund	(436)	(436)	-		
Use of Earmarked Funds	(9,700)	(9,700)	-		
Totals	(314,399)	(316,921)	(2,522)	1%	
Less Carry Forward	-	3,118	3,118		
Net Total	(314,399)	(313,803)	596	(4%)	

Note 1 Financing Charges

Capital Financing charges are forecasting an underspend of £2.706m based on the latest cash flow and interest rate projections. This reflects the under borrowed position combined with a change in the share of interest from the HRA. The underspend has been earmarked and transferred to the Loans Fund Reserve to enable future costs linked to capital expenditure and borrowing to be managed through the reserve.

Note 2 Council Tax

Income from Council Tax is forecasting to under recover by £0.184m related to reduced recovery from prior years.

Carried Forward Funds to 2018-19	Expenditure	Income	Total
Previously approved			£000
Loans Fund Reserve	2,706		2,706
Transport Welfare Facilities	100		100
Total Previously Approved	2,806	-	2,806
New Proposals to be approved			
PMI work scheduled but unable to complete before year end	260		260
Education unspent grants		15	15
Planning costs for Local Development Plan	37		37
Total for New Proposals	297	15	312
Overall Totals	3,103	15	3,118

Budget Management - 31 January 2018

Virement/Budget Adjustment Requests

	Perm (P) / Temp(T)	2017/18	
		Virement £m	Directorate Total £m
1) Budget Virements			
Place			
Reduce Roads (Arran) Materials budget due to works being carried out by Contractor rather than in house	T	-0.065	
Increase Roads (Arran) Pmt to Private Contractor budget due to works being carried out by Contractor rather than in house	T	0.065	
Reduce Roads Employee Cost budget due to the new operational delivery model. Work has been passed to contractors.	P	-0.150	
Reduce Roads Mainland Materials budget due to the operational delivery model. Work has been passed to contractors.	P	-0.230	
Increase Roads (Mainland) Payment to Contractor budget due to works being carried out by Contractor rather than in house as a result of the new operational delivery model.	P	0.380	0.000

HOUSING REVENUE ACCOUNT
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Employee Costs	4,522	4,515	(7)	(0%)	
Property Costs					
Responsive Repairs	1,655	1,643	(12)	(1%)	
Void Repairs	2,580	2,445	(135)	(5%)	
Planned & Cyclical maintenance	7,384	7,279	(105)	(1%)	
Estate Based Projects	210	96	(114)	(54%)	
Roads & Lighting Maintenance	186	185	(1)	(1%)	
Aids & adaptations	1,855	1,855	-	-	
Other property costs	3,230	3,210	(20)	(1%)	
Total for Property Costs	17,100	16,713	(387)	-63%	1
Supplies and Services	228	230	2	1%	
Transport and Plant Costs	38	34	(4)	(11%)	
Administration Costs	1,609	1,556	(53)	(3%)	2
Other Agencies & Bodies	1,387	1,374	(13)	(1%)	
Transfer Payments	121	91	(30)	(25%)	
Other Expenditure	403	419	16	4%	
Capital Financing	22,284	22,291	7	0%	
Gross Expenditure	47,692	47,223	(469)	(1%)	
Income					
Council House Rents	(46,265)	(46,007)	258	(1%)	3
Other Rents	(374)	(420)	(46)	12%	
Recharges	(595)	(543)	52	(9%)	
Other Income	(103)	(94)	9	(9%)	
Total Income	(47,337)	(47,064)	273	(1%)	
Transfers from HRA Reserves	(355)	(355)	-	-	
Net Expenditure	-	(196)	(196)		

HOUSING REVENUE ACCOUNT
FINANCIAL PERFORMANCE 2016/17

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2018

Budget £000	Variance £000	Variance as % of budget	Section
Note 1			Property Costs
			The projected underspend in property costs has increased by £0.200m from P8 due to reduced overspend in Asbestos Works and lower expected expenditure in Estate Based Projects.
17,100	(387)	-2%	This is partly due to underspends in Void Repairs of £0.135m, caused by a lower average price per void and lower number of units. In addition Planned & Cyclical Repairs are expected to underspend by £0.105m mainly due to underspends in Heating Maintenance. Estate Based Projects are anticipated to underspend by £0.114m due to a material supply issue. This is offset by additional asbestos works of £0.441m which is a reduction in value from period 8 of £0.125m.
(387)			
Note 2			Administration Costs
			No significant movement from Period 8.
1,609	(53)	-3%	Administration costs are projected to underspend by £0.053m due to efficiency savings and a reduction in membership fees.
(53)			
Note 3			Income
			No significant movement from Period 8.
(47,337)	273	(1%)	There is an under-recovery of Council house rent income of £0.258m mainly due to increased council house sales. There was also slippage and amendments to new build properties available to rent and 23 protracted voids from sheltered housing decants.
273			
			Movements noted above are after adjusting for virements approved at period 8.

HRA reserves and balances	B/fwd from 2016/17	Period 10 Revenue	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Balance at 31/03/18
	£m	£m	£m	£m	£m	£m
Council House Building Fund	8.082	0.156	-	-	-	8.238
Welfare Reform	3.000	-	-	-	-	3.000
Contingency Balance	1.000	-	-	-	-	1.000
Sheltered Housing Unit Works	0.156	(0.156)	-	-	-	0.000
Infrastructure Improvements	0.613	-	(0.055)	-	-	0.558
Major Refurbishment Works	0.762	-	(0.300)	-	-	0.462
Tarryholme	1.091	-	-	0.114	-	1.205
Uncommitted Balance	-	0.196	-	(0.114)	-	0.082
	14.704	0.196	(0.355)	-	-	14.545

NORTH AYRSHIRE COUNCIL
20 March 2018**Cabinet**

Title:	Capital Programme Performance to 31 January 2018
Purpose:	To advise Cabinet of progress in delivering the Capital Investment Programme as at 31 January 2018.
Recommendation:	Agree to (a) approve the revisions to budgets outlined in the report; and (b) note (i) the General Services and HRA expenditure and revised budgets to 31 January 2018; and (ii) the forecast of expenditure to 31 March 2018.

1. Executive Summary

- 1.1 The General Services and Housing Revenue Account (HRA) capital budgets were approved at a special meeting of the Council on 1 March 2017. The General Services capital programme approval covered a revised capital investment programme to 2025/26. The HRA approved capital budget for 2017/18 sits within the 30 years Housing Business Plan.
- 1.2 This report identifies the current programme for 2017/18, taking account of adjustments made to the initial budgets. The report advises of actual expenditure to 31 January 2018 and forecast expenditure to 31 March 2018.
- 1.3 At Period 10 the General Fund is forecasting a projected outturn of £39.766m against a budget of £44.662m, a reduction of £5.820m from that reported at Period 8. HRA is forecasting a projected outturn of £26.146m against a budget of £27.630m, a reduction of £1.100m from that reported at Period 8. The movements relate to the latest programme information from services and are reflected in proposed revisions to the budgets for increased carry forwards.

2. Background

General Fund

2.1 The table below outlines the movements in the 2017/18 General Services budget:-

	2017/18 £m
<i>Budget approved as at 30 November 2017</i>	<i>45.856</i>
a) Additional Funding	(0.756)
Revised Programme Budget	45.100
a) Alterations to phasing of projects:- 2017/18 to 2018/19 2018/19 to 2017/18	 (0.612) 0.240
c) Revisions to the Programme	(0.066)
Budget as at 31 January 2018	44.662

2.2 (a) **Additional Funding**

The capital programme has been updated to reflect a reduction in the funding for the Access Paths Programme of £0.706m from Sustrans and £0.050m for the Bus Route Congestion. Further Feasibility, consultation and design work needs to be progressed and final designs signed off on a number of projects before full grant funding is available.

(b) **Alterations to the Phasing of Projects**

Projects have been reprofiled into future years to reflect the revisions to budgets approved by Cabinet on 23 January 2018. In addition, a number of projects have been reprofiled into future years to reflect current programme plans including;

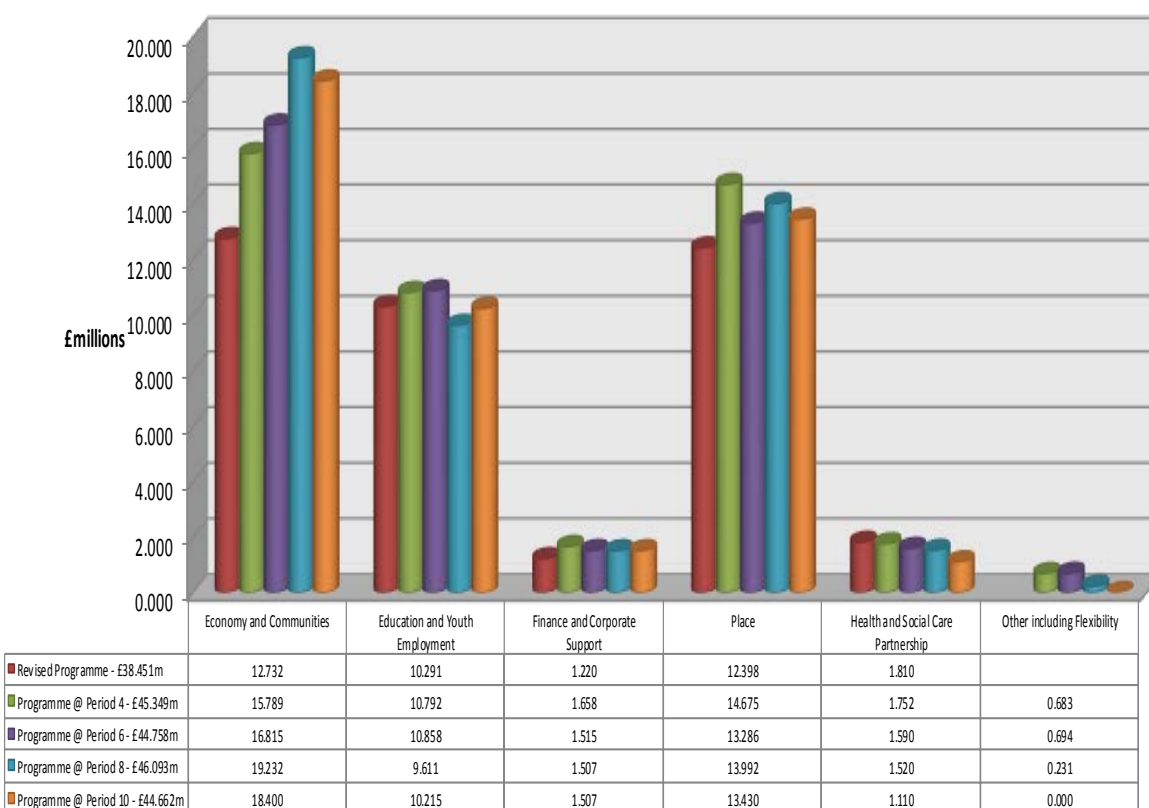
- £0.264m for Property Lifecycle Investment,
- £0.142m for Irvine Royal College Adaptations and,
- £0.067m for Saltcoats Public Realm.

These have been partly offset by accelerated expenditure which has been reprofiled from 2018/19 mainly in relation to £0.223m for Auchenhavie Secondary Estate Learning Environment.

(c) **Revisions to the Programme**

The capital programme has been updated to reflect adjustments to planned capital funded from current revenue, including £0.130m at St Bridget's Primary School. £0.230m from the flexibility budget has been used as part funding for temporary accommodation at Annick Primary.

2.3 The graph below illustrates the movement in each programme on a service basis compared to the original programme.



Net adjustments of £6.211m have been made to the revised Capital Investment Programme, including:-

- Additional Funding, £4.280m;
- Projects carried forward from 2016/17, £6.133m;
- Net reprofiling of projects to future years, (£4.700m); and
- Net revisions to the programme, £0.497m.

2.4 Capital Expenditure to 31 January 2018

Actual expenditure to 31 January 2018 (Period 10) amounted to £23.026m or 51.6% (compared to anticipated expenditure of £23.507m or 52.6%) of the revised annual budget for 2017/18 of £44.662m.

The projections are summarised by service in the table below:

	Revised Budget 2017/18	Projected Expenditure / Income to 31 March 2018	Projected Variance Over / (Under)	True Over / (Under) Spend	Net Carry Forward to 2018/19
<u>Service</u>	£000's	£000's	£000's	£000's	£000's
<u>Expenditure</u>					
Economy and Communities	18,400	14,145	(4,255)	-	(4,255)
Education and Youth Employment	10,215	10,129	(86)	3	(89)
Finance and Corporate Support	1,507	1,510	3	-	3
Place	13,430	12,806	(624)	(4)	(620)
Health and Social Care Partnership	1,110	1,176	66	-	66
			-		
Total Expenditure	44,662	39,766	(4,896)	(1)	(4,895)
<u>Income</u>					
General Capital Grant	(31,189)	(31,189)	-	-	-
Specific Capital Grant	(2,927)	(2,264)	663	-	663
Use of Reserve Funds	(1,147)	-	1,147	-	1,147
Capital Funded from Current Revenue	(952)	(822)	130	-	130
Capital Receipts	(1,892)	-	1,892	-	1,892
Other Grants & Contributions	(6,555)	(5,491)	1,064	1	1,063
Prudential Borrowing	-	-	-	-	-
Total Income	(44,662)	(39,766)	4,896	1	4,895

2.5 A variance of £4.896m is projected within the programme of which £4.895m is required to be carried forward to 2018/19. This reflects the latest programme information from services. The approved budget will be updated to reflect these changes. The projected variances are mainly related to:-

- Economy and Communities – a projected underspend on the Irvine Enterprise Area project of £0.751m. A reprofiling of budget at Quarry Road Phase 2 to reflect the current work plan (£0.790m) and a carryforward of budget for Community Investment Funds (£2.162m);

- Education and Youth Employment – reprofiling of work at Elderbank Primary into the Easter Holidays of £0.075m and at St Bridget's Primary into 18/19 of £0.130m, partly offset by an acceleration of work at Auchenhavie Secondary School of £0.270m ; and
- Place – reprofiling of budget for the cemetery extensions, walls and infrastructure budget into 18/19 of £0.478m for work on the extension at Knadgerhill Cemetery.

2.6 Information on the progress of all projects and explanations for the carry forwards can be found in Appendix 1.

2.7 The current projections on funding, elements of which are related to the profile of expenditure reported above, is summarised below;

- Prudential Borrowing reduced to nil and ;
- Transfer of £2.194 m of capital receipts to the capital fund.

Housing Revenue Account

2.8 There have been no movements in the 2017/18 HRA Capital budget of £27.630m since period 8.

Capital Expenditure

- 2.9 Actual expenditure to 31 January (Period 10) amounted to £17.706m or 64.1% (compared to anticipated expenditure of £18.420m or 66.7%) of the revised annual budget for 2017/18 of £27.630m.

	Revised Budget 2017/18	Projected Expenditure / Income to 31 March 2018	Projected Variance Over / (Under)	True Over / (Under) Spend	Net Carry Forward to 2018/19
	£000's	£000's	£000's	£000's	£000's
<u>Service</u>					
Expenditure					
Housing Revenue Account	27,630	26,146	(1,484)	(484)	(1,000)
Total Expenditure	27,630	26,146	(1,484)	(484)	(1,000)
<u>Income</u>					
Sale of Council Houses	-	(899)	(899)	(899)	-
Sale of Assets	-	(5)	(5)	(5)	-
CFCR	(15,080)	(15,080)	-	-	-
Capital Grants	(4,150)	(5,218)	(1,068)	(1,068)	-
Contribution from House Build Fund	(494)	(494)	-	-	-
Other Income - House Building	(160)	-	160	-	160
Affordable Housing Contribution	(838)	(976)	(138)	(138)	-
Prudential Borrowing	(6,908)	(3,474)	3,434	2,594	840
Total Income	(27,630)	(26,146)	1,484	484	1,000

- 2.10 Current projections are forecasting a reduction to expenditure of £1.484m at 31 March 2018 of which £1.000m is required to be carried forward to 2018/19. The projected variances are mainly related to:

- Underspends on the new build programme at Fencedyke and the refurbishment of Robert W Service Court;
- Slippage in the new build programmes at Canal Court;
- Inability to access properties to enable work to be progressed within the Central Heating and Electrical Re-wiring programmes.

These are partly offset by additional expenditure on the kitchen and bathroom programme following an increase in uptake by tenants.

A true underspend of £0.484m is currently forecast within the programme and is available to support other projects within the HRA Capital Investment Programme. These movements result in a revised capital programme at 31 January 2018 of £26.146m for 2017/18.

2.11 The current projections on funding, elements of which are related to the profile of expenditure reported above, is summarised below;

- Additional Capital Receipts from the sale of Council Houses, (£0.899m);
- Additional Scottish Government Grants in relation to House Building (£0.861m) and Energy efficiency (£0.206m); and
- Reduced Prudential Borrowing of £3.434m with £0.840m being deferred to future years.

3. Proposals

3.1 It is proposed that:-

In General Services -

The Cabinet is invited to (a) approve the further revisions to budgets outlined at Section 2.1, 2.2 and 2.5 and Appendix 1; and (b) note (i) the actual expenditure and revised budget to 31 January 2018 and (ii) the forecast of expenditure to 31 March 2018.

In the H.R.A. -

The Cabinet is invited to (a) approve the further revisions to the budget outlined at Section 2.9, 2.10 and Appendix 2; and (b) note the actual expenditure and revised budget to 31 January 2018 and (ii) the forecast of expenditure to 31 March 2018.

4. Implications

Financial:	The financial implications are as outlined in the report. Expenditure will continue to be closely monitored to ensure early action is taken regarding any projected underspends or overspends.
Human Resources:	None
Legal:	None
Equality:	None
Environmental & Sustainability:	None
Key Priorities:	A delay in completion of projects could affect the delivery of services and have implications for revenue budgets and service planning.
Community Benefits:	

5. Consultation

5.1 Progress as outlined in this report has been approved by Executive Directors.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

For further information please contact Angus Grossart, Team Manager (Financial Services) on (01294) 324455.

Background Papers

Capital Programme Performance to 31 January 2018 - Cabinet 20 March 2018

NORTH AYRSHIRE COUNCIL

20 March 2018

Cabinet

Title: **Strategic Risk Register 2018/19**

Purpose: To seek Cabinet approval of the Strategic Risk Register for 2018/19.

Recommendation: That Cabinet approves the Strategic Risk Register.

1. Executive Summary

- 1.1 The Strategic Risk Register has been reviewed and updated for 2018-19.
- 1.2 It is recommended that the scope of the existing 'Information' risk is widened to better reflect the increasing risk from external cyber-attack which is being faced by all organisations.
- 1.3 It is further recommended that the existing 'Health and Safety' risk is removed from the Strategic Risk Register due to a strengthening of controls and that the 'Brexit' risk is also removed as the challenges associated with Brexit are covered within other risks.

2. Background

- 2.1 North Ayrshire Council is committed to ensuring that it is proactive in identifying and managing the risks impacting on the authority. The Council recognises that a certain amount of risk is inevitable if the organisation is to achieve its objectives.
- 2.2 The aim of risk management is to reduce the likelihood and/or impact of risk by identifying and controlling risks to the Council. If risk is to be managed appropriately, and Services are aware of these risks, risk management can contribute positively towards the organisation's decision making processes, making the Council more innovative and effective in its approach to service delivery.
- 2.3 The most significant risks are identified through the Council's Strategic Risk Register (SRR), recognising the challenges facing the Council and demonstrating the arrangements in place to manage these risks. The register forms part of a larger governance process with additional risks and issues identified through Directorate Plans, Audit Reports and Project Plans.

2.4 The Strategic Risk Register has been reviewed and updated for 2018/19 and is attached at Appendix 1 to this report. For each of the risks detailed within the register a number of components are identified:

- Outline of the risk to the Council;
- The risk score;
- Potential effect on the Council's priorities; and
- Internal controls currently in place.

2.5 To assist in the assessment of each risk, the Council's agreed risk matrix was used to ensure consistency. Only those risks rated as high or very high (10 or above) will feature on the SRR to ensure a focus on managing the most significant risks.

2.6 No changes are recommended to the scoring of the risks remaining on the SRR but it recommended that two risks are removed. The risks are summarised below:

Very High Risks (scored 20)

- **Financial Environment** - this risk reflects the ongoing financial challenge faced by the Council.
- **Inequalities** - this highlights the economic and health inequalities faced in North Ayrshire.
- **Health and Social Care Partnership** - this risk reflects the ongoing financial challenges faced by the Partnership.

High Risks (scored 12)

- **People and Transformation** - this reflects the wider risks associated with delivering the Transformation programme as well as any potential impact on the workforce arising from the programme.
- **Community Capacity Building and Empowerment** - this highlights the challenges associated with community empowerment.
- **Climate Change** - this reflects the growing challenge presented to infrastructure and service delivery by the impacts of climate change.
- **Information and Cyber Security** - this risk reflects the challenges associated with the loss of personal or sensitive data and the failure to appropriately manage and use the Council's information assets. It has also been widened to reflect the increasing risk from external cyber-attack which is being faced by all organisations. The Scottish Government is putting in place a cyber-resilience action plan which the Council is required to comply with.

Risks removed from the Strategic Risk Register

- **Health and Safety** – it is recommended that this is removed from the SRR as controls have been strengthened and that appropriate Council Services consider this as an operational risk where appropriate.
- **Brexit** – it is also recommended that this is removed as the challenges associated with Brexit are covered elsewhere, particularly within the Financial Environment and Inequalities risks.

- 2.7 Council Services will identify actions within their Directorate Plans to help the Council mitigate against its strategic risks. Once the Directorate Plans have been approved by Cabinet, these actions will be linked to the strategic risks to assist with performance monitoring and reporting.
- 2.8 The Council's Internal Audit Plan 2018-19, which will be reported to the Audit and Scrutiny Committee for approval on 27th March 2018, is risk-based and clear links are in place between the audit plan and the key risks the Council faces.

3. Proposals

- 3.1 Cabinet is requested to approve the Strategic Risk Register for 2018/19.

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Children and Young People:	None.
Environmental & Sustainability:	None.
Key Priorities:	A successful risk management framework helps to underpin the delivery of the Council's strategic priorities in the Council Plan 2015-2020.
Community Benefits:	None.

5. Consultation

- 5.1 The Strategic Risk Register has been updated in consultation with the Executive Leadership Team and the Corporate Risk Management Group.




Laura Friel
Executive Director (Finance and Corporate Support)


For further information please contact **Paul Doak, Senior Manager (Internal Audit, Risk and Fraud)** on **01294-324561**.

Background Papers

None.

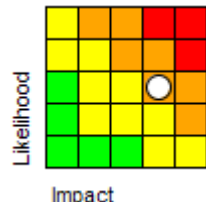
APPENDIX 1 - Strategic Risk Report 2018/19

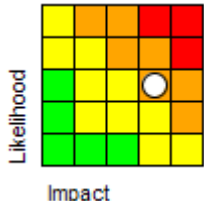
Risk Code & Title	2018/19 SRR01 Financial Environment	Current Risk Matrix
Risk	<p>The risk is that continued austerity will require the Council to take increasingly difficult and challenging decisions, potentially operating with increased levels of risk and having insufficient resources to invest in core assets.</p> <p>Government funding has been reducing since 2010/11. This, together with the demographic pressures, in particular an ageing population and increasing numbers of vulnerable children, impacts on the ability of the Council to meet need within available resources.</p> <p>The 2018/19 local government settlement represents a further reduction in real terms funding. Planning for future years reflects further anticipated reductions in funding in 2019/20 and 2020/21. The single year duration, publication and approval date of the Scottish Budget makes effective short and medium term financial planning challenging.</p> <p>Further pressures on budgets stem from Manifesto commitments at a national and local level at a time of reducing resources. A major external influence is the UK's progress in negotiating exit from the European Union. Uncertainty remains over future economic prospects.</p>	
Consequence	<p>Funding not keeping pace with demand and cost means that there will be a reduction in some service areas potentially resulting in higher risks for service users.</p>	Current Risk Score
Current Controls	<p>The Council continues to be proactive in responding to the financial challenge and seeks to ensure that budget decisions are taken in line with key priorities.</p> <p>Robust monitoring of the Council's revenue and capital budgets is in place as well as regular reporting of financial performance within the HSCP to Cabinet.</p> <p>The Council has a long-term capital investment programme to 2027/28. The Long Term Financial Outlook to 2026/27 was approved at Council on 4 October 2017.</p> <p>The Council will agree a balanced budget for 2018/19 with work underway to identify the remaining savings for 2019/20 and 2020/21. This forward looking process supports as far as possible greater financial security and stability and provides an opportunity for medium term service redesign plans to be implemented.</p>	<p>20</p>
Linked Actions		
Linked Actions Code & Title		

Risk Code & Title	2018/19 SRR02 Inequalities	Current Risk Matrix
Risk	<p>The risk to the Council is that North Ayrshire residents, especially children, will experience increasing levels of poverty and its effects. Inequality in the local area may continue to increase unless the Council takes action, however this must be managed effectively due to the increase in demand for Council Services which may occur.</p> <p>Levels of child poverty are now the second highest in Scotland.</p> <p>Ongoing welfare reforms will exacerbate local needs placing greater demands upon Council Services at a time when budgets are under significant pressure. A focus on economic regeneration and effective targeting of resources is essential to maximise opportunity and minimise the impact of the current economic climate on our communities.</p> <p>North Ayrshire residents have persistently poorer health compared to Scotland as a whole and the gap is increasing. There are also significant differences in the health of people living in the wealthier parts of North Ayrshire compared to its more deprived areas. Life expectancy in the most deprived areas is 15 years less than the more affluent communities. Health inequality is closely linked to poverty, employment and people's earliest experiences as children. Drug and alcohol misuse is also a major factor.</p> <p>Children and young people may be excluded from a nurturing and positive early years and school experience as a result of their life circumstances and / or their additional support needs. They may be unsupported to access appropriate educational provision.</p>	 <p>Likelihood</p> <p>Impact</p>
Consequence	<p>Failure to address the current challenges will result in increased levels of deprivation, reduced health and wellbeing of our communities and higher demand for Council Services. Inequalities at an early age will impact adversely on children's social and emotional development, affecting their overall life chances. Children living in poverty and with poor health are more likely to require crisis interventions and have lower levels of educational attainment and achievement. Adults affected by drug and alcohol misuse and by chronic health problems are less likely to sustain employment and it is more likely that they will require support to ensure their own and their children's safety and wellbeing. Older people affected by long term health conditions are more likely to require service provision earlier, have a greater incidence of hospital admission and require long term care at a younger age.</p>	Current Risk Score
Current Controls	<p>The Council launched a new Economic Strategy in April 2017 this includes a focus on inclusive growth. The Council will lead partners in building community resilience, providing support to remove barriers to opportunity for unemployed people (e.g. childcare, transport and health), upskilling of people in disadvantaged communities including providing 250 MA opportunities within the Council and providing employability services through our network of hubs.</p> <p>Tackling inequalities is a strategic priority of the Community Planning Partnership (CPP) and the Council. A new Fair For All strategy is in place and this will inform the work of the partners to reduce inequality. With a clear focus on reducing the effect and causes of child poverty the CPP is being guided by a peer group of national experts in tackling inequalities.</p> <p>North Ayrshire Council has also agreed to become a Child Centred Council with a focus on reducing inequalities for children and</p>	20

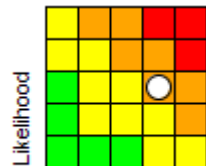
	<p>young people. This work is being supported by APSE and de Montfort University.</p> <p>The ongoing focus on reducing inequalities is enhanced by the “Challenge Poverty” approach within the Council and with partners, to identify Council and Locality options for addressing the causes and symptoms of poverty.</p> <p>The Council and its partners are developing a food strategy, which includes addressing household food insecurity and the actions within the strategy are supporting local people to create local solutions.</p> <p>The HSCP continues to deliver activity to tackle inequalities in areas of economy, health and community. The Money Matters service continues to provide much need welfare and money advice to individuals and families in, and at risk of, poverty. At the end of quarter 3 17/18, Money Matters had generated over £6.5m in additional income for local people. In 2016/17, the service generated a total of over £8.2m. While, Money Matters predominately supports local people known to the HSCP, referral pathways have been developed with Better off North Ayrshire (BONA) to ensure all people in North Ayrshire are able to access the right level of advice and support.</p> <p>The HSCP's Community Link workers are now operating from 18 general practices in North Ayrshire, providing local people advice and guidance. Conditions that people present at GP practices are often symptomatic of wider issues. Community Link Workers can offer alternative and more holistic options and opportunities to what GPs may provide. Going forward, Community Link Workers will have a greater focus in GP cluster areas that have higher levels of deprivation and illness. The HSCP continues to support vulnerable young people access a range of opportunities to enhance their skills and experience. Many young people are currently participating in the Duke of Edinburgh award, Activity Agreements, John Muir Awards and many other activities which all contribute to building confidence and skills which improves the likelihood of entering into meaningful employment, training or education.</p> <p>The Council's Attainment Challenge sets out to reduce the impact of deprivation on the educational outcomes of our children and young people. A multifaceted approach has been developed to address inequality in terms of health and well-being and progress in learning. This includes:</p> <ul style="list-style-type: none"> . a professional learning academy for teachers to focus on improving progress in learning for our most deprived young people . the development of approaches for nurture and mental health designed to improve aspects of child development, engagement and promote positive relationships . working on family learning to improve the support and engagement of continued learning in the home environment . a focus on data analysis to target improvements and measure impacts. 	
Linked Actions		
Linked Actions Code & Title		

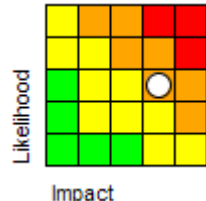
Risk Code & Title		2018/19 SRR03 Financial Sustainability of the Health and Social Care Partnership	Current Risk Matrix
Risk	<p>The risk is increased financial exposure for the Council as a result of the loss of direct financial control of the resources delegated to the Integrated Joint Board at a time of reducing resources and growing demand.</p> <p>The Integration Joint Board has the responsibility for the distribution of resources to partner bodies to deliver its strategic plan. To date the level of resources delegated to the Council does not align with current demand and eligibility criteria.</p>		<div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div> <div>Likelihood</div> <div>Impact</div>
Consequence	<p>Growing demand across Health and Social Care at a time of decreasing resources creates a financial pressure for the Partnership. To address this, the Partnership needs to increase the pace and scale of transformation to deliver services in a more sustainable way and secure a shift in the balance of care from acute to the community.</p> <p>There is a risk that if the Partnership continues to overspend that the Council may be required to provide additional funding support which could significantly impact on other services provided by the Council.</p>		Current Risk Score
Current Controls	<p>The IJB meets monthly and monitors progress against the Strategic Plan and the Partnership financial position. Finance reports include projected outturns and are reviewed by Partnership Management Team and the IJB. These monitoring reports are also shared with the Directors of Finance of the Council and Health Board to ensure full transparency. These identify emerging financial issues, however to date the HSCP has been unable to identify sufficient mitigation to manage pressures within the available budget</p> <p>A Medium Term Financial Plan has been developed and is being refreshed. This plan outlines pressures for services linked to demographic and cost increases, assumptions about future funding and the transformation programme in place to assist with service redesign. The plan identifies opportunities to address these challenges including a shift in the balance of care from Acute to Community.</p> <p>A dedicated Chief Finance and Transformation Officer has been established within the HSCP to support delivery of transformation at scale and pace and develop a financial framework to ensure service delivery within available resources.</p> <p>Council Challenge Fund resources are available to the Partnership to support its transformation journey to shift the balance of care and mitigate demand.</p>		20
Linked Actions			
Linked Actions Code & Title			

Risk Code & Title		2018/19 SRR04 People & Transformation	Current Risk Matrix
Risk	<p>There is an overarching corporate risk that transformation and change management activities which are core to the Council's future delivery models and long-term financial sustainability, fail to deliver and potentially disengage employees.</p> <p>The workforce context of significant organisational change, pay restraint and budget efficiencies may impact on employee engagement and the stability of employee relations which further impacts on the Council's capacity to meet service requirements and deliver key objectives.</p>		
Consequence	<p>Any gaps in workforce planning and organisational development arrangements may lead to difficulties in having a workforce with the appropriate knowledge, engagement levels and skills to meet service demand and achieve desired outcomes. It will further impact on the Council's ability to continue to deliver change, meet Strategic Priorities and achieve the required efficiencies. Failure to deliver transformational change will impact on the Council's financial sustainability and its effectiveness of service delivery.</p>		Current Risk Score
Current Controls	<p>Organisational Development interventions that support cultural transformation continue to be evolved and embedded that support the Council's transformation, improves effectiveness and capability as well as develops an organisational culture which fosters involvement, engagement and high performance.</p> <p>Employee Engagement Surveys monitor employee engagement levels and identify any issues or areas for improvement required. Surveys are conducted every two years, with the 2017 survey results currently being analysed. This and future surveys will continue to monitor engagement levels and areas for improvement.</p> <p>LiveWell, and the four themes within this – Be Well, Play Well, Eat Well and Work Well – continue to be promoted and a range of programmes, events and activities are available for all staff. Participation in wellbeing activities can have positive impacts on personal resilience, stress reduction and absenteeism.</p> <p>Mechanisms for consultation and engagement with Trades Unions enable open dialogue with unions and elected members on key strategic workforce issues.</p> <p>Key strategic organisational change issues are developed through regular leadership conferences.</p> <p>Our Workforce Planning approach provides a toolkit of interventions such as vacancy management, redeployment and early release schemes that support the re-shaping of our workforce for the future. .</p> <p>A review of the Transformation Programme to align with the new Council Plan is currently underway. The aim of the review will be to focus resources on a smaller number of key transformational initiatives which will deliver the biggest impact. Employees involved in transformational change have been centralised into a single Transformation Team which will make it easier to align resource to the right projects, track progress and ensure benefits are delivered.</p>		12
Linked Actions			
Linked Actions Code & Title			

Risk Code & Title	2018/19 SRR05 Community Capacity Building and Empowerment	Current Risk Matrix
Risk	<p>The risk facing the authority is that community capacity and community resilience in North Ayrshire will not develop sufficiently quickly to meet the economic and social challenges which are emerging in the current economic climate.</p> <p>The additional demands placed on the public sector by the Community Empowerment Act (Scotland) 2015 is an emerging risk, with timescales for implementation of and reaction to certain strands of legislation, e.g. community asset transfer and participation requests, now being set by the Scottish Government.</p> <p>The development of community capacity and appropriate support mechanisms to allow local communities to determine their own objectives and have their voices heard in the planning and delivery of services is a key priority of North Ayrshire Council. The ability of communities and organisations to do this varies and the Council is committed to providing the appropriate support, according to local need, to ensure that communities are able to achieve their potential in this challenging economic climate. Involvement in this ranges from volunteering in local and civic events through to delivering services for communities.</p> <p>Increasing requirements to make savings in staff supporting community activity further heightens the risk attached to this issue.</p>	
Consequence	<p>Where the risk is not managed effectively the potential benefits of community capacity building and empowerment may be lost.</p> <p>There remains a potential disconnect between those communities where levels of capacity and engagement with the empowerment agenda are high and those with less social capital where interest remains low. This could widen the inequality gap between communities with the ability to influence the planning and delivery of more responsive services and those communities who do not.</p> <p>The potential also exists for a disconnect between what the Council wishes to see in terms of communities embracing the opportunities for increasing ownership of assets and what communities themselves feel able and prepared to commit to. In terms of the asset transfer agenda the potential remains for community assets to revert back to Council ownership due to ineffective community engagement/participation and a lack of effective business planning for sustainable use of community assets.</p> <p>The speeding up of this approach has been caused by the increasing savings required from the Council. The risk is that services and facilities will be lost for good as communities fail to keep up with the speed of change.</p>	Current Risk Score
Current Controls	<p>North Ayrshire Council has made a public commitment to community capacity building and empowerment, through the Community Planning Partnership and through the Economy and Communities Directorate Plan. North Ayrshire Council has also identified that the value of continuing to support the community and voluntary sector to develop capacity is central to the well-being of the community and wishes to continue to fund activities which contribute to this.</p> <p>A strategic corporate Community Empowerment Action Plan is being developed within the Council and with all CPP partners, to identify how the Council can shift from delivery to enabling mode with many of our community partners to build their capacity and identify opportunities for growth and sustainability.</p>	12

	<p>The introduction of Locality Planning will enhance local resilience and place-making initiatives to strengthen how communities work together to lessen the impact of external changes. Six locality partnerships have now been established to ensure the involvement of the community in local decision making and to monitor the support we are providing to communities.</p> <p>The Council has refined and enhanced its asset transfer, allotment and Community Council guidance and support, and in addition, the Council has also introduced support for individuals and communities in relation to developing excellence in arts and culture and sports, whilst reviewing the way in which it awards Community Development Grants to ensure that capacity building is a central feature of support to communities and voluntary organisations. Groups are also supported to make a greater number of successful funding bids to external bodies. Additional resources will be available through ongoing projects with Creative Scotland and Sport Scotland with good practice being shared and promoted. The Community Development Fund is underpinning the ability of community organisations to undertake sustainable projects.</p> <p>The Council has held a number of participatory budgeting events, which allow local people to have a say on how small amounts of Council money are spent in their localities.</p>	
Linked Actions		
Linked Actions Code & Title		

Risk Code & Title		2018/19 SRR06 Climate Change	Current Risk Matrix
Risk	<p>Severe weather is already affecting public services across Scotland, with operational, reputational, financial and legal consequences. The risk is that the Council is increasingly affected as this trend continues into the future, with potentially more serious consequences that compound some of the other long-term challenges faced, such as resource scarcity and social and economic inequalities.</p> <p>Climate change is expected to continue and worsen in the future, with changes to mean temperatures, the increasing frequency and severity of storms and higher rainfall levels potentially causing rising water levels and resulting in more flooding and coastal erosion. There is also an ongoing impact of severe winter weather including snowfall and freezing temperatures which impact service delivery and the integrity of our roads open space and buildings infrastructure.</p> <p>The Council is required to comply with the ‘Public Bodies Climate Change Duties’, required under the Climate Change (Scotland) Act 2009. These duties require the Council to assess the risks, threats and opportunities associated with climate change and identify actions to increase resilience to climate change.</p>		
Consequence	<p>An increased frequency of severe weather conditions may lead to more instances of damage to Council infrastructure and property, interruptions to service delivery and increased demands on services, often with little notice.</p> <p>This could also cause risk to life, transport disruption and pollution to the local environment, as well as impact adversely on the local economy if businesses are unable to operate.</p>		Current Risk Score
Current Controls	<p>A strategic approach to climate change adaptation will help manage this risk. The Council has been proactive and has a number of strategies and plans in place to help reduce vulnerability. These include:</p> <p>Environmental Sustainability and Climate Change Strategy</p> <p>Flood Risk Management Strategy</p> <p>Local Development Plan</p> <p>Core Paths Plan</p> <p>Outdoor Access Strategy</p> <p>Weather and Winter Emergencies Plan</p> <p>Asset management plans are in place which are regularly reviewed for our Roads, Fleet, Housing, Property and Open Spaces which take cognisance of the impact of severe weather and climate change and allow the prioritisation of investment as appropriate.</p> <p>The Council has business continuity arrangements in place and, through the Ayrshire Civil Contingencies Team, there are also emergency planning arrangements in place.</p> <p>Mutual aid arrangements are in place with other Councils.</p>		12
Linked Actions			
Linked Actions Code & Title			

Risk Code & Title		2018/19 SRR07 Information and Cyber Security	Current Risk Matrix
Risk	<p>The key risk to the authority relates to the reduction of public confidence associated with the loss of personal or sensitive data. Cyber risk is the potential compromise of business operations orchestrated via digital channels or the IT infrastructure and can include targeting of the user base. Risk derives from both Council operations and those of its supply chain.</p> <p>The Council recognises the need to both maximise the benefit of our information to deliver effective and efficient services, and the need to appropriately protect our information and comply with information legislation and information security requirements and standards. Furthermore the Council requires to meet its obligations in relation to the implementation of the EU General Data Protection Regulations (GDPR) by May 2018.</p>		
Consequence	<p>Failure by Services to adopt and comply with strategies, policies and procedures may result in a failure to adequately maintain and protect information the Council is responsible for.</p> <p>There may be a significant impact on the authority through the release of personal and/or sensitive information resulting in a loss of public confidence and significant financial loss incurred through fines and Service disruption.</p> <p>A successful cyber-attack (virus, penetration or malicious external or internal action) on the Council's IT environments could also result in significant service disruption and possible data loss. Impacts of cyber-attack could include economic (i.e. inability to collect online payments) and societal disruption (i.e. loss of diaries and client appointments). Such attacks could be directed at the Council or elements of its supply chain.</p> <p>Failure by Services to appropriately manage and use the information they hold may result in lost opportunities to transform services to the community.</p>		Current Risk Score
Current Controls	<p>A new Data Team was established in 2017 incorporating Information Governance, Data Protection, Freedom of Information and Complaints. The team also have temporary resource for the GDPR project. Appropriate policies, processes and training are currently being revised in line with requirements for GDPR.</p> <p>Access to information systems is controlled and secure, laptops have data encryption installed along with anti-virus software. The Council adheres to government security standards and guidelines to access and share information securely with central and local government and other partners, all of which are subjected to internal and external audit and compliance processes. The Council also mitigates the risk of information loss from information residing on servers through Disaster Recovery contracts and annual business continuity testing as well as standard back-up and off-site storage facilities.</p> <p>It is recognised that no organisation can be 100% protected against agile and fast changing cyber threats. Continual development of protection measures both technical and non-technical are required to reduce risk. IT Services continue to review the Council's protection strategy and technology in place in line with industry and UK and Scottish Government recommendations.</p> <p>As part of the Council's Digital Transformation programme, there is a range of projects within the Data workstream designed to improve how the Council manages information.</p>		12
Linked Actions			
Linked Actions Code & Title			

NORTH AYRSHIRE COUNCIL

20 March 2018

Cabinet

Title: Health and Safety Annual Performance Report 2017

Purpose: To provide Cabinet with an update on the Health and Safety performance within Council Services over the 12 month period, 1st January 2017 to 31st December 2017.

Recommendation: It is proposed that Cabinet approves the good progress made in Health and Safety during 2017 and agrees to receive a further progress report in 12 months.

1. Executive Summary

- 1.1 Health and Safety can be legally complex and cuts across every service within the Council. North Ayrshire Council has a legal duty of care to protect the health, safety and welfare of its employees and others who are affected by its business. Corporate Health and Safety operates in partnership with all Services and external partners to provide advice, guidance and support to improve the health and safety culture and ultimately reduce the risk of injury and ill-health incidents.
- 1.2 A revised and improved Health, Safety and Wellbeing Policy and Statement approved by Cabinet and endorsed by the Chief Executive was published at the start of 2017, to reinforce the Council's commitment and accountability for health and safety at the highest level.
- 1.3 Corporate Health and Safety issues and keeps under review a range of guidance documents to reflect organisational change and new updated working practices.
- 1.4 Results from the work related stress survey were published in 2017 which indicate that overall the Council is 'Very Good' at managing workplace stress. Service management continues to implement action plans to address local issues and minimise stressors in the workplace.
- 1.5 The Electronic Incident Reporting Process has been rolled out to all Services which has significantly reduced the amount of paper being handled and has streamlined reporting to improve the quality of information gathered and our ability to effectively identify incident analysis and trends.
- 1.6 Health and Safety Audits were carried out on the Control of Asbestos Regulations. The results demonstrate the importance that Council Services place on managing this risk.

- 1.7 Corporate Health and Safety continues to provide a wide range of training, using both electronic and short course formats, delivered both internally and using external providers.
- 1.8 Information is provided within the report which illustrates the incident trends within the Council. Aggression and Violence incidents continue to return the highest numbers and Services continue to work with the relevant groups to examine causes and develop reduction strategies. Notably slips/trips and falls have increased as a result of better reporting and a Council-wide promotional campaign will be rolled out in 2018.

2. Background

- 2.1 The Health and Safety at Work Act places a Duty of Care on employers towards employees while they are at work. To meet its Duty of Care, it is essential that the Council works proactively to provide safe systems of work and risk assessments, as well as monitoring health and safety performance.
- 2.2 Monitoring the Council's performance of health and safety requires statistics to be gathered and analysed, to identify appropriate actions. The monitoring is undertaken by Elected Members, Chief Officers, Senior Management Employees and Trade Unions.
- 2.3 To support effective Health and Safety monitoring, each directorate holds a Health and Safety Planning Group meeting, normally chaired by a chief officer on a quarterly basis. The purpose of these meetings is to review, discuss and plan operational Health and Safety performance, actions, incident statistics and review statistical reports. Given the very low number of incidents, the Finance and Corporate Support Health and Safety group meets less frequently and is chaired by the Senior Manager (Internal Audit, Risk and Fraud).
- 2.4 Furthermore, on a quarterly basis, the Corporate Health and Safety team reports on directorate performance statistics, health and safety projects and performance to the Corporate Health and Safety Group chaired by the Leader of the Council and attended by senior health and safety representatives from all services and Trade Unions.
- 2.5 The Health and Safety Annual Report, which is attached at Appendix 1 to this report, is a key part of the monitoring and reporting process to Elected Members.
- 2.6 The Annual Report outlines in detail the following:
 - Developments during 2017
 - Corporate Health and Safety Training
 - Incident Statistics
 - Planned Improvements for 2018

3. Proposals

- 3.1 It is proposed that Cabinet approves the good progress made in Health and Safety during 2017 and agrees to receive a further progress report in 12 months.

4. Implications

Financial:	None.
Human Resources:	Supporting health, safety and wellbeing for Council employees, customers and service users.
Legal:	Ensuring that the Council meets its Duty of Care and complies with Health and Safety legislation. Failure to do so may result in prosecutions or financial penalties.
Equality:	None.
Children and Young People:	
Environmental & Sustainability:	None.
Key Priorities:	A robust Health and Safety culture supports the Council priority of 'Supporting all of our people to stay safe healthy and active'.
Community Benefits:	None.

5. Consultation

- 5.1 The Corporate Health and Safety Team consults regularly on Health and Safety with Elected Members, employees and trade unions. The subjects within this report have been shared at directorate planning groups and at the Corporate Health and Safety group.



Laura Friel
Executive Director (Finance and Corporate Support)

For further information please contact **James Walls, Corporate Health and Safety Manager** on **01294-324679** or **Paul Doak, Senior Manager (Internal Audit, Risk and Fraud)** on **01294-324561**.

Background Papers

N/A

CORPORATE HEALTH AND SAFETY

ANNUAL REPORT 2017

Version:	Final
Date:	06/03/2018
Author:	James Walls
Classification:	Public



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

CORPORATE HEALTH AND SAFETY ANNUAL REPORT 2017

1 Background

- 1.1** The Health & Safety at Work Act places significant requirements on employers to ensure a Duty of Care to employees while at work. To meet its Duty of Care, it is essential that the Council provides safe systems of work, carries out risk assessments and monitors health and safety performance in relation to its services, employees and service users. Monitoring the Council's performance of health and safety requires statistics to be gathered and analysed, to identify appropriate action. The monitoring is undertaken by Elected Members, Chief Officers, Senior Management, Employees and Trade Unions.
- 1.2** To support effective Health and Safety monitoring, each directorate holds a Health & Safety Planning Group meeting, normally chaired by a chief officer on a quarterly basis. The purpose of these meetings is to review, discuss and plan operational Health and Safety performance, actions and incident statistics. Given the very low number of incidents, the Finance and Corporate Support Health and Safety group meets less frequently and is chaired by the Senior Manager (Internal Audit, Risk and Fraud). On a quarterly basis, the Corporate Health and Safety team reports on directorate performance statistics, health and safety projects and performance to the Corporate Health and Safety Group chaired by the Leader of the Council and attended by senior health and safety representatives from all services and Trade Unions.
- 1.3** The Corporate Health and Safety team comprises three Health and Safety Advisers and one team manager who provide professional advice, guidance and support to each directorate, including health partners, aiming to improve safety performance.
- 1.4** The Corporate Health and Safety team continues to promote the theme of "Safety in Mind". The overarching aim of this theme is to raise the profile and understanding of Health and Safety in the workplace and to keep health and safety at the forefront of all our employees' minds on a day to day basis.

2 Developments during 2017

- 2.1** As with any organisation, it is essential for the Council to demonstrate that there is a commitment to continuously improve the way health and safety is managed and implemented.
- 2.2** This section of the report demonstrates where the Corporate Health and Safety Team has supported and implemented Council-wide improvements within Health, Safety and Wellbeing.

Health, Safety and Wellbeing Engagement

- 2.3** During 2017, the Corporate Health and Safety Team has actively engaged in a variety of sessions, meetings and workshops to raise the profile of Health and Safety and Wellbeing in the workforce. These have included a presentation to Elected Members on their responsibilities and accountabilities under Health and Safety legislation, presentations to Chief Officers and their senior management teams and engagement with Trade Unions on new guidance such as the Driving at Work Policy.

- 2.4** This engagement has produced positive results including Health and Safety objectives being embedded and driven by the Executive Leadership Team for 2017/18. As part of this, the Chief Executive and all other Chief Officers commenced site visits towards the end of 2017. These visits include discussions with front line staff to demonstrate a visible commitment to health and safety. These visits will continue throughout 2018.

Reviews of Policies and Guidance

- 2.5** To ensure all Employees have access to current health and safety information and advice, all policies and guides have been published on the Council intranet and external website.
- 2.6** The Corporate Health, Safety and Wellbeing Policy (CHS&WP) has been revised and was re-launched Council wide at the beginning of 2017. This is the main overarching Health and Safety Policy which communicates the Council's commitment, direction and priority of protecting employees' health, safety and wellbeing within the workplace. The policy provides clarity and definition of workplace responsibilities at each level within the Council and was developed in partnership with Chief Officers, Employees and Trade Unions.
- 2.7** The following other guidance documents have been updated during 2017:
- First Aid at Work
 - Driving at Work Guidance
- 2.8** The following documents have been under review during 2017 and will be launched in 2018:
- Fire Safety Policy (this will be reported to Cabinet for approval)
 - Fire Safety Guidance
 - Premises Fire Register
 - Smoking Policy
 - Risk Assessment Guidance
 - Risk Assessment Template

Health and Safety Audits

- 2.9** The Corporate Health and Safety Team audited nine premises and three Construction Projects on the Control of Asbestos.

- 2.10** Premises Audited
Ardrossan Academy
Ardrossan Civic Centre
Argyle Community Centre
Castleview Day Centre
Eglinton Park
Gowanlea Day Centre
Haysholm School
Streetscene Depot, Saltcoats
Mountview Children's Unit

Construction Projects Audited
Corsehill Primary School
Irvine Royal Academy
Loudon Montgomery Primary School

- 2.11** The audits within the nine Council premises were positive, with no issues identified; however, deficiencies were identified in the 3 Construction Projects audited. These actions were for contractors and were in relation to Asbestos Awareness training, capture of 'Asbestos within Work' method statements and risk assessments, site inductions and holding the correct documentation at site.
- 2.12** For the first time, Health and Safety findings are being recorded in the Pentana Performance Database to help ensure actions are addressed, monitored and completed.

Collaborative Working Relationships

- 2.13** The team has developed and improved partnership working across the Council and with our external partners to share information and improve services. These include working with Risk and Insurance to review incidents and systems relating to compensation claims and payments and working with the Scottish Fire and Rescue (SF&RS) where we strengthened communications to identify and address audit findings. We have also improved confidence within SF&RS and reduced the number of health and safety issues found within premises.
- 2.14** On a quarterly basis, Council and NHS health and safety lead officers meet to promote health and safety improvements within Health and Social Care.
- 2.15** In order to strengthen collaboration within the Council, a restructure within Finance and Corporate Support in December 2017 brought together the Health and Safety and Risk and Insurance teams. Both teams are now within People Services and report to a single Senior Manager.

Electronic Incident Reporting

- 2.16** An essential element of health and safety is the reporting of incidents. Previously, incidents have been recorded on paper forms which is resource intensive and subject to errors or non-reporting. The new electronic system, which has been developed and launched Council-wide, has streamlined incident reporting and greatly improved information gathering and the ability to effectively determine incident analysis and trends. 2017 saw the last groups of employees being trained on the new system which is also now being utilised to provide freedom of information health and safety statistics on the Council website.

Stress Survey Results

- 2.17** During 2017, the results of the Council-wide stress survey carried out in 2016 were published and reported to the Executive Leadership Team. The results indicated that, whilst the overall stress level for the Council is 'Very Good', the main potential workplace stressors are (increased) demands and the continued change affecting all services. Managers are now working through action plans with their teams to minimise stressors in the workplace.

Near Miss Campaign

- 2.18** Near Miss Reporting and Investigation has been identified as one of the key pro-active actions to prevent future incidents from taking place. A 'Near Miss Campaign' was developed towards the end of 2017 and launched at all Directorates' Senior Management Teams. The aim of the campaign is to raise awareness among employees as to what a near miss is and why they should be reported. The campaign will be cascaded to employees during 2018 with an expectation that there will be an ongoing increase in reporting of near misses. Near Miss incidents are treated the same as an actual incident which results in injury or damage; they are investigated and improvements put in place to help prevent an actual incident taking place.

3 Corporate Health and Safety Training

- 3.1** A variety of training events were delivered across the Council during 2017. The team has reviewed course content and introduced flexible methods of delivery such as twilight and in-service courses as well as developing new e-learning online packages on fire awareness. The improvements will increase employee access, flexibility of learning and understanding health and safety in the workplace.
- 3.2** Table 1 below shows the courses that were run during 2017 and the numbers of delegates on each in comparison to 2016. A number of new courses were introduced in 2017; Fire Warden E-Learning, Fire Safety Awareness E-Learning, and Aggression and Violence/Lone Working.
- 3.3** Fire Warden training has decreased in 2017 as there were a high number of fire warden vacancies in 2016 which had to be filled; however, bespoke premises specific fire warden training was conducted for care home employees which complements the fire safety audits undertaken by Scottish Fire and Rescue.
- 3.4** The small increase in Risk Assessment training is positive, as this is one of the most important factors within pro-active health and safety. The increase in IOSH Managing Safely, which is one of the key tools managers must have to manage health and safety in the workplace, reflects the commitment to a positive health and safety culture.
- 3.5** There has also been a significant uptake of the new course relating to aggression and violence; this is extremely positive as this area returns the highest number of incidents.

Table 1

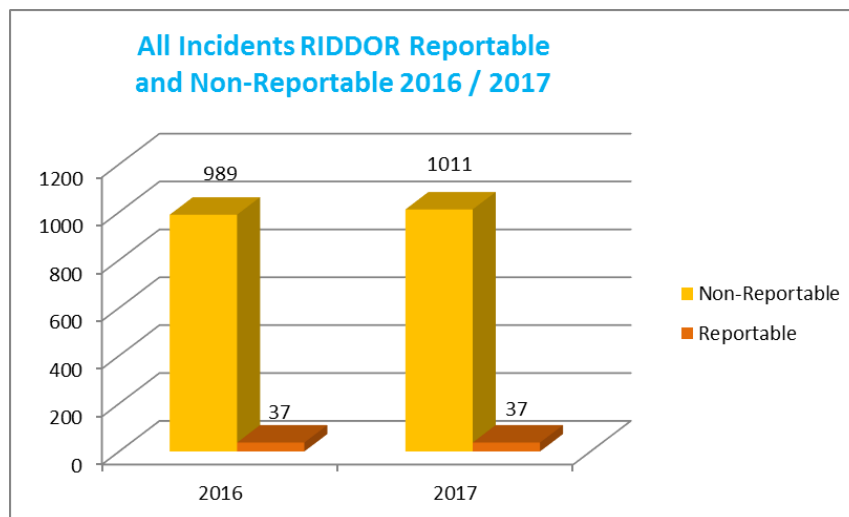
Course Title	No of delegates 2016	No of delegates 2017
Fire Warden	210	142
Fire Warden E-Learning	0	51
Fire Safety Awareness E-Learning	0	215
Risk Assessment	92	112
Risk Assessment Overview	12	20
Asbestos Awareness E-Learning	14	61
Managing Stress	33	84
Stress Awareness	48	34
Understanding Stress Management	22	42
IOSH Managing Safely	35	38
Aggression & Violence / Lone Working	0	183

4 Incident Statistics

- 4.1 A key part of the Corporate Health and Safety Team's monitoring role is to collect and review statistics on all reported Health and Safety incidents and near misses.

All Reported Health and Safety Incidents

- 4.2 Graph 1 below provides an analysis of incidents over a 24 month period and shows a comparison of all incidents from 1st January to 31st December 2016 and 1st January to 31st December 2017.

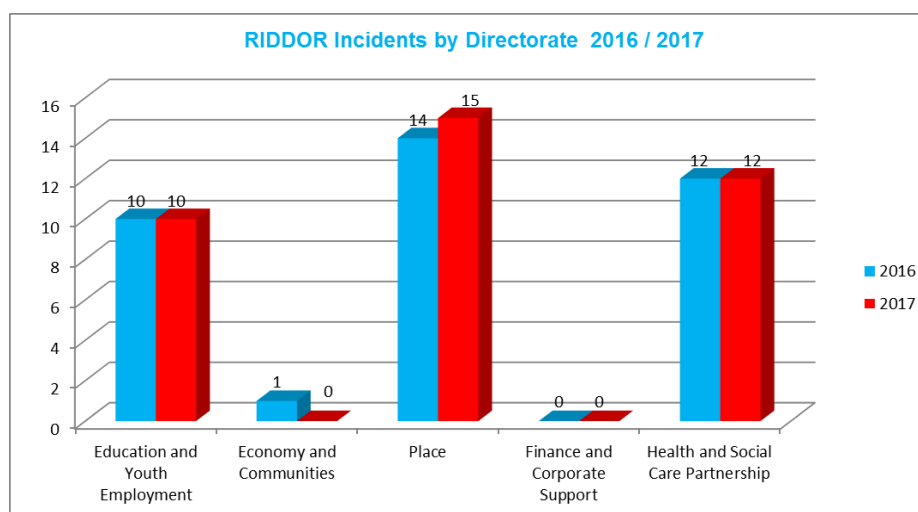


Graph 1

- 4.3 The graph shows an increase in the number of incidents reported in 2017 compared to 2016. There were a total of 1026 incidents in 2016 and 1048 incidents in 2017. Further detailed analysis is provided in the paragraphs below within this report.

RIDDOR Incidents by Directorate

- 4.4 The Council has a legal duty to report certain incidents to the Health and Safety Executive as per the requirements of the Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR). Graph 2 below shows a comparison of RIDDOR reportable incidents across all directorates over the last 2 years.

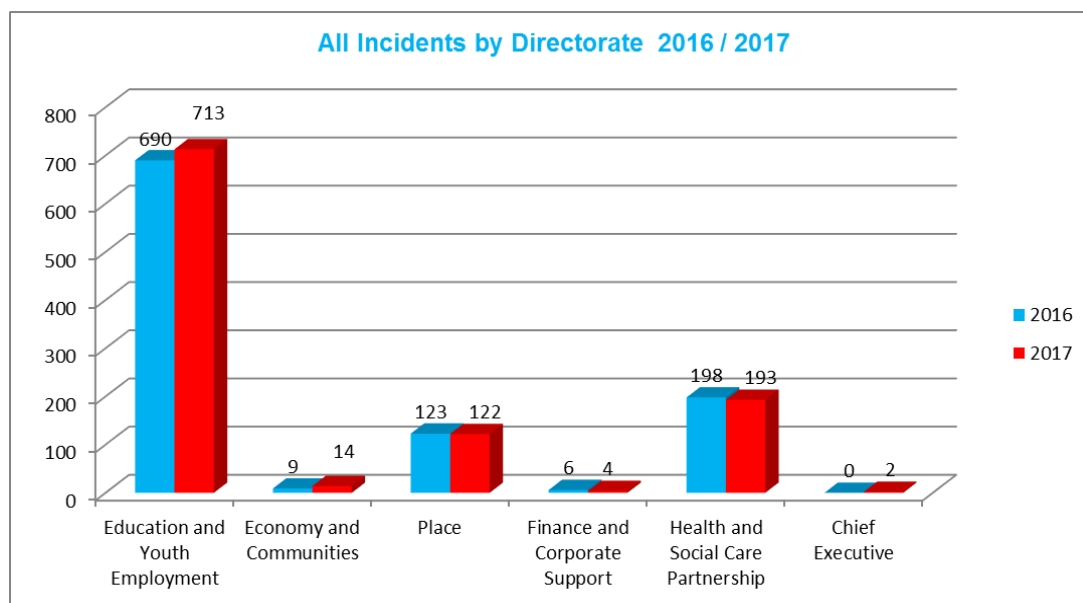


Graph 2

- 4.5** Graph 2 shows that the Place Directorate has reported the highest number of RIDDOR incidents, followed by the Health and Social Care Partnership and then Education and Youth Employment. These are the three main operational areas within the Council and it is to be expected that these would be the areas generating the more serious RIDDOR Incidents. Both 2016 and 2017 saw 37 incidents per year.
- 4.6** Within the RIDDOR reporting requirements, there are two main categories which are Specified Injuries (more serious injuries) and Over 7 Day Injuries. In 2017, the Council had a reduction in Specified Injuries with a total of 11 compared to 14 in the previous year.
- 4.7** The main cause of RIDDOR incidents in both 2016 and 2017 was 'Slips Trips and Falls', although there was a small reduction from 20 incidents in 2016 to 16 in 2017.
- 4.8** Directorates comply with the findings identified in all RIDDOR Incident Investigation reports which identify corrective actions to help prevent reoccurrence. Directorates also share their RIDDOR incidents and the findings to the Corporate Health and Safety Group to help others learn from experience.

All Incidents by Directorate

- 4.9** Graph 3 below gives an analysis of the total number of all incidents that have occurred over the 2 year period and breaks down the incident statistics by directorate.

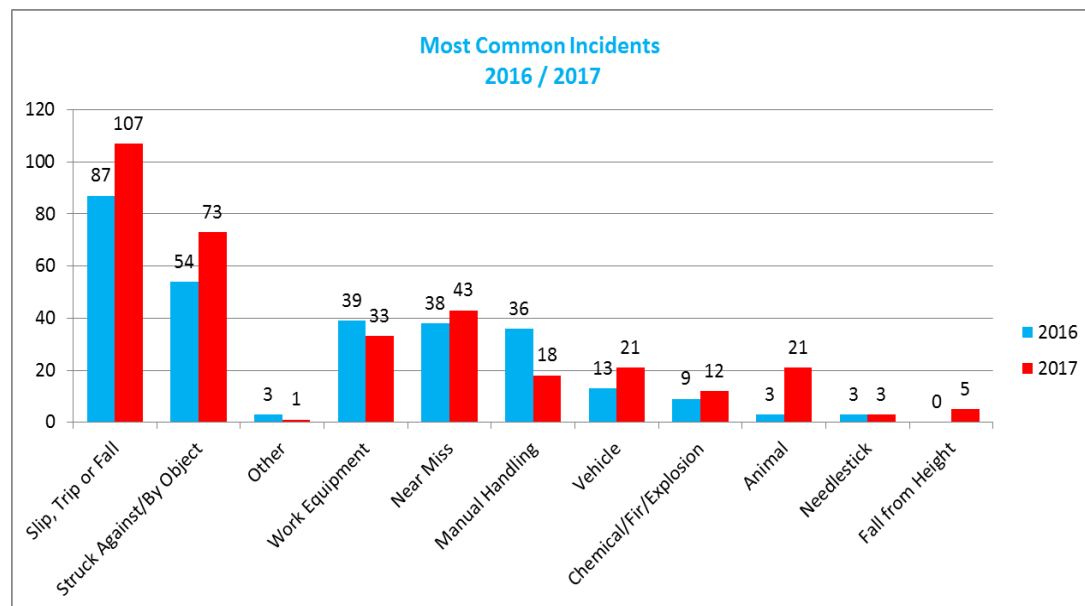


Graph 3

- 4.10** This shows that Education and Youth Employment recorded the most incidents during 2017, followed by the Health and Social Care Partnership and then Place.
- 4.11** Further detail on the incidents within these three Directorates is provided later in this report; however, no further information is provided on Economy and Communities, Finance and Corporate Support or Chief Executives as the number of incidents is very low. This helps to focus attention on the most significant areas.

Most Common Incidents (excluding Aggression and Violence)

4.12 Graph 4 below shows the total number of incidents by cause (excluding Aggression and Violence) across the Council over the past 2 years.



Graph 4

4.13 Other than Aggression and Violence incidents, which are analysed below, the cause showing the highest number of incidents for 2017 is 'Slip Trip Fall' with 107 incidents, which is an increase of 20 on the previous year. There are no specific reasons to explain the increase, however some of the main causes were ice, moss, obstacles on ground and exiting vehicles. Slip Trip Fall Campaign material is currently being developed for roll out in late Summer and Autumn 2018, in advance of winter.

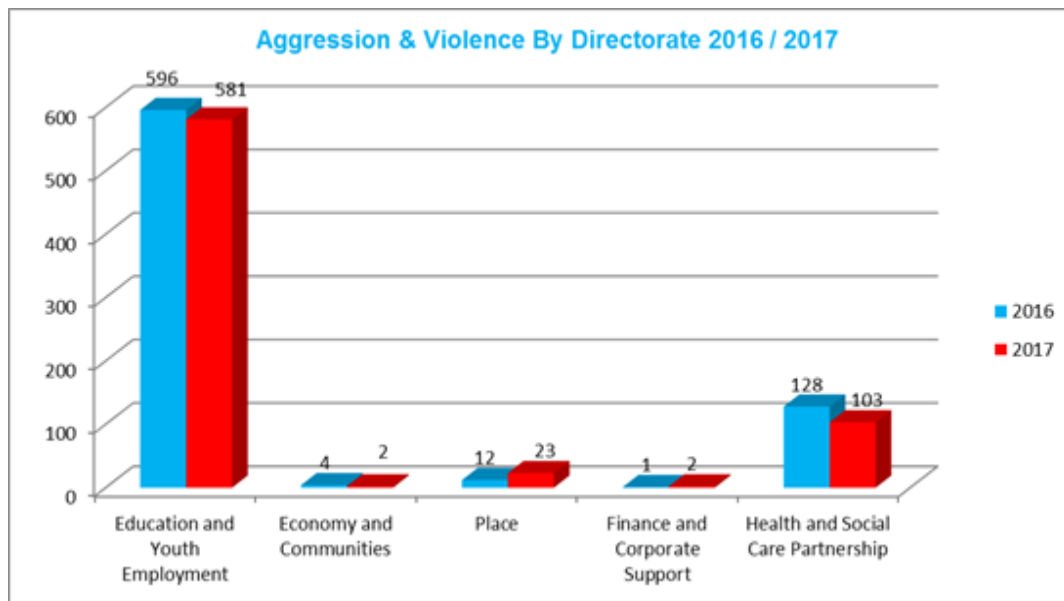
4.14 In 2016 the Council reported 38 near miss incidents; this increased to 43 in 2017 which is a positive situation as the reporting of near miss incidents is a pro-active way of dealing with issues before they become incidents. Details of the Near Miss Campaign are provided at 2.18 above.

Aggression and Violence Incidents

4.15 Graph 5 below gives an indication of where aggression and violence incidents are taking place and shows that, in 2017, there was a reduction of 30 incidents across the Council, from 741 to 711. Education and Youth Employment continues to experience most of the incidents, but a high number of these sit within the ASN and Primary Schools and can be categorised as being without intent to injure.

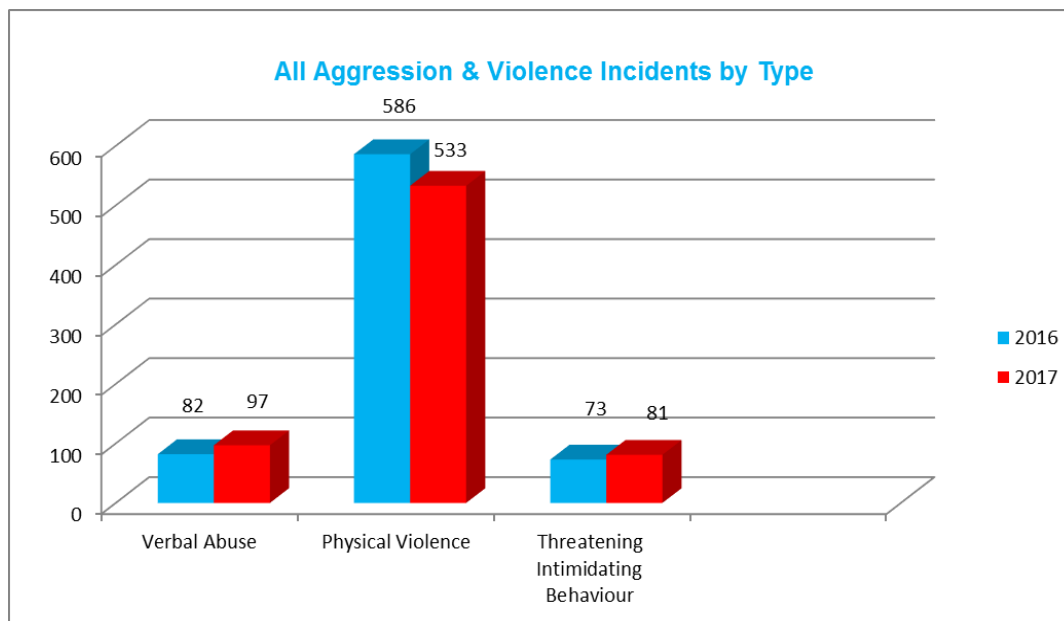
4.16 There is also a significant but reducing number of incidents within Health and Social Care. All Crisis and Aggression, Limitation and Management (CALM) related incidents are reviewed by Behavioural Support Co-ordinators. A review of health and safety management arrangements is underway within residential child care and will continue into 2018. CALM training has been reviewed and the Positive Behaviour Support Policy is in final stages of review. CALM practice sessions are held six weekly on site and are formally recorded. All staff are trained in both theory and practical.

4.17 Place Directorate has experienced an increase from 12 to 23 but numbers remain relatively small; the majority of incidents occur within Facilities Management, Housing and Waste Management and appropriate training is in place.



Graph 5

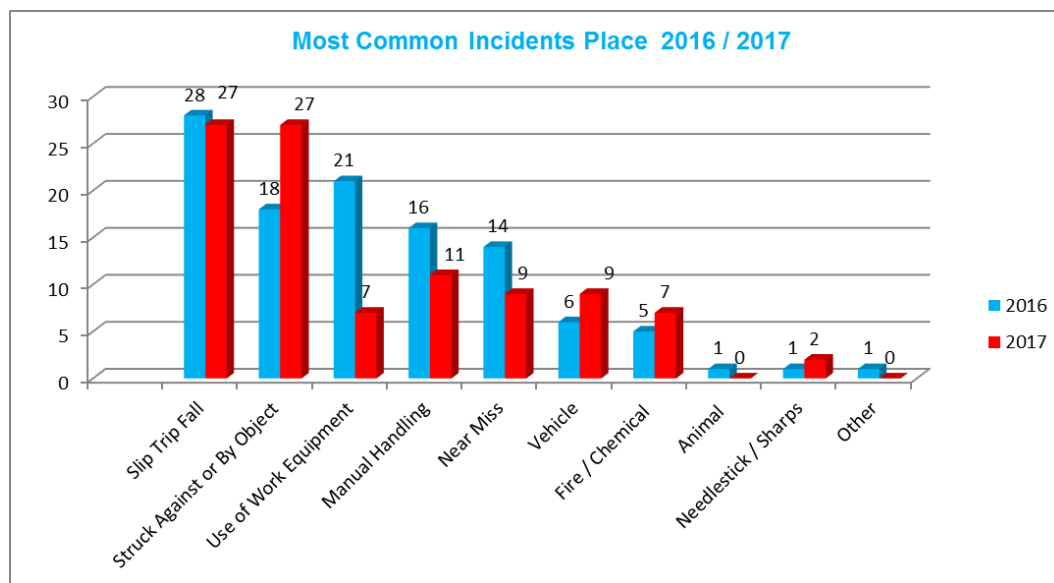
4.18 Graph 6 gives more detail on the type of aggression and violence incidents that are taking place with physical violence being the most significant cause.



Graph 6

Place Directorate

- 4.19** Graph 7 below gives a detailed analysis of the common types of incidents (excluding Aggression and Violence) within the Place Directorate.

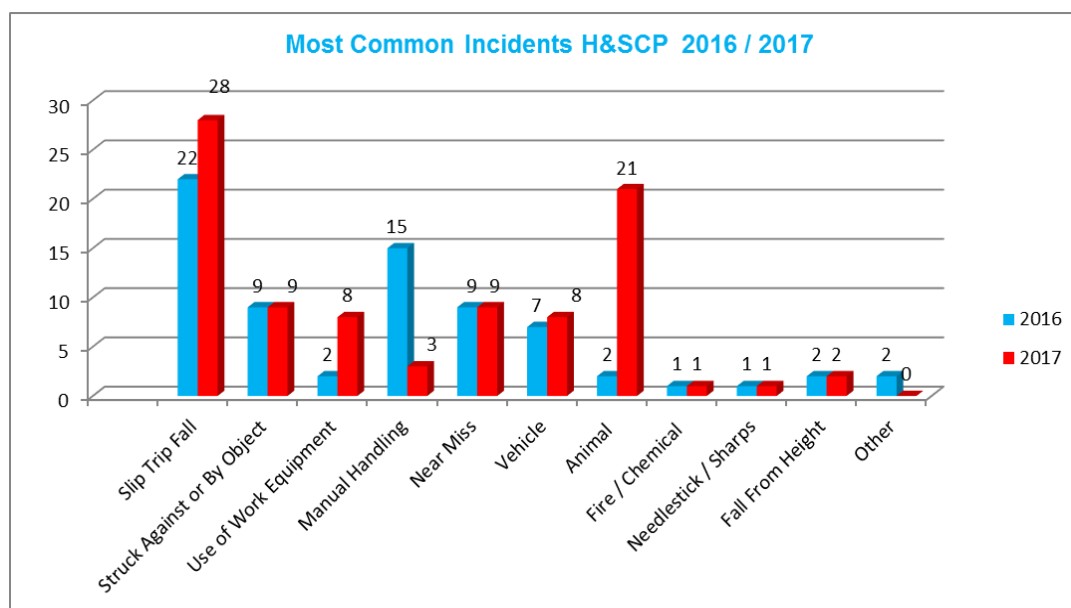


Graph 7

- 4.20** Excluding Aggression and Violence, there was a total of 111 incidents for 2016 and 99 for 2017. 'Struck Against/Struck By Object', 'Vehicle' and 'Chemical/Fire' incidents have increased. Within Place, there is engagement and interaction with dangerous plant and equipment and it is good to see that in 2017 there has been a significant reduction in incidents involving the use of work equipment although numbers are relatively small.
- 4.21** The Place Directorate Health and Safety planning group continues to meet on a quarterly basis to deliver a directorate health and safety action plan and monitor progress, ensuring good governance around Health and Safety issues. This performance reporting is further underpinned by managers providing updates to the Executive Director and Heads of Service.
- 4.22** Focusing on employee well-being, the directorate continues to engage with occupational health including 3,918 contacts during the year, 60 mini health checks, 280 inoculations, 421 counselling and 944 physiotherapy appointments. In addition, the Directorate continues with Well-being site visits with a range of employees attending. This regular event is embedded into the 2017/18 Place Directorate health and safety action plan to roll out across the whole Directorate.

Health and Social Care Partnership

- 4.23** Graph 8 below gives a detailed breakdown of incidents within the Health and Social Care Partnership (excluding aggression and violence) and shows a small increase in 2017 (90 incidents) versus 2016 (72 incidents). The overall increase can be explained by the number of animal incidents which were all in relation to flea infestations. 'Slip Trip Fall', 'Struck Against/By Object' and 'Use of Work Equipment' incidents were the main causes. The number of manual handling incidents has significantly decreased; this may be as a result of the increased level of moving and handling training being carried out within the Partnership.

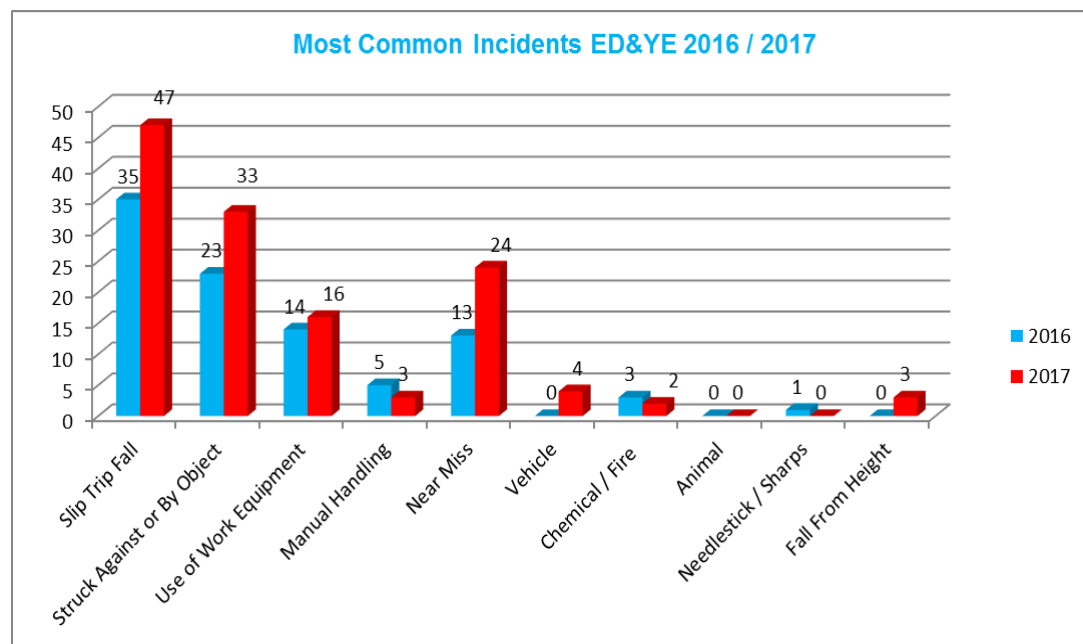


Graph 8

- 4.24** The highest incident type (outwith aggression and violence) is 'Slip Trip Fall' which has increased from 22 to 28. The planned Slip, Trip, Fall awareness campaign should help to address some of the causes and help to raise awareness among employees.
- 4.25** Manual Handling has seen a decrease in incidents of 80% compared to 2016 and could be attributed to the level of training implemented within the Partnership. All moving and handling related incidents are reviewed by Behavioural Support Co-ordinators. Moving and handling training has been reviewed to include plus size people and palliative care. Bespoke training for the moving and handling of plus size people and induction training has been increased in duration to enable more in depth experience for delegates. Bespoke onsite training is being delivered for the use of lifting equipment.
- 4.26** The Partnership organised Mindfulness and Wellness Recovery Action Plan courses for employees which assists in self-designed prevention and wellness and also supports employees in managing their own mental health, wellbeing and recovery from any physical or mental health problems. These courses evaluated very positively, particularly within residential child care settings. The Partnership intend to run further sessions during 2018.
- 4.27** The Partnership continues to operate a Managing Absence working group with trade unions and managers, chaired by the Head of Service to consider absence actions. In addition the annual flu vaccination programme was delivered where employees received immunisation at drop in clinics.

Education and Youth Employment

4.28 Graph 9 below gives a detailed analysis of incidents within the Education and Youth Employment Directorate where it is evident that in 2016 and 2017, Slip Trip Falls are returning the highest numbers outwith Aggression and Violence incidents.



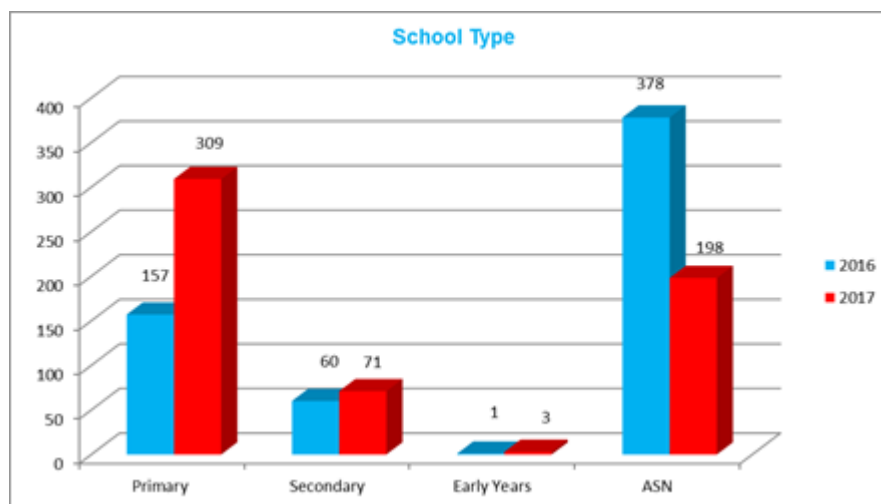
Graph 9

4.29 In 2017, 'Slip Trip Fall' incidents have increased by 12. Following analysis of all incident information there is no clear reason for this increase; there is the possibility that with the introduction of the electronic reporting system, and the subsequent training of employees, more incidents are being recorded. The areas generating the highest numbers of slip trip fall incidents are classrooms with a total of 11, playgrounds with 10 and gymnasiums with 6. This area will be targeted through the 'Slip Trip Fall' campaign in 2018.

4.30 It is also important to note the increased reporting of near misses. In line with the aims of the Near Miss Campaign, this is a positive development.

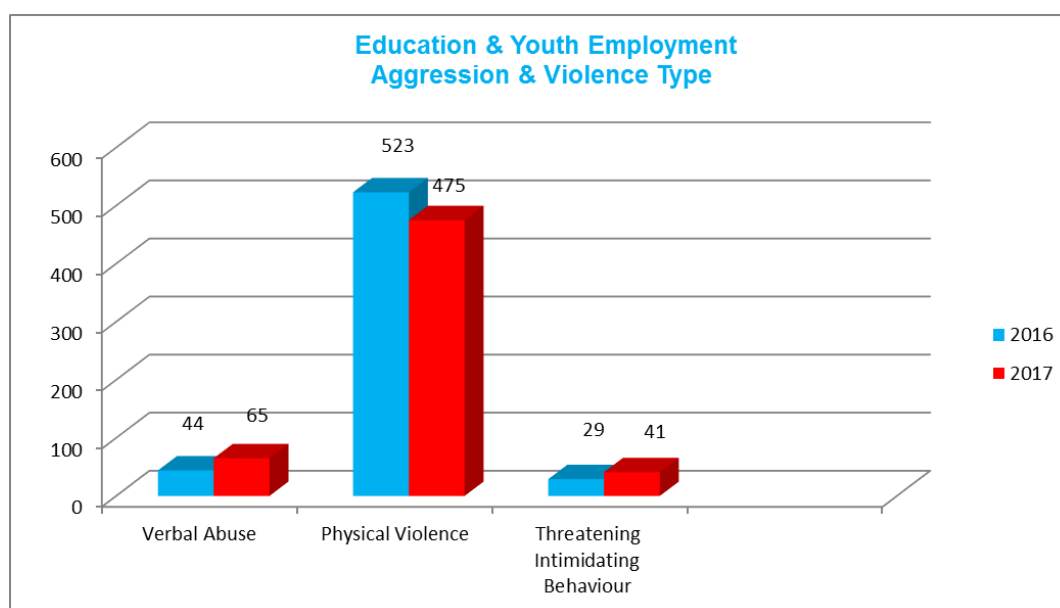
4.31 Aggression and Violence incidents within Education and Youth Employment have decreased by a total of 15 between 2016 and 2017, from 596 to 581.

4.32 Graph 10 below gives further analysis and shows that the highest number of incidents are taking place within primary schools with a 96% increase in 2017. A factor in this increase may be that children who previously would have been placed in ASN schools are now being retained in primary schools. The graph shows a corresponding decrease in incidents within ASN schools by 47%.



Graph 10

- 4.33** Graph 11 below shows a comparison of the type of aggression and violence incidents with physical violence returning the highest numbers. This is largely as a result of children with Additional Support Needs where each child's needs can affect their levels of frustration or behaviour, such as a medical condition, associated medication and/or circumstance. This can result in three or four reports being submitted on the same day involving the same child. Children also engage in aggression without intent and this is a new category which has recently been introduced within the Health and Safety Incident Reporting (HSIR) system and will be included in the 2018 annual report.



Graph 11

- 4.34** Staff and Trade Unions have explored ways of trying to reduce the number and type of Aggression and Violence incidents; schools will continue to review pupil care plans and where appropriate consult and discuss pupil needs with parents and health partners.

5 Planned Improvements for 2018

- 5.1** To meet the requirements of Health and Safety legislation in relation to the Duty of Care and to improve the management of Health and Safety within the Council, it is important to identify areas to improve the safety culture and performance at all levels.
- 5.2** Corporate Health and Safety in conjunction with directorates will seek to implement continuous improvement in a variety of ways as appropriate. The following improvement actions are currently planned for 2018:
- Complete the roll out of the 'Near Miss Campaign' and ensure that Near Miss reporting becomes the norm
 - Complete development of an 'Incident Investigation Training Course for Managers/Supervisors' and roll out to services
 - Further develop the Health and Safety Incident Reporting System to capture vehicle incidents
 - Roll out of a new Risk Assessment Form and Guidance
 - Finalise and implement the Fire Safety Policy, Guidance and Premises Fire Register and take the Policy to Cabinet for approval
 - Roll out the Slip Trip Fall Campaign in late-Summer and Autumn 2018 prior to the Winter period when the highest number of incidents takes place
 - Review and cascade new or amended Health and Safety Policies/Guidance

NORTH AYRSHIRE COUNCIL
20 March 2018**Cabinet**

Title:	Road, Structures and Street Lighting Maintenance Programme 2018/19
Purpose:	To seek Cabinet approval of the proposed Roads, Structures and Street Lighting Maintenance Programme for 2018/19.
Recommendation:	That the Cabinet (a) notes the approach taken to determining the asset maintenance programme for roads, structures and street lighting; (b) approves the maintenance programme for 2018/19, as shown at Appendix 1a and 1b; and (c) notes that the programme will be issued to the Locality Planning Partnerships for information.

1. Executive Summary

- 1.1 North Ayrshire Council has a statutory obligation under the Roads (Scotland) Act 1984 to manage and maintain its public road network. The adopted road network within North Ayrshire has a total length of 1035km. The core roads assets are currently estimated at a value of approximately £1.7billion.
- 1.2 The Council's Roads Service has adopted an asset management approach to road maintenance to allocate available road maintenance funds to locations that will offer the most beneficial return on the investment.
- 1.3 The Roads Asset Management Plan (RAMP) and the roads assets maintenance strategy follows the recommendations contained within the 'Well Maintained Highways Code of Practice, ensuring that the Councils statutory obligations as delegated Roads Authority are met.
- 1.4 In complying with the Code of Practice, an effective regime of inspection, assessment and condition recording is well established which assists in not only providing a road network for the future but one that promotes social inclusion and contributes to economic growth within the area. This approach also ensures the Council is providing value for money on any investment attributed to road maintenance.
- 1.5 The proposed Roads, Structures and Street Lighting Maintenance Programme 2018/19 is attached in Appendix 1a and 1b. The Programme is based on available Revenue and Capital budgets.

2. Background

- 2.1 North Ayrshire Council is responsible for the maintenance of the adopted local road network as well as its other non adopted road assets. However the Council has no responsibility for the maintenance of the Trunk Road Network which falls to Transport Scotland and their management contractor, Scotland Transerve. The Trunk Road network includes the A78, the A737 from Kilwinning to the Renfrewshire Boundary and A738 from the Pennyburn Roundabout to the A737 Dalry Road Kilwinning.
- 2.2 North Ayrshire Council's roads are the Council's largest community asset and play a vital role in supporting the local and wider economy by facilitating the movement of people, goods and services and connecting people with economic opportunities
- 2.3 The proposed Roads, Structures and Street Lighting Maintenance Programme for 2018/19 has been produced using the associated Lifecycle Plans, developed in accordance with the strategy contained within the Roads Asset Management Plan (RAMP). The Lifecycle Plans inform decisions on the location and type of maintenance treatments that will deliver the maximum return on investment and ensures the provision of an effective road network throughout North Ayrshire.
- 2.4 Road Condition is measured nationally through the Scottish Road Maintenance Condition Survey (SRMCS). The measure in place, the Road Condition Index (RCI), records the percentage of the Council's roads which should be considered for maintenance. North Ayrshire's current RCI has increased to 39.1 from 38.3 in 2016 and the estimated carriageway maintenance backlog figure for North Ayrshire is currently £31.6 million. The SRMCS survey for 2017 was carried out in June 2017 and, as such our current RCI does not reflect the majority of significant works undertaken from the budgets invested in 2017/18. The steady state figure for maintaining our roads at present condition is £3.8 million per year. The allocated capital investment supported by revenue funding should maintain our roads at a steady state.
- 2.5 The severe winter weather this year has badly affected the road network across the country and there has been a significant increase in the number of potholes throughout North Ayrshire. To assist in addressing these defects contractors were engaged to support our workforce in tackling the problem. The road maintenance programme has been developed to address the worst affected roads. In addition, where locations cannot be included in this year's resurfacing proposals, the condition of these will be monitored and safety repairs instructed as necessary.
- 2.6 The increase in traffic volumes as a result of the introduction of Road Equivalent Tariff (RET), is having an effect on the condition on our road network on Arran and Cumbrae. Innovative contractual arrangements will enable an additional £430,000 of surface dressing works to be delivered this year which will assist in maintaining the Islands' road network. Locations to be included are detailed within the attached appendices.

- 2.7 Details of how condition assessments are carried out and how roads, structures and lighting locations are prioritised for inclusion in our Maintenance Programme are provided in Appendix 2. The assessment matrix used for scoring and ranking footways for inclusion in our footway resurfacing programme is attached in Appendix 3. The assessment matrix used for scoring and ranking structures for inclusion in structures maintenance programme is attached in Appendix 4.

3. Proposals

- 3.1 That Cabinet notes the approach taken to determining the asset maintenance programme for roads, structures and street lighting.
- 3.2 That Cabinet approves the maintenance programme for 2018/19, as shown at Appendix 1a and 1b.
- 3.3 That Cabinet notes that the programme will be issued to Locality Planning Partnerships for information.

4. Implications

Financial:	The Roads, Structures and Street Lighting Maintenance Programme will be delivered from allocated Capital and Revenue budgets. Estimated costs are detailed within the appendices.
Human Resources:	There are no human resource implications.
Legal:	North Ayrshire Council has a statutory obligation to manage and maintain its public road network under the terms of the Roads (Scotland) Act 1984.
Equality:	There are no equality implications.
Children & Young People:	There are no children and young people implications.
Environmental & Sustainability:	Effective programming and management of these assets assists in reduced carbon associated with mobilisation of unplanned reactive maintenance resources and extends the use of assets in a cost effective and sustainable manner.
Key Priorities:	Effective management of these assets contributes to a number of key objectives including effective and efficient services, protecting vulnerable people and regenerating our communities and increasing employment.
Community Benefits:	There are no Community Benefit implications, although maintenance of the road network will enable better access to services for everyone.

5. Consultation

- 5.1 The Roads Asset Management Plan (RAMP) was presented to the former Physical Environment Advisory Panel on 5 December 2016 for consideration and was approved by Cabinet on 17 January 2017.

A handwritten signature in black ink, appearing to be 'CH', written over a horizontal line.

CRAIG HATTON
Executive Director (Place)

For further information please contact **Campbell Dempster, Acting Senior Manager (Network)** on **01294 324845**.

Background Papers

N/A

Mainland Roads Programme 2018/19

<i>Carriageway Resurfacing</i>			
<i>Street</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
A736	Irvine	B785 to Bankend	£130,000
A737	Kilwinning	Redburn Roundabout over A78	£50,500
A738	Ardrossan	Montfode Estate to Montfode Roundabout including part McMillan Drive	£45,750
A760	Largs	Pitcorn Burn Bridge to Waterworks	£105,000
B706	Beith	Between A737 and C19	£40,000
B706	Beith	Lochlands Road to A737	£35,250
B707	Irvine	Junction A736 for 300 metres	£25,000
B7081	Dreghorn	Annick Drive to Roundabout toward Springside	£145,750
B714	Dalry	Muirlaught Farm to Girthill Farm	£150,000
B714	Saltcoats	Fleming Crescent to other side Sharphill Roundabout	£85,500
B777 New Street	Beith	Full Length	£25,000
B780	Ardrossan	Munnoch Reservoir to Busbie Muir Reservoir	£150,750
B780	Ardrossan	Railway Bridge to Linn Road	£35,000
B780	Ardrossan	South Isle Road to A78	£50,000
B781	West Kilbride	Munnoch Cottage to near Gill Farm	£145,250
B784	Largs	A760 to South Hourat Farm	£86,750
B896	Cumbrae	Ferry terminal Northwards	£60,000
B896	Cumbrae	Sheriff's Port to Fintry Bay	£134,000
B896	Cumbrae	Various Locations	£62,000
Reform Street	Beith	B7049 to 20m passed Elms Place	£25,500
Blackthorn Avenue	Beith	Full Length	£25,750
Castlepark Circle	Irvine	2 Sections	£90,000
Harbour Road	Irvine	Victoria Roundabout heading South	£15,250
Harbour Street	Irvine	Full Length including junction at link road to Beach Drive	£60,500
Heatherhouse Road	Irvine	Full Length	£60,000
Crammond Way	Irvine	Full Length	£42,000
Coodham Place	Kilwinning	Pennyburn Road to Number 19	£7,500
Park Lane	Kilwinning	Full Length	£20,500
Ninians Terrace	Kilwinning	Number 49 to Road end	£7,500
Kelvin Avenue	Kilwinning	Nethermains Road to Simpson Place	£15,000
Millburn Gardens	Largs	Full Length	£32,000
Scott Street	Largs	Between Scott Drive Junctions	£25,000
Gogo Street	Largs	A78 to Railway	£10,000
Holehouse Road	Largs	Moorburn Road to Auchenmaid Drive	£12,500
Old Raise Road	Saltcoats	A738 to St Lawrence Place	£25,500
Burns Avenue	Saltcoats	Number 45 to Meiklelaught Place	£21,000
Hayocks Road	Stevenston	Church Access to Donaldson Avenue	£55,500
Lawfield Avenue	West Kilbride	Castle Drive to Simson Avenue	£35,250
			£2,147,750

Mainland Roads Programme 2018/19

<i>Carriageway Screeding</i>			
<i>Street</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
B707	Beith	Auchenmade Bridge to Dismantled Railway	£20,500
C109	Kilwinning	C5 Junction to Giffen West Lodge	£65,000
C109	Kilwinning	C57 Southbound for 700 metres	£25,250
C109	Kilwinning	B707 to Pencot Cottage	£15,750
C109	Kilwinning	300m north of C57 for 500 metres	£15,250
C126	Kilwinning	Redwells to B778	£15,500
C18	Ardrossan	Croftview to Kirkland Bridge	£60,000
C42	Kilwinning	From previous works to north of Hillhead	£38,500
C43	Kilwinning	U55 to past Auchenkist	£35,250
C56	Fairlie	U27 560m west, U27 1690m east to past Burntongues	£75,250
C57	Kilwinning	C5 to South Lissens Cottage C109 to C99	£80,000
C80	Beith	Jct with A736	£10,750
C87	Kilwinning	Broomhill farm to Bankhead Farm (Section South of laigh smithstone)	£45,250
C99	Dalry	South Lodge	£5,500
U10	Beith	Full Length	£34,500
U16	Dalry	Full Length	£50,000
U33	Dalry	Rye Bridgend to Dan Mar	£54,000
U49	Saltcoats	Little Ittington to B714	£50,000
U49	Saltcoats	B780 to Little Ittington	£30,500
U6	Kilbirnie	Baillieston Part Length from Old Manse to Burnside Farm	£20,500
U68	Irvine	Half way from A735 to C117	£18,500
Allan Square	Irvine	Full Length	£20,750
Western Crescent	Kilbirnie	Full Length	£15,750
			£802,250

<i>Surface Dressing</i>			
<i>Street</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
B784	Kilbirnie	B780 towards South Hourat	£55,000
B782	West Kilbride	A78 towards West Kilbride	£20,000
U67 Byrehill/Dubbs	Stevenston	Longford Avenue to B752	£50,000
Bannoch Road	Kilwinning	Irvine Road to Corsehill	£15,000
C99 Blair Road	Kilwinning	B778 to U15 Castleton	£15,000
B730	Dreghorn	Holmsbridge to Drybridge	£20,000
B785	Kilwinning	Almost Full Length	£65,000
U65 Middlepart	Stevenston	Kerelaw Road to B714	£25,000
B769	Irvine	Perceton to Cunninghamhead	£50,000
C25	Beith	Kings Road to Boundary	£20,000
U3 Auchenhove	Kilbirnie	Full Length	£35,000
			£370,000

Mainland Roads Programme 2018/19

<i>Surface Dressing</i>			
<i>Street</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
B899	Millport	Ferry Road	£35,000
B896	Millport	Ballochmarton Bay to Butter Lump	£50,000
B896	Millport	West Bay	£45,000
			£130,000

<i>Footway Resurfacing</i>			
<i>Street</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
Sorbie Road	Ardrossan	Cemetery side to Whitlees court	£12,000
Seafield Drive	Ardrossan	Full Length	£17,000
Ash Drive	Beith	Full Length	£2,000
Eglinton Street	Beith	Near Guys Lane at bus stop	£1,500
Dick Crescent	Irvine	Full Length	£10,000
Sophia Crescent	Irvine	Part Lengths – 3 sections	£7,800
Cairnsmore Way	Irvine	Full Length	£12,000
Heatherhouse Road	Irvine	Over Railway Bridge (Both Sides)	£17,000
Lindsay Avenue	Kilbirnie	Lynn Drive to Plan View (Even Numbers)	£9,000
Cathkin Place	Kilwinning	Full Length	£9,000
Queen Street	Kilwinning	Full Length	£7,200
Millburn Gardens	Largs	Full Length	£25,000
Clyde Street	Millport	Full Length	£2,500
Laighdykes	Saltcoats	Part Lengths – 5 Sections	£13,000
Munro Walk	Saltcoats	Number 1 to Number 11	£4,000
Craigs Place	Saltcoats	Full Length	£13,000
McGillivray Avenue	Saltcoats	Opposite Number 24 to end	£3,500
Beithglass Avenue	Skelmorlie	Full Length	£16,000
Garrier Road	Springside	Full Length	£10,000
Morrison Avenue	Stevenston	Number 65 to Number 73	£10,000
Clyde View Avenue	Stevenston	Full Length	£2,500
Caponcraig Avenue	Stevenston	Full Length	£2,000
Mary Love Place	Stevenston	Full Length	£4,000
Goldie Place	Stevenston	Full Length	£3,000
Ardneil Avenue	West Kilbride	Full Length	£7,000
			£220,000

Mainland Roads Programme 2018/19

<i>Lighting Deteriorated Infrastructure Replacements</i>		
<i>Area</i>	<i>Town</i>	<i>Estimate Cost</i>
Garthland Drive Clyde Terrace Stanley Road - Flats Millglen Road	Ardrossan	£75,800
Keir Hardie Court Somerville Court	Beith	£36,200
Braehead Place Netherlee Crescent Ryeside Place Templand Crescent	Dalry	£67,800
Sharpe Avenue Dalmailing Avenue	Dreghorn	£49,500
Crompton Way – Footpath to Manson Road The Paddock Crompton Way Arkwright Way C27 Perceton Church Road	Irvine	£255,000
Muirend Street Knoxville Road Garnock Street Paddockholm Road Mill Road	Kilbirnie	£68,500
Cumbræ Road Dykes Place Kilbrannan Avenue Kildonan Place Adams Avenue Corrie Crescent Catacol Avenue	Saltcoats	£119,400
Ardoch Court Moorpark Road East Portland Place Burnbank Street Old Quarry Road	Stevenston	£50,700
Ardneil Avenue Kilruskin Drive Woodside Farland View Bowfield Road	West Kilbride	£92,600
The Lane	Skelmorlie	£28,500
		£844,000

Mainland Roads Programme 2018/19

<i>Lighting Deteriorated Column Replacements</i>			
<i>Area</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
Various Unplanned Locations			£111,000

<i>Lighting Deteriorated Column Inspections</i>			
<i>Area</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
Various Locations			£45,000

<i>Structures Projects</i>			
<i>Structure</i>	<i>Town</i>	<i>Project</i>	<i>Estimate Cost</i>
Bracken Bridge	Irvine	Boundary Bridge –Work undertaken by ARA	£70,000
Seven Acres Mill Bridge	Kilwinning	Replacement – Land Purchase	£15,000
Gillies Hill Culvert	Beith	Replacement	£250,000
Low Green Footbridge	Irvine	Strengthen & refurbishment	£250,000
West Road Retaining Wall	Irvine	Replace Brick Parapet	£50,000
Holmsford Bridge	Dreghorn	Scour Protection / Masonry Repairs	£30,000
Maybole Bridge	Kilbirnie	Feasibility / Options Study	£25,000
Dreghorn Footbridge	Dreghorn	Parapet Replacement	£130,000
			£820,000

Mainland Roads Programme 2018/19

Carriageway Resurfacing:	£2,147,750
Carriageway Screeding:	£802,250
Surface Dressing (Mainland):	£370,000
Surface Dressing (Cumbrae):	£130,000
Carriageway Patching:	£150,000
Footway Resurfacing:	£220,000

Lighting Infrastructure Replacements:	£844,000
Deteriorated Column Replacements:	£111,000
Deteriorated Column Inspections:	£45,000

Structures Projects:	£820,000
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Overall Mainland Total: **£5,640,000**

Arran Roads Programme

2018/19

<i>Carriageway Resurfacing</i>			
<i>Street</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
A841	Corrie	Tigh-Na-Blair northwards to limit signs + 2 sections near Heathfield	£30,000
A841	Lamlash	Clauchlands Road to half way past golf course	£150,000
A841	Lamlash	Clauchlands Road to New Pier Car Park	£80,000
A841	Lamlash	Opposite 74 Murray Crescent to Glenarry Corner	£40,000
A841	Lamlash	Putting green to Benlister Burn	£60,000
A841	Sannox	Glen Cottage northwards to new surface at reservoir	£85,000
A841	Whiting Bay	Sandbraes to Braken Ridge	£15,000
A841 / C147	Whiting Bay	Mentone to Trearne	£34,000
C147	Blackwaterfoot	Anchorage to Blackwaterfoot Bridge	£40,000
Glencloy Road	Brodick	A841 to Rosevine	£26,000
McKelvie Road	Lamlash	A841 to Number 24	£20,000
			£580,000

<i>Surface Dressing</i>			
<i>Street</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
A841	Corrie	Rubha Salach to Ferry Rock	£85,000
A841	Lochranza	Millhill	£45,000
A841	Sannox	North Sannox	£80,000
C147	Blackwaterfoot	Blackwaterfoot Bridge to Kilpatrick	£60,000
Newton Road	Lochranza	Full Length	£30,000
			£300,000

<i>Footway Resurfacing</i>			
<i>Street</i>	<i>Town</i>	<i>Location</i>	<i>Estimate Cost</i>
Main Street	Lamlash	New Pier South to Playground	£20,000
Main Street	Lamlash	New Pier North to Bowling Green	£10,000
			£30,000

<i>Structures Projects</i>			
<i>Structure</i>	<i>Town</i>	<i>Project</i>	<i>Estimate Cost</i>
Catacol Burn Bridge (C147 – 130)	Catacol	Scour protection and general repairs	£80,000

Arran Roads Programme 2018/19

		£80,000
Carriageway Resurfacing:	£580,000	
Surface Dressing:	£300,000	
Footway Resurfacing:	£30,000	
Structures Projects:	£80,000	
Overall Arran Total:	£990,000	

Condition Assessment and Prioritisation Process

- 1.1 The Audit Scotland Follow-up report, Maintaining Scotlands Roads published in August 2016 stated that Councils should use their RAMPs to establish long term investment plans for maintaining the road network taking into account whole-life costing and treatment options.
- 1.2 As part of the Roads Asset Management process, annual condition assessments are carried out on the public road network as part of the inspection regime. All locations are assessed using a risk based approach.
- 1.3 Condition assessments are carried out simultaneously with the Safety Inspections in accordance with the pre-determined timescales contained within our Safety Inspection Manual. All faults noted during these inspections are logged within our electronic Routine Maintenance System (RMS).
- 1.4 For carriageways, to take account of whole-life and different treatment options the carriageway maintenance programme has been developed using a road asset management system called Horizons. Horizons uses lifecycle planning and provides a visual asset management planning tool to inform strategies for long term carriageway maintenance. Lifecycle planning is at the core of this approach to road asset management and takes into account hierarchies, condition and local community priorities. This system provides detailed information for future planning based on different budget scenarios and presents graphical data which can be easily understood by stakeholders.
- 1.5 Horizons take into account information gathered from a variety of sources. The main factors considered are:-
 - Road Condition – based on detailed visual inspection and the Scottish Road Maintenance Conditions Survey (SRMCS).
 - Road Hierarchy – this takes account of the strategic importance of the road and is determined from our Local Transport Plan.
 - Assistance to Council and Community Priorities – this takes account of other priorities such as economic development, access to shops, amenity housing or schools.
- 1.6 Carriageways and footways are both condition assessed and scored in accordance with the assessment table below. The condition score for carriageways is input into Horizons. For footways where the condition assessment score (referring to table below) is assessed as being 11 or more,

then a priority assessment is carried out, in accordance with the Scheme Assessment Form attached as Appendix 3.

Assessment Table

	CONDITION			
Extent	1 (Acceptable)	2 (Safe but poor appearance)	3 (Minor deterioration)	4 (Major deterioration)
1 - Up to 25%		5	9	13
2 – 25% to 50%		6	10	14
3 – 50% to 75%		7	11	15
4 – 75% to 100%	4	8	12	16

Each location that progresses onto the prioritisation process is rated using the additional criteria contained in the Scheme Assessment Form and is placed on the strategic list of priorities relative to its score. Each location is also reviewed at least once a year depending on its location within the Roads Hierarchy as part of the routine inspection process.

- 1.7 There are various types of surfacing materials and processes available depending on the particular road type, location and level of existing deterioration. Options available for treatment include preventative measures such as surface dressing, micro surfacing or asphalt preservation. Resurfacing options such as screeding, resurfacing (inlay and overlay), retread and overlay and depending on the severity of deterioration full reconstruction may be the most effective option.
- 1.8 The level of investment associated with the varying treatment types identified in the table below was established using the Society of Chief Officers of Transportation in Scotland's cost projection model, developed as part of the Roads Asset Management Planning project. The model assists with identifying the effect of various treatments on the on-going condition of the carriageway. This enables a more accurate design life for the treatments currently available to be developed and ensuring value for money on their use. An option appraisal matrix has also been developed to assist with the identification of the most appropriate treatment to be used at each location.

Treatment Option Table

Treatment Option	Cost / Sqm	Extension to life
Surface Dressing	£5.30	Up to 10 years
Micro Surfacing	£11.35	7 – 10 years
Asphalt Preservation	£5.00	Up to 5 years
Screeding	£12.49	5 – 10 years
Retread	£22.50	Up to 20 years
Inlay HRA	£22.20	Up to 20 years
Inlay SMA	£22.24	Up to 10 years
Overlay <100mm	£20.70	Up to 20 years
Inlay 100mm	£27.26	Up to 20 years
Reconstruction 300mm	£112.40	Up to 20 years

- 1.9 Street Lighting column replacement is prioritised through non-destructive strength testing to determine the level of deterioration associated with the columns. Following testing, columns are categorised within the Asset Management database for road lighting.
- 1.10 Testing is carried out in accordance with the Institute of Lighting Engineer's Technical Report No.22 Managing a Vital Asset: Lighting Supports as well as UK Lighting Board Code of Practice: Well-lit Highways.
- 1.11 Once results are input, the database then compares these results against the more general age profile to determine a final list of priority repairs. This produces recommendations in order of priority for both individual units and whole streets or areas.
- 1.12 Recommendations are generally categorised as Category A through K as follows:
- A: Immediate replacement
 - B: Replace urgently or reinspect within 6 months
 - C1: Column Material failure, replace as soon as possible or reinspect within 1 year
 - C2: Bracket failure, sleeve where possible or replace unit within 1 year
 - D: Foundation failure, realign, reinstate and reinspect within 6 months

- E: Material approaching failure, replace as part of planned maintenance programme or reinspect within 2 years
- F: Material approaching failure, replace as part of planned maintenance programme or reinspect within 5 years
- G: Condition reasonable, but age expired and certified insured for 2 year periods until replaced
- H: Condition reasonable, but age expired and certified insured for 5 year periods until replaced
- I: Acceptable condition but age expired and insured for 5 years periods until replaced.
- J: Sound condition but age expired & visually poor (evidence of concrete cracking etc.)
- K: Sound condition and not age expired – no current requirement for strength structural inspection, visual only at planned maintenance cycle.

1.13 Where non-urgent replacement recommendations (Category F through to J) are on an individual column basis, the data is further analysed to determine a percentage value for recommended replacement numbers against the balance of units in a street. If this figure exceeds 30% then the entire street will be considered for higher prioritisation which will address the design class standard of the street beyond individual replacement for safety reasons only.

1.14 The structures programme is identified based on the structures prioritisation matrix which ranks assets based on a number of factors including its condition, safety, and usage.

Town:

Area:

Road Name:

Location:

Comments:

Category: **CONDITION RATING**

Type: **FOOTWAY**

Rated By:

Date of Rated:

Criteria	Score (S)	Weighting (W)	Priority Score (S x W)
1. Condition		4	
2. Importance / Accessibility		2	
3. Public Liability Claims / Fault Reports / Complaints		1	
4. Assistance to Other Priorities		2	
Total Priority Score:			

Treatment Type:					
Length:		Breadth:		Area:	
Kerbing Required:	Length:				

Additional Comments

Assessed By:	
Assessment Date:	
Checked By:	

Reassessed By:	
Reassessment Date:	
Checked By:	

North Ayrshire Council - Roads Footway & Footpath Resurfacing Scheme Priority System

General

The weighting system devised enables the programme of footway & footpath resurfacing schemes to be objective, rated against a number of important criteria.

Scoring System			
Criteria	Maximum Score	Weighting	Score
1. Condition	16	4	64
2. Importance / Accessibility	5	2	10
3. Public Liability Claims / RMS Faults / Complaints	6	1	6
4. Assistance to Other Priorities	10	2	20
Maximum Total:			100

1. Condition

Taken from initial Condition Assessment Score generated during inspection

Condition → Extent ↓	1 – Acceptable	2 – Safe but poor appearance	3 – Minor deterioration	4 – Major Deterioration
1 – Up to 25%		5	9	13
2 – 25% - 50%		6	10	14
3 – 50% - 75%		7	11	15
4 – 75% - 100%	4	8	12	16

2. Importance / Accessibility

	Score
Footway / Footpath Priority 1 Gritting Route	5
Footway / Footpath Priority 2 Gritting Route	3
Footway / Footpath Priority 3 Gritting Route	2
Other Footway / Footpath	1

3. Public Liability Claims / Fault Reports / Complaints

Score according to the type / source of complaint / fault report / request for service received for the location

- 1 - Public Complaint or Fault Report resulting in a confirmed defect
- 2 - Multiple Requests for service or Fault Reports resulting in confirmed defects
- 4 - Elected Member Complaint or Request for Service
- 6 - Public Liability Claim

4. Assistance to Other Priorities

Use your own knowledge of the surrounding area to rate the location in relation to:

- 1 - Shared Cycle / Footways
- 2 - Adjacent to Local Shops
- 4 - Adjacent to Schools, Leisure Facilities and Tourist Attractions
- 6 - Adjacent to Amenity Housing, Residential Care Homes and Medical Centres
- 8 - Local Bus Route, access to Train Stations and Park & Ride facilities
- 10 - Town Centre

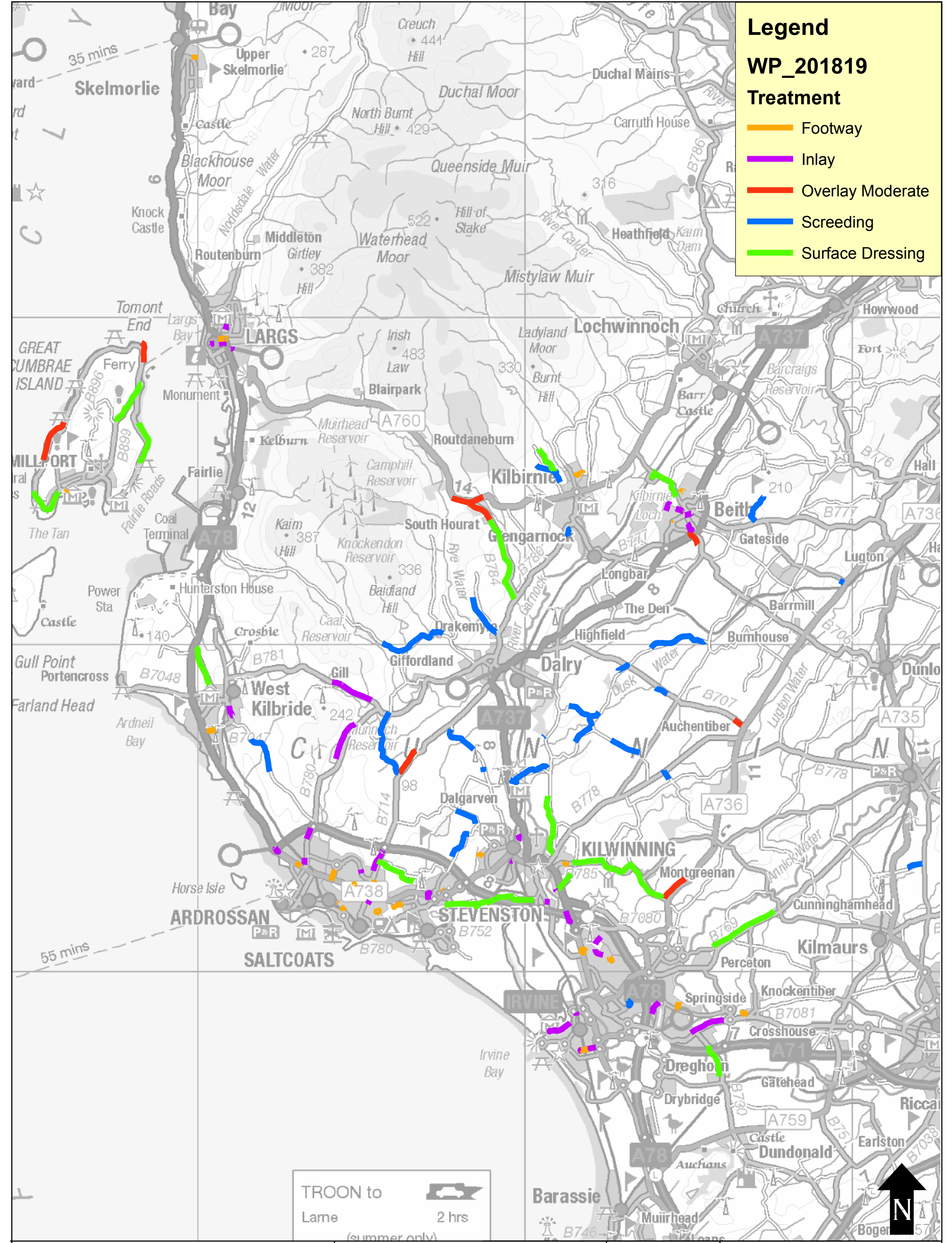
Structure Name: Date when the scoring is carried out:				Enter score based on the description in the following coloured cells		
Priority Ranking for structure capital programme				Structure Name:		
No.	Factors	Maximum Score		Structure Score Input	Net score	% of total Score
1	Type of Bridge	1	Score 1 if road bridge and 0 if foot bridge	Culverts, Subways which carry road shall be considered as road bridge as per this scoring system. Structures which carry only pedestrians, cyclists and equestrians shall be considered as footbridge.	NA	
2	Route Factor	40	Score based on NAC route hierachy	Route hierachy Cat 2 - SPT/ NAC strategic routes - 40 Cat 3a - Main distributor routes - 30 Cat 3b - secondary distributor routes - 20 Any other category - 10 Routes serving fewer than 5 properties - 5	0	0%
3	HGV Restriction factor	60	Score based on weight capacity	Weight restriction 3 tonnes - 60 7.5 to 13 tonnes tonnes - 50 18 tonnes - 40 26 tonnes - 30 No weight restriction - 0	0	0%
4	Condition factor	10	Score based on the condition of the bridge	Sliding score based on 0 for very good condition to 10 for poor condition. (10 - (BCI crit/ 10))	0	0%
5	Deterioration factor	10	Score based on the rate of deterioration of the structure	Sliding score based on 0 for very slow deterioration to 10 for rapid deterioration	0	0%
6	Pedestrian factor	20	Score based on pedestrian usage. Bridges with footways of heavy pedestrian usage shall score a maximum of 30.	Structures with footways in heavily used urban areas score 20. Score 20 if route is access to a school or railway station. Apply a sliding scale going down to 0 for rural structures without footways.	0	0%
7	Flooding factor	40	Score based on the potential for the existing structure to contrubute to flooding	A structure that makes no contribution to flooding risk will score 0. Structures that are know to increase the risk of flooding due to restrictions in width or soffit height will score 30.	0	0%
8	Scour factor	60	Score based on risk of collapse due to expose to scour in heavy flow conditions	Risk of collapse of structure due to scouring. Structures which have been deterioted severely because of inadequate scour protection and on verge of collapse score maximum. Scour risk based on a sliding scale.	0	0%
9	Parapet Condition Factor	15	Score based on the condition of the parapets	Structures with substandard Parapets with poor conditon will score 15 . Structures with substandard parapets with a 'monitor only' recommendation will score 10. Structures which have parapets to current standards will score 0.	0	0%
10	Parapet Risk Factor	10	Score based on risk in the event of a parapet collapse leading to high risk injuries and human casualties.	What is the likelihood of severe injury or even death while the parapet is open to use considering the condition of the structure. Risk based on a sliding scale.	-5	100%


11	Delay factor	10	Score based on whether existing restrictions such as limited width cause delays at the structure	Structures where delays are caused by width, weight, height or other restrictions such as traffic lights will be given a score higher than zero. Delays less than 2 minutes at peak times will score 5 and longer than 2 minutes will score 10. Score maximum if fire station, railway station or hospital affected by delay.		0	0%	
12	Structure Risk factor	10	Score based on risk in the event of a Structure collapse leading to high risk injuries and human casualties.	What is the likelihood of someone getting a high risk injury or even death while the structure is open to use considering the condition of the structure. Risk based on a sliding scale.		0	0%	
13	Maintenance factor	20	Score based on maintenance required to keep the existing structure open.	Score based on known maintenance history and requirement. No maintenance requirement will score 0. Listed structures score 15.		0	0%	
14	Diversion factor	10	Score based on the length of the diversion route if the structure is closed in an unplanned manner with no finite time limit.	Score based on diversion length. Any diversion equal to or more than 20 miles scores 20. Score 1 for each 2 miles of diversion up to 20. Score 10 if a road closure adversely affects a fire or railway station or hospital. Score 10 if there is no alternative diversion.		0	0%	
						-5		

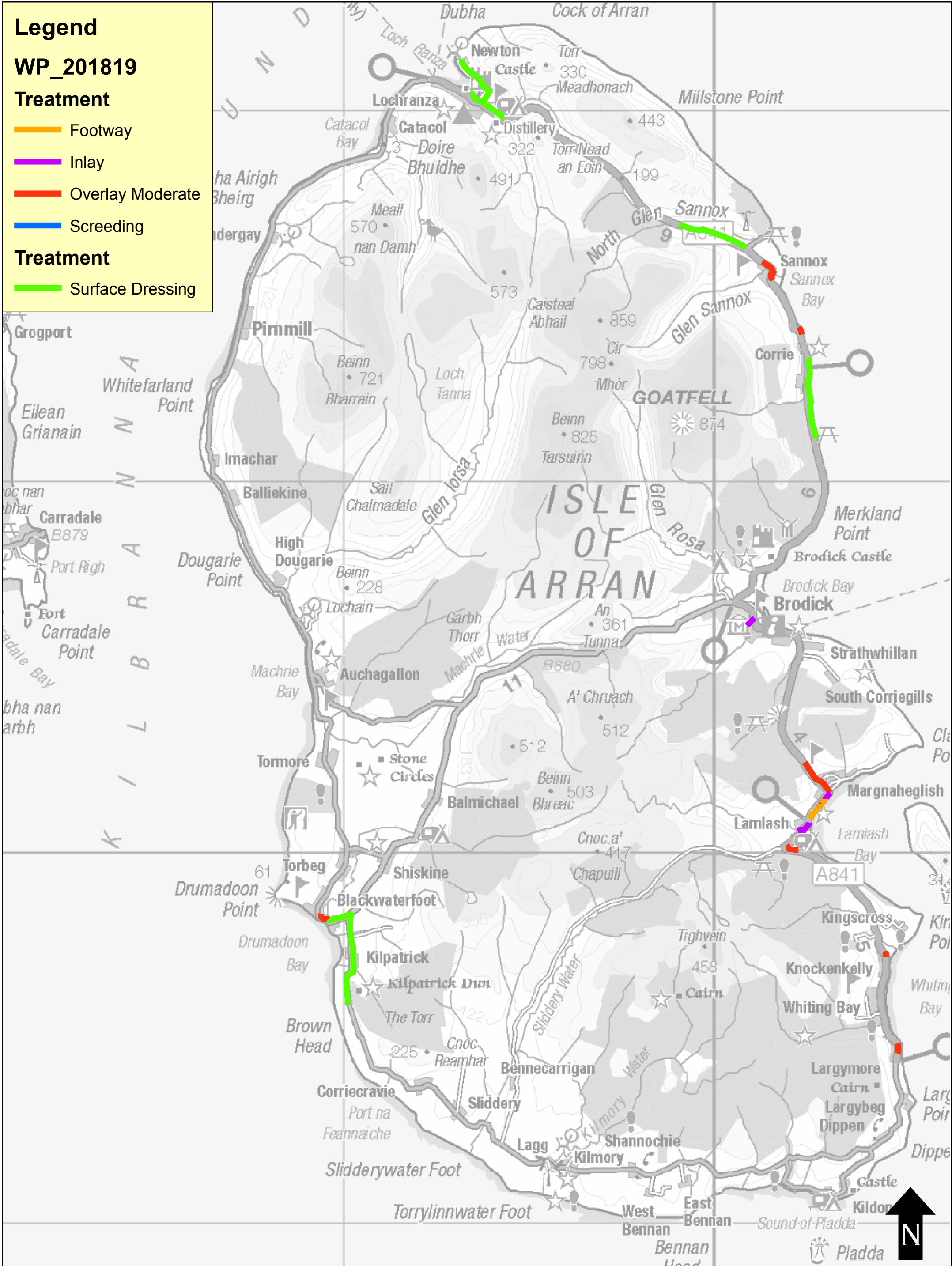
Note maximum score that can be achieved for road bridge= 500


Priority level Chart		Structure Name: Date of Scoring: 00-Jan-00							
Priority Level Indicator		Overall works (500)		Structure works (100)		Parapet works (70)		Scour Protection (60)	
		Level	Score	Level	Score	Level	Score	Level	Score
No Action Rquired									
Low Priority									
Medium Priority									
High Priority									
Immediate action required									

Note : Works are divided above into three sub categories as each work can be independent and each has its own significance in terms of attention required.



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			Date: 21 - Feb - 2018
			Scale: 1:100,000
			Drawing No:



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			Date: 16 - Feb - 2018
			Scale: 1:90,000
			Drawing No:

NORTH AYRSHIRE COUNCIL
20 March 2018**Cabinet**

Title: Multi- Storey Tower Blocks: Options Appraisal

Purpose: To advise Cabinet of future investment options for the seven multi-storey blocks in Irvine and Saltcoats.

Recommendation: That Cabinet (i) note the future investment options for the tower blocks (ii) approve consultation on these options with affected tenants and owners; and (iii) agree to receive a further report in Summer 2018 summarising the findings of the consultation exercise and proposed next steps.

1. Executive Summary

- 1.1 North Ayrshire Council owns seven multi-storey tower blocks, five of which are located in the Fullarton area of Irvine, and two of which are located in Saltcoats. There are 369 flats in total.
- 1.2 A report to Cabinet in August 2017 outlined the Council's response to the Grenfell Tower incident. This response included the conducting of immediate safety checks, and confirmation that no North Ayrshire Council properties shared the type of ventilated cladding system found at Grenfell Tower.
- 1.3 The report advised that officers would develop detailed proposals regarding the installation of sprinkler systems within our multi-storey tower block accommodation.
- 1.4 In preparing these proposals, officers have considered not only the investment required for sprinkler systems, but also other capital investment items arising through scheduled maintenance over a 25 year modelling period. The total investment required is £12.274m across the seven tower blocks. The quantum of this investment highlights an opportunity to consider redirecting the investment towards a flagship regeneration initiative to demolish the high-rise blocks and replace them with low rise housing accommodation.
- 1.5 This report contains a strategic options appraisal, outlining three separate proposals for future investment in the blocks:
 - Option 1: 'business as usual option', whereby all of the tower blocks are retained, sprinklers are installed, and scheduled maintenance continues as planned
 - Option 2: demolition of all 7 blocks, with replacement low rise housing constructed on-site and elsewhere

- Option 3: demolition of the 5 Fullarton tower blocks only, with replacement low rise housing constructed on-site and elsewhere

Each option includes an outline financial and technical appraisal.

- 1.6 Members are invited to (i) note the outlined options; (ii) approve consultation on these options with affected tenants and owners; and (iii) agree to receive a report to Cabinet in Summer 2018 summarising the outcome of the consultation and proposed next steps.

2. Background

- 2.1 The Council owns five 14-storey tower blocks within the Fullarton area of Irvine, with each block containing 55 two bed properties. The blocks were built in 1968 and were the last to be built as part of the historical Irvine Town Council. The Council also owns two 12-storey tower blocks in Saltcoats, which each contain 47 two bed flats, and one flat which has been converted into an office for use by the estate caretaker and for meetings for tenant and residents groups. There are a total of 369 flats across the 7 blocks.
- 2.2 A report to Cabinet in August 2017 outlined the Council's response to the Grenfell Tower incident. This response included the conducting of immediate safety checks, and reviewing information to ensure that our fire safety measures remained adequate. It was also confirmed that all Council tower blocks in North Ayrshire comply with current building specifications and statutory regulations, and that no North Ayrshire Council properties shared the type of ventilated cladding system found at Grenfell Tower.
- 2.3 The report advised that officers would develop detailed proposals regarding the installations of sprinkler systems within our tower block accommodation.
- 2.4 In preparing these proposals, officers have considered not only the investment required for sprinkler systems, but also other capital investment items arising through scheduled maintenance over a 25 year modelling period. The total investment required is £12.274m across the 7 tower blocks. The quantum of this investment highlights an opportunity to consider redirecting the investment towards a flagship regeneration initiative to demolish the high-rise blocks and replace them with low rise housing accommodation.
- 2.5 The North Ayrshire Local Housing Strategy 2018-22 (LHS) reflects our ongoing commitment to invest in regenerating our communities and enhance our housing stock to meet the aspirations of our tenants and improve quality of life by providing affordable, sustainable and desirable housing. A key consideration in the evaluation of the future of the tower blocks is the lifespan of such accommodation and whether it reflects the vision for housing as set out within the LHS.
- 2.6 This report sets out background information on the Council's tower blocks, and a strategic options appraisal setting out a series of potential future options for the blocks.

Fullarton Tower Blocks

- 2.7 The Fullarton tower blocks comprise 275 flats across five blocks. There are no owner occupiers. The flats are relatively low demand, with 73% of the properties occupied by single person households and around half of the residents over 50 years of age. Turnover figures are c.10% per annum.
- 2.8 The Scottish Index of Multiple Deprivation (SIMD) combines seven different categories of deprivation including employment, income, health, access, crime, education and housing. The 2016 SIMD results place the Fullarton area within the 1st decile (of 10, where 1st is worst, 10th is best), indicating that the area is amongst the most deprived datazones in Scotland.
- 2.9 In 2009, the Vineburgh regeneration initiative involved the demolition of 306 properties (mainly unpopular cottage flats) and replacement with 287 new homes. This area has been transformed into a popular area with healthy levels of demand and very high levels of resident satisfaction. The SIMD data has also improved for the two datazones covering the Vineburgh area. It is envisaged that the redevelopment of the Fullarton area has the potential to be an exemplar regeneration project, bringing similar improvements for this area and its residents.

Saltcoats Tower Blocks

- 2.10 The Saltcoats tower blocks comprise 96 flats across two blocks. There are 34 owner occupiers, which represents 35% of the housing stock in the blocks, and one flat in each block is used as an office. Sales statistics indicate that over the last 10 years, sales across the two blocks have averaged 1.2 sales per annum. According to Council Tax records, there are 5 private lets within the blocks.
- 2.11 The blocks have a relatively low turnover of around 5% per annum. Based on sample survey data, some 98% of occupants within the blocks are aged 50 years or over.
- 2.12 Given the demographic within the two blocks, a decision was taken some 10 years ago to convert any new void property to an amenity flat. A total of 44 properties have been converted to amenity standard to date. In terms of the SIMD, the blocks sit in the 'Saltcoats North West' datazone, which is in the 4th decile of deprivation.
- 2.13 In response to all of these considerations, a strategic appraisal has been prepared by officers to confirm the options available for the tower blocks. A key consideration for the appraisal is the level of forthcoming capital investment required, which can be summarised as follows:

Table 1: Tower Blocks Capital Investment Required (25 Year Period)

Item	Blocks	Cost Irvine	Cost Saltcoats	Year Required (Irvine)	Year Required (Saltcoats)
Sprinkler Systems*	Both	£2.000m	£0.800m	2019/20	2019/20
Roof Replacements	Fullarton (4 blocks)	£1.336m	£0m	2020/21	N/A
Drying Areas	Fullarton (1 block)	£0.010m	£0m	2017/18	N/A
Bathrooms	Both	£0.912m	£0.171m	2018/19-2042/43	2018/19-2042/43
Kitchens	Both	£0.995m	£0.198m	2018/19-2042/43	2018/19-2042/43
Rewire	Both	£0.633m	£0.138m	2018/19-2042/43	2018/19-2042/43
Heating	Both	£1.100m	£0.476m	2018/19-2035/36	2018/19-2035/36
Render & Windows	Fullarton	£2.300m	£0m	2027	N/A
Door Entry Systems	Both	£0.280m	£0.140m	2019/20-2038/39	2021/22-2040/41
Pass Doors	Both	£0.275m	£0.060m	2038/39	2018/19
Lift Replacement	Saltcoats	£0m	£0.400m	N/A	2025/26
Tank Replacement	Saltcoats	£0m	£0.050m	N/A	2018/19
Sub Total		£9.841m	£2.433m		
Grand Total		£12.274m			

*Subject to Cabinet approval

2.14 This £12.274m is a significant level of investment, and represents an opportunity to consider the future options for the tower blocks to determine whether they should remain in situ in the medium to long term, or whether it would be better to redirect the investment towards a regeneration initiative to demolish the blocks and replace them with low rise housing accommodation.

2.15 The strategic appraisal options for the tower blocks can therefore be summarised as follows:

1. The tower blocks are retained and the required capital work is progressed according to the existing investment schedule as set out in Table 1 above
2. Complete demolition of all blocks and replacement with new build provision totalling 369 housing units on site and elsewhere in the Irvine and Three Towns localities
3. Demolition of the Fullarton tower blocks and replacement with new build provision totalling 275 housing units on site and elsewhere in the Irvine locality. For the Saltcoats tower blocks the required capital work is progressed according to the existing investment schedule as set out in Table 1 above.

Each option is considered in detail below.

Option 1

- 2.16 Under this option, there would be no change to the current housing provision.
- 2.17 As outlined within Table 1, there are significant capital works due to be carried out in the tower blocks.
- 2.18 Due to the scale and nature of the work required, packaging the intrusive works such as sprinklers, bathrooms, kitchens and heating would be preferable to manage future disruption for the tenants. Nonetheless, the extent of the works means that tenants will be required to move out whilst the work is taking place. This would incur additional costs for removals and the provision of temporary living space. The work would be phased one floor at a time, with each floor taking around 3-4 weeks to complete, meaning the completion of a full block would take around 40 weeks. The timescale of the work could be reduced if more void properties were available.
- 2.19 Due to the cyclical nature of component replacements this approach would result in some items being replaced early in their current lifecycle. For example, c.60% of the bathrooms would be replaced earlier than their planned lifecycle replacement period of 20 years, and c.35% of kitchens being replaced prior to their 15 year planned lifecycle replacement period.
- 2.20 In addition, there are revenue related running costs for each of the blocks, for example regular testing of electrical, legionella, fire alarms and firefighting equipment. There are also costs for the maintenance of the water pumps and lifts, as well as communal repairs. An analysis of these costs for the last financial year have been extrapolated over a period of 25 years to align with the modelling period for the capital works.

Table 2: Tower Block Revenue Investment Required (25 Year Period)*

Revenue Expenditure	£m
Communal Electricity Costs	0.035
Statutory Testing	0.042
Smoke Vents	0.042
Communal Repairs	0.031
Repairs for Individual Units (incl voids)	0.232
District Heating Ongoing Maintenance	0.015
Total Projected Annual Cost (rounded)	0.398
Projected Expenditure Over 25 Years (rounded)	9.94

*Each item is totalled for all 7 blocks

In summary, this option represents the following total cost:

Table 3: Option 1 Total Cost

Future Costs (over next 25 years)	£m
Planned Capital Work Irvine*	9.841
Planned Capital Work Saltcoats*	2.433
Ongoing Revenue Costs Irvine	7.100
Ongoing Revenue Costs Saltcoats	2.840
Decant Costs	0.286
Total Cost	22.500

*See Table 1 above

- 2.21 Funding for the capital works outlined in Table 1 is already provided for within the Housing Revenue Account (HRA) 30 Year Business Plan, with the exception of the sprinkler systems, which would be included in the Business Plan if Option 1 is selected. Similarly, the revenue items will be financed within the annual HRA budget.
- 2.22 Indicative timescales for implementation of the intrusive refurbishment works referred to at paragraph 2.18, including the installation of sprinkler systems, are:
- June 2019: Commencement of refurbishment works
 - December 2020: Completion of refurbishment works

Option 2

- 2.23 This option involves demolition of all blocks and replacement with new build provision totalling 369 housing units on site and elsewhere in the Irvine and Three Towns localities.

Relocation

- 2.24 Extensive consultation with tenants would be required to ensure that their concerns are addressed and any disruption is minimised. If approval was given to proceed with this option, new lets would cease and an active programme of rehousing would commence over an agreed period of time. Housing Services has experience of this at Vineburgh and on a smaller scale through the delivery of the current redevelopment of sheltered housing, and this process is managed very efficiently. Subject to confirmation of the preferred option, officers will further develop a rehoming strategy which will give consideration to expedient vacation of the blocks, the needs of those currently on the North Ayrshire Housing Register, and our statutory obligations to meet the housing needs of homeless people.
- 2.25 Tenants and owner occupiers would be eligible for both home loss payments and disturbance payments, the minimum parameters of which are set out in statute. Assumptions have been made in relation to a potential offer package for both tenants and

owner occupiers, and are reflected in Table 4 below, but will require confirmation from the District Valuer.

- 2.26 There is a loss of rental income association with this option. This is a result of the temporary reduction in stock numbers when the blocks are emptied and demolished, and before compensatory housing provision is fully developed out. The maximum income loss would be c.£1.200m per annum. However, this figure will be clarified and mitigated through confirmation of the rehoming strategy, and identification of mitigation measures, e.g. acceleration of the compensatory new build completions.

Redevelopment

- 2.27 The cleared sites would not accommodate the same number of properties; however there are a number of potential development sites in the Irvine and 3 Towns localities that provide capacity for compensatory provision. Officers in Housing and Planning Services have undertaken a strategic appraisal of available sites, and confirmed that sufficient compensatory land with capacity is available within the locality areas. Detailed development proposals for these sites would be brought forward following confirmation of the preferred investment option for the tower blocks.

Funding

- 2.28 Based on an average build cost per unit of £0.144m, the cost to replace 369 units would be £53.062m. This option could attract Scottish Government grant allocation at the rate of £0.059m per unit, or £21.771m if grant were secured for all 369 units. It should be noted that officers would intend to discuss the scope for increasing the subsidy package with the Scottish Government, given the scale of the regeneration initiative. There would also be savings from the scheduled capital investment and ongoing revenue costs as well as an expected reduction on responsive repairs for the units and communal areas.
- 2.29 The total costs for this option, including build costs and future capital lifecycle replacement costs for new builds over a 25 year period, are shown in the table below. The Scottish Government grant and the planned expenditure for the tower blocks over the same period of time are set against this total sum to provide a net cost. The financial assumptions reflect a worst case scenario, i.e. they assume that all owner occupiers opt to take a Council tenancy, requiring compensatory Council housing provision for all 369 units. In reality, there are other housing options available to owner occupiers, and we are currently developing alternative housing delivery models which may also be of interest to them.

Table 4: Option 2 Summary Costs (25 Year Period)

New Build & Capital Investment Costs Over 25 Years	£m
Build Cost 369 units	53.062
Demolition	7.000
Buy Back of 34 Owned Properties	1.530
Home Loss Payment	0.557
Disturbance Costs	0.562
Kitchen Lifecycle Replacement	1.092
Bathroom Lifecycle Replacement	1.017
Heating Lifecycle Replacement	1.292
Total Expenditure	66.112
Income/Savings From Future Costs	
Scottish Government Grant	-21.771
Savings from Planned Capital Work (over 25 years)	-12.274
Savings from Ongoing Revenue Costs (over 25 years)	-9.940
Net Cost	22.127

2.30 The net increased cost for this option compared to Option 1 is £22.127m, or £60,000 per unit. Implementing this option would therefore require an additional rent increase over the baseline Business Plan assumptions, which could be phased over the demolition and redevelopment period as follows:

Year	2020/21	2021/22	2022/23	2023/24
Rent Increase	0.94%	0.85%	0.85%	0.85%

As part of the annual review of the 30 year Housing Revenue Account Business Plan opportunities to mitigate the extent of the overall rent increase will be explored.

Timescales

2.31 Indicative timescales, based on current information available, would suggest:

- December 2020: Completion of decant of blocks (through ceasing new lets and active relocation):
- June 2021: Completion of demolition works
- December 2023: Completion of redevelopment programme (including redevelopment of demolished tower block sites)

Option 3

2.32 This option involves the demolition of all five tower blocks and replacement with new build provision totalling 275 no. housing units on site and elsewhere in the Irvine locality. The Saltcoats blocks would remain in situ, with improvements undertaken as set out in Table 1 at para 2.13.

Relocation

- 2.33 The comments in relation to consultation, rehoming proposals, and home loss and disturbance payments for this option are the same as those outlined at paragraphs 2.24-2.26 above.

Redevelopment

- 2.34 The cleared site would not accommodate the same number of properties; however there are a number of potential development sites in the Irvine area that could provide capacity for compensatory provision. Officers in Housing and Planning Services have undertaken a strategic appraisal of available sites, and confirmed that sufficient compensatory land with capacity is available within the locality area. Detailed development proposals for these sites would be brought forward following confirmation of the preferred investment option for the tower blocks.

Funding

- 2.35 Based on an average build cost per unit of £0.144m, the cost to replace 275 units would be £39.545m. This option could attract Scottish Government grant allocation at the rate of £0.059m per unit, or £16.225m if grant was secured for all 275 units. It should be noted that officers would intend to discuss the scope for increasing the subsidy package with the Scottish Government, given the scale of the regeneration initiative. There would also be savings from the scheduled capital investment and ongoing revenue costs, as well as an expected reduction on responsive repairs for the units and communal areas.
- 2.36 The total costs for this option, including build costs and future capital lifecycle replacement costs for new builds over a 25 year period, are shown in the table below. The Scottish Government grant and the planned expenditure for the tower blocks over the same period of time are subtracted from this figure to provide a net cost.

Table 5: Option 3 Summary Costs (25 Year Period)

New Build & Capital Investment Costs Over 25 Years	£m
Construction Costs for 275 units	39.545
Demolition	5.000
Home Loss Payment (based on 200 eligible claims)	0.300
Disturbance Costs	0.360
Kitchen Lifecycle Replacement	0.814
Bathroom Lifecycle Replacement	0.758
Heating Lifecycle Replacement	0.825
Total Expenditure	47.602
Income/Savings From Future Costs	
Scottish Government Grant	-16.225
Savings from Planned Capital Work compared to Option 1 (25 year period)	-9.841
Savings from Ongoing Revenue Costs compared to Option 1 (25 years)	-7.100
Net Cost	14.436

2.37 The net increased cost for this option compared to Option 1 is £14.436m, or £52,000 per unit. Implementing this option would therefore require an additional rent increase over the baseline Business Plan assumptions, which could be phased over the demolition and redevelopment period as follows:

Year	2020/21	2021/22	2022/23	2023/24
Rent Increase	0.7%	0.6%	0.6%	0.6%

As part of the annual review of the 30 year Housing Revenue Account Business Plan opportunities to mitigate the extent of the overall rent increases will be explored.

Timescales

2.38 Indicative timescales, based on current information available, would suggest:

- June 2020: Completion of decant of blocks (through ceasing new lets and active relocation):
- January 2021: Completion of demolition works
- June 2023: Completion of redevelopment programme (including redevelopment of demolished sites)

Other Considerations

2.39 An additional consideration for either option 2 or 3 is the future role of the Concierge Service (CS). The CS was established in 1999, to provide active community safety and care-taking provision for the Fullarton tower blocks, and remote community safety provision for the Saltcoats tower blocks. The role of CS has recently expanded by bringing

the CCTV service in-house. The option selected will inform the future location, scope, and role of the CS.

- 2.40 Furthermore, officers have been developing an investment grade business case for a district heating scheme in central Irvine to provide affordable warmth for residents, reduce carbon emissions, and increase energy security. The scheme proposals incorporate the 5 high-rise blocks at Fullarton as part of the anchor heat load for the network. The implementation of Option 2 or 3 will therefore require re-scoping of the business case for the district heating scheme to identify alternative sources for the anchor heat load. It is envisaged that replacement low-rise housing on the site could be incorporated into the future heat network.
- 2.41 The LHS reflects our ongoing commitment to invest in regenerating our communities and enhance the housing stock to meet the aspirations of our tenants and improve quality of life by providing affordable, sustainable and desirable housing. A key consideration in the evaluation of the future of the tower blocks is the lifespan of such accommodation and whether it reflects the vision for housing as set out within the LHS.
- 2.42 The strategic options appraisal presents a compelling case for consideration of Option 2 or 3 on the following basis:
- An opportunity to redirect the forthcoming planned capital investment, alongside availability of Scottish Government grant subsidy, to substantially reduce the net cost of demolition of the blocks and construction of replacement low rise housing
 - To replace, at scale, lower demand, high-rise housing stock with modern, accessible, energy efficient and sustainable homes
 - To improve the health and educational attainment prospects for over 350 people, given the evidential link between quality housing and health and education benefits
 - To make a significant contribution to urban regeneration- while the tower blocks are maintained to a high standard, there is a stigma associated with this type of accommodation
 - To create over 1,000 jobs associated with demolition and construction of new housing units
- 2.43 The LHS also includes an action to create a 'regeneration programme', which will identify, prioritise and deliver investment across our Council owned housing estates. This is in recognition of the need to turn additional attention to our existing stock, alongside our ambitions plans for new build provision. The regeneration programme will include a variety of proposed internal and external refurbishment and improvement works, over a number of years. Officers are currently developing this programme, with plans scheduled for Cabinet consideration in late Summer 2018. It is envisaged that option 2 or 3 could represent a flagship project to catalyse the delivery of the regeneration programme.
- 2.44 The decision making process for this initiative will require to be finalised prior to:
- Preparation of the Strategic Housing Investment Programme 2019-24, to ensure that any implications for the Council housing build programme are addressed (i.e.

increasing the programme to replace the units demolished under options 2 or 3). The SHIP 2019-24 deadline for submission to Scottish Government is end of October 2018

- Preparation of the Housing Revenue Account Capital Business Plan for 2019/20, so that any budget considerations are factored into the Business Plan and consultation on tenant rent levels

3. Proposals

3.1 It is therefore proposed that:

- A consultation exercise is undertaken with tenants and owners in the tower blocks to share details of the options appraisal with them, and to ascertain their views regarding each option. This will involve one to one surveys with as many tower blocks residents as possible, over a six week period beginning in April 2018
- If sufficient tenant support for either option 2 or 3 is gathered, that officers develop more detailed proposals in relation to project governance arrangements, a rehoming strategy, tenant compensatory provisions, and redevelopment proposals to replace the existing homes
- Cabinet agree to receive a further report in Summer 2018 detailing the outcome of the consultation exercise, and proposed next steps

4. Implications

Financial:	The capital, revenue and subsequent borrowing costs have been modelled on the current HRA Business Plan. The impact of implementing either option 2 or 3 would require additional indicative rent increases as noted in paragraphs 2.29 and 2.37, over and above the increases assumed within the current Business Plan. .
Human Resources:	Any human resources implications associated with the proposals will be clarified following confirmation of the preferred investment option.

Legal:	Progressing options 2 or 3 would involve home loss and disturbance payments for affected tenants, as set out within the The Land Compensation (Scotland) Act 1973.
Equality: Children & Young People:	Research undertaken by both the British Research Establishment and Shelter Scotland confirms an evidential link between the quality of housing, educational attainment, and health and wellbeing. The provision of new family housing to replace tower block accommodation would provide modern, accessible housing to improve life outcomes for children and young people.
Environmental & Sustainability:	The provision of new housing stock under options 2 or 3 would support the principles of the North Ayrshire Environmental Sustainability & Climate Change Strategy 2017-20 in terms of providing sustainable housing stock which has lower running costs and carbon emissions.
Key Priorities:	The provision of new housing stock under options 2 or 3 would support the Council Plan strategic priority 'supporting our people to stay safe, healthy and active' and 'protecting and enhancing our environment for future generations' by delivering quality new build housing which is affordable, sustainable and accessible.
Community Benefits:	None.

5. Consultation

- 5.1 Officers within Finance & Corporate Support and Democratic Services were consulted on the financial and legal implications noted within this report.



CRAIG HATTON
Executive Director (Place)

For further information please contact **Yvonne Baulk, Head of Physical Environment** on **01294 324398**.

Background Papers

N/A

NORTH AYRSHIRE COUNCIL
20 March 2018**Cabinet**

Title: Solar PV Social Housing Retrofit

Purpose: To inform Cabinet of the updated business case to install 500 rooftop solar photovoltaic (pv) systems across the North Ayrshire Council housing stock, as part of continued implementation of the North Ayrshire Environmental Sustainability & Climate Change Strategy 2017-20.

Recommendation: That Cabinet approves the updated business case and associated financial implications as outlined within Appendices 1 and 2, to allow appointment of a preferred installer.

1. Executive Summary

- 1.1 An outline business case to consult with tenants and install rooftop solar panels on Council housing stock was presented to Cabinet in January 2017. Officers have since undertaken consultation and developed the project to the stage of appointing a preferred installation partner. The project features within the North Ayrshire Environmental Sustainability & Climate Change Strategy 2017-20, and contributes towards our overall approach to renewable energy generation and energy efficiency within existing housing stock. The scheme was designed to supply tenants with electricity from the panels at a tariff which was less than that of their main electricity supply. The scheme also provided other benefits such as carbon emission reduction, increased energy security, and potential for local job creation.
- 1.2 The consultation included the issue of 1100 letters to households identified as potentially suitable for installation through a desktop exercise appraising factors such as house type, roof orientation, solar irradiation, and information from the Scottish Index of Multiple Deprivation.
- 1.3 Approximately 150 tenants responded by registering their interest in the proposals. This led to development of the business case and technical specification, which informed a competitive tender process. A preferred bidder has now been identified to deliver specific property surveys, installation of the systems and, working with officers, to increase the number of properties for inclusion in this phase of works up to the original target of 500 installations.

- 1.4 The outline business case was designed to be self-financing, in that the tenant contributions and UK Government feed-in-tariff would repay the capital and borrowing costs. However, the cost of scheme installation within the tender returns is less than originally forecast within the outline business case. As a result it is proposed that the tenant contribution is removed from the investment grade business case, which improves the savings on offer to tenants, and simplifies administration of the scheme. The changes to the business case now means that there will be a small cost to HRA, equivalent to less than £4.00 per system per month which will be annualised over the 20 year life of the project.
- 1.5 Members are invited to approve the investment grade business case as detailed within this report, which will allow the preferred installation partner to be appointed in the coming weeks, with initial installations anticipated to begin in May 2018.

2. Background

- 2.1 An outline business case to consult with tenants and to thereafter install rooftop solar panels on Council housing stock was presented to Cabinet in January 2017. The report sought approval for four key elements of the business case:
 - Proceeding with tenant engagement
 - Proceeding with a procurement exercise
 - The use of Housing Revenue Account (HRA) budget to fund capital and operational costs
 - That HRA funds would be fully repaid through UK Government feed-in-tariff subsidy payments, along with a small additional charge on tenants' rent.
- 2.2 Tenant engagement began with a presentation and discussion of the offer at the March 2017 meeting of the North Ayrshire Network. An article outlining the scheme was then issued to all tenants through the Tenancy Matters magazine. Officers also established a dedicated page on the external facing Council website with more specific details of the offer. Finally, a targeted mail drop was delivered to c.1100 properties identified as potentially suitable for the rooftop pv systems.
- 2.3 Approximately 150 tenants responded to the mail campaign by registering their interest in the scheme. The positive response led to a competitive procurement exercise undertaken using an existing Scotland Excel procurement framework. Bids were received in January 2018 and have been evaluated based on their commercial suitability and quality.

3. Proposals

Changes to the Offer

- 3.1 The original business case included a tenant contribution, to be recovered via rents through updated tenancy agreements, which, along with the feed-in-tariff subsidy, would repay the capital burden carried by the Housing Revenue Account (HRA). By undertaking a competitive tender process, many of the conservative cost assumptions made in the original business case have been refined and, in some cases, reduced. This has lowered

the required tenant contribution to the point where the costs of recovering the contribution exceed the value of the contribution itself.

- 3.2 Removing the tenant contribution delivers other benefits; most importantly that the saving available to tenants is substantially higher and means that there is no risk of the saving being less than what the tenant contributes. Concerns relating to the apportionment of arrears and challenges during a change of tenancy are also negated. For these reasons it is proposed that the tenant contribution be removed from the offer.
- 3.3 Consequently this presents a more attractive offer for tenants than originally communicated. To address this we propose to notify the c.1100 tenants originally contacted of the updated offer. Additional properties would be considered for inclusion on a first-come-first-served basis up to a limit of 500 installations. This was the cap in the outline business case and remains a reasonable scale of pilot for installation and subsequent monitoring and evaluation to inform potential further roll-out in the future. The specification for the installation works included a requirement for the necessary metering arrangements to allow the actual consumption of solar power to be monitored at a property level. This will provide useful data further inform future roll-out.

Savings

- 3.4 Based on this revised offer the potential saving available to tenants has increased from £37 to £115 in year 1 (based on 50% consumption). To encourage this each system includes the placement of a live display in the home to indicate when power is being generated and available for use. Importantly, with no tenant charge, there is no risk of the tenant failing to make a saving. Over a 20 year period, based on 500 installations, the combined tenant saving is expected to be in the region of £1m, along with carbon emission savings of up to 6400 tonnes.

Business Case

- 3.5 The overall cost of the project is £1.600m. This includes the initial capital cost of the installation works for 500 properties and an allowance for maintenance for each installation over 20 years. In the event that no additional properties are added the overall of installing on 150 properties would be £0.500m.
- 3.6 Currently the feed-in-tariff is still available and will be claimed for the installed systems. It is expected that this revenue will recover approximately 75% of the original capital and maintenance costs after 20 years.
- 3.7 In summary, while the investment grade business case does not provide full cost recovery, the updated proposal is considered to be an enhanced offer on the basis that:
- The small cost of the scheme is far outweighed by the financial benefits for tenants
 - Over the life of the scheme, the financial impact to the HRA equates to less than £4.00 per system per month. The administrative burden associated with recovering this charge would not be cost effective
 - The issue of tenant equity is addressed by the fact that significant investment to improve condition and energy efficiency takes place across the Council housing stock portfolio on an ongoing basis to reduce fuel bills for tenants and provide increased thermal

comfort. The nature of the stock, which encompasses a wide ranging age profile and numerous housing types, means that naturally the type of investment varies, and reaps different levels of savings for individual tenants. The solar pv project is therefore no different to other investment options available, such as boiler replacement or insulation

- The scheme is a pilot. Solar pv schemes are expected to reach 'grid parity' within the next 2-3 years, meaning that they are expected to be financially viable without subsidy support. Delivery of a pilot at this stage positions the Council to roll out a further programme at a later date, with the benefit of the knowledge gained from the pilot.

3.8 An updated programme of works aims to have up to 500 systems fully installed by Autumn 2018 to help tenants realise benefits during periods of high generation.

4. Implications

Financial:	The overall burden to the HRA over a 20 year period is expected to be no more than £1.600m (based on capital, operating and maintenance costs for 500 systems). Revenue from the available feed-in-tariff is expected to total up to £1.200m over 20 years but this will be proportional to the number of systems installed. This is equivalent to a net cost of less than £4.00 per system per month.
Human Resources:	These works will be delivered as a capital project through existing resource. Removal of the tenant contribution eliminates the additional resource burden that would have resulted from the original proposals. There will be an ongoing requirement for administration of FiT claims on a quarterly basis. Responsibility for this will lie with the Corporate Sustainability team and will be aligned with current systems and procedures for other installations.

Legal:	A formal agreement will be required with tenants, even in the absence of a contribution, to ensure ongoing access for installation, commissioning, and maintenance. This will also establish the responsibilities of both parties and that there is no risk of challenge to the council in the event of faults or system outages. Such agreements are to be prepared with support from Legal colleagues.
Equality:	None.
Children & Young People:	None.
Environmental & Sustainability:	The project aims to have a positive impact on the environment and sustainability through decarbonisation of the electricity supply to 500 properties, generating an equivalent saving of 6400 tonnes of carbon over 20 years.
Key Priorities:	<p>The project contributes to the Council Plan strategic priority of protecting and enhancing our environment for future generations.</p> <p>The project will provide tenants with an opportunity to make savings on their electricity bills, helping to tackle fuel poverty in North Ayrshire. It is also expected to deliver up to 6400 tonnes of carbon savings over 20 years.</p> <p>The project contributes to delivery of the North Ayrshire Environmental Sustainability & Climate Change Strategy (ESCCS) by reducing carbon emissions, increasing energy security and increasing renewable electricity generation.</p>
Community Benefits:	The scope for community benefit clauses has been considered as part of the tender specification and review.

5. Consultation

5.1 Officers within Finance and Legal have been consulted in the preparation of this report.



CRAIG HATTON
Executive Director (Place)

For further information please contact **David Hammond, Senior Manager (Housing Strategy & Corporate Sustainability)** on **01294 324764**.

Background Papers

None.

APPENDIX 1 – Updated Costs, revenue and benefits.

Figures based on the installation of 150 systems and a 20 year life:

Costs	
Capital, Operation and Maintenance	£491,568
TOTAL EXPENDITURE	£491,568
Revenue	
Feed-in-tariff Income	£356,840
Tenant Contribution	£0
TOTAL REVENUE	£356,840
Benefits	
Tenant potential saving, year 1 (40% consumption)	£92
Tenant potential saving, yearly average (over 20 years)	£105
Tenant potential saving (individual total over 20 years)	£2,110
Tenant potential saving (total for 150 properties over 20 years)	£316,326
CO₂ equivalent savings over 20 years (for 150 properties)	1,926 tonnes

Figures based on the installation of 500 systems and a 20 year life:

Costs	
Capital, Operation and Maintenance	£1,638,561
TOTAL EXPENDITURE	£1,638,561
Revenue	
Feed-in-tariff Income	£1,189,466
Tenant Contribution	£0
TOTAL REVENUE	£1,189,466
Benefits	
Tenant potential saving, year 1 (40% consumption)	£92
Tenant potential saving, yearly average (over 20 years)	£105
Tenant potential saving (individual total over 20 years)	£2,110
Tenant potential saving (total for 500 properties over 20 years)	£1,054,419
CO₂ savings over 20 years (for 500 properties)	6,400 tonnes

APPENDIX 2 – Savings Calculation (typical single system)

The following illustrates the approach adopted for valuing the available savings. The model used varies the unit price for grid electricity annually based on future projected scenarios issued by DECC (now DBEIS).

Total Installed Capacity (kWp)	2
Indicative Annual Yield (kWh/kWp)	804
Estimated Total Yield (kWh)	1608
Unit price for grid electricity (p/kWh)	13.8
Equivalent annual value of generated solar electricity (£)	221.9 <i>(yield x electricity price)</i>
Proportion of solar electricity consumed in the property (%)	50
Equivalent annual value of consumed solar electricity (£)	110.95 <i>(equivalent annual value x consumption)</i>

NORTH AYRSHIRE COUNCIL

20 March 2018

Cabinet

Title:	Window Replacement to Old Building at Ardrossan Civic Centre
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Purpose:	To seek approval from Cabinet to undertake essential window replacement to the old building at Ardrossan Civic Centre funded from the Ardrossan Common Good.
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Recommendation:	That Cabinet approves the procurement of essential window replacement to the old building at Ardrossan Civic Centre at an estimated cost of £50,000.
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1. Executive Summary

- 1.1 North Ayrshire Council's officers within Property Management & Investment have identified that the condition of the windows to the old building at Ardrossan Civic Centre, which is owned by Ardrossan Common Good, has deteriorated over the past few years to the extent that remedial repairs are no longer economically viable or possible.
- 1.2 It is now recommended that full window replacement is undertaken to replace the timber framed, sash and case windows and other associated ancillary works to the old building. This would improve the overall condition of the property and improve thermal efficiency.
- 1.3 Officers estimate that the cost of the work, which would be procured via Building Services and funded from the Ardrossan Common Good, will amount to around £50,000.
- 1.4 Ardrossan Common Good Fund had an accumulated balance at 31 March 2017 of £157,924.

2. Background

- 2.1 The property at Glasgow Street, Ardrossan is owned by Ardrossan Common Good and is a B listed building. It is a community hall operated by North Ayrshire Council's Community Facilities section. It is the second highest utilised community facility within North Ayrshire with 41 regular lets and 52,072 annual attendance. It hosts many activities catering for a wide range of age groups and also caters for all types of functions including licensed events from concerts, birthday and anniversary celebrations to wedding receptions.
- 2.2 The windows to the old building at Ardrossan Civic Centre are in poor condition. Following water ingress and a series of reactive repairs over the past couple of years, it has been

noted that condition of the windows has deteriorated to the extent remedial repairs are no longer economically viable with replacement being the only alternative.

- 2.3 Ardrossan Common Good Fund currently receive an annual rent of £38,500 per annum for Ardrossan Civic Centre.
- 2.4 Ardrossan Common Good Fund had an accumulated balance at 31 March 2017 of £157,924. Disbursement of grants depends on rental income from Ardrossan Civic Centre as well as interest income from the accumulated balance.
- 2.5 Interest on the accumulated balance for 2016/17 amounted to £934. If the accumulated balance reduces by £50,000 (and assuming no other financial changes) this figure would drop to £617.

3. Proposals

- 3.1 It is recommended that full window replacement is undertaken to replace the timber framed, sash and case windows and other associated ancillary works to the old building.
- 3.2 This project would be procured via Building Services initially and be subject to existing processes and procedures for award, as well as subject to best value.
- 3.3 An estimated budget of £50,000 is required by Ardrossan Common Good for this project. This is based on best information currently held by Property Management & Investment.

4. Implications

Financial:	The estimated cost of the works outlined at 3.1 is £50,000. Ardrossan Common Good Fund, which would require to pay for the works, had an accumulated balance at 31 March 2017 of £157,924.
Human Resources:	None.
Legal:	None.
Equality:	None.
Children and Young People:	None.
Environmental & Sustainability:	The impact of the window replacement proposed will improve the overall condition and thermal efficiency of the building.
Key Priorities:	This work aligns to the Council's strategic priority of "Protecting and enhancing the environment for future generations".
Community Benefits:	Not applicable at this stage.

5. Consultation

- 5.1 Local elected members and Property Management and Investment were consulted in the preparation of this report.

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CRAIG HATTON
Executive Director (Place)

For further information please contact **Laurence Cree, Senior Manager (Property, Management & Investment)** on **(01294) 324463**.

Background Papers

N/A

NORTH AYRSHIRE COUNCIL

20th March 2018

Cabinet

Title: Vacant and Derelict Land Funding

Purpose: To seek approval for the expenditure of funds allocated by the Scottish Government through the Vacant and Derelict Land Fund in 2018/19.

Recommendation: It is recommended that Cabinet:

- a) Note the VDLF award of £1.709M for 2018/19;
- b) Agree to the submission of a local delivery plan for the expenditure of funds in 2018/19 to the Scottish Government.

1. Executive Summary

- 1.1 North Ayrshire contains a significant legacy of vacant and derelict land due to the closure of former industrial uses within the area. The sites which housed ICI, Volvo, Ayrshire Metal Products and Shell are examples. The Scottish Government administered Vacant and Derelict Land Fund (VDLF) aims to tackle long term vacant and derelict land by providing funding to authorities where the issue and its impact on communities is greatest.
- 1.2 Following a review of the funding criteria, in February 2016 the Scottish Government announced the inclusion of North Ayrshire in the VDLF funding settlement from 2016/17. A funding allocation of £1.709M funding allocation has recently been confirmed for 2018/19. This paper advises Members of intentions for the expenditure of the funding award for the financial year 2018/19 through the submission of a Local Delivery Plan.

2. Background

- 2.1 Vacant land as defined by the Scottish Government is “Vacant land within a settlement that has been previously developed, without physical constraint, and which the planning authority has indicated is available for redevelopment”. Derelict land is defined as land 'damaged by development, so that it is incapable of development for beneficial use without some remedial works'. Both are sometimes referred to as 'brownfield' sites.
- 2.2. The Scottish Vacant and Derelict Land Survey (SVDLS) provides a national data source for vacant and derelict land. In 2016, there were 3,762 vacant and derelict sites covering 12,435 hectares of land in Scotland, a 2% decrease from the previous year. North Ayrshire contains the third highest level of vacant and derelict land in Scotland with 1,333 ha of land,

11% of the Scottish total, across 283 sites. The figure includes large sites such as Ardeer (407ha), Riverside (111ha), Hunterston (67ha) and Lochshore North (40ha).

- 2.3. The Scottish Government's Vacant and Derelict Land Fund (VDLF) aims to tackle the presence of long-term vacant and derelict land in Scotland and in doing so stimulate economic growth/job creation, an improved environment and quality of life. Following its inception in 2007 and until 2016, access to the Fund was restricted to 5 local authorities to focus financial resource, and to reflect both the extent of vacant and derelict land and levels of deprivation.
- 2.4. Representations were made by officers to a review of the fund in 2015. As a result of this and revisions to the criteria, the Council were advised in February 2016 that it was to be one of five authorities to benefit from access to the fund from the financial year 2016/17. The other four authorities which benefit from the funding are South Lanarkshire, North Lanarkshire, Fife and Glasgow City.
- 2.5. Further to Cabinet approval on 14th March 2017 and the subsequent agreement of SG to expenditure in August 2017, expenditure of the funding allocation of £1.751M in 2017/18 was focused on the following sites.

Site	Proposal and end use
Lochshore, Kilbirnie	Development of a masterplan for the site in line with the Cabinet approval of 31 st January 2017. Some initial site remediation and preparation to support masterplan delivery
Quarry Road, Irvine	Contribution to phase two of the mixed use commercial and leisure development. This will see the provision of buildings and outcomes rather than preparatory works
Ardrossan North Shore (subject to site purchase and agreement with JV partner).	Revision of masterplan with Peel Land and Property as Joint Venture Partners, and site investigation works
Kyle Road, Irvine	Provision of 3 x 100 sq m workshop units and 1 x 200 sq m unit
Gasworks, Dalry	Site improvement works including the removal of the Japanese Knotweed invasive species
McDowall Place, Ardrossan	Site improvement works including the removal of the Japanese Knotweed invasive species

- 2.6. Where required, agreement has been secured from the Scottish Government to carry the allocation forward into the 2018/19 financial year to allow the completion of projects.
- 2.7. The criteria by which the funds may be allocated is contained at Appendix 1. It should be noted that this criteria restricts interventions to sites which are owned by the Council, have been on the register since 2000 and are over 0.1 ha (refer to plans). In addition the funds may not be used on housing, infrastructure or flood defence projects. In recommending an allocation of funds for 2018/19, the following factors have been considered:

- The Scottish Government funding criteria (Appendix 1);
- The economic development focus of the funding;
- The need to balance feasibility and site preparation work, with interventions that see physical space and employment created, and the SG aspiration for around 25% of funding to be spent on greening projects.
- The need to secure a spread of interventions in terms of type and geography; and,
- The deliverability of projects within the 2018/19 financial year. Allocations is expected to be confirmed in June 2018 and projects need to then be committed by March 2019.

2.8 Looking to the allocation for 2018/19, the following is proposed:

Site	Proposal and end use	Indicative Cost
Lochshore	Allocation to initially focus on gaining a further understanding of ground conditions and associated risks. Spend of the full allocation will be subject to this, and to further development of the proposed mechanism for delivery and management with Scottish Enterprise. Intention that a report on progress is provided to Cabinet in June 2018.	£0.6M
Quarry Road, Irvine	Contribution to phase two of the proposed mixed use commercial and leisure development and to allow the assembly and preparation of land for a third phase	£0.6M
Greenwood, Irvine Enterprise Area	Contribution to project funded by Regeneration Capital Grant Fund to allow the creation of an Irvine Enterprise Area Hub and commercial units	£0.325M
Ardrossan North Shore	Provision of coastal park alongside relocated national cycle route (subject of a separate funding application). Expenditure subject to agreement with Peel Land and Property as Joint Venture owners of site	£0.164M
Former NACCO site, Irvine	Masterplan considering improved access from west and marketing of industrial land	£0.02M
Total		£1.709M

2.9 It should be noted that some of the above allocations (Lochshore and Ardrossan North Shore) are subject to formal agreement with third parties (Scottish Enterprise and Peel Land and Property). Any major changes to the above allocations or expenditure being diverted to substitute projects will be agreed with the Chief Executive, the portfolio holder and Scottish Government Officers. This may include additional spend to implement works at Greenwood or at Annickbank within the Irvine Enterprise Area.

2.10 Assuming a continued allocation beyond 2018/19, major sites such as Lochshore and Ardrossan North Shore will remain a priority for the allocation of an increased level of funds

as these projects develop. In addition, other projects which are at an early stage of development and subject to feasibility work could see future allocation of funds include:

- Annickbank, Irvine – Additional investigation, research and development of designs for the future expansion of the site.
- Corrie Crescent, Saltcoats – Potential community greening or food project.
- McDowell Place, Ardrossan – Potential community greening or food project.
- Moorpark Road East, Stevenston – Removal of disused sports pitches.

3. Proposals

3.1. A Local Delivery Plan requires to be submitted to the Scottish Government to allow Ministerial approval of our intentions for expenditure of the funding within the new financial year.

3.2. It is recommended that Cabinet:

- a) Note the VDLF award of £1.709M for 2018/19;
- b) Agree to the submission of a local delivery plan for the expenditure of funds in 2018/19 to the Scottish Government.

3.3. Projects will be subject to assessment by Scottish Government officers and approval by Ministers is envisaged by August 2018.

4. Implications

Financial:	£1.709M has been allocated by the Scottish Government in the financial year 2018/19 for expenditure on relevant projects. The final detail of projects and expenditure will be agreed with Scottish Government and North Ayrshire Council Finance Department.
Human Resources:	There are no human resource implications arising from the report.

Legal:	Expenditure of funding to the Lochshore and Ardrossan North Shore sites will require agreement with current landowners Scottish Enterprise and Peel Land and Property.
Equality:	There are no equality implications arising from the report.
Children and Young People:	N/A
Environmental & Sustainability:	The proposals will see considerable environmental benefit through the positive improvement or reuse of several vacant or derelict sites.
Key Priorities:	This proposal supports the Council Plan core priority 1 – ‘Growing our economy, increasing employment and regenerating towns.’
Community Benefits:	Any construction contracts let will see the provision of appropriate community benefit in line with the Councils community benefit policy.

5. Consultation

- 5.1 Consultation has taken place with officers of the Scottish Government, and relevant Corporate Services. The proposals were also informed by the North Ayrshire Vacant and Derelict Land Strategy.



KAREN YEOMANS
Executive Director (Economy and Communities)

For further information please contact **Gareth Picken** on **01294 324746**.

Background Papers

Insert titles of any background papers or N/A

Local Delivery Plans – Guidance – 2017/18

1. The key objectives of the VDLF are to:
 - Objective 1: Tackle Long Term¹ Vacant² and Derelict³ Land (VDL)
 - Objective 2: Stimulate economic growth and job creation
 - Objective 3: Develop a diverse sustainable environment with a focus on temporary and permanent greening.
 - Objective 4: Support Communities to flourish and tackle inequalities
2. Access to the fund will remain limited to five Local Authorities in order to maximise the impact of the fund. Local Authorities cannot hold some of the fund on behalf of others.
3. Due to the size of the fund, it is unlikely to make a meaningful impact on large site of 100+ hectares. Therefore these sites will remain excluded from the funding eligibility calculations and Local Delivery Plans.
4. It has been agreed that delivery plans can cover a full spending review period. As 2017/18 is a single year spending review period, delivery plans should cover the period 2017/18 only. The delivery plan will remain a live document that can be amended and adapted in agreement with ourselves until such time as a grant offer issues. Thereafter it can be reconsidered as your work programme progresses and if amendments are required.

Link to Government's Purpose

5. The content of your LDP should relate to your authority's Single Outcome Agreement, reflecting Scottish Government's Purpose - To focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth – and outcomes.
6. Outcomes which have a direct read across to the objectives of the VDLF, as follows:

We value and enjoy our built and natural environment and protect it and enhance it for future generations.

We realise our full economic potential with more and better [employment opportunities](#) for our people.

We live in well-designed, [sustainable places](#) where we are able to access the amenities and services we need.

We have strong, resilient and supportive [communities](#) where people take responsibility for their own actions and how they affect others.

¹ For the purposes of the 2017/18 allocation long term is defined as land out of use since at least 2000. For future spending review periods this date will be rolled forward.

² Vacant land is land which is unused for the purposes for which it is held and is viewed as an appropriate site for development. This land must either have had prior development on it or preparatory work has taken place in anticipation of future development.

³ Derelict land (and buildings) is land which has been so damaged by development, that it is incapable of development for beneficial use without rehabilitation. In addition the land must currently not be used for the purpose for which it is held or a use acceptable in the local plan. Land also qualifies as derelict if it has an un-remedied previous use which could constrain future development. For both vacant and derelict land, site records must be at least 0.1 hectares in size to be included.

We have tackled the significant inequalities in Scottish society.

7. It would be useful to show in your delivery plan the link to these outcomes and any others you feel are relevant to the Fund, and therefore how the VDLF will contribute to the delivery of your SOA. In turn, this will allow you to demonstrate how the VDLF feeds into the Government's overarching Purpose, i.e. *To focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.* The attached spreadsheet should help you capture this information. More detail on the Purpose and the related Strategic Objectives can be found here <http://www.scotland.gov.uk/About/purposestratobjis>
8. The LDP should also demonstrate clearly how they fit with the holistic outcomes of the Regeneration Strategy.

Link to Local Plans and Priorities

9. Where possible links should be made between delivery plans and other local strategies / plans / priorities, e.g. wider regeneration strategies, land use plans. Your SOA should also already contain detail of how local outcomes and indicators feed into the national outcomes, and again it would be helpful if you could identify the link between these and your delivery plan in the attached spreadsheet.

Expected Outputs

10. As well as information on outcomes, delivery plans should provide information on the likely outputs of the proposals. These will relate to the information we will be requesting in your annual reports, and in the short term, this might cover reductions in quantity of vacant and derelict land, sites acquired, estimates of land that will be: temporarily greened; park/landscaped; used for sport/recreation; number of houses and jobs on site. The attached spreadsheet has been set up to help you capture this information.

Evidence of Partnership Approach

11. The delivery plan should, where appropriate, be agreed with key stakeholders and demonstrate how you plan to work with local partners and communities to deliver specific projects.

Support of the Community and Other Interests

12. Where relevant, evidence should be provided that delivery plans have the support of local partners, the local community, and other interested groups.

Support for the Natural Environment

13. Access to good quality natural environments can have a strong positive influence on health and health inequalities. Plans should be able to provide evidence of support for the natural environment, such as temporary and permanent greening, and for the

Demonstration of Added Value / Additionality

14. Delivery plans should demonstrate clearly the added value that will be gained from use of the Fund, for example through leveraging in additional resources from other sources, including the private sector and European funding. Plans should also be able to demonstrate that additionality is being achieved and that the Fund is not therefore being used for projects that would otherwise have been funded through existing budgets.

Local management of VDLF resources

15. Delivery plans should identify the agreed grant recipient for the Fund. This will depend on the nature of the proposals being put forward and the most efficient way of complying with different funding rules e.g. State Aid Rules; VAT regulations etc.

Progress reporting

16. Local authorities will be expected to submit light-touch annual reports, reporting spend against agreed outcomes, and half-yearly progress reports. Early warning should be given outside these times of need for end year flexibility.

Monitoring and evaluation arrangements

Scottish Vacant and Derelict Land Survey

17. The annual Scottish Vacant and Derelict Land Survey, will be used to track overall rates of change in relation to the amount of vacant and derelict land within each of the local authority areas covered by the Fund. The survey questionnaire, which will be used to collect information from relevant local authorities, enables us to see if the Fund has had a direct impact on reducing levels of vacant and derelict land in your area.

Eligible Costs

18. The Fund can be used to cover a range of costs associated with the remediation of vacant and derelict land e.g.
- Feasibility costs;
 - Professional fees, eg, surveyor's costs;
 - Acquisition costs associated with packaging land in multiple ownership – delivery plans will have to demonstrate that the benefits of increased land value remain within the communities or areas where land remediation work is being carried out and does not leak away from these areas if land is sold on to third parties;
 - Maintenance costs associated with the greening of sites that are unlikely to be developed in the short/ medium term;
 - Demolition costs.
19. Please note that, while purchase costs are eligible, they should not represent 100% of a project's requested funding.

20. We want the VDLF to be as flexible as possible and would welcome discussion on other uses of the Fund that you may be considering. If you are in doubt about whether costs are eligible or not, you should seek early clarification from us.

Ineligible Projects and expenditure

21. The fund is not intended to be a primary source of funding for:

- Housing projects.
- Major infrastructure projects relating to transport.
- Purchase of moveable infrastructure, furniture and fittings.
- Projects relating solely to hotel or retail developments are unlikely to be supported if there are no clear regeneration outcomes.
- Projects that focus solely on public realm improvements, new roads / paths or upgrades are unlikely to be funded. However, these will be eligible if they are elements within wider regeneration projects which will produce economic and social outcomes.
- Flood protection/work/upgrades are not eligible.
- Staffing Costs

Timetable

22. To ensure the Fund is operational as soon as possible we will require to adhere as closely as possible to the following timescale.

Action	Date
Delivery plans submitted	By 28 February 2017
Appraisal of delivery plans by Government	March 2017
Initial feedback on plans by Government	April /May 2017
Ministerial approval of delivery plans	By end May 2017
Final grant offer letters issued	By end June 2017
Mid year progress reports submitted	End October 2017
Annual reports submitted	End June 2018

NORTH AYRSHIRE COUNCIL
20 March 2018**Cabinet**

Title: Arran Outdoor Education Centre Business Improvement Plan

Purpose: To seek Cabinet approval for the Arran Outdoor Education Centre Business Improvement Report (2017) proposals and revised pricing structure.

Recommendation: That Cabinet:

1. Approves the content and recommendations of the Business Improvement Report 2017; and
2. Approves a revised pricing structure for North Ayrshire Council groups and for external bookings.

1. Executive Summary

- 1.1 This report informs Cabinet of the Business Improvement Report which will be used to implement a revised pricing structure to improve the financial sustainability of the Arran Outdoor Education Centre. The adjustment is required to meet continued and increasing business pressures which accompany the operation of the facility over a vibrant and complex fifty week, part-week and weekend schedule, and to reduce the risk of the Centre operating at a deficit.

2. Background

- 2.1 The current 44 bed purpose built centre at Lamlash Bay opened in October 2008 at a cost of £4.5 m. Its core business programmes are:
- Five Day & Weekend Residential Primary & Secondary School Outdoor Learning courses;
 - Primary Residential: Environmental & Social Studies, Mathematics, Science, Health & Well Being and Transition programmes;
 - Secondary Residential: Curricular Geography Field Studies, Art, Mathematics and Leadership & Aspiration Courses;
 - Continuous Professional Development leading to National Governing Body Awards such as Mountain Leader;
 - Public Vocational Courses leading to National Governing Body Awards – Royal Yachting Association Shore based and Practical Courses; and
 - Duke of Edinburgh's Award expedition and training programmes.

2.2 Since April 2014 the Centre has moved under new leadership to transform its operations and its relationships. It is highly regarded by the local community, partner organisations and external agencies. This approach is summarised as follows:

“We are open for business, with a strong commitment to partnership working with local communities and national bodies.”

2.3 This has resulted in the following improvements:

- The Centre is open 50 weeks and weekends of the year;
- An increase in user numbers and income;
- A centre which is inclusive to all users; and
- Improved advertising and profile.

2.4 During this period the Centre has reaffirmed its place as a centre of excellence for residential outdoor learning experiences. It now holds 5 star visitScotland accreditation for residential and outdoor adventure activity programmes. Successful revalidations by Royal Yachting Association and Adventure Licensing Authority have confirmed that the quality of expertise and safety of all users has been maintained while increasing overall levels of programming and business activity.

2.5 As a result of increasing activity, which has been accompanied by the requirement for increased expenditure on staff and equipment, an approach to the Business Partner Team to review the financial sustainability of the Centre resulted in an in-depth piece of work with Finance and Centre staff to consider the financials and growing business pressures that were being identified by Centre staff. Employee cost pressures have increased as the Centre bookings and occupancy rates have steadily increased. The Centre is now also required to maintain and replace all equipment from within the Centre Budget. Previously this funding was provided by the former Education and Skills Directorate Core Budgets.

2.6 A five year plan for replacing Centre equipment has been prepared as part of the ongoing business improvement processes within the Centre and highlights the range and cost of equipment required to ensure the Centre is fully operational and ensures equipment is available for use.

This includes the following expenditure areas:

- Water based activities, including, kayaks, and dinghies, other sailing craft, moorings, hoists and anti-fowling gear;
- Land based activities, including mountain biking, cross country ski-ing, camping expeditions, individual equipment (boots, waterproofs, rucksack kit); climbing and John Muir Award requirements.

2.7 The total projected annual replacement cost over a 5 year cycle is £100,000 per year.

2.8 An Internal Audit Report, 14th November provided further information which assisted in considering a Business Improvement Plan for the Centre. The Internal Audit Report of October 2017 identified a risk to the Council by a variety of schools' procedures:

- Changing the number of attendees at short notice;
- Failing to provide supporting documentation for all attendees;
- Cancelling the entire booking at short notice;
- The Centre being financially disadvantaged by providing Centre staff to cover the booking numbers stated on the booking forms; and
- Users who require medical/emotional support are being put at risk as the Centre fails to receive relevant documentation within the required time scale.

2.9 As a result of the North Ayrshire Council Business Partner review, the key findings and outcomes were as follows:

- Centre budget and business pressures were identified;
- This has been offset by continued cost pressures from increased staffing, cyclical equipment replacement and operating costs;
- Fee comparisons across the sector and sensitivity analyses were modelled and completed;
- Lost income was identified: free school places: £45,000 in 2016/17 and accompanying staff places: £10,000 in 2016/17;
- Overnight allowances paid by the Centre for visiting North Ayrshire teaching staff amounted to £5,000 2016/17;
- A revised budget has been produced to incorporate increased cost pressures;
- A revised pricing structure has been created for all users, proposed to be implemented for new bookings from April 2018 onwards; and
- Revised booking procedures have been proposed, to address lost income from non-occupancy post booking, starting from January 2018.

2.10 North Ayrshire Council Service Key Findings

- Centre income has increased to circa £260,000 or by 24.6% since 2015/16 compared with 2017/18 projections;
- Summer income has increased to circa £54,000 or by 54% since 2015 compared to summer 2017 figures;
- Centre usage has increased for mid weeks bookings from 43 weeks to 50 weeks;
- Centre usage at weekends has increased from 17 weekends in 2015/16 to 37 weekends in 2017/18;

2.11 In order to prevent the Centre from continuing to operate at a deficit, and to enable the Centre to invest in, and upgrade, equipment, the Business Improvement Plan seeks to introduce a revised pricing structure for all new bookings and users from April 2018 as follows in **Table 1** below:

Table 1: Arran Outdoor Education Centre: Fee Comparison and Proposal 2018-19

Fee structure (£):	Current Fee Structure	Revised Fee Structure	North Tyneside (1) Council Fee Structure	Sportscotland Inverclyde (2) Fee Structure
North Ayrshire Schools				
Weekend (Fri - Sun)	89	107	170	155
Long Weekend (Fri - Mon)			190	225
Week (Mon - Fri)	169	202	227	295
Other Schools				
Weekend (Fri - Sun)	179	213	230	155
Long Weekend (Fri - Mon)			258	225
Week (Mon - Fri)	339	405	306	295
Family / Other Groups				
Weekend (Fri - Sun)	411	550	824	n/a
Long Weekend (Fri - Mon)	616	825	922	n/a
Week (Mon - Fri)	822	1,100	1,098	n/a

- (1) North Tyneside offers a residential land based programme with a community profile similar to North Ayrshire.
- (2) Sportscotland Inverclyde offers a residential activity/sport based programme.

2.12 In addition:

- Accompanying staff places will be charged at 50% of the regular rate (staff rate);
- Any teacher overnight allowances or expenses will now be covered by individual schools for attending staff; and
- A £20,000 budget line for phased equipment replacement will be introduced, as a minimum investment level. This will be supplemented by in-year surpluses generated by the proposed increase in income charges (see Table 2 below) and will allow the Centre to address historical and current investment challenges in relation to equipment.

2.13 **Table 2** below provides a comparative illustration of the impact of the proposed fee structure on the financial position of the Centre, resulting in an unchanged financial investment by the Council but enabling a much-needed investment in the Centre.

Table 2: Arran Outdoor Education Centre - Summary Income & Expenditure Plan 2018-19

Cost Centre 142001	2016-17 Outturn	2017-18 Budget	Budget Adjustment	2018-19 Budget
	£	£	£	£
Employee Costs	537,223	485,305	74,888	560,193
Property Costs	0	0	1,200	1,200
Transport Costs	6,228	5,290	0	5,290
Supplies & Services	109,455	64,550	80,600	145,150
Administration Costs	11,848	12,478	1,500	13,978
Third Party Payments	3,757	23,879	(23,610)	269
Other Expenditure	36	0	20,000	20,000
Capital Financing Costs	6,631	6,631	0	6,631
Income	(241,888)	(162,200)	(154,577)	(316,777)
Net Expenditure Requirement	433,290	435,933	(0)	435,933

3. Proposals

3.1 It is proposed that the Cabinet approves the proposed Business Improvement Plan recommendations as follows:

3.1.1 Approves the content and recommendations of the Business Improvement Report 2017; and

3.1.2 Approves a revised pricing structure for North Ayrshire Council groups and for external bookings.

4. Implications

Financial:	<p>The revised pricing structure will ease identified business pressures relating to maintaining equipment to an approved operational standard and ensure sessional staff levels are maintained to provide a 50 week operational cover for all programmes resulting in a balanced budget and the easing of identified budget pressures on Centre budgets. Surpluses generated by increased income charges will be reinvested in equipment replacement, supporting activities and health and safety standards in the Centre.</p> <p>Increased charges for Centre users have been compared with similar centres and are deemed to continue to represent significantly good value for money.</p>
Human Resources:	There are no human resources implications contained within the AOEC Business Improvement Plan.
Legal:	There are no legal implications contained within the current report.
Equality: Children and Young People:	<p>The Centre offers a fully accessible facility which supports increased equity within an outdoor learning environment.</p> <p>The majority of users are North Ayrshire pupils and the Centre plays an important role in providing a rich learning offer for all pupils who attend.</p>
Environmental & Sustainability:	There are no direct implications
Key Priorities:	The AOEC Business Improvement Plan supports the Council Plan and CPP Plan objectives of, “Ensuring people have the right skills for life and work” and a “Thriving North Ayrshire for Children and Young People.”
Community Benefits:	N/A

5. Consultation

5.1 The following stakeholders were involved or engaged in developing the business improvement plan:

- North Ayrshire Council Finance Business Partnering Team;
- North Ayrshire Council, Education and Youth Employment Senior Manager and Primary and Secondary Head Teachers;
- Arran Outdoor Education Centre staff; and
- Economy and Communities senior staff.



Karen Yeomans
Executive Director (Economy and Communities)

For further information please contact **John McKnight** on **(01294) 324488**.

Background Papers

Business Paper Finance Recommendations/ Findings
Arran Outdoor Education Centre Internal Audit Report, October 2017