

Argyll and Bute Council
Comhairle Earra Ghaidheal agus Bhoid

Customer Services
Executive Director: Douglas Hendry



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29 January 2015

NOTICE OF MEETING

A meeting of the **POLICY AND RESOURCES COMMITTEE** will be held in the **COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD** on **THURSDAY, 5 FEBRUARY 2015** at **10:00 AM**, which you are requested to attend.

Douglas Hendry
Executive Director - Customer Services

BUSINESS

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST**
3. **MINUTES**
Policy and Resources Committee 18 December 2014 (Pages 1 - 12)
4. **STRATEGIC RISK REGISTER - 6 MONTHLY REVIEW**
Report by Head of Strategic Finance (Pages 13 - 26)
5. **PLANNING AND BUDGETING PACK 2015 - 2016**
 - (a) Pack 1 Service Plans (Pages 27 - 116)
 - (b) Pack 2 Revenue Budget (Pages 117 - 260)

Section A – Introductory Report and Recommendations for Budget papers on Revenue Budget
Section B – Revenue Budget Overview
Section C – Report on Fees and Charges
Section D – Revenue Budget Monitoring 2014-15 as at 31 December 2014
Section E – Report on Financial Risks Analysis
Section F – Report on Reserves and Balances

6. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY**
Report by Head of Strategic Finance (Pages 261 - 310)
7. **EXECUTIVE SUMMARY AND INTRODUCTORY REPORT - FINANCIAL REPORT MONITORING PACK - DECEMBER 2014**
Report by Head of Strategic Finance (Pages 311 - 408)
 - Revenue Budget Monitoring Report as at 31 December 2014
 - Monitoring of 1% Savings for 2014-15 and 2015-16
 - Update to 2015-16 Budget as at December 2014
 - Monitoring of Financial Risks
 - Reserves and Balances
 - Capital Plan Monitoring Report as at 31 December 2014
 - Treasury Monitoring Report as at 31 December 2014
- * 8. **REVIEW OF ALL WEATHER PITCH CHARGES**
Report by Executive Director – Community Services (Pages 409 - 414)
9. **AUDIT SCOTLAND/ACCOUNTS COMMISSION ACTION PLAN UPDATE**
Report by Executive Director – Customer Services (Pages 415 - 436)
10. **POLICY AND RESOURCES COMMITTEE WORK PLAN 2014 - 15**
Report by Executive Director – Customer Services (Pages 437 - 440)
11. **REVIEW OF THE ARGYLL AND BUTE GUIDANCE ON COMMUNITY BENEFITS FROM ONSHORE RENEWABLE ENERGY**
Report by Executive Director – Development and Infrastructure Services (Pages 441 - 450)
12. **DIGITAL INFRASTRUCTURE UPDATE**
Report by Executive Director – Development and Infrastructure Services (Pages 451 - 466)
13. **LORN ARC TAX INCREMENTAL FINANCING (TIF) ASSET PROJECT 9 - EXISTING ACCESS IMPROVEMENTS AND BUSINESS PARK ENABLEMENT, OBAN AIRPORT START UP PROJECT**
 - (a) Report by Executive Director - Development and Infrastructure Services (Pages 467 - 472)
 - E1 (b) Appendix 1 (Pages 473 - 474)

Items marked with an “asterisk” are items, on the basis of information available at the time this Agenda is published, on which the Committee may not have delegated powers to act, and which may therefore require to be referred to the Council or another Committee, and that referral may depend on the decision reached at the meeting.

The Committee will be asked to pass a resolution in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for items of business with an “E” on the grounds that it is likely to involve the disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 7a to the Local Government (Scotland) Act 1973.

The appropriate paragraphs are:-

E1 Paragraph 8 The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Paragraph 9 Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

POLICY AND RESOURCES COMMITTEE

Councillor Dick Walsh (Chair)
Councillor Vivien Dance
Councillor Alistair MacDougall
Councillor Roderick McCuish
Councillor Ellen Morton
Councillor Douglas Philand
Councillor Len Scoullar
Councillor Sandy Taylor

Councillor Robin Currie
Councillor Donald Kelly
Councillor Duncan MacIntyre
Councillor Aileen Morton
Councillor Gary Mulvaney
Councillor James Robb
Councillor Isobel Strong
Councillor Richard Trail

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**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the ARDRISHAIG
PUBLIC HALL, CHALMERS STREET, ARDRISHAIG
on THURSDAY, 18 DECEMBER 2014**

Present:

Councillor Dick Walsh(Chair)

Councillor Robin Currie	Councillor Gary Mulvaney
Councillor Vivien Dance	Councillor Len Scoullar
Councillor Roderick McCuish	Councillor Isobel Strong
Councillor Alistair MacDougall	Councillor Sandy Taylor
Councillor Aileen Morton	Councillor Richard Trail
Councillor Ellen Morton	

Also Present:

Councillor John Armour	Councillor Robert G MacIntyre
Councillor Gordon Blair	Councillor Iain S MacLean
Councillor Michael Breslin	Councillor Donald MacMillan
Councillor Rory Colville	Councillor Jimmy McQueen
Councillor George Freeman	Councillor Bruce Marshall
Councillor Anne Horn	Councillor Elaine Robertson
Councillor Robert E Macintyre	

Attending:

Sally Loudon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Cleland Sneddon, Executive Director of Community Services
Pippa Milne, Executive Director of Development and Infrastructure Services
Charles Reppke, Head of Governance and Law
Malcolm MacFadyen, Head of Facility Services
Bruce West, Head of Strategic Finance

The Chair indicated that there were Members in attendance who were not Members of the Committee but had notified him that they wished, in terms of Standing Order 22.1, to speak and vote in relation to items on the agenda. He exercised his discretion to allow them to speak and ask questions but that they were not permitted to vote on any item unless they met the test set out in terms of Standing Order 22.1.

The Chair further intimated that Councillor Michael Breslin, who was not a member of the Policy and Resources Committee had notified him that he wished in terms of Standing Order 22.1 to speak and vote on items 8 and 19 of the Agenda. The Chair confirmed that as the matters were particular issues affecting the Members' Ward, he exercised his discretion as Chairman to allow him to speak and vote on these items.

The Chair further intimated that Councillor Jimmy McQueen, who was not a member of the Policy and Resources Committee had notified him that he wished in terms of Standing Order 22.1 to speak and vote on item 19 of the Agenda. The Chair confirmed that as the matter was a particular issue affecting the Members' Ward, he exercised his discretion as Chairman to allow him to speak and vote on this item.

The Chair also indicated that he had received a request from Councillor George Freeman to suspend Standing Orders to allow him to participate in item 19 of the Agenda. The Chair indicated that even if Standing Orders were to be suspended, he would have dealt with the

request from Councillor Freeman in the same way as he had ruled in respect of Councillors Marshall and Blair in respect of this agenda item.

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated from Councillors Kelly, D MacIntyre, Philand and Robb.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

(a) POLICY AND RESOURCES COMMITTEE 30 OCTOBER 2014

The Minutes of the Policy and Resources Committee of 30 October 2014 were approved as a correct record.

(b) SPECIAL POLICY AND RESOURCES COMMITTEE 27 NOVEMBER 2014

The Minutes of the Special Meeting of the Policy and Resources Committee of 27 November were approved as a correct record.

4. SERVICE PLANS 2015-16 FOR CUSTOMER SERVICES AND STRATEGIC FINANCE

The Committee considered the proposed Service Plans for 2015-16 for Customer Services and Strategic Finance.

Decision

The Committee:-

Considered the draft Service Plans for Customer Services and Strategic Finance and approved them to be forwarded to the Policy and Resources Committee in February 2015 as part of the review of the full suite of several plans.

(Ref: Report by Executive Director of Customer Services dated 18 December 2014, submitted)

5. DUNCLUTHA CHILDREN'S HOME - OUTLINE BUSINESS CASE

The Committee considered a report which presented members with the business case for the replacement of Dunclutha Children's House in Dunoon. Dunclutha Children's House provides short, medium and long term residential placements and programmed work.

Decision

The Committee:-

1. Noted the revised outline business case for Dunclutha Children's House attached as Appendix 1 to the submitted report.

2. Approved the recommendation within the business case that the additional capital required to deliver the project is to be funded through Prudential Borrowing. This would be repaid over 20 years by Children and Families from the efficiency savings generated from moving to a new purpose built Children's House.

(Ref: Report by Executive Director of Community Services dated 12 November 2014, submitted)

6. PROVISION OF P1 TO P3 FREE SCHOOL MEALS - FUNDING UPDATE

The Committee were advised that the Council will be required as part of the Children and Young People (Scotland) Act 2014 to provide free school meals for all pupils in P1 to P3 from January 2015. There are both revenue and capital cost implications to deliver this and the Committee considered a report which provided an update on the progress being made with regards to implementation and updating the estimated costs.

Decision

The Committee noted:-

1. The updated estimated revenue costs to Council, compared with the revenue allocation already confirmed by the Scottish Government.
2. The updated estimated capital costs to the Council, compared with the capital funding allocation confirmed by the Scottish Government on 25 November 2014.
3. That at their meeting of 21 August 2014, the Policy and Resources Committee approved £191,500 of forward investment in equipment and storage costs to ensure smooth implementation of the policy and this sum can be accommodated within the recently announced capital funding allocation.
4. That no capital allocation has been made to ensure the provision of new kitchens at Ulva and Iona Primaries.
5. That further update reports will be submitted to future meetings of the Committee.

(Ref: Joint Report by Executive Directors of Customer and Community Services dated 25 November 2014, submitted)

7. NEW SCHOOLS REDEVELOPMENT PROJECT - CAMPBELTOWN, OBAN AND KIRN

The Committee considered a report which updated members on the schools redevelopment project to build two new secondary schools in Campbeltown and Oban, and a new Kirn Primary School.

Decision

The Committee:-

1. Noted the content of the paper with regard to the expected issue of a Stage 1 submission from hubNorth for the new Campbeltown Grammar School and Oban

High School.

2. Noted the appointments made by hubNorth to Argyll and Bute Council's Schools Redevelopment Projects.
3. Noted the steps taken in Paragraph 4.6 to secure vacant possession of the land presently used as horse grazing and purposes associated therewith at Dalintart Farm, Oban and the garage sites at Kintyre Park, Campbeltown, and
4. Noted the upcoming events that are organised for the next few months and the communications activity surrounding this.

(Ref: Report by Executive Director of Community Services dated 27 November 2014, submitted)

8. FURTHER POTENTIAL INVESTMENT OPPORTUNITY IN THE COUNCIL'S SCHOOL ESTATE

The Committee were advised that the Council had received communication on 27 June 2014 from the Scottish Government's School Infrastructure Unit to advise that the Cabinet Secretary for Finance, Employment and Sustainable Growth had announced a further £100M of revenue based NPD investment in school infrastructure through Scotland's Schools for the Future (SSF) programme.

Decision

The Committee:-

1. Welcomed the support and flexibility from Historic Scotland, the Scottish Futures Trust and HubNorth in developing a deliverable solution for Dunoon Primary School.
2. Welcomed the Scottish Government offer for further investment in school infrastructure.
3. Noted the financial implications of committing further capital monies as previously set out in the report to the Policy and Resources Committee on 27 November 2014.
4. Noted the ongoing but reduced risks associated with the cost estimates as contained within the report.
5. Agreed that the preferred remodel/refurbishment solution for Dunoon Primary School is Option 3B (with 1 court sized sports hall provided and a temporary decant of Kirn Primary School into Dunoon Primary School) noting that the potential additional Council contribution ranging from £1.89M - £3.488M as set out in Paragraphs 4.3.3 – 4.3.7 (subject to the risks associated with the cost estimates as outlined in the report and also the final costs in relation to Kirn PS new build) will require to be provided within the capital plan in 2016-17, 2017-18 and 2018-19.
6. Agreed that an application should be made immediately to the Scottish Government for additional infrastructure funding to remodel/refurbish Dunoon

Primary School. That application to be for:

- Dunoon Primary School to be remodelled/refurbished as a 300 capacity Primary School and 30 Early Years Places to achieve a Grade A or high B for Condition;
- Potential Scottish Government funding that is expected to be in the range of approximately £4.03M to £4.3M based on the Scottish Futures Trust metric for Primary School; and
- Scottish Government acceptance of an extended construction programme for Dunoon Primary School to allow for the synergy between the Kilm and Dunoon school projects as set out in Appendix 2 of the submitted report.

(Ref: Report by Executive Director of Community Services dated 12 December 2014, submitted)

Councillor Elaine Robertson left the meeting at this point.

9. AREA COMMUNITY PLANNING GROUP REVIEW - REVISED TERMS OF REFERENCE

The Committee considered a report which advised that the governance of Area Community Planning Groups has been under review as part of the strategic review of Argyll and Bute Community Planning Partnership's structure and governance arrangements which took place during the summer of 2014.

Decision

The Committee:-

1. Adopted the Terms of Reference agreed at the Community Planning Partnership Management Committee meeting on 31 October 2014 for a trial period of one year after which a review will be undertaken by the Community Planning Partnership Management Committee and the Policy and Resources Committee.
2. Agreed to schedule a pre-agenda meeting into the administrative process supporting Area CPG meetings.
3. Agreed that the Area Committee Chair or Vice Chair will attend the Area CPG Pre-Agenda meeting.

(Ref: Report by Executive Director of Customer Services dated 12 November 2014, submitted)

10. EXECUTIVE SUMMARY AND INTRODUCTORY REPORT - FINANCIAL REPORT MONITORING PACK - OCTOBER 2014

The Committee considered the financial reports monitoring pack as at 31 October 2014. The financial reports monitoring pack consisted of seven reports including, revenue budget monitoring report, monitoring of 1% savings for 2014/15 and 2015/16, update to 2015-2016 budget, monitoring of financial risks, reserves and balances, capital plan monitoring report and treasury monitoring report.

Decision

The Committee noted the –

1. Revenue budget monitoring report as at 31 October 2014.
2. Monitoring of the 1% savings target for 2014-15 and 2015-16.
3. Update to the 2015-16 budget as at 31 October 2014.
4. Monitoring of financial risks.
5. Overall level of reserves and balances.
6. Capital plan monitoring report as at 31 October 2014.
7. Treasury Monitoring report as at 31 October 2014.

(Ref: Reports by Head of Strategic Finance dated 5 December 2014, submitted)

11. SIX MONTHLY REPORT ON CASH FLOW LOANS

The Committee considered a report which set out a summary of the cash flow support loans dealt with through delegated powers and advised that there have been no loans granted during the last 6 months.

Decision

The Committee noted the terms of the report.

(Ref: Report by the Head of Strategic Finance dated 9 December 2014, submitted)

12. DELIVERING ON THE SINGLE OUTCOME AGREEMENT

The Committee considered a report which set out the key challenges facing the Council and summarised the single outcome agreement (SOA) commitments and set out the longer term budgetary outlook. It further outlined the 4 options for addressing these various challenges which were summarised as:-

- An annual incremental approach to budgeting.
- A longer term structured approach to balancing the budget.
- Considering the investment needed to support economic growth and strategic infrastructure.
- Supporting the above with an approach to investing for income.

Decision

The Committee:-

1. Noted the budgetary outlook and forecast funding gap.
2. Noted the key challenges around economic growth and population and the commitment in the SOA to address these.
3. Noted the options appraisal set out in Appendix 1 to the submitted report.
4. Having taken account of the options appraisal, to approve option D as the preferred way forward on the basis it is the option which most fully addresses the

challenges facing Argyll and Bute Council.

5. Requested officers to commence the process set out in the service choices report, develop a PID to take forward the proposals on investing for economic growth and Strategic Infrastructure Plan and bring forward more detailed reports setting out the benefits, issues, risks and governance matters related to each of the proposals within the investing for income report.
6. Requested officers to bring forward a further report setting out the arrangements for resourcing and governance of this programme.
7. In view of the decisions above then in relation to the report on communication and involvement agree to take forward the approach set out in relation to service choices with additional communications and involvement necessary in relation to investing for income developed as part of the PID's or further reports on these and incorporated in an overall integrated communications approach.
8. Noted the importance of community planning in relation to the matters outlined in the report and requested officers to:-
 - Advise community planning partners of the approach being taken by the Council to address the challenges facing Argyll and Bute.
 - Seek information from each of the community planning partners on how they are planning to address these issues.
 - Ensure effective partnership working across the CPP to successfully deliver on the SOA.

(Ref: Report by Chief Executive dated 10 December 2014, submitted)

13. FINANCIAL QUARTER TWO PERFORMANCE SCORECARD SCRUTINY

The Committee considered a report which presented the Customer Services departmental performance report and the Strategic Finance performance report with associated scorecard performance in FQ2 2014-15 (July – September 2014) and scorecards.

Decision

The Committee reviewed and noted the scorecards as presented.

(Ref: Report by Executive Director of Customer Services dated 18 December 2014, submitted)

14. EQUALITY OUTCOMES

The Committee considered a report which provided an update on the work being undertaken to review the published set of Equality Outcomes. This work is part of the Improving Equality Outcomes project led by the Equality and Human Rights Commission.

Decision

The Committee approved the revised changes to the set of published Equality Outcomes as highlighted in Column 3 of Table 1 in the submitted report.

(Ref: Report by Executive Director of Customer Services dated 18 December 2014, submitted)

15. REVISED SOCIAL MEDIA POLICY

The Committee considered the revised copy of the Council's social media policy which had been updated to reflect feedback and developments in relation to the use of social media and in particular the impact that it can have on employees.

Decision

The Committee agreed the revised social media policy with the wording "such protection as appropriate" to be added to the policy.

(Ref: Report by Executive Director of Customer Services dated 19 November 2014, submitted)

The Chair adjourned the meeting and 12.45pm and re-convened at 2.30pm at the Council Chambers, Kilmory.

The Chair advised that item 16 (CHORD PROGRAMME AND MAJOR CAPITAL REGENERATION PROJECTS – HIGHLIGHT REPORT AS AT 5 DECEMBER 2014) would be taken in private along with the other private items later on the Agenda.

*** 16. GOVERNANCE OF COUNCIL HARBOURS THROUGHOUT ARGYLL AND BUTE**

The Committee considered a report which informed members of the background to the existing system of Harbour Authority management established in 2001. It also gave both information and recommendations for changes to the governance of the Council's ports and Harbours. It sets out the roles and duties connected with the discharge of the duty holder as defined in the Port Marine Safety Code.

Decision

The Policy and Resources Committee recommended to the Council:-

1. To agree the definition of roles as set out in Section 4 of the report.
2. To agree the publication of a notice confirming who the duty holder for the Council's Harbours is (Executive Director of Development and Infrastructure Services), as required by Paragraph 2.4 of the Code; and
3. To agree the establishment of a single Harbour Authority as a Sub-Committee of the existing Environment, Development and Infrastructure Committee for all Council owned ports and Harbours which should have regard to relevant area representation.

(Ref: Report by Executive Director of Development and Infrastructure Services dated

4 December 2014, submitted)

17. POLICY AND RESOURCES COMMITTEE WORK PLAN 2015/16

The Committee considered the outline workplan to facilitate forward planning of reports to the Policy and Resources Committee.

Decision

The Committee noted the outline workplan.

(Ref: Report by Executive Director of Customer Services dated 18 December 2014, submitted)

The Committee noted that in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, the report submitted contained information that would have made it possible to exclude the public for this item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 6, 8, 9, & 12 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973. Notwithstanding this, and having had confirmation the SCCDC wished the matter dealt with in public, Members unanimously determined not to exclude the press and public and to discuss the item in public session.

18. CASTLE TOWARD

The Committee considered a report which provided advice in relation to the proposed community buyout of Castle Toward and associated estate by the South Cowal Community Development Company (SCCDC) following a review of the associated business plan. Further information received from SCCDC and the Scottish Government's State Aid Unit was also tabled for consideration, and Members then submitted an extensive series of questions and gave consideration to the responses from officers.

Motion

That the Committee:-

1. Notes the detail and advice in the report to members regarding the Disposal of Land by Local Authorities (Scotland) Regulations 2010.
2. Notes the detail and advice to members on State Aid considerations contained in the report, and the further information received from SCCDC, and the State Aid Unit provided at the meeting.
3. Notes the detail, and advice contained in the report to members from the Economic Development service with regard to the impact, viability and achievability of the revised SCCDC Business Plan.
4. Notes the information contained in the report to members regarding Highlands and Islands Enterprise's position.

5. Notes the comments to members from the Council's section 95 Officer.
6. Notes the detail in the report supplied by SCCDC in response to issues raised by members on 21st August 2014 and to the further responses to questions/issues raised with them by officers in November 2014.
7. Does not accede to the request from SCCDC to dispose of the subjects at Castle Toward for a discount of £1m.
8. Agrees to dispose of the Castle Toward Estate to SCCDC at the full value of £1.75m with £1m in respect of the purchase price being provided to SCCDC on a commercial loan basis subject to an initial three year period of deferment of repayments in recognition of their financial position. This loan to be subject to a range of conditions (as highlighted at para 6.4 in the report) which will require to be negotiated with SCCDC and determined by the officers, specified in the delegation given by paragraph 10 below, in order to safeguard the public interest.
9. In recognition of all of the aforementioned detail, include within the said delegation to officers authority to extend the Right to Buy period with SCCDC until **31st January 2015** or such later date as may be determined by the officers.
10. Accepts that if no agreement can be reached and the right to buy extended date of 31st January 2015 expires and the Castle Toward Estate is not sold to SCCDC that members extend the delegation to the Executive Directors of Community Services and Customer Services, and the Head of Strategic Finance to proceed to progress the sale or lease of the Castle Toward Estate on the open market.

Moved by Councillor E Morton, seconded by Councillor McCuish.

Amendment

Notes all the information contained in the various papers on this matter and recommends that the sale of the Castle Toward Estate to South Cowal Community Development company is approved at a price of £750k as per Option 1 in the paper. The sole condition to this sale is that, to protect the Council's investment, a standard security is taken over the mansion house for a 10 year period provided the security does not have any impact on the lease agreement between SCCDC and their tenant.

In order to allow sufficient time to conclude the legal work this amendment further recommends an extension of the current deadline from 31 December to Friday 30 January 2015.

Moved by Councillor Breslin, seconded by Councillor Strong.

The requisite number of Members required the vote to be taken by calling the roll and Members voted as follows –

Motion

Councillor Currie
Councillor McCuish

Amendment

Councillor Dance
Councillor Strong

Councillor MacDougall
Councillor A Morton
Councillor E Morton
Councillor Mulvaney
Councillor Scoullar
Councillor Walsh
Councillor McQueen

Councillor Taylor
Councillor Trail
Councillor Breslin

Decision

The Motion was carried by 9 votes to 5 and became the finding of the Council.

(Ref: Joint report by the Executive Directors of Customer, Community and Development and Infrastructure Services dated 25 November 2014, submitted and further report dated 18 December 2014, tabled)

The Committee resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for the following item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 8 &9 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

19. CHORD PROGRAMME AND MAJOR CAPITAL REGENERATION PROJECTS - HIGHLIGHT REPORT AS AT 5 DECEMBER 2014

The Committee considered a report which provided an update on progress in delivering the eleven CHORD projects and major capital regeneration projects led by Development and Infrastructure Services. The appended Highlight Report along with a Programme Plan outlined the current position of the projects as at 5 December 2014.

Decision

The Committee:-

1. Noted the current progress and agreed allocation of budget resources to date against each of the CHORD projects, and
2. Instructed officers to bring CHORD progress reports to the Policy and Resources Committee on a quarterly basis.

(Ref: Report by Executive Director of Development and Infrastructure Services dated November 2014, submitted)

The Chair of the Committee closed the meeting by wishing everyone a Merry Christmas and a happy New Year.

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STRATEGIC RISK REGISTER – 6 MONTHLY REVIEW

1. Executive Summary

- 1.1 This report is a review of the recently agreed Strategic Risk Register (SRR) and is prepared as per the agreed reporting 6 monthly reporting cycle.
- 1.2 The revised strategic risk register was agreed by Council in June 2014 is updated on a live basis and is formally reviewed twice yearly, in August (post year-end) and in February as part of budget planning process.
- 1.3 The process for reviewing the strategic risk register is outlined below:
- Designated risk owner to update on an ongoing basis in consultation with appropriate chief officers /service managers and policy leads.
 - SMT to review progress / update report.
 - Strategic Risk Group reviews the SRR at its scheduled meetings.
 - Performance Review and Scrutiny Committee to consider progress/ update reports.
- 1.4 Each of the risks, their scoring and associated mitigations has been reviewed on an individual basis. There is no material change to the risks identified and included in the register. Both raw and residual scores have been reviewed and current levels are assessed as appropriate. A number of updates have been made to the mitigations, both current and planned. These changes reflect progress made to date and in a number of cases highlight next step actions.
- 1.5 In order to further support active risk management and the review / monitoring process, a risk appetite framework is being developed and will be incorporated into future reviews.
- 1.6 Appendix 1 details the strategic risk register which is currently showing 1 red risk being Population and Economic Decline and 14 risks in the amber category.

2. RECOMMENDATIONS

- 2.1 Members are asked to note the content of the updated Strategic Risk Register.

3 CONCLUSION

- 3.1 This report provides members with assurance that the Strategic risk register continues to be actively monitored.

4. IMPLICATIONS

- 4.1 Policy – None directly but the SRR should be used to assist the Council in setting and reviewing its strategic direction and performance.
- 4.2 Financial – None directly from this report but effective risk management assists with effective governance and stewardship of council resources
- 4.3 Personnel – None
- 4.4 Equal Opportunities – None
- 4.5 Legal – None.
- 4.6 Risk – The report sets out the strategic risks facing the Council
- 4.7 Customer Service – None.

Bruce West
Head of Strategic Finance

For further information contact: Kevin Anderson, Tel 01369 708505
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APPENDICES

Appendix 1 – Strategic Risk Register

UPDATED STRATEGIC RISK REGISTER – APPENDIX 1

Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
			Li	Im	Sc				Li	Im	Sc	
1. Population and economic decline	Projected population decline and potential economic decline and failure to identify relevant factors causing the decline and the need to develop and strategies and action plans to address that decline in an effective manner.	<p>Sustained economic decline and population loss, particularly amongst our economically active generations results in a circle of decline with reduced employment, lower earnings, failing businesses and poor perception of the area.</p> <p>Population decline reduces Government funding and reduces scope for efficiencies and economies of scale. Combined population and economic decline may increase the need and costs for services</p>	5	4	20	Sustainable economic growth and population growth in Argyll and Bute with a focus on economically active generations.	<p>Single outcome agreement targets population and economic recovery.</p> <p>Strategic Economic Development Action Plan (EDAP).</p> <p>Argyll and Bute Development Plan implementation.</p> <p>Some CHORD works and additional area regeneration works.</p> <p>Economic Sustainable Forum</p>	<p>Relevant CPP policies and strategies underpin a business friendly ethos.</p> <p>Implementation of local development plans</p> <p>Action SOA delivery plans</p> <p>Deliver area based economic development action plans</p> <p>Holistic approach to economic development and regeneration</p> <p>Maximise funding levered in from external sources to support economic development</p>	4	4	16	<p>Director of Development and Infrastructure</p> <p>Head of Economic Development and Strategic Transport</p>

Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
2. Condition and suitability of overall Council infrastructure and asset base.	Infrastructure and asset base does not meet current and future requirements. Infrastructure and asset base is not being used or managed efficiently or effectively.	Infrastructure and asset base do not support overall Council objectives. Infrastructure and asset base do not support delivery of service outcomes. Infrastructure and asset base is allowed to deteriorate resulting in cost, lost opportunities and wasted resource.	4	4	16	The Council has an infrastructure and asset base that is maintained, safe, efficient and fit for purpose and which supports development of the area and achievement of objectives.	Corporate Plan and Service Plans. (actions) Capital planning and monitoring process. Asset Management planning process. Project prioritisation process Business case prepared with regard to asset sustainability, service development and strategic change.	Improve linkage between assets and infrastructure and Corporate and Service plans Improved Life Cycle Planning Improved Asset Condition Surveys Robust Implementation of prioritisation process.	3	4	12	Executive Director of Development and Infrastructure Head of Facility Services.
3. External – built environment non-council assets and infrastructure	Our built environment is not maintained to an adequate standard and does not support investment or regeneration aspirations. Built environment deteriorates to levels where intervention is required.	We do not have a built environment which supports sustainable growth. Communities and public sector partners fail to make the best use of our natural and built environment.	4	4	16	We have an environment which supports sustainable growth. Communities and public sector partners make the best use of our natural and built environment with clear plans for development and investment	Townscape Heritage Initiative THI – Conservation Area Regeneration Scheme. CARS – Building Standards Area Teams	Physical Regeneration programmes focused on enhancing and maintaining the built environment including THI and CARS	3	4	12	Executive Director of Development and Infrastructure

Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
			5	4	20				3	4	12	
4. Welfare reform	Implementation of welfare reform is not managed well resulting in increased poverty and deprivation or short term crisis.	<p>Increase in demand or costs for Council services.</p> <p>Financial crisis and hardship for individuals.</p> <p>Adverse impact on local economic development.</p> <p>Adverse impact on communities.</p> <p>Potential widening of inequalities gap.</p>	5	4	20	Well managed implementation of welfare reform in a way that minimises impact on individuals and communities but does not create a financial burden for the Council.	<p>Separate project established to manage welfare reform with clear plans, resources and risks identified.</p> <p>Joint working with DWP, CPP and other Agencies to plan response to potential impact.</p> <p>Discussions on-going at national level re local services support framework which will lead to targeted support.</p> <p>USDL trial (Universal Services Delivered Locally) to work with individuals and families in need of money management support and/or digital access and training.</p>	<p>Mapping of the existing network of support available in all areas of Argyll and Bute across all sectors.</p> <p>Work closely with all stakeholders in relation to the implementation of Universal Credit in Argyll and Bute in 2015</p>	3	4	12	Head of Customer and Support Services

Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
5. Political leadership	Political instability resulting in a lack of collective strategic leadership by councillors.	Loss of Strategic direction. Deterioration in performance. Negative impact on reputation.	4	5	20	Improved Strategic focus. Performance level maintained and improved.	Administration in place with working majority. Revised political management arrangements agreed at Council on 23 January 2014. Action plan to address issues set out in Audit Scotland statutory report approved by Council 23 Jan 14.	On-going Members seminar programme and support from Improvement Service secured in order to take forward aspects of elected member development.	3	4	12	Chief Executive
6. Finance – Income and funding	A major reduction in income /funding as result of a reduction in grant funding. This may arise from global or local economic circumstances, government policy on public sector budgets and funding or data that determines grant funding formula.	Lack of income /funding to support Council objectives. Requirement to reduce service provision or budget allocations. Reduced income may impact on performance levels.	4	4	16	The Councils finances are managed effectively. Monitoring of grant funding formula. Research opportunities for maintaining or enhancing government funding to the Council.	Effective framework for longer term financial planning that takes account of longer term funding projections. Targeted Investment in specific areas /initiatives	Actions to improve current income streams. Actions to attract new income streams.	3	4	12	Head of Strategic Finance and Head of Customer and Support Services

Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
7. Health and social care integration	Implementation of health and social care integration is not managed effectively.	Unable to proceed with health and social care integration on a managed basis and/or in accordance with timescales. Integration has a negative impact on health and social care service delivery.	4	4	16	Planned and managed implementation of health and social care.	A separate project has been established to focus on implementation and identifying and addressing any issues arising. Clear Project Governance Agreed project plan Creation of Shadow Board	Delivery of Integration project plan. Establish Strategic Planning group Integration Scheme submitted to Scottish Government Preparation of 3 year Strategic Plan Agree Senior Management Structure	3	4	12	Executive Director – Community Services
8. Reputation	The Council fails to maximise its profile at national level. Trust and Integrity of the Council is undermined leading to diminishing reputation resulting in negative external scrutiny. Council fails to maintain its general reputation with residents, the Community and the wider Local Government	Reputation declines. Negative impact on morale. Poor reputation undermines action being taken to target population and economic growth. Increased risk of audit and inspection activity.	4	4	16	The reputation of the Council is protected and enhanced.	Community Engagement Strategy. Improved Communications Strategy. Planning and performance management framework to ensure services properly planned and managed and performance targets achieved.	Action plan to improve customer services. Employee survey to develop internal communication. Update approach to reporting performance. Increase options for communication with citizens through improved communications strategy.	3	4	12	Head of Improvement and HR

Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
9. Demographic change	The Council fails to recognise, plan and deliver services in a way that takes account of demographic trends.	Mismatch of resources and service requirements. Services not configured to meet user/citizen requirements.	4	4	16	Performance of key priority services and other key areas identified by the public maintained or improved	Monitoring of population trends. Corporate and service plans. Planning and performance management framework (PPMF). Community Engagement Strategy. Workforce planning.	Continued workforce planning. Corporate and service planning.	3	4	12	Head of Improvement and HR
10. Finance - expenditure	Expenditure is estimated to exceed available resource and the Council is facing a considerable funding gap in the medium term. Expenditure continues to rise against an increasing demand for services.	Resources need to be diverted. Reduced levels of performance. Expenditure exceeds available resource Services are unable to make required efficiencies	3	4	12	The Councils finances are managed effectively.	Revenue and capital budget monitoring and preparation including review of base budget, inflation, cost and demand pressures. Maintaining an adequate contingency within General Fund reserve. Procurement Strategy	Service Choices process being developed. Efficiency monitoring process integrated into routine budget monitoring Exploration of shared services (shared cost) opportunities	3	4	12	Head of Strategic Finance
11. Partnership governance	Inadequate Partnership Governance Arrangements. Risk that partnership	Lack of Accountability. Lack of democratic input to key decisions.	4	3	12	Effective and efficient Partnership which is both accountable and democratic and focused on	Single Outcome Agreement Clear line of sight from SOA to individual partner contributions	Single Outcome Agreement Delivery Plans	3	3	9	Head of Community and Culture. Head of Governance and Law

	arrangements are poorly defined and constituted leading to an inability to deliver outcomes and objectives or being democratically deficient	Partnership viewed as having failed and not achieving objectives. Wasted resources and effort. Reputational damage.				delivering outcomes.	CPP governance arrangements and partnership agreement. Area community planning groups					
Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
12. Engagement and alignment of service delivery.	The Council fails to understand service user needs and align service delivery to meet these.	Gaps between community needs and Council services. Also impacts on reputation.	3	4	12	The Council understands local needs and aligns service deliver accordingly.	Community Engagement Strategy. Customer service board and action plans. Scorecard analysis Operation & development of: Panels & Forums - Young Peoples Panel - Youth Website - Citizens Panel etc	Planning for Our Future consultation exercise	2	4	8	Executive Director Customer Services. All Heads of Service

Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
13. Leadership and management	<p>A lack of Strategic Leadership and Direction will have a negative impact on the ability of the Council to set out strategic objectives and then align service delivery and resources to ensure these objectives are achieved.</p> <p>May also the impact on development of the community planning partnership.</p> <p>Risk that organisation is not focussed on outcomes /objectives resulting in poor decision making and inadequate governance arrangements</p>	<p>No clear strategic direction/set of objectives.</p> <p>Objectives not achieved as services and resources are not fully aligned to objectives.</p> <p>Opportunities missed to demonstrate community leadership.</p> <p>Confidence in, and reputation of, the Council harmed.</p> <p>Fail to adapt to changing environmental, social and economic conditions.</p> <p>Fail to meet service needs of citizens.</p>	3	4	12	The Council has a clear strategic direction and service and resources are aligned to ensure Council objectives are achieved.	<p>Corporate Plan sets out overall Council objectives.</p> <p>Community Plan/SOA sets out CPP objectives with clear links to Council contributions Corporate Improvement Plan.</p> <p>PPMF and service planning and performance monitoring to ensure service outcomes and activity is aligned with Council and Government objectives and performance is meeting targets.</p> <p>Community engagement and consultation to understand activity local needs.</p> <p>Corporate plan</p>	Delivery Plans for Single outcome agreement.	2	4	8	Chief Executive

Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
			3	4	12				2	4	8	
14. Civil contingency and business continuity	The arrangements in place for civil contingencies and business continuity are not effective.	<p>Ineffective management of major emergencies affecting Council services and communities in Argyll and Bute in response to a major emergency.</p> <p>Incident and recovery phase of an emergency lead to greater inconvenience and hardship and a longer timescale for return to normal. Council unable to effectively deliver its own services as a result of an emergency.</p>	3	4	12	Effective plans and procedures in place to respond to a major event affecting Council services and/or the general public.	<p>On-going training programme in place and continual update of Emergency Plans and procedures.</p> <p>Recent review of business continuity arrangements.. All critical activities identified.</p> <p>West of Scotland local resilience partnership</p> <p>EMST regular meetings</p> <p>Regular testing of procedures</p> <p>Regular training</p> <p>Community resilience plans.</p>	<p>Emergency Planning Test events.</p> <p>Regular Critical Activity Recovery Plan (CARP) updates.</p> <p>Further roll out of community resilience partnership programme</p>	2	4	8	Head of Governance and Law

Risk Ref	Description Of Risk	Example Consequences	Gross Risk			Desired Outcome	Current Mitigations	Planned Mitigations	Residual Risk			Risk Owner
15. Management of services and resources	<p>Services and resources are not effectively managed.</p> <p>Services fail to achieve agreed performance levels and as a result are not contributing fully to Council objectives</p> <p>Resources are poorly managed with result that agreed outcomes and objectives are not fully achieved.</p> <p>Unable to achieve continuous improvement and improve effectiveness and efficiency.</p>	<p>Poor performance.</p> <p>Increased costs.</p> <p>Negative publicity.</p> <p>Unable to demonstrate best value.</p>	3	3	9	<p>Performance targets achieved.</p> <p>Performance improves over time and compared to others.</p> <p>Improved use and management of resources.</p>	<p>PPMF and service planning</p> <p>Regular performance monitoring and review.</p> <p>Performance scorecards and Pyramid.</p> <p>Corporate Improvement Plan and monitoring of progress.</p> <p>Effective communications team</p> <p>Argyll and Bute Manager Programme.</p>	<p>Continued roll out and development of Argyll and Bute Manager Programme</p> <p>Further development and continued implementation of Attendance Management Policy</p>	2	3	6	<p>Executive Directors</p> <p>Heads of Service</p>

Li = Likelihood
Im = Impact
Sc = Score

Risk Assessment Matrix – Appendix 2			
Likelihood		Impact	
Score	Description	Score	Description
1	Remote – Very unlikely to ever happen.	1	None – minimal impact on objectives, budget, people and time
2	Unlikely – Not expected but possible.	2	Minor – 1%/10% budget, first aid, minor impact objectives, 1wk/3 months delay.
3	Moderate – May happen occasionally.	3	Moderate – 10%/30% budget, medical treatment required, objectives partially achievable, 3/12 months delay.
4	Likely – Will probably occur at some time.	4	Major – 30%/70% budget, permanent harm, significant impact on service delivery, 1/2 years delay.
5	Almost certain – Will undoubtedly happen and possibly frequently	5	Catastrophic – Over 70% budget, death, unable to fulfil obligations, over 2 years delay.

A combined score of 15 or more is classed as a red risk.

A combined score of between 6 and 14 is classed as an amber risk.

A combined score of less than 5 or less is classed as a green risk.

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ARGYLL AND BUTE COUNCIL

**POLICY & RESOURCES
COMMITTEE**

CUSTOMER SERVICES

5th FEBRUARY 2015

SERVICE PLANS 2015-16

1. EXECUTIVE SUMMARY

The purpose of this report is to provide members of the Policy and Resources Committee the full suite of Service Plans for 2015-16.

ARGYLL AND BUTE COUNCIL

**POLICY & RESOURCES
COMMITTEE**

CUSTOMER SERVICES

5th FEBRUARY 2015

SERVICE PLANS 2015-16

2. SUMMARY

This report presents the 2015-16 Service Plans for the 12 Council services. The plans include:

- the resources available to the service
- the outcomes that will be delivered with these resources
- the associated risks
- the success measures that enable the council to monitor progress

3. RECOMMENDATIONS

3.1 It is recommended that the Policy & Resources Committee:

- Considers the full suite of Service Plans 2015-16 and approves them to be submitted to the Council meeting on 12th February 2015.

4. DETAIL

4.1 Service Plans were adopted by Council in February 2014 with a two-year budget. Therefore there was no requirement for a complete re-write of Service Plans for 2015-16. Services were invited to adjust their targets and timelines, etc.

4.2 Service Plans were populated with the SOA outcomes from the SOA 2013-23 and aligned with the service outcomes agreed by Council in February 2014.

4.3 This was the first time strategic committees have reviewed the draft service plans. It reflects the new political management arrangements and an enhanced role for members in scrutiny.

4.4 The role of the strategic committees in approving service plans and scrutinising the resultant performance through scorecards was raised at the Committee Development Days.

5. CONCLUSION

5.1 The report outlines the full suite of Service Plans for 2015-16

7. IMPLICATIONS

- 7.1 Policy – None
- 7.2 Financial – The service plans set out the revenue resource available to services for the financial year 2015-16.
- 7.3 Legal – None
- 7.4 HR – The service plans set out the HR resource available to services for the financial year 2015-16.
- 7.5 Equalities – None
- 7.6 Risk – Risk assessment is a key element in the service planning and preparation process.
- 7.7 Customer Service – The service plans support good customer service engagement by setting out the plans for the services, the targets and success measures for the year.

Douglas Hendry, Executive Director – Customer Services

Jane Fowler, Head of Improvement & HR, on 01546 604466

For further information contact Carolyn McAlpine, Improvement Manager, 01546 604021, Carolyn.mcalpine@argyll-bute.gov.uk

ATTACHMENTS

Service Plans

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2015-16 SERVICE PLAN - STRATEGIC FINANCE

SERVICE OVERVIEW

Service Purpose:

The service purpose is to maintain high standards of financial management and control whilst contributing to corporate management and leadership and supporting officers and members in an effective and responsive manner. It does this through provision of accounting and budgeting services, treasury management, risk management and internal audit. The Head of Strategic Finance is the Council's chief financial officer.

Description of areas covered:

The elements of the service comprise ensuring the Council maintains proper financial records; preparing annual accounts and financial reports to stakeholders; providing financial information for management; financial planning; monitoring financial performance; financial advice and support for decision making, performance management and transformation; treasury management; tax management; risk management; internal audit.

Resources available to the service:

Staffing - 45.47 FTE

There are no significant fixed assets other than a share of office accommodation. Various IT systems from Oracle FMS which is the Councils the main accounting system to specific systems for treasury, loans fund records, capital expenditure monitoring, capital accounting, audit analysis tools and internal recharges.

Significant strengths:

The service strengths comprise preparation of the annual accounts, budget preparation, monitoring and control, achieving treasury targets for borrowing costs and investment returns and ensuring the internal audit plan is delivered on time and within budget in a way that is acceptable to management.

Significant challenges:

Maintaining existing level of performance and seeking to continuously improve systems and processes whilst addressing challenges around improving links between financial information and performance information, aligning financial information to the single outcome agreement, longer term financial planning and unit costs/cost drivers.

Equalities:

The annual accounts and financial reports to stakeholders will be reviewed to identify and address any issues relating to equalities. Internal Audit will consider equalities in the audit risk assessment used to develop the internal audit plan.

Customer Service:

The service is mainly internally focussed. Customer satisfaction is measured through periodic surveys, liaison with heads of service and departmental management teams, benchmarking and CIPFA Financial Management Model.

2015-16 SERVICE PLAN - STRATEGIC FINANCE

OUTCOMES

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving		
SOAO2	We have infrastructure that supports sustainable growth		
SOAO3	Education, skills and training maximises opportunities for all		
SOAO4	Children and young people have the best possible start		
SOAO5	People live active, healthier and independent lives		
SOAO6	People live in safer, stronger communities		
	*supporting the council to deliver	SF01	Effective planning, reporting and management of finance, risk and money and capital market transactions
		SF02	Assurance is provided that financial and management controls are operating effectively

* This is an interim statement

2015-16 SERVICE PLAN - STRATEGIC FINANCE

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risk Summary
					2015/16	
SF01	Effective planning, reporting and management of finance, risk and money and capital market transactions.	The Councils financial position is reported effectively	Unaudited accounts complete by 30 June	Unaudited accounts complete by 30 June	1,686	Failure to effectively plan (8), report and manage Finance (8), Risk (8) and Treasury transactions (8).
			Audited accounts complete by 30 September	Audited accounts complete by 30 September		
			No qualifications in audit certificate	No qualifications in audit certificate		
			Unaudited accounts summary report prepared by 30 June	Unaudited accounts summary report prepared by 30 June		
			Audited accounts summary report prepared by 15 Oct	Audited accounts summary report prepared by 15 Oct		
			Budget summary report prepared by 31 March	Budget summary report prepared by 31 March		
			Summary financial report prepared on a 2 monthly basis within 6 weeks	Quarterly reports prepared within one month of quarter end.		
		The Councils finances are planned and managed effectively	Comprehensive revenue and capital budget prepared within agreed timescales	Revenue and capital budget agreed by mid February		
			Medium Term Financial Strategy reviewed and updated 4 times during the year - Aug, Nov, Feb and June	Medium Term Financial Strategy reviewed regularly		
			Comprehensive revenue and capital budget monitoring reports prepared monthly within 20 days of month end	Monitoring reports prepared within 20 days of month end		
			Average timescale of no more than 4 working days after period end for distribution of routine reports to budget holders - monthly target	Average timescale of no more than 4 working days after period end for distribution of routine reports to budget holders - monthly target		
			100% of direct expenditure has fully costed outputs and performance measures - based on budget completed in February	100% of direct expenditure has fully costed outputs and performance measures		
			Maintain current CIPFA FM Model score of 2.7 out of 4 - annual assessment by 31 March each year	Average score at end of 2013-14 was 2.7 out of 4.		
			Compliance with 7 out of 10 (70%) of public audit forum good practice indicators - annual assessment completed by 31 March each year	Compliance with 8 out of 10 (80%) of public audit forum good practice indicators - annual assessment completed by 31 March each year		
An average score of 4.0 out of 5 (80%) for the year from commissioner satisfaction surveys carried out quarterly	An average score of 4.0 out of 5 (80%) for the year from commissioner satisfaction surveys carried out quarterly					

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risk Summary
					2015/16	
			An average score of 3.8 out of 5 (76%) for the year from user satisfaction surveys carried out quarterly.	An average score of 3.8 out of 5 (76%) for the year from user satisfaction surveys carried out quarterly		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risk Summary
					2015/16	
SF01	Effective planning, reporting and management of finance, risk and money and capital market transactions.	Cashflow, banking, money market and capital market transactions are managed effectively	Return on investment of surplus funds at least equal to 7 day money market rate - monitored monthly but target is for 31 March each year	7 day money market rate		
			The average loans fund rate is 5.5% - monitored monthly but target is for 31 March each year	Average rate at 31 March 2014 was 4.4%		
			The average rate for new long term borrowing is 4.5% - monitored monthly but target is for 31 March each year	Lowest rates of PWLB borrowing for relevant loan periods		
			Annual assessment against good practice target is 90% - completed by 31 March each year	Annual assessment against good practice carried out and score is at least 90%		
			Review 100% of treasury management practice (TMP) statements by 31 March each year.	100% of TMPs reviewed annually		
		Risks are planned, managed and reported effectively	Risk management policy, strategy and guidance manual reviewed by 31 March each year	Risk management policy, strategy and guidance manual reviewed regularly		
			Risks are incorporated in approved service plans by 1 April each year	Risks are incorporated in approved service plans by 1 April each year		
			Annual report on strategic and operational risk registers for 31 March each year prepared by 31 May	Annual report on strategic and operational risk registers for 31 March each year prepared by 31 May		
			Quarterly reports on strategic and operational risk registers prepared 31 July, 31 Oct, 31 Jan and 30 Apr	Quarterly reports on strategic and operational risk registers prepared		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risk Summary
					2015/16	
SF02	Assurance is provided that financial and management controls are operating effectively.	Audit activity is targeted towards key audit risks	Audit risk assessment prepared by 31 Jan	Audit plan supported by a risk assessment	242	Failure to ensure Financial and Management controls are operating effectively.
			Audit plan approved by 31 March each year	Audit plan approved before start of financial year		
		The audit plan is completed effectively	100% of audits in the audit plan - monitored monthly by target is for 31 March	100% of audits in the audit plan completed		
			Actual productive audits days at least 90% of planned audit days - monitored monthly by target is for 31 March	Actual productive audit days at least 90% of planned audit days		
			100% of high and medium risk audit recommendations accepted by management monitored monthly but target is for 31 March	100% of high risk and medium risk audit recommendations accepted by management		
		Internal audit deliver a quality service	Annual assessment against good practice carried out and score is at least 90% by 31 March	Annual assessment against good practice carried out and score is at least 90%		
			A mean score of 3 or more out of 4 - monitored monthly but target is for 31 March each year	Average mean score for 2013/14 was 3.5 out of 4		
Central/Management Costs					0	
					1,928	

**2015-16 SERVICE PLAN - STRATEGIC FINANCE
FINANCIAL SUMMARY**

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	1,894	1,946	Increases in 2015-16 in respect of pay inflation and increments.
Premises	0	0	
Supplies & Services	41	46	Small increase to offset excess savings removed from employee budgets, this will contribute to savings required for 2015-16.
Transport	18	18	
Third Party Payments	25	25	
Transfer Payments	0	0	
Gross Expenditure	1,978	2,035	
Income	-107	-107	
Net Expenditure	1,871	1,928	
Reconciliation			
Base	1,871	1,871	
Base Adjustments		57	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		0	
Cost Pressures		0	
Demand Pressures		0	
Inflation on Fees and Charges		0	
Total	1,871	1,928	

The financial information reflects the budget outlook for 2015-16 as at the end of December

DRAFT 2015-16 SERVICE PLAN - ADULT CARE

SERVICE OVERVIEW

Service Purpose:

To provide support to vulnerable adults and their carers in order to sustain them in their community where practical and safe, to enhance their life experiences and to help make communities safer.

Description of areas covered:

Adult Care Social Work services across Home, Day and Residential Care services for Older People, Learning Disability, Mental Health, Substance Misuse, Physical Disability & Sensory Impairment

Resources available to the service:

Staffing - 384.19 FTE.

Occupational Therapy services managed by the CHP on behalf of the Council in each locality. Substance Misuse Services managed by the Social Work Offices

Management and administrative offices, including space for Social Work Service Development Team and Adult Support and Protection Homecare, led and managed from the Social Work main offices

OT and equipment stores are now a joint service hosted by the NHS.

Day Services for Older people

Day Services specialist support for people with Dementia

Day Services for people with a Learning Disability

Single Care Homes for Older people

Supported living home for people with a Learning Disability

Significant Strengths

Provision of Care at Home as an alternative to residential care.

Consistently achieving national performance targets in relation to delayed Discharge and free Personal Care services.

Mix of internally and externally provided services that provide choice and flexibility of service provision within available resources.

Integrated services with NHS across Learning Disability, Occupational Therapy and Substance Misuse.

Number of enhanced Telecare services continues to rise and supports service users remain in their own home.

Development of Dementia services in partnership with the CHP and Alzheimer Scotland.

Robust contract monitoring and commissioning processes.

Significant challenges:

Demographic changes will see significant increase in older and learning disability service users with increasingly complex needs requiring services at a time of reducing financial resource and a smaller number of working adults available to sustain the workforce. On-going redesign of services and changes in legislation in order to meet the agenda of Self Directed Care and the Integration of Health and Social Care.

Workloads becoming increasingly challenging in maintaining performance on allocated work and late reports. On-going workload management

Reduce the number of days lost through sickness. Robust leadership and management of managers in order to improve performance

Increase the number of PRDs completed. On-going management and leadership of staff required to improve performance.

Integration of Health & Social Work services in advance of the national timescale of 1st April 2015

Recruitment issues within home care services, both council and independent companies, continues to be a major issue in our ability to provide safe and sustainable services. Work via the council's Procurement & Commissioning staff and the Employability Team is central to creating a long term solution to what is a national issue.

Joint preparation for Joint Inspection of Adult Health & Social Care Services

Impact of Welfare Reform on people who are vulnerable due to disability .

Challenges in improving the quality of assessment and care management

Working with Area Team and Day Service staff together to ensure that flexible models of service delivery are offered in line with choice within

**DRAFT 2015-16 SERVICE PLAN - ADULT CARE
OUTCOMES**

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving		
SOAO2	We have infrastructure that supports sustainable growth		
SOAO3	Education, skills and training maximises opportunities for all		
SOAO4	Children and young people have the best possible start		
SOAO5	People live active, healthier and independent lives	AC01	Our community is supported to live more active, healthier and independent lives.
		AC02	Vulnerable adults at risk are safeguarded
		AC03	The impact of alcohol and drug misuse on our communities, and on the mental health of individuals, is reduced.
SOAO6	People live in safer, stronger communities		

DRAFT 2015-16 SERVICE PLAN - ADULT CARE

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
AC01	Our community is supported to live more active, healthier and independent lives.	% of Older People receiving Care in the Community (Overall)	80% by 31st March 2016	March 2014=77%	43,628	Failure to support our Community in leading more active, healthier and independent lives.
		Total Number of Delayed Discharge Clients (including exemption categories) within Argyll & Bute	Total of 12 by 31st March 2016	March 2014= 16		
		Reduce the overall number of people waiting more than 12 weeks for a homecare service, where the assessment has been authorised	Reduce the number of People Waiting more than 12 weeks by 3	Number of people waiting more than 12 weeks @ 13/10/2014= 9		
		Number of Enhanced Telecare packages. AC14	Total of 457 by 31st March 2016	March 2014= 435		
		Ensure that the growth in delivery of homecare services from March 2015-March 2016 is in line with projected (65+) population growth	2% Year on Year increase in homecare provision to those over 65+ for March 2015-March 2016 in line with current NRS Population Projections	SPI- Homecare data: Number of People 65+ receiving homecare. 2012/13=933, 2013/14=1070 (14.7% increase). NRS Pop Projections for 65+ = 2012=20155, 2013=20629,2014=21084 ,2015=21427 and 2016= 21812 (Approx 2% year on Year)		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
AC02	Vulnerable adults at risk are safeguarded	Average days between investigation and Adult Protection Case conference	15 days maximum between investigation and case conference.	March 2014= 11	98	Failure to safeguard vulnerable adults.
	Ensure that clients using Adult Care Services are asked for their comments with regards to their satisfaction with service delivery and contact	Abbreviated Customer Service Questionnaire are sent to Adult Care service users- bi-monthly	Bi- monthly questionnaires: Feb 2015=5, April 2015=5, June 2015=5, August 2015=5, October 2015=5, December 2015=5, Feb 2016=5	March 2014=5		
		Percentage of people reporting they feel safe	70% of people report they feel safe at assessment	March 2014= 70%(Proxy data- data go live- March 2015)		
AC03	The impact of alcohol and drug misuse on our communities, and on the mental health of the individuals, is reduced	1. HEAT target for access to assessment and treatment met	90% of clients will wait no longer than 5 weeks from referral received to appropriate drug or alcohol treatment that supports their recovery by 31st March 2016	March 2014=95.6%	432	Failure to reduce the impact of alcohol and drugs misuse on our communities and mental health of individuals.
Central/Management Costs					635	
					44,793	

DRAFT 2015-16 SERVICE PLAN - ADULT CARE

FINANCIAL SUMMARY

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	15,911	16,497	Increase in respect of pay inflation and increments, additional increase in Superannuation budgets due to an increased number of employees joining the pension scheme as a result of penions auto-enrolment.
Premises	648	659	Inflationary increases applied to energy costs.
Supplies & Services	1,070	1,079	
Transport	668	670	
Third Party Payments	33,739	34,395	Inflationary increases applied to care home fees and demand pressure for adult care growth.
Transfer Payments	0	0	
Gross Expenditure	52,036	53,300	
Income	-8,611	-8,507	Reduction relates to change in way funding for Self Directed Support is distributed as this is now included in the overall finance settlement.
Net Expenditure	43,425	44,793	
Reconciliation			
Base	43,425	43,425	
Base Adjustments		660	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		176	
Cost Pressures		0	
Demand Pressures		564	Demand pressure approved in February 2014 as part of two year budget approach to fund expected growth in adult care demands.
Inflation on Fees and Charges		-32	
Total	43,425	44,793	

The financial information reflects the budget outlook for 2015-16 as at the end of December

DRAFT 2015-16 SERVICE PLAN - CHILDREN AND FAMILIES

SERVICE OVERVIEW

Service Purpose:

Children & Families Service provides support to children, young people and their families. In addition it works with offenders in the community

Description of areas covered:

Children & Families Service covers the identification, assessment and support for vulnerable children and their families within the localities. The service leads on child protection across the Partnership and works with the most vulnerable children and young people. The service
The Criminal Justice Service provides assessment, support and management of offenders in the community.

Resources available to the service:

Staffing - 211.3 FTE.

The Service assets include:

- 10 shared office bases (Soroba Road, Oban; Lomond Street, Helensburgh; Ellis Lodge, Dunoon; Union Street, Rothesay; Old Quay Head, Campbeltown; Church Street, Dunoon; Dolphin Hall Annexe, Dunoon; Kintyre Network Centre, Campbeltown; Kilarrow House, Islay; Mull)
- 2 stores.
- The service has 3 Children's Houses in Dunoon, Helensburgh and Oban
- The service has 2 School Hostels in Oban and Dunoon
- Former Children's Unit in Lochgilphead (Leased to Children 1st)
- Ardlui House – Respite Care Unit for children, located in the grounds of Parklands School, Helensburgh. (Building run by Sense Scotland)
- 4 vehicles (1 for Kintyre Network and 3 residential units)

CareFirst system shared with Adult Care and Criminal Justice system

Argyll & Bute's Children and the Child Protection Committee is a multi-agency partnership tasked with delivering on the Integrated Children's Service Plan.

Significant Strengths:

(i) Good partnership working at all levels; (ii) Getting It Right from the Start initiative; (iii) The implementation of the GIRFEC practice model; (iv) The quality of foster carers; (v) Engagement with Community Childminders; (vi) Commitment to continuous improvement; (vii) Self-evaluation; (viii) The quality of provision across 3 Children's Houses; (ix) Strengths re Early Years Service - Early Years Collaborative; (x) Early and Effective Intervention (EEI); (xi) Implementation of High Risk Offender assessment.

Significant challenges:

Preparing for the Criminal Justice redesign and supporting community planning partners to take responsibility for Criminal Justice services. The Children & Young People's Act, and the potential lack of long-term funding to support kinship and through care elements of the Act. Managing the level of absence. The implementation of the 600 hours childcare and early learning for all 2 year olds including the recruitment of childminders. Ensuring consistency and continued improvement in assessment and care planning. The implementation of the Children & Families Service review. Health & Social Care integration. Staff recruitment, retention and stability. The impact of the Welfare Reform on families living in poverty.

Equalities:

The Social Work Service has an explicit ethos of inclusion and values based on equality of access to Social Work and wider community services that underpins the development and delivery of all services.

Customer Service:

The focus for Children & Families remains ensuring that customer satisfaction assists in driving service improvements and efficiencies locally.

**DRAFT 2015-16 SERVICE PLAN - CHILDREN AND FAMILIES
OUTCOMES**

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving		
SOAO2	We have infrastructure that supports sustainable growth		
SOAO3	Education, skills and training maximises opportunities for all		
SOAO4	Children and young people have the best possible start	CF1	The life chances for looked after children are improved
		CF2	Children, young people and their families at risk are safeguarded
		CF3	We have contributed to making our communities safe from crime disorder and danger
SOAO5	People live active, healthier and independent lives		
SOAO6	People live in safer, stronger communities		

DRAFT 2015-16 SERVICE PLAN - CHILDREN AND FAMILIES

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
CF 1	The life chances for looked after children are improved	% of Looked After and Accommodated Children (LAAC) in family placements including foster care (CA15B)	By March 2016 ensure that 75% of children are in family placements including foster care- Quarter 1=72%, Quarter 2= 73%, Quarter 3=74% and Quarter 4=75%	October 2014=84%	7,043	Failure to improve the life chances of looked after children
		Number of LAAC in external placements (CA17)	By March 2016 ensure that the number of LAAC external placements reduces on a quarterly basis- Quarter 1-13, Quarter 2-11, Quarter 3-10, Quarter 4-10	October 2014=7		
		% of LAAC in care for over 12months with a plan for permanence(CA21)	By March 2016 ensure that there is a quarterly increase in the percentage of LAAC who are in care for 12 months with a plan for permanence Quarter 1-75%, Quarter 2- 80%, Quarter 3-80% and Quarter 4-81%	FQ1 14/15= 81%		
		% of care leavers with a pathway plan (CA34)	By March 2016, ensure that 100% performance is maintained over the four quarters: Quarterly 1- 100%, Quarter 2-100%, Quarter 3- 100%, Quarter 4-100%	March 2014=100%		
		% of Scottish Childrens Reporters Administration (SCRA) report submitted on time (SCRA43)	By March 2016, ensure that 60% of SCRA reports are submitted on time	FQ1 14/15=60%		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
CF 2	Children, young people and families at risk are safeguarded	% of Children Protection investigations with Initial Referral Tripartite Discussion within 24 hours (CP17)	95% by March 2016	March 2014= 95%	5,103	Failure to safeguard young people and their families
		% of children on the Children Protection Register (CPR) with a current risk assessment (CP7)	100 % by March 2016	FQ1 14/15= 100%		
		% of children on the CPR with no change in social worker (CP15)	80% by March 2016	FQ1 14/15= 80%		
		% of children on the CPR with an individual care plan signed off by a manager (CP11)	By March 2016, ensure that 100% performance is maintained over the four quarters: Quarterly 1-100%, Quarter 2-100%, Quarter 3-100%, Quarter 4-100%	March 2014= 100%		
CF 3	We have contributed to making our communities safe from crime disorder and danger	Average hours per week taken to complete Community Payback Order (CPO) Unpaid Work/Community	8hrs per week by March 2016	FQ1 2014/15=6.5hrs	0	Failure to contribute to making our communities safe from crime, disorder and danger.
		% Criminal Justice Social Work Reports (CJSWR) submitted to court on time (CJ61)	92% by March 2016	85%		
		% CPO cases seen without delay - 5 days (CJ63)	By March 2016, ensure that 65% of cases are seen without delay (5 days) over the four quarters: Quarter 1-60%, Quarter 2- 62%, Quarter 3- 63%, Quarter 4-65%	FQ1 2014/15= 57.1%		
Central/Management Costs					975	
					13,121	

DRAFT 2015-16 SERVICE PLAN - CHILDREN AND FAMILIES

FINANCIAL SUMMARY

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	7,579	7,901	Increase in respect of pay inflation and increments.
Premises	194	196	
Supplies & Services	338	344	
Transport	265	265	
Third Party Payments	4,280	5,453	Demand pressure and base adjustment in relation to the implementation costs of the Children and Young People (Scotland) Act.
Transfer Payments	0	0	
Gross Expenditure	12,656	14,159	
Income	-1,040	-1,038	
Net Expenditure	11,616	13,121	
Reconciliation			
Base	11,616	11,616	
Base Adjustments		659	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		54	
Cost Pressures		0	
Demand Pressures		792	Demand pressures approved in February 2014 as part of two year budget approach. These include fostering and the cost of implementing the Children and Young People (Scotland) Act.
Inflation on Fees and Charges		0	
Total	11,616	13,121	

The financial information reflects the budget outlook for 2015-16 as at the end of December

DRAFT 2015-16 SERVICE PLAN - COMMUNITY & CULTURE

SERVICE OVERVIEW

Service Purpose:

Working together to support our communities to realise their potential by enhancing access to learning, leisure, culture and housing

Description of areas covered:

Developing and implement the local housing strategy in partnership with key stakeholders

Providing a comprehensive welfare rights service to reduce poverty and support independence

Improving the standard of private sector housing: energy efficiency; property condition and suitability for disabled people

Delivering a responsive and accessible housing option service to prevent homelessness

Providing a comprehensive public library service including free access to a wide range of lending materials, ICT facilities and lifelong learning

Promoting the arts and culture through provision of advice and support to organisations and individuals; and provide advice and support to the independent museum and heritage sector

Delivering the Active Schools programme

Increasing participation in sport & physical activity through programmes, events and facility development at our pools, halls and gyms

Contributing positively to the Learning Needs of young people in schools and communities

Addressing the issues of exclusion, inequality and disadvantage through lifelong learning and literacies provision

Support the delivery of the Single Outcome Agreement

Facilitating community development and capacity building to support and sustain 3rd sector organisations and develop communities

DRAFT 2015-16 SERVICE PLAN - COMMUNITY & CULTURE

SERVICE OVERVIEW

Resources available to the service:

Staffing - 203.25 FTE

5 Community Centres

Management Information System (PIES)

7 flats

Park House

Lease 112 temporary homeless tenancies

Strategic housing land bank

ABRITAS Case Management System

7 halls

4 Leisure Centres

1 Sport Centre

1 3G All Weather Pitch

Dunoon Youth Centre

58 cardiovascular machines and 65 resistance machines

Horizon online booking system

TLMS Leisure Management System

4 mobile libraries

1 museum and Council Arts Collection

7 Libraries and 2 leased libraries

1 central archiving facility

Civica library, archives and digital content management system

Library book stock – circa 200,000

DRAFT 2015-16 SERVICE PLAN - COMMUNITY & CULTURE

SERVICE OVERVIEW

Significant strengths:

Comprehensive research into private rented sector providing the basis for future policy interventions within the local housing strategy
93 new homes completed with £7.152m core public investment and 129 on site starts; 26 new homes for households with particular needs
60 properties brought back into use as permanent homes in 2013/14 through the intervention of the empty homes officer and over 500 properties brought back into use since the double council tax was introduced in April 2014
23% reduction in homeless applicants
100% of homeless applicants assessed as being in priority need
Proportion of households who lost contact with housing service reduced by more than half – down from 11% to 5%
Over 500 homeless clients received housing support
£571k invested in energy efficiency measures
£2.6m in unclaimed income/benefits generated by Welfare Rights Team for some of most vulnerable households
Migrated the Library Management System to a hosted solution, managed by Civica Ltd (the LMS supplier). Two new IT systems were purchased as part of the migration deal, one for managing archives and the other for managing digital content
Partnership strengthened with MacMillan Cancer Support, NHS Highland and Argyll Voluntary Action to plan for the establishment of cancer information and support services in Campbeltown and Rothesay Libraries in 2013-14
Providing funding and support to the major events and festivals that helped generate around £5.5m for the local economy
Completed the refurbishment of Cardross Library
Ran a very successful football exhibition – “Kit and Caboodle” in Campbeltown Museum that attracted national interest and helped bring in around 3000 visitors to the museum during a six month period
Libraries were a major contributor, along with Creative Scotland, Glasgow School of Art, Glasgow Life and South Lanarkshire Leisure & Culture, to the “Future of Libraries Project”.
Number of adults achieving accreditation in adult learning has increased by 161 participants in the last year.
Number of adults in activities that improve employability has increased by 838 participants in the last year.
Pilots of accredited SQA units for unemployed people successfully completed, to be widened to include core skills and rolled out across area.
Four community centre councils achieved funding to appoint consultants to identify and support them in a programme to improve and sustain service delivery and community use.
Grants to third sector organisations of just over £200,000
Successfully piloted the Wider Learning Community Inspection model with Education Scotland achieving very high grades
Leisure Management team restructure completed within target timescales
All swimming pools passed external Health & Safety Audit against national benchmark score
Successful launch of area Facebook pages for Leisure, Libraries and Active Schools
Active Schools selected as one of three Trailblazer authorities for new national Sports Award scheme
Youth services biggest single provider of Activity Agreements in Argyll & Bute
Duke of Edinburgh Award Scheme increased to 10 Gold, 6 Silver and 44 Bronze awards

DRAFT 2015-16 SERVICE PLAN - COMMUNITY & CULTURE

SERVICE OVERVIEW

Significant challenges:

Average length of time homeless households spend in temporary accommodation increasing
Disrepair in private housing stock continues to increase
Extreme fuel poverty has increased by 25%
Impact of Welfare Reform
RSL partners capacity to access loan finance for housing development
Develop a strategic action plan for culture, heritage and the arts in Argyll and Bute that integrates tourism.
Provide greater public access to online information, especially local history and archive collections
Review the opening hours of all libraries to align with customer peak time needs
Resourcing rapid increase in the volume of demand for employability provision
Ensuring that learning provision and marketing is developed with new technologies
Improve accessibility and footfall in community centres
Ensuring the successful delivery of Queens Baton Relay (QBR) and Games Legacy initiatives
Access to school estate for sport activities is improving but remains inconsistent across the authority
Increasing participation in sport and athlete development is very difficult due to the reduction in the service through budget saving requirements
Maintaining fabric of buildings and equipment and improving Leisure facilities to meet customer expectations.
Youth Services continue to have difficulty in recruiting qualified applicants across Argyll & Bute

Equalities:

E-books and talking books for visually impaired, housebound customers and remote rural locations
Concession rates for individuals, disadvantaged families and vulnerable groups in facilities and sports programmes
Partnership working with Housing Associations, Homeargyll common housing register and Abritas

Customer Service:

Progress social media interaction for relevant services
Develop satisfaction surveys and tailor to each service

**DRAFT 2015-16 SERVICE PLAN - COMMUNITY & CULTURE
OUTCOMES**

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving	CC05	Argyll and Bute's economic success is built on a growing population
SOAO2	We have infrastructure that supports sustainable growth	CC07	People successfully access a choice of suitable & affordable housing options in the area that they want to live and can participate in the housing market
SOAO3	Education, skills and training maximises opportunities for all	CC03	Our adults are supported to access learning opportunities through which they gain skills and confidence to participate fully in their work, family, community and social lives.
SOAO4	Children and young people have the best possible start	CC01	Our young people are supported to lead more active and healthier lives
SOAO5	People live active, healthier and independent lives	CC02	Raised lifelong participation levels in sport and physical activity to enable us to lead more active healthier lives
		CC04	Less people will become homeless each year in A&B as a result of our proactive approach to prevention & support
SOAO6	People live in safer, stronger communities	CC06	Our Third Sector and communities have access to information and support which will enable them to engage more fully in developing communities
		CC08	Improved literacy, health and well-being by providing access to quality culture, archives, libraries and museums.

DRAFT 2015-16 SERVICE PLAN - COMMUNITY & CULTURE

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
CC01	Our young people are supported to lead more active and healthier lives	Number of children progressing to community clubs	250 per academic year	Active School Scotland 250	126	Failure to support our young people to lead more active and healthier lives
		Number of extracurricular sport opportunities for schools	230 per school term	Active School Scotland 247		
CC02	Raised lifelong participation levels in sport and physical activity to enable us to lead more active healthier lives	Increase number of visits to Council leisure centres	23000 visits per quarter	Internal facility benchmark 21500	2,785	Failure to raise lifelong participation levels is sport and physical activity to enable us to lead more active healthier lifestyles
		Participants at sports coaching courses	2000 per quarter	SFA, Shinty and Rugby governing bodies 1800		
		% of leisure users satisfied with the service	80%	LGBF		
CC03	Our adults are supported to access learning opportunities through which they gain skills and confidence to participate fully in their work, family, community and social lives.	Number of adults achieving accredited learning outcomes through Community Based Adult Learning	50 per quarter	Education Scotland 25	880	Failure to ensure our adults are supported to access "first steps"
		Number of participants in activities that improve literacy and numeracy	280 per quarter	Education Scotland 250		
CC04	Less people will become homeless each year in A&B as a result of our proactive approach to prevention & support	50% of RSL relets to homeless people	50%	Local Housing Strategy (LHS) 51% achieved year 2	2,407	Failure to ensure less people will become homeless each year as a result of our proactive approach to prevention and support
		Number of people accessing housing advice and assistance	660 per quarter	Internal 600		
		% of clients leaving the Housing Support Service with a planned approach	80	Baseline 70		
CC05	Argyll and Bute's economic success is built on a growing population	Maintain regular information updates and monitoring for the 6 SOA delivery plans	6 per quarter	n/a	119	
		Outcome reports presented to CPP Management Committee	2 per quarter	n/a		
CC06	Our Third Sector and communities have access to information and support which will enable them to engage more fully in developing communities	Maintain the number of third sector groups receiving support	170 per quarter	Internal 155	944	Failure to ensure our Third Sector and communities have access to information and support which will enable them to engage more fully in developing communities
		Number of capacity building support sessions given to community groups	170 per quarter	Internal 150		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
CC07	People successfully access a choice of suitable & affordable housing options in the area that they want to live and can participate in the housing market	Number of new specialist housing completed per annum	11	LHS 8	847	Inability to ensure people successfully access a choice of suitable and affordable housing options in the area that they want to live
		Number of new affordable homes completed per annum	110	LHS 80		
		10 empty properties back in use per year	10	LHS 10		
CC08	Improved literacy, health and well-being by providing access to quality culture, archives, libraries and museums.	Number of visits to libraries	Increase by 5% per quarter baseline 725 per quarter	Scottish national quartile benchmark 1005	1,722	Failure to improve literacy, health and well-being by providing access to quality culture, archives, libraries and museums
		Number of times libraries are used by outside agencies	85 per quarter	80		
		Number of visits to council owned and/or funded museums	Increase by 200 visits for each museum per quarter	Scottish National average 52000		
		Number of archive enquiries	Increase to 125 enquiries per quarter	100		
Central/Management Costs					174	
					10,004	

DRAFT 2015-16 SERVICE PLAN - COMMUNITY AND CULTURE

FINANCIAL SUMMARY

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	6,135	6,366	Increase in respect of pay inflation and increments.
Premises	1,516	1,633	Inflationary increases applied to energy costs and cost pressure for leisure repairs and maintenance.
Supplies & Services	946	948	
Transport	252	248	
Third Party Payments	8,109	8,228	Demand pressure for Events and Festivals and base adjustments for Atlantis Leisure saving and hostels grant deficit funding increase.
Transfer Payments	923	974	Inflationary increase applied to housing costs.
Gross Expenditure	17,881	18,397	
Income	-8,296	-8,393	Increase due to inflationary increase to fees and charges and recognition of additional grant/third party income to offset increased expenditure.
Net Expenditure	9,585	10,004	
Reconciliation			
Base	9,585	9,585	
Base Adjustments		225	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		70	
Cost Pressures		100	New cost pressure for leisure repairs and maintenance.
Demand Pressures		77	New cost pressure for continued funding for Events and Festivals.
Inflation on Fees and Charges		-53	
Total	9,585	10,004	

The financial information reflects the budget outlook for 2015-16 as at the end of December

DRAFT 2015-16 SERVICE PLAN - EDUCATION

SERVICE OVERVIEW

Service Purpose:

The Education Service is forward looking and ambitious, continuously improving the quality of its education provision through self evaluation for all children and young people in Argyll and Bute.

Description of areas covered:

Education Services is responsible for the delivery of all aspects of Education, as prescribed in the Education Act and subsequent Standards in Scotland's Schools etc. Act of 2000. This includes early years, primary, secondary education provision and the implementation of the requirements of various Acts including: Additional Support for Learning Act, Parental Involvement Act, Children and Young Peoples Act. The Service also provides Education Psychological Services, 16+ Learning Choices and Youth Learning Services. The service is supported by administrative, clerical and janitorial functions.

Resources available to the service:

Primary and secondary school teachers and educational psychology, area principal teachers, pre-school and education workers, clerical assistants, additional support needs assistants, school technicians, librarians, janitors, quality improvement team, 3 education offices, 73 primary schools and 5 secondary schools, 3x 3-18 schools, 2 joint campuses, 6 Gaelic Medium Units, 1 learning centre, 52 Local Authority Pre-school Units (2 of which are stand-alone and 3 of which provide Gaelic preschool within the school). There are currently 24 commissioned preschool providers. The FTE staffing for the service currently stands at 1499 FTE

Significant strengths:

Continued development of Curriculum for Excellence in all schools

All secondary schools have a curriculum design in place to meet broad general education and the senior phase

Approaches to improvement, through effective self-evaluation are increasingly evident across the service.

Teacher Learning Communities model used to take forward the assessment agenda to improve educational attainment

Maintenance of the downward trend in small number of young people placed out with Argyll and Bute for education

All primary aged looked after children are assessed to support their educational development

Improvement over a 5 year period in the Council's performance in securing positive destinations when leaving school

Significant progress has been made in taking forward the key aspirations of the Early Years Collaborative, including the development of the Kintyre family pathway

Good partnership working at all levels; Getting It Right from the Start initiative; The implementation of the GIRFEC practice model;

Commitment to continuous improvement; Self-evaluation; improved inspection gradings across in house and commissioned providers; Early and Effective Intervention (EEI)

GIRFEC implementation across Argyll and Bute Schools and Early Years settings

DRAFT 2015-16 SERVICE PLAN - EDUCATION SERVICE OVERVIEW

Significant challenges:

Maintaining a high quality of service in a time of reducing resources whilst undergoing a significant national curriculum change
Improving educational attainment at all education stages
Raising educational attainment for LAC at the secondary stage
Pressures arising from the requirements of the Additional Support for Learning Act.
Ensuring all S3 pupil have a pupil profile
Continuing to support schools and fulfil statutory functions
Engaging with Education Scotland to implement Broad General Education (BGE) and the senior phase
Developing a coherent and partner focussed strategy for Opportunities for All
Maintaining and improving the downward trend in the number of young people placed out with Argyll and Bute for education
Increasing the use of learning technologies whilst working within network security policies
Maintain effective teaching staff levels in all Argyll and Bute schools
Continued implementation of key aspects of the Early Years and Childcare national policy directive
Integration of Early Years and Youth Learning Services within the existing Education Service functions

Equalities:

All service planning, design and delivery is underpinned by the Education Service's explicit ethos of inclusion and access to broad and high quality education for all.

Customer Service:

Ensure our schools and their communities are engaged and informed and issues raised are dealt with timeously and effectively.
Embracing technology, to communicate with pupils and parents (text, school websites, etc.)

**DRAFT 2015-16 SERVICE PLAN - EDUCATION
OUTCOMES**

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving		
SOAO2	We have infrastructure that supports sustainable growth		
SOAO3	Education, skills and training maximises opportunities for all	ED01	Primary school children are enabled to increase levels of attainment and achievement and realise their potential.
		ED02	Secondary school children are enabled to increase levels of attainment and achievement and realise their potential.
		ED03	Education Central management team ensures continuous improvement in service delivery.
		ED05	An effective system for Opportunities for All will operate in all secondary schools.
		ED06	Education staff have improved capacity for leadership, professional learning and knowledge.
SOAO4	Children and young people have the best possible start	ED04	The educational additional support needs of children and young people are effectively met, ensuring compliance with legislative requirements.
		ED07	Young children and their families are given assistance to help them achieve the best start in life.
SOAO5	People live active, healthier and independent lives		
SOAO6	People live in safer, stronger communities		

DRAFT 2015-16 SERVICE PLAN - EDUCATION

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	2015/16	Risks
ED01	Primary school children are enabled to increase levels of attainment and achievement and realise their potential.	Increase the overall %age of primary attendance rates	96% in qtr1 96.7% in qtr2 95.5% in qtr 3 94.7% in qtr4	95%	25,887	Failure to enable primary school children to realise their potential through CfE will result in reduction of attainment and achievement.
		Maintain positive inspection reports including Gaelic medium establishments.	75% at Good or better (qtrly)	70%		
		Increase in % of P4 pupils attaining their expected levels in the Suffolk reading test	82.5% of P4 pupils will attain a score of 85 or more in the Suffolk reading assessment	overall 0.1% increase in level of Suffolk reading assessment across P4 in 2014		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	2015/16	Risks
ED02	Secondary school children are enabled to increase levels of attainment and achievement and realise their potential.	Increase the overall percentage of attainment across National Qualifications measures			26,520	Failure to enable Secondary school children to realise their potential through CfE will result in reduction of attainment and achievement.
		NATIONAL 4	90.00%	89.40%		
		NATIONAL 5	82.00%	81.70%		
		HIGHER	77.00%	76.60%		
		ADVANCED HIGHER	79.00%	78.50%		
		Alternative qualifications: Number of students accessing Number of courses	1400 35	1368 31		
		Maintain the percentage of positive inspection reports	75% at Good or better (qtrly)	75%		
		Increase the overall %age secondary attendance rates	94.5% in qtr1 93.8% in qtr2 92.5% in qtr3 93.1% in qtr4	93%		
		Increase the overall use of Insight by subject departments in all Argyll and Bute secondary schools	0% in qtr 2 50% in qtr 3 100% in qtr 4	New		
		Ensure all S3 pupils have an appropriate pupil profile in place.	0% in qtr 2 50% in qtr 3 100% in qtr 4	No data yet available		
Exclusions within our secondary schools are reduced. Number of Openings (i.e. half days) Number of Incidents Recorded	1080 175	1100 178				

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	2015/16	Risks
ED03	Education Central management team ensures continuous improvement in service delivery.	Take forward a programme of reviews with agreed schools in session 2015/2016	0 in qtr 2 3 in qtr 3 3 in qtr 4	Minimum of six annually	5,090	Failure to embed a programme of school reviews, HT meetings and scrutiny of school standards and quality reports/ improvement plans, it would be difficult to ensure improvement in service delivery.
		Provide a programme of head teacher meetings that has as its main focus learning and teaching.	0% in qtr 2 50% in qtr 3 100% in qtr 4	minimum of five meetings across session 2015/2016		
ED04	The educational additional support needs of children and young people are met.	Number of young people placed outwith the authority	Number of external places does not exceed 25 (quarterly)	25 annually	8,682	Failure to meet the additional support needs of children would be a failure to adhere to legislation.
		Improve approaches to raising the educational attainment of LAC pupils through increasingly effective monitoring and tracking processes: 100% of LAC	0% in qtr 2 50% in qtr 3 100% in qtr 4	New		
		Secure improvement in literacy and numeracy for Children who are Looked After				
		S4 Level 4 literacy and numeracy	28%	27.27%		
		S4 Level 5 literacy and numeracy	10%	9.09%		
		S5 Level 4 literacy and numeracy	82%	81.20%		
		S5 Level 5 literacy and numeracy	19%	18.18%		
		S6 Level 4 literacy and numeracy	51%	50.00%		
		S6 Level 5 literacy and numeracy	51%	50.00%		
		Ensure continued adherence of statutory timescales for Coordinated Support Plans.	100% compliance by end of each quarter.	100%		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	2015/16	Risks
ED05	An effective system for Opportunities for All will operate in all secondary schools.	Increase the percentage of school leavers achieving positive destinations.	92.4% (annual - Report quarter 4) to allow for provision of data from Skills Development Scotland	89.5% (National comparator)	709	Failure to operate an Opportunities for all methodology within our secondary schools would reduce the numbers of young people securing positive, sustained destinations
		Increase percentage of young people moving into a positive destination after completion of an Activity Agreement.	75% each quarter	69% (National comparator)		
		Increase the overall percentage of Looked After Young People moving into a positive destination after completion of an Activity Agreement	79%	77% (sessson 13/14)		
		Increase number of appropriate vocational education and training courses (including skills for work) to reflect local employment opportunities within Argyll and Bute.	57 vocational/training courses offered by schools and partners	55		
ED06	Education staff have improved capacity for leadership, professional learning and knowledge.	Devise an appropriate leadership programme for aspiring leader at all levels	Implement a newly developed leadership course for 15 participants. (annual - report Q2)	NEW	17	Failure to increase capacity for leadership, professional learning and knowledge will reduce the successful learning processes for the young people within our schools.
		Increased range of professional development opportunities for staff	10 courses annually - Q1=2, Q2=0, Q3=4, Q4=4	6 targeted staff development events running on multiple occasions		
		Implement a programme of professional development for newly appointed head teachers	Target of 3 training events for Newly Appointed Head Teachers. 1 in qtr 1, 0 in qtr 2, 1 in qtr 3 and 1 in qtr 4.	NEW		
		The provision of leadership training on the opportunities for all agenda	Full day's training delivered by end of Qtr 1 for 15 attendees	NEW		
		Ensure the effective implementation of the revised requirements of General Teaching Council for Scotland (GTCS) Professional update for all teaching staff:	20% of teaching staff attaining professional update by end of March 2016 (annual)	NEW		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	2015/16	Risks
ED07	Young children and their families are given assistance to help them achieve the best start in life.	The overall % up take of pre 5 education(PS2)	98 % by March 2016	FQ1 2014/15= 100%	5,778	Failure to ensure vulnerable children and their families are given assistance to help them achieve the best start in life.
		The overall % of child care staff holding Scottish Social Services Council (SSSC) approved qualifications	94% by March 2016	FQ1 2014/15= 93.5%		
					72,683	

DRAFT 2015-16 SERVICE PLAN - EDUCATION

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	55,742	57,467	Increase in respect of pay inflation and increments, additional funding for the expansion of pre-school provision and an increase in the employers Superannuation contribution rate for teachers. These have been partly offset by a reduction in school employee budgets due to roll reductions and turnover in teaching posts.
Premises	3,835	3,873	Inflationary increases applied to energy costs.
Supplies & Services	6,359	6,864	Increase relates to demand pressure for increase in running costs of new schools in Dunoon and Campbeltown.
Transport	334	231	Reduction offset by adjustment to supplies and services due to re-alignment of schools non-employee budgets.
Third Party Payments	7,051	7,242	Increase in relation to additional funding for implementation of the Children and Young People (Scotland) Act.
Transfer Payments	133	130	
Gross Expenditure	73,454	75,807	
Income	-3,297	-3,124	Reduction in income offset by adjustment to supplies and services due to re-alignment of schools non-employee budgets.
Net Expenditure	70,157	72,683	
Reconciliation			
Base	70,157	70,157	
Base Adjustments		1,585	Includes payroll inflation, payroll increments, an increase to the employers Superannuation rate for teachers and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		86	
Cost Pressures		0	
Demand Pressures		858	Demand pressures approved in February 2014 as part of two year budget approach. These include expansion of pre-school provision with the implementation of the Children and Young People (Scotland) Act and to increase the revenue budget for the running costs of the new schools in Dunoon and Campbeltown.
Inflation on Fees and Charges		-3	
Total	70,157	72,683	

The financial information reflects the budget outlook for 2015-16 as at the end of December

2015-16 SERVICE PLAN - CUSTOMER AND SUPPORT SERVICES

SERVICE OVERVIEW

Service Purpose:

Customer and Support Services provides a range of first line contact facilities for council customers for a growing range of services through a network of customer service points in all the main towns, a telephony based service and the council's web site. It is also responsible for collection of local taxes, administering housing benefit and discretionary housing payments and the council tax reduction scheme, administers the Scottish Welfare Fund and registration of births, deaths and marriages. It also provides a range of services to internal council departments including provision of ICT, creditor payments, procurement and commissioning of goods and services and the intranet hub.

Description of areas covered:

Collection of local taxes (Council tax, domestic water and sewerage charges on behalf of Scottish Water, Non-domestic rates) and sundry debts and other income. Billing and Collection of BIDs income for PA23 and Bid4Oban, and water and sewerage for MACC;
 Administration of housing benefit and council tax reduction scheme, discretionary housing payments, and Scottish Welfare Fund;
 Registration of births, deaths and marriages;
 Customer services - through a range of channels including website, telephone contact centre and network of service points;
 Development and maintenance of external website and intranet hub;
 Payment of suppliers;
 Payments of travel and subsistence claims for employees and Members, maintenance of register of Members expenses;
 Procurement and commissioning of goods and services for all council departments, central teams for travel & accommodation, and construction purchasing;
 ICT and print services for council and under contract to Argyll Community Housing Association, and under shared services arrangement to Highland Council.

Resources available to the service:

Staffing - 208.96 FTE
 60.14 FTE for ICT (including 2 for workforce deployment and 2 new modern apprentices funded from disposal contract)
 32.31 FTE for procurement & commissioning
 47.87 FTE for customer service centre and registration (including 0.5 FTE for decimalisation of parking enforcement)
 62.23 FTE for revenues and benefits
 3.00 FTE web team
 3.50 FTE for support team

Significant strengths:

The ICT service is particularly low cost compared to other councils. It provides a fully converged voice and data network with leading edge unified communications which supports the area's challenging geography. Applications are provided through a carefully planned approach to the deployment of market leading packaged solutions. IT engineers are deployed on a geographically dispersed model allowing fast responses to local issues. Satisfaction levels are measured regularly and are increasing. New ICT development framework agreed for assessing ICT capital programme proposals and approved through ICT Steering Board. Benchmarking is regularly undertaken through SOCITM.

The Procurement service has won GO Procurement awards in 2010 and 2011 and was short listed for the Procurement Team of the Year award in both 2013 and 2014 and has received improving PCA scores from 21% in 2009, to 63% in 2013 and 72% in 2014. Particular strengths are strategy and objectives, defining the supply need and people. Formal contract management introduced for all large or high risk contracts and commodity sourcing strategies introduced. Sustainable procurement policy in place with community benefits considered for all contracts over £350k.

Council website has been re-engineered onto an open source platform which is state of the art and rated as a 4 star Better Connected site and has recently been upgraded for mobile devices. There have also been significant improvements to the intranet. A dedicated team is working on increasing the range of customer services available through the customer service centre and online transactions are above targeted levels. Customer service improvement toolkit launched and Customer Service Action Managers now active in all departments with key improvement actions now included in service plans.

IRRV silver award won in 2014 for effective implementation of double council tax on empty homes. New sheriff officer contract put in place in 2014 with significant savings which are used to fund improved single person review process ensuring fraud in this area is minimised. Benefits processing well within Scottish averages. Well prepared for introduction of Universal Credit through being a trial site for Universal Support Delivered Locally.

2015-16 SERVICE PLAN - CUSTOMER AND SUPPORT SERVICES

SERVICE OVERVIEW

Significant challenges:

- To carry out "service choices" review to meet future financial challenges.
- To increase the adoption of ITIL service management framework and provide more customer responsive ICT services with more formal service level agreements.
- To maintain PSN accreditation.
- To manage the transition to Universal Credit starting possibly as early as February 2015 and the transfer of the fraud officers to the new Single Fraud Investigation Service in October 2015.
- To ensure that funds provided for Discretionary Housing Payments and Scottish Welfare Fund are fully utilised but not overspent.
- To ensure local tax collection levels do not drop given the continuing difficult economic circumstances.
- To encourage take-up of more efficient customer channels and provide a greater range of council services through the website through a single authentication and promoting digital first.
- To increase the value that the council gets from its bought in goods and services, whilst ensuring that local suppliers are given every opportunity to win work from the council.
- To improve council's invoice payment performance, and implement Oracle purchasing to provide excellent management information on purchases as well as support commitment accounting. This project was put on hold to allow the upgrade to Oracle release 12 to be completed and has only recently re-started.
- To respond to customers' demands for services beyond "normal" council hours.
- To commence transition to SWAN wide area network following end of Pathfinder contract extension in March 2016, and work with BT, HIE & Scottish Government to ensure Argyll and Bute's requirements for broadband are reflected in the next generation of broadband projects.

Equalities:

- To provide equality of access to council contracts and to pay council suppliers promptly.
- To maximise take-up of benefits from those who are eligible whilst minimising fraud.
- To provide a range of channels for council customers to access services which do not disadvantage any sectors.
- To ensure that income is collected from customers fairly and sensitively in relation to their circumstances.

Customer Service:

- To improve the customer experience when transacting with Argyll and Bute Council ensuring that customer charter standards are adhered to as much as possible, and that all staff interacting with customers are well trained in customer service principles.
- To ensure that customer feedback is taken into account when designing or re-designing services.
- To ensure that the council's Customer Service Board effectively champions customer service across the council.

**2015-16 SERVICE PLAN - CUSTOMER AND SUPPORT SERVICES
OUTCOMES**

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving	CS02	Businesses are supported in claiming Non Domestic Rates (NDR) relief
		CS03	Opportunities for SMEs to sell services to the Council are maximised and suppliers paid promptly
		CS05	Increased value is delivered from procurement, with key contracted services of better quality and effectiveness
SOAO2	We have infrastructure that supports sustainable growth		
SOAO3	Education, skills and training maximises opportunities for all		
SOAO4	Children and young people have the best possible start		
SOAO5	People live active, healthier and independent lives	CS01	Benefits are paid promptly whilst minimising fraud
SOAO6	People live in safer, stronger communities		
	*Supporting the Council to deliver	CS04	Income from local taxes and sundry debtors is maximised and properly controlled
		CS06	IT applications and infrastructure are available to users when they want to use them, and meet business needs
		CS07	Customers (internal and external) can access council services more easily and these services are of better quality

* This is an interim statement

2015-16 SERVICE PLAN - CUSTOMER AND SUPPORT SERVICES

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
CS01	Benefits are paid promptly whilst minimising fraud	Process all changes promptly and accurately	New claims processed within average 23 days, changes within 8 days, accuracy rate of 94%	Scottish average 2013/2014 27 days for new claims and 9 days for changes	1,056	Failure to pay Benefits promptly and risk of paying benefit where no entitlement with commensurate loss of subsidy.
		Scottish Welfare Fund claims processed promptly and accurately	95% of Crisis Grant claims within 2 days and 90% of Community Care grant applications in 15 days	Scottish avg 2014/15 Q1 CGs 94% within 2 days; CCGs 82% within 15 days		
CS02	Businesses are supported in claiming Non Domestic Rates (NDR) relief	Cost of NDR discretionary relief within the annual budget	Within budget throughout year. Measured quarterly.	Not applicable	102	Failure to maintain discretionary NDR relief within budgeted amounts.
		Increase value of total relief awarded	Target £9.0m by 31 March 2016	No external benchmark. £8.85m awarded Sep 2014		
CS03	Opportunities for SMEs to sell services to the Council are maximised and suppliers paid promptly	Increase percentage of suppliers paid within 30 days	Min 94% of invoices paid within 30 days for 2015/16	92.4% for full year 2013/14; Scottish Avg 90.7%	247	Failure to maximise opportunities for local businesses to sell services to the Council and failure to pay suppliers promptly.
		100% of all contracts >£50,000 advertised on Public Contracts Scotland website	100% throughout 2015/16	already achieve 100%		
		Increase percentage of SMEs winning council contracts	90% throughout 2015/16	Q1 86% in 14/15 Q2 83% in 14/15		
		Increase percentage of local suppliers bidding for business on portal	35% by 31 March 2016	Q1 32% in 14/15 Q2 24% in 14/15		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
CS04	Income from local taxes and sundry debtors is maximised and properly controlled	Maintain collections of Council Tax and NDR	96.3% Council Tax, 97.5% NDR cumulatively at March 2016 (including year end accruals)	Scottish average 2013/14 Council Tax 95.45% NDR:97.03%	597	Failure to ensure income from local taxes and sundry debtors is maximised and properly controlled.
		Increase percentage of Council Tax payers paying by Direct Debit	Target of 78%	77.1% September 2014		
		Outstanding Sundry Debtors' balances aged over 3 months	Aged debt over 3 months not to exceed £900k by 31 March 2016	£1.00m at March 2014		
		100% of bank reconciliations completed within 2 weeks of month end with no unreconciled balances	100%	Not applicable		
CS05	Increased value is delivered from procurement, with key contracted services of better quality and effectiveness	Increase percentage of all spend under contract or SLA	target of 90%	avg contracted spend 2013/14: 88.1%	739	Failure to increase value from procurement with key contracted service of better quality and effectiveness
		Key/high risk contracts continually actively managed to ensure quality of services being provided	Top 75 contracts	64 at Sept 14		
		Achieve target cost savings	Target £1.25m new savings in year	£1.15m procurement savings in 2012/13		
		Increased % of orders placed electronically through Oracle purchasing project	40% for Q1; 45% Q2 50% Q3; 55% Q4	38.9% FQ2 2014/15		
		Improved annual Procurement Capability Assessment (PCA) score	Target of 75% for Nov 2015 assessment on same basis as 2014 assessment	72% achieved in 2014		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
CS06	IT applications and infrastructure are available to users when they want to use them, and meet business needs	Less than 0.8% unscheduled application downtime during specified core time linked to users' service requirements	All year with monthly figures	Less than 1% unscheduled application downtime during specified core time linked to users service requirements - SOCITM Benchmarking	3,521	Failure to meet growing Customer expectations for improved access to Council services
		Less than 1% unscheduled infrastructure downtime during specified core time	All year with monthly figures	Less than 1% unscheduled downtime during specified core time - SOCITM Benchmarking		
		85% of applications and databases within one version of current – to maintain vendor support and enable use of new applications facilities	All year with monthly figures	Not applicable		
		Maintain average time to resolve ICT incidents under 5.5 hour benchmark	Year to March 2016	No direct external benchmark - SOCITM uses more complex time bandings depending on type of incident		
		100% Seasonal upgrades done in time	Dates determined by users each year	No external benchmark		
		Average success score for projects	82% annual average	SOCITM KPI 3 (80%)		
		Regular scheduled replacement of PCs, laptops and MACs	Target replacement of 576 corporate devices and 1356 Education devices each year (161 per month)	1,863 deployed in year to 31 March 2014		
		IT capital programme projects delivered to time and budget	Annual spend within plans; 100% projects delivered within agreed timescales	No external benchmark, 100% achieved in previous years		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
CS07	Customers (internal and external) can access council services more easily and these services are of better quality	Improved quality of registration service	Target error rate 1.5%	Scottish average 1.07% 2013, ABC current error rate 1.5%	1,457	Failure to ensure availability of IT applications when business needs them or to meet demand from services for assistance with implementing new technological advances
		Increased demand for civil marriages in Argyll & Bute	Target 500 in year	456 for 2013 but only 384 to Sept 2014		
		Improved %age of calls through CSC dealt with at first point of contact and % customers satisfied with service provided	Targets: 65% for Planning 65% for Social Work 75% for Regulatory 65% for General Enq 90% for all other services	Stats at Sept 2014 Planning 64.5% Social Work 65.3% Regulatory 75.7% All other services 92%		
		Reduced call abandon rate	Abandon rate below 7.5% Average answered talk time 3 dec minutes	Abandon Rate Sept 2014 9.05% Average answered talk time Sept 2014 2.87 dec mins		
		Increase percentage of self service directory calls successfully routed	Target 75%	Sept 2014 73%		
		Reduce face to face transactions as a percentage of total CSC interactions	Target of max 20% for year	48K to Sept 2014 which is 21% of total iCSC interactions		
		Reduce Agent handled telephony as percentage of total CSC interactions	Target of max 25% for year	Telephony 53k to Sept 2014 which is 24.3% of total interactions		
		Increase number of online transactions	40,000 trans Q1, Q2, Q3 and Q4	Based on current rate of c78K for last 6 mths		
		Maintain Better Connected score for the website	4 star Better Connected score	3 star 2013/14		
		Improve employee satisfaction with the content of The Hub	Target 90% are satisfied with the content of the Hub	Currently 90% satisfaction rate		
Improve customer satisfaction levels	% satisfied or very satisfied with service: 95% for face to face 90% telephony 75% web 85% emails	Customer satisfaction survey Sept 2014: face to face: 92% telephony: 87% web: 75.2% emails: 82%				
Central/Management Costs					323	
					8,042	

2015-16 SERVICE PLAN - CUSTOMER AND SUPPORT SERVICES

FINANCIAL SUMMARY

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	6,659	6,929	Increase in respect of pay inflation and increments.
Premises	8	8	
Supplies & Services	2,647	2,702	Increase relates to non-pay inflation applied to supplies and services costs and new demand pressure for IT maintenance costs.
Transport	128	128	
Third Party Payments	318	347	Increase reflects increased cost pressure for broadband Pathfinder.
Transfer Payments	23,800	23,800	
Gross Expenditure	33,560	33,914	
Income	-25,948	-25,872	Reduction in income as a result of cost pressure to reflect a reduction in the level of Housing Benefit Admin grant.
Net Expenditure	7,612	8,042	
Reconciliation			
Base	7,612	7,612	
Base Adjustments		273	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		14	
Cost Pressures		103	Cost pressures approved in February 2014 as part of two year budget approach including reduction in Housing Benefit Admin grant and broadband Pathfinder. Additional cost pressure included for Scottish Welfare Fund administration.
Demand Pressures		41	New demand pressure included for IT maintenance costs.
Inflation on Fees and Charges		-1	
Total	7,612	8,042	

The financial information reflects the budget outlook for 2015-16 as at the end of December

2015-16 SERVICE PLAN - FACILITY SERVICES

SERVICE OVERVIEW

Service Purpose:

Facility Services provides a range of support to all other Council Services through teams which manage assets, catering, cleaners, pool cars, school transport, property design and improvement, property maintenance, energy consumption and estates services. The service has responsibility for the Council's Corporate Asset Management processes together with the design and delivery of property related capital projects. In addition, Facility Services manages and supports public transport contracts and community transport initiatives.

Description of areas covered:

Catering and Cleaning: The core service provided by Catering Services is the school meals service. Annually 1.02 million school meals are prepared and served from 67 production units to 13 dining centres, 10 secondary schools and 76 primary schools. Cleaning is undertaken in 109 offices and 37 schools across the Council, with the remainder of janitor/cleaners in schools being directly managed by Education. Approximately 15.7 million m2 per annum is cleaned with the bulk of the input being in schools.

Property Services provides a range of support to all other Council Services through teams which manage assets, property design and improvement, property maintenance, energy consumption and estates services. The service has responsibility for the Council's Corporate Asset Management processes together with the design and delivery of property related capital projects.

Integrated Transport - manage the Council's light vehicle fleet which comprises 190 vehicles including 21 pool cars; manage school transport contracts which carry 3,354 pupils on a daily basis; 59 school contracts are delivered in-house; responsible for transport infrastructure including bus stops and shelters; prepare and display timetable information.

Resources available to the service:

Staffing - 310.11 FTE

This comprises Catering 157.48 FTE; Cleaning 76.29 FTE; Catering and Cleaning Management and Support - 8 FTE; Building Maintenance Team – 4FTE; Asset and Estates Management – 5.9 FTE; Property Design – 19 FTE; Property, Energy and Building Services Maintenance – 11 FTE; Integrated Transport Team - 59.5 FTE; Admin Support Team – 5.5 FTE; Head of Facility Services Team - 2 FTE.

2015-16 SERVICE PLAN - FACILITY SERVICES

SERVICE OVERVIEW

Significant strengths:

Property Services Review completed on time and delivered the required savings.

Customer Care revision training for front line staff completed.

Outline Business Case for Campbeltown Office Rationalisation completed.

Mid Argyll customer service point/office rationalisation delivered.

Successful implementation of the Community Services and Facility Services Capital Programme.

Annual Asset Management returns of Core Facts Information for the School Estate and Statutory Performance Indicators for Condition, Suitability and Access collated and submitted in accordance with Government requirements.

Delivery of asset management work plan in accordance with schedule set and monitored by the Strategic Asset Management Board.

Central Repairs Account budget managed to 100% commitment at financial year end covering all property emergencies and delivering full statutory programme and priority planned maintenance.

Helensburgh Office Rationalisation Project continues on programme for use in late Spring 2015.

Delivery of the Council's Renewables Sourcing Strategy (RSS).

Adoption of the Council's Asbestos and Legionella Management Plans.

Major asbestos re-survey programme of the Council estate continues to be on time and within budget.

Introduction and use of Concerto Property Management System with significant use of Helpdesk and PPM Scheduler.

Successful implementation of the cleaning elements of the Catering and Cleaning Service Review.

The Primary school meals service gained the Soil Association Food for Life Catering Mark Bronze Award.

School meals uptake remains above the Scottish average for both free and paid meals.

Pupil consultation through a programme of focus groups has led to Primary school menu improvements.

Reduced the average subsidy per passenger below the target of £1.58.

Reviewed and updated transport contract terms and conditions in conjunction with the Commissioning and Procurement Manager.

Maintained the average age of vehicle fleet below 5 years.

Increased efficiencies and savings from retendering contracts in Cowal and Bute.

Achieved deferred savings from School and Public Transport Review.

Significant challenges:

Update procurement contracts for planned/emergency maintenance.

Delivery of carbon Management Plan target of 20% saving on CO₂ emissions to a revised date of March 2015

Improve amount and quality of customer feedback received for property maintenance

Disposal of property assets

Managing the negative publicity surrounding the school meals service at Lochgilphead Joint Campus and the impact this continues to have on staff.

Implementation of Universal Free School Meals for P1 – P3 pupils is underway, for implementation in January 2015.

Implementing the transfer from bus to train transport for pupils in the Lorn Area.

Manage attendance to reflect targets.

2015-16 SERVICE PLAN - FACILITY SERVICES

SERVICE OVERVIEW

Equalities:

In the School Transport service, all directly employed drivers and escorts are provided with appropriate equalities training.

Where required, appropriate transport is provided for pupils with additional support needs

The public transport team consult with users of rural transport through local community transport forums

All Council offices and schools have appropriate public access areas which are suitable for disabled visitors.

Any office rationalisation or facility redesign work includes taking cognisance of individual users needs

In schools, any necessary design works required for pupils with additional support needs are designed in consultation with the appropriate Quality Improvement Officer

School meals are provided, where appropriate, to pupils with special dietary requirements, as a result of religious, cultural or dietary needs.

The school meals service has a rolling programme of pupil focus groups that include participants from protected groups, to ensure that they are consulted on menu changes

Equality Impact Assessments are conducted as part of any policy or process change, to ensure that consideration is given to the impact of any changes on minority groups

Customer Service:

The Property Maintenance team undertake quarterly customer satisfaction surveys on the maintenance programme for schools to establish lessons learnt and areas for improvement

On going customer satisfaction surveys are carried out for Capital Property Works on completion of each project.

The Catering and Cleaning Service conducts a monthly Customer Satisfaction Survey with all clients. The results are monitored through the Team Plan and these are published on Pyramid quarterly.

The Catering and Cleaning Service consults with pupils and Head Teachers during the menu preparation process, so that customers have direct input into the service they are offered.

The Integrated Transport team holds quarterly service standard meetings with main contractors to ensure compliance with contract terms and conditions

**2015-16 SERVICE PLAN - FACILITY SERVICES
OUTCOMES**

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving		
SOAO2	We have infrastructure that supports sustainable growth		
SOAO3	Education, skills and training maximises opportunities for all		
SOAO4	Children and young people have the best possible start	FS01	Children in Argyll and Bute are healthier by maximising the number of pupils opting to choose a nutritionally balanced school meal at lunchtime.
SOAO5	People live active, healthier and independent lives		
SOAO6	People live in safer, stronger communities	FS02	Communities are safer and more successful through improved facilities
		FS03	We contribute to the sustainability of the local area
		FS04	School and public transport meets the needs of communities

2015-16 SERVICE PLAN - FACILITY SERVICES

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
FS01	Children are healthier because nutritionally balanced school meals are available to as many pupils as possible, and uptake is encouraged.	All school pupils are provided with menus that comply with Schools (Health Promotion and Nutrition)(Scotland) Act 2007. This will ensure that nutritionally balanced school meals are provided.	Achieve acceptable nutrition levels for all measureable vitamins and minerals. This is measured using Nutmeg nutritional analysis software. New Primary menus are produced twice annually: April and October	100%. Provision of nutritionally balanced meals is benchmarked by APSE annually.	650	Failure to ensure that the number of pupils opting to choose a nutritionally balanced school meal is maximised.
		The uptake of free school meals provided to eligible pupils is maintained and, where appropriate, improved to maximise the number of pupils benefitting from a nutritional lunch.	Achieve average uptake of 87% for free primary meals.	81.33% (Scottish average uptake 2013/14 APSE benchmarking data)		
			Achieve average uptake of 63% for free secondary meals.	62.86% (Scottish average uptake 2013/14 APSE benchmarking data)		
		The uptake of paid school meals, is maintained and, where appropriate, improved to maximise the number of pupils benefitting from a nutritional lunch.	Achieve average uptake of 45% for paid primary meals.	42.34% (Scottish average uptake 2013/14 APSE benchmarking data)		
			Achieve average uptake of 40% for paid secondary meals.	36.85%(Scottish average uptake 2013/14 APSE benchmarking data)		
Quality meals are provided to all pupils, within managed cost margins.	Minimise quarterly food cost variance of ≤ 5%	No external benchmarking is available. Benchmarking will be against last year's performance: 3.63%.				

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
FS02	Communities are safer and more successful through improved facilities	Customers report improved cleaning and improved facilities through customer satisfaction reports.	≥ 90% rated good or above	85% (APSE benchmarking average customer response rate 2011/12)	2,064	Failure to ensure are improved to make communities safer and more successful
		Council buildings are improved and safer due to the implementation of the Capital Plan.	Maintain 84% of properties included in the LGBF/Core Facts return to a satisfactory standard (B rated or above)	Scottish average LGBF return rate 82.6%		
			Meet 95% of programme dates and expenditure	No external benchmarking is available. Benchmarking will be against last year's performance: 98.8%		
			Minimum 94% of Property Design Team payments processed within 14 days	Benchmarking will be against last year's performance: 99.8% and the Scottish average of 90.7%		
		The Council has maintained public buildings which are safe, efficient and fit for purpose.	Maintain 100% completion of statutory tests, inspections and remedial maintenance. There are approximately 3700 checks per annum, but this figure changes due to the number of assets the Council holds.	No external benchmarking is available. Benchmarking will be against last year's performance; 100%		
			Attain cumulative percentage reduction in Gross Internal Floor Area of 15% through office rationalisation	No external benchmarking is available. Benchmarking will be target of 15% by FQ4 2014-15		
			Attain cumulative year-on-year savings of £170k through office rationalisation	No external benchmarking is available. Benchmarking will be target of £170k by FQ4 2014-15		
		The Council ensures that its property assets are aligned to support service delivery requirements	A corporate challenge is applied to services for 100% of assets subject to lease renewal to determine whether properties are required to sustain service delivery in accordance with Council objectives	No external benchmarking is available. Benchmark will be the reduction in leased assets		
		Income from leased properties is maximised.	Non operational properties- 95% of rent due successfully collected (a total of £715k)	No external benchmarking is available. Benchmarking will be against last year's performance: 95%		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
FS03	We contribute to the sustainability of the local area	The Council's use of energy and utilities is monitored and its carbon emissions are reduced	Deliver a new Carbon Management Plan to take cognisance of project opportunities and align where possible with national targets by March 2016.	No external benchmarking is available. Target is completion of the new plan.	132	Failure to reduce Carbon footprint
			Expend and start re-investment of Central Energy Efficiency Fund (CEEF) by March 2016	No external benchmarking is available. Target is to expend £275k of CEEF Fund and to re-invest £35k by March 2016.		
		The Council's services work collaboratively to add value to the local economy through effective estate management	The Council's non-operational property portfolio is successfully managed to ensure available units are quickly brought to market. Where technically possible, all available properties are brought to market within 20 working days.	No external benchmarking is available. Benchmark will be 95%		
			Have a high quality and efficient light vehicle fleet which is more environmentally friendly	Maintain the use of the light vehicle fleet at over 60%	No external benchmarking is available. Benchmarking will be against last year's performance: 62% (Q2 13/14)	
		Increase the number of drivers who have completed a Fuel Efficient driving test to 150 drivers over 3 years to March 2016		No external benchmarking is available. Benchmarking will be against last year's performance: 50 drivers		
		Maintain the average age of the light vehicle fleet at below 5 years at March 2015		No external benchmarking is available. Benchmarking will be against last year's performance: 4.7 years (Q1 12/13)		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
FS04	School and public transport meets the needs of communities	Improved public transport infrastructure across Argyll and Bute	Increase the number of bus stops by 10 during 2014/15	No external benchmarking is available. Benchmarking will be against last year's performance: New bus stops - 10	9,686	Failure to deliver adequate school and public transport service.
			Increase the number of bus shelters by 5 during 2014/15	No external benchmarking is available. Benchmarking will be against last year's performance: New shelters - 5		
			Increase the number of bus shelters cleaned twice a year to 100 during 14/15	No external benchmarking is available. Benchmarking will be against last year's performance: 100 shelters cleaned twice a year		
		Maintain average subsidy per passenger accessing council funded public transport.	£1.58 by March 2015	No external benchmarking is available. Benchmarking will be against last year's performance: £1.58, which excludes the Helensburgh and Lomond area.		
		Maintain number of school bus inspections across Argyll and Bute	48 Inspections by March 2015	No external benchmarking is available. Benchmarking will be against last year's performance: 48		
Central/Management Costs					419	
					12,951	

**2015-16 SERVICE PLAN - FACILITY SERVICES
FINANCIAL SUMMARY**

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	7,345	7,536	Increase in respect of pay inflation and increments.
Premises	2,193	2,220	Inflationary increases applied to energy costs.
Supplies & Services	1,724	2,654	Increase relates to the additional budget allocation from the Scottish Government for the implementation of the free school meals to P1 to P3 school children.
Transport	7,187	7,189	
Third Party Payments	8,262	8,331	
Transfer Payments	0	0	
Gross Expenditure	26,711	27,930	
Income	-14,956	-14,979	
Net Expenditure	11,755	12,951	
Reconciliation			
Base	11,755	11,755	
Base Adjustments		1,106	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		93	
Cost Pressures		0	
Demand Pressures		0	
Inflation on Fees and Charges		-3	
Total	11,755	12,951	

The financial information reflects the budget outlook for 2015-16 as at the end of December

**2015-16 SERVICE PLAN - GOVERNANCE AND LAW
SERVICE OVERVIEW**

<p>Service Purpose: Governance and Law provide a range of largely, but not exclusively, internal services e.g. supporting Council Services, Councillors, Committees and the framework against which the governance and corporate objectives of the Council and Community Planning are pursued. It includes Legal Services: Commercial and Corporate, and has responsibility for delivering elections, providing support to Community Councils and Civil Contingencies.</p>
<p>Description of areas covered: Governance arrangements & compliance with Council Constitution, Committee management & administration, election services, Member Services, Risk Management, Freedom of Information, Data Protection and complaints compliance, Community Safety & Anti Social Behaviour duties, Community Planning (operational & administration), Community Councils and Civil Contingencies. Legal Advice, litigation, licensing, conveyancing, contracts, insurance, debt recovery.</p>
<p>Resources available to the service: Staffing - 41.83 FTE Supported by customised IT Systems - MOD Gov (committees), Members Portal, Eros / Avant Guard (election management), IKEN (case management + time recording), Westlaw (legal research), Northgate (licensing), Lagan (corporate complaints), AXLR8 (Freedom of Information, Data Protection), Authority Financials (debt recovery)</p>
<p>Significant strengths: Extensive knowledge base, providing technical guidance across all council services and partner agencies, supported by strong internal & external networks. Professionally qualified workforce; with many staff achieving sector specific qualifications. IKEN system fully operational, robust system providing effective monitoring for Freedom of Information performance and Complaints monitoring, Election knowledge and expertise</p>
<p>Significant challenges: Supporting political management arrangements and governance frameworks Increase use and positive feedback of Members Portal Management of UK Parliamentary Election in May 2015 and any by-elections which may arise. Consultation on UK Parliamentary polling review, Introduction of Community Empowerment and Justice legislation, Localisation of Single Outcome Agreement Provision of legal and governance frameworks to support new partnerships and new ways of working (e.g. health and social care integration, TIF) Develop economic options for legal training, optimise use of case management system (IKEN) and strengthen existing arrangements for benchmarking Civic Government Renewal Process. New responsibilities and working arrangements e.g. records management, information security, introduction of video-conferencing for Committees</p>
<p>Equalities: Equalities are embedded in the Service. Prior to elections, all polling stations are checked that they are suitable for access by all citizens. In addition the Council promotes electoral participation including postal and proxy voting.</p>
<p>Customer Service: Implement systematic service user engagement and feedback mechanisms across all aspects of the service; monitoring results and introducing service improvements including awareness raising workshops for customers /stakeholder and staff team events, systematic surveys across all functions, including staff surveys, issue based customer sessions and encourage and support staff to achieve customer service professional qualification</p>

**2015-16 SERVICE PLAN - GOVERNANCE AND LAW
OUTCOMES**

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving		
SOAO2	We have infrastructure that supports sustainable growth		
SOAO3	Education, skills and training maximises opportunities for all	GL10	Timely provision of liquor licences and Civic Government licences to the public
SOAO4	Children and young people have the best possible start	GL6	The best interests of children at risk are promoted.
SOAO5	People live active, healthier and independent lives		
SOAO6	People live in safer, stronger communities	GL1	Provision of a quality framework to support democratic decision making.
		GL2	Council compliance with governance and information management arrangements.
		GL4	Improved quality of life of residents and visitors and reduced risks for residents
		GL7	Community Councils are supported to undertake their responsibilities
		GL8	Provision of high quality, timely legal advice.
	* Supporting the council to deliver	GL3	Members enabled to deal timeously and accurately with their caseload.
		GL5	Electors enabled to participate in the democratic process.
		GL9	Provision of high quality, timely and appropriate legal documentation.

2015-16 SERVICE PLAN - GOVERNANCE AND LAW

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
GL1	Provision of a quality framework to support democratic decision making.	(a) Constitution reviewed annually	31-Mar-16	Not applicable	696	Failure to ensure a quality framework supporting democratic decision making is in place.
		(b) Maintain the percentage of agendas issued in time	100%	Use 2014/15 comparative data		
		(c) Maintain the percentage of draft minutes published and action mandates issued within 5 working days.	95%	Use 2014/15 comparative data		
		(d) Review of administrative processes in Area Governance	Aug-15	Not applicable		
		(e) Provide needs assessment and training needs analysis for all elected members	Dec-15			
		(f) Continuing Professional Development (CPD) framework for Elected Members - PDPs in place	75%	looking to benchmark with a suitable LA		
		(g) Programme of Elected Member Development Events in place	30-Apr-15	Not applicable		
		(h) Increase the percentage of members very satisfied or satisfied with member services support	90%	Use 2014/15 comparative data		
		(i) Achieve an appropriate balance in representation on Area Community Planning Groups between Public Sector and non-Public Sector	Ensure compliance with new Terms of Reference (no more than 50% of attending partners to be from the public sector) at every meeting	Not applicable		
		(j) Implementation and review of localisation of SOA delivery plan	31-Mar-16	Not applicable		
GL2	Council compliance with governance and information management arrangements.	(a) Maximise the percentage of responses within timescales for subject access requests under Data Protection Act	100%	Use 2014/15 comparative data	152	Failure to ensure Council compliance with governance and information management arrangements.
		(b) Maintain the percentage of Freedom of Information responses within timescales	100%	Use 2014/15 comparative data		
		(c) Deliver corporate update training on best practice compliance for freedom of information + data protection	1 event annually			
		(d) Maximise the % of complaints resolved by frontline (Stage 1) resolution.	60%	Use 2014/15 comparative data		
		(e) Deliver training programme to support implementation of revised Records Management Plan.	Mar-16	New target		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
GL3	Members enabled to deal timeously and accurately with their caseload.	(a) Increased number of transactions dealt with through Members Portal LAGAN system	600 per annum FQ1 - 150 FQ2 - 300 FQ3 - 450 FQ4 - 600	Use 2014/15 comparative data	247	Failure to ensure Members are enabled to deal timeously and accurately with caseloads.
GL4	Improved quality of life of residents and visitors and reduced risks for residents and visitors.	(a) Increase the percentage attendance of core partners at Community Safety meetings	75%	Use 2014/15 comparative data	51	Failure to improve quality of life and reduce risks of residents and visitors.
		(b) Maintain the percentage of cases subject to joint tasking and problem solving - % of cases which have a multi-agency action plan	70%	Use 2014/15 comparative data		
		(c) Serious Organised Crime strategy embedded in the organisation	% compliance with Solace targets	Use 2014/15 comparative data		
GL5	Electors enabled to participate in the democratic process.	(a) Meet standards of Electoral Commission Assessment, with 5 elements above minimum standard	100%	Use 2014/15 comparative data	59	Failure to ensure Electors are enabled to participate in the democratic process.
		(b) Conduct joint review with VJB on implementation of Individual Elector Registration.	30-Oct-15	New target		
GL6	The best interests of children at risk are promoted.	(a) Assess satisfaction of Children's Panel members / Area Support Team with Council support	100%	Use 2014/15 comparative data	34	Failure to ensure the best interests of children at risk are promoted.
		(b) Achieve optimum number of fully trained and serving Children's Panel members	optimum range 50-65	Use 2014/15 comparative data		
GL7	Community Councils are supported to undertake their responsibilities	(a) Increase percentage of community councils with more than 70% full membership	85%	Use 2014/15 comparative data	35	Failure to Support Community Council undertaking their responsibilities.
		(b) Achieve percentage of community councillors responding to needs assessment survey	30%	Use 2014/15 comparative data		
		(c) Deliver training to community councils for the top 4 priorities (as identified by community councils in the needs assessment survey)	FQ1 25% FQ2 50% FQ3 75% FQ4 100%	Use 2014/15 comparative data		
		(d) Delivery of development plan for Community Councils	Mar-16	Not applicable		
		(e) Increase percentage of community councils who feel supported	70%	Use 2014/15 comparative data		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
GL8	Provision of high quality, timely legal advice.	(a) Provide substantive response to all requests for advice in cases of urgent nature within one working day	100%	Use 2014/15 comparative data	317	Failure to provide high quality, timely, legal advice
		(b) Provide full response for other requests for advice within 20 working days unless an extension has been agreed with client department	100%	Use 2014/15 comparative data		
GL9	Provision of high quality, timely and appropriate legal documentation.	(a) Complete all property transactions (Conveyances, Leases, Securities, Discharges) by agreed date of entry	100%	Use 2014/15 comparative data	353	Failure to provide high quality, timely and appropriate legal documentation
		(b) Register all Section 75 Planning agreements within 4 months from receipt of titles	100%	Use 2014/15 comparative data		
GL10	Timely provision of liquor licences and Civic Government licences to the public	(a) Determine all new Civic Government licence applications (with the exception of taxi licences) within 32 working days, provided there are no objections or representations	100%	Use 2014/15 comparative data	-123	Failure to ensure Timely processing of liquor and Civic Government licences to the public.
		(b) Where there are objections or representations, or where it is an application for a taxi licence, determine all such Civic Government licence applications within 50 working days	95%	Use 2014/15 comparative data		
		(c) Determine all personal liquor license applications within 32 working days (with the exception of those where this is an objection)	95%	Use 2014/15 comparative data		
		(d) Determine all extended hours liquor licence applications within 32 working days	100%	Use 2014/15 comparative data		
		(e) Determine all occasional liquor license applications within 35 working days	100%	Use 2014/15 comparative data		
GL11	Communities and employees are prepared to deal with major incidents.	Percentage of planned emergency planning exercises carried out	100% by March 2015	Not applicable	91	Failure to ensure Communities and employees are prepared to deal with major incidents.
		Develop targeted training plan for responsible officers based on need	Jun-15	Not applicable		
		Number of engagement events with priority community groups	26 by March 2016	Not applicable		
		% of Civil Contingencies training delegates satisfied with courses	80% by March 2016	Not applicable		
Central/Management Costs					201	
					2,113	

**2015-16 SERVICE PLAN - GOVERNANCE AND LAW SERVICES
FINANCIAL SUMMARY**

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	1,918	2,049	Increase in respect of pay inflation and increments.
Premises	7	7	
Supplies & Services	293	295	
Transport	70	70	
Third Party Payments	28	28	
Transfer Payments	0	0	
Gross Expenditure	2,316	2,449	
Income	-333	-336	
Net Expenditure	1,983	2,113	
Reconciliation			
Base	1,983	1,983	
Base Adjustments		131	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		2	
Cost Pressures		0	
Demand Pressures		0	
Inflation on Fees and Charges		-3	
Total	1,983	2,113	

The financial information reflects the budget outlook for 2015-16 as at the end of December

2015-16 SERVICE PLAN - Improvement and HR

SERVICE OVERVIEW

Service Purpose:

Improvement and HR service provides a range of professional support, advice and training for 4500 council employees, managers and elected members. It is responsible for the health and safety of employees and service users under the Health and Safety at Work Act; and for the planning, exercising and response to emergency situations as a Category 1 responder under the Civil Contingencies Act. The service provides the council's professional HR and payroll service in line with our legal responsibilities as an employer. Improvement and organisational development delivers planning, performance and scrutiny support to officers and members, improvement planning and business improvement tools and techniques, ensuring Best Value. The service also supports the council to comply with its statutory duties in Equalities and Gaelic. Learning and development provide employees with the skills that they need to deliver services through training and learning opportunities. The Corporate Communications Team supports the protection and enhancement of the council's reputation.

Description of areas covered:

HR and payroll - recruitment, contracts, pay and pensions, PVGs, attendance management, grievance and disciplinary including hearing and tribunals, workforce and succession planning, modern apprenticeships and growing our own. Professional HR advice includes the revision of policies and procedures, training and mentoring, mediation, guidance and direct advice to managers and employees. The service leads on employee relations and our close working relationship with the recognised trades unions. Improvement and Organisational Development provides all service planning and performance management information and analysis through scorecards. Support for improvement is provided by benchmarking, best value, statistical analysis and business improvement tools and techniques. Learning and development deliver training and learning support informed by annual PRDs, legislative requirements and organisational improvement needs. The accredited SVQ centre supports delivery of a range of vocational qualifications. The team leads on the delivery of the Argyll and Bute Manager and Leadership programme. Corporate Communications provides press releases, responses to press queries, reputation management recommendations, social media content management and development, proactive public relations communications and campaigns to support service areas and advice and training on speaking to, writing for and managing the media. Health and Safety provide professional advice, guidance, tools, techniques and training to support managers in protecting employees and service users, mitigating risk and reducing potential liability.

Resources available to the service:

Staffing - 82.4 FTE

The service is responsible for the management of a number of corporate IT systems including PYRAMID, Resourcelink and ETC (Enrolment, Training and Certification) system. There are training materials and equipment resources owned by the service. There are no other fixed assets other than IT equipment and a share of office accommodation.

Significant strengths:

The HR service is particularly low cost in comparison with other councils. It provides efficient end to end processes for transactional HR with tight targets to ensure that the organisation has the right employees with the right skills at the right time to deliver services. Professional HR advice and guidance is provided through comprehensive policies and procedures on the Hub and through personal HR advice through the HRenquiries advice line. Automated systems provide real time HR management information such as attendance and regular reporting on metrics assists managers to manage their teams. The service is developing our approach to becoming the employer of choice 2020. ICT improvements are underway across the service on the HR and payroll database, Health and Safety management, learning and development systems including e-learning, webinars and the nationally recognised SVQ centre's remote assessment and verification. Learning and development achieves an average of 85% satisfaction rates for training delivered, including the Argyll and Bute Manager Programme. Communications are developing improved online services and increased social media presence. The team has a strong partnership and networking approach to service development and improvement, ensuring that the service is at the forefront of support service delivery. The research function of the service supports improvement in services and informs policy and strategy across the council, through data collection, survey and analysis.

Significant challenges:

Supporting change management in the context of ongoing efficiencies alongside an ambitious agenda for economic and population growth as well as supporting business as usual will be a challenge for the service. There is a demand and need in the organisation for improvement and new developments in systems, processes, campaigns and change programmes. Driving improvements and change in large scale projects such as Health and Social Care Integration and Service Choices, whilst continuing to provide the required support to services day to day will be challenging for the current resource in the service.

Equalities:

The service has led on the council's compliance with our specific duties in the Equality Act 2010 including the operation of an equal pay environment. The service leads on the Equality Forum, developing Equality Outcomes and Actions and oversees the completion of quality assured Equality Impact Assessments.

Customer Service:

Improvement and HR has both internal and external customers and seeks to improve engagement and satisfaction with all of our customers. We have a role in supporting and driving improvement across the whole council and seek to lead by example in improving our own service's approach. IHR carried out training in Customer Management for all employees in 2014/15 and has undertaken a Customer Service Healthcheck and developed an improvement plan as a result. We carry out and record customer satisfaction questionnaires on a quarterly basis and for all training courses delivered.

2015-16 SERVICE PLAN - IMPROVEMENT AND HR OUTCOMES

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving		
SOAO2	We have infrastructure that supports sustainable growth		
SOAO3	Education, skills and training maximises opportunities for all		
SOAO4	Children and young people have the best possible start		
SOAO5	People live active, healthier and independent lives		
SOAO6	People live in safer, stronger communities	IHR06	The Gaelic language is supported and promoted.
		IHR02	Communities and employees are prepared to deal with major incidents.
		IHR01	We, as a Council, recognise and tackle discrimination and promote equality
		IHR03	Managers are enabled to manage health and safety effectively.
	*supporting the council to deliver	IHR04	Services and employees are supported to scrutinise performance and deliver continuous improvement and organisational change and deliver services.
		IHR05	Our customers and employees are informed and engaged.
		IHR07	Our employees have the skills and attitudes to deliver efficient and effective services.

**2015-16 SERVICE PLAN - IMPROVEMENT AND HR
FULL SERVICE SUMMARY**

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
IHR01	We, as a Council, recognise and tackle discrimination and promote equality.	Increase number of employees who have awareness of equalities	300 by March 2016	Against other councils	0	Failure to equip our employees with the knowledge, skills and behaviours to recognise and tackle discrimination.
		Report on progress towards achieving equality outcomes	Report to be published by April 2015	Not applicable		
		Maintain number of Equal Opportunity Impact Assessments that are quality assured by IOD	100%	100%		
IHR02	Managers are enabled to manage health and safety effectively.	Contractors health and safety competence assessments carried out promptly	100% carried out and delivered to the Procurement Team within 10 working days of receipt by the health and safety team	New local measure, no benchmark available	400	
		Number of persons made competent to manage specific health and safety hazards	1,200 by end of financial year	1,200		
		Number of management standards reviewed in accordance with regulatory and risk drivers	10 per annum	10		
		Number of employee Health and Safety assessments/tests	300 by March by end of financial year	300		
		Percentage of accidents and incidents processed and investigation initiated within 24 hours of receipt of report	100% by March 2016	100%		
		Number of fire risk assessments carried out	28 by March 2016*	27		
		RIDDOR - The number of reportable incidences per 1,000 employees - maintain below national average	Annual rate of 4 per 1,000 (National definition has changed for 2014-15)	Against other councils		
		Health and safety audit programme delivered to schedule	2 audits carried out per year	New local measure, no benchmark available		
			* Quarterly profiles and other details are in the H&S Team Plan. Targets are subject to demand.			

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
IHR03	Managers and employees are supported to scrutinise performance and deliver continuous improvement, organisational change and deliver services.	Public performance reporting action plan is delivered	100% by March 2016	Not applicable	1,990	Failure to deliver high quality, continually improving, efficient and responsive services
		% of performance scorecards created or reviewed in Pyramid in alignment with demand	100%	100%		
		Percentage of employees paid accurately and on time	99.75% (of all employees are paid accurately and on time)	99.75% benchmark with local authorities CIPFA data		
		Percentage of vacancy adverts processed within 5 working days of receipt of paperwork	100%	Against other councils		
		Percentage of HR contracts issued within 5 working days of receipt of the successful candidate form	100%	Against other councils		
		Percentage of all other HR transactional data received before the period cut-off date that are input in time	100%	Against other councils		
		Number of HR policies/procedures that are reviewed in accordance with legislative change, HR/OD Strategy or business need	4	4 in 2014/15		
		Number of Modern Apprenticeships created in the Council	20 by October 2015	Baseline established 2015/16		
		A programme/process of corporate improvement is developed and implemented	Mar-16	Not applicable		
		Number of statistical and analytical requests that support corporate and service specific improvements	Establish once baseline for 2014/15 is known	Not applicable		
		Number of surveys developed on demand to support corporate improvement and service delivery	Establish once baseline for 2014/15 is known	Not applicable		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
IHR04	Our customers and employees are informed and engaged.	Employee level of satisfaction with information availability and quality - employee survey	44%	Source employee survey	228	Failure to engage our customers and employees.
		Customer level of satisfaction with information availability and quality	44%	40% last survey		
		Increase number of press releases	2,976 - increase of 20%	2,480		
		Increase number of Twitter followers	5,820 - increase of 20%	4,850		
		Increase number of Facebook 'likes'	4748 - increase of 20%	3,957		
		Percentage of media enquiry deadlines met	95%	95%		
		Maintain number of Gaelic press releases per month	2 per month	2 per month		
IHR05	The Gaelic language is supported and promoted.	Basket of IHR measures from Gaelic Language Plan	As per Gaelic Language Plan	Not applicable	0	No risks
IHR06	Our employees have the skills and attitudes to deliver efficient and effective services.	Percentage of Argyll and Bute Manager candidates complete programme (phase 2) within 18 months of starting	80% of candidates	Not applicable	648	Failure to equip our employees with the skills and attitudes to deliver efficient and effective services.
		Percentage of managers who have completed Argyll and Bute Manager programme	20%	Not applicable		
		Percentage of Argyll and Bute Manager candidates satisfied with courses	85% of candidates satisfied with courses	Establish baseline at end of 2014/15		
		Percentage of learners satisfied with courses provided	85% by March 2016	Establish baseline at end of 2014/15		
		Increase in number of e-learning courses available	80 by March 2016	Establish baseline at end of 2014/15		
		Percentage of PRD training requests delivered	90% by March 2016	Establish baseline at end of 2014/15		
		Percentage of corporate training needs delivered	90% of requests by March 2016	Against other councils		
Central/Management Costs					129	
					3,395	

**2015-16 SERVICE PLAN - IMPROVEMENT AND HR
FINANCIAL SUMMARY**

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	3,070	3,133	Increase in respect of pay inflation and increments.
Premises	2	2	
Supplies & Services	194	194	
Transport	39	41	
Third Party Payments	64	64	
Transfer Payments	0	0	
Gross Expenditure	3,369	3,434	
Income	-39	-39	
Net Expenditure	3,330	3,395	
Reconciliation			
Base	3,330	3,330	
Base Adjustments		64	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		1	
Cost Pressures		0	
Demand Pressures		0	
Inflation on Fees and Charges		0	
Total	3,330	3,395	

The financial information reflects the budget outlook for 2015-16 as at the end of December

DRAFT 2015-16 SERVICE PLAN - ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION

SERVICE OVERVIEW

Service Purpose:

To assist in the delivery of the overarching aim of the agreed Single Outcome Agreement, endorsed by the 2014 Economic summit, with a focus on key outcomes 1, 2 and 3 that aim to grow our local economy, create the necessary infrastructure to facilitate economic growth and ensure that local people have sufficient work skills to take advantage of available employment opportunities that enables our population to grow.

Description of areas covered:

Economic development (Business Gateway, European policy and funding, and employability services), regeneration projects, renewables, broadband and mobile phone coverage and key sectors including tourism, food and drink and forestry, social enterprise and community empowerment activities, CHORD, connectivity (roads, ferries, air, rail), transport policy (including road safety) and marine operations (ports and harbours).

Resources available to the service:

Staffing - 122 FTE

Staff resource includes the Head of Service, 5 Senior Managers, 7 team members in Business Gateway, 25 core team members in Employability, 7 team members in the European Team, 3 CHORD Council staff and sub-contracted Project Managers, 14 team members in Development Projects and Renewables, 17 team members in Strategic Transportation (including Road Safety) and Airport Operations; and 43 team members in Marine Operations.

DRAFT 2015-16 SERVICE PLAN - ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION

SERVICE OVERVIEW

Significant strengths:

A robust and up to date set of strategic and area specific Economic Development Action Plans (EDAPs) 2013-2018, that focus the Council's resources on the economic development activities (including strategic transportation and marine operations) that are designed to have the greatest beneficial socio economic impact on the areas local communities as well as across Scotland as a whole. In particular the strategic EDAP provides a clear focus on the actions that we should focus our resources on delivering across the key sectors (tourism, renewables, marine science and food and drink) in order to contribute to the outcomes outlined in the SOA and area based EDAPs.

The Renewable Energy Action Plan (REAP), 2010-2013 (to be refreshed) has been developed by the Argyll and Bute Community Planning Partnership (CPP), and is a key action within our Community Plan/SOA, in order to assist Argyll and Bute realise its vision for the development of the renewable energy sector. The on-going delivery of the EDAP and REAP has resulted in good, effective, strong and robust partnership working throughout the Service. The Argyll and Bute Renewable Alliance (ABRA) is a partnership of both public and private stakeholders which seeks to secure the delivery of the REAP.

Continuing to maximise productive linkages between the Economic Development Service, Development and Infrastructure Directorate and the wider Council e.g. key officer representation from across the Council on the Argyll and Bute Employability Partnership.

Effective communication between senior management and staff below senior management level continues to improve due to reinstating utilising quarterly Economic Development Officer Group (EDOG) meetings which includes staff from the other services within the Development and Infrastructure Directorate. On an ongoing basis a more holistic knowledge of the Economic Development Service has been sought through regular team meetings and individual staff one-to-one meetings.

Robust partnership working through sharing information with internal and external customers/partners. For internal purposes the shared EDOG drive has been a successful tool for hosting documentation and easily accessible by members of EDOG.

Significant success in progressing and developing key groups with external partners e.g. Argyll and Bute Renewables Alliance - viewed as a good practice model of service delivery.

A significant track record in delivering external funding that has allowed the creation of a substantial network of active travel routes, transport and infrastructure improvements together with the regeneration of a number of our town centres including economically fragile communities in Argyll and Bute including Rothesay and Campbeltown.

DRAFT 2015-16 SERVICE PLAN - ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION

SERVICE OVERVIEW

Significant challenges:

The delivery of the key outcomes of the SOA associated with the economy and endorsed by the 2014 Economic summit including the creation of the Argyll and Bute economic Forum (ABSEF) in order to facilitate population growth.

To be able to adequately respond to the challenges facing the global economy including the current lack of public and private sector liquidity.

Delivery of all the key priorities within the EDAP and REAP in a period of significant budgetary and resource pressures.

Staying focused on agreed strategic and area based EDAP priorities and actions including managing local area EDAPs.

Maintaining the growth in business start-ups witnessed during 2013/2014 given that the Business Gateway team is now operating with a full complement of staff. Maintaining performance in relation to employability services provided for the whole of the highlands and islands including the whole of Argyll and bute together with West Dumbarton.

To ensure that the economic and social interests of our island communities are protected and enhanced through the work of the Argyll Islands task force.

Ensuring capacity and political focus to deliver CHORD, other capital projects including the Lorn Arc TIF, Helensburgh and Dunoon piers and area wide regeneration priorities.

Maintaining key private sector partnerships e.g. AISTP/AITC and ABRA and establishing ABSEF.

Maintaining effective partnership working with CPP partners to deliver the 'Compelling' component of EDAP.

Ensuring regularly financial monitoring meetings are put in place for 2014-2015 with Strategic Finance Principal Accountant and nominated contacts.

Maintaining the continued delivery of the Council's Maximising Attendance at Work Procedures in order to increase average attendance levels during 2013/14 through 2014/15.

DRAFT 2015-16 SERVICE PLAN - ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION

SERVICE OVERVIEW

Equalities:

The Economic Development Service is aligned with the Council's Equal Opportunities policies and practices and Equality Impact Assessments are undertaken as appropriate.

Customer Service:

The Economic Development and Strategic Transportation Service is committed to providing excellent customer service further to its regular contact with customers and clients through the service activities delivered by teams such as, Business Gateway, Employability, European Policy and Funding (including Argyll and the Islands LEADER Programme), Social Enterprise, Renewables, Projects (Tourism, Food and Drink, and Forestry), Town Centre Regeneration activity and Strategic Transportation (which includes transport policy and the Road Safety Unit) and Marine Operations. The Economic Development and Strategic Transportation Service's strong customer focus is evidenced by excellent feedback from customers. A range of research methods are utilised by the service to measure performance, reliability and better understand how the service is regarded by customers in order to continuously improve service delivery.

**DRAFT 2015-16 SERVICE PLAN - ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION
OUTCOMES**

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving	ET01	Sustainable economic growth in Argyll and Bute
SOAO2	We have infrastructure that supports sustainable growth	ET02	Argyll and Bute is better connected, safer and more attractive
SOAO3	Education, skills and training maximises opportunities for all		
SOAO4	Children and young people have the best possible start		
SOAO5	People live active, healthier and independent lives		
SOAO6	People live in safer, stronger communities	ET03	Renewables are further developed in the area in partnership for the benefit of our communities.
		ET04	Harness the potential of the third sector and increase their capacity to deliver sustainable communities.

DRAFT 2015-16 SERVICE PLAN - ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION
FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
ET01	Sustainable economic growth in Argyll and Bute	Maximising the sustainable economic opportunities within Argyll and Bute	Creation of Argyll and Bute Sustainable Economic Forum (ABSEF); Establishment of thematic sub-groups to deliver a series of economic actions aligned to the SOA, LDP and Strategic and Area based EDAPs. (details of profiling available in due course).		1,018	SRR01: Population and economic decline.
		Number of start-up businesses supported.	100 by March 2016.	The Argyll and Bute Business Gateway Team propose to benchmark our start-ups results against the rest of the Highlands and Islands Enterprise area (excluding Argyll and Bute) and Scotland with a focus on the number of start-ups per head of population to give some meaningful analysis. A benchmarking measure will be added as soon as the required start-up data is released from the Business Gateway national team.		
		Number of existing businesses supported.	200 by March 2016.	Not applicable: With regard to benchmarking, support to existing businesses is not a Business Gateway national performance measure so benchmarking data is not available.		
		Work Programme - number of job starts	Secure 90 job starts for Argyll and Bute	The Council delivers the UK Government's Work Programme on behalf of Working Links, one of the two Scottish main contractors for the Department for Work and Pensions (DWP), any benchmarking information can only be published at the discretion of DWP.		
			Secure 100 job starts for the Argyll and Bute Employability Team based in Inverness			
			Secure 160 job starts with Partners			
		Work Programme - number of sustainable job outcomes	Secure 45 sustainable job outcomes for Argyll and Bute	The Council delivers the UK Government's Work Programme on behalf of Working Links, one of the two Scottish main contractors for the Department for Work and Pensions (DWP), any benchmarking information can only be published at the discretion of DWP.		
			Secure 50 sustainable job outcomes for the Argyll and Bute Employability Team based in Inverness			
			Secure 80 sustainable job outcomes with Partners			
		Maximise European funding investment within Argyll and Bute.	Specific targets will be included once the Scottish 2014-2020 Structural Fund programmes and the Argyll and the Islands LEADER and European and Maritime Fisheries Fund programmes are finalised and	Not applicable		
Support for key sector partnerships and projects.	5 - target will be profiled at the end of the current financial year to reflect key sector and geographic agreed priorities.	Not applicable: specific to Argyll and Bute.				

ET02	Argyll and Bute is better connected, safer and more attractive.	Secure external funding for the delivery of strategic transport projects.	Annual target: £300,000	Not applicable: specific to Argyll and Bute.	1,178	Failure to deliver lifeline ferry services to rural and island communities and lifeline are services to the islands.
		Actively influence partner agencies to assist in the delivery of strategic transport projects.	95% delivery against programme of work incorporating Argyll and Bute representation at national strategic transportation forums	Not applicable: specific to Argyll and Bute.		
		Maintain Airport safety essential for service delivery	Monthly Target: 70% pass mark on Red Kite Fire Fighting Training Systems of staff at Oban Airport	Investigating the suitability of benchmarking		
		Number of passengers carried on Argyll and the Isles Air Services.	Annual target: 3,400 (based on 8 passenger seat airplane)	2011: 2510; 2012: 3,224; 2013: 3,334		
		% ferry sailings as timetabled.	90%	Investigating the possibility of benchmarking against Clyde Marine Services.		
		Delivery of road safety education and training publicity programme across educational establishments	Annual target: 80 -pre-schools, primary and secondary schools.	Not applicable: specific to Argyll and Bute.		
		Number of CHORD full business cases (FBCs) complete and approved.	2 FBCs for Oban - Public Realm and White Building; 1 FBC for Campbeltown CHORD (principally the marina); and 1 FBC for Rothesay Pavilion.	Not applicable: specific to Argyll and Bute.		
		Number of CHORD projects delivered following FBC approval.	2	Not applicable: specific to Argyll and Bute.		
Completion and approval of FBCs' for Capital	3 FBCs Helensburgh Pier; 1 Lorn Arc Oban Airport; 1 Business Park Kirk Road	Not applicable: specific to Argyll and Bute.				

ET03	Renewables are further developed in the area in partnership for the benefit of our communities.	Launch and promote the community benefit framework to secure socio-economic benefit for the communities across Argyll and Bute	New Community Benefit Framework finalised and launched Summer 2015. 95% delivery against programme of work promoting the opportunities associated with the Community Renewable Web Portal.	Not applicable: specific to Argyll and Bute.	30	Failure to deliver the Renewable Energy Action Plan and related ambitions.
		Maintain the planned rate of delivery of the REAP (Action Plan to ensure that we maximise the local socio economic opportunities for our communities and businesses from renewables.)	Revised REAP to be finalised and launched during 2015/16 aligned to revised EDAP, 2013-18 and SOA; further detail over timescales will follow.	Not applicable: specific to Argyll and Bute.		
ET04	Harness the potential of the third sector and increase their capacity to deliver sustainable communities.	Support Third Sector organisations access external funding.	30; this will be assessed through an annual survey carried out after the final quarter of the year.	Not applicable: specific to Argyll and Bute.	160	Failure to deliver sustainable communities through limited resources and inadequate partnership working and commitment to outcome delivery.
		No. of third sector asset	2			
		No of Argyll and Bute Council services implementing delivery in partnership with social enterprise.	2	Not applicable: specific to Argyll and Bute.		
Central/Management Costs					241	
					2,627	

DRAFT 2015-16 SERVICE PLAN - ECONOMIC DEVELOPMENT

FINANCIAL SUMMARY

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	3,346	3,450	Increase in respect of pay inflation and increments.
Premises	488	491	
Supplies & Services	260	260	
Transport	733	733	
Third Party Payments	2,705	2,702	Removal of one-off demand pressures in 2014-15 for economic development projects.
Transfer Payments	0	0	
Gross Expenditure	7,532	7,636	
Income	-4,843	-5,009	Increase in line with inflation applied to fees and charges income.
Net Expenditure	2,689	2,627	
Reconciliation			
Base	2,689	2,689	
Base Adjustments		67	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Cost Pressures		0	
Demand Pressures		0	
Inflation on Fees and Charges		-132	
Total	2,689	2,624	

The financial information reflects the budget outlook for 2015-16 as at the end of December

2015-16 SERVICE PLAN - PLANNING AND REGULATORY SERVICES

SERVICE OVERVIEW

Service Purpose:

Planning and Regulatory Services is an outward looking service which seeks to harness development opportunities, support businesses, protect the public and improve the economic, social and environmental wellbeing of the area by ensuring development takes place in a sustainable manner.

Description of areas covered:

Development Management - facilitating the delivery of the place-shaping vision for the community, environment and economy as set out in the Development Plan through the processing of planning applications and related submissions. Activities extend beyond the scrutiny and determination of planning applications to include: pre-application shaping of developments to promote desired outcomes, monitoring the delivery of proposals and evaluating their outcomes.

Building Standards - processing of building warrants and completion certificates. Primary aims are to ensure health, safety and wellbeing of people in and around buildings and the conservation of energy and power.

Development Policy - preparation, monitoring, review and implementation of the Argyll and Bute Local Development Plan together with all associated strategies including the Local Biodiversity Action Plan; Woodland and Forestry Strategy; Integrated Coastal Zone Management Plans and the access function under the Land Reform Act and delivering the Council's GIS functions.

Environmental and Animal Health - to protect public health having regard to physical, chemical and psychological factors which impact on health, and to ensure compliance with statutory requirements through working with business and to initiate enforcement action where appropriate. The nature of the work is wide ranging and includes food safety (farm to fork), workplace health and safety, environmental protection, public health including investigation and control of communicable disease and animal health and welfare.

Trading Standards - to ensure fair, safe and competitive trading within the council area. The service supports legitimate businesses in meeting statutory duties related to fair trading, consumer safety and metrology, as well as helping consumers to access and enforce their rights under that legislation. Debt counselling/advice service provided for complex debt cases.

Licensing Standards - for licensed premises work is undertaken to support the industry and the public by Licensing Standards Officers focussing on the principles of compliance, mediation and support.

Resources available to the service:

Staffing - 105.57 FTE

Significant strengths:

Effective and embedded Planning and Performance Management Framework, e.g. Development Management performance set against peers notably above both the Scottish Average and our Rural Authority benchmarking partners.

Implementation and review of Building Standards Balanced Scorecard which received very positive feedback from the Scottish Government Building Standards Division.

Positive feedback from the Scottish Government on the Council's Planning Performance Framework Annual Report (no red traffic lights)

Project driven and managed activities based on strong partnership working, eg completion and approval of Housing Land Audit for Argyll and Bute and approval of Council response to representations received on the proposed Local Development Plan for onward submission to Reporters Unit as part of Examination process.

Customer-centric services with high and sustained levels of stakeholder satisfaction. Building Standards achieved the government accredited Customer Services Excellence Award on 1st Dec 2013 (the first service within Argyll & Bute Council to achieve the award) and through an annual external audit process will seek to retain the award.

Implementation and review of Balanced Scorecard for Regulatory Services

A risk based performance related approach to Regulatory Services targeting resources to the greatest risk with a history of achieving targets for high and medium risk activities across the disciplines of environmental; health, trading standards, animal health and welfare and licensing standards; with the lower risk sector engaged through our alternative enforcement strategy.

Significant challenges:

Building Warrant fee income shortfalls leading to revenue budget pressures.

Adoption of the Local Development Plan and associated Action Programme

Production of a Built Heritage Strategy for Argyll and Bute.

Implement e-building standards (on-line submission of building warrant applications)

Improve planning application processing timescales particularly at validation stage

Implementation of Regulatory Reform Act and associated 'penalty' clause related to Planning Performance Framework

Reviewing our arrangements to assess delivery of the Council's statutory food authority role given the introduction of the new Food Standards Scotland agency, including the completion of our E.coli strategy

Delivering the Regulatory Services Balanced Scorecard and Protecting Consumers Action Plan.

Equalities:

Improve engagement and involvement with Local Access Panels and officers from Building Standards and Planning and Regulatory Services to discuss disability issues that are relevant to our service areas and to help improve service delivery arrangements and outcomes. Carry out Equalities Impact Assessment of the emerging Local Development Plan.

To increase usage of the Council website and Customer Contact Centre to improve accessibility and quality of information to the wider public and business community.

Customer Service:

Planning and Regulatory Services (PRS) have undertaken a customer health check which has identified scope for improvement in customer service. The Customer Service Development Plan sets out how PRS is aiming to enhance customer experience and forms part of a continuous improvement cycle with actions identified from last year. 24 Actions have been identified using the Health Check with 12 being of high priority which form the basis of the Customer Service Development Plan.

**2015-16 SERVICE PLAN - PLANNING AND REGULATORY SERVICES
OUTCOMES**

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving	PR01	The local economy is improved through the delivery of sustainable development.
SOAO2	We have infrastructure that supports sustainable growth	PR07	The creation of well-designed and sustainable places where people are able to access employment, housing, recreation opportunities supported by essential services and necessary infrastructure.
		PR05	We have improved and enhanced our access to the natural environment and green networks.
SOAO3	Education, skills and training maximises opportunities for all		
SOAO4	Children and young people have the best possible start		
SOAO5	People live active, healthier and independent lives	PR08	Protect the health of our communities through effective partnership working.
SOAO6	People live in safer, stronger communities	PR02	Empowered confident customers capable of successfully exercising their legal rights and accessing advice / support
		PR04	The health, safety, welfare and convenience of people in and around buildings is protected and improved.
		PR03	We secure standards relating to public health and health protection through working with businesses, partner agencies and the public, through risk-based proportionate enforcement.
		PR06	We live and work in an environment which is safe, promotes health and supports the local economy.

2015-16 SERVICE PLAN - PLANNING AND REGULATORY SERVICES

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
PR01	The local economy is improved through the delivery of sustainable development.	Improve speed of determination of Planning Applications	Determine "All Local" Planning Applications in the whole of Argyll and Bute on average in less than 12 weeks	Large Rural Local Authority Benchmarking Group (HoPS) - Current Average of Group is 17 Weeks.	535	Failure to deliver the sustainable development of land through the positive management and regulation of development
		Increase Speed of responses for pre-application enquiries	Process 75% of pre-application enquiries within 20 working days	Large Rural Local Authority Benchmarking Group - Benchmarking data not currently available but shall be sought by May 2015		
		Demonstrate that the service is 'Open for Business' by approving Sustainable Development Proposals in accordance with the LDP	Achieve a planning application approval rate of over 95%	Large Rural Local Authority Benchmarking Group. Average is 92%.		
		Increase the speed of consultation / notification for valid Planning Applications	Register and neighbour notify 95% of valid applications within 5 days.	Large Rural Local Authority Benchmarking Group (HoPS) - Benchmarking data not currently available but shall be sought by May 2015		
PR02	Empowered, confident customers capable of successfully exercising their legal rights and accessing advice / support.	Provide advice and intervention for consumers in relation to service requests to allow them to make informed choices and to undertake formal interventions as appropriate	85% resolved within 14 days from receipt	SPI for Scottish local authorities and we will compare our performance against the published SPI average.	537	Failure to support consumers leading to consumers being unsupported and being vulnerable to illegitimate business
		Reduction in customers facing significant financial problems through the provision of debt counselling support and intervention	90% of clients satisfied that they are better able to deal with their debt following our intervention	Being developed and subject to agreement with other LAs or service providers. April 2015		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
PR03	We secure standards relating to public health and health protection, through working with business partner agencies and the public through risk-based proportionate enforcement.	Increase the number of compliant businesses following intervention relating to food safety	80% of all premises are broadly compliant	Annual benchmark from FSA annual report and will be part of EH benchmarking suite for 15-16	1,226	Failure to deliver Councils statutory functions as food authority and health and safety authority Non-compliant business which may lead to increased risks to public health/consumer safety, who are unable to trade safely and promote high quality goods from Argyll and Bute.
		The provision of appropriate advice to businesses to assist them in meeting current and emerging challenges across environmental health, animal health and trading standards	Complete 80% of alternative enforcement plan	No benchmark but internal service measure. Will assess progress against our previous years performance		
		To undertake fair and proportionate enforcement action	90% of those surveyed through our customer surveys are satisfied that the enforcement decisions taken were risk based; proportionate and discussed with them	Under development. Internal measure and can compare against previous years		
PR04	The health, safety, welfare and convenience of people in and around buildings is protected and improved.	Increase the efficiency and speed of the processing of building warrants.	Respond to 80% Building Warrant applications within 20 days	Quarterly with members of Clyde Valley Benchmarking group	26	Failure to protect the health, safety, welfare and convenience of people in and around buildings
		Production of a Balanced Scorecard (Business Plan) and quarterly performance reporting to Building Standards Division of the Scottish Government	Annual Balanced Scorecard submission and quarterly performance reports accepted by the Building Standards Division of the Scottish Government - currently August each year for Balanced Scorecard with quarterly reports due July, October, January and April	Annual review with other 31 LAs		
		Increase the efficiency and speed of the processing of completion certificates	Determine all applications within 10 days	Statutory target is 14 days. Benchmarking data not currently available but shall be sought by December 2015		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
PR05	We have improved and enhanced our access to the natural environment and green networks.	Ensure more visitors and residents can safely navigate our core path network	200 miles of footpaths identified in the Core Path Plan are surveyed per annum	Access Authorities Benchmark Club: benchmark value under development, due December 2015	139	Failure to achieve better access to the natural environment
		Increase visitor numbers to the Argyll and Bute Core Path network	Create 80 online guides for footpaths identified in the Core Path Plan per annum	Access Authorities Benchmark Club: benchmark value under development, due December 2015		
PR06	We live and work in an environment which is safe, promotes health and supports the local economy	To deliver our agreed service plans for food safety and health and safety, meeting the Councils statutory duties and with the aims of health protection and supporting business.	100% of high risk premises inspected	SOLACE benchmarking club and APSE EH measure	98	Illness associated with the environment through failure to ensure that risks are adequately controlled
		Improve performance in the delivery of the shellfish monitoring programme which supports the shellfish industry and protect public health	95% compliance with specified sampling plan for each of the programmes-(i) phytoplankton; (ii) biotoxin and (iii) E.coli.	This is an agreed measure and one which we can benchmark with other service providers via the Food Standards Agency contract		
		Provide an effective response to public health incidents which have an immediate impact on public health.	Resolve 90% of environmental health service requests within 20 working days	SOLACE benchmarking club and APSE EH measure		
PR07	The creation of well-designed and sustainable places where people are able to access employment, housing, recreation opportunities supported by essential services and necessary infrastructure.	Adoption of the Local Development Plan	Formal adoption of LDPFQ1 2015; Adoption of Action Programme December 2015; 100% of population covered by up to date Development Plan	Large Rural Authorities Benchmark Club: percentage of population coverage by Local Development Plan (100%); LDP scheme on track	510	Failure to produce an up to date Local Development Plan with appropriate settlement strategy will adversely impact on the delivery of sustainable economic growth.
		To improve the supply of our housing	Maintain an effective five year housing land supply at all times.	Large Rural Authorities Benchmark Club.		

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	
					2015/16	Risks
PR08	Protect the health of our communities through effective partnership working.	To deliver the formally approved Joint Health Protection Plan with NHS Highland, Highland Council and Argyll and Bute Council	90% of JHPP 2014-16 plan by 31/03/16	Not applicable	0	Failure to work with NHS Highland and other partners to deliver the health protection priorities to our communities
Central/ Management Costs					306	
					3,377	

2015-16 SERVICE PLAN - PLANNING AND REGULATORY SERVICES

FINANCIAL SUMMARY

	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	4,644	4,746	Increase in respect of pay inflation and increments.
Premises	1	1	
Supplies & Services	428	489	Increase in relation to additional cost pressure for Public Analyst services.
Transport	178	177	
Third Party Payments	378	375	
Transfer Payments	0	0	
Gross Expenditure	5,629	5,788	
Income	-2,408	-2,411	
Net Expenditure	3,221	3,377	
Reconciliation			
Base	3,221	3,221	
Base Adjustments		95	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		1	
Cost Pressures		60	Additional cost pressure for Public Analyst services.
Demand Pressures		0	
Inflation on Fees and Charges		0	
Total	3,221	3,377	

DRAFT 2015-16 SERVICE PLAN - ROADS AND AMENITY SERVICES

SERVICE OVERVIEW

Service Purpose:

To ensure that Argyll and Bute's roads infrastructure enables the safe and convenient movement of people and goods across a geographically diverse and sparsely populated area. The service also maintains the physical appearance of Argyll and Bute by managing open spaces, cemeteries, street cleaning, refuse collection and waste management. Priority is given to services which are likely to contribute greatest to economic growth and improved quality of life.

Description of areas covered:

Roads Management and Maintenance - maintaining road network including co-ordination of public utilities, asset management, policy and strategy, roads reconstruction, general maintenance, severe weather and winter weather response.

Amenity - Refuse collection and street cleaning, grounds maintenance, cemeteries, warden service, Cardross Crematorium, parking management, floral displays.

Design Infrastructure - design and project management of infrastructure projects, flood management, coastal protection, bridge and structure management.

Fleet, Waste and Infrastructure - Fleet maintenance through internal and partner workshops, Operators (vehicle) Licence, Waste Management, kerb side and bring site recycling, management and coordination of cyclic plant.

Resources available to the service:

Staffing - 410 FTE

Internal works and professional teams. ABC's Island surfacing partnership contract. Highlands and Islands Professional Services Framework. Shanks PPP Contract, annual and one off contract arrangements, partnerships with the third sector.

Significant strengths:

Successful delivery of winter maintenance plan. Salt stocks were maintained to provide good resilience through the season.

Robust programme management to ensure delivery of capital roads reconstruction. Continuation of area workshops to provide a considered approach in determining scheme selection and treatment specification design. Further presentations to Area Committee Business days detailing the programme.

Continuing shift in the delivery of revenue works to planned right first time works away from reactive temporary repairs.

Two year cycle of bridge inspections delivered.

Response to severe weather event over the festive period. Repairs to sea defences, roads and clear up of debris washed up during storm conditions

Roads Operations weekly works planning meetings held in all 4 Areas, production of a suite of performance measures designed to improve works productivity.

Tranman System (fleet management system) now complete, additional upgrades installed including a taxi inspection programme arranged through the legal section working well as a team – 4 new web portals – Hire, Driving Licence Check, Work Orders, Accident Reporting.

Maintained a high level of HGV test passes – above national average.

Operators Licence is in the green band – reducing risk to Council in terms of vehicle operation.

Maintained a consistent approach with Shank's our PPP Contractor re contract variations.

Continued to divert target levels of biodegradable waste from landfill.

Very positive reports from SEPA regarding all Council run landfill sites and the Civic Amenity site at Blackhill Helensburgh.

Introduction of annualised hours systems of work and new programmes of work, following the recent Streetscene Review. £938,000 service review savings achieved and a high level of service delivered.

Introduction of co-mingled waste services in the Lorn and Mid Argyll areas.

DRAFT 2015-16 SERVICE PLAN - ROADS AND AMENITY SERVICES

SERVICE OVERVIEW

Significant challenges:

Progress workforce planning with a view to mitigating future service resourcing challenges.
Delivery of Winter Maintenance Plan and respond to other severe weather events and continue to deliver a robust communication system.
Building on the success of Tranman, integrating with other Council IT systems and wider corporate use. Linking the new tracking system to Tranman to give us the final link in true costs.
Maintain a high level of HGV pass rate.
Maintain Operators Licence in the Green Band.
Implement Co-Mingled recycling and alternative weekly collections in Cowal area..
Further development of performance and productivity measures for Roads Operations to ensure effective value for money services are being provided.
Review and make any necessary adjustments to works schedules and works specification to deliver Amenity Savings.
Continuous improvement based on performance and productivity information, increase in Right First Time Repairs and planned work 'v' reactive work. Increase the focus of fixing the roads and not just filling the pot-holes in line with the Roads Maintenance and Management Strategy.
Continue to ensure good performance and value from the 'Islands' partnership contract and carry out review for contract renewal/replacement.
Introduction of Decriminalised Parking Enforcement (DPE), including Scottish Government approval.
Delivery of Infrastructure projects to budget, time and specification including delivery of the Bridge Strengthening and Replacement Programme, Coastal Protection, Flood Prevention, Structural Management and Inspections, Campbeltown Old Quay project, and remaining parts of Kintyre Renewables Hub.

Equalities:

The Council's design standards for Roads and Amenity Services will reflect the requirements of the Disability Discrimination Act (DDA) and will aim for inclusive design in the construction, operation and maintenance of services.

Customer Service:

Roads and Amenity Services have carried out consultation regarding proposed budget reductions within the Amenity Service. Roads and Amenity Services carried out a customer health check to identify improvements to customer service and a range of customer service improvements are being targeted.

DRAFT 2015-16 SERVICE PLAN - ROADS AND AMENITY SERVICES

OUTCOMES

Code	SOA Outcome	Code	Service Outcomes
SOAO1	The economy is diverse and thriving		
SOAO2	We have infrastructure that supports sustainable growth	RA01	Proportionate, safe and available infrastructure.
		RA02	Roads maintenance strategies prioritise routes which are likely to contribute to economic growth and improved quality of life and contribute positively to the Council's Economic Development Service Plan.
		RA04	Capital projects improve the transport infrastructure to meet the needs of our communities.
SOAO3	Education, skills and training maximises opportunities for all		
SOAO4	Children and young people have the best possible start		
SOAO5	People live active, healthier and independent lives		
SOAO6	People live in safer, stronger communities	RA05	High level of street cleanliness.
		RA06	Sustainable disposal of waste.
		RA03	Reliable, safe and efficient vehicles fleet.

DRAFT 2015-16 SERVICE PLAN - ROADS AND AMENITY SERVICES

FULL SERVICE SUMMARY

Code	Service Outcome	Success Measures	Target / Timescale	Benchmark	Budget £000	Risks
					2015/16	
RA01	Proportionate, safe and available infrastructure	% category 1 defects repaired in line with Roads Asset Management Plan	90%	88.25% APSE Performance Networks	8,993	Sustainable network of infrastructure assets. Due to the aging condition of the lighting stock which is compounded by the geography and remote locations of some of the stock, the target performance for Argyll and Bute has been set at 95.6% of the benchmark target.
		Average response time for completion of planned pre-salting	2.5 hours	2.52 hours APSE Performance Networks		
		% street lighting faults repaired in 7 days	88%	92% APSE Performance Networks		
RA02	Roads maintenance strategies prioritise routes which are likely to contribute to economic growth and improved quality of life and contribute positively to the Council's Economic Development Service Plan	% road repairs carried out right first time (rolling 12 month measure)	85%	Not applicable: specific to Argyll and Bute.	-370	Delivery of Roads Reconstruction Programme.
		Planned roads repairs 'v' reactive repairs as % of revenue budget	75%	72.82% APSE Performance Network		
RA03	Reliable, safe and efficient vehicles fleet	MOT HGV % of vehicles passed first time	85%	80.6% VOSA. National Benchmark for 13/14;	-1,388	Efficient vehicle fleet - failure to deliver efficient vehicle fleet and sustainable maintenance service. Loss of Operators Licence/age profile of fleet taken into consideration when setting target against benchmark
		MOT LV % of vehicles passed first time	95%	99% Council measure		
RA04	Capital projects improve the transport infrastructure to meet the needs of our communities.	% roads reconstruction capital projects on time and budget	90%	Not applicable: specific to Argyll and Bute.	508	Delivery of Roads Capital Programme.
		% infrastructure capital projects on time and budget	90%	87% (average outturn 10/11 - 13/14)		
		% bridge inspections complete per 2 year plan	Complete 2 year plan of bridge inspections by March 2016	Not applicable: specific to Argyll and Bute.		
		No of bridges where time between inspections exceeds 2 years	Maximum of 45 at any one time	Not applicable: specific to Argyll and Bute.		
RA05	High level of street cleanliness	% overall street cleanliness	74%	67% LEAMS (Keep Scotland Beautiful)	4,210	Environmental impact - failure to maintain high immunity through litter and poor street cleanliness.
RA06	Sustainable disposal of waste	% waste recycled, composted and recovered	42%.	46.5% SEPA published average LA 2013 (calendar year).	11,680	Failure to reduce environmental impact through minimisation of waste to landfill and increasing recycling rates.
		No of tonnes of Biodegradable Municipal Waste to landfill	Annual number of tonnes 21,500	19,570 (outturn 13/14)		Failure to limit tonnes of biodegradable municipal waste sent to landfill.
Central/Management Costs					107	
					23,740	

DRAFT 2015-16 SERVICE PLAN - ROADS AND AMENITY SERVICES

FINANCIAL SUMMARY			
	Budget		Comments
	2014-15 £000	2015-16 £000	
Service Subjective Analysis			
Employees	13,142	13,442	Increase in respect of pay inflation and increments.
Premises	2,259	2,310	Inflationary increases applied to energy costs.
Supplies & Services	6,277	6,277	
Transport	10,908	10,907	
Third Party Payments	20,697	21,302	Increase due to new demand pressures for Festive Lights and Winter Maintenance.
Capital Costs	159	159	
Gross Expenditure	53,442	54,397	
Income	-31,050	-30,657	Reduction in income as a result of two new cost pressures for shortfalls in commercial refuse collection and car parking income.
Net Expenditure	22,392	23,740	
Reconciliation			
Base	22,392	22,392	
Base Adjustments		-12	Includes payroll inflation, payroll increments and other base adjustments noted in the 2015-16 budget update report.
Non-Pay Inflation		271	
Cost Pressures		570	There are 3 new cost pressures identified for 2015-16, these include kerbside recycling and shortfalls in income for commercial waste collection and car parking.
Demand Pressures		600	There are 2 new demand pressures identified for 2015-16 these are for the provision of Festive Lights across the Council area and to increase the budget provision for Winter Maintenance.
Inflation on Fees and Charges		-81	
Total	22,392	23,740	

The financial information reflects the budget outlook for 2015-16 as at the end of December



**PLANNING & BUDGETING PACK
2015-16**

Pack 2 – Revenue Budget

PACK 2 - CONTENTS PAGE

Section A	Introductory Report and Recommendations for Budget papers on Revenue Budget
Section B	Revenue Budget Overview
Section C	Report on Fees and Charges
Section D	Revenue Budget Monitoring 2014-15 as at 31 December 2014
Section E	Report on Financial Risks Analysis
Section F	Report on Reserves and Balances

**INTRODUCTORY REPORT AND RECOMMENDATIONS FOR BUDGET PAPERS ON
REVENUE BUDGET**

1. INTRODUCTION

- 1.1 This report introduces the full package of papers included in the budget pack in relation to the revenue budget. The following papers and their purpose are included in the budget pack in relation to the revenue budget.
- 1.2 Revenue Budget Overview – Summarises the overall revenue budget position covering funding, expenditure and savings. It also sets out the assumptions and proposals around non-pay inflation and the cost and demand pressures for inclusion in the revenue budget. The main change to the budget overview for 2014-15 is the reduction in grant funding of £2.557m due to updating the finance settlement indicators rather than the flat cash approach. There are further funding adjustments of £1.244m relating to Children and Young Persons (Scotland) Act, transfer of the A83, Council Tax Reduction Scheme Administration, Self-Directed Support as well as a number of small funding changes. There are adjustments to the base budget of £1.209m, employee cost changes which give a net increase of £0.902m, reduction of £0.857m within inflation an additional £1.445m cost and demand pressures and a reduction to fees and charges income of £0.055m. The overall impact is a projected surplus for 2015-16 of £0.154m.
- 1.3 Revenue Budget Fees and Charges – Sets out proposals for increases in fees and charges and the resulting impact on income included in the revenue budget. In general it is proposed to increase fees and charges by 3% for 2015-16. This is consistent with the two year budget agreed in February 2014 which assumed a 3% increase for 2014-15 and 2015-16. The proposed inflationary increase to fees and charges results in £0.308m of increased income.
- 1.4 Revenue Budget Monitoring Report - this report provides a summary of the current revenue budget monitoring position to ensure net expenditure is contained within budget. It provides corporate and departmental information with comparisons on a forecast outturn and a year to date basis. The projected year end outturn at 31 December 2014 is an overall underspend of £0.202m. There are overspends in respect of adult care, leisure central repairs, refuse collection and coastal protection works, shortfall in car parking income, unrecoverable costs for dangerous buildings and additional holiday pay costs. These overspends are offset by savings within school and public transport, a significant saving in respect of utility costs, an underspend within early years and over recovery of vacancy savings.
- 1.5 Financial Risks Analysis – Sets out the risks identified as part of preparing the revenue budget, makes an assessment of the potential financial impact of these and recommends that Members consider the level of any additional provision that should be included as part of the revenue budget. Whilst a total of 59 financial risk areas have

been identified only 11 are classed as likely with a potential impact of £2.761m. These will continue to be monitored throughout the year and action taken to mitigate or manage these risks.

- 1.6 Reserves and Balances – Summarises reserves and balances, sets out an analysis of risk around the adequacy of reserves and balances and proposes a level of contingency to be held in the General Fund Reserve. The Council has usable reserves of £48.526m. Most of these are earmarked for specific purposes. There is currently an estimated surplus over contingency of £9.811m and this is being directed towards the delivery of the Single Outcome Agreement.

2. RECOMMENDATIONS

- 2.1 To approve the revenue budget for 2015-16 as set out in the revenue budget overview as at 31 December 2014.
- 2.2 To approve the proposals for fees and charges and resulting increase in income as set out in the report on fees and charges.
- 2.3 To note the revenue budget monitoring position as at 31 December 2014.
- 2.4 To note the financial risks analysis and consider the provision of any contingency in the revenue budget.
- 2.5 To approve the contingency level for the General Fund Reserve at a level of 1.5% equivalent to £3.658m and note the report on reserves and balances.
- 2.6 To approve the revenue estimates for 2015-16 and that consequently the local tax requirement estimated at £40.900m is funded from Council Tax.
- 2.7 To approve the following rates and charges for the year:
- Council Tax to be paid in respect of a chargeable dwelling in Band “D” of £1178 (representing no change)
 - Council Tax to be paid in respect of a chargeable dwelling in each of the other valuation bands in accordance with Section 74(1) of the Local Government Finance Act 1992 (accordingly representing no change)
 - Business Rates as determined by Scottish Ministers

3. IMPLICATIONS

- 3.1 Policy – Outlines the proposed revenue budget for 2015-16.
- 3.2 Financial - Outlines the proposed revenue budget for 2015-16.
- 3.3 Legal - None.
- 3.4 HR - Individual savings may have human resource implications and these would have been discussed with the Trade Unions.

- 3.5 Equalities - Individual savings may have equality implications and equality impact assessments will be carried out where required.
- 3.6 Risk - Details of financial risks are included within the report.
- 3.7 Customer Service - None.

For further information please contact Bruce West, Head of Strategic Finance 01546-604220

Bruce West
Head of Strategic Finance
27 January 2015

REVENUE BUDGET OVERVIEW

1. EXECUTIVE SUMMARY

- 1.1 The Council set a two year budget in February 2014 which set the budget for 2014-15 and 2015-16. The main purpose of this report is to provide Members with an update on any changes to the budget assumptions used when preparing the 2015-16 budget and an assessment of the impact.
- 1.2 The most significant change to the assumptions is in relation to the local government funding. The updating of the indicators for 2015-16 results in £2.557m less in local government funding. The overall change to the funding amounts to a decrease of £1.313m as outlined in section 3.1.1.
- 1.3 There are a number of changes to the base budget, some of which are matched by an increase or decrease to the funding. The base adjustments that affect the overall position are in respect of a payment to Atlantis Leisure, the reduction in the Education Management restructure savings, an increase in the estimate for pre-school hours (600 hours), a reduction to the Joint Valuation Board payment and a decrease to the budget provision for utility costs.
- 1.4 There are three additional pressures within employee costs in relation to Holiday Pay (£0.300m), Disturbance Payments (£0.100m) and Teachers Pension Increase (£0.447m). After reviewing and updating the budget to reflect the latest pupil census and also current staffing establishment, there is a reduction to the employee base of £0.398m offset by an increased cost of pay increments of £0.403m.
- 1.5 Inflation has been reviewed and overall there is a reduction of £0.857m on previously estimated assumptions. The changes are summarised below:
- Landfill tax reduced from 10% to 3.25% -£0.171
 - Waste PPP contract increased to 2.7% +£0.044
 - Reduction for utilities -£0.501m
 - Reduction in School and Public Transport fuel cost movements - £0.359m
 - Increase to NPDO contract utility cost +£0.167m
 - Adjustment due to change in base -£0.037m.
- 1.6 There are a number of new cost and demand pressures included which total £1.445m. Kintyre Recycling and Fyne Futures £0.066m, Car Parking Income and DPE £0.390m, Public Analyst Services £0.060m, Shortfall in Commercial Refuse Income £0.114, Scottish Welfare Fund Administration £0.049m, Leisure Repairs and Maintenance £0.100m, IT Maintenance Costs £0.041m, Events and Festivals £0.077m, Festive Lights £0.100m

and Winter Maintenance £0.500m. These are partly offset by a reduction to Housing Benefit Admin Grant cost pressure previously agreed of £0.052m.

- 1.7 The fees and charges inflationary increase has been updated to reflect the revised base budget and this results in a reduction of £0.055m to the previously anticipated inflationary increase.
- 1.8 The 2015-16 budget estimated in February 2014 gave rise to a surplus of £4.121m. After reflecting the changes as at the end of December, the position still remains in surplus at £0.154m.

ARGYLL AND BUTE COUNCIL**COUNCIL****STRATEGIC FINANCE****12 FEBRUARY 2015**

REVENUE BUDGET OVERVIEW

2. INTRODUCTION

2.1 The Council set a two year budget in February 2014 which set the budget for 2014-15 and 2015-16. Regular reports have been submitted to the Policy and Resources Committee throughout 2014-15 providing an update on any changes to the budget assumptions used when preparing the 2015-16 budget and an assessment of the impact.

2.2 This revenue budget outlook report reflects projections as at the end of December 2014.

3. DETAIL**3.1 Funding****3.1.1 Finance Settlement**

3.1.1.1 The finance settlement for 2015-16 was announced on 11 December 2014. There are some small changes to the previous estimates, however, in the main the finance settlement is in line with our expectations and does not change the assumptions on which the Council was basing its budget approach. It should be noted that the Council Tax Reduction Scheme funding has not been confirmed for 2015-16.

3.1.1.2 The updating of the indicators results in £2.557m less in local government funding from the flat cash basis used previously.

3.1.1.3 The revenue funding in respect of the delivery of free school meals to children in primary 1 to 3 was confirmed by the Scottish Government by letter on 17 July 2014. The funding for 2015-16 for Argyll and Bute is £863,000.

3.1.1.4 When the budget was agreed in February 2014, an estimate of funding in respect of the increase in pre-school hours from 475 hours to 600 hours as a result of the Children and Young People (Scotland) Act was included for 2015-16. The funding estimated was £1.351m. The Scottish Government have now advised that the funding for Argyll and Bute will be £1,265,505.

3.1.1.5 The Scottish Government have also advised of an additional allocation of £465,957 in respect of early year places for 2 year olds from workless households.

- 3.1.1.6 The trunking of 51km of the A83 between Kennacraig and Campbeltown took place early August 2014 and the responsibility for the management and maintenance of this stretch of road transferred from Argyll and Bute Council to Transport Scotland. As a result, the funding will be reduced, the reduction for 2015-16 amounts to £281,000. There is a corresponding base budget reduction.
- 3.1.1.7 Additional funding of £94,000 has been received to support the administration of the Council Tax Reduction Scheme. The funding received is being used to reduce cost pressure as a result of the eventual removal of the Housing Benefit Admin grant, both streams of funding support the team in place to handle the Housing Benefit and Council Tax Reduction Scheme caseload.
- 3.1.1.8 The funding to support the implementation of self-directed support was originally for three years 2012-13 to 2014-15. Additional funding of £87,000 has now been received for 2015-16.

3.1.2 Council Tax

- 3.1.2.1 A review of the Council tax funding was undertaken in November 2013 and the Council tax base and the growth was amended for the budget agreed in February 2014. This position has since been updated and the Council Tax base figure requires to be increased by a further £0.100m to reflect the updated expected level of income. Included within the total estimate of Council Tax income is £0.500m which relates to the expected additional income from long term empty properties.

3.1.3 Total Funding

- 3.1.3.1 The total funding is summarised within the table below.

	£000 Scottish Government	£000 Council Tax	£000 Total
Funding February 2014	204,798	40,800	245,598
Updating of indicators	-2,557		-2,557
Free School Meals	863		863
Change to funding for Pre-School hours	-85		-85
Early Years – 2 year olds from workless households	466		466
A83 Trunking – reduction in funding	-281		-281
Updated funding October 2014	203,204	40,800	244,004
CTRS Administration	94		94
Self-Directed Support	87		87
Other small settlement	100		100

changes			
Increase to Council Tax Base		100	100
Updated December 2014 Funding	203,485	40,900	244,385

- 3.1.3.2 The Scottish Government Funding as advised on Finance Circular 9/2014 issued on 11 December 2015 excludes the funding for the Council Tax Reduction Scheme. A reconciliation between the Finance Circular and the funding used within the budget estimates is provided below.

	£000
Finance Circular 9/2014 Total	198,486
Less: Ring-Fenced Grants	-383
Plus: Our estimate of Council Tax Reduction Scheme funding (as per budget pack February 2014)	5,382
Total Funding	203,485

3.2 Base Budget

- 3.2.1 The base budget for 2015-16 as noted in the February 2014 budget pack was £231.900m. There were a number of changes agreed at the Council meeting in February 2014 which updates the base budget to £235,727. The changes are noted within the table below.

	£000
2015-16 Base Budget February 2014	231,900
Revenue Budget Challenge	-240
Employee Costs Increases	1,501
Non-Pay Inflation Increases	1,908
Cost and Demand Pressures	3,469
Fees and Charges	-360
Efficiency Savings	-1,822
Less one-off cost and demand pressures agreed for 2014-15 only	-629
Revised Base Budget 2015-16	235,727

- 3.2.2 There are further changes to the base budget during 2015-16 and these are noted in the following paragraphs.
- 3.2.3 Base adjustment in relation to a saving for Atlantis Leisure which was not agreed during 2013. This base budget change should have been adjusted within 2014-15 but was omitted and thus will need to be absorbed within 2014-15.
- 3.2.4 Base adjustment in respect of the Education Management restructure savings reduction. The anticipated saving was £190,000, however, the saving for the revised structure agreed by Council at its meeting on 23

January 2014 was only £53,316.

- 3.2.5 Base adjustment in respect of Valuation Joint Board – the requisition advised for 2015-16 is £26,579 less than already budgeted within 2015-16.
- 3.2.6 As noted in paragraph 3.1.1.3, the Scottish Government has announced the revenue funding for the delivery of free school meals to children in primary 1 to 3. The base budget requires to be increased in line with the funding increase.
- 3.2.7 The increase in pre-school hours from 475 hours to 600 hours was previously estimated at a cost of £1.200m. A more accurate figure has now been calculated based on the current uptake of the increased hours and the revised cost is £1.272m, an increase of £71,709.
- 3.2.8 As noted in paragraph 3.1.1.5, the Scottish Government has announced the revenue funding in respect of early year places for 2 year olds from workless households. The base budget requires to be increased in line with the funding increase.
- 3.2.9 As noted in paragraph 3.1.1.6 the responsibility for the 51km of A83 between Kennacraig and Campbeltown has transferred from Argyll and Bute Council to Transport Scotland. The base budget requires to be reduced in line with the funding reduction.
- 3.2.10 Additional funding has been included in the settlement to support the Administration of the Council Tax Reduction Scheme £94,000 and to support the implementation of self-directed support £87,000.
- 3.2.11 It has been highlighted through the 2014-15 revenue budget monitoring process that there is an over-provision of budget for utility type costs across the Council, this is mainly as a result of lower than expected inflationary increases to costs. A review has been carried out of the base budget provision required and as a result there is a requirement to reduce these budgets by £0.300m.
- 3.2.12 The changes to the base budget are summarised in the table below.

	£000
Base Budget February 2014	231,900
Changes agreed February 2014	4,456
Remove Cost and Demand Pressures agreed for 2014-15 only	-629
Revised Base Budget 2015-16	235,727
Atlantis Leisure	12
Education Management Restructure	137
Valuation Joint Board	-27
Free School Meals (matched by additional funding)	863

Pre-School Hours – change to base estimate	72
Early Years – 2 year olds from workless households (covered by additional funding)	452
A83 Trunking Kennacraig to Campbeltown (matched by a reduction to funding)	-281
CTRS Administration (matched by additional funding)	94
Self-Directed Support (matched by additional funding)	87
Other small settlement changes (matched by additional funding)	100
Reduction to Utility Cost Budgets	-300
Updated Base Budget 2015-16 as at end of December 2014	236,936

3.2.13 A further summary by service is included within Appendix 1.

3.3 Budget Challenge on Base Budget

3.3.1 A budget challenge process was carried out as part of the 2014-15 budget process and this identified savings of £0.414m, of which £0.240m were removed from the budget and £0.174m were reinvested.

3.3.2 A further budget challenge has been carried out over the last few months, specifically looking at more volatile budgets and those where budget re-alignment is required. It was not expected that this budget challenge would generate further savings but would provide reassurance that the budget was matched to current levels of expenditure. As a result of this a base adjustment has been included to reduce utility cost budgets and a demand pressure has been included to increase the budget for Winter Maintenance.

3.3.3 One other area that was subject to much scrutiny was Adult Care, this was necessary before the budget is transferred over to the Health and Social Care Partnership. A number of budgets were re-aligned as a result of this scrutiny.

3.3.4 A reconciliation between the 2013-14 actuals and the 2015-16 base budget has been carried out. In order to give a “like for like” comparison, the 2013-14 actuals need to be adjusted for budget decisions agreed in February 2014, earmarked reserves spent during 2013-14 and earmarked grants and contributions carried forward at the end of 2013-14.

	£000	£000	Explanation of Figures
Deficit at end of 2013-14		2,097	As per Audited Accounts
Funding 2013-14		247,462	Revenue Support Grant and Council Tax
Expenditure 2013-14		249,559	
Agreed Budgets Adjustments 2014-15:			
Revenue Budget Challenge	-240		Agreed in February 2014
Employee Cost Increases	1,501		Agreed in February 2014
Non-Pay Inflation	1,908		Agreed in February 2014
Cost and Demand Pressures	3,469		Agreed in February 2014
Fees and Charges	-360		Agreed in February 2014
1% Efficiency Savings	-1,822		
		4,456	
One-off Cost and Demand Pressures agreed for 2014-15		-629	Remove One-off cost and demand pressures only agreed for 2014-15 that are included in the budget adjustments figure noted above.
Earmarked Reserves used during 2013-14		-9,314	Earmarked Reserves used during 2013-14 require to be deducted as they relate to one-off expenditure.
Earmarked Grants and Contributions at end of 2013-14		1,160	Grants and Contributions earmarked at the end of 2013-14 require to be added on in order to net off the income and expenditure in relation to the grants and contributions.
Adjusted Expenditure 2013-14		245,232	Expenditure Adjusted in order to compare "like for like" to 2015-16 Base Budget
Base Budget		235,727	Base Budget for 2015-16
Reduction from 2013-14 to 2015-16		9,505	Overall Reduction between expenditure in 2013-14 and Base Budget 2015-16

3.3.5 There is an overall reduction between the adjusted 2013-14 actuals and the 2015-16 base budget of £9.505m. A summary of the main variances are noted within the table below.

Variance	£m
Reduction in Loan Charges due to Debt Fall Out	6,657
Removal of Revenue Contribution to Capital	869
Severance costs in 2013-14 with no budget in 2015-16	862
Budget Contribution from Reserves within 2013-14 (planned to spend more than funding)	1,051
Other Small Reductions	66
Total	9,505

3.4 Employee Costs

3.4.1 Strategic Finance have undertaken an exercise to populate salary templates with the employee establishment and this has been confirmed with budget holders.

3.4.2 After reviewing and updating the budget to reflect the latest pupil census and also current staffing establishment, the overall effect is a saving on

the departmental base budget of £0.398m.

3.4.3 The main contributing factors to this overall reduction are:

- In Education there has been a decrease in teaching posts in schools through a combination of a drop in secondary school rolls, the removal of conservation from posts, turnover which has seen posts budgeted for a lower scale points and the mothballing of Ardchattan Primary School.
- Partly offsetting this is an increase in superannuation costs over and above the impact of the pay award inflationary increase, this increase is likely to be in relation to pension auto-enrolment. Since the staging date in May 2013 a total of 1,037 employees have been auto-enrolled into the pension scheme and of these only 121 have opted out of the scheme, therefore to date 88% of employees auto-enrolled have remained in the scheme. It is likely that there will continue to be increases in superannuation contributions until 2017 when all employees will be auto-enrolled into the scheme.

3.4.4 The updated cost of assumptions in relation to the pay costs is noted in the table below:

Employee Assumption	Original Estimate February 2014 £000	Updated Cost £000	Increase/ -Decrease £000
Pay Award	2,112	2,057	-55
Increments	528	919	391
Increase in NI & SA as a result of net increase in pay awards and increments	473	540	67
Pensionable Pay	554	554	0
Total			403

3.4.5 The assumption in respect of the increase in pensionable pay as a result of changes to the Local Government Pension Scheme (Scotland) from 1 April 2015 has not changed at this stage.

3.4.6 The Council have additional cost implications in respect of holiday pay as a result of a recent ruling by the European Court of Justice. The ruling means that employers must now pay employees the same rate of pay, including any overtime or other additional payments that are linked to their job, whilst they are on holiday. The full year cost is estimated to approximately £350,000 and this is being implemented from October 2014.

3.4.7 The Council also have additional cost implications in respect of Disturbance Payments. Staff had not been claiming the disturbance payments as set out in the Single Status Agreements. The full year cost is

approximately £100,000 and this has been included within the revised employee cost estimates.

3.4.8 Scottish Government have advised that the Teachers Pension Scheme Employer Contributions will increase by 2.3% from September 2015. The monetary cost of this increase is £0.447m within 2015-16 (part year) rising to £0.774m in 2016-17 (full year).

3.4.9 The changes to employee costs are summarised in the table below.

	£000
Cumulative Employee Costs changes agreed February 2014	5,168
Less Employee Costs Changes 2014-15	-1,501
Employee Costs changes 2015-16 agreed February 2014	3,667
Adjustment to employee base as a result of staffing changes	-398
Updated Cost of Assumptions	403
Holiday Pay	350
Disturbance Payments	100
Teacher's Pension Employer Contributions	447
Updated Employee Costs December 2014	4,569

3.4.10 A further summary by service is included within Appendix 2.

3.5 Non-Pay Inflation

3.5.1 The position remains that only unavoidable/inescapable inflation has been included for 2015-16. A recent review of inflation has been carried out and the following updated assumptions are noted:

- Written confirmation has now been received from the Scottish Government in respect of landfill tax. The charge per tonne will be increased from £80 per tonne to £82.60 per tonne with effect from 1 April 2015, an increase of 3.25%. This had previously been estimated at 10%.
- The inflation in respect of the Waste PPP contract was insufficient and this has been increased to 2.7% which results in an increase of £0.044m.
- Reduction in inflation for utilities due to falling prices and part forward purchase of 2015-16 supplies of electricity and gas.
- Reduction in School and Public Transport fuel cost movements which results in no inflation being required.
- Inflation increase to the NPDO budget which represents the overall increase required to accommodate the contract payments and utility cost increases.
- All other inflationary increases have been updated based on the revised base budget and this has resulted in a reduction of £0.037m.

3.5.2 The changes to non-pay inflation are summarised within the table below.

	£000
Cumulative non-pay inflation agreed February 2014	3,856
Less non-pay inflation 2014-15	-1,908
Non-pay inflation 2015-16 agreed February 2014	1,948
Landfill tax – now 3.25% increase instead of 10%	-171
Waste PPP Contract	44
Reduction to Utilities	-501
Reduction to School and Public Transport	-359
Increase to NPDO	167
Reduction due to updating base budget	-37
Updated Non-Pay Inflation increase December 2014	1,091

3.5.3 Further detail by inflation type and by service is included within Appendix 3.

3.6 Cost and Demand Pressures

3.6.1 The cost and demand pressures have been reviewed during December 2014 and the following changes are noted.

- Cost Pressure: Reduce previously agreed cost pressure in respect of Housing Benefits Admin Grant by: -£52,000
- Cost Pressure: Scottish Welfare Fund Administration: +£49,000.
- Cost Pressure: Cost for Public Analyst Services via Glasgow Scientific Services is in excess of budget: +£60,000.
- Cost Pressure: Increased payments as per agreements with Kintyre Recycling Ltd and Fyne Futures: +£66,000.
- Cost Pressure: Under recovery of car parking income and Decriminalised Parking Enforcement income (DPE) – this is based on current estimations following introduction of DPE: +£390,000.
- Cost Pressure: Shortfall in commercial refuse income: +£114,000.
- Demand Pressure: Central Repairs and Maintenance on Leisure estate: +£100,000.
- Demand Pressure: Events and Festivals funding: +£77,000.
- Demand Pressure: Increase in IT Maintenance costs to support growth in IT servers and disk space: +£41,000
- Demand Pressure: Festive Lights across the Council: +£100,000
- Demand Pressure: Winter Maintenance budget increase: +£500,000

3.6.2 The changes to the cost and demand pressures are summarised in the table below:

	Cost Pressures £000	Demand Pressures £000	Total £000
Cumulative Cost and Demand Pressures Agreed February 2014	1,272	3,888	5,160
Less Cost and Demand Pressures 2014-15	-1,630	-1,839	-3,469
Adjust for one-off Cost and Demand Pressures agreed for 2014-15 only – shown as base adjustment	464	165	629
Cost and Demand Pressures 2015-16 agreed February 2014	106	2,214	2,320
Reduction to Housing Benefit Admin Grant cost pressure	-52		-52
Scottish Welfare Fund Administration	49		49
Public Analyst Services	60		60
Kintyre Recycling and Fyne Futures	66		66
Car Parking Income and DPE	390		390
Shortfall in Commercial Refuse Income	114		114
Leisure Repairs and Maintenance		100	100
IT Maintenance Costs		41	41
Events and Festivals		77	77
Festive Lights		100	100
Winter Maintenance		500	500
Updated Cost and Demand Pressures December 2014	733	3,032	3,765

3.6.3 Further detail on all 2015-16 cost and demand pressures is included within Appendix 4.

3.7 Fees and Charges

3.7.1 The increase to fees and charges was set at 3% for 2015-16. At this stage there is no recommended change to this assumption.

3.7.2 Although there has been no change to the 3% inflationary assumption, the fees and charges inflationary increase has been updated to reflect the revised base budget and this results in a reduction of £0.055m to the previously anticipated inflationary increase.

3.7.3 It should be noted that the Scottish Government have advised that the Town and Country Planning Amendment Regulations 2014 come into force on 1 November 2014 which results in a 5% increase on planning fees. The increased income has not been reflected in the budget outlook as the service are using this increase towards their 1% savings target.

3.7.4 The changes to inflation are summarised in the table below:

	£000
Cumulative fees and charges inflation agreed February 2014	-723
Less fees and charges inflation 2014-15	360
Fees and charges inflation 2015-16 agreed February 2014	-363
Reduction due to updating base budget	55
Updated fees and charges Inflation December 2014	- 308

3.7.5 A summary of fees and charges inflation per service is included within Appendix 5.

3.8 1% Savings Target

3.8.1 The Council agreed to set a 1% savings target for both 2014-15 and 2015-16. There is a separate report that is routinely submitted to the Policy and Resources Committee on progress towards achieving the savings target for 2014-15 and at this stage there is no recommended change to the target for 2015-16.

3.9 Updated 2015-16 Budget

3.9.1 The updated budget outlook for 2015-16 is noted in the table below.

Financial Position	2015-16 (Feb 2014)	2015-16 Changes	2015-16 Updated Estimate (Dec 2014)
	£000	£000	£000
Adjusted Base Budget	235,727	1,209	236,936
Employee Cost Increases	3,667	902	4,569
Non-Pay Inflation	1,948	-857	1,091
Cost and Demand Pressures	2,320	1,445	3,765
Fees and Charges	-363	55	-308
1% Savings Target	-1,822	0	-1,822
Total	241,477	2,754	244,231
Funding	245,598	-1,213	244,385
Funding Surplus / -Gap	4,121	-3,967	154

3.10 Funding Requests

3.10.1 Requests for funding have been received from a number of external organisations. These include Kilmartin House Museum, Auchindrain Museum, Dunoon Boxing Club and Kintyre Way. At this stage not all of the information required to allow a full assessment of the requests is

available. It is proposed to complete a detailed assessment of each of these requests in relation to the impact of the proposals, the financial deliverability and sustainability of the proposals, the financial capability of the promoters, governance issues and the risks /deliverability of the proposals. These reports will be brought forward once all of the information necessary to complete such an analysis is available. This will then allow members to consider these proposals in the context of the Single Outcome Agreement, the financial commitment required and risk and deliverability.

- 3.10.2 The Council provides funding for advice service to both Argyll and Bute Citizens Advice Bureau and Bute Advice Centre. It is proposed to carry out a review of advice services in Argyll and Bute. This will build on work already carried out in terms of a baseline report by the Argyll and Bute Advisory Network. In order to allow time for this work to be carried out and to agree and implement recommendations in a planned and structured manner, it is essential that existing providers are given certainty over funding for the next 3 years. To do this will require funding of £70,000 in total over the next 3 years and it is proposed to earmark this from the forecast underspend in 2014-15. At this stage this has not been reflected in the projected underspend for 2014-15 or the estimated level of reserves and balances. However, the earmarking of £70,000 could be accommodated within the current projected underspend for 2014-15 and the impact on reserves would be to reduce the funds available for supporting delivery of the Single Outcome Agreement by £70,000.

4. CONCLUSION

- 4.1 This report sets out the updated outlook for 2015-16 in relation to the Council revenue budget. As a result of the funding indicators being updated for 2015-16 the funding is significantly less, however, overall the updated outlook for 2015-16 remains in surplus at £0.154m.

5. IMPLICATIONS

- | | | |
|-----|--------------------|---|
| 5.1 | Policy - | None. |
| 5.2 | Financial - | The report provides an update on the changes to the 2015-16 budget. |
| 5.3 | Legal - | None. |
| 5.4 | HR - | None. |
| 5.5 | Equalities - | None. |
| 5.6 | Risk - | None. |
| 5.7 | Customer Service - | None. |

Bruce West
Head of Strategic Finance
27 January 2015

APPENDICES:

Appendix 1 – Summary of 2015-16 Base Budget by Service

Appendix 2 – Summary of 2015-16 Employee Cost Changes by Service

Appendix 3 – Summary of 2015-16 Inflation by Inflation Type and by Service

Appendix 4 – Detail of 2015-16 Cost and Demand Pressures

Appendix 5 – Summary of 2015-16 Fees and Charges Inflation by Service

Appendix 1

2015-16 Summary of Base Budget Adjustments by Service

Department	Service	Base Budget Adjustments £000
Community Services	Adult Care	71
Community Services	Children and Families	452
Community Services	Community and Culture	40
Community Services	Education	209
Customer Services	Customer and Support Services	97
Customer Services	Facility Services	863
Development and Infrastructure Services	Roads and Amenity Services	-281
Other Operating Income and Expenditure	Joint Boards	-27
Other Operating Income and Expenditure	Sundry Services	-215
Total		1,209

Appendix 2

2015-16 Summary of Employee Cost Changes by Service

Department	Service	Pay Award £000	Pay Increments £000	Increase in NI and SA £000	Adjustment to employee base as a result of staffing changes £000	Pensionable Pay * £000	Holiday Pay and Disturbance Payments * £000	Teachers Pension Contributions £000	Total Employee Cost Changes £000
Chief Executive's Unit	Chief Executive	4	2	1	58	0	0	0	65
Chief Executive's Unit	Strategic Finance	30	12	9	5	0	0	0	56
Community Services	Executive Director of Community Services	5	2	1	1	0	0	0	9
Community Services	Adult Care	257	124	66	142	0	0	0	589
Community Services	Children and Families	118	64	34	-11	0	0	0	205
Community Services	Community and Culture	98	51	25	11	0	0	0	185
Community Services	Education	887	422	230	-607	0	0	447	1,379
Customer Services	Executive Director of Customer Services	7	2	2	-31	0	0	0	-20
Customer Services	Customer and Support Services	106	44	31	-6	0	0	0	175
Customer Services	Facility Services	115	42	23	63	0	0	0	243
Customer Services	Customer and Law	31	19	10	71	0	0	0	131
Customer Services	Improvement and HR	44	23	13	-16	0	0	0	64
Development and Infrastructure Services	Executive Director of Development and Infrastructure Services	27	18	7	-16	0	0	0	36
Development and Infrastructure Services	Economic Development	47	16	14	-10	0	0	0	67
Development and Infrastructure Services	Planning and Regulatory Services	73	21	21	-21	0	0	0	94
Development and Infrastructure Services	Roads and Amenity Services	190	57	53	-31	0	0	0	269
Other Operating Income and Expenditure	Elected Members	18	0	0	0	0	0	0	18
Other Operating Income and Expenditure	Sundry Services	0	0	0	0	554	450	0	1,004
Total		2,057	919	540	-398	554	450	447	4,569

* The amounts included for Pensionable Pay, Holiday Pay and Disturbance Payments are held in Sundry Services until information is available to allow these to be allocated across services.

Appendix 3

2015-16 Summary of Inflation by Inflation Type

Type of Inflation	2015-16 Inflation %	2015-16 Inflation £000
Adoption Allowances	3.00%	3
Annual Software Maintenance Charges	1.70%	9
Catering Purchases (including Milk)	5.00%	87
Electricity	4.70%	119
Foster Care Payments	3.00%	25
Free Personal Care Subsidy	2.00%	33
Homelessness - short term accommodation	5.60%	52
Kinship Carer Payments	3.00%	9
Landfill Tax	3.25%	83
Lease Agreement Mid Argyll Hospital and Intergrated Care Centre	3.00%	2
Non-Domestic Rates Relief	1.50%	3
Non-Domestic Rates	3.00%	134
NPDO	1.12%	167
Postages	2.00%	9
Pre-Primary Partner Providers	3.00%	41
Private Residential Care	2.00%	123
Service Level Agreements - Events and Festivals	7.01%	1
Street Lighting	5.00%	46
Waste PPP Contract	2.70%	137
Weekly Throughcare	3.00%	8
Total		1,091

Appendix 3

2015-16 Summary of Inflation by Service

Department	Service	Type of Inflation	2015-16 Inflation %	2015-16 Inflation £000
Community Services	Head of Adult Care	Catering Purchases (including Milk)	5.00%	9
Community Services	Head of Adult Care	Electricity	4.70%	8
Community Services	Head of Adult Care	Free Personal Care Subsidy	2.00%	33
Community Services	Head of Adult Care	Lease Agreement Mid Argyll Hospital and Intergrated Care Centre	3.00%	2
Community Services	Head of Adult Care	Private Residential Care	2.00%	123
	Head of Adult Care Total			175
Community Services	Head of Children and Families	Adoption Allowances	3.00%	3
Community Services	Head of Children and Families	Catering Purchases (including Milk)	5.00%	6
Community Services	Head of Children and Families	Electricity	4.70%	3
Community Services	Head of Children and Families	Foster Care Payments	3.00%	25
Community Services	Head of Children and Families	Kinship Carer Payments	3.00%	9
Community Services	Head of Children and Families	Weekly Throughcare	3.00%	8
	Head of Children and Families Total			54
Community Services	Head of Community and Culture	Electricity	4.70%	17
Community Services	Head of Community and Culture	Homelessness - short term accommodation	5.60%	52
Community Services	Head of Community and Culture	Postages	2.00%	1
Community Services	Head of Community and Culture	Service Level Agreements - Events and Festivals	7.01%	1
	Head of Community and Culture Total			71
Community Services	Head of Education	Catering Purchases (including Milk)	5.00%	7
Community Services	Head of Education	Electricity	4.70%	38
Community Services	Head of Education	Postages	2.00%	1
Community Services	Head of Education	Pre-Primary Partner Providers	3.00%	41
	Head of Education Total			87
Customer Services	Executive Director of Customer Services	NPDO	1.12%	167
	Executive Director of Customer Services Total			167
Customer Services	Head of Customer and Support Services	Annual Software Maintenance Charges	1.70%	7
Customer Services	Head of Customer and Support Services	Non-Domestic Rates Relief	1.50%	3
Customer Services	Head of Customer and Support Services	Postages	2.00%	5
	Head of Customer and Support Services Total			15

Appendix 3

2015-16 Summary of Inflation by Service

Department	Service	Type of Inflation	2015-16 Inflation %	2015-16 Inflation £000
Customer Services	Head of Facility Services	Catering Purchases (including Milk)	5.00%	65
Customer Services	Head of Facility Services	Electricity	4.70%	26
	Head of Facility Services Total			91
Customer Services	Head of Governance and Law	Annual Software Maintenance Charges	1.70%	1
Customer Services	Head of Governance and Law	Postages	2.00%	1
	Head of Governance and Law Total			2
Development and Infrastructure Services	Executive Director of Development and Infrastructure Services	Postages	2.00%	1
	Executive Director of Development and Infrastructure Services Total			1
Development and Infrastructure Services	Head of Planning and Regulatory Services	Electricity	4.70%	4
Development and Infrastructure Services	Head of Planning and Regulatory Services	Annual Software Maintenance Charges	1.70%	1
	Head of Planning and Regulatory Services Total			5
Development and Infrastructure Services	Head of Roads and Amenity Services	Electricity	4.70%	5
Development and Infrastructure Services	Head of Roads and Amenity Services	Landfill Tax	3.25%	83
Development and Infrastructure Services	Head of Roads and Amenity Services	Street Lighting	5.00%	46
Development and Infrastructure Services	Head of Roads and Amenity Services	Waste PPP Contract	2.70%	137
	Head of Roads and Amenity Services Total			271
Other Operating Income and Expenditure	Sundry Services	Electricity	4.70%	18
	Sundry Services Total			18
Council Wide	Non-Controllable	Non-Domestic Rates	3.00%	134
	Non-Controllable Total			134
	Grand Total			1,091

Appendix 4

2015-16 Summary of Cost and Demand Pressures by Service

Department	Service	2015-16 Cost Pressures £000	2015-16 Demand Pressures £000	2015-16 Total £000
Community Services	Adult Care		564	564
Community Services	Children and Families		1,150	1,150
Community Services	Community and Culture		177	177
Community Services	Education		500	500
Customer Services	Customer and Support Services	103	41	144
Development and Infrastructure Services	Planning and Regulatory Services	60		60
Development and Infrastructure Services	Roads and Amenity Services	570	600	1,170
Total		733	3,032	3,765

APPENDIX 4

2015-16 COST PRESSURES

Ref	Service	Detail	Risk	Cost Pressure 2015-16 £000
	Customer and Support Services	The phased introduction of Universal Credit in April 2014 will mean new claimant cases for housing benefit no longer being handled under the current system, thereby impacting on LA caseload. We have recently received notification of the level of subsidy for 2014-15 and the reduction is in line with the previously anticipated national reduction, the subsidy will continue to decrease annually until the end of 2017-18 when it is anticipated that the subsidy will be completely withdrawn. The subsidy is being removed as there is an expectation that the work in terms of processing the housing benefits claims will also be removed. However 80% of the caseload of the staff involved actually relates to joint HB and CTax claims and because of the age demographic of our claimants around 65% of our HB clients will still be entitled to the benefit until the end of 2017-18.	Failure to re-instate the employee budget that corresponds to this income would impact on our ability to deal with the remaining caseload.	80
	Customer and Support Services	Scottish Government funding for Broadband Pathfinder ends on 20 March 2014. No further funding will be forthcoming. Provision is being made for the expected cost of a similar wide area network but with reduced bandwidth in 2014/15 and 2015/16. From 2016 the intention is to procure from the new Scottish Wide Area Network (SWAN) following completion of the Next Generation Broadband (NGB) projects which may allow for better value to be obtained allowing some bandwidth increases at that time to meet future needs. There is no provision for any contribution to the NGB projects. The SWAN contract is expected to be awarded in early 2014. Costs estimates are based on bids received.	Failure to increase the budget would mean that the council could not operate many of its IT systems over the council network adversely affecting service delivery.	26
SubTotal - Cost Pressures Agreed February 2014				106

APPENDIX 4

2015-16 COST PRESSURES

Ref	Service	Detail	Risk	Cost Pressure 2015-16 £000
CP01	Customer and Support Services	<p>A cost pressure of £80k was included in the 2015-16 budget in February 2014 for the expected reduction in Housing Benefit Admin grant. We have received notification of the level of subsidy for 2015-16 together with the level of Council Tax Reduction Scheme Admin funding and the cost pressure can be reduced as a result of this to £28k. The cost pressure is expected to increase in future years as the Housing Benefit Administration grant levels are expected to reduce until 2017-18 when it is anticipated that the subsidy will be completely withdrawn. The subsidy is being removed as there is an expectation that the work in terms of processing the housing benefits claims will also be removed. However 80% of the caseload of the staff involved actually relates to joint HB and CTax claims.</p>	<p>No risk to reducing the cost pressure to this level as funding levels have been confirmed for 2015-16.</p>	-52
CP02	Customer and Support Services	<p>Scottish Welfare Fund Administration. Funding allocated from the Scottish Government for 2013-14 onwards of £55k towards the administration costs of allocating the community care and crisis grants. This funding is only sufficient to fund 2 of the 4 full time posts required to assess the applications. The shortfall for 2014-15 is being accommodated from previous year unspent balances in earmarked reserves, there will be no such funding available in 2015-16. The cost of administering the grants (£104k) is high compared to the total funding allocated of £373k, the service will look in the future to explore opportunities to make the application process and assessment more efficient.</p>	<p>Inability to process Community Care and Crisis Grant applications on time, these claims are submitted by vulnerable people. If these applications are not processed timeously the individuals could require additional support from other council intervention and support services, for example social work or housing.</p>	49

APPENDIX 4

2015-16 COST PRESSURES

Ref	Service	Detail	Risk	Cost Pressure 2015-16 £000
CP03	Planning and Regulatory Services	There is a statutory requirement for the Council to appoint and have access to accredited Public Analyst services. This is provided by Glasgow Scientific Services through a service level agreement and the costs for all analytical services is in excess of the budgeted amount. We are unable to reduce these costs considerably at present as there is a national review being undertaken which is due to conclude in 2015-16.	The risks are: 1. That we are unable to undertake the statutory and environmental monitoring programme for environmental health. 2. That we continue to offset these costs within the service, with the resultant reduction in service capacity and resource levels, which create a significant risk of not meeting our statutory workplans and the Councils statutory duties.	60
CP04	Roads and Amenity Services	Increased payments as per Agreements with Kintyre Recycling Ltd and Fyne Futures for continued kerbside recycling (with increased participation) provision, bring sites (for plastic, cans and textiles) collections and new commercial recycling service on Councils behalf in Kintyre and on Bute respectively. Additional payments mainly due to increased participation and recycling volumes (plastics in particular) plus introduction of new formalised commercial recycling service allowing the Council to comply with the Waste (Scotland) Regulations 2012. Similar payments expected to continue in future years.	Risk of not increasing service and payment could leave Council in breach of Waste (Scotland) Regulations plus the groups would not be able to operate as is. Council taking on such collections would likely result in increase costs plus significant job losses with the community groups.	66

APPENDIX 4

2015-16 COST PRESSURES

Ref	Service	Detail	Risk	Cost Pressure 2015-16 £000
CP05	Roads and Amenity Services	Car parking income is forecast to be 30% down on the budgeted income for the year which projects a cost pressure for this and future years should the income forecast remain at the current level. DPE commenced in June following a month of issuing warning notices. There will be some learning from the early months of DPE in terms of how enforcement resource is deployed to maximise the benefit in terms of providing turnover of on street parking places and patronage of off street car parks. However, based on the first eight months of operation it is unlikely that the car parking income and DPE income will meet current projected income levels.	Shortfall on budgeted income therefore impact on the overall funding of service delivery	390
CP06	Roads and Amenity Services	There is a shortfall in commercial refuse collection income as businesses are in a position to reduce the service they require or are transferring to the private sector provision and also due to the economic position there are fewer business in existence requiring uplift. There is currently a reported under-recovery of income within the revenue budget monitoring reports and the department are currently trying to identify areas to bring the overall department overspend into balance.	Shortfall on budget income therefore impact on the overall funding of service delivery	114
Total Cost Pressures				733

APPENDIX 4

2015-16 DEMAND PRESSURES

Ref	Service	Detail	Risk	Demand Pressure 2015-16 £000
	Adult Care	Growth of Elderly Population Based on an assumed demand increase of 3%. Demand Pressure beyond 2015-16 has been included within future cost/demand pressures.	No budgetary increase for growth in elderly population could lead to overcommitment of budget and this could affect service delivery if steps are required to bring spend back into line with budget.	564
	Children and Families	Fostering Additional cost of implementing new kinship care rates. This demand pressure was included in the 2012-13 budget estimate	Kinship placements break down and children have to be accommodated.	37
	Children and Families	Anticipated Pressure arising from Implementation of Children and Young People (Scotland) Bill - Throughcare and Aftercare. Extension of existing threshold for support to formerly looked after young people from age 21 up to age 25.	Failure to comply with new Children and Young People Bill legislation.	171
	Children and Families	Anticipated Pressure arising from Implementation of Children and Young People (Scotland) Bill - Kinship Care Orders. Enhanced support for those kinship carers considering application for Kinship Care Orders.	Failure to comply with new Children and Young People Bill legislation.	584
	Children and Families	Anticipated Pressure arising from Implementation of Children and Young People (Scotland) Bill - Early Learning and Childcare. Increase from 475 to 600 flexible early learning hours per year. Costings are indicative until decisions have been taken on configuration of service.	Failure to comply with new Children and Young People Bill legislation.	358
	Education	Additional operating cost in 2015-16 for Dunoon and Campbeltown Schools.	If this budget pressure is not agreed there will be insufficient budget to meet the running costs of the new schools in Dunoon and Campbeltown.	500

APPENDIX 4

2015-16 DEMAND PRESSURES

Ref	Service	Detail	Risk	Demand Pressure 2015-16 £000
SubTotal - Demand Pressures Agreed February 2014				
DP01	Community and Culture	Central Repairs/Maintenance. Property Services have highlighted a requirement to undertake statutory, emergency and planned maintenance and repair works on a range of buildings across the Leisure estate in order to maintain the buildings in a safe operational state. In previous years, although the Leisure central repairs budget has not been adequate to meet the costs of these works, the service has been able to offset the overspend from savings within the revenue budget. This is no longer possible due to limitations placed on the revenue budget as a result of the ongoing requirement to deliver annual efficiency savings.	If this pressure is not agreed then deterioration of infrastructure will escalate and establishments will further fall into a state of disrepair potentially resulting in more expensive remedial works and the closure / partial closure of some facilities where they are not safe for use by the general public.	100
DP02	Community and Culture	Additional funding is required on a recurring basis to continue to provide grants to organisations across Argyll and Bute to support strategic events and festivals. Previous funding for this activity was provided for a three year period which terminates at the end of 2014/15.	Without financial support from the Council, it is extremely likely that a number of strategic events and festivals will be discontinued which would result in a significant loss in economic benefit to the area.	77
DP03	Customer and Support Services	Increase in IT Maintenance Costs. Increase in maintenance required to support growth in IT servers and disk space. In addition to maintenance of recently deployed contracted software: test facility for Lync and server technology is required from 2015-16 onwards; maintenance of email scanning, patching and event log archiving software will result in increased cost pressure of £40k from 2017-18 onwards.	Without maintenance on this specialist software the availability of the IT infrastructure could be compromised.	41
				2,214

APPENDIX 4

2015-16 DEMAND PRESSURES

Ref	Service	Detail	Risk	Demand Pressure 2015-16 £000
DP04	Roads and Amenity Services	Provision to continue to support the provision of Festive lights and decorations across the Council area. This was included in the budget on a 3 year basis from 2012-13 onwards. Proposed to maintain this provision for 2015-16.	Without financial support it is possible that the communities wouldn't be in a position to fund this themselves.	100
DP05	Roads and Amenity Services	Increase to Winter Maintenance budget. Winter maintenance spend has historically exceeded the budget provision. It is very difficult to predict the level of spend as it depends on how severe the winter conditions are but over the last five years the budget provision has been insufficient to meet the costs of even the mildest winter conditions.	Current level of budget provision is insufficient even for the mildest winter. If this budget is not increased there will be a continuing inevitable budget overspend in this area, most of the spend takes place in the final months of the financial year so high risk of an unexpected overspend close to the year-end.	500
Total Demand Pressures				3,032

Appendix 5

2015-16 Summary of Fees and Charges by Service

Department	Service	Fees and Charges Inflation £000
Community Services	Head of Adult Care	-32
Community Services	Head of Community and Culture	-54
Community Services	Head of Education	-3
Customer Services	Head of Customer and Support Services	-1
Customer Services	Head of Facility Services	-3
Customer Services	Head of Governance and Law	-3
Development and Infrastructure Services	Head of Economic Development	-131
Development and Infrastructure Services	Head of Roads and Amenity Services	-81
Total		-308

**REVENUE BUDGET 2015-16
FEES AND CHARGES**

1 INTRODUCTION

- 1.1 This report provides Members with information in relation to fees and charges for 2015-16.
- 1.2 The Council raises fees and charges for a number of services it delivers and a review of the level of fees and charges is carried out each year.
- 1.3 In general it is proposed to increase fees and charges by 3% for 2015-16. This is consistent with the two year budget agreed in February 2014 which assumed a 3% increase for 2014-15 and 2015-16.
- 1.4 There are some exceptions to the standard 3% increase, some where no inflationary increase has been applied and some where the fees and charges are set by others – these are all noted within the report and on the attached schedule of charges.
- 1.5 The proposed inflationary increase to fees and charges results in £0.308m of increased income and this increase will be built into the budget estimates.

REVENUE BUDGET 2015-16
FEES AND CHARGES

2. INTRODUCTION

2.1 This report provides Members with information in relation to fees and charges for 2015-16.

3. DETAIL

3.1 The Council raises fees and charges for a number of services it delivers and a review of the level of fees and charges is carried out each year.

3.2 In general it is proposed to increase fees and charges by 3% for 2015-16. This is consistent with the two year budget agreed in February 2014 which assumed a 3% increase for 2014-15 and 2015-16. In some cases fees and charges are rounded up or down and that gives a variation from the simple 3%. For some smaller charges, the rounding effect may mean that the charge remains the same.

3.3 There are a number of exceptions to the 3% standard increase, for example:

- Commercial Refuse and Waste Disposal where the landfill tax is also included.
- Children and Families residential provision in Helensburgh – charge increased by 4% which represents current unit cost.
- Some charges are showing inflation of between 2%-6% and this reflects rounding of charges to the nearest 5p or 10p.

3.4 There are a number of fees where no inflationary increase has been applied, as follows:

- Schools Meals Income – consistent with previous year.
- Meals on Wheels as this was increased by 32% in 2013-14 to make the service self funding. No increase was anticipated for 2014-15 or 2015-16 as a result of the large increase in 2013-14.
- Community Alarms as the current charge represents the unit cost for the service.
- Non-Residential Sleepover Service as current charge reflects internal unit cost.
- Homeless Temporary Accommodation – only the service charge is subject to inflation.
- Car Parking Charges have not been inflated as there is currently a review of charges.
- Blue Badges has not been inflated as we currently charge the maximum allowed.
- Community Based Care Services – increasing charges would not generate additional income as these charges are means tested and capped at specified levels.

- 3.5 There are also a number of fees where the charges are advised by others and therefore at present have not been inflated:
- Registrars Fees as these are set by the Registrar General and the last fees were set in January 2011.
 - Removal of abandoned car – this charge is set by legislation.
 - Approved Rate for Residential/Nursing Care – rate not advised by COSLA yet.
 - Roads Inspection charges as these are set by Roads Authority and Utility Committee (Scotland).
 - Penalty Charges notices as these are set by the Scottish Government.
- 3.6 It should be noted that the fees and charges in respect of licences are subject to a triennial review with updated fees set for 3 years from June 2015. The new rates are noted in the schedules.
- 3.7 Two new charges in respect of woodland and green burials have been added onto the schedule, sites at: Barbour Cemetery, Strachur, Carrick Cemetery at Tarbert and Pennyfuir Cemetery. The policy was agreed at Council on 25 September 2014. The lair charge is two times the standard lair charge and the burial charge is equal to the standard burial charge.
- 3.8 The fees and charges for Synthetic All Weather Pitch Charges have been left blank for 2015-16 as proposals are the subject of a separate report.
- 3.9 Development and Infrastructure and aiming to address some of the charges in respect of piers and harbours with a focus on a more strategic approach. This will be the subject of a separate report to Members in due course.
- 3.10 The appendix to this report contains the full list of fees and charges for each department.

4. CONCLUSION

- 4.1 The proposed inflationary increase to fees and charges results in £0.308m of increased income and this increase will be built into the budget estimates.

5. IMPLICATIONS

- | | | |
|-----|--------------------|---|
| 5.1 | Policy - | Outlines the proposed increases to the fees and charges for 2015-16. |
| 5.2 | Financial - | Outlines the increased income as a result of the inflationary increase to fees and charges. |
| 5.3 | Legal - | None. |
| 5.4 | HR - | None. |
| 5.5 | Equalities - | None, mainly inflationary increase. |
| 5.6 | Risk - | Minimal risk as a result of inflationary increase. |
| 5.7 | Customer Service - | None. |

Bruce West
Head of Strategic Finance
27 January 2015

APPENDIX:
Schedule of Fees and Charges

Fees and Charges for 2015-16

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Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
SOCIAL WORK												
Local Authority Residential Care Provision (Community Care) Weekly Charge		1,073.95	Zero Rated	0.00	1,073.95	1,106.15	Zero Rated	0.00	1,106.15	32.20	3%	Subject to annual benefit uplift, details of which are not available from DWP yet.
Residential Service - Respite - Pension Age (weekly charge)		178.95	Zero Rated	0.00	178.95							Subject to annual benefit uplift, details of which are not available from DWP yet.
Residential Service - Respite - Working Age 25+ (weekly charge)		108.95	Zero Rated	0.00	108.95							Subject to annual benefit uplift, details of which are not available from DWP yet.
Residential Service - Respite - Working Age 18 -24 (weekly charge)		93.90	Zero Rated	0.00	93.90							Subject to annual benefit uplift, details of which are not available from DWP yet.
Approved Weekly Rates for Private Providers - Residential Care - Elderly rate, as per COSLA Agreement		505.46	Zero Rated	0.00	505.45							Await outcome of discussions between COSLA and care home providers. Subject to National Care Home Contract.
Approved Weekly Rates for Private Providers - Residential Care - Enhanced Residential Rate (specific criteria)		543.55	Zero Rated	0.00	543.55							Await outcome of discussions between COSLA and care home providers. Subject to National Care Home Contract.
Approved Weekly Rates for Private Providers - Residential Care - Learning Disability		401.00	Zero Rated	0.00	401.00	413.05	Zero Rated	0.00	413.05	12.05	3%	Await outcome of discussions between COSLA and care home providers. Subject to National Care Home Contract.
Approved Weekly Rates for Private Providers - Nursing Care - Elderly rate as per COSLA Agreement		587.00	Zero Rated	0.00	587.00							
Approved Weekly Rates for Private Providers - Nursing Care - Learning Disability		508.15	Zero Rated	0.00	508.15	523.40	Zero Rated	0.00	523.40	15.25	3%	
Non - Residential Services - Meals on wheels - per meal		4.88	Zero Rated	0.00	4.90	4.90	Zero Rated	0.00	4.90	0.00	0%	No increase anticipated in 2014-15 or 2015-16 as increase in 2013-14 was 32%
Non - Residential Services - Lunch Clubs - per meal		3.70	Zero Rated	0.00	3.70	3.80	Zero Rated	0.00	3.80	0.10	3%	
Non - Residential Services - Community Alarms - per week		5.00	Zero Rated	0.00	5.00	5.00	Zero Rated	0.00	5.00	0.00	0%	No increase as current charge reflects the current unit cost of service.
Non - Residential Services - Home Help - hourly rate		15.04	Zero Rated	0.00	15.05	15.52	Zero Rated	0.00	15.52	0.47	3%	
Non - Residential Services - Housing Support - hourly rate		15.04	Zero Rated	0.00	15.05	15.52	Zero Rated	0.00	15.52	0.47	3%	
Non - Residential Services - Employment Support - hourly rate		15.04	Zero Rated	0.00	15.05	15.52	Zero Rated	0.00	15.52	0.47	3%	
Non - Residential Services -Sleepover Service - per night		51.60	Zero Rated	0.00	51.60	51.60	Zero Rated	0.00	51.60	0.00	0%	Current charge reflects current internal unit cost - no change recommended.
Non - Residential Services -Transport - per day		2.36	Zero Rated	0.00	2.35	2.42	Zero Rated	0.00	2.42	0.07	3%	
Non - Residential Services -Elderly Day Care - hourly rate		7.45	Zero Rated	0.00	7.45	7.64	Zero Rated	0.00	7.64	0.19	3%	
Non - Residential Services - Learning Disability Resource Centre Service - hourly rate		19.55	Zero Rated	0.00	19.55	20.16	Zero Rated	0.00	20.16	0.61	3%	
Provision of Occupational Therapy Consultation - Per assessment/consultation		205.05	Zero Rated	0.00	205.05	211.20	Zero Rated	0.00	211.20	6.15	3%	
Provision of Professional Services - Per Community Care Assessment/ Consultation		513.80	Zero Rated	0.00	513.80	529.20	Zero Rated	0.00	529.20	15.40	3%	
Provision of Professional Services - Full needs assessment only		390.10	Zero Rated	0.00	390.10	401.80	Zero Rated	0.00	401.80	11.70	3%	
Provision of Professional Services - Needs Review only		142.70	Zero Rated	0.00	142.70	147.00	Zero Rated	0.00	147.00	4.30	3%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
Housing - Homeless Temporary Accommodation - Beds/1/1 Bed - per week		57.06	Zero Rated	0.00	57.05	57.06	Zero Rated	0.00	57.06	0.00	0%	not subject to inflation - only the service charge is inflated
Housing - Homeless Temporary Accommodation - 2 Bed Flat/House - per week		64.62	Zero Rated	0.00	64.60	64.62	Zero Rated	0.00	64.62	0.00	0%	
Housing - Homeless Temporary Accommodation - 3 Bed Flat/House - per week		71.37	Zero Rated	0.00	71.35	71.37	Zero Rated	0.00	71.37	0.00	0%	
Housing - Homeless Temporary Accommodation - 4 Bed House - per week		76.67	Zero Rated	0.00	76.65	76.67	Zero Rated	0.00	76.67	0.00	0%	
Housing - Homeless Tenants Service Charge per week Provision: Dunclotha (weekly charge)		38.65	Zero Rated	0.00	38.65	39.80	Zero Rated	0.00	39.80	1.15	3%	Reflects the current unit cost
Children & Families - Local Authority Residential Care Provision: Shellach View (weekly Charge)		1,657.00	Zero Rated	0.00	1,657.00	1,707.00	Zero Rated	0.00	1,707.00	50.00	3%	Reflects the current unit cost
Children & Families - Local Authority Residential Care Provision: Helensburgh (weekly Charge)		1,448.00	Zero Rated	0.00	1,448.00	1,507.00	Zero Rated	0.00	1,507.00	59.00	4%	Reflects the current unit cost
Children & Families - Other Charges - Inter-Country Adoptions		5,385.85	Zero Rated	0.00	5,385.85	5,547.45	Zero Rated	0.00	5,547.45	161.60	3%	
Inter-Authority Substitute Family Care Placements: Within Scotland	In line with British Association of Adoption and Fostering (BAAF) recommended figures.	Other										In line with British Association of Adoption and Fostering (BAAF) recommended figures.
Inter-Authority Substitute Family Care Placements: Elsewhere - 1 child	In line with British Association of Adoption and Fostering (BAAF) recommended figures.	Other										In line with British Association of Adoption and Fostering (BAAF) recommended figures.
Inter-Authority Substitute Family Care Placements: Elsewhere - 2 children (siblings placed together)	In line with British Association of Adoption and Fostering (BAAF) recommended figures.	Other										In line with British Association of Adoption and Fostering (BAAF) recommended figures.
Inter-Authority Substitute Family Care Placements: Elsewhere - 3 children (siblings placed together)	In line with British Association of Adoption and Fostering (BAAF) recommended figures.	Other										In line with British Association of Adoption and Fostering (BAAF) recommended figures.

Description SWIMMING POOLS (Maximum Charges that can be applied actual charges will vary by facility)	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
Spectator		1.00	Standard	0.20	1.20	1.04	Standard	0.21	1.25	0.05	4%	The Council will follow the Institute of Sports and Recreation Management (ISRM) Admission Policy and will undertake risk assessment to determine the safe level of adult supervision of children. Applies from Monday - Friday from opening time to 5.00pm when the pool is available for public use - check with individual pools. Lesson charges apply to courses of lessons. Pool Hire for a Gala applies to non profit making clubs and organisations only and allows the hirer to collect the income from users and spectators. Sauna prices apply to persons over 16 years of age. Concession prices apply only to adults 60 years of age or over during stated times. Note: Children under 5 are admitted FREE OF CHARGE but must be accompanied by an adult. Members are residents shown as regular users. Lessons are shown per lesson . This charge also covers admission.
Spectator - Concession		0.50	Standard	0.10	0.60	0.50	Standard	0.10	0.60	0.00	0%	
Swim (including flume)		4.21	Standard	0.84	5.05	4.33	Standard	0.87	5.20	0.15	3%	
Swim (including flume) - Concession		3.08	Standard	0.62	3.70	3.17	Standard	0.63	3.80	0.10	3%	
Swim		3.33	Standard	0.67	4.00	3.42	Standard	0.68	4.10	0.10	3%	
Swim - Concession		1.67	Standard	0.33	2.00	1.71	Standard	0.34	2.05	0.05	3%	
Member Swim (45 minutes)		3.00	Standard	0.60	3.60	3.08	Standard	0.62	3.70	0.10	3%	
Member Swim (45 minutes) - Concession		1.46	Standard	0.29	1.75	1.50	Standard	0.30	1.80	0.05	3%	
20 Swim Punch Card		49.25	Standard	9.85	59.10	50.71	Standard	10.14	60.85	1.75	3%	
20 Swim Punch Card - Concession		26.13	Standard	5.23	31.35	26.92	Standard	5.38	32.30	0.95	3%	
Sauna		5.54	Standard	1.11	6.65	5.71	Standard	1.14	6.85	0.20	3%	
Sauna - Concession		3.08	Standard	0.62	3.70	3.17	Standard	0.63	3.80	0.10	3%	
Swimming Lessons (Per Lesson)		6.33	Standard	1.27	7.60	6.54	Standard	1.31	7.85	0.25	3%	
Swimming Lessons (Per Lesson) - Concession		4.58	Standard	0.92	5.50	4.71	Standard	0.94	5.65	0.15	3%	
Shower		3.17	Standard	0.63	3.80	3.25	Standard	0.65	3.90	0.10	3%	
Shower - Concession		1.46	Standard	0.29	1.75	1.50	Standard	0.30	1.80	0.05	3%	
Hire of Equipment		1.46	Standard	0.29	1.75	1.50	Standard	0.30	1.80	0.05	3%	
Hire of Equipment - Concession		1.38	Standard	0.28	1.65	1.42	Standard	0.28	1.70	0.05	3%	
Pool Hire - Gala (per hour) (or 55 pence per person, whichever is greater)		31.92	Standard	6.38	38.30	32.88	Standard	6.58	39.45	1.15	3%	
Pool Hire - Gala (per hour) - Concession (or 55 pence per person, whichever is greater)		31.92	Standard	6.38	38.30	32.88	Standard	6.58	39.45	1.15	3%	
Pool Hire - Club Gala (per hour) (or 55 pence per person, whichever is greater)		94.75	Standard	18.95	113.70	97.58	Standard	19.52	117.10	3.40	3%	
Pool Hire - Club Gala (per hour) - Concession (or 55 pence per person, whichever is greater)		94.75	Standard	18.95	113.70	97.58	Standard	19.52	117.10	3.40	3%	

Description	Other	2014/2015			2015/2016			Increase		Notes/Comments	
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £		£
Sports Centre (All activity charges are per hour unless otherwise stated)											
Spectator/Admission		1.00	Standard	0.20	1.20	1.04	Standard	0.21	1.25	0.05	4%
Spectator/Admission - Concession		0.50	Standard	0.10	0.60	0.50	Standard	0.10	0.60	0.00	0%
20 Admission Punchcard		15.29	Standard	3.06	18.35	15.75	Standard	3.15	18.90	0.55	3%
20 Admission Punchcard - Concession		7.63	Standard	1.53	9.15	7.83	Standard	1.57	9.40	0.25	3%
Quarter Hall (Badminton etc)		6.71	Standard	1.34	8.05	6.92	Standard	1.38	8.30	0.25	3%
Quarter Hall (Badminton etc) - Concession		3.29	Standard	0.66	3.95	3.38	Standard	0.68	4.05	0.10	3%
Half Hall (Bowls etc)		13.33	Standard	2.67	16.00	13.75	Standard	2.75	16.50	0.50	3%
Half Hall (Bowls etc) - Concession		6.63	Standard	1.33	7.95	6.83	Standard	1.37	8.20	0.25	3%
Whole Hall (Football etc)		25.63	Standard	5.13	30.75	26.38	Standard	5.28	31.65	0.90	3%
Whole Hall (Football etc) - Concession		13.25	Standard	2.65	15.90	13.67	Standard	2.73	16.40	0.50	3%
Hire of Gymnasium		10.21	Standard	2.04	12.25	10.50	Standard	2.10	12.60	0.35	3%
Hire of Gymnasium - Concession		5.13	Standard	1.03	6.15	5.29	Standard	1.06	6.35	0.20	3%
Squash Court (per 40 minutes)		5.13	Standard	1.03	6.15	5.29	Standard	1.06	6.35	0.20	3%
Squash Court (per 40 minutes) - Concession		2.58	Standard	0.52	3.10	2.67	Standard	0.53	3.20	0.10	3%
Off Peak Squash (Before 5.00pm Monday - Friday)		4.08	Standard	0.82	4.90	4.21	Standard	0.84	5.05	0.15	3%
Off Peak Squash (Before 5.00pm Monday - Friday) - Concession		2.04	Standard	0.41	2.45	2.08	Standard	0.42	2.50	0.05	2%
Fitness Suite		4.08	Standard	0.82	4.90	4.21	Standard	0.84	5.05	0.15	3%
Fitness Suite - Concession		2.58	Standard	0.52	3.10	2.67	Standard	0.53	3.20	0.10	3%
Off Peak Fitness Suite (Before 5.00pm Monday - Friday)		2.58	Standard	0.52	3.10	2.67	Standard	0.53	3.20	0.10	3%
Off Peak Fitness Suite (Before 5.00pm Monday - Friday) - Concession		2.58	Standard	0.52	3.10	2.67	Standard	0.53	3.20	0.10	3%
Group Activity (Spinning, Circuits)		2.58	Standard	0.52	3.10	2.67	Standard	0.53	3.20	0.10	3%
Sports Centre Activity (Netball, Basketball, Volleyball etc)		2.58	Standard	0.52	3.10	2.67	Standard	0.53	3.20	0.10	3%
Sports Centre Activity (Netball, Basketball, Volleyball etc) - Concession		1.38	Standard	0.28	1.65	1.42	Standard	0.28	1.70	0.05	3%
Hire of Equipment (per item)		1.54	Standard	0.31	1.85	1.58	Standard	0.32	1.90	0.05	3%
Hire of Equipment (per item) - Concession		1.50	Standard	0.30	1.80	1.54	Standard	0.31	1.85	0.05	3%
Trampoline (per hours + Hall + Admissions)		20.50	Standard	4.10	24.60	21.13	Standard	4.23	25.35	0.75	3%
Trampoline (per hours + Hall + Admissions) - Concession		20.50	Standard	4.10	24.60	21.13	Standard	4.23	25.35	0.75	3%
Shower (per person)		1.08	Standard	0.22	1.30	1.13	Standard	0.23	1.35	0.05	4%
Shower (per person) - Concession		0.58	Standard	0.12	0.70	0.58	Standard	0.12	0.70	0.00	0%
Dance Studio (per person)		6.71	Standard	1.34	8.05	6.92	Standard	1.38	8.30	0.25	3%
Dance Studio (per person) - Concession		3.29	Standard	0.66	3.95	3.38	Standard	0.68	4.05	0.10	3%

Note:
Children under 5 are allowed to spectate FREE OF CHARGE but must be accompanied by an adult.

Charges for courses, special events etc are additional to these charges and details will be advertised for each event/activity.

The Concession rate applies only when every person participating in the activity is within the concession category.

Description	Other	2014/2015			2015/2016			Increase		Notes/Comments	
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £		£
Halls											
Main Hall - Community Use (including Exhibitions, Meetings, Birthday Parties, Sports Events and Conferences)	Monday - Friday 0900 - 1700	19.33	If Applicable	3.87	23.20	19.92	If Applicable	3.98	23.90	0.70	3%
Main Hall - Community Use (including Exhibitions, Meetings, Birthday Parties, Sports Events and Conferences)	Monday - Friday from 1700	38.13	If Applicable	7.63	45.75	39.25	If Applicable	7.85	47.10	1.35	3%
Main Hall - Community Use (including Exhibitions, Meetings, Birthday Parties, Sports Events and Conferences)	Saturday and Sunday	38.13	If Applicable	7.63	45.75	39.25	If Applicable	7.85	47.10	1.35	3%
Main Hall - Functions (including non profit-making shows, concerts and drama performances where admission is charged at the door and a bar is in operation)	Monday - Friday 0900 - 1700	37.04	If Applicable	7.41	44.45	38.17	If Applicable	7.63	45.80	1.35	3%
Main Hall - Functions (including non profit-making shows, concerts and drama performances where admission is charged at the door and a bar is in operation)	Monday - Friday from 1700	59.08	If Applicable	11.82	70.90	60.88	If Applicable	12.18	73.05	2.15	3%
Main Hall - Functions (including non profit-making shows, concerts and drama performances where admission is charged at the door and a bar is in operation)	Saturday and Sunday	59.08	If Applicable	11.82	70.90	60.88	If Applicable	12.18	73.05	2.15	3%
Main Hall - Commercial (including profit-making shows and concerts)	Monday - Friday 0900 - 1700	111.42	If Applicable	22.28	133.70	114.75	If Applicable	22.95	137.70	4.00	3%

Description	Other	2014/2015			2015/2016			Increase		Notes/Comments		
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £		£	%
Main Hall - Commercial (including profit-making shows and concerts)	Monday - Friday after 1700	148.83	If Applicable	29.77	178.60	153.29	If Applicable	30.66	183.95	5.35	3%	to be charged at £19.30 per hour (£19.30 per hour 14/15). Additional technical or specialised support will be charged at the appropriate rate, and determined by the Council following a Risk Assessment being carried out.
Main Hall - Commercial (including profit-making shows and concerts)	Saturday and Sunday	148.83	If Applicable	29.77	178.60	153.29	If Applicable	30.66	183.95	5.35	3%	Two hours' set-up time is included within hire charge. Excess time is charged thereafter at £10 per hour (£9.70 per hour 14/15) (weekdays), and £19.90 per hour (£19.30 per hour 14/15) (weekends).
Meeting Rooms & Suites	Monday - Friday 0900 - 1700	11.17	If Applicable	2.23	13.40	11.50	If Applicable	2.30	13.80	0.40	3%	
Meeting Rooms & Suites	Monday - Friday after 1700	11.17	If Applicable	2.23	13.40	11.50	If Applicable	2.30	13.80	0.40	3%	
Meeting Rooms & Suites	Saturday and Sunday	11.17	If Applicable	2.23	13.40	11.50	If Applicable	2.30	13.80	0.40	3%	
Sales or other profit-making groups (eg Weight Watchers etc)	Monday - Friday 0900 - 1700	18.58	If Applicable	3.72	22.30	19.13	If Applicable	3.83	22.95	0.65	3%	
Sales or other profit-making groups (eg Weight Watchers etc)	Monday - Friday after 1700	18.58	If Applicable	3.72	22.30	19.13	If Applicable	3.83	22.95	0.65	3%	
Sales or other profit-making groups (eg Weight Watchers etc)	Saturday and Sunday	18.58	If Applicable	3.72	22.30	19.13	If Applicable	3.83	22.95	0.65	3%	
Hire of equipment	TV & Video	12.42	If Applicable	2.48	14.90	12.79	If Applicable	2.56	15.35	0.45	3%	
Hire of equipment	Powerpoint	12.42	If Applicable	2.48	14.90	12.79	If Applicable	2.56	15.35	0.45	3%	
Hire of equipment	Flip Chart	9.33	If Applicable	1.87	11.20	9.63	If Applicable	1.93	11.55	0.35	3%	
Hire of equipment	OHP	12.42	If Applicable	2.48	14.90	12.79	If Applicable	2.56	15.35	0.45	3%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
OTHER COMMUNITY SERVICES CHARGES												
Mini Bus Hire - up to 4 hours		29.17	Standard	5.83	35.00	30.04	Standard	6.01	36.05	1.05	3%	
Mini Bus Hire - per Day		58.38	Standard	11.68	70.05	60.13	Standard	12.03	72.15	2.10	3%	
School Letting Charges per hour - Non-Profit Organisations (room let)		9.70	Exempt	0.00	9.70	10.00	Exempt	0.00	10.00	0.30	3%	
School Letting Charges per hour - Commercial Rate (room let)		26.90	Exempt	0.00	26.90	27.70	Exempt	0.00	27.70	0.80	3%	
School Letting Charges per hour - Non-Profit Organisations (sports facilities)		10.04	Standard	2.01	12.05	10.33	Standard	2.07	12.40	0.35	3%	
School Letting Charges per hour - Commercial Rate (sports facilities)		27.33	Standard	5.47	32.80	28.17	Standard	5.63	33.80	1.00	3%	
Synthetic All Weather Pitch charge per hour - Non-Profit Organisations - MAKI		41.13	Standard	8.23	49.35							The fees and charges proposals for Synthetic All Weather Pitches are subject to a separate report.
Synthetic All Weather Pitch charge per hour - Non-Profit Organisations - OLI		48.29	Standard	9.66	57.95							
Synthetic All Weather Pitch charge per hour - Non-Profit Organisations - BUTE		12.73	Standard	2.55	15.30							
Synthetic All Weather Pitch charge per hour - Non-Profit Organisations - COWAL		12.73	Standard	2.55	15.30							
Synthetic All Weather Pitch charge per hour - Non-Profit Organisations - H&L		19.75	Standard	3.95	23.70							
Synthetic All Weather Pitch charge per hour - Commercial Rate		67.38	Standard	13.48	80.85	69.42	Standard	13.88	83.30	2.45	3%	
Adult Education Course Fees - Vocational 40 Hour Courses		75.65	Exempt	0.00	75.65	77.90	Exempt	0.00	77.90	2.25	3%	
Adult Education Course Fees - Non Vocational 20 Hour Courses		31.50	Standard	6.30	37.80	32.46	Standard	6.49	38.95	1.15	3%	
Sale of Meals to Pupils - Per meal (Primary-without milk)		2.00	Exempt	0.00	2.00	2.00	Exempt	0.00	2.00	0.00	0%	No inflation applied.
Section 23 Charges per annum - Parklands		36,291.30	Exempt	0.00	36,291.30	37,380.05	Exempt	0.00	37,380.05	1,088.75	3%	
Hostel & Inveraray Primary Charges - Room hire - children's hearing - half day		19.00	Exempt	0.00	19.00	19.55	Exempt	0.00	19.55	0.55	3%	
Hostel & Inveraray Primary Charges - Room hire - children's hearing - Full day		31.65	Exempt	0.00	31.65	32.60	Exempt	0.00	32.60	0.95	3%	
Hostel & Inveraray Primary Charges - Room hire - Any other organisation - half day		31.65	Exempt	0.00	31.65	32.60	Exempt	0.00	32.60	0.95	3%	
Hostel & Inveraray Primary Charges - Room hire - Any other organisation - Full day		56.95	Exempt	0.00	56.95	58.65	Exempt	0.00	58.65	1.70	3%	
Hostel & Inveraray Primary Charges - Catering: Tea, Coffee and Biscuits		2.75	Exempt	0.00	2.75	2.85	Exempt	0.00	2.85	0.10	4%	
Hostel & Inveraray Primary Charges - Catering: Soup and Sandwiches		5.35	Exempt	0.00	5.35	5.50	Exempt	0.00	5.50	0.15	3%	
Hostel & Inveraray Primary Charges - Catering: Lunch (2 course with coffee)		8.25	Exempt	0.00	8.25	8.50	Exempt	0.00	8.50	0.25	3%	
Hostel Charges - accommodation - Argyll & Bute Council - Bed & Breakfast		31.65	Exempt	0.00	31.65	32.60	Exempt	0.00	32.60	0.95	3%	
Hostel Charges - accommodation - Argyll & Bute Council - Half Board		44.35	Exempt	0.00	44.35	45.70	Exempt	0.00	45.70	1.35	3%	
Hostel Charges - accommodation - Other Groups - Half Board		44.35	Exempt	0.00	44.35	45.70	Exempt	0.00	45.70	1.35	3%	
Hostel Charges - accommodation - Other Groups - Full Board		50.70	Exempt	0.00	50.70	52.20	Exempt	0.00	52.20	1.50	3%	
Instrumental instruction charges - Per Annum		146.40	Exempt	0.00	146.40	150.80	Exempt	0.00	150.80	4.40	3%	
Libraries - Overdue Charge - per item, per day - Adult		0.15	Exempt	0.00	0.15	0.15	Exempt	0.00	0.15	0.00	0%	
Libraries - Overdue Charge - per item, per day - Concession		0.06	Exempt	0.00	0.06	0.06	Exempt	0.00	0.06	0.00	0%	
Libraries - Overdue Charge - Overdue notices - Adult		0.60	Exempt	0.00	0.60	0.60	Exempt	0.00	0.60	0.00	0%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
Libraries - Overdue Charge - Overdue notices - Concession		0.30	Exempt	0.00	0.30	0.30	Exempt	0.00	0.30	0.00	0%	
Libraries - Requests per title - Adult		0.80	Exempt	0.00	0.80	0.80	Exempt	0.00	0.80	0.00	0%	
Libraries - Requests per title - Concession		0.40	Exempt	0.00	0.40	0.40	Exempt	0.00	0.40	0.00	0%	
Libraries - Inter-library Loans	Borrower covers cost of postage	Other										
Libraries - Lost or Damaged Stock	Full cost or like-for- like replacement	Other										
Libraries - Loss of computerised membership card - Adult		2.40	Exempt	0.00	2.40		Exempt	0.00	2.45	0.05	2%	
Libraries - Loss of computerised membership card - Concession		1.25	Exempt	0.00	1.25		Exempt	0.00	1.30	0.05	4%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
CUSTOMER SERVICES												
Solicitors Property Enquiry Certificates		127.30	Zero Rated	0.00	127.30	131.10	Zero Rated	0.00	131.10	3.80	3%	Percentage charge - same as previous year
Commission on trade union deductions		2.50%	Zero Rated		2.50%	2.50%	Zero Rated		2.50%			
Arrestment handling charge per item		1.00	Zero Rated	0.00	1.00	1.00	Zero Rated	0.00	1.00	0.00	0%	
Info to Banks etc - Handling Charge		18.88	Standard	3.78	22.65	18.88	Standard	3.89	23.35	0.70	3%	Percentage charge - same as previous year
Charges for credit card payment		1.89%	Zero Rated		1.89%	1.89%	Zero Rated		1.89%			Percentage charge - same as previous year
Charges for internet credit card payments		1.89%	Zero Rated		1.89%	1.89%	Zero Rated		1.89%			Percentage charge - same as previous year
Taxi Car Licence		380.00	Zero Rated	0.00	380.00	391.00	Zero Rated	0.00	391.00	11.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Private Hire Car Licence		380.00	Zero Rated	0.00	380.00	391.00	Zero Rated	0.00	391.00	11.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Taxi/Private Hire Car Driver Licence		95.00	Zero Rated	0.00	95.00	98.00	Zero Rated	0.00	98.00	3.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Second Hand Dealer Licence		380.00	Zero Rated	0.00	380.00	391.00	Zero Rated	0.00	391.00	11.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Second Hand Motor Dealer Licence		440.00	Zero Rated	0.00	440.00	453.00	Zero Rated	0.00	453.00	13.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Metal Dealer Licence		440.00	Zero Rated	0.00	440.00	453.00	Zero Rated	0.00	453.00	13.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Boat Hire Licence		230.00	Zero Rated	0.00	230.00	237.00	Zero Rated	0.00	237.00	7.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Street Trader Licence		230.00	Zero Rated	0.00	230.00	237.00	Zero Rated	0.00	237.00	7.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Street Trader - Charity/Temporary		75.00	Zero Rated	0.00	75.00	77.00	Zero Rated	0.00	77.00	2.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Market Operator Licence		440.00	Zero Rated	0.00	440.00	453.00	Zero Rated	0.00	453.00	13.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Market Operator - voluntary/charitable organisation holding one event per year		145.00	Zero Rated	0.00	145.00	149.00	Zero Rated	0.00	149.00	4.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Public Entertainment Licence		440.00	Zero Rated	0.00	440.00	453.00	Zero Rated	0.00	453.00	13.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Public Entertainment temporary Licence		125.00	Zero Rated	0.00	125.00	129.00	Zero Rated	0.00	129.00	4.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Late hours catering licence		440.00	Zero Rated	0.00	440.00	453.00	Zero Rated	0.00	453.00	13.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Window Cleaner Licence		230.00	Zero Rated	0.00	230.00	237.00	Zero Rated	0.00	237.00	7.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
HMO - premises of up to 10 persons		690.00	Zero Rated	0.00	690.00	711.00	Zero Rated	0.00	711.00	21.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
HMO - premises with more than 10 persons		845.00	Zero Rated	0.00	845.00	870.00	Zero Rated	0.00	870.00	25.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Amendment to HMO licence		105.00	Zero Rated	0.00	105.00	108.00	Zero Rated	0.00	108.00	3.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Substitution of vehicle (taxi/private hire) - same day		75.00	Zero Rated	0.00	75.00	77.00	Zero Rated	0.00	77.00	2.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Substitution of vehicle (taxi/private hire) - within 5 days		55.00	Zero Rated	0.00	55.00	57.00	Zero Rated	0.00	57.00	2.00	4%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Certified copy of a licence		35.00	Zero Rated	0.00	35.00	36.00	Zero Rated	0.00	36.00	1.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Re-issue of a badge		35.00	Zero Rated	0.00	35.00	36.00	Zero Rated	0.00	36.00	1.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Re-issue of taxi/private hire car plate		35.00	Zero Rated	0.00	35.00	36.00	Zero Rated	0.00	36.00	1.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Extract of Civic Government Register		30.00	Zero Rated	0.00	30.00	31.00	Zero Rated	0.00	31.00	1.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments		
		Net £	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £		Gross £	£
Copy of Civic Government Register		75.00	0.00	75.00	77.00	Zero Rated	0.00	77.00	77.00	Zero Rated	0.00	2.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Taxi Booking Office Licence		105.00	0.00	105.00	108.00	Zero Rated	0.00	108.00	108.00	Zero Rated	0.00	3.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Knife Dealers Licence		440.00	0.00	440.00	453.00	Zero Rated	0.00	453.00	453.00	Zero Rated	0.00	13.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Skin piercing & tattoo operator Licence (premises occupied by them)		260.00	0.00	260.00	268.00	Zero Rated	0.00	268.00	268.00	Zero Rated	0.00	8.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Skin piercing & tattoo operator Licence (premises under control of others)		210.00	0.00	210.00	216.00	Zero Rated	0.00	216.00	216.00	Zero Rated	0.00	6.00	3%	Triennial review of fee, 2015-16 fee set for 3 years from June 2015.
Registrars Fees and Charges (Extracts at time of registration)		10.00	0.00	10.00	10.00	Zero Rated	0.00	10.00	10.00	Zero Rated	0.00	0.00	0%	Set by Registrar General - fees set from 1 January 2011
Registrars Fees and Charges (Extracts outwith a calendar month of registration)		15.00	0.00	15.00	15.00	Zero Rated	0.00	15.00	15.00	Zero Rated	0.00	0.00	0%	Set by Registrar General - fees set from 1 January 2011
Registrars Search & Genealogy - Particular Search		5.00	0.00	5.00	5.00	Zero Rated	0.00	5.00	5.00	Zero Rated	0.00	0.00	0%	Set by Registrar General - fees set from 1 January 2011
Registrars Search & Genealogy - General Search		15.00	0.00	15.00	15.00	Zero Rated	0.00	15.00	15.00	Zero Rated	0.00	0.00	0%	Set by Registrar General - fees set from 1 January 2011
Registrars - Recording of name, or change of name or surname or alternative name		40.00	0.00	40.00	40.00	Zero Rated	0.00	40.00	40.00	Zero Rated	0.00	0.00	0%	Set by Registrar General - fees set from 1 January 2011
Marriage Notices (Per Person)		30.00	0.00	30.00	30.00	Zero Rated	0.00	30.00	30.00	Zero Rated	0.00	0.00	0%	Set by Registrar General - fees set from 1 January 2011
Civil Marriage/Partnership Solemnisation		55.00	0.00	55.00	55.00	Zero Rated	0.00	55.00	55.00	Zero Rated	0.00	0.00	0%	Set by Registrar General - fees set from 1 January 2011
Registrars Rental Income - Registrars Office Wedding		81.70	0.00	81.70	84.15	Zero Rated	0.00	84.15	84.15	Zero Rated	0.00	2.45	3%	Set by Registrar General - fees set from 1 January 2011
Registrars Rental Income - Registrars Office Wedding - Saturday		164.45	0.00	164.45	169.40	Zero Rated	0.00	169.40	169.40	Zero Rated	0.00	4.95	3%	Set by Registrar General - fees set from 1 January 2011
Admin charges, approved venue weekday		215.35	0.00	215.35	221.80	Zero Rated	0.00	221.80	221.80	Zero Rated	0.00	6.45	3%	Fee increased by £70 wef 01/10/14 as a result of no charge for approved venues.
Admin charges, approved venue Saturday		255.65	0.00	255.65	263.30	Zero Rated	0.00	263.30	263.30	Zero Rated	0.00	7.65	3%	Fee increased by £70 wef 01/10/14 as a result of no charge for approved venues.
Admin charges, evenings after 6pm		290.70	0.00	290.70	299.40	Zero Rated	0.00	299.40	299.40	Zero Rated	0.00	8.70	3%	Fee increased by £70 wef 01/10/14 as a result of no charge for approved venues.
Admin charges, Sundays & Public Holidays (excl. Easter & Christmas)		324.60	0.00	324.60	334.35	Zero Rated	0.00	334.35	334.35	Zero Rated	0.00	9.75	3%	Fee increased by £70 wef 01/10/14 as a result of no charge for approved venues.
Privilege rides within school transport (cost per child per term)		65.75	0.00	65.75	67.70	Zero Rated	0.00	67.70	67.70	Zero Rated	0.00	1.95	3%	
Privilege rides within school transport (where there are 2 or more children, cost per child)		55.15	0.00	55.15	56.80	Zero Rated	0.00	56.80	56.80	Zero Rated	0.00	1.65	3%	
Blue Badges		20.00	0.00	20.00	20.00	Zero Rated	0.00	20.00	20.00	Zero Rated	0.00	0.00	0%	Set at highest charge currently allowed - £20.
Registrars Travel Fees - Up to 5 miles		6.40	0.00	6.40	0.00	Zero Rated	0.00	0.00	0.00	Zero Rated	0.00	-6.40	-100%	Replaced with flat rate charge per mile.
Registrars Travel Fees - Up to 10 miles		12.70	0.00	12.70	0.00	Zero Rated	0.00	0.00	0.00	Zero Rated	0.00	-12.70	-100%	Replaced with flat rate charge per mile.
Registrars Travel Fees - Up to 15 miles		19.10	0.00	19.10	0.00	Zero Rated	0.00	0.00	0.00	Zero Rated	0.00	-19.10	-100%	Replaced with flat rate charge per mile.
Registrars Travel Fees - Up to 20 miles		25.45	0.00	25.45	0.00	Zero Rated	0.00	0.00	0.00	Zero Rated	0.00	-25.45	-100%	Replaced with flat rate charge per mile.
Registrars Travel Fees - Up to 25 miles		31.85	0.00	31.85	0.00	Zero Rated	0.00	0.00	0.00	Zero Rated	0.00	-31.85	-100%	Replaced with flat rate charge per mile.
Registrars Travel Fees - rate per mile		0.00	0.00	0.00	0.60	Zero Rated	0.00	0.60	0.60	Zero Rated	0.00	0.60	100%	Flat rate charge per mile replacing tiered charging structure.

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments		
		Net £	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £		Gross £	£
LOCAL DEVELOPMENT PLAN & PRINTING														
Local Development Plan (Incl of P&P) - All Maps														Replacing all Local Plans. Fees still to be established.
Landscape Capacity Study (Incl P&P) - Bute & Cowal		21.10	0.00	21.10	21.75	Outwith the Scope	0.00	21.75	0.65	3%				
Landscape Capacity Study (Incl P&P) - Mull		10.05	0.00	10.05	10.35	Outwith the Scope	0.00	10.35	0.30	3%				
Landscape Capacity Study (Incl P&P) - North & South Kintyre		12.15	0.00	12.15	12.50	Outwith the Scope	0.00	12.50	0.35	3%				
Landscape Capacity Study (Incl P&P) - Lorn		24.05	0.00	24.05	24.75	Outwith the Scope	0.00	24.75	0.70	3%				
Landscape Capacity Study (Incl P&P) - Mid Argyll & Inveraray		15.30	0.00	15.30	15.75	Outwith the Scope	0.00	15.75	0.45	3%				
Landscape Capacity Study (Incl P&P) - Islay		7.95	0.00	7.95	8.20	Outwith the Scope	0.00	8.20	0.25	3%				
Location Plans (10 Copies)		24.40	0.00	24.40	25.15	Outwith the Scope	0.00	25.15	0.75	3%				
Printing - Internal Service Only - A2 Prints each		7.70	0.00	7.70	7.95	Exempt	0.00	7.95	0.25	3%				
Printing - Internal Service Only - A2 Prints (+11) each		5.50	0.00	5.50	5.65	Exempt	0.00	5.65	0.15	3%				
Printing - Internal Service Only - A1 Prints (1-10 copies) each		11.00	0.00	11.00	11.35	Exempt	0.00	11.35	0.35	3%				
Printing - Internal Service Only - A1 Prints (+11 copies) each		8.80	0.00	8.80	9.05	Exempt	0.00	9.05	0.25	3%				
Printing - Internal Service Only - A0 Prints (1-10 copies) each		16.55	0.00	16.55	17.05	Exempt	0.00	17.05	0.50	3%				
Printing - Internal Service Only - A0 Prints (+11 copies) each		14.35	0.00	14.35	14.80	Exempt	0.00	14.80	0.45	3%				

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
REGULATORY SERVICES												
Food Examination - Export of Food/Fish Certificates (First Certificate)		37.85	Outwith the Scope	0.00	37.85	39.00	Outwith the Scope	0.00	39.00	1.15	3%	
Food Examination - Export of Food/Fish Certificates (2 - 4 Certificates)		18.95	Outwith the Scope	0.00	18.95	19.50	Outwith the Scope	0.00	19.50	0.55	3%	
Food Examination - Export of Food/Fish Certificates (in excess of 4 Certificates)		9.50	Outwith the Scope	0.00	9.50	9.80	Outwith the Scope	0.00	9.80	0.30	3%	
Food Examination - Annual Agreement - Export of Food/Fish (Food Examination - Condemnation Certificate (Voluntary Surrender))	By negotiation											
Licences/Registration - Riding Establishment Act 1964/70	Vets Fees to be added	176.92	Standard	35.38	212.30	182.21	Standard	36.44	218.65	6.35	3%	
Licences/Registration - Dangerous Wild Animals Act 1976	Vets Fees to be added	105.20	Outwith the Scope	0.00	105.20	108.35	Outwith the Scope	0.00	108.35	3.15	3%	
Licences/Registration - Pet Animals Act 1963	Vets Fees to be added	75.35	Outwith the Scope	0.00	75.35	77.60	Outwith the Scope	0.00	77.60	2.25	3%	
Licences/Registration - Animal Boarding Establishments Act 1963	Vets Fees to be added	114.35	Outwith the Scope	0.00	114.35	117.80	Outwith the Scope	0.00	117.80	3.45	3%	
Licences/Registration - Breeding of Dogs Act 1973	Vets Fees to be added	114.35	Outwith the Scope	0.00	114.35	117.80	Outwith the Scope	0.00	117.80	3.45	3%	
Licences/Registration - Zoo Act	Vets Fees to be added	149.35	Outwith the Scope	0.00	149.35	153.85	Outwith the Scope	0.00	153.85	4.50	3%	
Licences/Registration - Game Dealers		52.00	Outwith the Scope	0.00	52.00	53.55	Outwith the Scope	0.00	53.55	1.55	3%	
Licences/Registration - Venison Dealers		52.00	Outwith the Scope	0.00	52.00	53.55	Outwith the Scope	0.00	53.55	1.55	3%	
Licences/Registration - Cinema Licence		144.10	Outwith the Scope	0.00	144.10	148.40	Outwith the Scope	0.00	148.40	4.30	3%	
Licences/Registration - Theatre Licence		144.10	Outwith the Scope	0.00	144.10	148.40	Outwith the Scope	0.00	148.40	4.30	3%	
Poisons - Registration		36.00	Outwith the Scope	0.00	36.00	37.00	Outwith the Scope	0.00	37.00	1.00	3%	
Poisons - Re-Registration		19.00	Outwith the Scope	0.00	19.00	19.55	Outwith the Scope	0.00	19.55	0.55	3%	
Poisons - Amendment to Registration		9.75	Outwith the Scope	0.00	9.75	10.05	Outwith the Scope	0.00	10.05	0.30	3%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
PLANNING SERVICES												
Additional administration fee in respect of an Advert required in terms of Regulation 20 of the Town & Country Planning (Development Management Procedure) (Scotland) Regulations 2008		133.33	Standard	26.67	160.00	137.50	Standard	27.50	165.00	5.00	3%	
Planning Section 50 Licence Certificate		114.00	Outwith the Scope	0.00	114.00	117.00	Outwith the Scope	0.00	117.00	3.00	3%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
BUILDING STANDARDS												
Property Inspection		284.00	Outwith the Scope	0.00	284.00	293.00	Outwith the Scope	0.00	293.00	9.00	3%	
Re - Inspection Fee Property Inspection Applications		142.00	Outwith the Scope	0.00	142.00	146.00	Outwith the Scope	0.00	146.00	4.00	3%	
Confirmation of completion Applications		228.00	Outwith the Scope	0.00	228.00	235.00	Outwith the Scope	0.00	235.00	7.00	3%	
Re - Inspection Fee Confirmation of Completion Applications		130.00	Outwith the Scope	0.00	130.00	134.00	Outwith the Scope	0.00	134.00	4.00	3%	The 14/15 Fee has been updated to reflect the charge as advised on the Building Standards - Non Statutory Charges web page.
Confirmation of Exempt class of works		57.00	Outwith the Scope	0.00	57.00	59.00	Outwith the Scope	0.00	59.00	2.00	4%	
Building Standards Section 50 Licence Certificate		114.00	Outwith the Scope	0.00	114.00	117.00	Outwith the Scope	0.00	117.00	3.00	3%	
Property Enquiries (if Application Number known)		34.00	Outwith the Scope	0.00	34.00	35.00	Outwith the Scope	0.00	35.00	1.00	3%	
Property Enquiries (if Application Number not known)		82.00	Outwith the Scope	0.00	82.00	84.00	Outwith the Scope	0.00	84.00	2.00	2%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
WASTE COLLECTION												
Supply of Sacks for Commercial Use (pack of 50)		196.50	Outwith the Scope	0.00	196.50	204.50	Outwith the Scope	0.00	204.50	8.00	4%	Landfill Tax 1.07% plus inflation 3%
Confidential Sacks - Includes Uplift, Shredding and disposal	Internal Use Only Minimum of 8 sacks per order	12.50	Exempt	0.00	12.50	12.90	Exempt	0.00	12.90	0.40	3%	
Poop Scoops - Refill Bags (Per 50)		1.00	Standard	0.20	1.20	1.04	Standard	0.21	1.25	0.05	4%	
Domestic Use Only 140 Litre Bins		28.45	Outwith the Scope	0.00	28.45	29.30	Outwith the Scope	0.00	29.30	0.85	3%	
Domestic Use Only 240 Litre Bins		28.45	Outwith the Scope	0.00	28.45	29.30	Outwith the Scope	0.00	29.30	0.85	3%	
Commercial Use Only 240 Litre Bins		72.75	Standard	14.55	87.30	74.92	Standard	14.98	89.90	2.60	3%	
Commercial Use Only 360 Litre Bins		105.83	Standard	21.17	127.00	109.00	Standard	21.80	130.80	3.80	3%	
Commercial Use Only 660 Litre Bins		266.92	Standard	53.38	320.30	274.92	Standard	54.98	329.90	9.60	3%	
Commercial Use Only 1100 Litre Bins		325.17	Standard	65.03	390.20	334.92	Standard	66.98	401.90	11.70	3%	
Commercial Use Only 1280 Litre Bins		334.88	Standard	66.98	401.85	344.92	Standard	68.98	413.90	12.05	3%	
Householder Special Refuse Collection	Minimum Charge covers work of two men and vehicle up to ten minutes.	54.65	Outwith the Scope	0.00	54.65	56.30	Outwith the Scope	0.00	56.30	1.65	3%	
Householder Special Refuse Collection Extra Charge	Charged per 10 minutes over minimum charge	34.05	Outwith the Scope	0.00	34.05	35.05	Outwith the Scope	0.00	35.05	1.00	3%	
Commercial Special Uplift	(Charge Per Hour - Minimum Charge 1 hour) - Housing Associations should be charged at this rate.	100.25	Standard	20.05	120.30	103.25	Standard	20.65	123.90	3.60	3%	
Householder Asbestos cement collection - Minimum charge up to 30 minutes		227.25	Outwith the Scope	0.00	227.25	234.05	Outwith the Scope	0.00	234.05	6.80	3%	
Householder Asbestos cement collection - Each further 30 minutes		113.50	Outwith the Scope	0.00	113.50	116.90	Outwith the Scope	0.00	116.90	3.40	3%	
Return of Supermarket trolleys (each)		33.58	Standard	6.72	40.30	34.58	Standard	6.92	41.50	1.20	3%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
Wheeled Bins - 140/240 ltr	Based on 1 uplift per week	234.40	Outwith the Scope	0.00	234.40	243.95	Outwith the Scope	0.00	243.95	9.55	4%	Minimum Charge 2015/16 - £243.95 Equivalent to the 140/240 litre bin charge for collection and landfill tax uplifted once a week. For premises whereby a fortnightly mixed waste service is available only, the minimum charge will be adjusted accordingly. Agreements are issued Annually from Manse Brae to all commercial/front end loader customers. Payments are either made in advance or by direct debit. Front End Loader service provided by Shanks. Some bins still responsibility of Council dependant on location and recognised use by public. Any charge by Shanks above this level to be charged at cost + 2% to customers.
Wheeled Bins - 340 ltr	Based on 1 uplift per week	332.10	Outwith the Scope	0.00	332.10	345.60	Outwith the Scope	0.00	345.60	13.50	4%	
Wheeled Bins - 660 ltr	Based on 1 uplift per week	637.10	Outwith the Scope	0.00	637.10	663.05	Outwith the Scope	0.00	663.05	25.95	4%	
Wheeled Bins - 1100 ltr	Based on 1 uplift per week	1,061.45	Outwith the Scope	0.00	1,061.45	1,104.65	Outwith the Scope	0.00	1,104.65	43.20	4%	
Wheeled Bins - 1280 ltr	Based on 1 uplift per week	1,235.10	Outwith the Scope	0.00	1,235.10	1,285.35	Outwith the Scope	0.00	1,285.35	50.25	4%	
Loads - Bands 1-5		569.80	Outwith the Scope	0.00	569.80	593.00	Outwith the Scope	0.00	593.00	23.20	4%	
Loads - Bands 6-10		1,284.00	Outwith the Scope	0.00	1,284.00	1,336.25	Outwith the Scope	0.00	1,336.25	52.25	4%	
Front End Loader Service - Uplifted twice weekly by Shanks	Per Cubic Yard	1,247.65	Outwith the Scope	0.00	1,247.65	1,298.45	Outwith the Scope	0.00	1,298.45	50.80	4%	
Front End Loader Service - Uplifted twice weekly by Shanks	Per Cubic Metre	1,472.95	Outwith the Scope	0.00	1,472.95	1,532.90	Outwith the Scope	0.00	1,532.90	59.95	4%	
Pull Out Charge		27.30	Outwith the Scope	0.00	27.30	28.10	Outwith the Scope	0.00	28.10	0.80	3%	
Commercial Service Fee		35.00	Standard	7.00	42.00	36.04	Standard	7.21	43.25	1.25	3%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
RECYCLING CHARGES												
Office Paper - Large Bag / 1 x week		100.95	Outwith the Scope	0.00	100.95	Outwith the Scope	0.00	104.00	0.00	3.05	3%	Charges for recycling collections or treatment should in general be levied on the commercial sector on the same basis as normal refuse collection or disposal, but with the benefit of no landfill tax payment being applied to the charge.
Paper and Cardboard - 240 litre Bins and Minimum Charge for Year		63.85	Outwith the Scope	0.00	63.85	Outwith the Scope	0.00	65.75	0.00	1.90	3%	
Paper and Cardboard - 340 litre Bin	Fortnightly Charge Weekly services shall be charged accordingly at fortnightly rate x 2	89.95	Outwith the Scope	0.00	89.95	Outwith the Scope	0.00	92.65	0.00	2.70	3%	
Paper and Cardboard - 660 litre Bin		172.15	Outwith the Scope	0.00	172.15	Outwith the Scope	0.00	177.30	0.00	5.15	3%	
Paper and Cardboard - 1100/1280 litre Bin		286.25	Outwith the Scope	0.00	286.25	Outwith the Scope	0.00	294.85	0.00	8.60	3%	
Commercial Sacks for Recyclable Waste	Charge Per Sack. Service available in Kintyre, (inc Tarbert) Bute and areas of Cowal serviced by Fyne Futures. May also be available in Helensburgh and Lomond"	1.00	Outwith the Scope	0.00	1.00	Outwith the Scope	0.00	1.03	0.00	0.03	3%	
Recyclable Waste Brought to Civic Amenity/Recycling Facilities	Purchase of Punch Card - Price per card	29.30	Outwith the Scope	0.00	29.30	Outwith the Scope	0.00	30.20	0.00	0.90	3%	
Cooking Oil Collection (per 20ltr container)	Service available in Mull, Iona, Tiree, Islay and Jura	2.40	Outwith the Scope	0.00	2.40	Outwith the Scope	0.00	2.45	0.00	0.05	2%	
Segregated Glass Collection - 240 litre bin 1 x weekly	Segregated available on mainland Argyll & Isle of Bute.	42.15	Outwith the Scope	0.00	42.15	Outwith the Scope	0.00	43.40	0.00	1.25	3%	
Segregated Glass Collection - 330/360 litre bin 1 x weekly	Minimum Charge same as for Mixed Glass	58.05	Outwith the Scope	0.00	58.05	Outwith the Scope	0.00	59.80	0.00	1.75	3%	
Segregated Glass Collection - 660 litre bin 1 x weekly		114.20	Outwith the Scope	0.00	114.20	Outwith the Scope	0.00	117.65	0.00	3.45	3%	
Segregated Glass Collection - 1100/1280 litre bin 1 x weekly		172.15	Outwith the Scope	0.00	172.15	Outwith the Scope	0.00	177.30	0.00	5.15	3%	
Mixed Glass Collection - 240 litre bin and Minimum Charge	Fortnightly Service	63.85	Outwith the Scope	0.00	63.85	Outwith the Scope	0.00	65.75	0.00	1.90	3%	
Mixed Glass Collection - 660 litre bin	Fortnightly Service only available in Lomond - Bin and 160 Bags per annum supplied by Council	172.15	Outwith the Scope	0.00	172.15	Outwith the Scope	0.00	177.30	0.00	5.15	3%	
Commercial Food Waste Composting Service - Weekly Service of 140ltr Wheeled Bin	Service only available in Lomond - Bin and 570 Bags per annum supplied by Council	110.20	Outwith the Scope	0.00	110.20	Outwith the Scope	0.00	113.50	0.00	3.30	3%	
Commercial Food Waste Composting Service - Weekly Service of 500ltr Wheeled Bin		393.80	Outwith the Scope	0.00	393.80	Outwith the Scope	0.00	405.60	0.00	11.80	3%	

Description SKIPS	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
Hire (for 24 hours)	Any Ferry Journeys will be recharged at cost.	4.67	Standard	0.93	5.60	4.79	Standard	0.96	5.75	0.15	3%	
Commercial - Service of Skip - Up to 10 miles travel, one way from disposal point	Any Ferry Journeys will be recharged at cost.	61.15	Outwith the Scope	0.00	61.15	63.00	Outwith the Scope	0.00	63.00	1.85	3%	
Commercial - Service of Skip - Up to 20 miles travel, one way from disposal point	Any Ferry Journeys will be recharged at cost.	77.65	Outwith the Scope	0.00	77.65	80.00	Outwith the Scope	0.00	80.00	2.35	3%	
Commercial - Service of Skip - Over 20 miles travel, one way from disposal point	Any Ferry Journeys will be recharged at cost.	96.10	Outwith the Scope	0.00	96.10	99.00	Outwith the Scope	0.00	99.00	2.90	3%	
Commercial - Tipping Charge per Service, including Landfill Tax (Active)	Tiree Only - See notes	0.00	Outwith the Scope	0.00	0.00	0.00	Outwith the Scope	0.00	0.00	0.00	0%	Landfill tax on inactive waste at Council landfill sites on Mull, Islay and Tiree may be charged. This will depend on the type of inactive waste and it's use on the landfill site. A contractor with such waste should contact the Council to discuss this prior to disposal of inactive waste.
Commercial - Tipping Charge per Service, including Landfill Tax (Inactive)	Tiree Only - See notes	0.00	Outwith the Scope	0.00	0.00	0.00	Outwith the Scope	0.00	0.00	0.00	0%	Tipping Charges - Tiree, no weighbridge, charge has not yet been set by Revenue Scotland and will be updated when known.
Commercial - Fish Wastes (additional charge per skip)		93.15	Outwith the Scope	0.00	93.15	95.95	Outwith the Scope	0.00	95.95	2.80	3%	Tipping Charges - Islay and Mull - charge based on weighbridge - see Waste Disposal Charges.

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
HOUSEHOLDER SCRAP CAR REMOVAL AND DISPOSAL SERVICE (Service not available to Commercial Customers they should make their own arrangements with appropriate vehicle dismantlers)	The voucher service is not available in Helensburgh and Lomond, where advice can be sought from your local area office.	81.50	Outwith the Scope	0.00	81.50	83.95	Outwith the Scope	0.00	83.95	2.45	3%	Householder must pay fee and show registration document as proof of ownership before voucher can be issued. Car must be taken to appropriate Council or Shanks disposal site by Householder.
Scrap Car Deposit Voucher - per car		133.95	Outwith the Scope	0.00	133.95	137.95	Outwith the Scope	0.00	137.95	4.00	3%	Householders should be advised of national takeback schemes i.e. CarTakeback and Autogreen, before proceeding with removal request and payment.
Removal and disposal from householders		300.00	Outwith the Scope	0.00	300.00	300.00	Outwith the Scope	0.00	300.00	0.00	0%	Charge set by Legislation. If car has to be stored due to its condition (e.g. still taxed) in Council Depot an additional £20.60 per storage charge per day should be added.
Removal of abandoned car where owner can be traced - Statutory Fee	Removal of car by arrangement on private, or other public sector ground, where the last registered keeper cannot be traced. The Executive Director of the Development and Infrastructure Department shall have the discretion to require a payment in advance from the landowner	133.95	Outwith the Scope	0.00	133.95	137.95	Outwith the Scope	0.00	137.95	4.00	3%	A 24 hour notice on the car must be served prior to removal and disposal.

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
WASTE DISPOSAL												
Ordinary Waste - Landfill Tax Element of Charges per tonne (Fee set by Government)	Charge includes Landfill Tax	80.00	Outwith the Scope	0.00	80.00	82.60	Outwith the Scope	0.00	82.60	2.60	3%	Statutory Increase
Ordinary Waste - Waste Disposal Cost per tonne	Charge includes Landfill Tax	106.00	Outwith the Scope	0.00	106.00	109.40	Outwith the Scope	0.00	109.40	3.40	3%	Statutory Increase
Inactive Waste - Landfill Tax Element of Charges per tonne	Charge includes Landfill Tax	2.50	Outwith the Scope	0.00	2.50	2.50	Outwith the Scope	0.00	2.50	0.00	0%	No Statutory Increase
Inactive Waste - Waste Disposal Cost per tonne	Charge includes Landfill Tax	0.00	Outwith the Scope	0.00	0.00	0.00	Outwith the Scope	0.00	0.00	0.00	0%	No Statutory Increase
Assumed Loads per vehicle type - Small Van/pick up (Escort size)	0.4 tonnes	43.30	Outwith the Scope	0.00	43.30	44.70	Outwith the Scope	0.00	44.70	1.40	3%	increase includes change in statutory landfill tax charges.
Assumed Loads per vehicle type - Medium Van/pick up (Transit wheeled)	0.8 tonnes	86.55	Outwith the Scope	0.00	86.55	89.30	Outwith the Scope	0.00	89.30	2.75	3%	increase includes change in statutory landfill tax charges.
Assumed Loads per vehicle type - Large Van/pick up (twin wheeled)	1.2 tonnes	129.85	Outwith the Scope	0.00	129.85	134.00	Outwith the Scope	0.00	134.00	4.15	3%	increase includes change in statutory landfill tax charges.
Assumed Loads per vehicle type - Tipper/Large Box Van (over 3.5 tonnes and less than 7.5 tonnes)	3 tonnes	324.55	Outwith the Scope	0.00	324.55	334.90	Outwith the Scope	0.00	334.90	10.35	3%	increase includes change in statutory landfill tax charges.

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
PUBLIC CONVENIENCES												
Entrance Fee (where turnstile fitted)		0.30	Outwith the Scope	0.00	0.30	0.30	Outwith the Scope	0.00	0.30	0.00	0%	
Radar Keys		3.40	Outwith the Scope	0.00	3.40	3.50	Outwith the Scope	0.00	3.50	0.10	3%	Purchased at Area Offices.

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
PEST CONTROL												
DOMESTIC HOUSES - Eradication of Rodent or Insect Pests This covers all individual dwelling premises either private or rented from Housing Associations/Social Landlords/Private Landlords.												
Non refundable Survey Charge		58.29	Standard	11.66	69.95	60.04	Standard	12.01	72.05	2.10	3%	
No Treatment Required - Maximum Refund		19.38	Standard	3.88	23.25	19.96	Standard	3.99	23.95	0.70	3%	
		38.79	Standard	7.76	46.55	39.96	Standard	7.99	47.95	1.40	3%	
COMMERCIAL - Eradication of Rodent or Insect Pests - Survey and/or Treatment up to 30 minutes		62.13	Standard	12.43	74.55	64.00	Standard	12.80	76.80	2.25	3%	
COMMERCIAL - Eradication of Rodent or Insect Pests - Subsequent Treatment per 20 minutes		38.38	Standard	7.68	46.05	39.54	Standard	7.91	47.45	1.40	3%	
COMMERCIAL - Eradication of Rodent or Insect Pests - Issue of Rodent Control Certificate		114.58	Standard	22.92	137.50	118.04	Standard	23.61	141.65	4.15	3%	
COMMERCIAL - Eradication of Rodent or Insect Pests - Annual Agreement - Commercial	By negotiation	Other	Standard				Standard					
COUNCIL OWNED PROPERTIES - Eradication of Rodents or Insect Pests - Survey and/or Treatment up to 30 minutes		62.15	Outwith the Scope	0.00	62.15	64.00	Outwith the Scope	0.00	64.00	1.85	3%	
COUNCIL OWNED PROPERTIES - Eradication of Rodents or Insect Pests - Subsequent Treatment per 20 minutes		38.30	Outwith the Scope	0.00	38.30	39.45	Outwith the Scope	0.00	39.45	1.15	3%	
COUNCIL OWNED PROPERTIES - Eradication of Rodents or Insect Pests - Annual Agreement - Commercial	By negotiation	Other	Outwith the Scope				Outwith the Scope					

DOG FEES	Description	Other	2014/2015			2015/2016			Increase		Notes/Comments		
			Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £		£	%
	Standard Fee (Statutory Fee)		25.00	Outwith the Scope	0.00	25.00	25.00	Outwith the Scope	0.00	25.00	0.00	0%	Payment in advance. Proof of identity must be shown, at Area Office when payment is made. A receipt will be issued to allow the owner to collect their dog from the kennels. In order for Kennel Operators to accept dogs there is a requirement that they are inoculated.
	Daily Boarding Fee		13.15	Outwith the Scope	0.00	13.15	13.55	Outwith the Scope	0.00	13.55	0.40	3%	
	Kennel Inoculation Fee		33.79	Standard	6.76	40.55	34.79	Standard	6.96	41.75	1.20	3%	

PLAYING FIELDS	Description	Other	2014/2015			2015/2016			Increase		Notes/Comments		
			Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £		£	%
Hire of lined Pitch with Changing Facilities including attendant required for changing facilities	Adult		58.29	Standard	11.66	69.95	60.04	Standard	12.01	72.05	2.10	3%	All hire must be paid for in advance. Applications should be made for the hire of playing and a letter confirming dates should be issued. Forms are available from Roads and Amenity Services, Manse Brae, Lochgilphead.
		Youth Adult	29.08	Standard	5.82	34.90	29.96	Standard	5.99	35.95	1.05	3%	
		Youth	29.08	Standard	5.82	34.90	29.96	Standard	5.99	35.95	1.05	3%	
Hire of lined Pitch	Youth		14.58	Standard	2.92	17.50	15.00	Standard	3.00	18.00	0.50	3%	Youth Charges only apply to Children in Full Time Education.
			14.58	Standard	2.92	17.50	15.00	Standard	3.00	18.00	0.50	3%	
Use of Changing Facilities (Training)	Adult		17.67	Standard	3.63	21.20	18.21	Standard	3.64	21.85	0.65	3%	
		Youth	8.83	Standard	1.77	10.60	9.08	Standard	1.82	10.90	0.30	3%	
Hire of Pony Park - Bute	Concession		29.71	Standard	5.94	35.65	30.58	Standard	6.12	36.70	1.05	3%	
			9.30	Zero Rated	0.00	9.30	9.60	Zero Rated	0.00	9.60	0.30	3%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
OUTDOOR RECREATION												
Putting/Crazy Golf/Trampoline	Adult	2.08	Standard	0.42	2.50	2.17	Standard	0.43	2.60	0.10	4%	
	Concession	1.08	Standard	0.22	1.30	1.13	Standard	0.23	1.35	0.05	4%	
Tennis - Per Session	Adult	2.08	Standard	0.42	2.50	2.17	Standard	0.43	2.60	0.10	4%	
	Concession	1.08	Standard	0.22	1.30	1.13	Standard	0.23	1.35	0.05	4%	
Tennis - Season Ticket	Adult	40.13	Standard	8.03	48.15	41.33	Standard	8.27	49.60	1.45	3%	
	Concession	19.79	Standard	3.96	23.75	20.38	Standard	4.08	24.45	0.70	3%	
Tennis - Hire of Racquet and Balls	Adult	2.08	Standard	0.42	2.50	2.17	Standard	0.43	2.60	0.10	4%	
	Concession	1.08	Standard	0.22	1.30	1.13	Standard	0.23	1.35	0.05	4%	
Bowling - Per Session	Adult	2.08	Standard	0.42	2.50	2.17	Standard	0.43	2.60	0.10	4%	
	Concession	1.08	Standard	0.22	1.30	1.13	Standard	0.23	1.35	0.05	4%	
Bowling - Season Ticket	Adult	48.54	Standard	9.71	58.25	50.00	Standard	10.00	60.00	1.75	3%	
	Concession	24.33	Standard	4.87	29.20	25.08	Standard	5.02	30.10	0.90	3%	
Cricket Wicket (unprepared)	Adult	26.88	Standard	5.38	32.25	27.67	Standard	5.53	33.20	0.95	3%	
Cricket Wicket (prepared)	Adult	48.54	Standard	9.71	58.25	50.00	Standard	10.00	60.00	1.75	3%	
Hire of McCaigs Tower (Weddings)		242.71	Standard	48.54	291.25	250.00	Standard	50.00	300.00	8.75	3%	
Hire of Stadium (Mossfield, Duncoon and Rothesay) for a major event - MINIMUM CHARGE		582.42	Standard	116.48	698.90	599.88	Standard	119.98	719.85	20.95	3%	
Dunoon Stadium - Hire of running Track-without marking		9.75	Standard	1.95	11.70	10.04	Standard	2.01	12.05	0.35	3%	
Dunoon Stadium - Hire of Running Track-with marking		43.71	Standard	8.74	52.45	45.00	Standard	9.00	54.00	1.55	3%	
Grass Tracks - Hire of Running Track (without marking)		9.75	Standard	1.95	11.70	10.04	Standard	2.01	12.05	0.35	3%	
Grass Tracks - Hire of Running Track (with marking)		132.00	Standard	26.40	158.40	135.96	Standard	27.19	163.15	4.75	3%	
Grandstand (Public Restricted)		185.42	Standard	37.08	222.50	191.00	Standard	38.20	229.20	6.70	3%	
Rental of Stall - Per Linear Metre		58.55	Zero Rated	0.00	58.55	60.30	Zero Rated	0.00	60.30	1.75	3%	
Rental of Stall - by Registered Charity - by Stall		23.33	Standard	4.67	28.00	24.04	Standard	4.81	28.85	0.85	3%	

Description	2014/2015				2015/2016				Increase		Notes/Comments
	Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
FAIRS											
Hire of ground for 1 week (7 days) With total frontage of all rides/stalls, less than 49 linear metres	296.65	Exempt	0.00	296.65	305.55	Exempt	0.00	305.55	8.90	3%	Charges for commercial refuse/tidy up will be over and above the charges noted.
Hire of Ground for 1 week (7 days). With total frontage of all rides/stalls, over 49 linear metres - per linear metre	6.10	Exempt	0.00	6.10	6.30	Exempt	0.00	6.30	0.20	3%	
Food Vans/Stalls - Hire of Ground per week (7days) - per linear metre	4.55	Exempt	0.00	4.55	4.70	Exempt	0.00	4.70	0.15	3%	
Charitable Organisations - Hire of Ground up to 7 days - per linear metre	3.10	Exempt	0.00	3.10	3.20	Exempt	0.00	3.20	0.10	3%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT £	Gross £	VAT Rate	Net £	VAT £	Gross £	VAT Rate	£	%	
FLORAL DECORATIONS												
Hire of Round or Half Baskets (each)		14.92	2.98	17.90	Standard	15.38	3.08	18.45	Standard	0.55	3%	Loss or damage to containers will be charged to hirer at replacement value.
Troughs 1 Metre Long (each)		18.13	3.63	21.75	Standard	18.67	3.73	22.40	Standard	0.65	3%	
Tubs to 16" diameter (each)		21.42	4.28	25.70	Standard	22.04	4.41	26.45	Standard	0.75	3%	
Tubs over 16" diameter (each)		31.04	6.21	37.25	Standard	31.96	6.39	38.35	Standard	1.10	3%	
Handling Charge												
At cost, price with prior notice												

Description	Other	2014/2015			2015/2016			Increase		Notes/Comments	
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £		£
BURIAL CHARGES											
*Interment/Re Opening Lair		488.65	Outwith the Scope	0.00	488.65	503.30	Outwith the Scope	0.00	503.30	14.65	3%
Interment (Child under 16)					No charge						
Additional Charge - Interment on Saturday/Sunday or Public Holiday will incur this additional charge		181.85	Outwith the Scope	0.00	181.85	187.30	Outwith the Scope	0.00	187.30	5.45	3%
Additional Charge - Burial of ashes on Saturday/Sunday or Public Holiday will incur this additional charge		51.50	Outwith the Scope	0.00	51.50	53.05	Outwith the Scope	0.00	53.05	1.55	3%
*Burial of Cremated Remains		110.20	Outwith the Scope	0.00	110.20	113.50	Outwith the Scope	0.00	113.50	3.30	3%
*Scattering of Ashes		85.20	Outwith the Scope	0.00	85.20	87.75	Outwith the Scope	0.00	87.75	2.55	3%
*Purchase of Single Lair, incl maintenance		577.35	Outwith the Scope	0.00	577.35	594.65	Outwith the Scope	0.00	594.65	17.30	3%
*Purchase of Double Lair, incl maintenance		1,154.60	Outwith the Scope	0.00	1,154.60	1,189.25	Outwith the Scope	0.00	1,189.25	34.65	3%
*Purchase of Treble Lair, incl maintenance		1,731.90	Outwith the Scope	0.00	1,731.90	1,783.85	Outwith the Scope	0.00	1,783.85	51.95	3%
*Lair for Casket only		118.20	Outwith the Scope	0.00	118.20	121.75	Outwith the Scope	0.00	121.75	3.55	3%
*Woodland and Green Burial Service Burial Charge						503.30	Outwith the Scope	0.00	503.30	0.00	0%
*Woodland and Green Burial Service Standard Lair						1,189.30	Outwith the Scope	0.00	1,189.30	0.00	0%
Transfer of Title Deeds		31.30	Outwith the Scope	0.00	31.30	32.25	Outwith the Scope	0.00	32.25	0.95	3%
Extract/Search Register (£13.20 to be paid in Advance for work up to half an hour)		17.60	Outwith the Scope	0.00	17.60	18.15	Outwith the Scope	0.00	18.15	0.55	3%
Administration Fee for Return of Lair	10% of purchase price (90% returned)	Other									
Permission to erect Standard Memorial or one off design		94.85	Outwith the Scope	0.00	94.85	97.70	Outwith the Scope	0.00	97.70	2.85	3%
Permission to erect semi recumbent book type memorial		47.25	Outwith the Scope	0.00	47.25	48.65	Outwith the Scope	0.00	48.65	1.40	3%
Erection of plaques at Cemeteries (where consent granted)		47.25	Outwith the Scope	0.00	47.25	48.65	Outwith the Scope	0.00	48.65	1.40	3%
Erection of inscribed memorial plaque (for previously unmarked graves)		159.15	Outwith the Scope	0.00	159.15	163.90	Outwith the Scope	0.00	163.90	4.75	3%
Erection of Headstones (Tree ONLY)		122.70	Outwith the Scope	0.00	122.70	126.40	Outwith the Scope	0.00	126.40	3.70	3%
Exhumations (not including re interment)		522.85	Outwith the Scope	0.00	522.85	538.55	Outwith the Scope	0.00	538.55	15.70	3%
Exhumations of Caskets (hourly rate)		34.70	Outwith the Scope	0.00	34.70	35.75	Outwith the Scope	0.00	35.75	1.05	3%

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
CREMATORIUM CHARGES												
Child (under 16)					No charge							
Adults 16 years and over		507.95	Zero Rated	0.00	507.95	523.20	Zero Rated	0.00	523.20	15.25	3%	
Adults 16 years and over - Saturday		562.50	Zero Rated	0.00	562.50	579.40	Zero Rated	0.00	579.40	16.90	3%	
Additional Charge - Public Holiday		180.05	Zero Rated	0.00	180.05	185.45	Zero Rated	0.00	185.45	5.40	3%	
Clergy		62.45	Zero Rated	0.00	62.45	64.30	Zero Rated	0.00	64.30	1.85	3%	
Dispersal of Ashes		19.60	Zero Rated	0.00	19.60	20.20	Zero Rated	0.00	20.20	0.60	3%	
Casket - Purchase		43.15	Zero Rated	0.00	43.15	44.45	Zero Rated	0.00	44.45	1.30	3%	
Urn (plus carrier) - Purchase		19.60	Zero Rated	0.00	19.60	20.20	Zero Rated	0.00	20.20	0.60	3%	
Book of Remembrance (per line)		22.79	Standard	4.56	27.35	23.46	Standard	4.69	28.15	0.80	3%	
Small Book of Remembrance (2 Lines)		72.75	Standard	14.55	87.30	74.92	Standard	14.98	89.90	2.60	3%	
Small Book of Remembrance (5 Lines)		134.92	Standard	26.98	161.90	138.96	Standard	27.79	166.75	4.85	3%	
Small Book of Remembrance (8 Lines)		199.00	Standard	39.80	238.80	204.96	Standard	40.99	245.95	7.15	3%	
Small Book of Remembrance (Gilded Motif/Capital Letter)		48.54	Standard	9.71	58.25	50.00	Standard	10.00	60.00	1.75	3%	
Badges		36.88	Standard	7.38	44.25	38.00	Standard	7.60	45.60	1.35	3%	
Coat of Arms and Floral Motif		51.46	Standard	10.29	61.75	53.00	Standard	10.60	63.60	1.85	3%	
Retention of Ashes - per month		10.10	Zero Rated	0.00	10.10	10.40	Zero Rated	0.00	10.40	0.30	3%	
Chapel of Rest		33.00	Zero Rated	0.00	33.00	34.00	Zero Rated	0.00	34.00	1.00	3%	
Plaque - Single with inscription		126.17	Standard	25.23	151.40	129.96	Standard	25.99	155.95	4.55	3%	
Plaque - Double with single inscriptions		183.46	Standard	36.69	220.15	188.96	Standard	37.79	226.75	6.60	3%	
Plaque - Double with two inscriptions		232.96	Standard	46.59	279.55	239.96	Standard	47.99	287.95	8.40	3%	
Additional inscription		68.96	Standard	13.79	82.75	71.04	Standard	14.21	85.25	2.50	3%	
Use of Crematorium Chapel for a Burial Service		192.05	Zero Rated	0.00	192.05	197.80	Zero Rated	0.00	197.80	5.75	3%	
Memorial Kerbstone - (10 years)		157.29	Standard	31.46	188.75	162.00	Standard	32.40	194.40	5.65	3%	
Inscription for Kerbstone		5.83	Standard	1.17	7.00	6.00	Standard	1.20	7.20	0.20	3%	

Description	2014/2015				2015/2016				Increase			Notes/Comments
	Other	Net £	VAT Rate	Gross £	VAT Rate	Net £	VAT Rate	Gross £	VAT Rate	Net £	%	
FERRY FARES												
SPT Concessionary Travel Scheme - Single												
SPT Concessionary Travel Scheme - Return												Statutory Charge Set by SPT
Out of hours Service - Cuan/Easdale/Lismore - up to Midnight		62.45	Outwith the Scope	62.45	0.00	64.30	Outwith the Scope	64.30	0.00	1.85	3%	
Out of hours Service - Cuan/Easdale/Lismore - After Midnight		80.65	Outwith the Scope	80.65	0.00	83.05	Outwith the Scope	83.05	0.00	2.40	3%	Age 5 to 16 - Child Fare
Easdale/Cuan Passenger Fares - Adult - Return		1.85	Outwith the Scope	1.85	0.00	1.90	Outwith the Scope	1.90	0.00	0.05	3%	Age 16 and above - Adult Fare
Easdale/Cuan Passenger Fares - Adult - 5 Return Journeys		6.15	Outwith the Scope	6.15	0.00	6.35	Outwith the Scope	6.35	0.00	0.20	3%	Free Travel: Children up to Age 5, Scholars, Primary School Escort, Pre-5 Escort
Easdale/Cuan Passenger Fares - Child - Return		1.05	Outwith the Scope	1.05	0.00	1.10	Outwith the Scope	1.10	0.00	0.05	5%	
Easdale/Cuan Passenger Fares - Child - 5 Return Journeys		3.00	Outwith the Scope	3.00	0.00	3.10	Outwith the Scope	3.10	0.00	0.10	3%	
Disability discount - Return		3.70	Outwith the Scope	3.70	0.00	3.80	Outwith the Scope	3.80	0.00	0.10	3%	
Cuan Vehicle Fares - cars, trailers or caravans - Return - Up to and including 5m		7.40	Outwith the Scope	7.40	0.00	7.60	Outwith the Scope	7.60	0.00	0.20	3%	
Cuan Vehicle Fares - cars, trailers or caravans - Up to and including 5m - 5 Return Journeys		24.50	Outwith the Scope	24.50	0.00	25.25	Outwith the Scope	25.25	0.00	0.75	3%	
Cuan Vehicle Fares - Private Vehicles - cars, trailers or caravans - Up to and including 5m - 5 Return Journeys		214.80	Outwith the Scope	214.80	0.00	221.25	Outwith the Scope	221.25	0.00	6.45	3%	
Cuan Vehicle Fares - Private Vehicles - cars, trailers or caravans - Up to and including 5m - 3 Monthly Unlimited (domestic travellers only - car and driver only)		3.10	Outwith the Scope	3.10	0.00	3.20	Outwith the Scope	3.20	0.00	0.10	3%	
Cuan Vehicle Fares - Private Vehicles - Motorcycle - Return Journeys		9.80	Outwith the Scope	9.80	0.00	10.10	Outwith the Scope	10.10	0.00	0.30	3%	
Cuan Vehicle Fares - Commercial Vehicles/Coaches - 5.01m to 8.0m - Return		10.88	Standard	13.05	2.18	11.21	Standard	13.45	2.24	0.40	3%	
Cuan Vehicle Fares - Commercial Vehicles/Coaches - 8.01m to 12.0m - Return		12.67	Standard	15.20	2.53	13.04	Standard	15.65	2.61	0.45	3%	
Cuan Vehicle Fares - Commercial Vehicles/Coaches - 12.01m to 18.0m - Return		14.42	Standard	17.30	2.88	14.83	Standard	17.80	2.97	0.50	3%	
Cuan Vehicle Fares - Commercial Vehicles/Coaches - 5.01m to 8.0m - 5 Return Journeys		53.46	Standard	64.15	10.69	55.04	Standard	66.05	11.01	1.90	3%	
Cuan Vehicle Fares - Commercial Vehicles/Coaches - 8.01m to 12.0m - 5 Return Journeys		61.79	Standard	74.15	12.36	63.63	Standard	76.35	12.73	2.20	3%	
Cuan Vehicle Fares - Commercial Vehicles/Coaches - 12.01m to 18.0m - 5 Return Journeys		70.13	Standard	84.15	14.03	72.21	Standard	86.65	14.44	2.50	3%	
Lismore/Jura Passenger Fares - Adult - Single		1.65	Outwith the Scope	1.65	0.00	1.70	Outwith the Scope	1.70	0.00	0.05	3%	Age 5 to 16 - Child Fare
Lismore/Jura Passenger Fares - Adult - 10 Journeys		11.00	Outwith the Scope	11.00	0.00	11.35	Outwith the Scope	11.35	0.00	0.35	3%	Age 16 and above - Adult Fare
Lismore/Jura Passenger Fares - Child - Single		0.95	Outwith the Scope	0.95	0.00	1.00	Outwith the Scope	1.00	0.00	0.05	5%	Free Travel: Children up to Age 5, Scholars, Primary School Escort, Pre-5 Escort
Lismore/Jura Passenger Fares - Child - 10 Journeys		5.30	Outwith the Scope	5.30	0.00	5.45	Outwith the Scope	5.45	0.00	0.15	3%	
Jura Vehicle Fares - Private Vehicles - Excursion Return		14.10	Outwith the Scope	14.10	0.00	14.50	Outwith the Scope	14.50	0.00	0.40	3%	
Jura Vehicle Fares - Private Vehicles - Motor Cars 50% Disability Discount - Return (Based on 50% Excursion Return)		7.00	Outwith the Scope	7.00	0.00	7.20	Outwith the Scope	7.20	0.00	0.20	3%	
Jura Vehicle Fares - all vehicles up to and including 5m		8.80	Outwith the Scope	8.80	0.00	9.05	Outwith the Scope	9.05	0.00	0.25	3%	
Jura Vehicle Fares - all vehicles up to and including 5m - 10 Single Journeys		56.85	Outwith the Scope	56.85	0.00	58.55	Outwith the Scope	58.55	0.00	1.70	3%	
Jura Vehicle Fares - all vehicles up to and including 5m - 50 Single Journeys (including Driver)		288.65	Outwith the Scope	288.65	0.00	297.30	Outwith the Scope	297.30	0.00	8.65	3%	
Jura Vehicle Fares - Motorcycle - Single Journeys		3.60	Outwith the Scope	3.60	0.00	3.70	Outwith the Scope	3.70	0.00	0.10	3%	
Jura Vehicle Fares - Private Vehicles - Motorcycle - 10 Journeys		22.80	Outwith the Scope	22.80	0.00	23.50	Outwith the Scope	23.50	0.00	0.70	3%	
Jura Vehicle Fares - Commercial Vehicles/Coaches - 5.01m to 8.0m		15.75	Standard	18.90	3.15	16.21	Standard	19.45	3.24	0.55	3%	
Jura Vehicle Fares - Commercial Vehicles/Coaches - 8.01m to 12.0m		17.75	Standard	21.30	3.55	18.29	Standard	21.95	3.66	0.65	3%	
Jura Vehicle Fares - Commercial Vehicles/Coaches - 12.01m to 18.0m		19.92	Standard	23.90	3.98	20.50	Standard	24.60	4.10	0.70	3%	
Jura Vehicle Fares - Commercial Vehicles/Coaches - Out of hours service - up to Midnight		80.65	Outwith the Scope	80.65	0.00	83.05	Outwith the Scope	83.05	0.00	2.40	3%	

Description	2014/2015			2015/2016			Increase		Notes/Comments	
	Net £	VAT Rate Outwith the Scope	VAT £	Gross £	Net £	VAT Rate Outwith the Scope	VAT £	Gross £		£
Jura Vehicle Fares - Commercial Vehicles/Coaches - Out of Hours service - After Midnight	80.65	Outwith the Scope	0.00	80.65	83.05	Outwith the Scope	0.00	83.05	2.40	3%

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
PIERS AND HARBOURS - RATES - GOODS, PASSENGERS & VEHICLES												Rates for Goods Shipped, Transhipped or Unshipped at the Pier or Ferry Slip or within the Harbour
General Goods Packaged (per tonne Includes Fruit, Beverages, Meat, Dairy Products, General Groceries and Confectionery, Cured Fish, etc.		1.70	Zero Rated	0.00	1.70	1.75	Zero Rated	0.00	1.75	0.05	3%	In determining weights for the purpose of charging dues, the weights of the containers of any goods shall be included.
Dry Bulk Commodities (per tonne) Ores, Aggregates and Crushed Stone, Cement and Building Materials, Timber (including Logs), Salt, etc.		1.45	Zero Rated	0.00	1.45	1.50	Zero Rated	0.00	1.50	0.05	3%	In terms of liquid, gaseous bulk products, bulk shipments of materials may be charged at discounted rates subject to a request being made in writing to the Executive Director, Development and Infrastructure, who will then refer the letter to the full Council.
Liquid and Gaseous Bulk Products (per tonne)		1.85	Zero Rated	0.00	1.85	1.90	Zero Rated	0.00	1.90	0.05	3%	
Liquid and Gaseous Bulk Products (per tonne) - Bruichladdich only		6.50	Zero Rated	0.00	6.50	6.70	Zero Rated	0.00	6.70	0.20	3%	
Explosives (per tonne)		65.90	Zero Rated	0.00	65.90	67.90	Zero Rated	0.00	67.90	2.00	3%	All empty boxes, barrels, sacks and packages if previously shipped or landed will be exempt.
Livestock - Poultry (per bird)		0.30	Zero Rated	0.00	0.30	0.30	Zero Rated	0.00	0.30	0.00	0%	Passengers Personal Baggage shall be free of charge.
Animals (per Animal)		0.50	Zero Rated	0.00	0.50	0.50	Zero Rated	0.00	0.50	0.00	0%	
Smolt (per thousand)		3.75	Zero Rated	0.00	3.75	3.85	Zero Rated	0.00	3.85	0.10	3%	2.5% of catch
Fish, including Shellfish - Fresh, all varieties and also fish consigned for sale at other markets - percentage of catch	2.50%	Other	If Applicable									
Rates on Passenger and Vehicles - Adult Passengers landing at or embarking from pier (each)		0.35	Zero Rated	0.00	0.35	0.35	Zero Rated	0.00	0.35	0.00	0%	
Rates on Passenger and Vehicles - Child Passengers landing at or embarking from pier (each)		0.20	Zero Rated	0.00	0.20	0.20	Zero Rated	0.00	0.20	0.00	0%	
Rates on Passenger and Vehicles - Private Cars, Taxis, Hearses and Agricultural Machinery (Tractors, Trailers, etc.) (each)		1.05	Zero Rated	0.00	1.05	1.10	Zero Rated	0.00	1.10	0.05	5%	
Rates on Passenger and Vehicles - Caravans or Trailers (except Commercial Trailers) (each)		1.65	Zero Rated	0.00	1.65	1.70	Zero Rated	0.00	1.70	0.05	3%	
Rates on Passenger and Vehicles - Cycles (each)		0.30	Zero Rated	0.00	0.30	0.30	Zero Rated	0.00	0.30	0.00	0%	
Rates on Passenger and Vehicles - Motorcycles including sidecar (each)		0.65	Zero Rated	0.00	0.65	0.65	Zero Rated	0.00	0.65	0.00	0%	
Rates on Passenger and Vehicles - Buses (each)		5.75	Zero Rated	0.00	5.75	5.90	Zero Rated	0.00	5.90	0.15	3%	
Rates on Passenger and Vehicles - Commercial Vehicles - Per Metre		0.65	Zero Rated	0.00	0.65	0.65	Zero Rated	0.00	0.65	0.00	0%	

Description	2014/2015				2015/2016				Increase		Notes/Comments
	Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
PIERS AND HARBOURS - RATES - MISCELLANEOUS											
Mobile Craneage - for each lift	10.00	Zero Rated	0.00	10.00	10.00	Zero Rated	0.00	10.00	0.00	0%	For goods remaining in sheds or on the pier or quays for a period longer than 24 hours, 50% of the original pier dues shall be charged for each 24 hours or part thereof.
Fresh Water - per tonne or part thereof (minimum charge £10)	2.60	Zero Rated	0.00	2.60	2.70	Zero Rated	0.00	2.70	0.10	4%	Provided that in the case of sheds occupied from time to time under lease or let from the Council such dues shall not be charged against the occupier or lessee. The terms of such leases or lets shall be subject to individual negotiation with the Executive Director.
Left Luggage - per article up to 24hours (minimum charge £10)	2.25	Standard	0.45	2.70	2.33	Standard	0.47	2.80	0.10	4%	(Note there is a minimum charge of £10.00 for some items)
Parcels and Packages up to 50 kg (minimum charge £10)	0.25	Standard	0.05	0.30	0.25	Standard	0.05	0.30	0.00	0%	
Parcels and Packages- where articles can be measured - charge per cubic metre (minimum charge £10)	2.54	Standard	0.51	3.05	2.63	Standard	0.53	3.15	0.10	3%	
Parcels and Packages- where articles cannot be measured - charge per tonne (minimum charge £10)	2.54	Standard	0.51	3.05	2.63	Standard	0.53	3.15	0.10	3%	
Rope Handling - To be charged each time i.e. Arrival and departure to be charged separately	105.00	Zero Rated	0.00	103.00	106.10	Zero Rated	0.00	106.10	3.10	3%	
Timber Debris Clearance	257.50	Standard	51.50	309.00	265.21	Standard	53.04	318.25	9.25	3%	Cost of clearing site reflected in increase in charge.
Use of Linkspan - Campbeltown Harbour	300.00	Zero Rated	0.00	300.00	300.00	Zero Rated	0.00	300.00	0.00	0%	

Description PIERS AND HARBOURS - RATES - VESSELS	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
1 - Basic Rate - All vessels to be charged at this rate unless otherwise approved by the Executive Director												COMMENTS
Up to 5 metres in length	Per visit up to 24 hours	8.50	Zero Rated	0.00	8.50	8.75	Zero Rated	0.00	8.75	0.25	3%	1. The category and rate under which a vessel is to be charged must be paid at the time of the berthing or on invoicing as appropriate.
Up to 6 metres in length	Per visit up to 24 hours	10.25	Zero Rated	0.00	10.25	10.55	Zero Rated	0.00	10.55	0.30	3%	2. All vessels are liable for dues at the Basic Rate. Only those, which are actively engaged in the relevant activity, are eligible for Category 2,3 or 4.
Up to 7 metres in length	Per visit up to 24 hours	11.80	Zero Rated	0.00	11.80	12.15	Zero Rated	0.00	12.15	0.35	3%	3. All vessels actively engaged in commercial undertaking, these would be subject to minimum payment by length as for unregistered vessels.
Up to 8 metres in length	Per visit up to 24 hours	13.55	Zero Rated	0.00	13.55	13.95	Zero Rated	0.00	13.95	0.40	3%	4. Rothesay and Campbelltown Pontoon are not managed by Agyll and Bute and are subject to their own charges.
Up to 9 metres in length	Per visit up to 24 hours	15.25	Zero Rated	0.00	15.25	15.70	Zero Rated	0.00	15.70	0.45	3%	5. The above rates and dues include for Port Waste Facilities to the level required by local and leisure craft. Any requirements for additional waste facilities or specialised waste disposal, in terms of the Merchant Shipping & Fishing Vessels (Port Waste Reception Facilities) Regulations 2003, must be made to the Service Director at least 24 hours in advance. This cost shall be paid prior to the provision of the service.
Up to 10 metres in length	Per visit up to 24 hours	16.95	Zero Rated	0.00	16.95	17.45	Zero Rated	0.00	17.45	0.50	3%	6. Concession rates for unlimited use will be available only for vessels "regularly sailing". Additional dues will be required for vessels, which have made payment for unlimited use but are not "regularly sailing". A vessel will be deemed to be "regularly sailing" if it leaves the installation for a continuous period of not less than 6 hours between 0600 hours and 2000 hours in any one day for more than 14 days.
Over 10 metres in length - charge per metre	hours	1.70	Zero Rated	0.00	1.70	1.75	Zero Rated	0.00	1.75	0.05	3%	7. Periods are: Summer period April to September inclusive, or part thereof. Winter period October to March inclusive, or part thereof.
Up to 5 metres in length	Weekly	42.20	Zero Rated	0.00	42.20	43.45	Zero Rated	0.00	43.45	1.25	3%	8. All concession rates for unlimited use must be paid for in advance of the period for which they cover. Failure to do so will result in full rates being applied.
Up to 6 metres in length	Weekly	50.60	Zero Rated	0.00	50.60	52.10	Zero Rated	0.00	52.10	1.50	3%	9. VAT Zero Rating only applies where the vessels are "qualifying ships". A "qualifying ship" is legally defined as any ship of a gross tonnage of not less than 15 tonnes and neither designed nor adapted for use for recreation or pleasure. The customer is a business customer who belongs outside the UK (it does not matter what size the vessel is).
Up to 7 metres in length	Weekly	59.05	Zero Rated	0.00	59.05	60.80	Zero Rated	0.00	60.80	1.75	3%	
Up to 8 metres in length	Weekly	68.65	Zero Rated	0.00	68.65	70.70	Zero Rated	0.00	70.70	2.05	3%	
Up to 9 metres in length	Weekly	76.55	Zero Rated	0.00	76.55	78.85	Zero Rated	0.00	78.85	2.30	3%	
Up to 10 metres in length	Weekly	84.40	Zero Rated	0.00	84.40	86.95	Zero Rated	0.00	86.95	2.55	3%	
Up to 5 metres in length	Summer	309.50	Zero Rated	0.00	309.50	318.80	Zero Rated	0.00	318.80	9.30	3%	
Up to 6 metres in length	Summer	371.40	Zero Rated	0.00	371.40	382.55	Zero Rated	0.00	382.55	11.15	3%	
Up to 7 metres in length	Summer	433.30	Zero Rated	0.00	433.30	446.30	Zero Rated	0.00	446.30	13.00	3%	
Up to 8 metres in length	Summer	495.20	Zero Rated	0.00	495.20	510.05	Zero Rated	0.00	510.05	14.85	3%	
Up to 9 metres in length	Summer	557.15	Zero Rated	0.00	557.15	573.95	Zero Rated	0.00	573.95	16.70	3%	
Up to 10 metres in length	Summer	619.05	Zero Rated	0.00	619.05	637.60	Zero Rated	0.00	637.60	18.55	3%	
Up to 5 metres in length	Winter	225.10	Zero Rated	0.00	225.10	231.85	Zero Rated	0.00	231.85	6.75	3%	
Up to 6 metres in length	Winter	270.10	Zero Rated	0.00	270.10	278.20	Zero Rated	0.00	278.20	8.10	3%	
Up to 7 metres in length	Winter	315.15	Zero Rated	0.00	315.15	324.60	Zero Rated	0.00	324.60	9.45	3%	
Up to 8 metres in length	Winter	360.15	Zero Rated	0.00	360.15	370.95	Zero Rated	0.00	370.95	10.80	3%	
Up to 9 metres in length	Winter	405.20	Zero Rated	0.00	405.20	417.35	Zero Rated	0.00	417.35	12.15	3%	
Up to 10 metres in length	Winter	450.20	Zero Rated	0.00	450.20	463.70	Zero Rated	0.00	463.70	13.50	3%	
1a - Any ship or a gross tonnage less than 15 tonnes or used for recreation or pleasure - charge is subject to 20% VAT												
Up to 5 metres in length	Per visit up to 24 hours	7.25	Standard	1.45	8.70	7.46	Standard	1.49	8.95	0.25	3%	
Up to 6 metres in length	Per visit up to 24 hours	8.67	Standard	1.73	10.40	8.92	Standard	1.78	10.70	0.30	3%	
Up to 7 metres in length	Per visit up to 24 hours	10.04	Standard	2.01	12.05	10.33	Standard	2.07	12.40	0.35	3%	
Up to 8 metres in length	Per visit up to 24 hours	11.50	Standard	2.30	13.80	11.83	Standard	2.37	14.20	0.40	3%	
Up to 9 metres in length	Per visit up to 24 hours	12.96	Standard	2.59	15.55	13.33	Standard	2.67	16.00	0.45	3%	
Up to 10 metres in length	Per visit up to 24 hours	14.38	Standard	2.88	17.25	14.79	Standard	2.96	17.75	0.50	3%	
Over 10 metres in length - charge per metre	hours	1.46	Standard	0.29	1.75	1.50	Standard	0.30	1.80	0.05	3%	
Up to 5 metres in length	Weekly	35.88	Standard	7.18	43.05	36.96	Standard	7.39	44.35	1.30	3%	
Up to 6 metres in length	Weekly	43.04	Standard	8.61	51.65	44.33	Standard	8.87	53.20	1.55	3%	
Up to 7 metres in length	Weekly	50.21	Standard	10.04	60.25	51.71	Standard	10.34	62.05	1.80	3%	
Up to 8 metres in length	Weekly	58.38	Standard	11.68	70.05	60.13	Standard	12.03	72.15	2.10	3%	
Up to 9 metres in length	Weekly	65.04	Standard	13.01	78.05	67.00	Standard	13.40	80.40	2.35	3%	
Up to 10 metres in length	Weekly	71.75	Standard	14.35	86.10	73.92	Standard	14.78	88.70	2.60	3%	
Up to 5 metres in length	Summer	263.08	Standard	52.62	315.70	270.96	Standard	54.19	325.15	9.45	3%	
Up to 6 metres in length	Summer	315.71	Standard	63.14	378.85	325.17	Standard	65.03	390.20	11.35	3%	
Up to 7 metres in length	Summer	368.29	Standard	73.66	441.95	379.33	Standard	75.87	455.20	13.25	3%	
Up to 8 metres in length	Summer	420.92	Standard	84.18	505.10	433.54	Standard	86.71	520.25	15.15	3%	
Up to 9 metres in length	Summer	473.54	Standard	94.71	568.25	487.75	Standard	97.55	585.30	17.05	3%	
Up to 10 metres in length	Summer	526.21	Standard	105.24	631.45	542.00	Standard	108.40	650.40	18.95	3%	
Up to 5 metres in length	Winter	191.33	Standard	38.27	229.60	197.08	Standard	39.42	236.50	6.90	3%	
Up to 6 metres in length	Winter	229.58	Standard	45.92	275.50	236.46	Standard	47.29	283.75	8.25	3%	

Description	Other	2014/2015				2015/2016				Increase			Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%		
Up to 7 metres in length	Winter	267.88	Standard	53.58	321.45	275.92	Standard	55.18	331.10	9.65	3%		
Up to 8 metres in length	Winter	305.13	Standard	61.23	367.35	315.29	Standard	63.06	378.35	11.00	3%		
Up to 9 metres in length	Winter	344.42	Standard	68.88	413.30	354.75	Standard	70.95	425.70	12.40	3%		
Up to 10 metres in length	Winter	382.71	Standard	76.54	459.25	394.21	Standard	78.84	473.05	13.80	3%		
2 - Vessels actively engaged in a commercial undertaking. If registered:- per gross registered tonne (see comment 3). If not registered then:		0.30	Zero Rated	0.00	0.30	0.30	Zero Rated	0.00	0.30	0.00	0%		
Up to 5 metres in length	Per visit up to 24 hours	4.35	Zero Rated	0.00	4.35	4.50	Zero Rated	0.00	4.50	0.15	3%		
Up to 10 metres in length	Per visit up to 24 hours	8.65	Zero Rated	0.00	8.65	8.90	Zero Rated	0.00	8.90	0.25	3%		
Up to 15 metres in length	Per visit up to 24 hours	13.00	Zero Rated	0.00	13.00	13.40	Zero Rated	0.00	13.40	0.40	3%		
Up to 20 metres in length	Per visit up to 24 hours	17.25	Zero Rated	0.00	17.25	17.75	Zero Rated	0.00	17.75	0.50	3%		
Up to 25 metres in length	Per visit up to 24 hours	21.60	Zero Rated	0.00	21.60	22.25	Zero Rated	0.00	22.25	0.65	3%		
Up to 30 metres in length	Per visit up to 24 hours	26.25	Zero Rated	0.00	26.25	27.05	Zero Rated	0.00	27.05	0.80	3%		
Over 30 metres in length - charge per metre	Per visit up to 24 hours	0.95	Zero Rated	0.00	0.95	1.00	Zero Rated	0.00	1.00	0.05	5%		
Up to 5 metres in length	Weekly	21.25	Zero Rated	0.00	21.25	21.90	Zero Rated	0.00	21.90	0.65	3%		
Up to 10 metres in length	Weekly	42.55	Zero Rated	0.00	42.55	43.85	Zero Rated	0.00	43.85	1.30	3%		
Up to 15 metres in length	Weekly	63.70	Zero Rated	0.00	63.70	65.60	Zero Rated	0.00	65.60	1.90	3%		
Up to 20 metres in length	Weekly	85.55	Zero Rated	0.00	85.55	88.10	Zero Rated	0.00	88.10	2.55	3%		
Up to 25 metres in length	Weekly	106.90	Zero Rated	0.00	106.90	110.10	Zero Rated	0.00	110.10	3.20	3%		
Up to 30 metres in length	Weekly	128.30	Zero Rated	0.00	128.30	132.15	Zero Rated	0.00	132.15	3.85	3%		
Up to 5 metres in length	Summer	157.60	Zero Rated	0.00	157.60	162.35	Zero Rated	0.00	162.35	4.75	3%		
Up to 10 metres in length	Summer	315.15	Zero Rated	0.00	315.15	324.60	Zero Rated	0.00	324.60	9.45	3%		
Up to 15 metres in length	Summer	472.70	Zero Rated	0.00	472.70	486.90	Zero Rated	0.00	486.90	14.20	3%		
Up to 20 metres in length	Summer	630.25	Zero Rated	0.00	630.25	649.15	Zero Rated	0.00	649.15	18.90	3%		
Up to 25 metres in length	Summer	787.85	Zero Rated	0.00	787.85	811.50	Zero Rated	0.00	811.50	23.65	3%		
Up to 30 metres in length	Summer	945.45	Zero Rated	0.00	945.45	973.80	Zero Rated	0.00	973.80	28.35	3%		
Up to 5 metres in length	Winter	112.55	Zero Rated	0.00	112.55	115.95	Zero Rated	0.00	115.95	3.40	3%		
Up to 10 metres in length	Winter	225.10	Zero Rated	0.00	225.10	231.85	Zero Rated	0.00	231.85	6.75	3%		
Up to 15 metres in length	Winter	337.65	Zero Rated	0.00	337.65	347.80	Zero Rated	0.00	347.80	10.15	3%		
Up to 20 metres in length	Winter	450.20	Zero Rated	0.00	450.20	463.70	Zero Rated	0.00	463.70	13.50	3%		
Up to 25 metres in length	Winter	562.75	Zero Rated	0.00	562.75	579.65	Zero Rated	0.00	579.65	16.90	3%		
Up to 30 metres in length	Winter	675.30	Zero Rated	0.00	675.30	695.55	Zero Rated	0.00	695.55	20.25	3%		
3 - All vessels operating a scheduled ferry or pleasure service per gross registered tonne. Bruichladdich Pier only - per gross registered tonne.		0.0824	Zero Rated	0.00	0.0824	0.0850	Zero Rated	0.00	0.0850	0.00	0%		
Unmanned Pier		0.0824	Zero Rated	0.00	0.0824	0.0850	Zero Rated	0.00	0.0850	0.00	0%		
4 - Vessels regularly engaged in commercial fishing and paying appropriate fish landing dues to Council.													
Up to 10 metres in length	Per visit up to 24 hours	2.00	Zero Rated	0.00	2.00	2.05	Zero Rated	0.00	2.05	0.05	3%		
Up to 15 metres in length	Per visit up to 24 hours	2.90	Zero Rated	0.00	2.90	3.00	Zero Rated	0.00	3.00	0.10	3%		
Up to 20 metres in length	Per visit up to 24 hours	3.95	Zero Rated	0.00	3.95	4.05	Zero Rated	0.00	4.05	0.10	3%		
Up to 25 metres in length	Per visit up to 24 hours	4.90	Zero Rated	0.00	4.90	5.05	Zero Rated	0.00	5.05	0.15	3%		
Up to 30 metres in length	Per visit up to 24 hours	5.85	Zero Rated	0.00	5.85	6.05	Zero Rated	0.00	6.05	0.20	3%		
Over 30 metres in length - charge per metre	Per visit up to 24 hours	0.30	Zero Rated	0.00	0.30	0.30	Zero Rated	0.00	0.30	0.00	0%		
Up to 10 metres in length	Weekly	10.00	Zero Rated	0.00	10.00	10.30	Zero Rated	0.00	10.30	0.30	3%		
Up to 15 metres in length	Weekly	15.05	Zero Rated	0.00	15.05	15.50	Zero Rated	0.00	15.50	0.45	3%		
Up to 20 metres in length	Weekly	20.00	Zero Rated	0.00	20.00	20.60	Zero Rated	0.00	20.60	0.60	3%		
Up to 25 metres in length	Weekly	25.10	Zero Rated	0.00	25.10	25.85	Zero Rated	0.00	25.85	0.75	3%		
Up to 30 metres in length	Weekly	29.90	Zero Rated	0.00	29.90	30.80	Zero Rated	0.00	30.80	0.90	3%		
Up to 10 metres in length	Annual charge	260.45	Zero Rated	0.00	260.45	268.25	Zero Rated	0.00	268.25	7.80	3%		
Up to 15 metres in length	Annual charge	390.70	Zero Rated	0.00	390.70	402.40	Zero Rated	0.00	402.40	11.70	3%		
Up to 20 metres in length	Annual charge	519.45	Zero Rated	0.00	519.45	535.05	Zero Rated	0.00	535.05	15.60	3%		
Up to 25 metres in length	Annual charge	652.55	Zero Rated	0.00	652.55	672.15	Zero Rated	0.00	672.15	19.60	3%		
Up to 30 metres in length	Annual charge	778.40	Zero Rated	0.00	778.40	801.75	Zero Rated	0.00	801.75	23.35	3%		

updated - now rounded to 4 decimal places
updated - now rounded to 4 decimal places

Description	2014/2015			2015/2016			Increase		Notes/Comments
	Net £	VAT £	Gross £	VAT Rate	VAT £	Gross £	£	%	
Other									

In relation to the foregoing charges, the Executive Director - Development and Infrastructure, where he considers it to be in the commercial interests of the Council and after consultation with the relevant Policy Lead and the Head of Strategic Finance, is authorised to negotiate and agree variations of the foregoing charges for individual users or classes of users of the facilities and the charges as varied shall be applied to such use as the Executive Director - Development and Infrastructure shall deem appropriate. In addition, the Executive Director -Development and Infrastructure is authorised, after consultation with the relevant Policy Lead and the Head of Strategic Finance, to put in place a suitable booking procedures for harbour and airport facilities and to take into account, inter alia, the level of bookings made by individual users or classes of users when agreeing variations of the foregoing charges with individual users or classes of users.

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
AIRFIELD CHARGES												Standard Landing Charges - Applicable to all types of operation (including "Touch and Go" and circuits) MTWA = Maximum Take-Off Weight Authorised
Standard Landing Charges - up to 500kg MTWA		6.67	Standard	1.33	8.00	6.67	Standard	1.33	8.00	0.00	0%	Charge for ultra lights and flexwings Landing Charge Rebates - Only Available if full payment is made prior to final departure or approved credit facilities have been agreed.
Standard Landing Charges - 501kg to to 1000kg MTWA		10.00	Standard	2.00	12.00	10.00	Standard	2.00	12.00	0.00	0%	
Standard Landing Charges - 1001kg to 1500kg MTWA		14.15	Standard	2.83	17.00	15.00	Standard	3.00	18.00	1.00	6%	A) Based Aircraft Private aircraft - 50% discount, Flying School aircraft on training flights - 75% discount, Other aircraft on training flights - 75% discount (applicable to public transport operator training or private aircraft when being used for bona fide training course .
Standard Landing Charges - 1501kg to 2000kg MTWA		20.00	Standard	4.00	24.00	20.83	Standard	4.17	25.00	1.00	4%	B) Visiting Aircraft on Training Flights First landing - full rate, Subsequent landings - 50% discount
Standard Landing Charges - 2001kg to 2500kg MTWA		25.00	Standard	5.00	30.00	25.83	Standard	5.17	31.00	1.00	3%	C) Cargo Aircraft Empty or Loaded - 20% discount.
Standard Landing Charges - 2501kg to 3000kg MTWA		34.15	Standard	6.83	41.00	35.00	Standard	7.00	42.00	1.00	2%	Safety-related Diversionary Landing (AOPA Scheme). The Council is prepared to consider requests for waiver of charges from a General Aviation (GA) pilot who makes a general safety-related diversionary landing. This waiver only applies to domestic GA traffic. The council reserves the right to opt out of the AOPA scheme at any time subject to three month's notice being given to AOPA by the council. Eligibility for waiver will be based on the same criteria as for a light aircraft landing fee. i.e. private flight in accordance with Article 255 of the ANO 2009.
Standard Landing Charges - 3001kg to 3500kg MTWA		45.00	Standard	9.00	54.00	46.67	Standard	9.33	56.00	2.00	4%	
Standard Landing Charges - 3501kg to 4000kg MTWA		55.00	Standard	11.00	66.00	56.67	Standard	11.33	68.00	2.00	3%	
Standard Landing Charges - 4001kg to 4500kg MTWA		64.15	Standard	12.83	77.00	65.83	Standard	13.17	79.00	2.00	3%	Flying Clubs, The council may negotiate agreements for reduced landing charges for flights made for the purpose of the clubs at an airport but not flights made for hire or reward outside the normal range or scope of club activities. These charges will increase on an annual basis - as a minimum - by the agreed Council Inflation Rate.
Standard Landing Charges - 4501kg to 5000kg MTWA		75.00	Standard	15.00	90.00	77.50	Standard	15.50	93.00	3.00	3%	
Standard Landing Charges - Over 5000kg MTWA - per additional 500g or part thereof		10.00	Standard	2.00	12.00	10.00	Standard	2.00	12.00	0.00	0%	
Standard Landing Fee for Coll and Colonsay		8.00		0.00	8.00	6.67	Standard	1.33	8.00	0.00	0%	

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
Flights outside normal hours of availability (Air Ambulance/Search and Rescue) - Oban		333.34	Standard	66.67	400.00	343.33	Standard	68.67	412.00	12.00	3%	Flights outside normal hours of availability as described in the UK AIP and on the airport website whereby the type of flight requires a Licensed Aerodrome. Where flights are made outside of these hours by arrangement with the Council, an out of hours charge will be payable in accordance with these rates or such rates as agreed with the Council at the time of the arrangement. The rates notes are subject to a minimum charge equivalent to 2 hours. Note: an extension of up to one hour immediately following normal opening hours would incur a charge at 50% of the normal hourly rate i.e. £206.48hr notice minimum for out of hours availability. Coll and Colonsay - helicopter fire cover only.
Flights outside normal hours of availability (Air Ambulance/Search and Rescue) - Coll and Colonsay		166.65	Standard	33.33	200.00	171.67	Standard	34.33	206.00	6.00	3%	
Flights outside normal hours of availability (Air Ambulance/Search and Rescue) - Glentworth	NOT AVAILABLE - EXCEPT FOR EMERGENCY FLIGHTS BY ARRANGEMENT - NO CHARGE	Other		0.00	0.00	0.00		0.00	0.00	0.00	0%	
Flights outside normal hours of availability (Air Ambulance/Search and Rescue) - Indennity Certificate		33.35	Standard	6.67	40.00	34.17	Standard	6.83	41.00	1.00	3%	
Aircraft Parking charges (for a period of 24 hours or part thereof) - First 24 hours	NO CHARGE	Other	standard	0.00	0.00	0.00		0.00	0.00	0.00	0%	No charge.
Aircraft Parking charges (for a period of 24 hours or part thereof) Thereafter - Not exceeding 5 tonnes MTWA - charge is per 500kg or part thereof		1.25	Standard	0.25	1.50	1.25	Standard	0.25	1.50	0.00	0%	Weekly Parking Permit - applications may be made to the Station Manager for the purchase of these at a discounted rate (20% reduction). Arrangement and payment must be made in advance of the aircraft parking fee arrangement period.
Aircraft Parking charges (for a period of 24 hours or part thereof) Thereafter - over 5 tonnes MTWA - charge is per 500kg or part thereof		2.50	Standard	0.50	3.00	2.50	Standard	0.50	3.00	0.00	0%	The Council may at any time order an aircraft operator either to move a parked aircraft to another position or remove it from the airport. Failure to comply with the order within the period specified in it will render the operator liable to this charge.
Aircraft Parking charges - Refusal of Instruction to move/remove parked aircraft - Charge per day (plus the standard aircraft parking charge noted above)		37.50	Standard	7.50	45.00	38.33	Standard	7.67	46.00	1.00	2%	Amount payable for each departing passenger over 2 years old on a Public Transport Flight.
Passenger Load Supplement (inclusive of Security Charge if Applicable) Domestic and International		8.50	Exempt	0.00	8.50	8.50	Exempt	0.00	8.50	0.00	0%	
Cargo throughput charge	NIL	Other	standard	0.00	0.00	0.00	Standard	0.00	0.00	0.00	0%	Permit available on application from the Station Manager. All vehicles proceeding airside must have the minimum level of insurance as specified by the Council (details on request).
Vehicle Permits - Airside Vehicle Permit		0.00	Standard	0.00	0.00	0.00	Standard	0.00	0.00	0.00	0%	
Damage to Airport Property - Where an airport user damages airport property (for which the avoidance of doubt includes, but is not limited to, the runway, buildings, security barriers and fences) the Council shall have the right to recharge the user for any and all reasonable costs incurred by the Council. This includes, but is not limited to make good materials, vehicles, manpower, equipment etc., deemed necessary to make good the damage.		0.00		0.00	0.00	0.00		0.00	0.00	0.00	0%	

Description	Other	2014/2015			2015/2016			Increase		Notes/Comments		
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £		£	%
Temporary Traffic Regulation Orders - Provision of Temporary TRO		640.00	Exempt	0.00	640.00	660.00	Exempt	0.00	660.00	20.00	3%	"Plus cost of advert" 1 - Temporary Traffic Regulation Orders (TTRO) costs should be met in full by the organiser promoting the event. Event organisers have the option to make a grant application to the local committee for their costs to cover the TTRO. Alternatively event organisers shall recover the costs of the TTRO from the event. Fees include minimal administration costs from the Council and advertising costs from local newspapers.
Temporary Traffic Regulation Orders - Provision of Temporary TRO for Annual Events (2nd year and thereafter)		320.00	Exempt	0.00	320.00	330.00	Exempt	0.00	330.00	10.00	3%	
Temporary Traffic Regulation Orders - Provision of Extension of Temporary TRO		320.00	Exempt	0.00	320.00	330.00	Exempt	0.00	330.00	10.00	3%	
Temporary Traffic Regulation Orders - Provision of Emergency Notice TRO		320.00	Exempt	0.00	320.00	330.00	Exempt	0.00	330.00	10.00	3%	
Controlled Signing - Removal of Illegal Signs	AT-COST	12.00	Exempt	0.00	12.00	12.00	Exempt	0.00	12.00	0.00	0%	
Scaffoldings & Hoardings - Fees for Licence		65.00	Exempt	0.00	65.00	67.00	Exempt	0.00	67.00	2.00	3%	Per 4 weeks
Scaffoldings & Hoardings - Extension of the licence		27.00	Exempt	0.00	27.00	28.00	Exempt	0.00	28.00	1.00	4%	One off charge for extension + £13 per week or part thereof.
Builders skips placed on the Road - consideration of Licence		20.00	Exempt	0.00	20.00	21.00	Exempt	0.00	21.00	1.00	5%	
Provision of signing and guarding	AT-COST + 12.5%		Standard				Standard					
Permission to open up the Road by non Statutory Organisations - Commercial		160.83	Standard	32.17	193.00	165.83	Standard	33.17	199.00	6.00	3%	For each and every opening. To be charged at commercial rate unless advised differently by Roadspace Manager.
Permission to open up the Road by non Statutory Organisations - Residential		81.67	Standard	16.33	98.00	84.17	Standard	16.83	101.00	3.00	3%	
Permission to erect Traffic Signals on Roads (1 Month)		56.67	Standard	11.33	68.00	58.33	Standard	11.67	70.00	2.00	3%	
Permission to erect Traffic Signals on Roads (Up to 3 Months)		113.33	Standard	22.67	136.00	116.67	Standard	23.33	140.00	4.00	3%	
Permission to erect Temporary Signs for Events (Up to 3 Months)		56.67	Standard	11.33	68.00	58.33	Standard	11.67	70.00	2.00	3%	This is for assessment and Permission.
Permission to erect Sign for New Development (Up to 12 Months)		283.33	Standard	56.67	340.00	291.67	Standard	58.33	350.00	10.00	3%	Not supply and erection.
Permission to occupy part of the road for Pavement Café etc. (First Year)		141.67	Standard	28.33	170.00	145.83	Standard	29.17	175.00	5.00	3%	
Permission to occupy part of the road for Pavement Café etc. (Renewal)		48.33	Standard	9.67	58.00	50.00	Standard	10.00	60.00	2.00	3%	
RCC Inspections (per RCC)		36.67	Standard	7.33	44.00	37.50	Standard	7.50	45.00	1.00	2%	£43.00 per £1,000 of Road Bond Value. Option of Time in Line to be available.
RCC Processing (Initial Application + 1 Review)	NIL	Other										
RCC Processing (Further Reviews)	STAFF COSTS + ON-COSTS	Other										
Street Works Register Fines - Fines are levied at a cost of £ per breach		120.00	Exempt	0.00	120.00	120.00	Exempt	0.00	120.00	0.00	0%	Staff Costs + On costs for Sub Standard Application Street Works Register - Fines - Fines are only levied against Utility Companies if they breach the recording of road openings on the Street Works Register. As determined by the Network and Environment Unit's Roadspace Manager.
This fine can be reduced to £ if paid within 30 days		80.00	Exempt	0.00	80.00	80.00	Exempt	0.00	80.00	0.00	0%	
Road Inspections as a result of Road Openings - 1st Inspection	STATUTORY CHARGE	36.00	Exempt	0.00	36.00	36.00	Exempt	0.00	36.00	0.00	0%	These charges are set by Roads Authority and Utility Committee (Scotland). 2014/15
Road Inspections as a result of Road Openings - Further Inspections (each inspection)	STATUTORY CHARGE	36.00	Exempt	0.00	36.00	36.00	Exempt	0.00	36.00	0.00	0%	charge is out for consultation at the current time.

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
Removal of materials from Road	AT COST + 12.5%	Other										
Re-locating Street Lights or Other Street Furniture	AT COST + 12.5%	Other										
Site Clearance after Accidents	AT COST + 12.5%	Other										
Salt Bins	AT COST + REFILL	Other										

Description PARKING	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
Oban Car Parks (Except Corran No.1) Helensburgh including Pier Area A, Dunoon, Rothesay, Craignure	Per 15 mins up to 4 hrs	0.17	Standard	0.03	0.20	0.17	Standard	0.03	0.20	0.00	0%	No increase at the moment, review to be undertaken.
	Per 30 mins up to 4 hrs	0.33	Standard	0.07	0.40	0.33	Standard	0.07	0.40	0.00	0%	
	Per 45 mins up to 4 hrs	0.50	Standard	0.10	0.60	0.50	Standard	0.10	0.60	0.00	0%	
	Per 60 mins up to 4 hrs	0.67	Standard	0.13	0.80	0.67	Standard	0.13	0.80	0.00	0%	
	Per hour thereafter -4 to 10hrs	0.67	Standard	0.13	0.80	0.67	Standard	0.13	0.80	0.00	0%	
	Quarterly Season	96.67	Standard	19.33	116.00	96.67	Standard	19.33	116.00	0.00	0%	
	6 Monthly Season	180.00	Standard	36.00	216.00	180.00	Standard	36.00	216.00	0.00	0%	
	9 Monthly Season	259.17	Standard	51.83	311.00	259.17	Standard	51.83	311.00	0.00	0%	
	Annual Season	339.17	Standard	67.83	407.00	339.17	Standard	67.83	407.00	0.00	0%	
	Per 15 mins - Maximum 4 hrs	0.17	Standard	0.03	0.20	0.17	Standard	0.03	0.20	0.00	0%	
	Per 30 mins - Maximum 4 hours	0.33	Standard	0.07	0.40	0.33	Standard	0.07	0.40	0.00	0%	
	Per 45 mins - Maximum 4 hours	0.50	Standard	0.10	0.60	0.50	Standard	0.10	0.60	0.00	0%	
	Per 60 mins - Maximum 4 hours	0.67	Standard	0.13	0.80	0.67	Standard	0.13	0.80	0.00	0%	
	0 to 8 hours	0.92	Standard	0.18	1.10	0.92	Standard	0.18	1.10	0.00	0%	
8 to 24 hours	8.33	Standard	1.67	10.00	8.33	Standard	1.67	10.00	0.00	0%		
per hour	0.25	Standard	0.05	0.30	0.25	Standard	0.05	0.30	0.00	0%		
per day	0.83	Standard	0.17	1.00	0.83	Standard	0.17	1.00	0.00	0%		
Per 15 mins - up to 4 hrs	0.17	Standard	0.03	0.20	0.17	Standard	0.03	0.20	0.00	0%		
Per 30 mins - up to 4 hours	0.33	Standard	0.07	0.40	0.33	Standard	0.07	0.40	0.00	0%		
Per 45 mins - up to 4 hours	0.50	Standard	0.10	0.60	0.50	Standard	0.10	0.60	0.00	0%		
Per 60 mins - up to 4 hours	0.67	Standard	0.13	0.80	0.67	Standard	0.13	0.80	0.00	0%		
Per hour thereafter -4 to 10hrs	0.58	Standard	0.12	0.70	0.58	Standard	0.12	0.70	0.00	0%		
Seasonal Period	75.00	Standard	15.00	90.00	75.00	Standard	15.00	90.00	0.00	0%		
Per hour - up to 10 hours	0.67	Standard	0.13	0.80	0.67	Standard	0.13	0.80	0.00	0%		
Per hour - 0 to 4 hours	0.25	Standard	0.05	0.30	0.25	Standard	0.05	0.30	0.00	0%		
Half Day	0.83	Standard	0.17	1.00	0.83	Standard	0.17	1.00	0.00	0%		
Daily	1.67	Standard	0.33	2.00	1.67	Standard	0.33	2.00	0.00	0%		
Statutory Charge Paid within 14 days	0.00	Zero Rated	0.00	0.00	30.00	Zero Rated	0.00	30.00	30.00	0%	PCNs are statutory charges and the level is set by the Scottish Government	
Statutory Charge Paid after 14 days	0.00	Zero Rated	0.00	0.00	60.00	Zero Rated	0.00	60.00	60.00	0%		

Description	Other	2014/2015				2015/2016				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
On Street Parking - Inner Zone	Per 40 mins - Limited to 2 hours maximum	0.80	Zero Rated	0.00	0.80	0.80	Zero Rated	0.00	0.80	0.00	0%	
On Street Parking - Outer Zone	Per 40 mins - Limited to 4 hours maximum	0.80	Zero Rated	0.00	0.80	0.80	Zero Rated	0.00	0.80	0.00	0%	
Residents Permit	Annual Charge	80.00	Zero Rated	0.00	80.00	80.00	Zero Rated	0.00	80.00	0.00	0%	
Staff Permits - Municipal Buildings - Oban	Quarterly Charge	29.00	Zero Rated	0.00	29.00	29.00	Zero Rated	0.00	29.00	0.00	0%	
	Annual	67.08	Standard	13.42	80.50	67.08	Standard	13.42	80.50	0.00	0%	

COUNCIL WIDE CHARGES		2013/2014			2014/2015			Increase		Notes/Comments
		Net £	VAT £	Gross £	Net £	VAT £	Gross £	£	%	
Description	Other									
	Photocopying/Printing A4 (black & white) per side	0.15	0.00	0.15	0.15	0.00	0.15	0.00	0%	Standard Rate across Council
	Photocopying/Printing A4 (coloured) per side	0.30	0.00	0.30	0.30	0.00	0.30	0.00	0%	Standard Rate across Council
	Photocopying/Printing - Colour - per side (A3)	0.60	0.00	0.60	0.60	0.00	0.60	0.00	0%	Standard Rate across Council
	Photocopying/Printing - Black and White - per side (A3)	0.30	0.00	0.30	0.30	0.00	0.30	0.00	0%	Standard Rate across Council
	Fax - minimum charge (less than 10 seconds)	0.25	0.00	0.25	0.25	0.00	0.25	0.00	0%	Standard Rate across Council
	Fax - rate per 10seconds thereafter	0.05	0.00	0.05	0.05	0.00	0.05	0.00	0%	Standard Rate across Council
	Fax - receiving per sheet (libraries)	0.60	0.00	0.60	0.60	0.00	0.60	0.00	0%	Standard Rate across Council

REVENUE BUDGET MONITORING REPORT – DECEMBER 2014-15

Overall Position:

- The current forecast outturn position is a projected underspend of £202k, the previously reported position in the October period was a projected overspend of £914k, reflecting a £1,116k reduction to the previously reported overspend.
- There is a year to date deficit of £981k with the profiled Year to Date budget being less than the Year to Date expenditure.

Key Highlights for December 2014:

- In the December period the projected year-end outturn position is an underspend of £202k, this position will be monitored and any changes reported through monthly budget monitoring.
- The year to date variance has decreased from a year to date surplus of £6,047k in October to a year to date deficit of £981k in December, further information on year to date variances is included in the departmental financial summaries.

Key Financial Successes:

Departmental expenditure for 2013-14 was kept within budget, with an underspend of £0.842m for controllable spend across departments. The General Fund balance decreased by £2.097m in 2013-14, this is a reduction to the forecast position and includes £10.427m of revenue expenditure funded from the General Fund during 2013-14. This is despite having significant challenges to meet with implementing savings. Departments are on track to meet the savings target for 2014-15 and are developing plans to meet 2015-16 targets.

Key Financial Challenges:

Maintaining favourable year-end balanced position in light of council wide risks to expenditure.

Ongoing requirement to identify savings and the challenges services are faced with in terms of delivering services more efficiently with less resources.

Maintaining or improving the level of service income recovered, for example planning, building standards and car parking.

Spend in service areas which are demand led and to some extent outwith service control, for example Winter Maintenance.

Ongoing requirement to fund unavoidable increases in employee costs, particularly in relation to pay awards, holiday pay entitlements, disturbance payments and changes in rules around pension and national insurance contributions.

Proposed Actions to address Financial Challenges:

Ongoing robust monitoring of the financial position to ensure that any budget issues are fed back to the management team and members through the budget monitoring process.

Continually refine/develop systems to accurately calculate forecast outturns and the future financial outlook.

Actively monitor income recovery as part of routine budget monitoring and ensure Council fees and charges policies are reviewed.

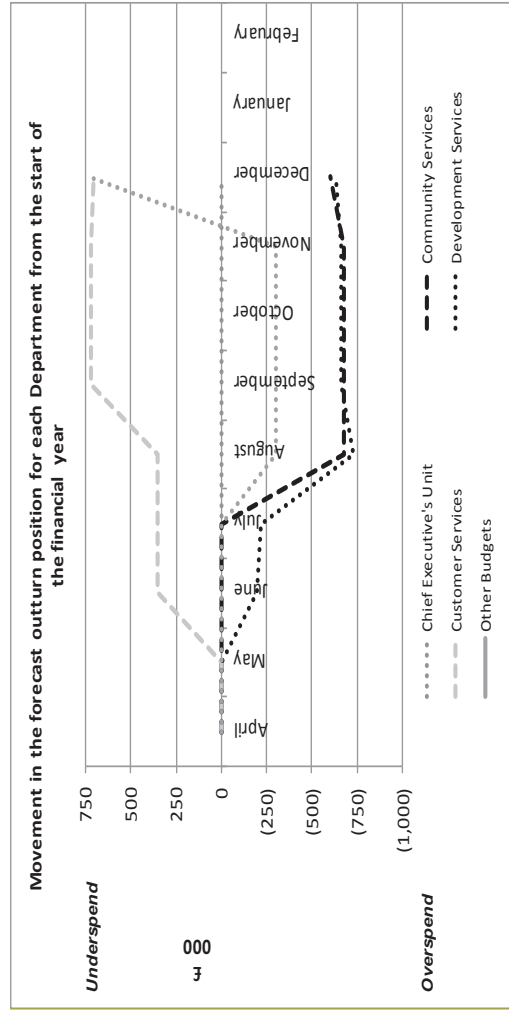
Use risk based approach to budget monitoring to focus additional attention to these areas, ensuring any financial implications are reported as soon as possible.

Ongoing work with HR to ensure emerging issues are highlighted as soon as possible so that the financial impact can be reported through the budget monitoring and preparation processes.

Forecast Outturn Position

As at the end of December 2014 the forecast outturn position is a projected underspend of £202k.

Current Forecast Outturn Variance with change from previous month						
Department	Annual Budget £'000	Forecast Outturn £'000	Current Forecast Variance £'000	Previous Forecast Variance £'000	Change £'000	Explanation
Chief Executive's Unit	2,118	2,118	0	0	0	Forecast overspend within Community Services relates to an overspend within Adult Care as a result of increasing demand, holiday pay costs and an overspend in central repairs for leisure facilities, these are partly offset by a forecast underspend in early years for the expansion of pre school provision. Forecast underspend in Customer Services is mainly in relation to School and Public Transport in addition to over recovery of vacancy savings, other staff savings and savings in Pool Cars and external cleaning and catering contracts. Forecast overspend in Development and Infrastructure relates to remaining unplanned expenditure within Coastal Protection, a shortfall in commercial refuse collection income and car park income, increased costs of Glasgow Scientific Services and holiday pay costs all partly offset by increased planning fee and private landlord registration income and an over-recovery of vacancy savings. The forecast underspend in other corporate budgets is in relation to the expected outturn for utility costs across all services, this is a result of lower than expected inflationary increases to costs. The previous projected overspend of £300k in relation to the recent ruling about holiday pay entitlement, has been transferred into individual departmental projections as there will be an expectation that departments will absorb this cost pressure from within existing budgets where possible.
Community Services	138,031	138,636	(605)	(674)	69	
Customer Services	39,047	38,344	703	723	(20)	
Development and Infrastructure Services	31,093	31,725	(632)	(663)	31	
Other Corporate Budgets	37,757	37,021	736	(300)	1,036	
Total	248,046	247,844	202	(914)	1,116	



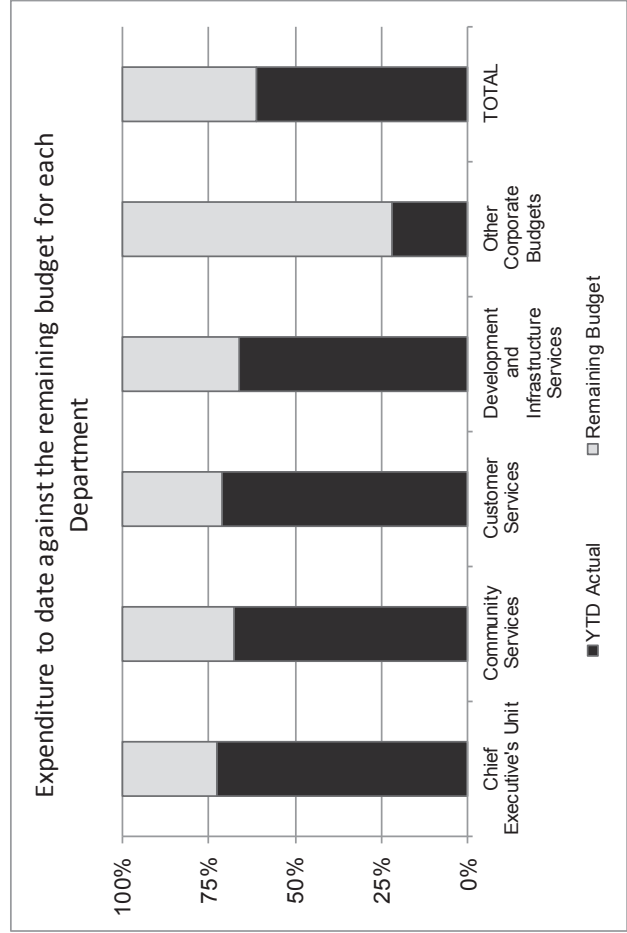
Further information on the departmental forecast outturn variances is included within the attached appendices.

Year to Date Position

As at the end of December 2014 there is a year to date deficit of £981k. The year to date position is not necessarily an indication of the likely year-end position.

The current year to date variance position for each Department:

Department	YTD Budget £'000	YTD Actual Spend £'000	YTD Variance £'000	Explanation
Chief Executive's Unit	1,569	1,543	26	Outwith reporting criteria
Community Services	97,330	93,889	3,441	YTD underspend is mainly due to the profiling of budgets in Education, mainly for recharges from Customer Services for school catering costs, these will be addressed over the coming month as the allocation basis is reviewed and re-aligned.
Customer Services	24,317	27,875	(3,558)	YTD overspend is mainly due to the profiling of income budgets in Facility Services for school catering costs which are recharged to Community Services. The allocation basis requires to be reviewed and re-aligned, this will be addressed in the January monitoring period.
Development and Infrastructure Services	19,977	20,602	(625)	YTD overspend position is in line with forecast overspend position for the year end.
Other Corporate Budgets	7,972	8,237	(265)	YTD underspend relates mainly to Agency Accounts held by Development and Infrastructure. These accounts are set up to administer projects that are fully funded by way of grants and contributions and no budgets are created for these.
Total Net Expenditure	151,165	152,146	(981)	



Further information on the departmental year to date variances is included within the attached appendices.

OBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 31 DECEMBER 2014

	YEAR TO DATE POSITION			CURRENT PROJECTED FINAL OUTTURN				
	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
Departmental Budgets								
Chief Executives	1,569	1,543	26	1.66%	2,118	2,118	0	0.00%
Community Services	97,330	93,889	3,441	3.54%	138,031	138,636	(605)	(0.44%)
Customer Services	24,317	27,875	(3,558)	(14.63%)	39,047	38,344	703	1.80%
Development and Infrastructure Services	19,977	20,602	(625)	(3.13%)	31,093	31,725	(632)	(2.03%)
Total Departmental Budgets	143,193	143,909	(716)	(0.50%)	210,289	210,823	(534)	(0.25%)
Non-Departmental Budgets								
Other Operating Income and Expenditure	2,491	2,761	(270)	(10.84%)	3,979	3,243	736	18.50%
Joint Boards	1,032	1,011	21	2.03%	1,376	1,376	0	0.00%
Non-Controllable Costs	4,449	4,465	(16)	100.00%	32,402	32,402	0	0.00%
Total Non-Departmental Budgets	7,972	8,237	(265)	(3.32%)	37,757	37,021	736	1.95%
TOTAL NET EXPENDITURE	151,165	152,146	(981)	(0.65%)	248,046	247,844	202	0.08%
Financed By								
Aggregate External Finance	(127,965)	(127,965)	0	0.00%	(204,935)	(204,935)	0	0.00%
Local Tax Requirement	(38,167)	(38,167)	0	0.00%	(40,700)	(40,700)	0	0.00%
Contributions to General Fund	0	0	0	0.00%	1,020	1,020	0	0.00%
Deductions from General Fund	0	0	0	0.00%	(15)	(15)	0	0.00%
Revenue Contribution to Capital	0	0	0	0.00%	869	869	0	0.00%
Earmarked Reserves	0	0	0	0.00%	(4,285)	(4,285)	0	0.00%
Total Funding	(166,132)	(166,132)	0	0.00%	(248,046)	(248,046)	0	0.00%
Deficit/(Surplus) for Period	(14,967)	(13,986)	(981)		0	(202)	202	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

SUBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 31 DECEMBER 2014

Subjective Category	YEAR TO DATE POSITION			CURRENT PROJECTED FINAL OUTTURN				
	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
Employee Expenses	95,079	96,260	(1,181)	(1.24%)	133,404	133,380	24	0.02%
Premises Related Expenditure	11,675	11,113	562	4.81%	17,004	16,235	770	4.53%
Supplies and Services	17,382	13,731	3,651	21.00%	23,516	23,585	(69)	(0.29%)
Transport Related Expenditure	9,771	10,063	(292)	(2.99%)	21,109	21,394	(285)	(1.35%)
Third Party Payments	90,325	92,318	(1,993)	(2.21%)	129,115	129,110	5	0.00%
Capital Financing	0	(1,672)	1,672	0.00%	27,950	27,950	0	0.00%
TOTAL NET EXPENDITURE	224,232	221,813	2,419	1.08%	352,099	351,655	444	0.13%
Income	239,199	235,799	3,400	1.42%	352,099	351,857	242	0.07%
Deficit/(Surplus) for Period	(14,967)	(13,986)	(981)		0	(202)	202	

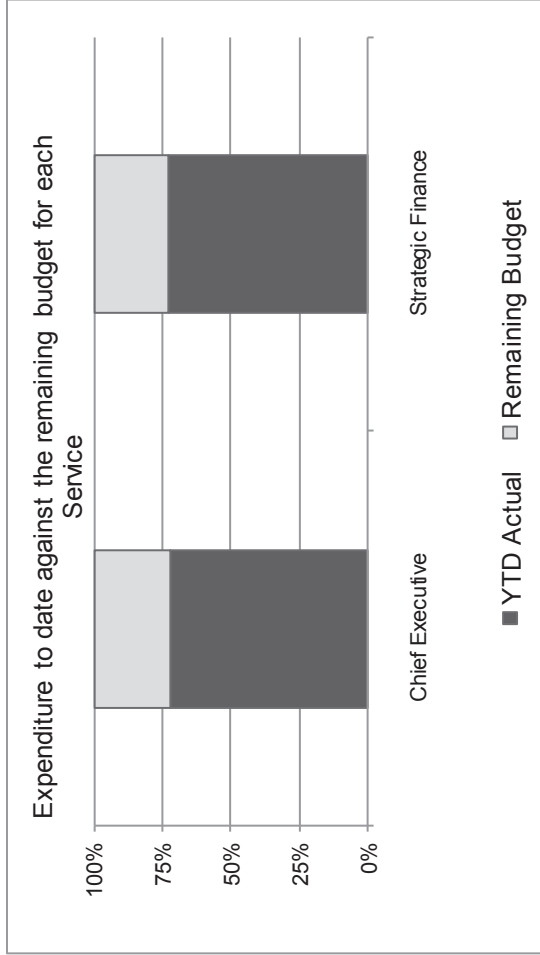
YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far. Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year. The Variance is the difference between budget and actual or forecast outturn. A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget. A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget. An explanation is given for any variance which exceeds £50,000 or 10%.

CHIEF EXECUTIVE'S UNIT HIGHLIGHTS – DECEMBER 2014

- The department are currently forecasting spend for 2014-15 to be in line with budget, therefore no forecast variance outturns have been reported in the December monitoring period.
- Net expenditure for the year to date spend is £26k less than the profiled to date budget – an underspend to date of 1.66%

Forecast Outturn Position

Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Chief Executive	246	246	0	0	0
Strategic Finance	1,871	1,871	0	0	0
Totals	2,118	2,118	0	0	0



Year to Date Position

Key Financial Successes:

2013-14 year-end outturn position was an underspend of £97k, a forecast underspend was projected as part of routine budget monitoring. All savings for 2014-15 have been secured and plans are in place to achieve the 2015-16 savings.

Key Financial Challenges:

Achieving efficiency and other savings in future years. The department consists of support services, the main assets and costs of a support service are people or employees. The continued requirement to meet savings means that the only area where budget can be cut is from employee costs. Services could face losing posts with no reduction in demand for support from client departments.

Proposed Actions to address Financial Challenges:

Ongoing robust monitoring to ensure financial issues are promptly highlighted to the service management team. Continually refine/develop staffing structures and systems. Strategic Finance are currently reviewing different areas of business to ensure work is prioritised in line with Council priorities and that tasks are carried out in the most efficient way.

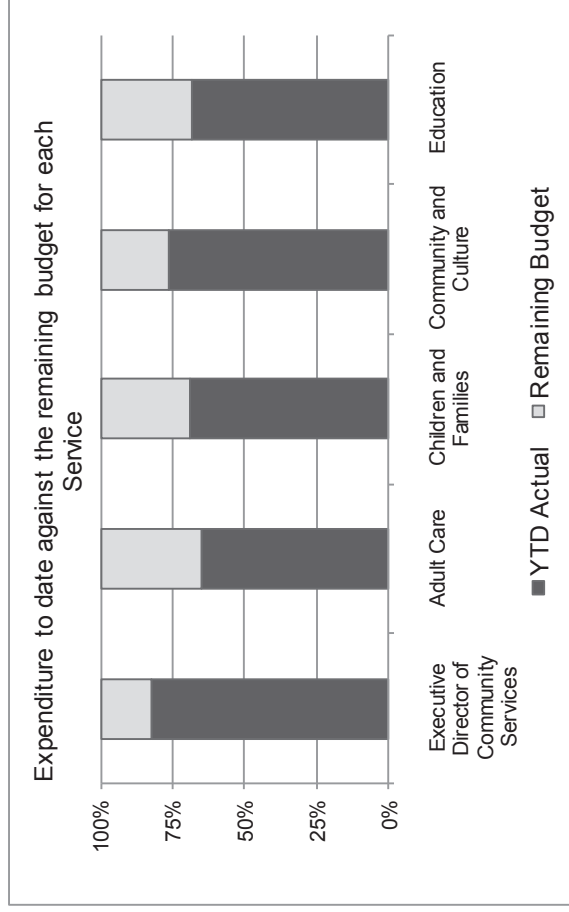
COMMUNITY SERVICES HIGHLIGHTS – DECEMBER 2014

- The department are forecasting an overspend of £605k at the December 2014 monitoring period, there are overspends in Adult Care in relation to demand for services, holiday pay costs and central repairs for leisure facilities, these are partly offset by a forecast underspend in early years.
- Net expenditure for the year to date spend is £3,441k less than the profiled to date budget – an underspend to date of 3.54%

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Executive Director of Community Services	549	688	(139)	0	(139)
Adult Care	43,493	43,966	(473)	(562)	89
Children and Families	16,939	16,845	94	0	94
Community and Culture	11,528	11,615	(87)	0	(87)
Education	65,428	65,428	0	(112)	112
Totals	137,937	138,542	(605)	(674)	69

Year to Date Position



Key Financial Successes:

The 2013-14 budget outturn was only 0.2% of the total £138,391k budget.

Key Financial Challenges:

Client growth /Service demand/rising third party costs have an adverse impact on available budgets (Adult Care, Children and Families, Education)
 Department / Service on-going ability to meet future savings / efficiency requirements
 Assessing / managing the financial impact of new acts /consultations (Self-Directed Support, Children and Young People Act)

Proposed Actions to address Financial Challenges:

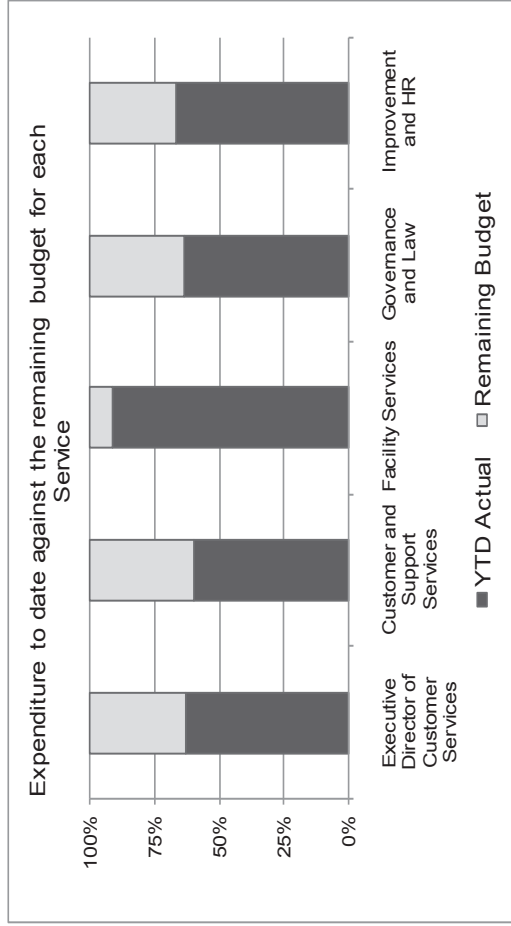
Ongoing robust financial monitoring and forecasting and the provision of supporting management information to complement financial summaries.
 Service prioritisation / redesign
 Review / participation in consultation process. Identify potential cost pressures

CUSTOMER SERVICES HIGHLIGHTS – DECEMBER 2014

- The department are forecasting an underspend of £703k at the December 2014 monitoring period, this is mainly in relation to School and Public Transport in addition to over recovery of vacancy savings, other staff savings and savings in Pool Cars and external catering and cleaning contracts. The underspend is offset by a small overspend within Elections.
- Net expenditure for the year to date spend is £3,558k more than the profiled to date budget – an overspend to date of 14.63%.

Year to Date Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Executive Director of Customer Services	13,560	13,398	162	128	34
Customer and Support Services	8,019	8,019	0	0	0
Facility Services	11,955	11,437	517	571	(54)
Governance and Law	1,895	1,871	24	24	0
Improvement and HR	3,617	3,617	0	0	0
Totals	39,047	38,344	703	723	(20)



Key Financial Successes:

Department delivered services within budget during 2013-14 with a favourable year-end outturn position. Savings for 2014-15 have been successfully removed from service budgets with no policy implications.

Key Financial Challenges:

Implementing Scottish Government plans to provide free school meals to P1 to P3 children from January 2015.

Proposed Actions to address Financial Challenges:

Notification has been received from the Scottish Government of the additional revenue funding allocation. Strategy being developed to minimise the additional cost to the Council to reduce the funding gap for 2014-15 and to update cost estimates for future years.

Impact of Welfare reforms.

Input ongoing to multi agency working group to ensure robust arrangements are put in place.

Securing efficiency savings for 2015-16, this will be more difficult as a result of inflationary cost pressures and the already secured 2014-15 efficiency savings.

Ongoing robust financial monitoring and joint working between Strategic Finance and services to identify possible services areas for savings as early as possible.

Impact of numbers/uptake in demand let service areas like transport, benefits and licensing.

Continually refine/develop systems to accurately calculate forecast outturns and the impact on the future financial outlook.

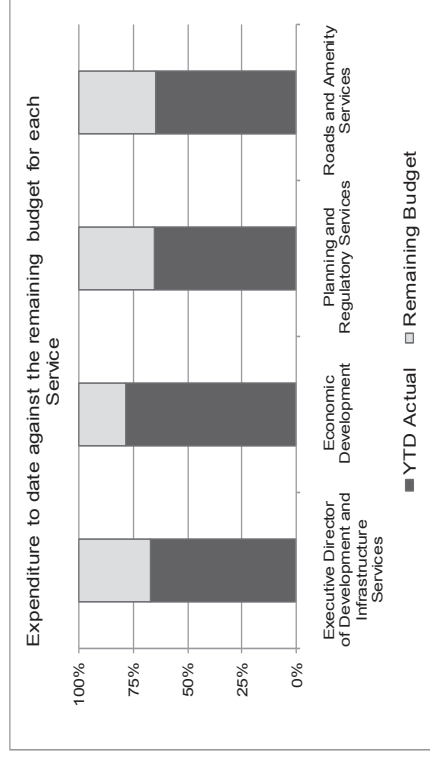
DEVELOPMENT AND INFRASTRUCTURE SERVICES HIGHLIGHTS – DECEMBER 2014

- The department are forecasting an overspend of £632k at the December 2014 monitoring period. In Roads and Amenity Services for coastal protection, refuse collection income and car park income and increased cost of Glasgow Scientific Services, partly offset by increased planning fee and private landlord registration income.
- Net expenditure for the year to date spend is £625k more than the profiled to date budget – an overspend to date of 3.13%.

Forecast Outturn Position

Service	Current Forecast Outturn Variance with change from previous month				Change £000
	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	
Executive Director of Development and Infrastructure Services	1,813	1,927	(114)	0	(114)
Economic Development	3,045	3,010	34	59	(25)
Planning and Regulatory Services	3,227	3,173	54	(12)	66
Roads and Amenity Services	22,954	23,561	(606)	(710)	104
Totals	31,039	31,671	(632)	(663)	31

Year to Date Position



Key Financial Successes:

During 2013-14 there was an over-recovery of vacancy savings that assisted to reduce the overall departmental overspend on winter maintenance and storm damage.

Key Financial Challenges:

Department / Service ongoing ability to meet future savings / efficiency requirements.

Projected shortfall in income within commercial refuse collection, car parking and building standards.

Dangerous buildings, there is no budget for this expenditure and the council have no control over the demand for the service.

Delayed introduction of co-mingled alternative weekly recycling collections within the Waste PPP project will lead to a shortfall in delivery of service review savings.

Renegotiations of shellfish bio-toxin monitoring contract with Food Standards Agency, risk that the income will not meet expenditure.

Proposed Actions to address Financial Challenges:

Monitoring of trend / expenditure levels / service configuration and the Service Prioritisation process.

Close monitoring of income levels to ensure that any further shortfall in income recovery is reported.

Building Standards, Legal Services and Strategic Finance are working closely to manage debt recovery and to consider other options to minimise corporate risk exposure.

Contractual negotiations with Shanks and the introduction of a co-mingled collection supported by the Special Projects Team.

Ongoing contract negotiations.

CHIEF EXECUTIVE'S UNIT – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2014

Service Outcome	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs	£169,059	£177,340	(£8,281)	(4.90%)	£246,243	£246,243	£0	0.00%	Outwith reporting criteria.
Chief Executive	£169,059	£177,340	(£8,281)	(4.90%)	£246,243	£246,243	£0	0.00%	
SF01 - Council Finances Managed Effectively	£1,247,230	£1,175,302	£71,928	5.77%	£1,649,728	£1,649,728	£0	0.00%	Outwith reporting criteria.
SF02 - Internal Audit	£153,269	£190,708	(£37,439)	(24.43%)	£221,753	£221,753	£0	0.00%	
Strategic Finance	£1,400,499	£1,366,010	£34,489	2.46%	£1,871,481	£1,871,481	£0	0.00%	
Grand Total	£1,569,558	£1,543,351	£26,207	1.67%	£2,117,724	£2,117,724	£0	0.00%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

CHIEF EXECUTIVE'S UNIT – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2014

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£1,505,342	£1,476,533	£28,809	1.91%	£2,134,591	£2,134,591	£0	0.00%	Outwith reporting criteria.
Premises	£261	£0	£261	100.00%	£350	£350	£0	0.00%	YTD underspend due to profiling of budget, very small budget value not a significant variance.
Supplies & Services	£33,709	£38,504	(£4,795)	(14.22%)	£44,087	£44,087	£0	0.00%	YTD overspend due to profiling of budget, very small budget value not a significant variance.
Transport	£15,396	£11,334	£4,062	26.39%	£20,909	£20,909	£0	0.00%	YTD underspend in staff travel in Strategic Finance, due to profiling of budget, it is difficult to profile staff travel budgets accurately.
Third Party	£14,850	£16,981	(£2,131)	(14.35%)	£24,957	£24,957	£0	0.00%	YTD overspend due to budget profiling with costs being incurred sooner than expected.
Income	£0	£0	£0	0.00%	(£107,170)	(£107,170)	£0	0.00%	Outwith reporting criteria.
Totals	£1,569,558	£1,543,351	£26,207	1.67%	£2,117,724	£2,117,724	£0	0.00%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

CHIEF EXECUTIVE'S UNIT – RED VARIANCES

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation

A red variance is a forecast variance which is greater than +/- £50,000.

THERE ARE CURRENTLY NO FORECAST OUTTURN VARIANCES FOR THE DEPARTMENT, AND THEREFORE NO RED VARIANCES TO REPORT.

COMMUNITY SERVICES – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2014

Service Outcome	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs	£519,683	£452,545	£67,138	12.92%	£548,682	£688,017	(£139,335)	(25.39%)	The YTD underspend is mainly due to profiling issues on Central Repairs budgets.
Executive Director of Community Services	£519,683	£452,545	£67,138	12.92%	£548,682	£688,017	(£139,335)	(25.39%)	
AC1 - Community Support	£26,952,256	£27,254,162	(£301,906)	(1.12%)	£42,238,905	£42,712,382	(£473,477)	(1.12%)	The YTD and forecast overspends reflect the extremely high demand for adult care services in the first part of the year due to the growth in the number of service users and the increasing complexity of new packages.
AC2 - Vulnerable Adults	£71,645	£80,732	£10,913	15.23%	£93,641	£93,641	£0	0.00%	
AC3 - Alcohol and Drugs	£270,919	£304,632	(£33,713)	(12.44%)	£426,990	£426,990	£0	0.00%	
Central/Management Costs	£504,807	£529,510	(£24,703)	(4.89%)	£733,056	£733,056	£0	0.00%	
Adult Care	£27,799,627	£28,149,036	(£349,409)	(1.26%)	£43,492,591	£43,966,068	(£473,477)	(1.09%)	
CF1 - Looked-after Children	£4,362,612	£4,523,940	(£161,329)	(3.70%)	£6,012,376	£6,012,376	£0	0.00%	The YTD overspend relates mainly to staffing overspends in Children's Homes and the Area Teams together with an overspend on Residential Placements. The Forecast underspend is within Early Years and is resulting from delayed take-up of the newly introduced 2 year-old provision.
CF2 - Child Protection	£2,404,097	£2,485,515	(£81,418)	(3.39%)	£3,401,312	£3,401,312	£0	0.00%	
CF3 - Children with a Disability and Early Years	£3,976,439	£3,928,219	£48,220	1.21%	£6,510,956	£6,416,772	£94,184	1.45%	
CF4 - Criminal Justice	£215,615	£211,537	£4,078	1.89%	(£7,426)	(£7,426)	£0	0.00%	
Central/Management Costs	£644,984	£632,265	£12,719	1.97%	£1,116,271	£1,116,271	£0	0.00%	
Children and Families	£11,603,747	£11,781,476	(£177,729)	(1.53%)	£17,033,489	£16,939,305	£94,184	0.55%	
CC01 - Young people active healthier lives	£3,080	£6,244	(£3,164)	(102.74%)	£147,290	£147,290	£0	0.00%	The YTD overspend in relation to Sport and Physical Activity relates mainly to staffing overspends within the Leisure Service's swimming pools combined with the profiling of the Leisure Service's income. The forecast overspend relates to the level of remedial work required in the Leisure Service buildings estate.
CC02 - Sport and Physical Activity	£1,693,573	£1,802,709	(£109,136)	(6.44%)	£2,680,852	£2,767,704	(£86,852)	(3.24%)	
CC03 - Adults access to learning opportunities	£541,853	£583,160	(£41,308)	(7.62%)	£888,851	£888,851	£0	0.00%	
CC04 - Homelessness	£1,693,208	£1,639,716	£53,492	3.16%	£2,450,452	£2,450,452	£0	0.00%	
CC05 - Youth Services	£372,313	£356,661	£15,652	4.20%	£542,461	£542,461	£0	0.00%	
CC06 - Community Development	£694,579	£625,107	£69,472	10.00%	£910,801	£910,801	£0	0.00%	
CC07 - Affordable Housing	£2,445,900	£2,393,049	£52,851	2.16%	£1,954,097	£1,954,097	£0	0.00%	
CC08 - Improved literacy, health and well-being	£1,183,700	£1,188,435	(£4,735)	(0.40%)	£1,680,704	£1,680,704	£0	0.00%	
Central/Management Costs	£167,862	£199,692	(£31,830)	(18.96%)	£272,726	£272,726	£0	0.00%	
Community and Culture	£8,796,067	£8,794,774	£1,293	0.01%	£11,528,234	£11,615,086	(£86,852)	(0.75%)	
ED01 - Primary School Education	£19,233,810	£16,985,197	£2,248,612	11.69%	£25,850,786	£25,850,786	£0	0.00%	The main factor in the YTD underspend is the profiling of School Meals budgets and the delay in the submission of corresponding charges. Other factors contributing to the total underspend are profiling issues on Central Repairs and planned restrictions on central Education third party expenditure.
ED02 - Secondary School Education	£20,027,563	£18,628,721	£1,398,842	6.98%	£26,700,503	£26,700,503	£0	0.00%	
ED03 - Central/Management Team	£3,025,785	£2,749,281	£276,505	9.14%	£4,123,168	£4,123,168	£0	0.00%	
ED04 - Additional Support Needs	£6,182,675	£6,197,358	(£14,683)	(0.24%)	£8,597,625	£8,597,625	£0	0.00%	
ED05 - Opportunities for All	£146,523	£136,551	£9,972	6.81%	£138,427	£138,427	£0	0.00%	
ED06 - Leadership and Professional Learning	(£4,684)	£14,548	(£19,232)	0.00%	£17,364	£17,364	£0	0.00%	
Education	£48,611,672	£44,711,656	£3,900,016	8.02%	£65,427,873	£65,427,873	£0	0.00%	
Grand Total	£97,330,796	£93,889,487	£3,441,309	3.54%	£138,030,869	£138,636,349	(£605,480)	(0.44%)	

COMMUNITY SERVICES – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2014

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£62,809,143	£63,316,633	(£507,490)	(0.81%)	£86,728,755	£86,868,090	(£139,335)	(0.16%)	The YTD overspend relates to a number of different areas including Homecare, Elderly Residential Homes and Pupil Support Teachers. The forecast overspend relates to the impact of new holiday pay arrangements put in place following recent court rulings.
Premises	£3,781,626	£3,509,221	£272,405	7.20%	£6,431,150	£6,518,002	(£86,852)	(1.35%)	YTD variance is mainly due to profiling issues on the central repairs budgets. The forecast overspend relates to the level of remedial work required in the Leisure Service buildings estate.
Supplies & Services	£7,297,793	£3,786,636	£3,511,156	48.11%	£9,225,612	£9,225,612	£0	0.00%	The main factor in the YTD underspend is the profiling of School Meals budgets and the delay in the submission of corresponding charges.
Transport	£1,073,087	£1,108,395	(£35,309)	(3.29%)	£1,522,347	£1,522,347	£0	0.00%	Outwith reporting criteria.
Third Party	£37,189,626	£36,914,227	£275,400	0.74%	£55,565,588	£55,944,881	(£379,293)	(0.68%)	The YTD position is the result of a number of offsetting variances many of which are profile related. The forecast overspend relates to the extremely high demand for adult care services in the first part of the year due to growth in the number of service users and the increasing complexity of new packages.
Income	(£14,820,479)	(£14,745,625)	(£74,854)	(0.51%)	(£21,442,583)	(£21,442,583)	£0	0.00%	The main contributing factor in the YTD under-recovery of income relates to NHS Resource Release income on Learning Disability Joint Residential Care.
Totals	£97,330,796	£93,889,487	£3,441,309	3.54%	£138,030,869	£138,636,349	(£605,480)	(0.44%)	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

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An explanation is given for any variance which exceeds £50,000 or 10%.

COMMUNITY SERVICES – RED VARIANCES

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Home Care	9,865,006	10,338,483	(473,477)	(4.80%)	Demand for homecare has been extremely high in the first part of the year due to growth in the number of service users and the increasing complexity of new packages due to the continued move towards older people being looked after at home for as long as possible rather than in care homes. The homecare service is currently undertaking a review of all of the current cases and undertaking additional scrutiny on news cases in order to address the overspend.
Early Years	1,368,366	1,274,182	94,184	6.88%	The Children and Young People Act extended the provision of pre-school services to 2 year olds from workless families from August 2014. To date, uptake of this new provision has been lower than expected, resulting in a lower than expected cost. The service continues to monitor uptake which is expected to grow as the availability of the service becomes more widely known about.
Leisure Services	210,899	297,751	(86,852)	(41.18%)	Property Services have identified a requirement to undertake statutory, emergency and planned maintenance and repairs works across a range of buildings within the Leisure estate in order to maintain the buildings in a safe operation state. The service has been able to partially offset the excess costs of these works from elsewhere within the Community and Culture budget but is unable to meet the full excess within its allocation.
Directorate	308,594	447,929	(139,335)	(45.15%)	This projected overspend relates to the unexpected cost of the recent ruling about holiday pay entitlement, this reflects the expected full year cost for 2014-15.

A red variance is a forecast variance which is greater than +/- £50,000.

CUSTOMER SERVICES – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2014

Service Outcome	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Special Projects	£8,919,871	£8,364,925	£554,946	6.22%	£13,079,384	£13,052,392	£26,992	0.21%	YTD underspend in Special Projects team, this budget will be required later in the year for the new school projects. The forecast variance in Special Projects relates to agreed deductions to the NPDO payments. The forecast variance within central/management costs relates to the over recovery of vacancy savings, partly reduced by the additional costs for holiday pay.
Central/Management Costs	£200,520	£193,888	£6,632	3.31%	£480,623	£345,818	£134,805	28.05%	
Executive Director of Customer Services	£9,120,391	£8,558,813	£561,578	6.16%	£13,560,008	£13,398,211	£161,797	1.19%	
CS01 - Benefits	(£441,096)	£195,786	(£636,882)	144.39%	£1,375,167	£1,375,167	£0	0.00%	The YTD overspend in Benefits relates to the timing of benefit payments being made and income received to offset these. The YTD underspend in ICT relates to network
CS02 - NDR Disc Relief	(£51,791)	(£52,169)	£378	0.00%	£100,294	£100,294	£0	0.00%	line charges where charges will be incurred later than anticipated in the budget. In
CS03 - Creditors	£170,817	£169,245	£1,572	0.92%	£247,636	£247,636	£0	0.00%	both cases the variances relate to the timing of expenditure and income with the
CS04 - Print and Mail Room	£32,484	£6,848	£25,636	78.92%	£49,040	£49,040	£0	0.00%	budget profile out of sync with the amounts paid or received, the budget profiling will
CS05 - Debtors and Local Tax Income	£539,758	£517,942	£21,816	4.04%	£540,715	£540,715	£0	0.00%	be refined.
CS06 - Procurement	£435,269	£435,863	(£2,594)	(0.60%)	£661,722	£661,722	£0	0.00%	
CS07 - Customer Service and Registrars	£922,690	£960,943	(£38,253)	(4.15%)	£1,434,115	£1,434,115	£0	0.00%	
CS08 - ICT Applications and Infrastructure	£2,478,799	£2,323,610	£155,190	6.26%	£3,293,783	£3,293,783	£0	0.00%	
Central/Management Costs	£224,107	£220,366	£3,741	1.67%	£316,536	£316,536	£0	0.00%	
Customer and Support Services	£4,309,037	£4,778,434	(£469,396)	(10.89%)	£8,019,009	£8,019,009	£0	0.00%	
FS01 - School Meals	(£1,415,415)	£2,687,598	(£4,103,013)	289.88%	(£320,625)	(£350,625)	£30,000	(9.36%)	Forecast underspend in School and Public Transport relates to a reduction on demand on this budget due to procurement savings, the transfer of some routes to in-house provision and lower inflation increases. The forecast underspend of £30,745
FS02 - Safer Communities and Facilities	£1,224,860	£1,205,275	£19,585	1.60%	£2,087,806	£2,057,061	£30,745	1.47%	relates to the surplus from the Police Cleaning Contract which is now not going to tender until 2015-16. There is a small underspend of £15k in Pool cars. The
FS03 - Sustainability	£99,191	£83,095	£16,096	16.23%	£132,361	£117,361	£15,000	11.33%	underspend of £30k in school meals relates to the external catering contract for Kilbowe House. The YTD overspend in School Meals is a result of the ongoing
FS04 - School and Public Transport	£6,791,747	£6,483,196	£308,551	4.54%	£9,359,797	£8,918,309	£441,488	4.72%	review of the recharge mechanism for the catering service as a result of the removal of the trading account status, this will be addressed in the January budget monitoring period. The YTD underspend in School and Public Transport is in line with forecast
Central/Management Costs	£533,078	£482,061	£71,018	13.32%	£695,292	£695,292	£0	0.00%	variance position.
Facility Services	£7,233,462	£10,921,225	(£3,687,763)	(50.98%)	£11,954,631	£11,437,398	£517,233	4.33%	
GL1 - Democratic Services	£437,739	£454,181	(£16,442)	(3.76%)	£678,303	£640,303	£38,000	5.60%	The YTD position is outwith reporting criteria. The forecast underspend within
GL2 - Governance	£80,240	£78,713	£1,527	1.90%	£124,663	£124,663	£0	0.00%	Democratic Services relates to savings within the new support staff structure due to
GL3 - Members Services	£107,419	£111,324	(£3,904)	(3.63%)	£170,546	£170,546	£0	0.00%	posts not in place from the start of the financial year. The forecast overspend within
GL4 - Community Safety	£33,355	£9,925	£23,430	70.24%	£49,712	£49,712	£0	0.00%	Elections relates to the additional cost of four by-elections.
GL5 - Elections	£85,080	£139,464	(£54,384)	(63.92%)	£118,731	£132,731	(£14,000)	(11.79%)	
GL6 - Children's Panel	£25,100	£11,386	£13,714	54.64%	£33,698	£33,698	£0	0.00%	
GL7 - Community Councils	£25,466	£23,305	£2,161	8.49%	£34,810	£34,810	£0	0.00%	
GL8 - Legal Services - Corporate	£210,011	£200,663	£9,348	4.46%	£298,640	£298,640	£0	0.00%	
GL9 - Legal Services - Commercial	£221,379	£212,680	£8,719	3.94%	£321,889	£321,889	£0	0.00%	
GL10 - Licensing	(£177,301)	(£162,675)	(£14,626)	8.25%	(£133,684)	(£133,684)	£0	0.00%	
Central/Management Costs	£141,713	£131,229	£10,421	7.35%	£198,108	£198,108	£0	0.00%	
Governance and Law	£1,190,202	£1,219,292	(£20,027)	(1.68%)	£1,895,416	£1,871,416	£24,000	1.27%	
IHR01 - Discrimination	£0	£0	£0	0.00%	£0	£0	£0	0.00%	The YTD underspend relates to balances that were previously earmarked being
IHR02 - Emergency Planning	£63,093	£64,533	(£1,440)	(2.28%)	£88,551	£88,551	£0	0.00%	transferred from the overall departmental budget underspend and the balances
IHR03 - Health and Safety	£279,664	£279,925	(£260)	(0.09%)	£389,747	£389,747	£0	0.00%	removed from reserves. Normally with earmarked reserves services would draw-down
IHR04 - Continuous Improvement	£1,344,801	£1,331,728	£13,073	0.97%	£2,023,287	£2,023,287	£0	0.00%	the budget as and when required, i.e. when the spend takes place. The YTD
IHR05 - Communications	£151,497	£143,605	£7,892	5.21%	£218,317	£218,317	£0	0.00%	underspend represents this budget being profiled before the planned spend has taken
IHR06 - Gaelic Language Plan	£11,853	£11,853	£0	100.00%	£11,853	£11,853	£0	0.00%	place.
IHR07 - Learning and Development	£522,829	£486,867	£35,962	6.88%	£759,488	£759,488	£0	0.00%	
Central/Management Costs	£89,894	£88,175	£1,719	1.91%	£126,241	£126,241	£0	0.00%	
Improvement and HR	£2,463,631	£2,406,686	£56,945	2.31%	£3,617,484	£3,617,484	£0	0.00%	
Grand Total	£24,316,723	£27,875,387	(£3,558,663)	(14.63%)	£39,046,548	£38,343,518	£703,030	1.80%	

CUSTOMER SERVICES – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2014

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£13,415,424	£13,310,570	£104,854	0.78%	£19,570,872	£19,337,322	£233,550	1.19%	The forecast variance relates to the over recovery of vacancy savings across all services in addition to staff savings for the new Governance structure due to posts not in place from the start of the financial year. The YTD variance is linked to the forecast variance.
Premises	£1,596,772	£1,486,407	£110,365	6.91%	£2,649,798	£2,649,798	£0	0.00%	The YTD underspend relates to central repairs spend on properties with the spend being less than the YTD profiled budget.
Supplies & Services	£3,626,540	£3,522,460	£104,080	2.87%	£5,089,187	£5,103,187	(£14,000)	(0.28%)	YTD underspend mainly relates to School Meals where the budget for catering purchases requires to be re-aligned as part of the review into the recharge mechanism for the catering service. The forecast overspend relates to the additional cost for the four by-elections.
Transport	£1,020,009	£850,171	£169,837	16.65%	£7,433,310	£7,418,310	£15,000	0.20%	YTD underspend mainly relates to School and Public Transport, this is reflected in the forecast outturn for third party payments. The forecast underspend is in relation to Pool Cars and is due to reduced fuel costs and pool car usage.
Third Party	£34,338,354	£34,702,205	(£363,851)	(1.06%)	£47,619,141	£47,150,661	£468,480	0.98%	Forecast underspend in School and Public Transport relates to a reduction on demand on this budget due to procurement savings, the transfer of some routes to in-house provision and lower inflation increases. There is also a forecast underspend in Special Projects as a result of agreed deductions to the NPDO payments. The YTD overspend relates to the timing of benefit payments being made and the profiling of this budget, this is partly offset by a YTD underspend due to the forecast underspend for School and Public Transport and the underspend to date on this budget.
Income	(£29,680,375)	(£25,996,427)	(£3,683,948)	(12.41%)	(£43,315,761)	(£43,315,761)	£0	0.00%	The YTD under recovery of income is in relation to School Meals as a result of the ongoing review of the recharge mechanism for the catering service, this will be addressed in the January monitoring period, this is partly offset by benefit income which is out of sync with the profiled YTD budget.
Totals	£24,316,723	£27,875,387	(£3,558,663)	(14.63%)	£39,046,548	£38,343,518	£703,030	1.80%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

CUSTOMER SERVICES – RED VARIANCES

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
School and Public Transport	7,277,488	6,836,000	441,488	6.07%	Relates to a reduction on demand on this budget as a result of procurement savings, the transfer of some routes to in-house provision and lower inflation increases. This position has been updated from the October monitoring period as further work has been carried out to confirm the level of commitment on the budget. This will be closely monitored on an ongoing basis.
Vacancy Savings	-98,694	-272,960	174,266	-176.57%	Department has over-achieved vacancy savings target. Projected underspend includes all savings removed to December 2014. It is not expected that the savings will continue at this level in future years.

A red variance is a forecast variance which is greater than +/- £50,000.

DEVELOPMENT AND INFRASTRUCTURE SERVICES – OBJECTIVE SUMMARY AS AT 31 DECEMBER 2014

Service Outcome	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Central/Management Costs	£1,230,983	£1,214,838	£16,145	1.31%	£1,812,857	£1,927,002	(£114,145)	(6.30%)	The forecast overspend relates to the unexpected cost of the recent ruling about holiday pay entitlement, this reflects the expected full year cost for 2014-15. This is partly offset by an anticipated over recovery of vacancy savings.
Executive Director of Development and Infrastructure Services	£1,230,983	£1,214,838	£16,145	1.31%	£1,812,857	£1,927,002	(£114,145)	(6.30%)	
ET01 - Economic Growth	£804,312	£818,311	(£14,000)	(1.74%)	£1,204,806	£1,229,148	(£24,342)	(2.02%)	The forecast underspend reflects one-off unbudgeted income that had associated costs that were absorbed within 2013-14.
ET02 - Strategic Transportation & Attractive Communities	£1,393,637	£1,390,709	£2,928	0.21%	£1,413,633	£1,354,885	£58,748	4.16%	This is partly offset by the final retention payment in relation to the improvement contract for Bowmore town centre for which there is no budget provision.
ET03 - Renewables	£9,000	£2,668	£6,332	70.35%	£30,000	£30,000	£0	0.00%	
ET04 - Third Sector	£112,372	£100,718	£11,654	10.37%	£157,302	£157,302	£0	0.00%	
Central/Management Costs	£80,752	£80,041	£711	0.88%	£238,815	£238,815	£0	0.00%	
Economic Development	£2,400,072	£2,392,447	£7,626	0.32%	£3,044,555	£3,010,149	£34,406	1.13%	
PR01 - Development Management	£317,908	£304,595	£13,313	4.19%	£524,539	£464,539	£60,000	11.44%	The forecast overspend is due to building warrant fees being less than budgeted and also the anticipated cost of Glasgow Scientific Services being greater than budgeted. These are offset by both Planning Fees and Private Landlord Registration
PR03 - Trading Standards	£360,293	£354,344	£5,949	1.65%	£510,324	£510,324	£0	0.00%	
PR03 - Environmental Health	£734,901	£752,450	(£17,549)	(2.39%)	£1,107,600	£1,162,600	(£55,000)	(4.97%)	
PR04 - Building Standards	£23,421	£18,337	£5,085	21.71%	£64,911	£70,911	(£6,000)	(9.24%)	
PR05 - Corepath Plan	£90,880	£102,789	(£11,909)	(13.10%)	£136,926	£136,926	£0	0.00%	anticipated to be greater than budget. YTD variance mainly relates to the anticipated private landlord registration income.
PR06 - Environmental Safety	£78,211	(£11,309)	£89,520	114.46%	£93,685	£38,685	£55,000	58.71%	
PR07 - Development Policy	£394,990	£397,021	(£2,032)	(0.51%)	£543,222	£543,222	£0	0.00%	
Central/Management Costs	£220,714	£230,022	(£9,308)	(4.22%)	£300,152	£300,152	£0	0.00%	
Planning and Regulatory Services	£2,221,318	£2,148,247	£73,070	3.29%	£3,281,358	£3,227,358	£54,000	1.65%	
RA01 - Roads & Lighting	£5,414,064	£5,912,053	(£497,989)	(9.20%)	£8,663,690	£8,732,892	(£69,202)	(0.80%)	Forecast variance relates to remaining unplanned expenditure within Coastal Protection following the December 2013 storms and unplanned expenditure following the floods in November 2014. Also contributing are a shortfall in commercial refuse collection income as businesses are in a position to reduce the service they require or are transferring to the private sector provision, in addition a shortfall in car parking and DPE income, DPE was introduced in June 2014 and based on the first months of operation is it unlikely that the income recovered will meet the budgeted levels. This partly offset by a potential underspend on street lighting electricity. Roads & lighting YTD variance is due to roads maintenance profiling, this budget is monitored via monthly engagement meetings with operational service managers. YTD variance within Network and Environment relates to the delayed introduction of DPE and the potential impact on income levels for PCNs and car parking
RA02 - Network & Environment	(£766,803)	(£440,473)	(£326,330)	42.56%	(£699,234)	(£478,234)	(£221,000)	31.61%	
RA03 - Fleet	(£1,851,407)	(£1,800,215)	(£51,192)	2.77%	(£1,400,291)	(£1,400,291)	£0	0.00%	
RA04 - Roads Design	£329,428	£336,869	(£7,441)	(2.26%)	£468,037	£648,037	(£180,000)	(38.46%)	
RA05 - Streetscene	£2,901,297	£2,802,770	£98,527	3.40%	£4,117,744	£4,117,744	£0	0.00%	
RA06 - Waste Management	£7,981,162	£7,914,338	£66,823	0.84%	£11,636,538	£11,772,538	(£136,000)	(1.17%)	
Central/Management Costs	£116,949	£121,283	(£4,334)	(3.71%)	£167,944	£167,944	£0	0.00%	
Roads and Amenity Services	£14,124,690	£14,846,625	(£721,935)	(5.11%)	£22,954,429	£23,560,631	(£606,202)	(2.64%)	
Grand Total	£19,977,063	£20,602,157	(£625,094)	(3.13%)	£31,093,199	£31,725,140	(£631,941)	(2.03%)	

DEVELOPMENT AND INFRASTRUCTURE SERVICES – SUBJECTIVE SUMMARY AS AT 31 DECEMBER 2014

Subjective Category	YTD Budget	YTD Actual	YTD Variance	% Variance	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Employee	£16,128,901	£15,604,189	£524,711	3.25%	£22,781,719	£22,851,864	(£70,145)	(0.31%)	The forecast overspend mainly relates to the unexpected cost of the recent ruling about holiday pay entitlement, this is partly offset by an anticipated over recovery of vacancy savings. The YTD variance mainly relates to the Roads operational staff not being operated at the full establishment.
Premises	£1,613,961	£1,395,770	£218,191	13.52%	£2,767,163	£2,647,163	£120,000	4.34%	The forecast underspend relates to the anticipated underspend in street lighting electricity. The YTD variance is in line with the anticipated underspend in street lighting electricity.
Supplies & Services	£5,549,677	£5,643,048	(£93,370)	(1.68%)	£7,421,989	£7,476,989	(£55,000)	(0.74%)	The forecast overspend relates to increased costs for Public Analyst services. YTD variance relates mainly to purchase of play equipment and this is matched by additional income from contributions.
Transport	£7,557,285	£7,956,311	(£399,026)	(5.28%)	£11,829,476	£12,129,476	(£300,000)	(2.54%)	The projected overspend relates to additional expenditure on hire of external plant, this is matched by additional income from clients. The main factor in the YTD variance relates to external plant hire that supports the projected outturn variance.
Third Party	£17,692,810	£18,729,356	(£1,036,547)	(5.86%)	£24,452,851	£24,537,193	(£84,342)	(0.34%)	The forecast variance relates mainly to remaining unplanned expenditure within Coastal Protection following the December 2013 storms and unplanned expenditure following the floods in November 2014. This is partly offset by planned underspend in car park maintenance. The YTD variance is in line with the forecast outturn position with an additional variance relating to CHORD expenditure which is matched by additional income. Also contributing to the YTD variance is the roads maintenance operation account profiling, this budget is monitored via monthly engagement meetings with operational service managers.
Capital Financing	£0	£0	£0	0.00%	£158,891	£158,891	£0	0.00%	Outwith reporting criteria
Income	(£28,565,571)	(£28,726,517)	£160,946	0.56%	(£38,318,889)	(£38,076,435)	(£242,454)	(0.63%)	The forecast variance relates to a shortfall in commercial refuse collection income as businesses are in a position to reduce the service they require or are transferring to the private sector provision. In addition there is an expected shortfall in car parking and DPE income. DPE was introduced in June 2014 and based on the first months of operation it is unlikely that the income recovered will meet the budgeted levels. Also there is an anticipated shortfall in income from building warrants. These are partly offset by anticipated increased income in planning fees, private landlord registration and recovery of external hire charges from client departments. The main contributing factors to the YTD variance relates to the additional income in CHORD, Fleet and Parks as mentioned above.
Totals	£19,977,063	£20,602,157	(£625,094)	(3.13%)	£31,093,199	£31,725,140	(£631,941)	(2.03%)	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

DEVELOPMENT AND INFRASTRUCTURE SERVICES – RED VARIANCES

Service Area	Annual Budget	Forecast Outturn	Forecast Variance	% Variance	Explanation
Directorate	166,229	280,374	(114,145)	(68.67%)	This projected overspend relates to the unexpected cost of the recent ruling about holiday pay entitlement, this reflects the expected full year cost for 2014-15. This is partly offset by an anticipated over recovery of vacancy savings.
Piers and Harbours	-1,455,769	-1,514,517	58,748	(4.04%)	This projected underspend reflects one-off unbudgeted income that had associated costs that were absorbed within 2013-14 financial year.
Development Management	524,539	464,539	60,000	11.44%	The projected underspend reflects the estimated income that exceeds budget and this is due to the increase in the number of overall planning applications and the number of large valued applications. The projection also take into account the 5% increase in fees from 1 November 2014.
Environmental Health	270,940	325,940	(55,000)	(20.30%)	There is a statutory requirement for the Council to appoint and have access to accredited Public Analyst services. This is provided by Glasgow Scientific Services through a service level agreement and the costs for all analytical services is in excess of the budgeted amount. We are unable to reduce these costs considerably at present as there is a national review being undertaken which is due to conclude in 2015-16. There is a pressure of £55,000 for 2014-15. This is offset by a couple of smaller valued underspends.
Network and Environment	(394,211)	(173,211)	(221,000)	56.06%	The under recovery of income relates to car parking income is forecast to be 30% down on the budget income for the year which projects a cost pressure for this and future years should the income forecast remain at the current level. DPE commenced in June following a month of issuing warning notices. The planned introduction of DPE was delayed by over two months and this has contributed approximately £70k to the under recovery of DPE income within 2014-15. There will be some learning from the early months of DPE in terms of how enforcement resource is deployed to maximise the benefit in terms of providing turnover of on street parking places and patronage of off street car parks. However, based on the first eight months of operation it is unlikely that the car parking income and DPE income will meet current projected income levels. This under recovery has been partly offset by a planned underspend in car park maintenance.
Coastal Protection	180,599	360,599	(180,000)	(99.67%)	The projected overspend relates to remaining unplanned expenditure within Coastal Protection following the December 2013 and January 2014 storms.
Waste Collection	1,997,292	2,133,292	(136,000)	(6.81%)	The projected overspend relates to a shortfall in commercial refuse collection income as businesses are in a position to reduce the service they require or are transferring to the private sector provision.
Street Lighting	1,994,158	1,874,158	120,000	6.02%	This anticipated underspend is due to a new energy supply contract being in place where the energy cost rates per unit have been reduced. Further savings have been achieved from the on-going capital programme where low energy lamps have been installed on new installations and upgrades.
Roads Client	9,493,411	9,682,613	(189,202)	(1.99%)	The overspend relates to unexpected flood damage during November 2014 and an under recovery off budget income.

A red variance is a forecast variance which is greater than +/- £50,000.

MONITORING OF FINANCIAL RISKS – 2014-15 & 2015-16

1 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to provide a summary of the key financial risks facing the Council.
- 1.2 A number of Council wide risks have been identified along with risks for each department and service of the Council. For each departmental risk the financial impact has been quantified and the likelihood assessed based on the standard risk matrix.
- 1.3 There are currently 59 departmental risks totalling £8.378m. Only 11 of the risks are categorised as likely and no risks have been categorised as almost certain.
- 1.4 The financial risks are monitored routinely and actions put in place to continue to mitigate the risks.

MONITORING OF FINANCIAL RISKS – 2014-15 & 2015-16

2. INTRODUCTION

- 2.1 This report outlines the process and approach developed in carrying out a financial risks analysis and provides an update on the current assessment of financial risks.

3 DETAIL**3.1 Introduction**

- 3.1.1 The Council is currently in a period of significant financial challenge. In developing its budget to address both restricted resources and cost and demand pressures there are a number of financial risks the Council needs to consider and manage.
- 3.1.2 There are a number of risks that affect the income or expenditure across the whole council and these have been identified. Financial risks have been considered by each department and service of the Council.
- 3.1.3 For each risk, the financial impact has been quantified and the likelihood assessed based on the standard risk matrix as follows:
- 1 – Remote
 - 2 – Unlikely
 - 3 – Possible
 - 4 – Likely
 - 5 – Almost Certain

3.2 Council Wide Risks

- 3.2.1 The estimated level of council tax income is based on current and forecast Band D equivalents and non-payment rates. This reflects our most recent experience in terms of the council tax base and likely collection rates. A 1% variation in council tax income amounts to approximately £400,000.
- 3.2.2 The finance settlement for 2015-16 was announced on 11 December 2014. There are some small changes to the previous estimates, however, in the main the finance settlement is in line with our expectations.
- 3.2.3 One area of risk to funding would be if the Council were deemed not to have met the conditions attached to the finance settlement and this is assessed as remote. A 1% variation in Scottish Government Funding amounts to around £2m.
- 3.2.4 At the Council budget meeting in February it was agreed that services have to achieve 1% savings in both 2014-15 and 2015-16. The savings should not have a

policy implication and therefore officers are given delegated authority to develop and secure these savings with progress monitored and reported to the Policy and Resources Committee. The Council have a good track record in delivering savings and the progress with the 1% savings target will be monitored closely. A 1% savings target amounts to £1.822m. A 10% shortfall on this savings target would amount to £182,000.

3.2.6 The Council have additional cost implications in respect of holiday pay as a result of a recent ruling by the European Court of Justice. The ruling means that employers must now pay employees the same rate of pay, including any overtime or other additional payments that are linked to their job, whilst they are on holiday. The full year cost is estimated to be around £350,000. The position regarding any backdating of these payments is unclear and there are currently a number of cases or appeals underway and it may be 2016 before there is a final resolution to this matter.

3.2.7 The Council wide risks noted above in addition to other Council wide risks are noted within the table below:

Description	Likelihood	Financial Impact £000
1% variation in Council Tax Income	2	400
Council has not met the conditions attached to the finance settlement. Risk value is equivalent to a 1% variation in Scottish Government funding.	1	2,000
10% shortfall on 1% savings target	2	182
Backdating of Holiday Pay Entitlement	2	1,000
Employee Pay increase by 1% more than budgeted	2	1,334
Employers NI rate increase by 2%	2	2,000
Employers Superannuation auto enrolment into pension scheme.	5	Range of 200 to 2,000
Energy costs increase by 10% greater than anticipated	2	745
Repairs and Maintenance costs increase by 5%	2	120
General Inflation at 2% on all costs not already inflated.	2	1,717

3.3 Departmental/Service Risks

3.3.1 The detail of each departmental financial risk is included within Appendix 1. The following table provides a summary of the number of risks within each department and likelihood category with the financial impact.

Department	1 - Remote		2 - Unlikely		3 - Possible		4 - Likely		5 - Almost Certain		Total	
	No.	£000	No.	£000	No.	£000	No.	£000	No.	£000	No.	£000
Community Services	0	0	5	435	14	2,527	8	1,431	0	0	27	4,393
Customer Services	3	170	6	399	8	1,093	1	30	0	0	18	1,692
Development & Infrastructure	2	120	1	10	9	863	2	1,300	0	0	14	2,293
Total	5	290	12	844	31	4,483	11	2,761	0	0	59	8,378

3.3.2 The current top five risks in terms of the financial impact are noted in the table below.

SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	LIKELIHOOD	FINANCIAL IMPACT £000
Roads and Amenity Services	Winter Maintenance	Adverse weather conditions which require greater than budgeted number of gritting runs.	4	1,200
Adult Care	Increased complexity of Older People, LD and MH packages.	Level of service demand remains at current commitment or increases due to needs becoming more complex.	3	950
Adult Care	Older People - population growth	Growth in elderly population exceeds expectation reflected in Demand Pressure thereby putting increased demand on services.	3	700
Adult Care	Provider Charges - LD & MH	Increased provider charges in respect of clients with learning disability/mental health needs.	4	400
Adult Care	Older People - external provider rates	Uncertainty over external provider rates in those areas not included in externalisation framework agreed by Council.	4	400

3.3.3 The current top five risks in terms of the likely impact are noted in the table below.

SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	LIKELIHOOD	FINANCIAL IMPACT £000
Roads and Amenity Services	Winter Maintenance	Adverse weather conditions which require greater than budgeted number of gritting runs.	4	1,200
Adult Care	Provider Charges - LD & MH	Increased provider charges in respect of clients with learning disability/mental health needs.	4	400
Adult Care	Older People - external provider rates	Uncertainty over external provider rates in those areas not included in externalisation framework agreed by Council.	4	400
Children and Families	Looked after children - residential placements	Increased level of support, increased placement cost, increased client base	4	200
Adult Care	Provider Charges - Older People Homecare	Increased provider charges in respect of older clients requiring homecare.	4	200

3.4 Changes to Financial Risks since last P&R Report

3.4.1 The changes to the financial risks are summarised as follows:

- Added a risk within Adult Care in respect of inflationary increase to provider charges for homecare.
- Added a risk within Adult Care in respect of a potential increase in the nightly allowance to pay for sleepovers provided by personal assistants funded via Direct Payment in order to meet National Minimum Wage Regulations.
- Added a risk within Adult Care and Children and Families in respect of the potential increase in the allowance paid to staff working sleepovers in residential units to bring payments into line with the National Minimum Wage Regulations.
- Added a risk within Children and Families in respect of the share of potential overspend from Criminal Justice Partnership.
- Added a risk within Governance and Law in respect of the Insurance Contract. The Council has to tender the Insurance Service contract during 2015-16. It is possible there will be an increased cost of insurance as a result of the tender.
- Removed a risk within Facility Services re the Provision of Free School Meals to P1 to P3 school children. The Council has now been advised of the revenue and capital funding.

3.5 Monitoring of Financial Risks

3.5.1 Financial risks will be reviewed and monitored on a two monthly basis and will be included in the pack of financial reports submitted to Policy and Resources Committee. For 2014-15 the next report is due on 19 March 2015 and this will reflect the financial risks as at the end of January 2015.

4 CONCLUSION

4.1 This report summarises the key financial risks facing the Council. Only 11 out of the 59 risks are categorised as likely with no risks categorised as almost certain. The financial risks are monitored routinely and actions put in place to continue to mitigate the risks.

5 IMPLICATIONS

- | | | |
|-----|--------------------|---|
| 5.1 | Policy - | None. |
| 5.2 | Financial - | The financial value of each risk is included within the appendix. |
| 5.3 | Legal - | None. |
| 5.4 | HR - | None. |
| 5.5 | Equalities - | None. |
| 5.6 | Risk - | Financial risks are detailed within the appendix. |
| 5.7 | Customer Service - | None. |

Bruce West
Head of Strategic Finance
27 January 2015

Appendix 1 – Detail of Department/Service financial risks.

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS - AS AT 31 DECEMBER 2014

DEPARTMENT	SERVICE	SERVICE OUTCOME	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at 31 October 2014		As at 31 December 2014	
						LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Community Services	Adult Care	AC1 - Our community is supported to live more active, healthier and independent lives	Provider Charges - LD & MH	Increased provider charges in respect of clients with learning disability/mental health needs.	Ensure services are targeted at priority need clients. Review of client assessments and selection of appropriate provider via commissioning of service.	4	400	4	400
Community Services	Adult Care	AC1 - Our community is supported to live more active, healthier and independent lives	Older People - external provider rates	Uncertainty over external provider rates in those areas not included in externalisation framework agreed by Council.	Commissioning team agreeing rates and the role of home care procurement managers in allocating services.	4	400	4	400
Community Services	Adult Care	AC1 - Our community is supported to live more active, healthier and independent lives	Charges for Community Care	Clients withdraw from service due to charges or changes to benefits leading to a reduction in income.	Ensure clients benefits are maximised to reduce impact of charges and risk of withdrawal from service. Ensure internal and externally delivered services cease where client withdraws from charging scheme.	3	140	3	140
Community Services	Adult Care	AC1 - Our community is supported to live more active, healthier and independent lives	Older People - population growth	Growth in elderly population exceeds expectation reflected in Demand Pressure thereby putting increased demand on services.	Restrict service provision within available budget. Ensure services targeted at priority need clients. Continue to shift balance of care where average community care packages cost less than institutional. Growth of elderly population built into financial estimates.	3	700	3	700
Community Services	Adult Care	AC1 - Our community is supported to live more active, healthier and independent lives	Increased complexity of Older People, LD and MH packages.	Level of service demand remains at current commitment or increases due to needs becoming more complex.	Restrict service provision within available budget. Ensure services targeted at priority need clients. Continue to shift balance of care where average community care packages cost less than institutional. Target funding at preventative services to reduce risk of higher dependency.	3	950	3	950
Community Services	Adult Care	AC1 - Our community is supported to live more active, healthier and independent lives	Residential Care - self funding clients	Changes in self funded clients receiving residential care.	Management have no control over financial circumstance of clients receiving care.	3	175	3	175
Community Services	Adult Care	AC1 - Our community is supported to live more active, healthier and independent lives	Provider Charges - Older People Homecare	Increased provider charges in respect of older clients requiring homecare.	Ensure services are targeted at priority need clients. Review of client assessments and selection of appropriate provider via commissioning of service.			4	200
Community Services	Adult Care	AC1 - Our community is supported to live more active, healthier and independent lives	Direct Payments - Sleepover Allowance Rates	Potential increase in the nightly allowance to pay for sleepovers provided by personal assistants funded via Direct Payment in order to meet National Minimum Wage Regulations.	Ensure services are targeted at priority need clients, review of client assessments and greater use of Telecare to support/monitor clients.			4	34

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS - AS AT 31 DECEMBER 2014

DEPARTMENT	SERVICE	SERVICE OUTCOME	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at 31 October 2014		As at 31 December 2014	
						LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Community Services	Adult Care	AC1 - Our community is supported to live more active, healthier and independent lives	Internal Provision - Sleepover Allowance Rates	Potential increase in the allowance paid to staff working sleepovers in residential units to bring payments into line with the National Minimum Wage Regulations.	Review rotas to ensure that overnight staffing levels are appropriate and meet statutory requirements.			4	42
Community Services	Children and Families	CF1 - The life chances for looked after children are improved	Looked after children - residential placements	Increased level of support, increased placement cost, increased client base	Commissioning Team; Regular reviews to minimise duration of placement, Maximise existing resources.	4	200	4	200
Community Services	Children and Families	CF1 - The life chances for looked after children are improved	Looked after children - throughcare	Increased level of support, increased placement cost, increased client base	Commissioning Team; Regular reviews; Prompt transition to benefits. Active policy/strategic aim to develop/enhance throughcare offset by corresponding savings within residential placements.	2	80	2	80
Community Services	Children and Families	CF1 - The life chances for looked after children are improved	Fostering	Increase to fostering client base.	Active Policy/Service Priority to enhance activity.	3	120	3	120
Community Services	Children and Families	CF1 - The life chances for looked after children are improved	Adoption	Increased number of contested adoptions	Active Policy/Service Priority to enhance activity.	2	15	2	15
Community Services	Children and Families	CF1 - The life chances for looked after children are improved	Adoption	Increased number of adoptions	Active Policy/Service Priority to enhance activity.	2	50	2	50
Community Services	Children and Families	CF1 - The life chances for looked after children are improved	Internal Provision - Sleepover Allowance Rates	Potential increase in the allowance paid to staff working sleepovers in residential units to bring payments into line with the National Minimum Wage Regulations.	Review rotas to ensure that overnight staffing levels are appropriate and meet statutory requirements.			4	85
Community Services	Children and Families	CF2 - Children, young people and their families at risk are safeguarded	Children with a Disability	Increased demand for service.	Disability Transitions Groups	3	60	3	60
Community Services	Children and Families	CF3 - We have contributed to making our communities safe from crime disorder and danger	Criminal Justice	Share of potential overspend from Criminal Justice Partnership.	Ongoing review of Criminal Justice budget and partnership activities.			4	70
Community Services	Community and Culture	CC02 - Raised lifelong participation levels in sport and physical activity to enable us to lead more active healthier lives	Leisure Facilities	Reduced take up of services offered.	Tracking of service user participation using a traffic light system to identify services where usage drops. Services with a low rate of participation would be reviewed.	3	40	3	40
Community Services	Community and Culture	CC04 - Less people will become homeless each year in A&B as a result of our proactive approach to prevention and support	Temporary Accommodation - cost	Higher cost of temporary accommodation - increased rental prices and bed and breakfast costs with clients remaining in tenancies for a longer time period until permanent residences are secured.	Bed and breakfast contracts are in place as block purchase of allocation. Work with housing associations and landlords to negotiate rent levels.	3	15	3	15

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS - AS AT 31 DECEMBER 2014

DEPARTMENT	SERVICE	SERVICE OUTCOME	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at 31 October 2014		As at 31 December 2014	
						LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Community Services	Community and Culture	CC04 - Less people will become homeless each year in A&B as a result of our proactive approach to prevention and support	Temporary Accommodation - priority need	All unintentionally homeless people will be classed as priority need and entitled to permanent accommodation. They must be temporarily accommodated by council until then.	Provision of information and advice services to minimise number of applicants proceeding to full homeless application.	3	12	3	12
Community Services	Community and Culture	CC04 - Less people will become homeless each year in A&B as a result of our proactive approach to prevention and support	Temporary Accommodation - benefits recovered	Introduction of universal benefits has an impact on the level of benefits recovered for temporarily accommodated individuals.	Provision of information and advice services to minimise number of applicants proceeding to full homeless application. Ensure that they are in receipt of full benefit entitlement.	3	75	3	75
Community Services	Community and Culture	CC07 - People successfully access a choice of suitable and affordable housing options in the area that they want to live and can participate in the housing market	Housing Support	Increased cost from external providers of housing support.	Ensure appropriate commissioning of service and targeting of resource to areas of greatest need.	3	20	3	20
Community Services	Education	ED01/ED02 - Primary/secondary school children and are enabled to increase levels of attainment and achievement and realise their potential	Schools - Teacher Cover	Increased absence rate resulting in increased cover requirement.	Absence management protocols.	3	100	3	100
Community Services	Education	ED04 - The education additional support needs of children and young people are met	Schools - ASN Assistants	Client base increasing	Priority Need Framework, Active Management of Distribution/ allocations.	2	230	2	230
Community Services	Education	ED04 - The education additional support needs of children and young people are met	ASN - Residential Placements	ASN Residential Placements - increased cost due to increase of client base.	Liaison with SW colleagues. Active management of existing client base.	2	60	2	60
Community Services	Education	ED07 - Young children and their families are given assistance to help them achieve the best start in life.	Pre-Five Units - number of providers	Failure of commissioning pre-five units resulting in the Council having to provide the service.	Annual financial appraisal; Support network; Short-term cash injections.	3	50	3	50
Community Services	Education	ED07 - Young children and their families are given assistance to help them achieve the best start in life.	Pre-Five Units - pupil numbers	Increase in pupil numbers.	Maximise current staff base	3	70	3	70
Customer Services	Customer and Support Services	CS01 - Benefits are paid promptly whilst minimising fraud	Housing Benefit Subsidy	Loss of Housing Benefit Subsidy due to exceeding LA error threshold.	Processes in place for handling of claims accurately and efficiently.	2	125	2	125

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS - AS AT 31 DECEMBER 2014

DEPARTMENT	SERVICE	SERVICE OUTCOME	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at 31 October 2014		As at 31 December 2014	
						LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Customer Services	Customer and Support Services	CS02 - Businesses are supported in claiming Non-Domestic Rates relief.	Non-Domestic Rates Relief	Risk of demand changing due to legislative changes outwith our control or new charitable businesses. Likely to be powers to make a new discretionary rates relief scheme from April 2015.	Outwith direct management control.	4	30	4	30
Customer Services	Customer and Support Services	CS04 - Income from local taxes and sundry debtors is maximised and properly controlled	Sundry Debt Recovery	Recovery of debt becomes more difficult to pursue in the current economic climate.	Robust monitoring of arrangements with debt collection agency. Joint working with Legal Services to assist services with the recovery of aged debt.	3	110	3	110
Customer Services	Customer and Support Services	CS04 - Income from local taxes and sundry debtors is maximised and properly controlled	Council Tax Debt Collection Recovery	Recovery of debt becomes more difficult to pursue in the current economic climate. Council entering into new contract with debt collection agents for Council Tax.	Robust monitoring of arrangements with debt collection agency and performance against target collection rates.	3	100	3	100
Customer Services	Customer and Support Services	CS05 - Increased value is delivered from procurement, with key contracted services of better quality and effectiveness	Procurement legal challenge	Potential challenge from unsuccessful bidders resulting in claims for damages	Ensure procurement procedures and policies are followed. Explore possibilities for insurance cover in relation to claims.	3	100	3	100
Customer Services	Facility Services	FS01 - Children in Argyll and Bute are healthier by maximising the number of pupils option to choose a nutritionally balanced school meal at lunchtime	Catering Purchases	Increased supplier charges.	Joint strategy with procurement colleagues to reduce potential impact. Control food wastage/portion controls.	2	60	2	60
Customer Services	Facility Services	FS01 - Children in Argyll and Bute are healthier by maximising the number of pupils option to choose a nutritionally balanced school meal at lunchtime	Provision of Free School Meals to P1 to P3 school children	The Children and Young People (Scotland) Act 2014 requires the Council to provide free school meals to all P1 to P3 pupils from January 2015. There will be significant revenue and capital costs associated with this. The costs have been estimated and the Scottish Government have allocated additional revenue funding for 2014-15 and 2015-16 but the Council are still awaiting notification on the capital funding allocation.	Implementation group continually review financial impact of the additional meal provision and update financial assumptions as new information becomes available. Engaging with the Scottish Government through COSLA to provide information on the financial implications to the Council and raising concerns with them.	3	100		
Customer Services	Facility Services	FS02 - Communities are safer and more successful through improved facilities	Property - Central Repairs	Increased demands on CRA as a result of the decrease in capital funding available and increases in supplier/contractor charges.	Joint strategy with procurement colleagues to reduce potential impact of supplier/contractor charges. Close monitoring of CRA budgets and commitments.	3	200	3	200

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS - AS AT 31 DECEMBER 2014

DEPARTMENT	SERVICE	SERVICE OUTCOME	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at 31 October 2014		As at 31 December 2014	
						LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Customer Services	Facility Services	FS02 - Communities are safer and more successful through improved facilities	Surplus Properties	Ongoing market difficulties lead to increased numbers of surplus properties, there are residual running costs associated with surplus properties.	Asset Management Strategy	3	250	3	250
Customer Services	Facility Services	FS02 - Communities are safer and more successful through improved facilities	Rental Income from Properties	Due to current economic climate may be reduced ability to recover rental income from leased properties or place suitable tenants in properties as leases come to an end.	Management of leasehold properties by Estates team, any issues with debt recovery being dealt with in line with Council debt recovery policy.	2	20	2	20
Customer Services	Facility Services	FS03 - We contribute to the sustainability of the local area	Energy Costs	Increase in energy costs and consumption. The Council are required to participate in the CRC Energy Efficiency Scheme from 2014-15 onwards, there is a risk that the required carbon emission reductions are not met and the cost of the allowances could increase.	Energy Management Team actions to reduce energy consumption and efficiency and ensure more accurate billing by energy providers. Regular monitoring of energy budgets to ensure any issues are raised and resolved as soon as possible.	3	200	3	200
Customer Services	Facility Services	FS04 - School and public transport meets the needs of communities	SPT Requisition	Increased contribution required for SPT requisition.	Outwith direct management control.	2	60	2	60
Customer Services	Facility Services	FS04 - School and public transport meets the needs of communities	School and Public Transport - provider charges	Increased provider charges	Joint strategy with procurement colleagues to reduce potential impact.	2	100	2	100
Customer Services	Governance and Law	GL10 - Timely provision of liquor licences and Civic Government licenses to the public	Licensing	Reduced numbers of licensing applications leading to reduced income	Monitoring of trends.	3	30	3	30
Customer Services	Governance and Law	GL5 - Electors enabled to participate in the democratic process	Elections	More than 1 by-election required outwith standard election cycle.	Outwith direct management control.	2	34	2	34
Customer Services	Governance and Law	GL6 - The best interests of children at risk are promoted	Children's Panel	Increased number of referrals.	Liaise with Community Services colleagues to maximise council facilities/resources in the first instance.	1	10	1	10
Customer Services	Governance and Law	GL8 - Provision of high quality, timely legal advice	Legal Services	Failure to minimise Council wide use of external legal advice.	Ensure legal services are gateway to access all legal advice.	1	10	1	10
Customer Services	Governance and Law	GL9 - Provision on high quality, timely and appropriate legal documentation.	Insurance Contract	The Council has to tender the Insurance Service contract during 2015-16. It is possible there will be an increased cost of insurance as a result of the tender.	Legal Services will seek to ensure that a number of tender returns are made to increase competitive benefit for the Council.			3	103
Customer Services	NPDO	NPDO	Contract RPI	Increase in RPI.	Monitoring annual alteration to contract RPI rate and mitigation through financial forecasting and existing budget.	1	150	1	150

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS - AS AT 31 DECEMBER 2014

DEPARTMENT	SERVICE	SERVICE OUTCOME	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at 31 October 2014		As at 31 December 2014	
						LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Development & Infrastructure	Economic Development	ET02 - Argyll and Bute is better connected, safer and more attractive	Ferry Services - maintenance	Increased maintenance costs of ferries due to age of fleet.	Monitor the cost of maintaining the fleet and if necessary prepare business cases for the procurement of replacement ferries.	3	50	3	50
Development & Infrastructure	Economic Development	ET02 - Argyll and Bute is better connected, safer and more attractive	Ferry Services - income	Changes to ferry services resulting in reduced passenger income.	Ensure that ferry operators are charged for the correct number of passengers	3	40	3	40
Development & Infrastructure	Economic Development	ET02 - Argyll and Bute is better connected, safer and more attractive	Piers and Harbours	Reduced fishing fleet resulting in lower number of fish landings.	Monitor fish landings and ensure that all income is collected.	3	40	3	40
Development & Infrastructure	Economic Development	ET02 - Argyll and Bute is better connected, safer and more attractive	Airfields and Air Services - usage	Reduced number of aircraft using the airports.	Monitor usage and market the facilities.	2	10	2	10
Development & Infrastructure	Economic Development	ET02 - Argyll and Bute is better connected, safer and more attractive	Airfields and Air Services - fuel costs	Increased fuel costs on PSO flights being passed onto the Council.	Scrutinise all claims for increased costs to ensure that they are in accordance with the contract.	3	30	3	30
Development & Infrastructure	Planning and Regulatory Services	PR01 - The local economy is improved through the delivery of sustainable development	Planning fees reduced by Scottish Government	Planning revenue budgets negatively affected by Better Regulation Bill. Scottish Government reducing planning fees due to poor performance by the Planning Authority	Maintain high levels of performance as articulated by performance markers detailed in Planning Performance Framework annual report.	1	100	1	100
Development & Infrastructure	Planning and Regulatory Services	PR03 - We secure standards relating to public health and health protection through working with businesses, partner agencies and the public, through risk-based proportionate enforcement	Animal Health	Carrying out livestock seizure to protect welfare of the animals	Monitor activity and seek to recover costs from the disposal of the animals.	1	20	1	20
Development & Infrastructure	Planning and Regulatory Services	PR04 - The health, safety, welfare and convenience of people in and around buildings is protected and improved	Dangerous Buildings interventions	Deal in Building Standards with an increasing level of dangerous building work which has significant financial implications for Council	Monitor activity and seek to recover costs from the owner	3	180	3	180
Development & Infrastructure	Planning and Regulatory Services	PR04 - The health, safety, welfare and convenience of people in and around buildings is protected and improved	Building Warrant fee shortfalls	Due to downturn in economic / building activity, building warrant fee income shortfalls leading to revenue budget pressures.	Continue to monitor Building Standards income and expenditure tightly and investigate further income generation streams. Lobby Scottish Ministers through professional organisations to increase Building Warrant fees to a sustainable level.	3	130	3	130
Development & Infrastructure	Roads and Amenity Services	RA01 - Proportionate, safe and available infrastructure	Winter Maintenance	Adverse weather conditions which require greater than budgeted number of gritting runs.	Monitor weather conditions and apply gritting policy to minimise costs.	4	1,200	4	1,200

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS - AS AT 31 DECEMBER 2014

DEPARTMENT	SERVICE	SERVICE OUTCOME	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at 31 October 2014		As at 31 December 2014	
						LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Development & Infrastructure	Roads and Amenity Services	RA01 - Proportionate, safe and available infrastructure	Roads Maintenance	Adverse weather conditions result in deterioration of the road network necessitating greater spend on repair of defects.	Manage maintenance budgets to ensure that spend is prioritised to deal with safety defects.	3	230	3	230
Development & Infrastructure	Roads and Amenity Services	RA01 - Proportionate, safe and available infrastructure	Street Lighting	Age of lighting stock requires greater maintenance as health and safety becomes a consideration.	Manage maintenance budgets to ensure that spend is prioritised to deal with safety defects.	4	100	4	100
Development & Infrastructure	Roads and Amenity Services	RA06 - Sustainable disposal of waste	Waste Collection	Reduced income from commercial refuse collection	Review operational service provision	3	165	3	136
Development & Infrastructure	Roads and Amenity Services	RA06 - Sustainable disposal of waste	Waste Disposal	Re-tender for island haulage and potential for increased prices	Competitive tendering process may assist in minimising the impact of increased prices	3	27	3	27
Total						54	7,973	59	8,378

RESERVES AND BALANCES – UPDATE AS AT 31 DECEMBER 2014

1 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to advise Members of the overall level of reserves held by the Council as well as providing detail on the monitoring of the earmarked balances held within the General Fund.
- 1.2 The Council has a total of £48.526m usable reserves as at the end of 31 March 2014. Of this balance, £1.025m relates to Repairs and Renewals Fund, £3.460m relates to Capital Funds and the remainder is held in the General Fund, with £30.372m of the balance earmarked for specific purposes.
- 1.3 The Council has a total of £126.299m unusable reserves that are not backed with resources. They are required purely for accounting purposes.
- 1.4 The General Fund contingency level remains at 1.5% of net expenditure. There is currently an estimated surplus over contingency of £9.811m and this is being directed towards the delivery of the Single Outcome Agreement.
- 1.5 Assessing the adequacy of reserves should take account of the strategic, operational and financial risks facing the Council and should consider both internal and external factors. There are 18 categories included in the risk analysis and 7 have been assessed as low with 3 low/medium and 8 medium. The risk assessment category is the same as last year. There are no medium/high risks. The medium risks relate to cost pressures, demand pressures, funding, savings, strategic risks, operational risks and general financial climate.

RESERVES AND BALANCES - UPDATE AS AT 31 DECEMBER 2014

2. INTRODUCTION

2.1 This report outlines current balances on all of the Council's reserves, both usable and unusable. It also provides detail on the monitoring of the earmarked balances within the General Fund.

3. DETAIL

3.1 Types of Reserves

3.1.1 Usable Reserves - Councils have powers to establish certain resource backed reserves which can be used to fund expenditure. The powers of councils to establish reserves are laid out in Schedule 3 of the Local Government (Scotland) Act 1975. These allow councils to establish a Renewal and Repairs Fund, Insurance Fund and Capital Fund. Councils can also establish a Useable Capital Receipts Reserve. The Council must also maintain a General Fund and can earmark balances for specific purposes within the General Fund.

3.1.2 Unusable Reserves – Councils are also required to establish certain reserves that are not backed by resources. They are required purely for accounting purposes and do not represent resources available for councils to utilise. The Pensions Reserve, Revaluation Reserve, Capital Adjustment Account, Financial Instruments Adjustment Account and Accumulated Absences Account fall into this latter category of accounting reserves.

3.2 Reserve Balances At 31 March 2014

3.2.1 The balances on each type of reserve at 31 March 2014 are set out in the table below.

Reserve	£000
Unusable Reserves	
Revaluation Reserve	56,113
Capital Adjustment Account	198,230
Financial Instruments Adjustment Account	-4,889
Pensions Reserve	-118,337
Accumulated Absences Account	-4,818
Total Unusable Reserves	126,299
Usable Reserves.....on next page	

Reserve	£000
Usable Reserves	
Repairs and Renewals Fund	1,025
Capital Fund	703
Usable Capital Receipts Reserve	2,757
General Fund	44,041
Total Usable Reserves	48,526
Total Reserves	174,825

- 3.2.2 The Revaluation Reserve represents the unrealised gains in the valuation of fixed asset. The Capital Adjustment Account represents the difference between depreciation based on proper accounting practice and statutory charges for financing capital expenditure. The Financial Instruments Adjustment Account represents the difference between gains and losses on borrowing and statutory capital financing charges. The Pensions Reserve represents the difference between pension costs based on proper accounting practice and payments made for pension costs. The Accumulated Absences Account represents the costed difference between holiday pay entitlement and actual holidays taken at 31 March.
- 3.2.3 The Repairs and Renewals Fund was established to support funding of renewal and replacement of school equipment. Schools can only draw on the Repairs and Renewals Fund to the extent they have previously paid into the Fund and contributions must be contained within schools devolved budgets.
- 3.2.4 The Capital Fund was established to receive all capital receipts generated by the Council and can be used to support the capital plan or meet the principal repayments on loan charges. The Council decides as part of the budget process each year how it wishes to draw funding from the Capital Fund.
- 3.2.5 The Usable Capital Receipts Reserve relates to the accumulated unspent capital receipts from sale of council houses prior to transfer of the housing stock. The reserve forms part of the Council's Strategic Housing Fund and can only be used for investment in social housing. The reserve will be used in accordance with the approach to investing in housing agreed by the Council in August 2012.

3.3 General Fund

- 3.3.1 The General Fund balance at 31 March 2014 can be analysed as follows:

	Balance 31/03/14 £000
Balance on General Fund as at 31 March 2013	46,138
Reduction to General Fund balance at end of 2013-14	2,097
Earmarked Balances	30,372
Contingency allowance at 1.5% of net expenditure	3,658
Unallocated balance as at 31 March 2014	10,011

- 3.3.2 The General Fund includes balances that the Council has agreed to earmark for

specific purposes. Some of these earmarked balances will be spent during the current financial year and some of them will be held over and spent in later years. The table below shows the balance at 31 March 2014, the amount already spent and planned to be spent in the current year, the amount to be spent in future years and any sums no longer required to be earmarked. Appendix 1 provides further details on the breakdown of unspent budget.

Earmarking Category	Balance 31/03/14	Drawn- down to 2014-15 Budget as at 31/12/14	Planned Still to Spend 2014-15	Planned Spend Future Years	Balance no Longer Required
	£000	£000	£000	£000	£000
Strategic Housing Fund	7,484	1,144	0	6,340	0
Revenue Contribution to Capital - Dunoon and Campbeltown Schools	3,000	0	0	3,000	0
Investment in Affordable Housing	9,500	0	0	9,500	0
Severance Costs	27	0	0	27	0
Reserve Committed for 2014-15 Budget	326	326	0	0	0
CHORD	420	0	0	420	0
DMR – Schools	887	887	0	0	0
Existing Legal Commitments	196	0	0	196	0
Unspent Grant	979	380	417	182	0
Unspent Third Party Contribution	255	15	5	235	0
Unspent Budget	7,298	1,530	930	4,447	391
Total	30,372	4,282	1,352	24,347	391

3.3.3 The balances no longer required that can be released back into the unallocated General Fund are noted below:

- NPDO £200,000
- Argyll and Bute Manager Programme £51,083
- Learning and Development £54,800
- Corporate Improvement Board Projects £43,500
- Local Plan Enquiry £42,000

3.3.4 The earmarked balances noted in paragraph 3.3.3, with the exception of the Local Plan Enquiry are all within Customer Services. Due to procurement savings and lower than expected inflation costs within School and Public Transport in addition to insurance savings within NPDO, the department will be able to progress the projects/initiatives from within their current budget for 2014-15 and is therefore able to release the earmarked balances back into the unallocated General Fund.

3.3.5 The sum of £90,000 had been earmarked for the Local Plan Enquiry. It is now expected that the final cost will be £48,000, therefore, the remaining £42,000 can be released back to the General Fund.

- 3.3.6 There is a change to the profiling of the Unspent Budget in respect of Early Intervention (Early Years Change Fund) (Ref 035 on appendix). The profile as agreed in February 2014 was indicative based on the assumption that the service would be spending evenly over 2014-15 and 2015-16. The work has been delayed due to the service review within Children and Families and the new profiling is noted below:
 2014-15 £274,004
 2015-16 £288,681
 2016-17 £168,315
- 3.3.7 There is a change to the profiling of the unspent budget in respect of Care First/Care Pay Consultancy (Ref 036 on appendix). The earmarking relates to the implementation of the foster care payments module on CareFirst which was planned to take place during 2014-15 but has been deferred to 2015-16.
- 3.3.8 There is a change to the profiling of the Unspent Budget in respect of the introduction of the amenity services management system (Ref 003 on appendix). The project is in the early stages and is preparing initial documents for consideration at the IT steering board.
- 3.3.9 There is a change to the profiling of the Unspent Budget in respect of Iona Ferry Slip (Ref 051 on appendix). It is expected that this money will be used in 2015-16, currently retendering is underway.
- 3.3.10 Based on the financial risks analysis there are no proposals to change the general fund contingency.
- 3.3.11 Looking forward, the following forecasts are estimated for the unallocated general fund balance. Members agreed at Policy and Resources Committee in August to direct the free balance on the general fund exclusively to the theme of economy and jobs and proposals to increase income / reduce costs for the Council.

Unallocated General Fund Forecast	£000
Unallocated balance on General Fund as at 31 March 2014	10,011
Earmarked funds no longer required	391
Supplementary estimates previously approved:	
• Waverley (agreed in 2013-14) - £15k in 2014-15 and £10k in 2015-16	-25
• Rothesay Pavilion – agreed £335k at Council 25 September 2014.	-335
• 6 Year Budget for Lorn Arc programme team office agreed at Council on 22 January 2015	-1,607
Budgeted Surplus 2014-15	1,020
Forecast outturn for 2014-15 as at 31 December 2014	202
Forecast outturn for 2015-16 as at 31 December 2014	154
Free General Fund Balance to be directed towards delivery of Single Outcome Agreement.	9,811

3.4 Review and Risk Assessment

- 3.4.1 Assessing the adequacy of reserves should take account of the strategic, operational and financial risks facing the Council and should consider both internal and external factors. Appendix 2 to this report identifies the range of issues in terms of budget assumptions and financial standing and management that should be considered in assessing the level of reserves. It relates only to consideration of the contingency to be held in the General Fund Reserve. A separate financial risk analysis report has been prepared looking at the overall financial risks relating to the revenue budget.
- 3.4.2 There are 18 categories included in the risk analysis and 7 have been assessed as low with 3 low/medium and 8 medium. The risk assessment category is the same as last year. There are no medium/high risks. The medium risks relate to cost pressures, demand pressures, funding, savings, strategic risks, operational risks and general financial climate.
- 3.4.3 Based on the above it is recommended that the contingency for the General Fund reserve should be retained at 1.5%.
- 3.4.4 Risks in terms of capital projects can be partially managed by using capital receipts and managing the overall capital plan. In terms of cash flow management there are substantial earmarked reserves that in the short term can be used to manage overall cash flow.

4. CONCLUSION

- 4.1 The report outlines the overall reserves and balances for the Council covering the purpose and level of each reserve. It also provides detail as to expenditure against earmarked balances held within the General Fund. There is currently an estimated surplus over contingency of £9.811m and this is being directed towards the delivery of the Single Outcome Agreement.

5. IMPLICATIONS

- | | | |
|-----|--------------|---|
| 5.1 | Policy - | Earmarked funds and funds set aside for delivery of Single Outcome Agreement are available to support Council Policy. |
| 5.2 | Financial - | Outlines the balances held with the Council's usable and unusable reserves. |
| 5.3 | Legal - | None. |
| 5.4 | HR - | None. |
| 5.5 | Equalities - | None. |
| 5.6 | Risk - | A contingency of £3.658 equivalent to 1.5% of net |

expenditure has been set aside as part of the general fund. This has been subject to a risk assessment.

5.7 Customer Service - None.

Bruce West
Head of Strategic Finance
27 January 2015

APPENDICES

Appendix 1 – Earmarked Reserves breakdown of unspent budget
Appendix 2 – Risk Assessment for Review of Reserves

APPENDIX 1

Earmarked Reserves - Unspent Budget
As at 31 December 2014

Ref	Department	Service	Description	Balance 31/03/14	Drawdown to 2014/15 Budget as at 31/12/14	Planned Still to Spend in 2014/15	Planned Future Spend Years	Balance No Longer Required	Plans for Use
001	Customer Services	Governance & Law	Oban By-election	60,000	60,000	0	0		Due to the resignation of two elected members there is a requirement to have two separate by-elections in the Oban area, one alongside the European Elections in May and the other in July. The service do not have the capacity within the recurring operational revenue budget to accommodate the cost of the by-elections. The Governance and Law service are projecting a favourable outcome position in 2013-14 which could be earmarked to cover the costs.
002	Development and Infrastructure	Economic Development	Oban Airport meteorological equipment	60,000	0	60,000	0		To replace the current equipment that is at the end of its life expectancy and has required expensive maintenance repairs. Provision was included within the 2013-14 budget for these costs but not in 2014-15. The contract for the works was put out to tender but has to be re-tendered which has delayed this project until 2014-15. There is no available budget within the service in 2014-15 to fund this.
003	Development and Infrastructure	Roads and Amenity Services	Amenity Services introduction of management information system	135,500	0	0	135,500		To introduce WDM/TOTAL to provide accurate management information on the operation of Amenity Services. Funding was available in the 2013-14 budget for this project, there is not budget available in 2014-15 to fund this project which was agreed as part of the service review. Because of delays with progressing budget savings options this delayed the implementation of this project. This will be progressed in 2014-15 instead of 2013-14.
019	Customer Services	Customer and Support Services	Scottish Government Funding - Welfare Reform/Discretionary Housing Payments (agreed at Council February 2014)	523,706	130,000	131,853	261,853		DWP LSSR service activity as per Council Paper from February 2014. Scottish Government Grant in relation to Discretionary Housing Payments. This is committed in 2014-15 against DWP LSSF service activity.
022	Customer Services	Facility Services	Holy Loch Community Centre	52,345	52,345	0	0		To be used to fund the demolition costs of the Holy Loch Community Centre in Sandbank near Dunoon. This was approved in February 2014 to be met from underspends in the Facility Services budget for 2013-14, there was a delay in carrying out the works on site due to requirement to secure a bat license.

APPENDIX 1

Earmarked Reserves - Unspent Budget
As at 31 December 2014

Ref	Department	Service	Description	Balance 31/03/14	Drawdown to 2014/15 Budget as at 31/12/14	Planned Still to Spend in 2014/15	Planned Spend Future Years	Balance No Longer Required	Plans for Use
025	Development and Infrastructure	Economic Development	Inveraray CARS	350,000	0	25,000	325,000		<p>The aims of the scheme focus around the objectives of protecting the quality of the built environment as an asset for sustainable economic growth, enabling the development of growth enhancing activities within Inveraray itself and to act as a catalyst for economic regeneration of the town and its hinterland.</p> <p>The scheme seeks to :</p> <ol style="list-style-type: none"> 1. Secure investment in the fabric of the built heritage of Inveraray which is highlighted as our premier conservation area and a main tourist attraction. 2. Focus on essential repair of the historic environment focused around 8 priority buildings, shop fronts, a small repairs and public realm investment . 3. Deliver training and improve the traditional building skills base amongst local contractors and business operating with the community and linking to the Argyll Construction college and working with the Lead Sheet Association. 4. Deliver education and awareness raising initiatives working closely with the local primary school, specifically Argyll College (as part of UH) and local contractors. 5. Develop working partnerships with local and national authorities, local traders and residents with regard to improving the appearance of the conservation area. 6. Consider opportunities for town centre, access and parking improvements and the opportunities for joint working with the trunk roads authority to develop a heritage led approach relative to road signage.
026	Development and Infrastructure	Economic Development	Hermitage Park HLF	300,000	0	0	300,000		<p>The aims of the scheme focus around the objectives of protecting the quality of the heritage of Hermitage Park thereby improving the quality of the experience, increase public engagement and the use of the park. The overall objective is to enhance the quality of the area as a place to live and work and in turn improve the overall quality of life in our communities. This will be achieved through the following:</p> <ol style="list-style-type: none"> 1 Restoration of the historic fabric including walled memorial garden, pond and gates, old mill remains, Hermitage Well and the Millig Burn paths, bridges and walls. 2 Restoration/reinterpretation of historic planting, including open up lines of site to improve safety of visitors. 3 Celebration of heritage through interpretation and community involvement – and upgrading of the paths and drainage to increase access to the Park. 4 Reconsideration of the recreational elements which include the children's play park, bowling green, tennis courts, putting green and recreational pavilion, shelter and toilets.
027	Development and Infrastructure	Economic Development	Campbeltown Picture House	150,000	0	0	150,000		<p>First constructed in 1913 and is now the oldest purpose built cinema still operating in Scotland. However, due to age, years of water ingress and an antiquated heating system, the property is now in a perilous state of repair and is an A -Listed property. Although the management board is composed of volunteers, it currently employs 7 staff (2 FT/ 5 PT) and has plans to expand. Total costs of renovations are forecast at £3m as detailed in the Business Case (Jura Consultants, August 2012).</p>

APPENDIX 1

Earmarked Reserves - Unspent Budget
As at 31 December 2014

Ref	Department	Service	Description	Balance 31/03/14	Drawdown to 2014/15 Budget as at 31/12/14	Planned Still to Spend in 2014/15	Planned Future Spend Years	Balance No Longer Required	Plans for Use
032	Community Services	Adult Care	Residential Care Home Placements (Charging Order Income)	853,000	0	0	853,000		Contingency put in place in February 2013 to offset budget saving options for Adult Care Service. The Council holds a debtor on the balance sheet for the level of charging orders in place, this earmarked balance is a holding account to retain the monies that were generated in creating the debtor. These funds have not yet been recovered, if this earmarked balance was removed there would be an issue for the service if the debt is not recovered.
033	Community Services	Adult Care	Autism Strategy	35,000	10,354	24,646	0		Carry forward on monies received late in 2012-13 to fund the development of an autism strategy for both adults and children. Report to Community Services Committee 8th May 2014. noting The Health and Social Care Strategic Partnership are leading work in Argyll and Bute to develop services for clients with an Autism Spectrum Disorder (ASD). Work is underway and funding is being utilised.
034	Community Services	Adult Care	Health and Social Care Integration	120,000	120,000	0	0		To fund a team for two years to progress Health and Social Care Integration. Project is up and running. Funding will be required to cover project team staff costs until implementation. Additional ad-hoc support may be required subject to developments / timescales.
035	Community Services	Children and Families	Early Intervention (Early Years Change Fund)	731,000	274,004	0	456,996		Fund established in 2012/13 to be spent over more than one year. Expenditure plan was prepared in 2014/15.
036	Community Services	Children and Families	Care First /Care Pay Consultancy	16,200	0	0	16,200		Progress the integration of financial and care management information held in the CareFirst system for Children and Families. Monies were planned to be spent during 2013-14, however the timescale has slipped. Consultancy will now be needed in 2015-16.
037	Community Services	Children and Families	Early Years Development Support	29,190	29,190	0	0		Two posts shared by the Council and NHS to support the Integrated Childrens Services Planning and Early Years Collaborative. 2 posts were recruited to in November 2013. Funding is required to fund these posts in 14/15.
038	Community Services	Community and Culture	Events and Festivals	67,000	67,000	0	0		Contribution towards a strategic events and festivals programme. Year 3 of 3 year programme.
039	Community Services	Community and Culture	Welfare Rights Officer	42,000	33,434	66	8,500		Continuation of fixed 2 year Welfare Rights Officer post, to assist in the delivery of additional requirements placed on the service, as a result of Welfare Reform. Fixed 2 year post w/ef June 2013.
040	Community Services	Education	School Campus Proposals - Dunoon and Campbeltown	648,407	75,000	57,631	515,776		Additional revenue costs associated with development of new schools. Drawn down as Schools project progresses and project costs are incurred.
041	Community Services	Education	Use of Additional Scottish Government Funding to Maintain Teacher numbers - Performance Management Officer	32,138	32,138	0	0		Two year initiative, creation of a post to provide support to the Education Management Team. Year 2 of initiative. Officer in post, contracted until March 2015.

APPENDIX 1

Earmarked Reserves - Unspent Budget
As at 31 December 2014

Ref	Department	Service	Description	Balance 31/03/14	Drawdown to 2014/15 Budget as at 31/12/14	Planned Still to Spend in 2014/15	Planned Future Spend Years	Balance No Longer Required	Plans for Use
042	Community Services	Education	Youth Employment Opportunities Fund	162,388	10,000	65,000	87,388		Fund established in 2012/13 to be spent over more than one year. Monies will be spent on activities including Modern Apprenticeships and work experience.
043	Customer Services	Customer and Support Services	Corporate Purchasing Cards	5,000	5,000	0	0		Introduce corporate purchasing cards for catering purchases in schools. Remaining balance is required for next year for 4 months to allow the completion of the creditors scanning backlog.
044	Customer Services	Customer and Support Services	Information Management Strategy	6,212	2,400	3,812	0		To fund one-off costs within IT in respect of Information Management Strategy. All monies were planned to be spent during 2013-14, however some invoices were withheld for payment due to late delivery and poor quality of some of the deliverables of the project. These issues have been resolved in 2014-15 and the monies will be required to offset the final costs.
045	Customer Services	Executive Director of Customer Services	NPDO	200,000	0	0	0	200,000	Use efficiencies within 2012-13 to pay for the potential costs associated with a refinancing proposal for ABC Schools. Any refinancing proposal has the potential to result in a substantial gain for the Council. The costs associated with re-financing will not be incurred until 2014-15.
046	Customer Services	Facility Services	Asbestos Management	358,369	114,974	64,211	179,185		Asbestos survey to be carried out for all of the Council properties. Reserves were approved to fund a 3 year programme of asbestos works, the original amount earmarked was £513k. The remaining monies will be spent over 2014-15 and 2015-16.
047	Customer Services	Improvement and HR	Argyll and Bute Manager Programme	164,575	0	0	113,492	51,083	Fund the Argyll and Bute Manager training programme. The service have incurred some expenditure but this can be accommodated from within the service favourable outturn position. Proposed to maintain balance in reserves to fund the extension of the Argyll and Bute Manager programme. ALTHOUGH BALANCE IS BEING RELEASED BACK TO THE GENERAL FUND, THERE IS AVAILABLE MONIES WITHIN CUSTOMER SERVICES BUDGET WITHIN 2014-15 TO ENABLE THIS PROJECT/INITIATIVE TO STILL PROGRESS.
048	Customer Services	Improvement and HR	Learning and Development	175,640	0	0	120,840	54,800	Training identified via PRDs, develop further E-Learning modules and the provision of Social Work degree and HNC qualifications. Original earmarked balance was to be spent over a 5 year period. The service have incurred some expenditure in these areas but do not require to draw on the reserves as these costs can be accommodated from the favourable outturn position. The spending plan has been expanded to include the provision of social work HNC qualifications. ALTHOUGH BALANCE IS BEING RELEASED BACK TO THE GENERAL FUND, THERE IS AVAILABLE MONIES WITHIN CUSTOMER SERVICES BUDGET WITHIN 2014-15 TO ENABLE THIS PROJECT/INITIATIVE TO STILL PROGRESS.
049	Customer Services	Improvement and HR	Corporate Improvement Board Projects	43,500	0	0	0	43,500	Plans for use include the re-accreditation of PSIF verifiers, BPR training costs and the costs of developing e-learning modules. Monies originally planned to be spent by 2014-15. Plans for use include the re-accreditation of PSIF verifiers, BPR training costs and the costs of developing e-learning modules. ALTHOUGH BALANCE IS BEING RELEASED BACK TO THE GENERAL FUND, THERE IS AVAILABLE MONIES WITHIN CUSTOMER SERVICES BUDGET WITHIN 2014-15 TO ENABLE THIS PROJECT/INITIATIVE TO STILL PROGRESS.
050	Development and Infrastructure	Economic Development	Lorn Arc	26,000	26,000	0	0	0	To address any outstanding aspects of the Lorn Arc Business Case

APPENDIX 1

Earmarked Reserves - Unspent Budget
As at 31 December 2014

Ref	Department	Service	Description	Balance 31/03/14	Drawdown to 2014/15 Budget as at 31/12/14	Planned Still to Spend in 2014/15	Planned Future Spend Years	Balance No Longer Required	Plans for Use
051	Development and Infrastructure	Economic Development	Iona Ferry Slip	255,000	0	0	255,000		To be used on ferry slip on Iona which requires significant work. There has been a delay in initiating project due to the scope of the work changing and the revised project having to be re-tendered.
052	Development and Infrastructure	Planning and Regulatory Services	Local Plan Enquiry	90,000	40,200	7,800	0	42,000	Local Plan Enquiry scheduled for 2014/15
053	Development and Infrastructure	Roads and Amenity Services	Waste Management	586,258	318,554	267,704	0		Will be used towards Waste Management longer term model. Delay in introduction of comingled collection due to legal issues that remain to be resolved, however monies will be required for waste management longer term model.
054	Development and Infrastructure	Roads and Amenity Services	Car Parking Strategy Initial Shortfall	209,314	58,606	150,708	0		Required for the implementation of DPE. Implementation commenced during 2013-14. £217k of the funding was used and it is expected that the balance of £209k will be used in the first 6 months of 2014-15.
077	HQ Non Dept	n/a	Community Resilience Fund	524,680	0	0	524,680		Fund established in 2012/13 to be spent over more than one year
078	HQ Non Dept	n/a	PVG Retrospective Phase	211,413	46,470	59,237	105,706		Budget earmarked at the end of 2012-13 for a 3 year programme to ensure the council is compliant with the requirement of the PVG scheme, including the migration of existing staff over to the new scheme.
079	HQ Non Dept	n/a	Support Staff for PVG Retrospective Phase	74,192	24,519	12,577	37,096		Additional support in HR to process PVG applications.
TOTAL				7,298,027	1,530,188	930,245	4,446,212	391,383	

Risk Assessment for Review of Reserves		
Factor	Comment	Assessment
Cost pressures	Cost pressures for 2015-16 have been reviewed regularly throughout 2014-15. The cost pressures included in the service plans and draft budget take account of the requirement to fund existing levels of service provision.	Medium (2014-15 Medium)
Demand led pressures	The main demand led pressures over the last few years have related to social work services for children, additional support needs in education, home care and winter maintenance on the road network. Demand pressures for 2015-16 have been reviewed regularly throughout 2014-15.	Medium (2014-15 Medium)
Service Income	Service income levels have been reviewed as part of constructing the budget. In addition fees and charges have been reviewed.	Low (2014-15 Low)
Council Wide Cost Risks	The financial risk analysis identified 10 council wide cost risks – Council Tax income, finance settlement conditions, shortfall on savings target, backdating of holiday pay, employee pay awards, national insurance, superannuation, energy costs, repairs and maintenance and general inflation. All risks have been assessed as unlikely (score 2) with the exception of the finance settlement conditions risk which has been assessed as remote (score 1) and the Employers Superannuation auto enrolment which has been assessed as almost certain (score 5). At this stage it is difficult to determine a reasonable estimate of the financial impact of superannuation auto enrolment.	Medium (2014-15/ Medium)
Funding Risks	The financial settlement announced on 11 December 2014 confirms funding for the 2015-16 financial year with the exception of the Council Tax Reduction Scheme funding. The other element of funding is council tax and the Council has made a prudent	Medium (2014-15 Medium)

Risk Assessment for Review of Reserves		
Factor	Comment	Assessment
	estimate of income and has a sound history of achieving collection targets. The overall assessment is a medium risk.	
Savings Risks	The Council have agreed a strategy to managing the budget which will see a savings target of 1% per annum for 2014-15 and 2015-16. The longer term outlook will require to be addressed through the development of "service choices" to ensure the Councils resources are aligned to support the delivery of the SOA.	Medium (2014-15 Medium)
Inflation Rates	The projections for inflation have been based on Bank of England forecasts. Currently the rate of inflation CPI is 1.2%. In terms of the longer term outlook, general inflation exceeds future forecasts. Whilst it is forecast to rise to around 1.3% in 2015-16 there is still a 56% probability of it exceeding 2.0% in the medium term. In terms of any longer term outlook in light of the updated Bank of England projections the general inflation assumption used would be 2.0%.	Low/Medium (2014-15 Low/Medium)
Interest Rates	The Council has a large proportion of its borrowing secured at fixed rates. Surplus funds are invested and the rates of interest earned reflect current market conditions. Borrowing is being managed to reduce surplus cash available for investment subject to working capital/cash flow requirements. This reduces risk exposure on surplus funds. Current forecasts of interest rate are based on advice from our treasury advisors. Current investment rates are so low there is little scope for them to reduce any further.	Low (2014-15 Low)
Financial risks	The Council has reduced surplus funds invested and this has reduced exposure to risks associated with money market deposits. It retains a working balance of £10m to meet cash flow needs. Investments are managed based on the credit worthiness of agreed counterparties based on credit scores of	Low (2014-15 Low)

Risk Assessment for Review of Reserves		
Factor	Comment	Assessment
	recognised agencies. This should avoid having to borrow in an unplanned way from the money markets.	
Strategic risks	The strategic risk register has been reviewed against the draft corporate and service plans.	Medium (2014-15 Medium)
Operational risks	Operational risk registers are held in Pyramid and formally reviewed each quarter. Service plans and budget have been prepared to reflect current risks.	Medium (2014-15 Medium)
General financial climate	The finance settlement covers 2015-16. A prudent approach to estimating income from council tax has been taken. Risks arising from inflation, interest rates, cost pressures and demand led pressures have been outlined above. However, given the increased uncertainty globally in relation to the general financial climate particularly in relation to the Eurozone this does remain an area of risk. It would be prudent to assume a medium risk for this.	Medium (2014-15 Medium)
Availability of contingency funds	The Council currently has sufficient contingency funds to meet its target.	Low (2014-15 Low)
Overall financial standing	The Council has managed to achieve its contingency target in previous years. Actual costs are normally contained within budget. Borrowing costs are largely fixed and exposure to changes in investment rates for surplus cash are minimised. In addition to the contingency there are significant earmarked funds. The planning and budget process has identified cost pressures and risks, however, significant savings are required going forward. The risks from the overall financial standing of the Council are low.	Low (2014-15 Low)
Track record in budget management	The Council has a good track record of containing expenditure within budget. Again the Council is on track to contain costs within budget for 2014-15. However there remains the potential for significant costs for winter maintenance in relation to roads.	Low (2014-15 Low)
Financial	Revenue and capital budgets are	Low/Medium

Risk Assessment for Review of Reserves		
Factor	Comment	Assessment
information and reporting arrangements	monitored on a monthly basis with budget allocated to responsible managers. A risk based approach is taken to budget monitoring and the budget monitoring process is continually being reviewed to identify ongoing improvements.	(2014-15 Low/Medium)
Insurance cover	The Council has adequate insurance cover.	Low (2014-15 Low)
Internal controls	The statement of internal controls identifies a generally adequate control framework although there are areas for improvement. An audit plan is approved and delivered each year to monitor internal controls. The Council's Audit Committee is active and complies with most aspects of good practice.	Low/Medium (2014-15 Low/Medium)

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****STRATEGIC FINANCE****5 FEBRUARY 2015**

TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

1. EXECUTIVE SUMMARY

- 1.1 This covering report is the Executive Summary for the Treasury Management Strategy Statement and Annual Investment Strategy which sets out the strategy for borrowing and investing for the year. The types and limits on the use of investment products which will be used to manage the Council's treasury transactions for the year are included within the Annual Investment Strategy.
- 1.2 The Council currently complies with the Code of Practice on Treasury Management.
- 1.3 The Council requires to approve a Treasury Management Strategy Statement and Annual Investment Strategy in advance of the start of the each financial year. The statement sets out the Council's strategy for borrowing and investment for the forthcoming year along with the Council's Prudential Indicators.
- 1.4 The Treasury Management Strategy Statement and Annual Investment Strategy meet the requirements of the CIPFA Code of Practice on Treasury Management in Local Authorities.
- 1.5 The draft Treasury Management Strategy, Annual Investment Strategy and Treasury Policy Statement will be presented to:
- Policy and Resources Committee on 5 February 2015
 - Council on 12 February 2015
 - Performance Review and Scrutiny Committee on 26 February 2015
- 1.6 As part of the scrutiny of the Treasury Management Strategy Statement and Annual Investment Strategy the Performance Review and Scrutiny Committee will be asked to review the attached document and comment on it with any amendments required being brought to Policy and Resources Committee in March and Council in April for consideration.
- 1.7 The major changes to the Annual Treasury Strategy from 2014-15 are in the Treasury Indicators to reflect the expected movements in the Council's Capital Financing Requirement. In terms of the Investment Strategy the changes are in the limit per counterparty which has been reduced from £30m to £20m to reflect the diversification policy and to limit Money Market Funds to £10m per fund.
- 1.8 The Council as part of delivering the single outcome agreement agreed to consider Investing for Income, as this programme develops it may require changes to be made to the Treasury and Investment Strategies. Any amendments required will be brought to Council for approval.

2. RECOMMENDATIONS

2.1 The recommendation is that the Treasury Management Strategy Statement and Annual Investment Strategy are approved for submission to Council in February.

3. IMPLICATIONS

- | | | |
|-----|--------------------|---|
| 3.1 | Policy – | Sets the policy for Borrowing and Investment Decisions |
| 3.2 | Financial - | Sets the limits for maximum financial exposure for Borrowing and Investment |
| 3.3 | Legal - | None. |
| 3.4 | HR - | None. |
| 3.5 | Equalities - | None. |
| 3.6 | Risk - | Sets the limits for maximum financial exposure for Borrowing and Investment |
| 3.7 | Customer Service - | None. |

Bruce West, Head of Strategic Finance
Dick Walsh Council Leader and Policy Lead for Strategic Finance
28 January 2015

For further information please contact Bruce West, Head of Strategic Finance
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Treasury Management Strategy Statement
and Annual Investment Strategy 2015-16

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1 INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

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

1.2 Reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

In year treasury management reporting –Members will be updated with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision at each meeting of the Policy and Resources Committee.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.3 Treasury Management Strategy for 2015/16

The strategy for 2015/16 covers two main areas:

Capital issues

- the capital plans and the prudential indicators.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government in Scotland Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and Scottish Government Investment Regulations.

1.4 Treasury management consultants

The Council uses Capita Asset Services as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2015/16 – 2017/18

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans.

The table below summarises the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a borrowing need.

Capital expenditure £'000	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Total cap. expenditure	32,685	37,903	45,505	20,273	10,140
Financed by:					
Capital receipts	271	1,334	4,390	7,693	0
Capital grants	10,998	15,608	14,122	10,140	10,140
Capital reserves					
Revenue	3,910	1,160	286	0	0
Net financing need for the year	17,506	19,801	26,707	2,440	0

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as scheduled debt amortisation (loans pool charges) broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £79.6m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£'000	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Capital Financing Requirement					
Opening CFR	258,398	256,463	257,943	274,366	275,852
Closing CFR	256,463	257,943	274,366	275,852	276,628
Movement in CFR	-1,935	1,480	16,423	1,486	776

Movement in CFR represented by					
Net financing need for the year (above)	17,506	19,801	26,707	2,440	-140
Less Scheduled debt Amortisation	19,441	18,441	11,784	10,784	9,784
Movement in CFR	-1,935	1,360	14,923	-8,344	-9,924

2.3 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end investment balances.

Year End Resources £'000	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Expected investments	44,350	35,000	20,000	15,000	10,000

2.4 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

2.5 Ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Ratio	11.15%	10.98%	8.24%	7.96%	7.55%

The estimates of financing costs include current commitments and the proposals in this budget report.

2.6 Incremental impact of capital investment decisions on council tax.

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Council tax - band D	37.52	36.27	60.46	26.31	22.62

3 Treasury Management Strategy

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2014, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£'000	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
External Debt					
Debt at 1 April	161,181	161,955	162,655	172,655	182,655
Change in Debt	774	700	10,000	10,000	5,000
Other long-term liabilities (OLTL) at 1 April	81,170	79,605	78,057	76,509	74,961
Change in OLTL	-1,565	-1,548	-1,548	-1,548	-1,548
Actual gross debt at 31 March	241,560	240,712	249,164	257,616	261,068
The Capital Financing Requirement	256,463	257,943	274,366	275,852	276,628
Under / (over) borrowing	14,903	17,231	25,202	18,236	15,560

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Head of Strategic Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational Boundary £'m	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Debt	179	198	215	210
Other long term liabilities	80	80	80	80
Total	259	278	295	290

The Authorised Limit for External Borrowing. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit (Affordable Capital Expenditure Limit) determined under section 35 (1) of the Local Government in Scotland Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following Authorised Limit:

Authorised Limit £'m	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Debt	184	203	220	215
Other long term liabilities	83	83	83	83
Total	267	286	303	298

3.3 Prospects for interest rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Appendix 1 draws together a number of current City forecasts for the short term (Bank Rate) and longer fixed interest rates.

The following table gives the Capita Asset Services (Sector) central view.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2014	0.50	2.50	3.90	3.90
Mar 2015	0.50	2.70	4.00	4.00
Jun 2015	0.75	2.70	4.10	4.10
Sep 2015	0.75	2.80	4.30	4.30
Dec 2015	1.00	2.90	4.40	4.40
Mar 2016	1.00	3.00	4.50	4.50
Jun 2016	1.25	3.10	4.60	4.60
Sep 2016	1.25	3.20	4.70	4.70
Dec 2016	1.50	3.30	4.70	4.70
Mar 2017	1.50	3.40	4.80	4.80
Jun 2017	1.75	3.50	4.80	4.80
Sep 2017	2.00	3.50	4.90	4.90
Dec 2017	2.25	3.50	4.90	4.90
Mar 2018	2.50	3.50	5.00	5.00

Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth has rebounded during 2013 and especially during 2014, to surpass all expectations, propelled by recovery in consumer spending and the housing market. Forward surveys are also currently very positive in indicating that growth prospects are strong for 2015, particularly in the services and construction sectors. However, growth in the manufacturing sector and in exports has weakened during 2014 due to poor growth in the Eurozone. There does need to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this initial stage in the recovery to become more firmly established. One drag on the economy is that wage inflation has been lower than CPI inflation so eroding disposable income and living standards, although income tax cuts have ameliorated this to some extent. This therefore means that labour productivity must improve significantly for this situation to be corrected by warranting increases in pay rates. In addition, the encouraging rate at which unemployment has been falling must eventually feed through into pressure for wage increases, though current views on the amount of hidden slack in the labour market probably means that this is unlikely to happen in the near future. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- As for the Eurozone, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, and worries over the Ukraine situation, Middle East and Ebola, have led to a resurgence of those concerns as risks increase that it could be heading into deflation and a triple dip recession since 2008. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is,

therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;

- Investment returns are likely to remain relatively low during 2015/16 and beyond;
- Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. During July to October 2014, a building accumulation of negative news has led to an overall trend of falling rates. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when councils will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2015/16 treasury operations. The Head of Strategic Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing

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

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

%	2015/16	2016/17	2017/18
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	195%	190%	190%
Limits on variable interest rates based on net debt	60%	60%	60%
Maturity structure of fixed interest rate borrowing 2015/16			
	Lower	Upper	
Under 12 months	0%	30%	
12 months to 2 years	0%	30%	
2 years to 5 years	0%	30%	
5 years to 10 years	0%	40%	
10 years and above	0%	80%	

3.5 Policy on Borrowing in Advance of Need

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

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt Rescheduling

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

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Council at the earliest meeting following its action.

4 ANNUAL INVESTMENT STRATEGY

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. More recently, in response to the evolving regulatory regime, the agencies have indicated they may remove these "uplifts". This process may commence during 2014/15 and / or 2015/16. The actual timing of the changes is still subject to discussion, but this does mean immediate changes to the credit methodology are required.

It is important to stress that the rating agency changes do not reflect any changes in the underlying status of the institution or credit environment, merely the implied level of sovereign support that has been built into ratings through the financial crisis. The eventual removal of implied sovereign support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger and less prone to failure in a financial crisis.

Both Fitch and Moody's provide "standalone" credit ratings for financial institutions. For Fitch, it is the Viability Rating, while Moody's has the Financial Strength Rating. Due to the future removal of sovereign support from institution assessments, both agencies have suggested going forward that these will be in line with their respective Long Term ratings. As such, there is no point monitoring both Long Term and these "standalone" ratings.

Furthermore, Fitch has already begun assessing its Support ratings, with a clear expectation that these will be lowered to 5, which is defined as "A bank for which there is a possibility of external support, but it cannot be relied upon." With all institutions likely to drop to these levels, there is little to no differentiation to be had by assessing Support ratings.

As a result of these rating agency changes, the credit element of our future methodology will focus solely on the Short and Long Term ratings of an institution. Rating Watch and Outlook information will continue to be assessed where it relates to these categories. This is the same process for Standard & Poor's that we have always taken, but a change to the use of Fitch and Moody's ratings. Furthermore, we will continue to utilise CDS prices as an overlay to ratings in our new methodology.

4.1 Investment Policy

The Council's investment policy has regard to the Scottish Government's Investments Investment (Scotland) Regulations (and accompanying Finance Circular) and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second and then return.

In accordance with guidance from the Scottish Government and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated

to have an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in appendices 5.3 and 5.4. Counterparty limits will be as set through the Council’s treasury management practices – schedules.

4.2 Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody’s and Standard and Poor’s. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
 - Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
 - Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
 - Purple 2 years
 - Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
 - Orange 1 year
 - Red 6 months
 - Green 100 days
 - No colour not to be used
-

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The Capita Asset Services (Sector) creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

4.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ based on the lowest available rating. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.5. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

4.4 Council Permitted Investments

The Investments Regulations (Code on the Investment of Money by Local Authorities) requires the Council approval of all the types of investments to be used and set appropriate limits for the amount that can be held in each investment type. These types of investments are termed permitted investments and any investments used which has not been approved as a permitted investment will be considered ultra vires.

The permitted investment which may be used in the forthcoming year:

Cash Type Instruments

- a. Deposits with the Debt Management Account Facility (UK Government);

- b. Deposits with other local authorities or public bodies;
- c. Money Market Funds;
- d. Call account deposit accounts with financial institutions (banks and building societies);
- e. Term deposits with financial institutions (banks and building societies);
- f. UK Government Gilts and Treasury Bills;
- g. Supranational Bonds (e.g. World Bank)
- h. Certificates of deposits with financial institutions (banks and building societies);
- i. Structured deposit facilities with banks and building societies (escalating rates, de-escalating rates etc.);
- j. Corporate Bonds;
- k. Bond Funds;
- l. Property Funds;

Other Funds

- m. Investment properties;
- n. Loans to third parties, including soft loans;
- o. Loans to local authority company;
- p. Shareholdings in a local authority company;
- q. Non-local authority shareholdings.

Details of the risks, mitigating controls and limits associated with each of these permitted categories are shown in Appendix 5.4.

Common Good permitted investments are also shown at Appendix 5.4, and where applicable the same counterparty selection criteria will be applied.

For those permitted cash type investments the Head of Strategic Finance will maintain a counterparty list in compliance with the counterparty selection criteria as stated above. These criteria select which counterparties the Council choose from, rather than defining what its investments are.

4.5 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations. Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 1 of 2015. Bank Rate forecasts for financial year ends (March) are:

- 2015/16 1.00%
 - 2016/17 1.50%
 - 2017/18 2.50%
-

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:

- 2015/16 0.90%
- 2016/17 1.50%
- 2017/18 2.00%
- 2018/19 2.50%
- 2019/20 3.00%
- 2020/21 3.00%
- 2021/22 3.25%
- 2022/23 3.25%
- Later years 3.50%

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£m	2015/16	2016/17	2017/18
Principal sums invested > 364 days	£20	£20	£20

For its cash flow generated balances, the Council will seek to utilise its business reserve accounts, 10, 15, 35 and 95 day notice accounts, money market funds and short-dated deposits (overnight to 364 days) in order to benefit from the compounding of interest.

4.6 End of Year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.7 External Fund Managers

The Council at present does not use a fund manager for investment of its surplus cash but makes use of Money Market Funds to enhance diversification of investments. The Council approved the use of external investment manager CCLA to manage the investments of the following trust funds and charities:

- Oban Common Good
- Campbeltown Common Good
- The Argyll Education Trust
- The MacDougall Trust

4.8 Policy on the Use of External Service Providers

The Council uses Capita Asset Services (Sector) as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed, documented and subjected to regular review.

4.9 Scheme of Delegation

Please see Appendix 5.6.

4.10 Role of the Section 95 Officer

Please see Appendix 5. 7.

4.11 Treasury Management Policy

Please see Appendix 5.8.

5 Appendices

1. Interest rate forecasts
2. Economic background
3. Treasury management practice (TMP1) – permitted investments
4. Treasury management practice (TMP1) – Credit and Counterparty Risk Management
5. Approved countries for investments
6. Treasury management scheme of delegation
7. The treasury management role of the section 95 officer
8. Treasury Management Policy Statement

5.1 APPENDIX: Interest Rate Forecasts 2014 – 2018

PWLB rates and forecast shown below have taken into account the 20 basis point reduction.

Capita Asset Services Interest Rate View														
	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank Rate View	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%
3 Month LIBID	0.50%	0.60%	0.80%	0.90%	1.10%	1.30%	1.40%	1.60%	1.90%	2.10%	2.10%	2.30%	2.40%	2.60%
6 Month LIBID	0.70%	0.80%	1.00%	1.10%	1.20%	1.40%	1.50%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.80%
12 Month LIBID	0.90%	1.00%	1.20%	1.30%	1.40%	1.70%	1.80%	2.10%	2.20%	2.30%	2.40%	2.60%	2.80%	3.00%
5yr PW IB Rate	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%	3.50%	3.50%
10yr PW IB Rate	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.20%	4.30%	4.30%
25yr PW IB Rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
50yr PW IB Rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
Bank Rate														
Capita Asset Services	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	-	-	-	-	-
5yr PW IB Rate														
Capita Asset Services	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%	3.50%	3.50%
Capital Economics	2.30%	2.60%	2.80%	3.00%	3.20%	3.40%	3.50%	3.60%	3.70%	-	-	-	-	-
10yr PW IB Rate														
Capita Asset Services	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.20%	4.30%	4.30%
Capital Economics	3.05%	3.25%	3.45%	3.60%	3.80%	3.85%	3.90%	3.95%	4.05%	-	-	-	-	-
25yr PW IB Rate														
Capita Asset Services	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
Capital Economics	3.70%	3.95%	4.05%	4.15%	4.25%	4.35%	4.45%	4.55%	4.60%	-	-	-	-	-
50yr PW IB Rate														
Capita Asset Services	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
Capital Economics	3.80%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	-	-	-	-	-

5.2 APPENDIX: Economic Background

UK. After strong UK GDP growth in 2013 at an annual rate of 2.7%, and then in 2014 0.7% in Q1, 0.9% in Q2 2014 (annual rate 3.2% in Q2), Q3 has seen growth fall back to 0.7% in the quarter and to an annual rate of 2.6%. It therefore appears that growth has eased since the surge in the first half of 2014 leading to a downward revision of forecasts for 2015 and 2016, albeit that growth will still remain strong by UK standards. For this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster than expected. The MPC is now focusing on how quickly slack in the economy is being used up. It is also particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back significantly above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Unemployment is expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in wage growth at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.0% in November 2014, the lowest rate since September 2002. Forward indications are that inflation is likely to remain around or under 1% for the best part of a year. The return to strong growth has helped lower forecasts for the increase in Government debt over the last year but monthly public sector deficit figures during 2014 have disappointed until November. The autumn statement, therefore, had to revise the speed with which the deficit is forecast to be eliminated.

The Eurozone (EZ). The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In November 2014, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June and September 2014 to loosen monetary policy in order to promote growth. It now appears likely that the ECB will embark on full quantitative easing (purchase of EZ country sovereign debt) in early 2015.

Concern in financial markets for the Eurozone subsided considerably after the prolonged crisis during 2011-2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause of concern, especially as some of these countries are

experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are likely to continue to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US.

Greece: the general election due to take place on 25 January 2015 is likely to bring a political party to power which is anti EU and anti-austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti-austerity political parties throughout the EU is much more difficult to quantify. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries which have high unemployment rates. There are also major concerns as to whether the governments of France and Italy will effectively implement austerity programmes and undertake overdue reforms to improve national competitiveness. These countries already have political parties with major electoral support for anti EU and anti-austerity policies. Any loss of market confidence in either of the two largest Eurozone economies after Germany would present a huge challenge to the resources of the ECB to defend their debt.

USA. The U.S. Federal Reserve ended its monthly asset purchases in October 2014. GDP growth rates (annualised) for Q2 and Q3 of 4.6% and 5.0% have been stunning and hold great promise for strong growth going forward. It is therefore confidently forecast that the first increase in the Fed. rate will occur by the middle of 2015.

China. Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has indicated a marginally lower outturn for 2014, which would be the lowest rate of growth for many years. There are also concerns that the Chinese leadership has only started to address an unbalanced economy which is heavily over dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

Japan. Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth to the extent that it has slipped back into recession in Q2 and Q3. The Japanese government already has the highest debt to GDP ratio in the world.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis. There is an increased risk that Greece could end up leaving the Euro but if this happens, the EZ now has sufficient fire walls in place that a Greek exit would have little immediate direct impact on the rest of the EZ and the Euro. It is therefore expected that there will be an overall managed, albeit painful and tortuous, resolution of any EZ debt crisis that may occur where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be weak at best for the next couple of years with some EZ countries experiencing low or negative growth, which will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and / or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a sharp resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK strong economic growth is weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- An adverse reaction by financial markets to the result of the UK general election in May 2015 and the economic and debt management policies adopted by the new government
- ECB either failing to carry through on recent statements that it will soon start quantitative easing (purchase of government debt) or severely disappointing financial markets with embarking on only a token programme of minimal

purchases which are unlikely to have much impact, if any, on stimulating growth in the EZ.

- The commencement by the US Federal Reserve of increases in the central rate in 2015 causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities, leading to a sudden flight from bonds to equities.
- A surge in investor confidence that a return to robust world economic growth is imminent, causing a flow of funds out of bonds into equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

5.3 APPENDIX: Treasury Management Practice (TMP1) - Permitted Investments

This Council approves the following forms of investment instrument for use as permitted investments as set out in table 1 and 2.

Treasury risks

All the investment instruments in tables 1 and 2 are subject to the following risks: -

1. **Credit and counter-party risk:** this is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the organisation particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have a very high level of creditworthiness.
2. **Liquidity risk:** this is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk as credit risk can never be zero, in this document, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. However, it has to be pointed out that while some forms of investment e.g. gilts, CDs, corporate bonds can usually be sold immediately if the need arises, there are two caveats: - a. cash may not be available until a settlement date up to three days after the sale b. there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer. The column in tables 1 and 2 headed as 'market risk' will show each investment instrument as being instant access, sale T+3 = transaction date plus 3 business days before you get cash, or term i.e. money is locked in until an agreed maturity date.
3. **Market risk:** this is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately. However, some cash rich local authorities may positively want exposure to market risk e.g. those investing in investment instruments with a view to obtaining a long term increase in value.
4. **Interest rate risk:** this is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. This authority has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report. All types of investment instrument have interest rate risk.
5. **Legal and regulatory risk:** this is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

Controls on treasury risks

1. **Credit and counter-party risk:** this authority has set minimum credit criteria to determine which counterparties and countries are of high creditworthiness to enable investments to be made safely. See paragraphs 4.2 and 4.3.
2. **Liquidity risk:** this authority has a cash flow forecasting model to enable it to determine how long investments can be made for and how much can be invested.
3. **Market risk:** this authority does not purchase investment instruments which are subject to market risk in terms of fluctuation in their value.
4. **Interest rate risk:** this authority manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing. See paragraph 4.4.
5. **Legal and regulatory risk:** this authority will not undertake any form of investing until it has ensured that it has all necessary powers and also complied with all regulations. All types of investment instruments

Unlimited investments

Regulation 24 states that an investment can be shown in tables 1 and 2 as being 'unlimited' in terms of the maximum amount or percentage of the total portfolio that can be put into that type of investment. However, it also requires that an explanation must be given for using that category.

The authority has given the following types of investment an unlimited category: -

1. **Debt Management Agency Deposit Facility.** This is considered to be the lowest risk form of investment available to local authorities as it is operated by the Debt Management Office which is part of H.M. Treasury i.e. the UK Government's AA+ rating stands behind the DMADF. It is also a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts.
2. **High credit worthiness banks and building societies.** See paragraph 4.2 for an explanation of this authority's definition of high credit worthiness. While an unlimited amount of the investment portfolio may be put into banks and building societies with high credit worthiness, the authority will ensure diversification of its portfolio ensuring that no more than £20m of the total portfolio can be placed with any one institution or group.

Objectives of each type of investment instrument

Regulation 25 requires an explanation of the objectives of every type of investment instrument which an authority approves as being 'permitted':-

1. DEPOSITS

The following forms of 'investments' are actually more accurately called deposits as cash is deposited in an account until an agreed maturity date or is held at call.

- a) **Debt Management Agency Deposit Facility.** This is considered to be the lowest risk form of investment available to local authorities as it is operated by the Debt Management Office which is part of H.M. Treasury i.e. the UK Government's sovereign rating stands behind the DMADF. It is also a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts.
- b) **Term deposits with high credit worthiness banks and building societies.** See paragraph 4.7 for an explanation of this authority's definition of high credit worthiness. This is the most widely used form of investing used by local authorities. It offers a much higher rate of return than the DMADF (dependent on term) and now that measures have been put in place to avoid over reliance on credit ratings, the authority feels much more confident that the residual risks around using such banks and building societies are at a low, reasonable and acceptable level. The authority will ensure diversification of its portfolio of deposits ensuring that no more than £20m of the total portfolio can be placed with any one institution or group. In addition, longer term deposits offer an opportunity to increase investment returns by locking in high rates ahead of an expected fall in the level of interest rates. At other times, longer term rates can offer good value when the markets incorrectly assess the speed and timing of interest rate increases. This form of investing therefore, offers a lot of flexibility and higher earnings than the DMADF. Where it is restricted is that once a longer term investment is made, that cash is locked in until the maturity date.
- c) **Call accounts with high credit worthiness banks and building societies.** The objectives are as for 1b. but there is instant access to recalling cash deposited. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. Some use of call accounts is highly desirable to ensure that the authority has ready access to cash when needed to pay bills.
- d) **Fixed term deposits with variable rate and variable maturities (structured deposits).** This line encompasses ALL types of structured deposits. There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluidity of this area, this is a generic title for all structured deposits so as to provide councils with greater flexibility to adopt new instruments as and when they are brought to the market. However, this does mean that members ought to be informed as to what instruments are presently under this generic title so that they are aware of the current situation, and that they are informed and approve of intended changes in an appropriate manner.
- e) **Collateralised deposits.** These are deposits placed with a bank which offers collateral backing based on LOBOs borrowed by local authorities. Such deposits are effectively lending to a local authority as that is the ultimate security.

2. DEPOSITS WITH COUNTERPARTIES CURRENTLY IN RECEIPT OF GOVERNMENT SUPPORT / OWNERSHIP

These banks offer another dimension of creditworthiness in terms of Government backing through either direct (partial or full) ownership or the banking support package. The view of this authority is that such backing makes these banks attractive institutions with whom to place deposits, and that will remain our view if the UK sovereign rating were to be downgraded in the coming year.

- a. **Term deposits with high credit worthiness banks which are fully or semi nationalised.** As for 1b. but Government ownership partial or full implies that the Government stands behind this bank and will be deeply committed to providing whatever support that may be required to ensure the continuity of that bank. This authority considers that this indicates a low and acceptable level of residual risk.
 - b. **Fixed term deposits with variable rate and variable maturities (structured deposits).** This line encompasses ALL types of structured deposits. There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluidity of this area, this is a generic title for all structured deposits so as to provide councils with greater flexibility to adopt new instruments as and when they are brought to the market. However, this does mean that members ought to be informed as to what instruments are presently covered under this generic title so that they are aware of the current situation, and that they are informed and approve of intended changes in an appropriate manner.
- 3. COLLECTIVE INVESTMENT SCHEMES STRUCTURED AS OPEN ENDED INVESTMENT COMPANIES (OEICS)**
- a. **Government liquidity funds.** These are the same as money market funds (see below) but only invest in government debt issuance with highly rated governments. Due to the higher quality of underlying investments, they offer a lower rate of return than MMFs. However, their net return is typically on a par with the DMADF, but with instant access.
 - b. **Money Market Funds (MMFs).**). By definition, MMFs are AAA rated and are widely diversified, using many forms of money market securities including types which this authority does not currently have the expertise or capabilities to hold directly. However, due to the high level of expertise of the fund managers and the huge amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities. They are particularly advantageous in falling interest rate environments as their 60 day WAM means they have locked in investments earning higher rates of interest than are currently available in the market. MMFs also help an authority to diversify its own portfolio as e.g. a £2m investment placed directly with HSBC is a 100% risk exposure to HSBC whereas £2m invested in a MMF may end up with say £10,000 being invested with HSBC through the MMF. For authorities particularly concerned with risk exposure to banks, MMFs offer an effective way of minimising risk exposure while still getting much better rates of return than available through the DMADF.
 - c. **Enhanced cash funds.** These funds are similar to MMFs, can still be AAA rated but have Variable Net Asset Values (VNAV) as opposed to a traditional MMF which has a Constant Net Asset Value (CNAV). They aim to achieve a higher yield and to do this either take more credit risk or invest out for longer periods of time, which means they are more volatile. These funds can have WAM's and Weighted Average Life (WAL's) of 90 – 365 days or even longer. Their primary objective is yield and capital preservation is second. They therefore are a higher risk than MMFs and correspondingly have the potential to earn higher returns than MMFs.

- d. **Gilt funds.** These are funds which invest only in U.K. Government gilts. They offer a lower rate of return than bond funds but are highly rated both as a fund and through investing only in highly rated government securities. They offer a higher rate of return than investing in the DMADF but they do have an exposure to movements in market prices of assets held.
- e. **Bond funds.** These can invest in both government and corporate bonds. This therefore entails a higher level of risk exposure than gilt funds and the aim is to achieve a higher rate of return than normally available from gilt funds by trading in non-government bonds.

4. SECURITIES ISSUED OR GUARANTEED BY GOVERNMENTS

The following types of investments are where an authority directly purchases a particular investment instrument, a security, i.e. it has a market price when purchased and that value can change during the period the instrument is held until it matures or is sold. The annual earnings on a security is called a yield i.e. it is normally the interest paid by the issuer divided by the price you paid to purchase the security unless a security is initially issued at a discount e.g. treasury bills.

- b. **Treasury bills.** These are short term bills (up to 12 months) issued by the Government and so are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales could incur a net cost during the period of ownership.
- c. **Gilts.** These are longer term debt issuance by the UK Government and are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales may incur a net cost. The advantage over Treasury bills is that they generally offer higher yields the longer it is to maturity (for most periods) if the yield curve is positive.
- d. **Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government** e.g. National Rail. This is similar to a gilt due to the explicit Government guarantee.
- e. **Sovereign bond issues (other than the UK govt) denominated in Sterling.** As for gilts but issued by other nations. Use limited to issues of nations with at least the same sovereign rating as for the UK.
- f. **Bonds issued by Multi Lateral Development Banks (MLDBs).** These are similar to c. and e. above but are issued by MLDBs which are typically guaranteed by a group of sovereign states e.g. European Bank for Reconstruction and Development.

5. SECURITIES ISSUED BY CORPORATE ORGANISATIONS

The following types of investments are where an authority directly purchases a particular investment instrument, a security, i.e. it has a market price when

purchased and that value can change during the period the instrument is held until it is sold. The annual earnings on a security is called a yield i.e. is the interest paid by the issuer divided by the price you paid to purchase the security. These are similar to the previous category but corporate organisations can have a wide variety of credit worthiness so it is essential for local authorities to only select the organisations with the highest levels of credit worthiness. Corporate securities are generally a higher risk than government debt issuance and so earn higher yields.

- a. **Certificates of deposit (CDs).** These are shorter term securities issued by deposit taking institutions (mainly financial institutions). They are negotiable instruments, so can be sold ahead of maturity and also purchased after they have been issued. However, that liquidity can come at a price, where the yield could be marginally less than placing a deposit with the same bank as the issuing bank.
- b. **Commercial paper.** This is similar to CDs but is issued by commercial organisations or other entities. Maturity periods are up to 365 days but commonly 90 days.
- c. **Corporate bonds.** These are (long term) bonds (usually bearing a fixed rate of interest) issued by a financial institution, company or other non-government issuer in order to raise capital for the institution as an alternative to issuing shares or borrowing from banks. They are generally seen to be of a lower creditworthiness than government issued debt and so usually offer higher rates of yield.
- d. **Floating rate notes.** These are bonds on which the rate of interest is established periodically with reference to short-term interest rates.

6. OTHER

- a. **Property fund.** This is a collective investment fund specialising in property. Rather than owning a single property with all the risk exposure that means to one property in one location rising or falling in value, maintenance costs, tenants actually paying their rent / lease etc, a collective fund offers the advantage of diversified investment over a wide portfolio of different properties. This can be attractive for authorities who want exposure to the potential for the property sector to rise in value. However, timing is critical to entering or leaving this sector at the optimum times of the property cycle of rising and falling values. Typically, the minimum investment time horizon for considering such funds is at least 3-5 years.

Table 1: permitted investments in house – Common Good

This table is for use by the in house treasury management team.

1.1 Deposits

	Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
Debt Management Agency Deposit Facility	--	term	no	100	2 years
Term deposits – local authorities	--	term	no	100	2 years
Call accounts – banks and building societies	Green	instant	no	100	Call
Term deposits – banks and building societies	Green	term	no	100	2 years
Fixed term deposits with variable rate and variable maturities: - Structured deposits.	Green	term	no	50	2 years
Collateralised deposit	AAA	term	no	50	1 year

1.2 Deposits with counterparties currently in receipt of government support / ownership

	Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
UK nationalised banks	Blue	term	no	100	1 year
Banks nationalised by high credit rated (sovereign rating) countries – non UK	AA+	term	no	100	1 year
Government guarantee (explicit) on ALL deposits by high credit rated (sovereign rating) countries	AA+	term	no	100	1 year
UK Government support to the banking Capita Asset Services (Sector) (implicit guarantee)	UK sovereign rating	term	no	100	1 year
Fixed term deposits with variable rate and variable maturities: - Structured deposits	Sovereign rating	term	no	100	1 year

1.3 Collective investment schemes structured as Open Ended Investment Companies (OEICs)

	Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
1. Government Liquidity Funds	AAA	instant	No see note A	100	1 year
2. Money Market Funds	AAA	instant	No see note A	100	1 year
3. Enhanced cash funds	AAA	T+>1	yes	100	1 year
4. Gilt Funds	AAA	T+>1	yes	100	1 year
5. Bond Funds	AAA	T+>1	yes	100	1 year

Note A: the objective of this fund to maintain the net asset value but they hold assets which can vary in value. However, the credit rating agencies require the fluctuation in unit values held by investors to vary by almost zero.

1.4 Securities issued or guaranteed by governments

	Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
Treasury Bills	UK sovereign rating	Sale T+1	yes	100	1 year
UK Government Gilts	UK sovereign rating	Sale T+1	yes	100	1 year
Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government (refers solely to GEFCO - Guaranteed Export Finance Corporation)	UK sovereign rating	Sale T+3	yes	100	1 year
Sovereign bond issues (other than the UK govt)	AAA	Sale T+1	yes	80	1 year
Bonds issued by multilateral development banks	AAA	Sale T+1	yes	80	1 year

1.5 Securities issued by corporate organisations

	* Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee	UK sovereign rating	Sale T+1	yes	80	2 years
Certificates of deposit issued by banks and building societies	UK sovereign rating	Sale T+1	yes	50	2 years
Commercial paper issuance covered by a specific UK Government (explicit) guarantee	UK sovereign rating	Sale T+1	yes	50	2 years
Commercial paper other	AA	Sale T+1	yes	20	2 years
Corporate Bonds issuance covered by UK Government (implicit) guarantee	UK sovereign rating	Sale T+3	yes	50	2 years
Corporate Bonds other	AA	Sale T+3	yes	20	2 years
Other debt issuance by UK banks covered by UK Government (explicit) guarantee	UK sovereign rating	Sale T+3	yes	80	2 years

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

1.6 Other

	* Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
Property funds	--	T+4	yes	100	5 years

Table 2: permitted investments for use by cash fund managers – Common Good**2.1 Deposits**

	Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
Term deposits – local authorities	--	term	no	100	2 years
Call accounts – banks and building societies	Green	instant	no	100	Call
Term deposits – banks and building societies	Green	term	no	100	2 years
Collateralised deposit	UK sovereign rating	term	no	50	1 year

2.2 Deposits with counterparties currently in receipt of government support / ownership

	* Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
UK part nationalised banks	Blue	Term or instant	no	100	1 year
Banks part nationalised by high credit rated (sovereign rating) countries – non UK	AA+	Term or instant	no	100	1 year
Government guarantee (explicit) on ALL deposits by high credit rated (sovereign rating) countries	Sovereign	Term or instant	no	100	1 year

If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

2.3 Collective investment schemes structured as Open Ended Investment Companies (OEICs)

	* Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
1. Government Liquidity Funds	AAA	instant	No see note A	100	1 year
2. Money Market Funds	AAA	instant	No see note A	100	1 year
3. Enhanced cash funds	AAA	T+>1	yes	100	1 year
4. Gilt Funds	AAA	T+>1	yes	100	1 year
5. Bond Funds	AAA	T+>1	yes	100	1 year

Note A: the objective of this fund to maintain the net asset value but they hold assets which can vary in value. However, the credit rating agencies require the fluctuation in unit values held by investors to vary by almost zero.

2.4 Securities issued or guaranteed by governments

	Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
Treasury Bills	UK sovereign rating	Sale T+1	Yes	100	1 year
UK Government Gilts	UK sovereign rating	Sale T+1	Yes	100	1 year
Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government (refers solely to GEFCO - Guaranteed Export Finance Corporation)	UK sovereign rating	Sale T+3	Yes	100	1 year
Sovereign bond issues (other than the UK govt)	AAA	Sale T+1	Yes	80	1 year
Bonds issued by multilateral development banks	AAA	Sale T+1	Yes	80	1 year

2.5 Securities issued by corporate organisations

	* Minimum Credit Criteria	Liquidity risk	Market risk	Max % of total investments	Max. maturity period
Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee	UK sovereign rating	Sale T+1	yes	80	2 year
Certificates of deposit issued by banks and building	AA	Sale T+1	yes	50	2 years
Commercial paper issuance covered by a specific UK Government (explicit) guarantee	UK sovereign rating	Sale T+1	yes	50	2 years
Commercial paper other	AA	Sale T+1	yes	20	2 years
Corporate Bonds issuance covered by UK Government (implicit) guarantee	UK sovereign rating	Sale T+3	yes	50	2 years
Corporate Bonds other	AA	Sale T+3	yes	20	2 year
Other debt issuance by UK banks covered by UK Government (explicit) guarantee	UK sovereign rating	Sale T+3	yes	50	2 years
Floating Rate Notes	AA	Sale T+1	yes	80	2 years

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

5.4 APPENDIX: Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

Argyll and Bute Council and Common Good Funds Permitted Investments, Associated Controls and Limits

Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good Limits
Cash type instruments				
a. Deposits with the Debt Management Account Facility (UK Government) (Very low risk)	This is a deposit with the UK Government and as such counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months.	Little mitigating controls required. As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments.	£unlimited, maximum 6 months.	£unlimited, maximum 6 months.
b. Deposits with other local authorities or public bodies (Very low risk)	These are considered quasi UK Government debt and as such counterparty risk is very low, and there is no risk to value. Liquidity may present a problem as deposits can only be broken with the agreement of the counterparty, and penalties can apply. Deposits with other non-local authority bodies will be restricted to the overall credit rating criteria.	Little mitigating controls required for local authority deposits, as this is a quasi UK Government investment. Non- local authority deposits will follow the approved credit rating criteria.	£unlimited, maximum 1 year.	£unlimited, maximum 1 year.
c. Money Market Funds (MMFs) (Very low risk)	Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments.	Funds will only be used where the MMFs are Constant Net Asset Value (CNAV), and the fund has a “AAA” rated status from either Fitch, Moody’s or Standard and Poor’s.	£10m per fund.	100%

	Treasury Risks	Mitigating Controls	Council Limits	Common Good Limits
d. Call account deposit accounts with financial institutions (banks and building societies) (Low risk depending on credit rating)	These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. Whilst there is no risk to value with these types of investments, liquidity is high and investments can be returned at short notice.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. The selection defaults to the lowest available credit rating to provide additional risk control measures. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	As shown in the counterparty section criteria above.	As shown in the counterparty section criteria above.
e. Term deposits with financial institutions (banks and building societies) (Low to medium risk depending on period & credit rating)	These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. The selection defaults to the lowest available credit rating to provide additional risk control measures. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	As shown in the counterparty section criteria above.	As shown in the counterparty section criteria above.

Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good Limits
f. Government Gilts and Treasury Bills (Very low risk)	These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates (no loss if these are held to maturity).	Little counterparty mitigating controls are required, as this is a UK Government investment. The potential for capital loss will be reduced by limiting the maximum monetary and time exposures.	£10m, maximum 1 year.	100%, maximum 1 years.
g. Certificates of deposits with financial institutions (Low risk)	These are short dated marketable securities issued by financial institutions and as such counterparty risk is low, but will exhibit higher risks than categories (a), (b) and (c) above. There is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will normally be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. The selection defaults to the lowest available credit rating to provide additional risk control measures. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	£5m, per counterparty 1 year.	20%, maximum 1 year.

Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good Limits
h. Structured deposit facilities with banks and building societies (escalating rates, de-escalating rates etc.) (Low to medium risk depending on period & credit rating)	These tend to be medium to low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. Whilst there is no risk to value with these types of investments, liquidity is very low and investments can only be broken with the agreement of the counterparty (penalties may apply).	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. The selection defaults to the lowest available credit rating to provide additional risk control measures. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	As shown in the counterparty section criteria above.	As shown in the counterparty section criteria above.
i. Corporate bonds (Medium to high risk depending on period & credit rating)	These are marketable securities issued by financial and corporate institutions. Counterparty risk will vary and there is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. The selection defaults to the lowest available credit rating to provide additional risk control measures. Corporate bonds will be restricted to those meeting the base criteria. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	£5m, maximum 1 year.	20%, maximum 1 year.

Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good Limits
Other types of investments				
j. Investment properties	These are non-service properties which are being held pending disposal or for a longer term rental income stream. These are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids).	In larger investment portfolios some small allocation of property based investment may counterbalance/compliment the wider cash portfolio. Property holding will be re-valued regularly and reported annually with gross and net rental streams.	£10m	20%.
k. Loans to third parties, including soft loans	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default.	£10m, maximum 5 years.	10% maximum 5 years.
l. Shareholdings in a local authority company	These are service investments which may exhibit market risk and are likely to be highly illiquid.	Each equity investment in a local authority company requires Member approval and each application will be supported by the service rational behind the investment and the likelihood of loss.	50%.	20%.

Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good Limits
m. Non-local authority shareholdings	These are non-service investments which may exhibit market risk, be only considered for longer term investments and will be likely to be illiquid.	Any non-service equity investment will require separate Member approval and each application will be supported by the service rational behind the investment and the likelihood of loss.	5%.	100%.
n. Loans to third parties as part of the Council's Empty Homes Strategy	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Head of Strategic Finance approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default. Each funding request will be accompanied by financial projections and be subject to an assessment of the project and borrower.	£1.5m and a maximum of 10 years.	
o. Loans to third parties as part of the Council's SHF Front Funding Facility	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Head of Strategic Finance approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default. Each funding request will be accompanied by financial projections and be subject to an assessment of the project and borrower.	£5m and a maximum of 3 years.	

Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good Limits
p. Loans to third parties as part of the Council's Long Term Loan Funding to RSL's	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Head of Strategic Finance approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default. Each funding request will be accompanied by financial projections and be subject to an assessment of the project and borrower.	£5m and a maximum of 30 years.	

The Monitoring of Investment Counterparties - The status of counterparties will be monitored regularly. The Council receives credit rating and market information from Capita Asset Services (Sector), including when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Head of Strategic Finance, and if required new counterparties which meet the criteria will be added to the list.

Use of External Fund Managers – The Council at present does not use a fund manager for investment of its surplus cash but makes use of Money Market Funds to enhance diversification of investments. The Council approved the use of external investment manager CCLA to manage the investments of the following trust funds and charities:

- Oban Common Good
- Campbeltown Common Good
- The Argyll Education Trust
- The MacDougall Trust

The fund managers are contractually committed to keep to the Council's investment strategy. The performance of each manager is reviewed at least annually by the Head of Strategic Finance and the managers are contractually required to comply with the annual investment strategy.

5.5 APPENDIX: Approved Countries for Investments

Based on Fitch rating.

AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland
- U.S.A.

AA+

- Hong Kong
- U.K.

5.6 APPENDIX: Treasury Management Scheme of Delegation**(i) The Council**

- approval of annual strategy.
- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities.

(ii) The Policy and Resources Committee

- receiving and reviewing reports on treasury management policies, practices and activities;
- recommending approval of annual strategy.
- Recommending approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and recommending approval;
- recommending approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations.

(iii) The Performance Review and Scrutiny Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

(iv) The Audit Committee

- Review the overall internal and management control framework related to the treasury function.
- Review internal and external audit reports related to treasury management.
- Review provision in the internal and external audit plans to ensure there is adequate audit coverage of treasury management.
- Monitor progress with implementing recommendations in internal and external audit reports.

5.7 APPENDIX: The Treasury Management Role of the Section 95 Officer

The Head of Strategic Finance:-

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- reviewing and considering risk management in terms of treasury activities.

The nominated Elected Member (Council Leader/Policy Lead Strategic Finance):-

- acting as spokesperson for treasury management.
- taking a lead for elected members in overseeing the operation of the treasury function.
- review the treasury management policy, strategy and reports.
- support and challenge the development of treasury management.

5.8 APPENDIX: Treasury Management Policy Statement

1. This organisation defines its treasury management activities as: “The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.”

The policy in respect of borrowing and investments is to minimise the cost of borrowing and maximise investment returns commensurate with the mitigation of risk.

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****STRATEGIC FINANCE****5 FEBRUARY 2015**

EXECUTIVE SUMMARY AND INTRODUCTORY REPORT - FINANCIAL REPORT MONITORING PACK – DECEMBER 2014

1. INTRODUCTION

- 1.1 This report introduces the full package of papers included in the financial reports monitoring pack. There are seven reports included within the financial report monitoring pack as follows:
- Revenue Budget Monitoring Report as at 31 December 2014
 - Monitoring of 1% Savings for 2014-15 and 2015-16
 - Update to 2015-16 Budget as at 31 December 2014
 - Monitoring of Financial Risks
 - Reserves and Balances
 - Capital Plan Monitoring Report as at 31 December 2014
 - Treasury Monitoring Report as at 31 December 2014
- 1.2 Revenue Budget Monitoring Report – this report provides a summary of the current revenue budget monitoring position to ensure net expenditure is contained within budget. It provides corporate and departmental information with comparisons on a forecast outturn and a year to date basis. The projected year end outturn at 31 December 2014 is an overall underspend of £0.202m. There are overspends in respect of adult care, leisure central repairs, refuse collection and coastal protection works, shortfall in car parking income, unrecoverable costs for dangerous buildings and additional holiday pay costs. These overspends are offset by savings within school and public transport, a significant saving in respect of utility costs, an underspend within early years and over recovery of vacancy savings.
- 1.3 Monitoring of 1% Savings for 2014-15 and 2015-16 – this report provides a summary of the progress towards the savings target for 2014-15 and 2015-16. The budget savings required for 2014-15 based on 1% savings are £1.822m and savings of £1.802m (98.9%) have already been secured and £0.020m (1.1%) are being implemented all with no policy implications.
- 1.4 Update to 2015-16 Budget – this report provides an update on any of the changes to the budget assumptions used when preparing the 2015-16 budget and an assessment of the impact. The main change to the budget update is the reduction in grant funding of £2.557m due to updating the finance settlement indicators rather than the flat cash approach. There are further funding adjustments of £1.244m relating to Children and Young Persons (Scotland) Act, transfer of the A83, Council Tax Reduction Scheme Administration, Self-Directed Support as well as a number of small funding

changes. There are adjustments to the base budget of £1.209m, employee cost changes which give a net increase of £0.902m, reduction of £0.857m within inflation an additional £1.445m cost and demand pressures and a reduction to fees and charges income of £0.055m. The overall impact is a projected surplus for 2015-16 of £0.154m.

- 1.5 Monitoring of Financial Risks - this report outlines the process and approach developed in carrying out a financial risks analysis and provides an update on the current assessment of financial risks. Whilst a total of 59 financial risk areas have been identified only 11 are classed as likely with a potential impact of £2.761m. These will continue to be monitored throughout the year and action taken to mitigate or manage these risks.
- 1.6 Reserves and Balances – this report summarises the overall level of reserves and balances and monitors the spending of the earmarked reserves. The Council has usable reserves of £48.526m. Most of these are earmarked for specific purposes. The General Fund contingency level remains at 1.5% of net expenditure. There is currently an estimated surplus over contingency of £9.811m and this is being directed towards the delivery of the Single Outcome Agreement.
- 1.7 Capital Plan Monitoring Report – this report provides a summary of the current capital plan monitoring position. Information is provided in terms of monitoring year to date budget, current full year budget, future years total budget and funding and non-financial in terms of project performance. Year to date expenditure is ahead of budget by £2.119m. The forecast outturn for the year is additional expenditure of £3.102m as a result of additional income and funding transferred from leasing. There are 10 projects classed as off track.
- 1.8 Treasury Monitoring – this report provides information on the current levels and recent transactions in relation to the capital financing limit, total borrowing, temporary borrowing and long term borrowing and investments. There have been no significant new borrowings or repayments in the period to December. Borrowing is estimated to be around £14.0m below the capital financing requirement by 31 March 2015. Investments at 31 December were £51.6m with a return for the last quarter of 0.725% compared to the average 7 day rate of 0.355%.

2. RECOMMENDATIONS

- 2.1 Members to note the revenue budget monitoring report as at 31 December 2014.
- 2.2 Members to note the progress towards the 1% savings target for 2014-15 and 2015-16.
- 2.3 Members to note the updates to the 2015-16 budget as at 31 December 2014.

- 2.4 Members to note the current assessment of the Council's financial risks.
- 2.5 Members to note the overall level of reserves and balances and note the monitoring of the earmarked reserves. Members to note the change in profiles as noted in paragraphs 3.3.6 to 3.3.9 in the reserves and balances report.
- 2.6 Members to note the capital plan monitoring report as at 31 December 2014.
- 2.7 Members to note the treasury monitoring report as at 31 December 2014.

3. IMPLICATIONS

- 3.1 Policy – None.
- 3.2 Financial - Outlines the revenue and capital monitoring for 2014-15 as at 31 December 2014.
Summarises the changes to the assumptions for 2015-16 and the estimated impact.
Good progress is being made in respect of the 1% savings target.
- 3.3 Legal - None.
- 3.4 HR - Individual savings may have human resource implications and these would have been discussed with the Trade Unions.
- 3.5 Equalities - Individual savings may have equality implications and equality impact assessments would have been carried out where required.
- 3.6 Risk - Details of financial risks are included within the report.
- 3.7 Customer Service - None.

Bruce West
Head of Strategic Finance
27 January 2015

ARGYLL AND BUTE COUNCIL
STRATEGIC FINANCE

POLICY AND RESOURCES COMMITTEE
5 FEBRUARY 2015

REVENUE BUDGET MONITORING – DECEMBER 2014

This report is included within the Budget Pack at Section D

MONITORING OF 1% SAVINGS - 2014-15 & 2015-16

1. EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to provide a summary of the progress towards the saving target for 2014-15 and 2015-16.
- 1.2 The budget for 2014-15 and 2015-16 included a requirement to make 1% savings within both 2014-15 and 2015-16. This equates to savings of £1.822m in 2014-15, rising to £3.644m in 2015-16.
- 1.3 Within 2014-15, savings of £1.802m (98.9%) have already been secured and £0.020m (1.1%) are being implemented all with no policy implications.

MONITORING OF 1% SAVINGS - 2014-15 & 2015-16

2. INTRODUCTION

- 2.1 The budget strategy approved by Council on 28 November 2013 and further agreed by Council on 13 February 2014 agreed a 1% savings target for 2014-15 and 2015-16.
- 2.2 This report provides a summary of the progress towards the saving target for 2014-15 and 2015-16.

3. DETAIL

3.1 Background

- 3.1.1 The budget strategy approved by Council on 28 November 2013 and further agreed by Council on 13 February 2014 agreed a 1% savings target for 2014-15 and 2015-16 on all budgets apart from PPP/NPDO, landfill tax, loans charges, insurance, historic pensions costs and NDR payments.
- 3.1.2 The 1% target has been allocated to departments and is outlined in the table below:

Department	Forecast Budget	1% Savings Target	
	2014-15 £000	2014-15 £000	2015-16 £000
Chief Executive's Unit	2,153	22	44
Community Services	131,855	1,319	2,638
Customer Services	24,143	241	482
Development and Infrastructure Services	22,448	224	448
Other Operating Income and Expenditure	1,644	16	32
	182,243	1,822	3,644

3.2 Summary of Savings Identified

- 3.2.1 The efficiency savings for 2014-15 have been classified into already secured, being implemented, being developed and still to identify. At this stage it is only the recurring 2014-15 savings that have been identified for 2015-16. The overall Council position is summarised within the table below.

Savings	2014-15 £000	2014-15 % of Target	2015-16 £000	2015-16 % of target
1% Target	1,822		3,644	
Already Secured	1,802	98.9%	1,502	41.3%
Being Implemented	20	1.1%	20	0.5%
Being Developed:				
• Policy measures under development	0	0.0%	0	0.0%
• Non-Policy measures under development	0	0.0%	0	0.0%
Still to Identify	0	0.0%	2,122	58.2%
TOTAL	1,822	100.0%	3,644	100.0%

3.2.2 The savings for 2014-15 have all been identified and have been classified into already secured, being implemented and being developed. £1.802m of savings are already secured and £0.020m being implemented, all with no policy implications. The saving currently being implemented is noted below:

- CUST011 – Water Charges £20,000

3.2.3 The majority of the 2014-15 savings identified are recurring into 2015-16, with the exception of a saving within Education, reference EDUC02.

3.2.4 Services have started to identifying savings for 2015-16 and these will be reported at a future Policy and Resources Committee.

3.2.5 Appendices are attached that provide a summary per department.

3.3 Changes to Savings since last P&R Report

3.3.1 There are no changes to the previous report.

4. CONCLUSION

4.1 Within 2014-15 all savings have been identified with £1.802m already secured and £0.020m currently being implemented.

5. IMPLICATIONS

5.1 Policy - None.

5.2 Financial - The Council is making good progress towards its savings target.

5.3 Legal - None.

5.4 HR - Individual savings may have human resource implications and these would have been discussed with the Trade Unions.

5.5 Equalities - Individual savings may have equality implications and equality impact assessments would have been carried out where required.

5.6 Risk - None.

5.7 Customer Individual savings may have customer service implications.
Service -

Bruce West
Head of Strategic Finance
27 January 2015

APPENDICES:

Appendix 1 – Chief Executive’s Unit Summary of Savings Proposals

Appendix 2 – Community Services Summary of Savings Proposals

Appendix 3 – Customer Services Summary of Savings Proposals

Appendix 4 – Development and Infrastructure Summary of Savings Proposals

APPENDIX 1

POLICY AND RESOURCES COMMITTEE - 5 FEBRUARY 2015

CHIEF EXECUTIVE'S UNIT - 1% SAVINGS - OVERALL SUMMARY

Efficiency Savings	2014-15 £	2014-15 % of Target	2015-16 £	2015-16 % of target
1% Target	21,527		43,054	
Already Secured	21,527	100.0%	21,527	50.0%
Being Implemented	0	0.0%	0	0.0%
Being Developed:				
Policy	0	0.0%	0	0.0%
Non-Policy	0	0.0%	0	0.0%
Still to Identify	0	0.0%	21,527	50.0%
TOTAL 1% SAVINGS TARGET	21,527	100.0%	43,054	100.0%

APPENDIX 1

POLICY AND RESOURCES COMMITTEE - 5 FEBRUARY 2015

CHIEF EXECUTIVE'S UNIT - 1% SAVINGS - FURTHER DETAIL

Service	Progress of Saving (already secured, being implemented, being developed)	Savings Ref	Description of Saving	Saving Profile		Recurring or Non-Recurring	HR Implications	Performance and Service Implications	Are there Policy Implications? (yes/no)
				2014-15	2015-16				
Strategic Finance	Already Secured	CEU001	Reduction in staff budgets as a result of excess savings achieved from service review.	21,527	21,527	Recurring	None	None	No
Strategic Finance	Still to Identify			21,527	21,527				
TOTAL				21,527	43,054				

APPENDIX 2

POLICY AND RESOURCES COMMITTEE - 5 FEBRUARY 2015

COMMUNITY SERVICES - 1% SAVINGS - OVERALL SUMMARY

Efficiency Savings	2014-15 £	2014-15 % of Target	2015-16 £	2015-16 % of target
1% Target	1,318,554		2,637,108	
Already Secured	1,318,554	100.0%	1,002,251	38.0%
Being Implemented	0	0.0%	0	0.0%
Being Developed				0.0%
Policy	0	0.0%	0	0.0%
Non-Policy	0	0.0%	0	0.0%
Still to Identify	0	0.0%	1,634,857	62.0%
TOTAL 1% SAVINGS TARGET	1,318,554	100.0%	2,637,108	100.0%

COMMUNITY SERVICES - 1% SAVINGS - FURTHER DETAIL

Service	Progress of Saving (already secured, being)	Savings Ref	Description of Saving	Saving Profile 2014-15	2015-16	Recurring or Non- Recurring	HR Implications	Performance and Service Implications	Are there Policy
Adult Care	Already Secured	AC01	<p>The options being considered are:</p> <p>(1) Care Home Placements, Older People: By continuing to implement the existing policy of favouring care at home as against care in residential care, efficiencies will be created as care at home is on average more cost effective than residential care home placements - £366,072</p> <p>(2) Delayed Discharge: reduction in flexible revenue held locally and deployed by Area Managers for commissioning of services to facilitate discharge or avoid admission to hospital care. Refocus spend on services that evidence clear strategic outcomes with revenue removed from those which don't - £5,204</p> <p>(3) Day Services, Older People: Review of service at Oasis, Garelohead in line with existing policy of promoting flexible day service opportunities within the community rather than the traditional dependence of service users attending a building with the associated costs that go with that model of care. - £8,517</p> <p>(4) Development & Flexibility Budget: reduction in short term, non-recurring pieces of work that do not evidence clear strategic outcomes - £1,174</p> <p>(5) Jura Progressive Care Centre: efficiency improvements in the delivery of the service to residents at Jura Progressive Care Centre - £16,000</p> <p>(6) Cowal Integrated Care Team - more efficient use of resources produced through the transfer of work to the homecare service at a lower annual cost - £31,470</p>	428,437	428,437	Recurring	As per performance and service implications.	<p>(1) Equivalent to a reduction of 15 average 52 week placements per annum. However, expected that the efficiency will not see any cuts in service and will be achieved as noted with greater emphasis on care at home and those residents who are admitted are for reasons of high dependency and end of life care where the length of stay is shorter and the bed days purchased reduced.</p> <p>(2) The delayed discharge budget is a flexible revenue budget with high turnover and the efficiencies will not impact in terms of cuts in service as the efficiency will be achieved via routine turnover in services and a focus on services that evidence strategic outcomes to the exclusion of services that fail to do so.</p> <p>(3) Review of service provided by Cross reach in Garelohead. Focus is moving to greater flexibility around day away from attending formal day units which is more person centred and cost effective. The proposal is that the unit itself will be used more flexibly across a range of clients effectively becoming an Adult care service for the Rosneath peninsula which will provide greater financial sustainability for the future and efficiencies against the present budget without any reduction in day services to older people.</p> <p>(4) Budget used in wide variety of issues from supporting individual care packages on a short term basis. Budget will re-focus on those achieving strategic outcomes to the elimination of those that fail to do so. Given the short term nature of the activity and relatively high turnover of service users, it is envisaged that the efficiency will be made without any cuts in service.</p> <p>(5) Cost efficiencies which have been made at Jura Progressive Care Centre which will not impact on the level of service provided.</p> <p>(6) Transfer of some work previously undertaken by the Integrated Care Team to the Homecare service which has allowed for a reduction in the size of the team without affecting the overall level of service provided to clients.</p> <p>(4) Budget used in wide variety of issues from supporting individual care packages on a short term basis. Budget will re-focus on those achieving strategic outcomes to the elimination of those that fail to do so. Given the short term nature of the activity and relatively high turnover of service users, it is envisaged that the efficiency will be made without any cuts in service.</p> <p>(5) Cost efficiencies which have been made at Jura Progressive Care Centre which will not impact on the level of service provided.</p> <p>(6) Transfer of some work previously undertaken by the Integrated Care Team to the Homecare service which has allowed for a reduction in the size of the team without affecting the overall level of service provided to clients.</p>	No
Adult Care	Already Secured	AC02	<p>Reduction in the equipment expenditure budget within the Integrated Equipment Service</p>	2,770	2,770	Recurring	None	<p>Reduction in budget achieved by more efficient spend via the PECOS system and council budget being supplemented by resource release funding. Net impact is no reduction in service delivery</p>	No
Community and Culture	Already Secured	CC01	<p>Efficiency and Management savings from CLD services. All operational aspects of the Community Learning and Development services will be scrutinised in detail to achieve efficiencies in the delivery of courses, community capacity building activities, travelling and training. The need and value of all vacant posts will be assessed and reviewed.</p>	24,615	24,615	Recurring	None	<p>Not possible to provide specific details on activity numbers at this time but the review work will be undertaken to ensure very marginal impact on front line service delivery</p>	No

COMMUNITY SERVICES - 1% SAVINGS - FURTHER DETAIL

Service	Progress of Saving (already secured, being)	Savings Ref	Description of Saving	Saving Profile		Recurring or Non-Recurring	HR Implications	Performance and Service Implications	Are there Policy
				2014-15	2015-16				
Community and Culture	Already Secured	CC02	Housing and Homelessness: Funding for Nurse Coordinator for Homeless, Gypsy Travellers and Looked After Children. Cessation of financial support to NHS Highland in relation to a Homelessness nurse post which was originally funded through the Rough Sleepers Initiative and which has been renewed on an annual basis for several years through general Homelessness budget. Also, a minor adjustment to staffing establishment as a result of previous year service review	66,911	66,911	Recurring	None	This financial year there have been intervention in 5 new homeless cases; 2 gypsy travellers; 28 looked after children. There is ongoing involvement with a range of clients within the three client groups who have particular health related issues. Provision has been made within health to cover this specialist work and mainstream health services will also be utilised to a greater degree	No
Community and Culture	Already Secured	CC03	Community Learning and Development – Youth Services. Reduction in Youth Services training and operational budget	10,000	10,000	Recurring	none	This saving mainly applies to the staff training element of Youth Services. It has become apparent that many training opportunities can be provided within the Council or through external funding or partnership arrangements. This saving will not impact staff development or service delivery	No
Children and Families	Already Secured	CF02	Looked after children. Reduction to throughcare budget to meet the expected level of demand.	32,293	32,293	Recurring	none	Minimal impact on current service however future demands on throughcare could see increased demands in the future	No
Children and Families	Already Secured	CF03	Children with a Disability- reduction to respite budget.	25,000	25,000	Recurring	none	The number of children and young people with disability supported in the community has reduced over the last 3 years. Current demand suggests a reduction can be accommodated however this will leave no room for flexibility, should demand (outwith service control) increase	No
Children and Families	Already Secured	CF04	Service wide. In year efficiencies	3,602	3,602	Recurring	none	It is not possible to provide specific details however the review will ensure there is minimal impact on front line service delivery	No
Children and Families	Already Secured	CF05	Reduction in fostering budget to meet the expected level of demand.	50,000	50,000	Recurring	none	Minimum impact on service. No impact on fostering rates, however future increased demands may impact on the budget.	No
Children and Families	Already Secured	CF06	Reduction to Community Support Budget	50,000	50,000	Recurring	None	There will be limited impact as private providers have difficulty recruiting and retaining social care staff to provide this support in the community.	No
Education	Already Secured	EDUC01	HQ and QIO support budgets. Review and removal, where appropriate of 2014/15 budget with a moratorium put in place for centrally-held budgets	133,623	133,623	Recurring	None	Reduced capacity to support Learning and Teaching and development within Service. This will include the removal of QIO consultancy budget (£21k), removal of Professional and Technical publications budget (£3k). A moratorium will be put in place during 14/15 for any discretionary expenditure with approval to be sought via Education Management Team. Education non school budgets will be reviewed and realigned to the agreed Education Management structure. As part of this realignment it is intended to top slice budgets where appropriate to meet the efficiency target	No
Education	Already Secured	EDUC02	Budget reductions would be taken directly from existing unspent balances. Schools are advised that they cannot carry forward a previously agreed carry-forward and monies must be utilised during initial carry-forward year.	316,303	0	Non-recurring	None	Schools will have reduced capacity to support adhoc/ discretionary appointments. The proposed option is the top slicing of previous year underspend which is partly generated as a result of planned management (HT) action however is most as a result of vacancy / turnover/ recruitment cycle. Devolved management of resource regulations allow schools flexibility.	No
Education	Already Secured	EDUC04	External Residential Schools - A reduction in the number of pupils with additional support needs placed out with Argyll in Residential Schools.	175,000	175,000	Recurring	None	The availability of funding for placements in residential schools will be reduced but it is anticipated that, overall, there will be minimal impact as vulnerable children and young people will be supported in their local schools instead of placed in residential schools away from their families and friends.	No
TOTAL	Still to identify			1,318,554	1,634,857				
					2,637,108				

APPENDIX 3

POLICY AND RESOURCES COMMITTEE - 5 FEBRUARY 2015

CUSTOMER SERVICES - 1% SAVINGS - OVERALL SUMMARY

Efficiency Savings	2014-15 £	2014-15 % of Target	2015-16 £	2015-16 % of target
1% Target	241,427		482,854	
Already Secured	221,427	91.7%	221,427	45.9%
Being Implemented	20,000	8.3%	20,000	4.1%
Being Developed:				
Policy	0	0.0%	0	0.0%
Non-Policy	0	0.0%	0	0.0%
Still to Identify	0	0.0%	241,427	50.0%
TOTAL 1% SAVINGS TARGET	241,427	100.0%	482,854	100.0%

CUSTOMER SERVICES - 1% SAVINGS - FURTHER DETAIL

Service	Progress of Saving (already secured, being implemented, being developed)	Savings Ref	Description of Saving	Saving Profile		Recurring or Non-Recurring	HR Implications	Performance and Service Implications	Are there Policy Implications? (yes/no)
				2014-15	2015-16				
Executive Director of Customer Services	Already Secured	CUST001	Vacancy Savings - Increase to Departmental Target	5,212	5,212	Recurring	None	None	No
Customer and Support Services	Already Secured	CUST001	Vacancy Savings - Increase to Departmental Target	6,301	6,301	Recurring	None	None	No
Improvement and HR	Already Secured	CUST001	Vacancy Savings - Increase to Departmental Target	5,500	5,500	Recurring	None	None	No
Customer and Support Services	Already Secured	CUST002	Scottish Water Agency Income - Additional agency income from Scottish Water for collecting water charges as per recently announced order which runs from 1 April 2014 to 31 March 2018. This saving will increase in 2015-16 as a result of the full year impact of the additional income.	36,138	36,138	Recurring	None	None	No
Customer and Support Services	Already Secured	CUST003	Travel Budgets - Reduction to staff travel budgets across the service.	28,000	28,000	Recurring	None	None	No
Customer and Support Services	Already Secured	CUST004	Council Tax Advertising	1,500	1,500	Recurring	None	None	No
Governance and Law	Already Secured	CUST005	Licensing Income - income achieved for previous years has been in excess of budget. Property Services Sundries - Budget created in 2012-13 as a result of excess savings from service review.	16,515	16,515	Recurring	None	None	No
Facility Services	Already Secured	CUST006	Income from Investment Properties - increase based on current rental levels	6,796	6,796	Recurring	None	None	No
Facility Services	Already Secured	CUST007		13,770	13,770	Recurring	None	None	No
Facility Services	Already Secured	CUST008	Rural Community Transport Initiative - payment previously paid to a provider that has folded, monies are uncommitted	13,500	13,500	Recurring	None	None	No
Facility Services	Already Secured	CUST009	Pupil Transport - Parent Transport	15,000	15,000	Recurring	None	None	No
Facility Services	Already Secured	CUST010	Cleaning HQ - Reduction to cleaning equipment budget	10,000	10,000	Recurring	None	None	No
Facility Services	Being Implemented	CUST011	Water Charges - savings to be achieved over and above Property Services Service Review saving	20,000	20,000	Recurring	None	None	No
Facility Services	Already Secured	CUST012	Training Budgets across Facility Services	5,000	5,000	Recurring	None	None	No
Facility Services	Already Secured	CUST013	Pool Cars - Fuel Costs	5,000	5,000	Recurring	None	None	No

POLICY AND RESOURCES COMMITTEE - 5 FEBRUARY 2015

APPENDIX 3

CUSTOMER SERVICES - 1% SAVINGS - FURTHER DETAIL

Service	Progress of Saving (already secured, being implemented, being developed)	Savings Ref	Description of Saving	Saving Profile		Recurring or Non-Recurring	HR Implications	Performance and Service Implications	Are there Policy Implications? (yes/no)
				2014-15	2015-16				
Facility Services	Already Secured	CUST014	Facility Services - supplies and services and travel and subsistence budgets	25,389	25,389	Recurring	None	None	No
Improvement and HR	Already Secured	CUST015	Overtime Budget - removal of 100% of overtime budget allocation	9,384	9,384	Recurring	None	None	No
Improvement and HR	Already Secured	CUST017	Social Work Training - Photocopier and Coffee machine leases	12,000	12,000	Recurring	None	None	No
Improvement and HR	Already Secured	CUST018	HR - Reduction to Supplies and Services budgets	6,422	6,422	Recurring	None	None	No
TOTAL				241,427	241,427				
					482,854				

APPENDIX 4

POLICY AND RESOURCES COMMITTEE - 5 FEBRUARY 2015

DEVELOPMENT AND INFRASTRUCTURE - 1% SAVINGS - OVERALL SUMMARY

Efficiency Savings	2014-15 £	2014-15 % of Target	2015-16 £	2015-16 % of target
1% Target	224,480		448,960	
Already Secured	224,480	100.0%	224,480	50.0%
Being Implemented	0	0.0%	0	0.0%
Being Developed:				
Policy	0	0.0%	0	0.0%
Non-Policy	0	0.0%	0	0.0%
Still to Identify	0	0.0%	224,480	50.0%
TOTAL 1% SAVINGS TARGET	224,480	100.0%	448,960	100.0%

DEVELOPMENT AND INFRASTRUCTURE - 1% SAVINGS - FURTHER DETAIL

Service	Progress of Saving (already secured, being implemented, being developed)	Savings Ref	Description of Saving	Saving Profile		Recurring or Non-Recurring	HR Implications	Performance and Service Implications	Are there Policy Implications? (yes/no)
				2014-15	2015-16				
Directorate	Already Secured	DIS-HQ01	Supplies and Services	18,452	18,452	Recurring	None	Reductions proposed to business support non-staff costs will necessitate sensible cost cutting measures to reduce what should be controllable costs in office equipment and materials, stationery, printing and travel; additionally increased use of e-learning will assist with a planned reduction to the training budget. In summary, prudent reductions to areas of spend which should not impact upon service delivery.	No
Economic Development	Already Secured	ED1	Removal of Assistant Road Safety Officer Post (006787) – Vacant	16,859	16,859	Recurring	No impact as this is currently a vacant post.	This has been a long term vacant post that has been superseded by a number of improvements have been made to service delivery including the development of the road safety learning tool and the innovative cycle training initiative that has recently been shortlisted for an award.	No
Economic Development	Already Secured	ED2	Increase of berthing dues at Port Askaig.	8,942	8,942	Recurring	None	As part of the Scottish Ferries Plan Transport Scotland has engaged with the Islay and Jura communities with a view to rebalancing the services from the mainland to the islands. This will increase sailings to Port Askaig which is a Council asset and will enhance service delivery for residents who live in north Islay and Jura. The service is also looking at ways to increase piers and harbours income across all of our ports and harbours.	No
Planning and Regulatory Services	Already Secured	PRS1	This savings option reduces the level of professional support to Regulatory Services which was allocated to alternative enforcement albeit that the savings are to a post which is current vacant. The impact will be minimal as we have an existing resource within our administration support team, who current undertakes this work as part of their job description, supported by other professional staff and this has worked well in the last year.	11,503	11,503	Recurring	This post is currently vacant and has been used to support our alternative enforcement work.	There will be a slight reduction in our capacity for alternative enforcement in the short-term, until training and development plans are met for the administrative post, although this will be supported by the wider Regulatory Services professional team.	No
Planning and Regulatory Services	Already Secured	PRS2	This savings option reduces the budget for tobacco control from £50454 to £44754. The budget supports the work of trading standards in undertaking age-restricted activity relating to cigarettes and the enforcement work relating to the display of cigarettes which comes into widespread effect for retail premises on the 1st April 2015. Whilst one member of staff is employed through this cost centre, the saving will not impact on their continued employment.	5,700	5,700	Recurring	There will be no impact on staff and the workload relating to tobacco control enforcement is part of the wider trading standards operational team service plan.	The impact to the service will be minimal as our work to date has identified that there is general compliance with the legislative requirements and has supported business to achieve compliance. The level of targeted work has reduced and our strategy will be intelligence driven focussing on business where there is information suggesting that there may be non-compliance. This can be met by the existing trading standards resource and if necessary they can be supported by other professional across Regulatory Services.	No

DEVELOPMENT AND INFRASTRUCTURE - 1% SAVINGS - FURTHER DETAIL

Service	Progress of Saving (already secured, being implemented, being developed)	Savings Ref	Description of Saving	Saving Profile		Recurring or Non-Recurring	HR Implications	Performance and Service Implications	Are there Policy Implications? (yes/no)
				2014-15	2015-16				
Planning and Regulatory Services	Already Secured	PRS3	Proposed deletion of vacant post within the Development Management structure. The post is a 'Planning Systems Support Assistant' based in Whitegates, Lochgilphead which has been vacant since December 2013. The previous post holder has been promoted within DJS to newly created position of Process and Productivity Improvement Manager. Some of the roles and duties of the Systems Support Assistant post have been transferred to the new post as part of a Business Process Review (BPR) that is underway for Development Management. This includes work-streams to deliver efficiencies and best practice within the service. The post of Systems Support Assistant was originally created in 2009 to roll out and administer the delivery of E-Planning. The majority of outcomes of E-Planning have now been achieved and are bedded into normal working practices now.	14,500	14,500	Recurring	1. vacant post is being removed from structure so there is no loss or change in circumstances to an individual. Other staff within the CVT have already absorbed majority of duties from vacant post with others being transferred to BPR project	Impact on service shall be minimal due to around 70% of the activities of the post being transferred to the new Process and Productivity Improvement Manager or BPR project. Other duties that have not been transferred have been integrated into the wider Central Validation Team (CVT) between June and December 2013 as part of a phased transition. Duties include update of performance data (training of 2 staff still on-going), deleting documents in CIVICA, data management and responding to queries from Planning Officers on systems matters. Whilst the majority of duties from the post have been redistributed the loss of a member of staff within the CVT has marginally reduced resilience during times of unplanned absence or increased workload (unexpected increase in planning applications). A review shall take place in late February to review the resources and demand pressures within the CVT with a view to increase resilience whilst carrying out the duties of the Systems Support Assistant. Further reviews will take place in the medium and long term within the CVT once efficiencies and improvements identified as part of the BPR Process are realised or achieved.	No
Roads and Amenity Services	Already Secured	RAMS1	<ul style="list-style-type: none"> Fuel savings due to rescheduled routes Reduced reliance on hired in plant – close down hires more timely Increase in income streams where possible Restructure resulting in a number of vacant posts being removed from the establishment 	148,524	148,524	Recurring	Staffing will be via the removal of vacant posts.	There will be a greater requirement to prioritise roads maintenance revenue works based upon safety priorities and risk assessment with a reduced ability to undertake sustainable asset management as identified through the Roads Asset Management Plan. Reduction in the scale and/or standard of amenity services may impact upon the presentation of community spaces in towns and villages which may impact adversely upon tourism and business interests and the quality of life of communities.	no
TOTAL	Still to Identify			224,480	224,480				
				448,960	448,960				

ARGYLL AND BUTE COUNCIL
STRATEGIC FINANCE

POLICY AND RESOURCES COMMITTEE
5 FEBRUARY 2015

UPDATE TO 2015-16 BUDGET

This report is included within the Budget Pack at Section B

ARGYLL AND BUTE COUNCIL
STRATEGIC FINANCE

POLICY AND RESOURCES COMMITTEE
5 FEBRUARY 2015

MONITORING OF FINANCIAL RISKS – 2014-15 & 2015-16

This report is included within the Budget Pack at Section E

ARGYLL AND BUTE COUNCIL
STRATEGIC FINANCE

POLICY AND RESOURCES COMMITTEE
5 FEBRUARY 2015

RESERVES AND BALANCES – UPDATE AS AT 31 DECEMBER 2014

This report is included within the Budget Pack at Section F

CAPITAL BUDGET MONITORING REPORT – 31 December 2014

1 EXECUTIVE SUMMARY

1.1 This provides an update on the position of the capital budget as at 31 December 2014. The report provides information on the financial position in respect of the capital plan and also the performance in terms of delivery of capital plan projects.

1.2 Financial Position:

- **Current Year to Date** – actual expenditure to date is £28,669k compared to a budget for the year to date of £26,550k giving rise to an over spend for the year to date of £2,119k (-8.0%).
- **Forecast Outturn for 2014-15** – forecast expenditure for the full financial year is £42,362k compared to an annual budget of £39,260k giving rise to forecast over spend for the year of £3,102k (-7.9%).
- **Total Capital Plan** – the forecast total project costs on the total capital plan is £215,946k compared to a total budget for all projects of £212,201k giving rise to a forecast over spend for the overall capital plan of £3,745k (-1.8%).

1.3 Project Delivery:

- **Asset Sustainability** – Out of 167 projects there are 150 projects (90%) on track, 13 projects (8%) off track and recoverable and 4 projects (2%) off track.
- **Service Development** - Out of 41 projects there are 20 projects (49%) on track, 18 projects (44%) off track but recoverable and 3 projects off track (7%).
- **Strategic Change** – Out of 27 projects there are 18 projects (67%) on track, 6 projects (22%) off track and recoverable and 3 projects (11%) off track.

CAPITAL BUDGET MONITORING REPORT – 31 December 2014

2 INTRODUCTION

2.1 This provides an update on the position of the capital budget as at 31 December 2014. The report provides information on the financial position in respect of the capital plan and also the performance in terms of delivery of capital plan projects.

2.2 Financial Position:

- **Current Year to Date** – actual expenditure to date is £28,669k compared to a budget for the year to date of £26,550k giving rise to an over spend for the year to date of £2,119k (-8.0%).
- **Forecast Outturn for 2014-15** – forecast expenditure for the full financial year is £42,362k compared to an annual budget of £39,260k giving rise to forecast over spend for the year of £3,102k (-7.9%).
- **Total Capital Plan** – the forecast total project costs on the total capital plan is £215,946k compared to a total budget for all projects of £212,201k giving rise to a forecast over spend for the overall capital plan of £3,745k (-1.8%).

2.3 Project Delivery:

- **Asset Sustainability** – Out of 167 projects there are 150 projects (90%) on track, 13 projects (8%) off track and recoverable and 4 projects (2%) off track.
- **Service Development** - Out of 41 projects there are 20 projects (49%) on track, 18 projects (44%) off track but recoverable and 3 projects off track (7%).
- **Strategic Change** – Out of 27 projects there are 18 projects (67%) on track, 6 projects (22%) off track and recoverable and 3 projects (11%) off track.

3 RECOMMENDATIONS

3.1 Note the contents of this financial summary, specifically noting or approving the following:

- Overall Project Cost Changes, noted in Appendix 8
- Project Slippages and Accelerations, noted in Appendix 8
- Changes in Capital Funding/Available Funding, noted in Appendix 4
- Update to 2014-15 Capital Plan to reflect above changes, included in Appendix 11.

4 CURRENT YEAR TO DATE FINANCIAL POSITION

4.1 Overall Position

Actual expenditure to date is £28,669k compared to a budget for the year to date of £26,550k giving rise to an over spend for the year to date of £2,119k (-8.0%).

4.2 Project/Department Position

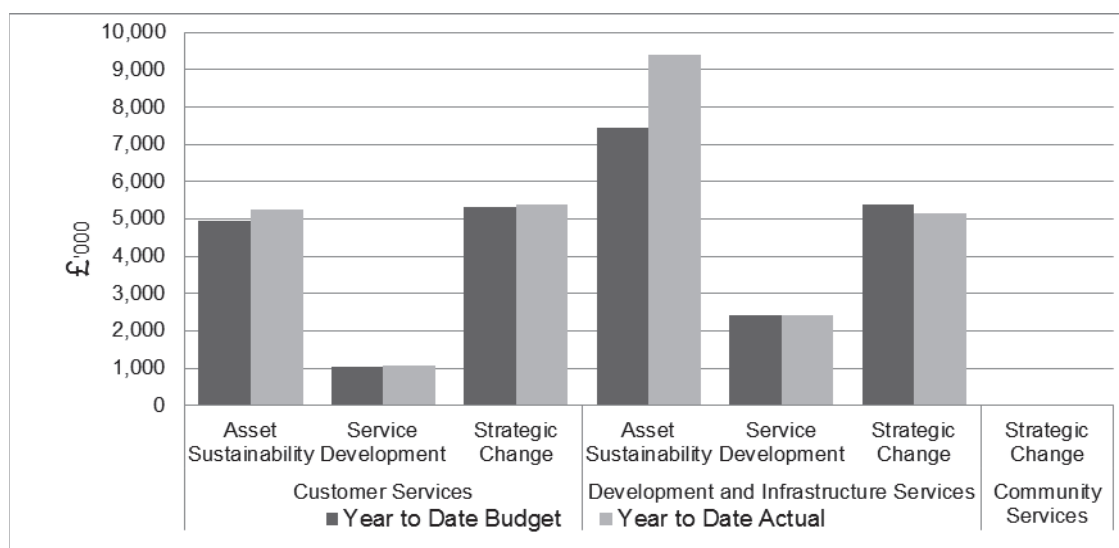
The table below shows the year to date expenditure against the year to date budget by project type and department:

Project Type:	Year to Date Budget £'000	Year to Date Actual £'000	Variance £'000
Asset Sustainability	12,379	14,639	(2,260)
Service Development	3,442	3,502	(60)
Strategic Change	10,729	10,528	201
Total	26,550	28,669	(2,119)
Department:			
Customer Services	11,310	11,688	(378)
Development and Infrastructure Services	15,240	16,981	(1,741)
Community Services	0	0	0
Total	26,550	28,669	(2,119)

Material variances are explained in Appendix 1 and there are a number of small variances contributing to the year to date over spend.

4.3 Chart of YTD Variances

The graph below compares the year to date actual expenditure against the year to date budget for departments by project type (Asset Sustainability, Service Development and Strategic Change):



5 FORECAST OUTTURN 2014-15

5.1 Overall Position

Forecast expenditure for the full financial year is £42,362k compared to an annual budget of £39,260k giving rise to a forecast over spend for the year of £3,102k (-7.9%).

5.2 Project/Department Position

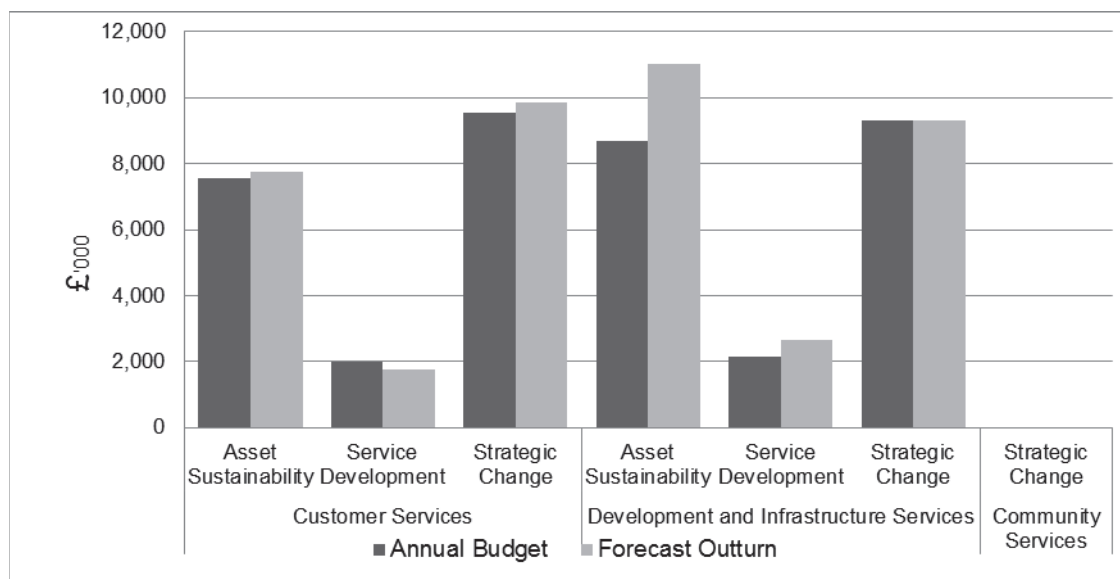
The table shows the forecast expenditure and budget for the year by project type and department:

Project Type:	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Asset Sustainability	16,251	18,776	(2,525)
Service Development	4,156	4,428	(272)
Strategic Change	18,853	19,158	(305)
Total	39,260	42,362	(3,102)
Department:			
Customer Services	19,095	19,375	(280)
Development and Infrastructure Services	20,165	22,987	(2,822)
Community Services	0	0	0
Total	39,260	42,362	(3,102)

Material variances are explained in Appendix 2 and there are a number of smaller variances contributing to the over spend.

5.3 Chart of Forecast Outturn

The graph below shows the forecast outturn position against the full year budget for departments by project type:



6 TOTAL PROJECT COSTS

6.1 Overall Position

The forecast total project cost on the total capital plan is £215,946k compared to a total budget for all projects of £212,201k giving rise to a forecast over spend for the overall capital plan of £3,745k (-1.8%).

6.2 Project/Department Position

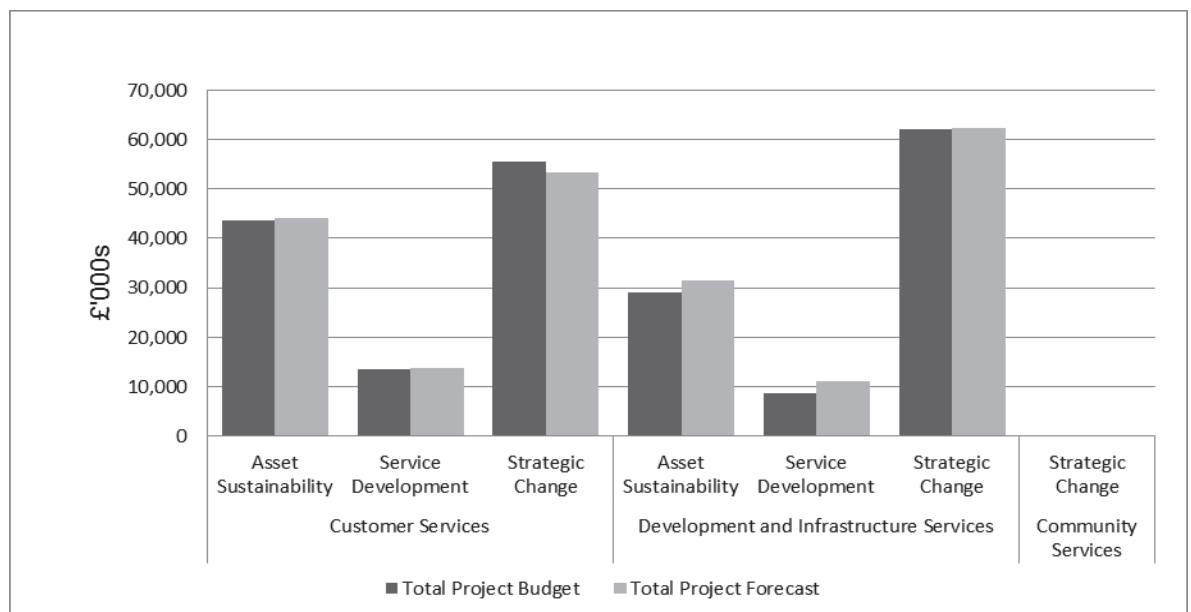
This table shows the forecast total project cost and the budget for total project costs by project type and department:

Project Type:	Capital Plan Budget £'000	Forecast Project Costs £'000	Capital Plan Variance £'000
Asset Sustainability	72,575	75,589	(3,014)
Service Development	22,116	24,799	(2,683)
Strategic Change	117,510	115,558	1,952
Total	212,201	215,946	(3,745)
Department:			
Customer Services	112,658	111,238	1,420
Development and Infrastructure Services	99,543	104,708	(5,165)
Community Services	0	0	0
Total	212,201	215,946	(3,745)

Material variances are explained in Appendix 3 and there are a number of smaller variances leading to the forecast over spend.

6.3 Chart of Total Project Costs

The graph below shows the total forecast position against full project budget for Departments by project type:



7 CAPITAL FUNDING ESTIMATES

7.1 The total estimates amount of capital funding available to support the capital plan until 2016-17 is as follows:

Year	£'000
2014-15	51,581
2015-16	45,958
2016-17	17,833

7.2 Capital funding has been declining and will continue to decline which will have an increasing impact on the level of capital investment that the Council will be able to afford going forward. This reduction in funding will increase the importance of asset management to ensure that the funding is directed towards the assets required for service delivery.

7.3 The table below shows the updated estimate of available capital funding for the current year if changes are approved, and estimates of income in future years to 2016-17:

Funding	Current Year (2014-15)			2015-16			2016-17		
	Approved Capital Funding £'000	Changes £'000	Updated Capital Funding Available £'000	Estimated Capital Funding £'000	Changes £'000	Updated Capital Funding Available £'000	Estimated Capital Funding £'000	Changes £'000	Updated Capital Funding Available £'000
General Capital Grant	15,464	0	15,464	14,686	0	14,686	11,000	0	11,000
Transfer to Revenue for Private Sector Housing Grant (PSHG)	(1,321)	0	(1,321)	(1,321)	0	(1,321)	(1,000)	0	(1,000)
Ring Fenced Capital Grant	140	0	140	131	0	131	140	0	140
Grants from Other Bodies	1,310	15	1,325	626	0	626	0	0	0
Capital Receipts	1,334	0	1,334	4,390	0	4,390	7,693	(450)	7,243
Revenue Contributions	1,155	5	1,160	286	0	286	0	0	0
Reserve Funding Dunoon & Campbeltown Schools	3,000	0	3,000	0	0	0	0	0	0
Prudential Borrowing	966	595	1,561	30	0	30	0	0	0
Unsupported Borrowing	29,533	(14,315)	15,218	27,130	(431)	26,699	0	2,890	2,890
Capital Funding	51,581	(13,700)	37,881	45,958	(431)	45,527	17,833	2,440	20,273
Opening Capital Expenditure Budget			39,260			43,928			15,421
Recommended Changes to Capital Plan (Financial Impact - Appendix 8)			(1,379)			1,599			4,852
Revised Capital Expenditure Budget			37,881			45,527			20,273
Capital Expenditure Forecast			42,362			43,928			15,421
Updated Projected (Over)/Underspend			(4,481)			1,599			4,852

8 TOTAL PROJECT PERFORMANCE

8.1 Overall Position

There are 235 projects within the Capital Plan, 188 are Complete or On Target, 37 are Off Target and Recoverable and 10 are Off Target and a Problem.

8.2 Project Position

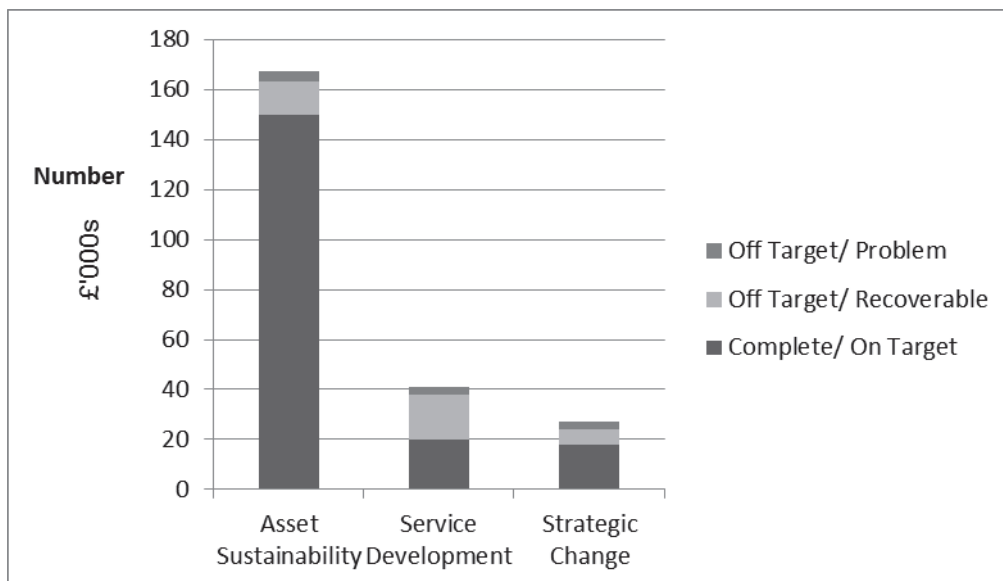
The table below shows the Performance Status of the Projects in the Capital Plan:

Project Type:	Complete/ On Target	Off Target/ Recoverable	Off Target/ Problem	Total
Asset Sustainability	150	13	4	167
Service Development	20	18	3	41
Strategic Change	18	6	3	27
Total	188	37	10	235
Department:				
Customer Services	160	24	5	189
Development and Infrastructure Services	28	13	5	46
Total	188	37	10	235

Appendices 5, 6 and 7 show the Performance Status of the projects in further detail.

8.3 Chart of Performance Status

The graph provides a view of the Performance Status of the Projects included in the Capital Plan:



9 OFF TRACK PROJECTS

9.1 The Off Track Projects are noted in the table below. Reports are included in Appendix 10.

Project Type	Project	What is Off Track?	Explanation	Action
Asset Sustainability	MS Exchange & Doc Sharing	Current Year Expenditure and Project Timescale	A project to replace the email archive system has slipped and the £63k contribution has been significantly delayed.	Business case for the project has been approved by ICT Steering Board in November 2014 and tender process is underway.
Asset Sustainability	Corporate GIS Portal Rollout	Current Year Expenditure and Project Timescale	No demand has been identified for capital investment within the current financial year. This is a recurring pattern.	Uncommitted budget should be used to cover overspends elsewhere and remainder offered as saving.
Asset Sustainability	IT Education	Current Year Expenditure and Project Timescale	Education cannot support a business case for Lync 2013 without a broader pilot.	Other areas have been identified to test this further which will better explore the opportunities and service improvements.
Service Development	IT Enablement Process for Change	Current Year Expenditure and Project Timescale	Business case has only recently been approved by the ICT Steering Board therefore significant delays.	Tender will be issued in the new year and budget will now be spent in 2015/16 instead.
Asset Sustainability	Whitegates	Project Total Expenditure	Significant additional works to prevent leaks and deal with rot.	Review overall spend in Service division.
Service Development	A83 South of Muasdale	Current Year Expenditure	Developer has not submitted a programme for completing snagging. Reimbursement to Greenpower now likely to be in 2015/16.	Meetings have been held with Greenpower and they have to review their approved RCC and obtain agreement for a revised Consent.

Service Development	Cycleways – H&L	Current Year Expenditure	Road Services can only work on packages of construction work as land becomes available.	Estates and Infrastructure Design have been asked to widen the scope of land acquisitions.
Strategic Change	Helensburgh Depot Rationalisation	Current Year Expenditure and Project Total Expenditure	Contaminated soil was found on the site and required to be treated	Project Manager and Head of Service need to meet to consider where additional budget can be sourced from.
Strategic Change	CHORD – Campbeltown	Current Year Expenditure and Project Total Expenditure	Project cost has increased by circa £400k following return of tender.	Request for additional funding to be put to Council in November 2014.
Strategic Change	OBC for Dunoon Pier	Current Year Expenditure, Project Total Expenditure and Project Timescale	Expenditure incorrectly paid through revenue and increased scope of works due to revised design.	Expenditure will be moved to capital and cash flow/programme will be updated to reflect delays.

10 CHANGES TO CAPITAL PLAN

10.1 The table below shows proposed changes to the Capital Plan at summary level. Explanations relating to the specific projects involved can be seen in Appendix 8.

Department	2014-15 £'000	2015-16 £'000	2016-17 £'000	Future Years £'000	Total Capital Plan £'000	Explanation
Asset Sustainability	(369)	360			(9)	Overall cost change (£9k), Slippages & Accelerations (£360k)
Service Development	(310)	319			9	Overall cost change £9k, Slippages (£282)
Customer & Support Services	(679)	679	0	0	0	
Asset Sustainability	26	(26)			0	Overall cost change £15k, Slippages & Accelerations £11k
Service Development	(16)	16			0	Slippages
Strategic Change	263	(320)	5,184	(5,127)	0	Slippages & Accelerations
Facility - Education	273	(330)	5,184	(5,127)	0	
Asset Sustainability	(5)	5			0	Slippage
Service Development	(55)	55			0	Slippages
Strategic Change					0	
Facility - Non Education	(60)	60	0	0	0	
Asset Sustainability	(45)	45			0	Slippages
Service Development					0	
Strategic Change					0	
Facility - Dunoon	(45)	45	0	0	0	
Asset Sustainability	(84)	84			0	Slippages
Service Development	(520)	514			0	Overall cost change (£6k), Slippages £514
Strategic Change	6				0	Overall cost change £6k
Roads and Amenity Services	(598)	598	0	0	0	
Service Development					0	
Strategic Change	(270)	547	(332)	55	0	Slippages & Accelerations
Economic Development	(270)	547	(332)	55	0	
TOTAL	(1,379)	1,599	4,852	(5,072)	0	

11 APPENDICES

- **Appendix 1** – Year to date finance variance explanations
- **Appendix 2** - Forecast Outturn variance explanations
- **Appendix 3** - Total Project finance variance explanations
- **Appendix 4** - Changes to Capital Funding explanations
- **Appendix 5** - Project Performance - Asset Sustainability
- **Appendix 6** - Project Performance - Service Development
- **Appendix 7** - Project Performance - Strategic Change
- **Appendix 8** - Changes to Capital Plan and Financial Impact
- **Appendix 9** - Financial Summary – Overall
 - Financial Summary – DIS
 - Financial Summary – Customer Services
- **Appendix 10** - Off Track Project Reports
- **Appendix 11** - Updated/Revised Capital Plan - Overall
 - Updated/Revised Capital Plan – Community Services
 - Updated/Revised Capital Plan – Customer Services
 - Updated/Revised Capital Plan – DIS

Bruce West
Head of Strategic Finance
7th January 2015

APPENDIX 1 - Year to Date Finance Variance Explanations

Listed below are the projects where the variance is +/- £50k.

Project	YTD Budget £'000	YTD Actual £'000	Variance £'000	Explanation
Bowmore Primary School	0	71	(71)	Additional costs incurred in last 2 years during rewiring, re-roofing, works to the hall and related fees/on costs. Proposal to vire £40k budget from underspends elsewhere within service.
Small Isles Primary School	22	110	(88)	Additional works required that were not anticipated due to discovery of rot in roof structure. Proposal to vire £35 budget from underspends elsewhere within service.
Tobermory High School	120	205	(85)	Overspend as a result of the high costs of rewiring, plumbing, and upgrades to the toilets and common areas. Proposal to vire £40k budget from underspends elsewhere within service.
Roads Reconstruction	6,647	6,964	(317)	Funded by income from Forestry and SSE.
Fleet Management	120	1,788	(1,668)	Expenditure as per approved business cases. Fleet funding is recognised as Prudential Borrowing until year end when lease drawdown will also be considered.
CHORD – Campbelltown	350	207	143	Delays in procuring contractor for berthing work resulted in extended timescales. Propose to slip £143k from 2014/15 to future years.
CHORD – Dunoon	583	528	55	Delays in acquisitions. Of the remaining 2, one is on track and the other is dependent on CPO outcome. Propose to slip £55k from 14/15 to future years.
CHORD – Oban	337	279	58	Delays starting on site due to procurement process taking longer than anticipated. Propose to slip £58k to future years.
Other Variances			(146)	Total value of non-material variances less than +/-£50k
Total			(2,119)	

APPENDIX 2 - Forecast Outturn Variance Explanations

Listed below are the projects where the variance is +/- £50k.

Project	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Explanation
Unified Communications and Video Conferencing	228	174	54	Delays due to difficulties identifying suitable venues in Dunoon and Campbeltown. Propose to slip £54k from 2014/15 into future years.
IT Education	389	60	329	Business case has not yet been prepared as the trial period has to be extended to justify usefulness. Propose to slip £329k from 2014/15 to future years.
IT Enablement Process for Change	156	12	144	Business case has only recently been approved by the ICT Steering Board and a tender will be issued in the new year, hence the budget will not be required until 2015/16. Propose to slip £144k from 2014/15 to future years.
Applications Projects	450	318	132	Progress is being made but delays due to various factors/complexities and some residual budget remains for which proposals have not yet been presented to the ICT Steering Board. Propose to slip £132k from 2014/15 to future years.
Bowmore Primary School	(13)	71	(84)	Additional costs incurred in last 2 years during rewiring, re-roofing, works to the hall and related fees/on costs. Proposal to vire £40k budget from underspends elsewhere within service.
Cardross Primary School	268	170	98	Rewire contract now complete. Proposal to slip £40k from 14/15 to future years for further works and remainder of budget to be used to fund other overspends within service.
Garelochhead Primary School	(49)	5	(54)	Extra work in previous years in relation to health and safety and extent of upgraded toilets. Propose to accelerate £55k from 2015/16 to 2014/15.
Small Isles Primary School	22	110	(88)	Additional works required that were not anticipated due to discovery of rot in roof structure. Proposal to vire £35k from underspends elsewhere within service.
St Andrews Primary	190	140	50	Costs came in substantially below budget. Excess budget to be used to fund other overspends within service.
Strath of Appin Primary School	(40)	20	(60)	Overspends in previous years regarding rewiring and improvements to internal services. Proposal to vire £25k from underspends elsewhere within service.
Tiree High School	(55)	5	(60)	Result of overspend in previous year regarding rewiring and other works required to bring the school up to a reasonable standard in addition to the high costs of construction in Tiree. Project Manager will consider where this negative budget can be funded from.
Tobermory High School	128	205	(77)	Overspend as a result of the high costs of rewiring, plumbing, and upgrades to the toilets and common areas. Proposal to vire £40k from underspends elsewhere within service.

School Houses – Housing Quality Standard	222	100	122	Tender for Helensburgh area package to be issued prior to end of year and expenditure now likely to take place in 2015/16. Propose to slip £122k from 2014/15 to future years.
St Joseph's Pre 5 Parenting Facilities	(43)	16	(59)	Overspends in previous years. Project Manager will consider where this negative budget can be funded from.
Campbeltown Schools Redevelopment	37	214	(177)	Spend occurring earlier than originally anticipated. Propose to accelerate £177k from future years.
Replacement of Oban High School	274	346	(72)	Spend occurring earlier than originally anticipated. Propose to accelerate £72k from future years.
Rothesay Library	(60)	1	(61)	Additional works required to alarm system and extensive repairs to roof/windows. Project Manager will consider where this negative budget can be funded from.
Whitegates	(76)	14	(90)	Significant additional works to prevent leaks and deal with rot in roof. Project Manager will consider where this negative budget can be funded from.
Roads Reconstruction	6,697	7,527	(830)	Funded by extra income from Forestry and SSE.
Fleet Management	150	1,788	(1,638)	Expenditure as per approved business cases. Fleet funding is recognised as Prudential borrowing until year end when lease drawdown will also be considered.
A83 South of Muasdale	518	2	516	Developer has still not submitted programme for completing snagging or amended Road Construction Consent. Forecast reimbursement to Greenpower now likely to be in 2015/16. Proposal to slip £510k into 2015/16 and vire £6k to overspends elsewhere within service.
Cycleways – H&L	219	30	189	Road Services can only work on packages of construction work as land becomes available hence the underspend. Will slip budget into future years if no change in circumstances in coming months.
Helensburgh Depot Rationalisation	(95)	145	(240)	Contaminated soil found on site resulted in higher than expected costs. Project Manager and Head of Service to meet to identify where additional budget can be sourced from once the Final Account has been agreed.
SPT	88	200	(112)	Funded by forecast income.
CWSS – South Islay Distilleries Path	(4)	250	(254)	Funded by forecast income.
CWSS – Kilmichael Glassary	1	240	(269)	Funded by forecast income.
Dunoon Esplanade Upgrade	0	250	(250)	Funded by forecast income.
Scotrail Upgrades	0	140	(140)	Funded by forecast income.
Kilchrenan School Footway	0	50	(50)	Funded by forecast income.
CHORD – Campbeltown	1,263	1,120	143	Delays in procuring contractor for berthing work resulted in extended timescales. Propose to slip £143k from 2014/15 to future years.
CHORD – Dunoon	741	686	55	Delays in acquisitions. Of the remaining 2, one is on track and the other is dependent on CPO outcome. Propose to slip £55k from 14/15 to future years.

CHORD – Oban	700	642	58	Delays starting on site due to procurement process taking longer than anticipated. Propose to slip £58k to future years.
Other variances			(327)	Total value of non-material variances less than +/-£50k
Total			(3,102)	

APPENDIX 3 - Total Project Finance Variances

Listed below are the projects where the variance is +/- £50k.

Project	Capital Plan Budget £'000	Forecast Project Costs £'000	Capital Plan Variance £'000	Explanation
Bowmore Primary School	328	412	(84)	Additional costs incurred in last 2 years during rewiring, re-roofing, works to the hall and related fees/on costs. Proposal to vire £40k budget from underspends elsewhere within service.
Cardross Primary School	845	787	58	Rewire contract now complete. Propose to use budget no longer required to fund other overspends within service.
Small Isles Primary School	253	343	(90)	Additional work required due to discovery of rot in roof structure. Proposal to vire £35k from underspends elsewhere within service.
St Andrews Primary School	376	326	50	Cost of works came under budget. Propose to use budget no longer required to fund other overspends within service.
Strath of Appin Primary School	315	375	(60)	Overspends in previous years regarding rewiring and improvements to internal services. Proposal to vire £25k from underspends elsewhere within service.
Tiree High School	899	959	(60)	Result of overspend in previous year regarding rewiring and other works required to bring the school up to a reasonable standard in addition to the high costs of construction in Tiree. Project Manager will consider where this negative budget can be funded from.
Tobermory High School	681	758	(77)	Overspend as a result of the high costs of rewiring, plumbing, and upgrades to the toilets and common areas. Proposal to vire £40k from underspends elsewhere within service.
St Joseph's Pre 5 Parenting Facilities	75	134	(59)	Overspends in previous years. Project Manager will consider where this negative budget can be funded from.
Campbeltown Schools Redevelopment	7,653	8,030	(377)	Construction costs have risen since the costs of the new school were agreed. The Council's contribution will have to be managed in line with its budget over the next 3 years.
Dunoon Primary School	6,834	3,921	2,913	A decision is expected soon on the funding of Dunoon Primary School and this will clarify the forecast expenditure plans.
Replacement of Oban High School	11,272	11,544	(272)	Construction costs have risen since the costs of the new school were agreed, the council's contribution will have to be managed in line with its budget over the next 3 years.

Rothsay Library	202	263	(61)	Additional works to alarm system and extensive repairs to roof/windows. Project Manager will consider where this negative budget can be funded from.
Whitegates	112	202	(90)	Significant additional works to prevent leaks and deal with rot in roof. Project Manager will consider where this negative budget can be funded from.
Roads Reconstruction	18,672	19,502	(830)	Funded by income.
Fleet Management	3,387	5,025	(1,638)	Expenditure as per approved business cases. Fleet funding is recognised as Prudential borrowing until year end when lease drawdown will also be considered.
Cycleways – H&L	2,536	2,622	(86)	Estates and Infrastructure have been asked to widen the scope of land acquisitions.
Helensburgh Depot Rationalisation	1,050	1,290	(240)	Contaminated soil found on site resulted in higher than expected costs. Project Manager and Head of Service need to meet to identify where additional budget can be sourced from following agreement on final account.
SPT	307	619	(312)	Met by forecast income.
CWSS – South Islay Distilleries Path	110	614	(504)	£364k met by forecast income
CWSS – Kilmichael Glassary	10	549	(539)	£258k met by forecast income
Dunoon Esplanade Upgrade	0	500	(500)	£250k met by forecast income
Scotrail Upgrades	0	280	(280)	£140k met by forecast income
Kilchrenan School Footway	0	100	(100)	£50k met by forecast income
Appin School Link	0	80	(80)	£40k met by forecast income
Other variances			(427)	Total value of non-material variances less than +/-£50k
Total			(3,745)	

APPENDIX 4 – Changes to Capital Funding

The table below notes the changes in the estimated available capital funding from the budget for 2014-15 approved in June 2014:

Funding Type	2014-15 Change Amount £'000	2015-16 Change Amount £'000	2016-17 Change Amount £'000	Explanation for Change(s)
General Capital Grant	0	0	0	No Change
Transfer to Revenue for Private Sector Housing Grant (PSHG)	0	0	0	No Change
Ring Fenced Grant	0	0	0	No Change
Grants from Other Bodies	15	0	0	Salen Gaelic Extension - grant to be recognised as Pre Paid and will be drawn down as expenditure takes place. Work and SPT funding for the Bus Turning Circle on the Rest and be Thankful will take place in 2014-15.
Capital Receipts (Asset Sales)	0	0	(450)	£450k reduction in expected receipt in relation to sale of Castle Toward in 2016-17.
Revenue Contributions	5	0	0	Expenditure against Kilmory Biomass slipping to 2014-15.
Reserve Funding Dunoon & Campbelltown Schools	0	0	0	No Change
Prudential Borrowing	595	0	0	Expenditure against Kilmory Biomass slipping to 2014-15.
Unsupported Borrowing	(14,315)	(431)	2,890	Changes in unsupported borrowing forecasts to reflect changes within the Plan.
Total	(13,700)	(431)	2,440	

APPENDIX 5 – Asset Sustainability Project Performance

There are 167 Projects recognised as Asset Sustainability Projects, 150 are Complete or On Target, 13 are Off Target and Recoverable, 4 projects are Off Target and a Problem.

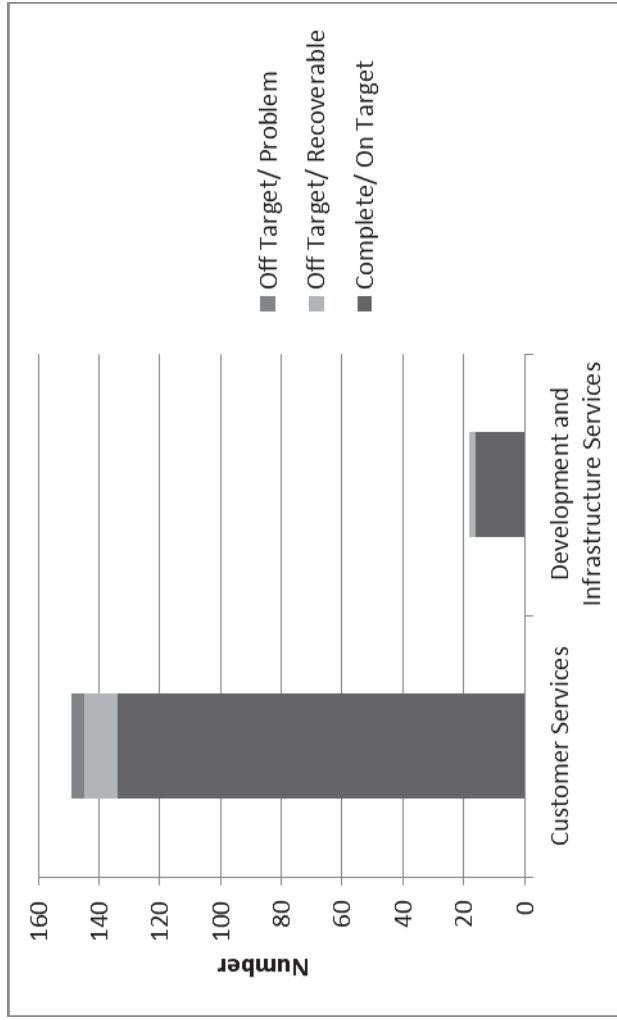
Department Position:

The table below shows the Performance Status of the Asset Sustainability Projects.

Asset Sustainability	Complete/ On Target	Off Target/ Recoverable	Off Target/ Problem	Total
Customer Services	134	11	4	149
Development and Infrastructure Services	16	2	0	18
Total	150	13	4	167

Chart of Asset Sustainability Performance Status

The graph provides a view of the Performance Status of the Asset Sustainability Projects:



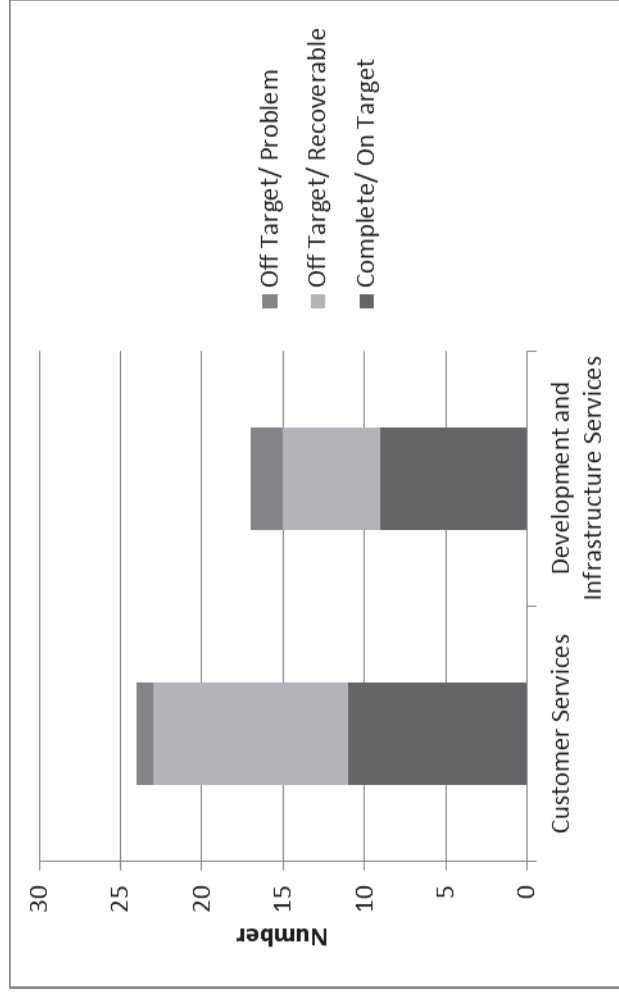
APPENDIX 6 – Service Development Project Performance

There are 41 Projects recognised as Service Development Projects, 20 are Complete or On Target, 18 are Off Target and Recoverable, 3 projects are Off Track and a Problem.

Chart of Service Development Performance Status

The graph provides a view of the Performance Status of the Service Development Projects:

Service Development	Complete/ On Target	Off Target/ Recoverable	Off Target/ Problem	Total
Customer Services	11	12	1	24
Development and Infrastructure Services	9	6	2	17
Total	20	18	3	41



APPENDIX 7 – Strategic Change Project Performance

There are 27 Projects recognised as Strategic Change Projects. 18 are Complete or On Target, 6 are Off Target and Recoverable, 3 projects are Off Target and a Problem.

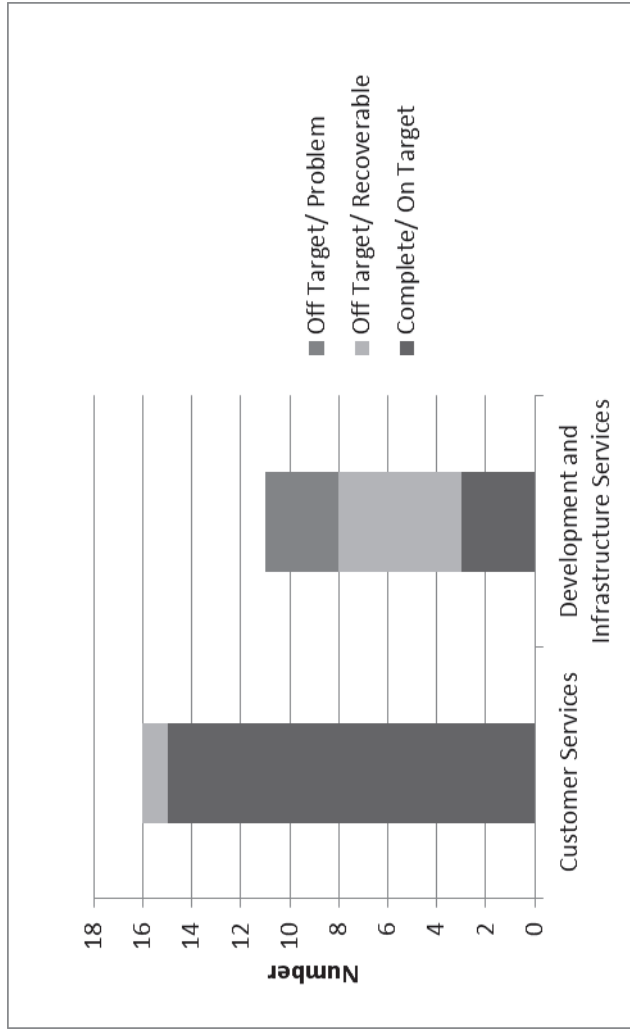
Department Position:

The table below shows the Performance Status of the Strategic Change Projects.

Strategic Change	Complete/ On Target	Off Target/ Recoverable	Off Target/ Problem	Total
Customer Services	15	1	0	16
Development and Infrastructure Services	3	5	3	11
Total	18	6	3	27

Chart of Strategic Change Performance Status

The graph provides a view of the Performance Status of the Strategic Change Projects:



APPENDIX 8 – Changes to Capital Plan and Financial Impact

OVERALL COST CHANGES

Project	2014-15 £'000	2015-16 £'000	2016-17 £'000	Future Years £'000	Total Capital Plan £'000	Recommendation	Explanation
GWITC	(3)				(3)	Move budget to Education Domain Extension project to offset overspend.	Project is complete therefore remaining budget is no longer required for this project.
Education Domain Extension	10				10	Transfer budget from GWITC (£3k), Property Management System (£6k) and GIS (£1k)	Overspend of £10k can be funded by underspends elsewhere within ICT.
Property Management System	(6)				(6)	Move budget to cover work overspend in Education Domain Extension Project.	Savings made in this project therefore excess budget can be used to fund overspend elsewhere within ICT.
Lync 2013	3				3	Transfer budget from Corporate GIS Portal Rollout.	Reduced levels of spend required for GIS, therefore excess budget can be used to fund overspends elsewhere within ICT.
Corporate GIS Portal Rollout	(9)				(9)	Transfer budget to Lync 2013 (£3k), Education Domain Extension (£1k) and Council Chambers VC (£5k).	Reduced levels of spend required for GIS, therefore excess budget can be used to fund overspends elsewhere within ICT.
Council Chambers Video Conferencing	5				5	Transfer budget from Corporate GIS Portal Rollout.	Reduced levels of spend required for GIS, therefore excess budget can be used to fund overspends elsewhere within ICT.
Flexi System HRS Integration	(37)				(37)	Transfer budget to cover requirement within Application Projects.	As agreed at the ICT Strategy Meeting, this budget will now contribute to Resourcelink 4 Project.
Application Projects		37			37	Transfer budget from Flexi System HRS Integration.	As agreed at the ICT Strategy Meeting, this budget will contribute to Resourcelink 4 Project.
Ardchattan Primary School	(10)	(15)			(25)	Transfer budget to Strath of Appin Primary School	Archattan PS is currently mothballed and no costs have been incurred this year. This will still leave £10k available for any H&S works in Ardchattan in 2015/16.
Strath of Appin Primary School	25				25	Transfer budget from Ardchattan Primary School	Rewiring and improvement works in previous years were in excess of budget and these funds are no longer required in Archattan PS.

Campbeltown Grammar School	(25)						Transfer budget to Dalintober PS (£7k), Dalmally PS (£8k) and Glenbarr PS (£10k)	Only minor costs have been incurred this year. This will still leave £25k available for any H&S works in CGS in 2015/16.
Dalintober Primary School	7						Transferred from excess budget allocated to Campbeltown Grammar School	Budget no longer required in CGS will clear overspend in Dalintober PS.
Dalmally Primary School	8						Transferred from excess budget allocated to Campbeltown Grammar School	Budget no longer required in CGS will clear overspend in Dalmally PS.
Glenbarr Primary School	10						Transferred from excess budget allocated to Campbeltown Grammar School	Budget no longer required in CGS will reduce overspend in Glenbarr PS.
Castlehill Primary School	(35)						Transfer budget to Small Isles Primary School	Cost of disabled parking was much lower than originally anticipated therefore excess budget.
Small Isles Primary School	35						Transferred from excess budget in Castlehill Primary School	Cost of roofing work was considerably over budget due to extent of rotting timbers. This will reduce the overspend.
Cardross Primary School	(40)						Transfer budget to Bowmore Primary School	Rewiring completed below budget so can be used to cover overspends elsewhere.
Bowmore Primary School	40						Transferred from excess budget in Cardross Primary School.	Bowmore has been reroofed and rewired with the addition of external resurfacing. This transfer will substantially reduce the overspend.
Kilmodan Primary School	(40)						Transfer budget to Tobermory High School.	The costs of upgrading the heating system at Kilmodan came in well below budget. This can be used to fund overspends elsewhere.
Tobermory High School	40						Transferred from excess budget in Kilmodan Primary School	Costs of rewiring and replacement pipework have been extensive. This transfer will substantially reduce the overspend.
St Andrews Primary School	(50)						Transfer budget to Ardrishaig Primary School	St Andrews PS was rewired at well below budget. This can be used to fund overspends elsewhere.
Ardrishaig Primary School	50						Transferred from excess budget in St Andrews Primary School.	Extent of work at Ardrishaig to toilets and finishes will require this additional budget.
Ellis Lodge	(15)						Transfer budget to Woodlands (£8k) and Lochgilphead Resource Centre (£7k)	Work completed under budget. This can be used to fund overspends elsewhere.

Woodlands/ Greenwood	8				8	Transferred from excess budget in Ellis Lodge	Cost of replacing windows was higher than originally estimated.
Lochgilphead Resource Centre	19				19	Transferred from excess budget in Ellis Lodge (£7k) and Lorne Resource Centre (£12k)	Extent of work at Lochgilphead Resource Centre requires additional budget.
Lorne Resource Centre	(30)				(30)	Transfer budget to Lochgilphead Resource Centre (£12k) and Health & Safety (£18k)	Work completed under budget. This can be used to fund overspends elsewhere.
Health & Safety	18				18	Transferred from excess budget in Lorne Resource Centre	Various projects identified which require additional budget.
Municipal Buildings, Oban		(41)			(41)	Transfer budget to Burnett Building, Campbelltown.	Re-roofing works originally budgeted for no longer required as detailed inspection has found roof to be in good condition.
Burnett Building, Campbeltown			41		41	Transferred from excess budget in Municipal Buildings, Oban.	Works to the Turret are more complex and access more difficult than originally thought therefore additional funding required to address this.
Capital Property Works	12				12	Transfer £21k to Inveraray CARS. Transferred £10k from Argyll House, Dunoon and £23k from Castle House, Dunoon.	Council are required to make contribution to Inveraray CARS in respect of the Council owned property in Front St, Inveraray. Funds from Argyll House and Castle House to be used as a general contingency for emergent works.
Inveraray CARS	21				21	Transferred from Capital Property Works	Council are required to make contribution to Inveraray CARS in respect of the Council owned property in Front St, Inveraray
Argyll House, Dunoon	(10)				(10)	Transfer budget to Capital Property Works.	Legionella works to Argyll House completed at lower cost than anticipated.
Castle House, Dunoon	(23)				(23)	Transfer budget to Capital Property Works.	Heating upgrade works at Castle House completed at lower cost than anticipated.
Environmental – Rose Garden	(16)				(16)	Transfer budget to Environmental Unallocated	Project complete therefore remaining budget not required
Environmental – Cill Andreas Pitch Improvements	(7)				(7)	Transfer budget to Environmental Unallocated	Project complete therefore remaining budget not required

	(23)					(23)	Transfer budget to Environmental Unallocated	Project complete therefore remaining budget not required
Barone Cemetery Internal Road							Transferred from Rose Garden, Cil Andreas Pitch Improvements and Barone Cemetery.	Budget required for business cases that have been completed for spend to save initiatives.
Environmental Unallocated	46					46		
A83 South Muasdale	(6)					(6)	Transfer to Rothesay Harbour Ferry Improvements	Snagging works to be completed on project but £6k no longer required.
Rothesay Harbour Ferry Improvements	7					7	Transferred from A83 South Muasdale (£6k) and Port Askaig Pier (£1k)	Consultant had not kept Council up to date with expenditure therefore extra budget required.
Port Askaig Pier	(1)					1	Transfer to Rothesay Harbour Ferry Improvements	Project complete therefore remaining budget not required
Total Cost Changes	(22)	22	0	0	0	0		

SLIPPAGES AND ACCELERATIONS

Project	2014-15 £'000	2015-16 £'000	2016-17 £'000	Future Years £'000	Total Capital Plan £'000	Recommendation	Explanation
PC Replacement	20	(20)			0	Accelerate £20k from 2015/16 to 2014/15	Forward spend planned.
Computer Network Security	3	(3)			0	Accelerate £3k from 2015/16 to 2015/15	Forward spend planned.
Unified Comms and Video Conferencing	(54)	54			0	Slip £54k from 2014/15 to 2015/16	Delays due to difficulties identifying suitable venues in Dunoon and Campbeltown.
IT Education	(329)	329			0	Slip £329k from 2014/15 to 2015/16	Business case has not yet been prepared as the trial period has to be extended to justify usefulness.
Property Management System	(6)	6			0	Slip £6k from 2014/15 to 2015/16	Proposed slippage to reflect actual spend.
IT Enablement Process for Change	(144)	144			0	Slip £144k from 2014/15 to 2015/16	Business case has recently been approved by ICT Steering Board and tender will be issued in 2015, hence budget not required until 2015/16.
Applications Projects	(132)	132			0	Slip £132k from 2014/15 to 2015/16	Delays due to various factors/complexities and some residual budget remains for which proposals have not yet been presented to the ICT Steering Board.

Aringour Primary School	2	(2)				0	Accelerate £2k from 2015/16 to 2014/15	Not required in 2015/16 and will eliminate negative budget in current year.
Cardross Primary School	(40)	40				0	Slip £40k from 2014/15 to 2015/16	Proposed slippage to reflect actual spend. Additional work in earlier phases of the project therefore accelerate budget to reflect actual spend.
Colgrain Primary School	15	(15)				0	Accelerate £15k from 2015/16 to 2014/15	Additional work in earlier phases of the project therefore accelerate budget to reflect actual spend.
Garelochhead Primary School	55	(55)				0	Accelerate £55k from 2015/16 to 2014/15	Proposed acceleration to reflect actual spend.
Kichrenan Primary School	1	(1)				0	Accelerate £1k from 2015/16 to 2014/15	To cover costs of work to playground occurring in 14/15 and no longer required in 2015/16.
Lismore Primary School	6	(6)				0	Accelerate £6k from 2015/16 to 2014/15	Proposed acceleration to reflect actual spend.
Lochgoilhead Primary School	20	(20)				0	Accelerate £20k from 2015/16 to 2014/15	Proposed acceleration to reflect actual spend.
Oban High School	15	(15)				0	Accelerate £15k from 2015/16 to 2014/15	Proposed acceleration to reflect actual spend.
Port Charlotte Primary School	10	(10)				0	Accelerate £10k from 2015/16 to 2014/15	Proposed acceleration to reflect actual spend.
Rosneath Primary School	6	(6)				0	Accelerate £6k from 2015/16 to 2014/15	Proposed acceleration to reflect actual spend.
School Houses HQS	(122)	122				0	Slip £122k from 2014/15 to 2015/16	Tender for Helensburgh area to be issued by end of year but expenditure now unlikely to take place until 2015/16.
Capital Property Works	43	(43)				0	Accelerate £43k from 2015/16 to 2014/15	Significant projects underway in 2014/15. Proposed acceleration to reflect this spend.
Ardishaig Primary School Pre Five	(16)	16				0	Slip £16k from 2014/15 to 2015/16	Work well underway but some slippage into 2015/16.
Campbeltown Schools Redevelopment	177	313		(490)		0	Accelerate £490k from 2017/18 to 2014/15 (£177k) and 2015/16 (£313k)	Proposed acceleration to reflect actual spend.
Dunoon Primary School	14	(2,969)	2,033	922		0	Accelerate £14k from 2015/16 to 2014/15. Slip £2,955k from 2015/16 to 2016/17 (£2,033k) and 2017/18 (£922k)	Proposed acceleration to reflect actual spend.

Oban High School	72	1,343		(1,415)	0	Accelerate £1,415k from 2017/18 to 2014/15 (£72k) and 2015/16 (£1,343k)	Proposed acceleration to reflect actual spend.
Kirn Primary School		993	3,151	(4,144)	0	Accelerate £4,144k from 2017/18 to 2015/16 (£993k) and 2016/17 (£3,151)	Proposed acceleration to reflect actual spend.
Ellis Lodge	(5)	5			0	Slip £5k from 2014/15 to 2015/16	Slight slippage of budget to 2015/16
Riverside Leisure Centre Refurbishment	(25)	25			0	Slip £25k from 2014/15 to 2015/16	Contractor on site 2015/16 so major expenditure expected then.
Dunclutha Childrens Home	(30)	30			0	Slip £30k from 2014/15 to 2015/16	Business case now complete but majority of expenditure expected in 2015/16.
Kilarrow House	(24)	24			0	Slip £24k from 2014/15 to 2015/16	Proposed slippage to reflect actual spend.
Lorn House, Oban	(21)	21			0	Slip £21k from 2014/15 to 2015/16	Proposed slippage to reflect actual spend.
Flood Prevention	(29)	29				Slip £29k from 2014/15 to 2015/16	Slippage due to reduced staff resources available.
Bridge Strengthening	(40)	40				Slip £40k from 2014/15 to 2015/16	Slippage due to reduced staff resources available.
Traffic Management	(15)	15				Slip £15k from 2014/15 to 2015/16	Savings in 2014/15 therefore move to 2015/16 for other prioritised works.
A83 South of Muasdale	(510)	510				Slip £510k from 2014/15 to 2015/16	Forecast reimbursement to Greenpower now likely to be in 2015/16.
A849 Pennyghael Bridge	(4)	4				Slip £4k from 2014/15 to 2015/16	Slight slippage of budget to 2015/16
CHORD – Campbelltown	(143)	143				Slip £143k from 2014/15 to 2015/16	Delay in procuring contractor for berthing works.
CHORD – Dunoon	(55)		55			Slip £55k from 2014/15 to 2015/16	Delays in acquisitions.
CHORD – Oban	(58)	390	(332)			Slip £58k from 2014/15 to 2015/16 and accelerate £332k from 2016/17 to 2015/16.	Procurement process taking longer than expected.
OBC for Dunoon Pier	(14)	14				Slip £14k from 2014/15 to 2015/16	Increase in scope of works requires reprogramming of works.
Total Slippages and Accelerations	(1,357)	1,577	4,852	(5,072)	0		
Net Impact of Changes	(1,379)	1,599	4,852	(5,072)	0		

ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT - OVERALL COUNCIL										Appendix 9	
FINANCIAL SUMMARY - GROSS EXPENDITURE										31 December 2014	
	Current Financial Year To Date			Full Year This Financial Year			Total Project Costs				
	Budget £000s	Actual £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s		
Archives - Asset Sustainability	19	19	0	87	77	10	128	118	10	10	
Area Committee Expenditure - Asset Sustainability	0	0	0	44	0	44	69	25	44	44	
Asset Sustainability Projects											
Customer Services	4,926	5,230	(304)	7,430	7,671	(241)	43,389	44,035	(646)	(646)	
Development & Infrastructure Services	7,434	9,390	(1,956)	8,690	11,028	(2,338)	28,989	31,411	(2,422)	(2,422)	
Asset Sustainability Total	12,360	14,620	(2,260)	16,120	18,699	(2,579)	72,378	75,446	(3,068)	(3,068)	
Service Development Projects											
Customer Services	1,028	1,065	(37)	1,997	1,761	236	13,551	13,737	(186)	(186)	
Development & Infrastructure Services	2,414	2,437	(23)	2,159	2,667	(508)	8,565	11,062	(2,497)	(2,497)	
Service Development Total	3,442	3,502	(60)	4,156	4,428	(272)	22,116	24,799	(2,683)	(2,683)	
Strategic Change Projects											
Campbeltown Schools Redevelopment	9	9	0	37	214	(177)	7,653	8,030	(377)	(377)	
Dunoon Primary	20	18	2	36	50	(14)	6,834	3,921	2,913	2,913	
Replacement of Oban High	40	39	1	274	346	(72)	11,272	11,544	(272)	(272)	
Kilm Primary School	0	0	0	176	176	0	6,500	6,500	0	0	
Carbon Management Business Cases	0	0	0	75	75	0	261	261	0	0	
NPDO Schools Solar PV Panel Installations	0	0	0	944	944	0	944	944	0	0	
Non NPDO Schools Solar PV Panel Installations	381	379	2	488	488	0	488	488	0	0	
Carbon Management Fuel Conversions	0	0	0	38	38	0	145	145	0	0	
Islay HS/Bowmore PS Carbon Management	12	12	0	29	48	(19)	726	745	(19)	(19)	
Kilmory Biomass Carbon Management	609	609	0	760	760	0	1,033	1,033	0	0	
Oil to Gas Heating Conversions	0	0	0	28	28	0	209	209	0	0	
Campbeltown and Rothesay Rationalisation	0	0	0	8	8	0	35	35	0	0	
Helensburgh Office Rationalisation	4,168	4,163	5	6,521	6,521	0	11,489	11,489	0	0	
Mid Argyll Offices Reorganisation	98	145	(47)	98	145	(47)	270	317	(47)	(47)	
New Helensburgh Swimming Pool	0	0	0	15	15	0	7,652	7,652	0	0	
Tiree Shared Offices	0	0	0	10	10	0	10	10	0	0	
Kintyre Renewables Hub	1,118	1,112	6	3,010	3,010	0	12,115	12,115	0	0	
Port Askaig Pier	0	0	0	1	0	1	13,818	13,817	1	1	
Rothesay Harbour Ferry Improvements	0	0	0	(7)	0	(7)	0	7	(7)	(7)	
Helensburgh Depot Rationalisation	0	44	(44)	(95)	145	(240)	1,050	1,290	(240)	(240)	
CHORD - Helensburgh	2,919	2,919	0	3,450	3,450	0	7,330	7,330	0	0	
CHORD - Campbeltown	350	207	143	1,263	1,120	143	4,786	4,786	0	0	
CHORD - Dunoon	583	528	55	741	686	55	8,625	8,625	0	0	
CHORD - Oban	337	279	58	700	642	58	6,560	6,560	0	0	
CHORD - Rothesay	0	0	0	0	0	0	2,400	2,400	0	0	
Helensburgh Pier Flood Defences	6	0	6	20	20	0	2,175	2,175	0	0	
OBC for Dunoon Pier	79	65	14	203	189	14	2,830	2,830	0	0	
Pier Upgrades	0	0	0	30	30	0	300	300	0	0	
Strategic Change Total	10,729	10,528	201	18,853	19,158	(305)	117,510	115,558	1,952	1,952	
TOTAL	26,550	28,669	(2,119)	39,260	42,362	(3,102)	212,201	215,946	(3,745)	(3,745)	

ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT										Appendix 9	
FINANCIAL SUMMARY GROSS EXPENDITURE - DEVELOPMENT AND INFRASTRUCTURE SERVICES										31 December 2014	
	Current Financial Year To Date			Full Year This Financial Year			Total Project Costs			Variance £000s	
	Budget £000s	Actual £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s		
Asset Sustainability Projects											
Flood Prevention	42	44	(2)	99	70	29	533	533	0	0	
Bridge Strengthening	223	220	3	400	360	40	1,930	1,930	0	0	
Traffic Management	30	30	0	100	85	15	368	368	0	0	
Roads Reconstruction	6,647	6,964	(317)	6,697	7,527	(830)	18,672	19,502	(830)	(830)	
Lighting	120	195	(75)	150	507	(357)	1,703	1,703	0	0	
Fleet	30	1,788	(1,668)	311	1,788	(1,638)	3,387	5,025	(1,638)	(1,638)	
Environmental	49	49	0	285	265	20	594	548	46	46	
Roads	73	75	(2)	98	98	0	403	403	0	0	
Waste	0	0	0	0	0	0	0	0	0	0	
Recreation and Sport	25	25	0	43	43	0	148	148	0	0	
Crematoria and Burial Grounds	0	0	0	0	0	0	0	0	0	0	
Pier	0	0	0	0	0	0	0	0	0	0	
Asset Sustainability Total	7,434	9,390	(1,956)	8,690	11,028	(2,338)	28,989	31,411	(2,422)	(2,422)	
Service Development Projects											
A83 South of Muasdale	1	1	0	518	2	516	590	584	6	6	
A849 Pennyghael Bridge Mull	0	0	0	4	0	4	131	131	0	0	
Preliminary design for Regional Transport projects	0	45	(45)	(21)	63	(84)	227	311	(84)	(84)	
Milton Burn	1	1	0	1	1	0	2,527	2,527	0	0	
Campbeltown Old Quay	2,303	2,264	39	1,190	1,190	0	1,424	1,424	0	0	
Helensburgh Cycleways	18	17	1	219	30	189	2,536	2,622	(86)	(86)	
Vehicle Tracking System	41	38	3	41	41	0	217	217	0	0	
Safe Streets, Walking and Cycling	30	4	26	149	140	9	289	280	9	9	
SPTT	20	7	13	88	200	(112)	307	619	(312)	(312)	
CWSS Jubilee Bridge (£93 200) (Lorn)	0	0	0	0	0	0	99	99	0	0	
CWSS - South Islay Distilleries Path	0	40	(40)	(4)	250	(254)	110	614	(504)	(504)	
CWSS - Kilmichael Glassary - Bridgend Link	0	0	0	1	270	(269)	10	549	(539)	(539)	
CWSS - Kintyre Schools Route Development	0	0	0	0	0	0	0	0	0	0	
CWSS - Duncolzie - Ganavan	0	0	0	0	0	0	0	0	0	0	
CWSS - Connel Station Path	0	0	0	(28)	0	(28)	76	104	(28)	(28)	
CWSS - South Shian Link	0	0	0	0	0	0	0	0	0	0	
CWSS - Machrihanish Path	0	0	0	0	0	0	0	0	0	0	
CWSS - Morydrain to Achmabreac	0	0	0	0	0	0	0	0	0	0	
CWSS - Portnacroish Footway	0	0	0	0	0	0	0	0	0	0	
CWSS - Cycle Parking 2013-14	0	20	(20)	1	1	0	22	21	1	1	
Dunoon Esplanade Upgrade	0	0	0	0	250	(250)	0	500	(500)	(500)	
Scottish Upgrades	0	0	0	0	140	(140)	0	280	(280)	(280)	
Kilchrennan School Footway	0	0	0	0	50	(50)	0	100	(100)	(100)	
Appin School Link	0	0	0	0	40	(40)	0	80	(80)	(80)	
Service Development Total	2,414	2,437	(23)	2,159	2,667	(508)	8,565	11,062	(2,497)	(2,497)	
Strategic Change Projects											
Kintyre Renewables Hub	1,118	1,112	6	3,010	3,010	0	12,115	12,115	0	0	
Port Askaig Pier	0	0	0	1	0	1	13,817	13,817	0	0	
Rothesay Harbour Ferry Improvements	0	0	0	(7)	0	(7)	0	7	(7)	(7)	
Helensburgh Depot Rationalisation	0	44	(44)	(95)	145	(240)	1,050	1,290	(240)	(240)	
CHORD - Helensburgh	2,919	2,919	0	3,450	3,450	0	7,330	7,330	0	0	
CHORD - Campbeltown	350	207	143	1,263	1,120	143	4,786	4,786	0	0	
CHORD - Dunoon	583	528	55	741	686	55	8,625	8,625	0	0	
CHORD - Oban	337	279	58	700	642	58	6,560	6,560	0	0	
CHORD - Rothesay	0	0	0	0	0	0	2,400	2,400	0	0	
Helensburgh Pier Flood Defences	6	0	6	20	20	0	2,175	2,175	0	0	
OBC For Dunoon Pier	79	65	14	203	189	14	2,830	2,830	0	0	
Pier Upgrades	0	0	0	30	30	0	300	300	0	0	
Strategic Change Total	5,392	5,154	238	9,316	9,292	24	61,989	62,235	(246)	(246)	
Departmental Total Expenditure	15,240	16,981	(1,741)	20,165	22,987	(2,822)	99,543	104,708	(5,165)	(5,165)	

ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT										Appendix 9		
FINANCIAL SUMMARY GROSS EXPENDITURE - CUSTOMER SERVICES										31 December 2014		
	Current Financial Year To Date		Full Year This Financial Year		Total Project Costs		Budget		Forecast		Variance	
	Budget	Actual	Budget	Actual	Budget	Actual	£000s	£000s	£000s	£000s	£000s	£000s
Asset Sustainability	2,606	2,896	(290)	3,044	3,625	(581)	26,986	27,562	(576)			
Education	778	765	13	1,152	1,185	(33)	3,285	3,320	(35)			
Community and Culture	253	256	(3)	601	537	64	3,378	3,319	59			
Adult Care	120	128	(8)	185	231	(46)	532	578	(46)			
Children and Families	92	129	(37)	553	571	(18)	2,607	2,668	(61)			
Facility Services	1,077	1,056	21	1,895	1,522	373	6,601	6,588	13			
Customer and Support Services	4,926	5,230	(304)	7,430	7,671	(241)	43,389	44,035	(646)			
Asset Sustainability Total												
Service Development Projects												
Graham Williamson IT Centre	0	0	0	3	0	3	499	496	3			
Property Management System	2	2	0	14	2	12	84	84	0			
Education Domain Extension	0	1	(1)	(9)	1	(10)	433	443	(10)			
Consolidated Server Replacement	0	0	0	43	43	0	1,052	1,052	0			
IT Enablement Process for Change	5	5	0	156	12	144	1,054	1,054	0			
Applications Projects	99	99	0	450	318	132	937	974	(37)			
Flexi System HRS Integration	0	0	0	37	0	37	37	0	37			
Council Chamber Video Conferencing	0	4	(4)	(1)	4	(5)	116	116	(5)			
Lync 2013	0	0	0	0	3	(3)	129	129	(3)			
Ardriashaig Primary School - Pre 5 Unit	174	156	18	387	361	26	411	401	10			
Hermitage Primary Annex Replacement	42	61	(19)	81	100	(19)	765	784	(19)			
Lochnell Primary School - Pre Five Unit	0	25	(25)	(9)	30	(39)	210	249	(39)			
Park Primary Extension/Pre Fives Unit	0	1	(1)	24	24	0	355	355	0			
Salen Primary School - Gaelic Pre School	0	17	(17)	20	20	0	150	150	0			
St Joseph's Pre Five Parenting Facilities	32	21	11	37	21	16	75	134	(59)			
Strachur Primary School - Pre Five Unit	0	10	(10)	(43)	16	(59)	315	289	26			
Tayvallich Primary Additional Classroom	330	340	(10)	330	340	(10)	430	472	(42)			
Tayvallich Primary School - Pre 5 Unit	319	319	0	400	400	0	2,668	2,668	0			
Early Learning and Childcare	0	0	0	5	0	5	60	55	5			
Video Conferencing Upgrade	0	0	0	7	0	7	772	765	7			
Mull & Iona Progressive Care Centre	0	0	0	(47)	0	(47)	917	964	(47)			
Campbelltown All Weather Pitch	0	0	0	29	35	(6)	650	646	4			
Riverside Leisure Centre Refurbishment	25	2	23	60	30	30	750	750	0			
Dunclutha Childrens Home	0	0	0	(4)	0	(4)	55	59	(4)			
Dunoon Family Mediation Centre	0	0	0	2	0	2	496	496	0			
Residential Respite Care Facility	0	0	0	2	0	2	13,551	13,737	(186)			
Service Development Total	1,028	1,065	(37)	1,997	1,761	236	13,551	13,737	(186)			
Strategic Change Projects												
Campbelltown Schools Redevelopment	9	18	(9)	37	214	(177)	7,653	8,030	(377)			
Dunoon Primary	20	39	(19)	36	50	(14)	6,834	3,921	2,913			
Replacement of Oban High	40	0	40	274	346	(72)	11,272	11,544	(272)			
Kirn Primary School	0	0	0	176	176	0	6,500	6,500	0			
Aqualibrium - residual payments	0	0	0	0	0	0	0	0	0			
Carbon Management Business Cases	0	0	0	75	75	0	261	261	0			
NPDO Schools Solar PV Panel Installations	0	0	0	944	944	0	944	944	0			
Non NPDO Schools Solar PV Panel Installations	381	379	2	488	488	0	488	488	0			
Carbon Management Fuel Conversions	0	0	0	38	38	0	145	145	0			
Islay HS/Bowmore PS Carbon Management	12	12	0	29	48	(19)	726	745	(19)			
Kilmory Biomass Carbon Management	609	609	0	760	760	0	1,033	1,033	0			
Oil to Gas Heating Conversions	0	0	0	28	28	0	209	209	0			
Campbelltown and Rothesay Rationalisation	0	0	0	8	8	0	35	35	0			
Helensburgh Office Rationalisation	4,168	4,163	5	6,521	6,521	0	11,489	11,489	0			
Mid Argyll Offices Reorganisation	98	145	(47)	98	145	(47)	270	317	(47)			
New Helensburgh Swimming Pool	0	0	0	15	15	0	7,652	7,652	0			
Tiree Shared Offices	0	0	0	10	10	0	10	10	0			
Strategic Change Total	5,337	5,374	(37)	9,537	9,866	(329)	55,521	53,323	2,198			
Departmental Total	11,291	11,669	(378)	18,964	19,298	(334)	112,461	111,095	1,366			

OFF TRACK PROJECT	Appendix 10
Department: Customer Services (Customer and Support Services (ICT))	
Project Name: MSeXchange and Document Sharing	
First Added to Capital Plan: Programme added 2010/11	
Project Manager: Douglas Bailey	
How is this project funded? Asset Sustainability Capital	
Why is the project classified as off target?	A project to replace the out of life Email archive System has slipped and the 63k contribution has been significantly delayed against the profiled spend.
What has caused the issue outlined above?	An outline business case was required to be developed prior to tender and which had not been planned for sufficiently.
What action will be taken to rectify this issue?	
What are the implications of the action proposed?	The business case for the Email archive project has been approved by the ICT Steering Board in November 2014 and the tender process is underway. 63k will be spent by the end of the financial year on tangible equipment as part of the overall solution.
What are the implications of the action proposed?	No financial implications for the project. Reprofile of spend 63k required by the end of March 2015.

OFF TRACK PROJECT	Appendix 10
Department: Customer Services (Customer and Support Services (ICT))	
Project Name: GIS	
First Added to Capital Plan: Programme added 2010/11	
Project Manager: Craig Welsh	
How is this project funded? Asset Sustainability Capital	
Why is the project classified as off target?	This budget was established to support a programme of investment in technology to support GIS related developments. No more than 7k of the current budget of 20k will be spent this year.
What has caused the issue outlined above?	A business case presented at the ICT Steering Board in August 2014 did not identify significant demand for capital investment within the current financial year. It appears that this is a pattern that has been emerging for some time.
What action will be taken to rectify this issue?	The uncommitted 13k budget should be presented as a saving in 2014/15. 9k of this saving should be used this year to meet overspend in other areas of the capital programme. A virement request has been made for this purpose.
What are the implications of the action proposed?	9k to be made available for other capital projects as a saving in 2014/15, leaving an overall saving of 4k.

Appendix 10
OFF TRACK PROJECT
Department: Customer Services (Customer and Support Services (ICT))
Project Name: Education IT Provision
First Added to Capital Plan: Programme added 2010/11
Project Manager: John McVey
How is this project funded? Asset Sustainability Capital
Why is the project classified as off target?
A pilot is underway at Tarbert Academy for the introduction of LYNC 2013 for the Education Service with the view to a broader roll out of LYNC across the Education Service. Available budget within the IT Education budget has been identified for this purpose. As yet the fuller business case has not been developed and therefore the funding remains unspent. In addition a project to replace the out of life Email archive System has slipped and the 32k contribution will not be spent this year.
What has caused the issue outlined above?
It was envisaged that a business case for the broader roll out would follow consultation with all secondary Head Teachers who have been asked to contribute and consider how LYNC could develop significant educational benefits. It had been hoped that the outline business case would be available for consideration by the ICT Steering Board on 26th November 2014. Following initial consultation with the Head of Service and senior managers, it was established that the Education Service cannot support a business case for LYNC 2013 at this stage without a broader pilot. It is felt that at present, and without an extended trial to an additional 2 schools and to really see what 3 cooperative schools could do together, it would be difficult to justify LYNC beyond being just a replacement phone system. With regards to the Email Archive project, an outline business case required to be developed prior to tender which had not been planned for sufficiently.
What action will be taken to rectify this issue?
Lochgilphead has been identified to work with Tarbert to establish 3 or 4 subjects to work collaboratively within. Also Gigha students across 9 families that frequently experience being island bound during bad weather are being considered for trial with Tarbert and the use of LYNC for attending classes they would otherwise miss. This extension of the pilot will help the service to better explore the opportunities for efficiencies and service improvements on which a future business case would be based. On completion of the business case, the existing funding would need to be available with 2015/16. The business case for the Email archive project has been approved and the tender process is almost underway.
What are the implications of the action proposed?
£387k to be slipped to financial year 2015/16 to be available on completion and approval of the business case and contribution to the Email Archive purchase.

OFF TRACK PROJECT	Appendix 10
Department: Customer Services (Customer and Support Services (ICT))	
Project Name: Process For Change (Residual Spend)	
First Added to Capital Plan: Programme added 2010/11	
Project Manager: Bob Miller	
How is this project funded? Service Development Capital	
Why is the project classified as off target?	<p>This budget was established to support a programme of investment in technology to support corporate service improvements and efficiency gains likely to arise through changes in the way the Council operates. Following the introduction of technologies primarily to support flexible working, residual budget has been used to support further initiatives opportunities for service improvements through the use of ICT. It was expected that the residual budget (now 144k) in 2014/15 would be spent by the end of March 2015. This will not now be possible.</p>
What has caused the issue outlined above?	<p>A business case has only recently been approved by the ICT Steering Board to replace Lagan, the Councils current CRM (Customer Service Management System), with a solution that will better support the Council in delivering services to customers in accordance with the Council's Digital First objectives. It has been agreed that the residual Process for Change budget will fund this initiative.</p>
What action will be taken to rectify this issue?	<p>A tender will be issued in the new year. The 144k of funding available 2014/15 will therefore not be spent this financial year. This budget requires to slip to 2015/16</p>
What are the implications of the action proposed?	<p>A total of 220k has been sought and approved by the ICT Steering Board, SMT and Asset Management Board for the CRM Project. In addition to the 144k to be slipped to 2015/16, and additional 76k will be spent during 2015/16 from existing the same source capital budget in 2015/16.</p>

OFF TRACK PROJECT

Appendix 10

Department: Facility Services

Project Name: Whitegates – roofing upgrade

First Added to Capital Plan: 2013/14

Project Manager: Craig Houston

How is this project funded? *Capital*

Why is the project classified as off target?

The project expenditure is greater than budget with a total forecast spend of £202k compared to a budget of £112k, resulting in a total project overspend of £90k.

What has caused the issue outlined above?

Extensive work required to replace new gutters and downpipes, treating rotten timber below roof finish.

What action will be taken to rectify this issue?

This project was transferred to Facility Services, however a review of overall spend in the appropriate service division will take place.

What are the implications of the action proposed?

Possible impact on spend on other buildings to be managed.

OFF TRACK PROJECT	Appendix 10
Department:	Development and Infrastructure
Project Name:	A83 South of Muasdale
First Added to Capital Plan:	2010-11
Project Manager:	Arthur McCulloch
How is this project funded?	Capital Programme
Why is the project classified as off target?	The project is classed as off target for expenditure in 2014-15 year with slippage of over £500k into 2015-16.
What has caused the issue outlined above?	The Council signed an agreement with Greenpower who were developing a windfarm site near Taynult. As part of their enabling works, approximately £2m of earthworks were required on the A83 south of Muasdale to permit the wind turbine kit to be transported to the windfarm site. The Council agreed to fund £500k towards the cost of the Muasdale works as the road in the vicinity of the works was showing signs of distress and was causing some concern for its reliability. Greenpower's contractor has not built the works in accordance with the agreed Roads Construction Consent (RCC) and therefore the Council has not released payment to Greenpower.
What action will be taken to rectify this issue?	Meetings have been held with Greenpower and they have to review their approved RCC and obtain agreement for a revised Consent.
What are the implications of the action proposed?	Slippage of expenditure into 2015-16. Noting that:- 1 The Council has had use of the road since the works were done in 2012; 2 The Council has a Sundry Debtor account with Greenpower for over £40k for damage repairs to the public road near the windfarm site. If Greenpower do not settle this account, then the value will be taken off the £500k due as part of the enabling works at Muasdale; 3 It is proposed to vire £6k from the project to Rothesay Harbour Ferry Improvement project.

OFF TRACK PROJECT

Appendix 10

Department:	Development and Infrastructure
Project Name:	<i>Helensburgh – Cardross Cycleway</i>
First Added to Capital Plan:	2011-12
Project Manager:	Callum Robertson
How is this project funded?	2012 - Grant Funded SPFT £610k over three years , plus £165k legacy funding from previous project
Why is the project classified as off target?	<p>The project is classed as off target due to the slippage in the spend against budget, on physical construction works. Roads Services can only work on packages of construction work as land becomes available.</p>
What has caused the issue outlined above?	<p>Negotiations with landowners is still a slow and laborious process due to land agent reluctance to accept land value prices and insisting on accommodation works which no longer comply with SEPA guidelines on attenuated drainage schemes. Roads Services have been able to deliver construction works on available land during the last two financial years, as it has become available. Infrastructure Design and Estates continue to negotiate with land agents to resolve these issues and release land to progress the works.</p>
What action will be taken to rectify this issue?	<p>Estates section, in conjunction with Infrastructure Design have been asked to widen the scope of land acquisition to cover the entire route between Helensburgh and Cardross (and beyond to Dumbarton) to secure sufficient land anywhere on the corridor to allow construction to progress. The project team has met with colleagues from West Dunbartonshire Council to maximise the availability of land towards completion of the route.</p>
What are the implications of the action proposed?	<p>The funding package from SPFT will overrun, if insufficient land is made available for construction works to the remaining value to be delivered before the end of the 3 year period (2015) Strategic Transportation colleagues are in contact with SPFT on various projects within Argyll and Bute and budget profiling and adjustments can be made to allow works to progress as soon as land becomes available. SPFT only allocate funding on an annual basis and £200k has been applied for 2015-16 to finance any works for which land can be secured.</p>

OFF TRACK PROJECT		Appendix 10
Department:	Development and Infrastructure	
Project Name:	Helensburgh Depot Rationalisation	
First Added to Capital Plan:	2012-13	
Project Manager:	Helen Ford	
How is this project funded?	Spend to Save Project	
Why is the project classified as off target?	The project is classed as off target as total project is overspent by £240k. Budget £1,050k, Final account £1,290k. This is based on a final account figure for phase 2 works to be agreed by Head of Service..	
What has caused the issue outlined above?	The main reason for the projected overspend is due to contaminated soil found on site which required to be treated. This in turn led to extension of time claims. Building complete and occupied.	
What action will be taken to rectify this issue?	None.	
What are the implications of the action proposed?	Project Manager and Head of Service will meet to identify where additional budget can be sourced from following agreement on Final Account.	

OFF TRACK PROJECT

Appendix 10

Department: Development and Infrastructure

Project Name: Campbeltown Berthing Facility

First Added to Capital Plan: 2009/10

Project Manager: Helen Ford

How is this project funded? Prudential Borrowings

Why is the project classified as off target?

The project is classed as off target as the project cost has increased by circa 400k following tender return i.e. £1,263 to £1,672.

As a result there has been an in month spend variance of (£173k). The total year spend variance is (£143k).

What has caused the issue outlined above?

Tender price above budget allowance.

What action will be taken to rectify this issue?

Increased budget allocation from the overall Campbeltown CHORD budget supported by MAKI Special AC in November, and approved by Council in November.

What are the implications of the action proposed?

Funds available in overall Campbeltown CHORD allocation to absorb increase, however to mitigate increase HIE have agreed to contribute £120k, awaiting award letter.

OFF TRACK PROJECT		Appendix 10
Department:	Development and Infrastructure	
Project Name:	CHORD – Dunoon – Wooden Pier Refurbishment	
First Added to Capital Plan:	2012-13	
Project Manager:	John Gordon	
How is this project funded?	Argyll & Bute Capital Budget (£2,480,000) and Scottish Government Regeneration Capital Grant Funding (£350,000)	
Why is the project classified as off target?	<ol style="list-style-type: none"> 1. Original full year forecast (FYF) spend was £1.903 million, the Report for October highlighted slippage of £1.7 million. 2. Full year forecast spend is now £189,256 against revised budget of £203,000. 	
What has caused the issue outlined above?	<ol style="list-style-type: none"> 1. The structural survey, undertaken 20–22 May 2014, identified significant deterioration in key structural elements when compared with the findings of the previous survey in 2008. This required the Project Team, in consultation with key officers in Marine Operations and Planning along with representatives from Historic Scotland to reconsider the scope, specification and programme for the works necessary to enable the pier to be brought back in to regular public use. The implementation phase for the project has been delayed until FY15/16. 2. YTD variance of £14k is as a consequence of delays to the design process whilst awaiting the results of the trialling of an epoxy encapsulation system for the piers wooden columns. 	
What action will be taken to rectify this issue?	None – the projects programme and cashflow forecast has had to be revised in light of the significant changes to scope and specification	
What are the implications of the action proposed?	Cashflow has been re-profiled and now reports that the majority of the funds will be drawn down in FY15/16.	

PROPOSED CAPITAL PLAN 2014-15
SUMMARY

APPENDIX 11

Department	Head of Service	Previous Years				Future		Total £000
		£000	2014-15 £000	2015-16 £000	2016-17 £000	Years £000	Years £000	
Community Services	Adult Care	2,020	585	285	0	0	0	2,890
	Children and Families	823	231	799	0	0	0	1,853
	Community and Culture	2,339	1,252	1,410	0	0	0	5,001
	Education	23,175	5,019	13,555	6,567	16,431	0	64,747
Community Services Total		28,357	7,087	16,049	6,567	16,431	0	74,491
Customer Services	Customer and Support Services	4,819	1,909	2,850	0	0	0	9,578
	Facility Services	7,014	9,544	5,032	4,258	0	0	25,848
Customer Services Total		11,833	11,453	7,882	4,258	0	0	35,426
Development and Infrastructure	Economic Development	5,568	6,344	13,233	9,378	1,328	0	35,851
	Roads and Amenity Services	20,331	12,953	8,363	70	0	0	41,717
Development and Infrastructure Total		25,899	19,297	21,596	9,448	1,328	0	77,568
Area Committees	Area Committee	25	44	0	0	0	0	69
Area Committees Total		25	44	0	0	0	0	69
Overall Total		66,114	37,881	45,527	20,273	17,759	0	187,554

Head of Service	Category	Project	Previous			Future			Total
			Years £'000	2014-15 £000's	2015-16 £000s	2016-17 £000s	Years £000s	£000s	
Adult Care	Asset Sustainability	Aids and Adaptations	26	24	25	0	0	75	
		Asbestos Removal/Control Works	0	10	10	0	0	20	
		Eadar Glinn	19	206	20	0	0	245	
		Ellis Lodge	47	12	5	0	0	64	
		Health and Safety	864	53	50	0	0	967	
		Legionella Control Works	0	20	20	0	0	40	
		Lochgilphead Resource Centre	49	30	145	0	0	224	
		Lorn Resource Centre	0	75	10	0	0	85	
		Social Work Office Rothesay	41	34	0	0	0	75	
		Struan Lodge Boiler	12	28	0	0	0	40	
		Thomson Home Rothesay	111	36	0	0	0	147	
		Upgrading Older Peoples Homes	0	25	0	0	0	25	
		Woodlands/Greenwood	86	25	0	0	0	111	
		Asset Sustainability Total		1,255	578	285	0	0	2,118
		Service Development		765	7	0	0	0	772
		Service Development Total		765	7	0	0	0	772
		Adult Care Total		2,020	585	285	0	0	2,890
Overall Total		2,020	585	285	0	0	2,890		

Head of Service	Category	Project	Previous Years £'000	2014-15 £000's	2015-16 £000s	2016-17 £000s	Future Years £000s	Total £000s	
Children and Families	Asset Sustainability	Asbestos Removal/Control Works	0	10	10	0	0	20	
		Dunclutha Children's Home	31	-6	0	0	0	25	
		Dunoon Hostel	128	87	0	0	0	215	
		East King St Children's Home	0	2	0	0	0	2	
		Glencruitten Hostel	94	26	0	0	0	120	
		Health and Safety	5	63	50	0	0	118	
		Legionella Control Works	0	20	20	0	0	40	
		Shellach View	9	1	0	0	0	10	
		Asset Sustainability Total		267	203	80	0	0	550
		Children and Families	Service Development	Dunclutha Childrens Home	1	30	719	0	0
Dunoon Family Mediation Centre	59			-4	0	0	0	55	
Residential Respite Care Facility	496			2	0	0	0	498	
Service Development Total	556			28	719	0	0	1,303	
Children and Families Total		823	231	799	0	0	1,853		
Overall Total		823	231	799	0	0	1,853		

PROPOSED CAPITAL PLAN 2014-15
COMMUNITY SERVICES

Head of Service	Category	Project	Previous		2014-15			2015-16			2016-17		Total
			Years	£'000	£000's	£000s	£000s	£000s	£000s	Years	£000s	£000s	
Community and Culture	Asset Sustainability	Aqualibrium	0	35	0	0	0	0	0	0	0	35	
		Asbestos Removal/Control Works	0	30	20	0	0	0	0	0	0	50	
		Bute Community Education Centre	6	4	0	0	0	0	0	0	0	10	
		Campbeltown Museum - Burnet Bldg	79	2	0	0	0	0	0	0	0	81	
		Community Centres General - Options Appraisal	0	15	0	0	0	0	0	0	0	15	
		Corran Halls, Oban	220	105	100	0	0	0	0	0	0	425	
		Dunoon Community Education Centre	152	5	20	0	0	0	0	0	0	177	
		Gaelic Centre - Corran Halls (FG)	173	-3	0	0	0	0	0	0	0	170	
		Health & Safety	55	138	57	0	0	0	0	0	0	250	
		Helensburgh Library	0	25	0	0	0	0	0	0	0	25	
		Inveraray CARS	0	21	0	0	0	0	0	0	0	21	
		Kintyre Community Ed Centre	117	-3	0	0	0	0	0	0	0	114	
		Legionella Control Works	0	20	20	0	0	0	0	0	0	40	
		Lochgilthead Community Ed Centre	5	2	245	0	0	0	0	0	0	252	
		Oban Library (Leased Property)	0	0	20	0	0	0	0	0	0	20	
		Ramsay Memorial Hall	79	15	80	0	0	0	0	0	0	174	
		Replacement of Gym Equipment	0	0	100	0	0	0	0	0	0	100	
		Rhu Community Ed Centre	5	119	5	0	0	0	0	0	0	129	
		Rothesay Library	262	-60	0	0	0	0	0	0	0	202	
		Rothesay Swimming Pool	0	131	3	0	0	0	0	0	0	134	
		Sandbank Library HQ	0	22	3	0	0	0	0	0	0	25	
		Tarbert Library	3	45	2	0	0	0	0	0	0	50	
		Victoria Halls, Campbeltown	126	349	50	0	0	0	0	0	0	525	
Victoria Halls, Helensburgh	41	156	85	0	0	0	0	0	0	282			
Asset Sustainability Total			1,323	1,173	810	0	0	0	0	0	3,306		
Service Development	Archives - Wee Manse Brae	41	87	0	0	0	0	0	0	0	128		
	Campbeltown All Weather Pitch	964	-47	0	0	0	0	0	0	0	917		
	Riverside Leisure Centre Refurbishment	11	39	600	0	0	0	0	0	0	650		
Service Development Total			1,016	79	600	0	0	0	0	1,695			
Community and Culture Total			2,339	1,252	1,410	0	0	0	0	0	5,001		
Overall Total			2,339	1,252	1,410	0	0	0	0	0	5,001		

Head of Service	Category	Project	Previous			Future			Total
			Years	2014-15	2015-16	2016-17	Years	£000s	
Education	Asset Sustainability		£'000	£000's	£000s	£000s	£000s	£000s	
		Achaleven Primary School	0	0	100	0	0	100	
		Ardchattan Primary School	0	0	10	0	0	10	
		Ardshaig Primary School	164	40	0	0	0	204	
		Arinagour Primary School	83	0	48	0	0	131	
		Arrochar Primary School	1,152	2	0	0	0	1,154	
		Asbestos Control/Removal Works	0	35	50	0	0	85	
		Ashfield Primary School	87	-8	0	0	0	79	
		Barcaldine Primary School	73	-4	0	0	0	69	
		Bowmore Primary School	341	27	0	0	0	368	
		Bunessan Primary School	156	95	4	0	0	255	
		Campbeltown Grammar	3,641	3	25	0	0	3,669	
		Capital Property Works	542	122	170	0	0	834	
		Cardross Primary School	352	188	265	0	0	805	
		Carradale Primary School	19	12	150	0	0	181	
		Castlehill Primary School	146	10	50	0	0	206	
		Clachan Primary	2	0	220	0	0	222	
		Colgrain Primary School	617	121	65	0	0	803	
		Dalintober Primary School	266	1	0	0	0	267	
		Dervaig Primary School	0	5	0	0	0	5	
		Drumlembie Primary School	128	86	0	0	0	214	
		Dunbeg Primary School	403	31	0	0	0	434	
		Dunoon Primary School	95	-10	25	0	0	110	
		Ferry Houses - Housing Quality Standard	0	38	38	0	0	76	
		Free School Meals*	0	130	420	0	0	550	
		Furnace Primary School	104	-37	0	0	0	67	
		Garelochhead Primary School	311	6	45	0	0	362	
		Glassary Primary School	38	32	65	0	0	135	
		Glenbarr Primary School	60	5	0	0	0	65	
		Hermitage Primary School	145	1	0	0	0	146	
		Homeless Houses - Housing Quality Standard	0	25	25	0	0	50	
		Innellan Primary School	79	6	25	0	0	110	
		Inveraray Primary School	287	155	0	0	0	442	
		Islay High School	3,877	155	50	0	0	4,082	
		John Logie Baird Primary School	364	-42	0	0	0	322	
		Keills Primary School	306	-6	0	0	0	300	
		Kilchattan Primary School	165	3	0	0	0	168	
		Kilchrenan Primary School	0	11	14	0	0	25	
		Kilcreggan Primary School	221	90	0	0	0	311	
		Kilmartin Primary School	0	20	0	0	0	20	
		Kilmodan Primary School	24	81	90	0	0	195	
		Kilninver Primary School	81	12	0	0	0	93	
		Kirn Primary School	44	22	20	0	0	86	
		Legionella Control Works	0	65	75	0	0	140	
		Lismore Primary School	41	6	14	0	0	61	
		Lochdonhead Primary School	152	-17	0	0	0	135	
		Lochgailhead Primary School	55	-13	40	0	0	82	
		Luing Primary School	74	16	0	0	0	90	
		Luss Primary School	34	30	1	0	0	65	
		Minard Primary	3	48	0	0	0	51	
		North Bute Primary School	130	241	0	0	0	371	
		Oban High Gaelic Media Studio (FG)	93	-2	0	0	0	91	

Head of Service	Category	Project	Previous Years £'000	2014-15 £000's	2015-16 £000s	2016-17 £000s	Future Years £000s	Total £000s		
Education	Asset Sustainability	Oban High School	629	-13	10	0	0	626		
		Park Primary School	229	260	10	0	0	499		
		Parklands School	116	-8	0	0	0	108		
		Port Charlotte Primary School	146	36	160	0	0	342		
		Port Ellen Primary School	431	16	20	0	0	467		
		Rhu Primary School	32	-2	0	0	0	30		
		Rhunaharine Primary	14	73	0	0	0	87		
		Rosneath Primary School	258	21	371	0	0	650		
		Sandbank Primary School	478	5	0	0	0	483		
		School Houses - Housing Quality Standard	1	100	345	0	0	446		
		Skipness Primary School	0	15	0	0	0	15		
		Small Isles Primary School	231	57	0	0	0	288		
		St Andrew's Primary School	136	140	50	0	0	326		
		St Joseph's Primary School	161	299	50	0	0	510		
		St Mun's Primary School	72	-21	10	0	0	61		
		Strachur Primary School	154	-1	0	0	0	153		
		Strath of Appin Primary School	355	-15	0	0	0	340		
		Strone Primary School	291	33	0	0	0	324		
		Taynuilt Primary School	110	14	0	0	0	124		
		Tayvallich Primary School	107	-4	0	0	0	103		
		Tighnabruich Primary School	107	3	0	0	0	110		
		Tiree High School	954	-55	0	0	0	899		
		Tiree Primary School	170	50	0	0	0	220		
		Tobermory High School	553	168	0	0	0	721		
		Toward Primary School	71	19	0	0	0	90		
		Asset Sustainability Total			20,761	3,027	3,130	0	26,918	
		Service Development		Adrishag Primary School - Pre Five Unit	10	371	30	0	0	411
				Early Learning and Childcare	0	400	1,200	1,068	0	2,668
				Hermitage Primary Annexe Replacement	684	81	0	0	0	765
				Lochnell Primary School - Pre Five Unit	219	-9	0	0	0	210
Park Primary Extension and Pre Fives Unit	331			24	0	0	0	355		
Salen Primary School - Gaelic Pre School Extension (FG)	0			20	130	0	0	150		
St Joseph's Pre 5 Parenting Facilities	118			-43	0	0	0	75		
Strachur Primary School - Pre Five Unit	278			37	0	0	0	315		
Taynuilt PS Addnl Classroom	141			-10	0	0	0	131		
Tayvallich Primary School - Pre Five Unit	96			330	4	0	0	430		
Video Conferencing Upgrade	55			5	0	0	0	60		
Service Development Total				1,932	1,206	1,364	1,068	0	5,570	
Strategic Change				Campbelltown Schools Redevelopment	177	214	1,142	100	6,020	7,653
				Dunoon Primary School	233	50	3,581	2,048	922	6,834
				Kilrn Primary School	0	176	1,536	3,251	1,537	6,500
Replacement of Oban High School	72	346	2,802	100	7,952	11,272				
Strategic Change Total		482	786	9,061	5,499	16,431	32,259			
Education Total		23,175	5,019	13,555	6,567	16,431	64,747			
Overall Total		23,175	5,019	13,555	6,567	16,431	64,747			

Head of Service	Category	Project	Previous Years				Future Years			Total
			£'000	£000's	£000s	£000s	2016-17	£000s	£000s	
Customer and Support Services	Asset Sustainability	Computer Network Security	494	73	69	0	0	0	636	
		Corporate GIS Portal Rollout	104	11	112	0	0	0	227	
		Internet / Online Access	90	125	123	0	0	0	338	
		IT Education	42	60	719	0	0	0	821	
		MS Exchange & Doc Sharing	228	69	25	0	0	0	322	
		PC Replacement	17	886	834	0	0	0	1,737	
		Server Capacity Growth	0	80	80	0	0	0	160	
		Telecomms Network	645	48	54	0	0	0	747	
		Unified Communications and Video Conferencing	466	174	98	0	0	0	738	
		Asset Sustainability Total		2,086	1,526	2,114	0	0	0	5,726
		Service Development	Applications Projects	254	318	402	0	0	0	974
			Consolidated Server Replacement	1,009	43	0	0	0	0	1,052
			Council Chamber Video Conferencing	112	4	0	0	0	0	116
Education Domain Extension	442		1	0	0	0	0	443		
IT Enablement Process for Change	714		12	328	0	0	0	1,054		
LYNC 2013	126		3	0	0	0	0	129		
Property Management System	76		2	6	0	0	0	84		
Service Development Total		2,733	383	736	0	0	0	3,852		
Customer and Support Services Total		4,819	1,909	2,850	0	0	0	9,578		
Overall Total		4,819	1,909	2,850	0	0	0	9,578		

PROPOSED CAPITAL PLAN 2014-15
CUSTOMER SERVICES

APPENDIX 11

Head of Service	Category	Project	Previous Years £'000	2014-15 £000's	2015-16 £000s	2016-17 £000s	Future Years £000s	Total £000s
Facility Services	Asset Sustainability	Aquilibrium	23	5	0	0	0	28
		Argyll House, Dunoon	13	0	1	0	0	14
		Asbestos Capital Property Works	36	14	0	0	0	50
		Block Allocation to address building fabric upgrades	0	0	588	0	0	588
		Bowmore Area Office	4	14	2	0	0	20
		Burnett Building	0	39	42	0	0	81
		Capital Property Works	239	113	-43	0	0	309
		Castle House, Dunoon	26	0	1	0	0	27
		Dalriada House	7	1	0	0	0	8
		Dunoon Office Rationalisation	1	3	219	7	0	230
		Eaglesham House, Rothesay	26	9	0	0	0	35
		Finance Office, Witchburn Rd	10	86	3	0	0	99
		Fire Risk Assessment Works	13	1	0	0	0	14
		Hill Street Dunoon Rewire	2	32	1	0	0	35
		Jura Service Point	0	10	0	0	0	10
		Kilarrow House	1	63	59	1	0	124
		Kilmory Castle	80	69	25	0	0	174
		Kilmory Castle 2012-13	137	6	0	0	0	143
		Lorn House, Oban	0	55	23	0	0	78
		Manse Brae Roads Office	0	15	0	0	0	15
		Oban Municipal Buildings	226	18	0	0	0	244
		Oban Office Rationalisation	0	3	0	0	0	3
		Rothesay Pavilion	20	1	0	0	0	21
		Tobermory Area Office	0	29	1	0	0	30
		Union Street, Rothesay	74	1	0	0	0	75
		Whitegates	188	-76	0	0	0	112
		Whitegates Office, Lochgilphead	0	19	0	0	0	19
		Asset Sustainability Total	1,126	530	922	8	0	2,586
	Strategic Change	Campbeltown & Rothesay Rationalisation	27	8	0	0	0	35
		Carbon Management Business Cases (FPB)	128	75	58	0	0	261
		Carbon Management Fuel Conversions (FPB)	107	38	0	0	0	145
		Helensburgh Office Rationalisation (FPB,REC)	4,179	6,521	789	0	0	11,489
		Islay HS/Bowmore PS (FPB)	697	29	0	0	0	726
		Kilmory Biomass Project OBC (FPB,REV)	243	760	30	0	0	1,033
		Mid Argyll Offices Reorganisation	164	98	8	0	0	270
		New Helensburgh Swimming Pool	162	15	3,225	4,250	0	7,652
		Non-NPDO Schools PV Panel Installations	0	488	0	0	0	488
		NPDO Schools Solar PV Panel Installations	0	944	0	0	0	944
		Oil to Gas Heating Conversions (FPB)	181	28	0	0	0	209
		Tiree Shared Offices	0	10	0	0	0	10
		Strategic Change Total	5,888	9,014	4,110	4,250	0	23,262
		Facility Services Total	7,014	9,544	5,032	4,258	0	25,848
		Overall Total	7,014	9,544	5,032	4,258	0	25,848

PROPOSED CAPITAL PLAN 2014-15
DEVELOPMENT AND INFRASTRUCTURE SERVICES

Head of Service	Category	Project	Previous Years £'000	2014-15 £000's	2015-16 £000s	2016-17 £000s	Future Years £000s	Total £000s
Economic Development	Service Development							
		CWSS - Connel Station Path	132	-28	0	0	0	104
		CWSS - Cycle Parking 2013-14	20	1	0	0	0	21
		CWSS - Kilmichael Glassary - Bridgend Link	9	1	0	0	0	10
		CWSS - South Islay Distilleries Path	118	-4	0	0	0	114
		Safe Streets, Walking and Cycling (CWSS)	0	149	140	0	0	289
		SPT	219	88	0	0	0	307
		Service Development Total	498	207	140	0	0	845
	Strategic Change							
		CHORD - Campbelltown	1,836	1,120	1,830	0	0	4,786
		CHORD - Dunoon	8	686	3,397	4,006	528	8,625
		CHORD - Helensburgh -Public Realm Imprv	2,949	3,450	931	0	0	7,330
		CHORD - Oban	251	642	3,550	2,117	0	6,560
		CHORD - Rothesay	0	0	0	1,600	800	2,400
		Helensburgh Pier Flood Defences	10	20	500	1,645	0	2,175
		OBC for Dunoon Pier	16	189	2,625	0	0	2,830
		Pier Upgrades	0	30	260	10	0	300
		Strategic Change Total	5,070	6,137	13,093	9,378	1,328	35,006
Economic Development Total			5,568	6,344	13,233	9,378	1,328	35,851
Overall Total			5,568	6,344	13,233	9,378	1,328	35,851

PROPOSED CAPITAL PLAN 2014-15
DEVELOPMENT AND INFRASTRUCTURE SERVICES

APPENDIX 11

Head of Service	Category	Project	Previous Years					Future		Total
			2014-15	2015-16	2016-17	2017-18	2018-19	Years	£000s	
Roads and Amenity Services	Asset Sustainability		£'000	£000's	£000s	£000s	£000s	£000s	£000s	
		Bridge Strengthening	133	360	987	50	0	1,530		
		Cemetery Houses	7	43	0	0	0	50		
		Environmental - Unallocated	0	246	100	0	0	346		
		Fleet Management	2,641	150	596	0	0	3,387		
		Flood Prevention	-33	70	377	20	0	434		
		HITRANS	966	285	0	0	0	1,251		
		Lighting	39	507	650	0	0	1,196		
		Public Convenience Upgrades	0	65	1	0	0	66		
		Roads Reconstruction	912	6,697	4,366	0	0	11,975		
		Traffic Management	-31	85	214	0	0	268		
		Waste Management Sites	36	64	0	0	0	100		
		Zero Waste Fund	269	34	0	0	0	303		
		Asset Sustainability Total	4,939	8,606	7,291	70	0	20,906		
		Service Development	72	2	510	0	0	584		
		A83 South of Muasdale	126	0	5	0	0	131		
		A849 Pennyghael Bridge Mull	161	1,190	73	0	0	1,424		
		Campbeltown Old Quay	1,992	219	325	0	0	2,536		
		Cycleways - H&L (FSPT)	2,526	1	0	0	0	2,527		
		Milton Burn	248	-21	0	0	0	227		
		Preliminary design for Regional Transport projects (tif)	176	41	0	0	0	217		
		Vehicle Tracking System (FPB)								
		Service Development Total	5,301	1,432	913	0	0	7,646		
		Strategic Change	1,145	-95	0	0	0	1,050		
		Helensburgh Depot Rationalisation (F)	8,946	3,010	159	0	0	12,115		
		Kintyre Renewables Hub (FGPB)								
		Strategic Change Total	10,091	2,915	159	0	0	13,165		
Roads and Amenity Services Total			20,331	12,953	8,363	70	0	41,717		
Overall Total			20,331	12,953	8,363	70	0	41,717		

TREASURY MANAGEMENT MONITORING REPORT 31 DECEMBER 2014

1. EXECUTIVE SUMMARY

- 1.1 This report is for noting its sets out the Council's treasury management position for the period 1 November 2014 to 31 December 2014 and includes information on:
- Overall Borrowing Position
 - Borrowing Activity
 - Investment Activity
 - Economic Background
 - Interest Rate Forecast
 - Prudential Indicators.
- 1.2 The Council has made one repayment of long term debt of £505k to PWLB during the period. Due to a reduced Capital Financing Requirement (CFR) of £256m at 31 March 2014 and a reduction of £12.8m in the forecast capital expenditure the estimated CFR for 31 March 2015 has reduced from £275m to £260m from that predicted in the budget at February 2014.
- 1.3 In respect of investment activity the level of investments have decreased by £1.9m from £53.5m at 31 October 2014 to £51.6m at 31 December 2014. The rate of return achieved was 0.725% which compares favourably with the target of 7 day LIBID which was 0.355%.
- 1.4 As part of a policy of increasing the diversification of investments during the period the Council opened two Money Market Funds:
- Insight Liquidity fund (Class3)
 - Invesco AIM Short term investment
- 1.5 During the period the Council reduced its investments held in Handelsbanken by £5m, placed two tranches of £2.56m with Santander on a 95 Days deposit rate of bank+10bps (0.60%) Santander has a short term rating of A-1 and a long terms rating of A.
- 1.6 As the Council was closed over the festive period the limit on the amount of money which could be held with the Clydesdale Bank was temporarily increased to £10m due to the fact that the Council would receive Revenue Support Grant and Council Tax income. The balance on the Clydesdale Bank at the 4th of January 2015 was £8.48m this was reduced to £1.25m on the 5th of January when the limit reverted to £5m.

TREASURY MANAGEMENT MONITORING REPORT 31 DECEMBER 2014

2. INTRODUCTION

2.1 This report summarises the monitoring as at 31 December 2014 of the Council's:

- Overall Borrowing Position
- Borrowing Activity
- Investment Activity
- Economic Background
- Interest Rate Forecast
- Prudential Indicators.

3. RECOMMENDATIONS

3.1 The treasury management monitoring report is noted.

4. DETAIL

Overall Borrowing Position

4.1 The table below details the estimated capital financing requirement (CFR) and compares this with the estimated level of external debt at the 31 March 2015. The CFR represents the underlying need for the Council to borrow to fund its fixed assets and accumulated capital expenditure.

	Forecast 2014/15 £000's	Budget 2014/15 £000's	Forecast 2015/16 £000's	Forecast 2016/17 £000's
CFR at 1 April	256,463	258,871	254,823	269,746
Net Capital Expenditure	16,801	34,809	26,707	2,440
Less Loans Fund Principal Repayments	(18,441)	(18,441)	(11,784)	(10,784)
Estimated CFR 31 March	254,823	275,239	269,746	261,402
Less Funded by NPDO	(79,603)	(79,603)	(78,055)	(76,507)
Estimated Net CFR 31 March	175,220	195,636	191,691	184,895
Estimated External Borrowing at 31 March	161,235	161,315	169,315	177,315
Gap	13,985	34,321	22,376	7,580

4.2 Borrowing is currently estimated to be below the CFR for the period to 31 March 2015. This reflects the approach taken to minimise surplus cash on deposit in order to avoid overdue exposure to investment / credit worthiness risks. However if it becomes clear that longer term interest rates are likely to increase

significantly the position will be reviewed to ensure the Council locks in funding at low interest rates.

- 4.3 The Council's estimated net capital financing requirement at the 31 December 2014 is £180.445m. The table below shows how this has been financed. Whilst borrowing is less than the CFR there are substantial internal balances (mainly the General Fund) of which £51.6m is currently invested.

	Position at 31/10/2014 £000's	Position at 31/12/2014 £000's
Loans	161,236	161,242
Internal Balances	72,729	72,729
Less Investments & Deposits	(53,520)	(51,605)
Total	180,445	182,366

Borrowing Activity

- 4.4 The table below summarises the borrowing and repayment transactions in the period 1 November 2014 to 31 December 2014.

	Actual £000's
External Loans Repaid 1st November 2014 to 31st December 2014	505
Borrowing undertaken 1st November 2014 to 31st December 2014	511
Net Movement in External Borrowing	6

- 4.5 No Local Bonds were repaid in the period 1 November 2014 to 31 December 2014.

- 4.6 One new local bond was taken out in the period 1 November 2014 to 31 December 2014.

- 4.7 The table below summarises the movement in level and rate of temporary borrowing at the start and end of the period. Owing to the levels of internal balances and surplus cash temporary borrowing has been minimal.

	£000s	% Rate
Temp borrowing at 31st October 2014	1,365	0.30%
Temp borrowing at 31st December 2014	1,358	0.30%

Investment Activity

- 4.8 The average rate of return achieved on the Council's investments to 31st December 2014 was 0.725% compared to the average LIBID rate for the same period of 0.355% which demonstrates that the Council is achieving a reasonable rate of return on its cash investments. At the 31 December 2014 the Council had

£51.6m of short term investment at an average rate of 0.757%. The table below details the counterparties that the investments were placed with, the maturity date, the interest rate and the credit rating applicable for each of the counterparties.

Counterparty	Maturity	Amount £000s	Interest Rate	Rating
Bank of Scotland	Instant Access	50	0.40%	Short Term A-1, Long Term A
Bank of Scotland	07/01/2015	5,000	0.95%	
Bank of Scotland	23/01/2015	5,000	0.95%	
Bank of Scotland	31/10/2015	5,000	1.00%	
Royal Bank of Scotland	Instant Access	50	0.25%	Short Term A-2, Long Term A-
Clydesdale Bank	Instant Access	5,005	0.50%	Short Term A-2, Long Term BBB+
Goldman Sachs	05/02/2015	5,000	0.745%	Short Term A-1, Long Term A
Handelsbanken	35 Day Notice	5,000	0.65%	Short Term A-1+, Long Term AA-
Santander	Instant Access	50	0.40%	Short Term A-1, Long Term A
DZ Bank	14/09/2015	5,000	0.92%	Short Term A-1+, Long Term AA-
Deutsche Bank	65 Day Notice	5,000	0.633%	Short Term A-1, Long Term A
Santander	95 Day Notice	2,500	0.600%	Short Term A-1, Long Term A
Santander	96 Day Notice	2,500	0.600%	Short Term A-1, Long Term A
MMF - BNP Paribas	Instant Access	1,500	0.457%	AAA
MMF - Federated	Instant Access	0	0.448%	AAA
MMF - Ignis	Instant Access	5,000	0.471%	AAA
Total		51,655		

4.9 All investments and deposits are in accordance with the Council's approved list of counterparties and within the limits and parameters defined in the Treasury Management Practices. The counterparty list is constructed based on assessments by leading credit reference agencies adjusted for additional market

information available in respect of counterparties.

- 4.10 As part of a policy of increasing the diversification of investments during the period the Council opened two Money Market Funds:
- Insight Liquidity fund (Class3)
 - Invesco AIM Short term investment
- 4.11 On 11th November the Council placed £2.5m with Santander in a 95 Day Notice (no partial withdrawals) account at a rate of 0.60% (base+10bpts). Santander has a short term rating of A-1 and long term rating of A
- 4.12 On 13th November the Council placed a second £2.5m with Santander in a 95 Day Notice (no partial withdrawals) account at a rate of 0.60% (base+10bpts). Santander has a short term rating of A-1 and long term rating of A
- 4.13 The current market conditions have made investment decisions more difficult as the number of counterparties which meet the Council's parameters has reduced making it harder to achieve reasonable returns while limiting the exposure to any one institution.
- 4.14 In response to the low investment returns available in the market and the reduced likelihood of increases in base rate it has been decided to place fixed deposits with the part nationalised and highly rated banks for periods up to 12 months to increase returns without significantly increasing the risks associated with the investments.
- 4.15 As the Council was closed over the festive period the limit on the amount of money which could be held with the Clydesdale Bank was temporarily increased to £10m due to the fact that the Council would receive Revenue Support Grant and Council Tax income. The balance on the Clydesdale Bank at the 4th of January 2015 was £8.48m this was reduced to £1.25m on the 5th of January when the limit reverted to £5m.

Economic and Interest Rate Forecasts

- 4.16 The economic background at 31 December 2014 is shown in appendix 1 with the interest rate forecast in appendix 2.

Prudential Indicators

- 4.17 The prudential indicators for 2013-14 are attached in appendix 3.

5. CONCLUSION

- 5.1 The Council has taken new long term borrowing of £511k and made repayments of £505k during the two months to 31 December 2014. The investment returns were 0.725% which is above the target of 0.355%.
- 5.2 During the period the Council further diversified its investments by opening two Money Market Funds and placing funds with Santander.

6. IMPLICATIONS

6.1	Policy –	None.
6.2	Financial -	None
6.3	Legal -	None.
6.4	HR -	None.
6.5	Equalities -	None.
6.6	Risk -	None.
6.7	Customer Service -	None.

Bruce West, Head of Strategic Finance

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Appendix 1 – Economic Background

Appendix 2 – Interest Rate Forecast

Appendix 3 – Prudential Indicators

Appendix 1

Economic background:

- During the quarter ended 31st December 2014:
 - Indicators pointed to another quarter of strong GDP growth;
 - Further robust increases in household spending;
 - Jobs growth and real wages picked up;
 - CPI inflation fell to 1%;
 - Further dovish signals from the MPC;
 - The trend in public finance finally started to improve; and
 - The ECB was still struggling to stimulate demand in the euro-zone.
- Following healthy quarterly GDP growth of 0.7% in Q3 of 2014, indicators suggest that growth should broadly maintain this pace in the fourth quarter. On the basis of past form, the CIPS/Markit business surveys point to a quarterly increase in GDP of around 1% in Q4. Admittedly, this indicator has proved to be overly optimistic in recent months. But others, such as the Bank of England's Agents' score and the EC Economic Sentiment Indicator, also suggest that the recovery remained strong in Q4. What's more, the trade deficit narrowed to £2bn in October following a sharp drop in the value of oil imports, reflecting recent falls in the oil price.
- Meanwhile, the recovery in consumer spending appears to have gathered pace in Q4 as real wages continued to rise and consumers' discretionary spending power was boosted by the drop in oil prices. Retail sales volumes rose by an annual 4.6% and 6.4% in October and November respectively. Granted, December's sales volumes are likely to be weaker as a result of sales brought forward into November by heavy "Black Friday" discounting. But the underlying picture for Q4 as a whole continues to look strong.
- What's more, non-high street spending remained robust too. Annual growth in new car registrations averaged around 11% in October and November. While the Bank of England's Agents' measure of consumer services turnover has weakened a touch, it still points to healthy growth in spending in the fourth quarter.
- The consumer recovery has been supported by further improvements in the labour market. Employment rose by 114,000 in the three months to October, and surveys suggest that jobs growth could have strengthened even further in the remaining months of the quarter. Granted, the headline ILO (three month average) unemployment rate in October did not manage

to fall any further from September's 6%. But based on the strength of survey measures of firms' employment plans and the 26,900 monthly fall in the claimant count in November, the headline unemployment rate looks likely to have dropped further over the remainder of the quarter. However, the most encouraging news on the labour market has been the sustained recovery in real wage growth. Annual growth in earnings (excluding bonuses) reached 1.8% in October and so exceeded CPI inflation of 1.3% in the same month.

- Meanwhile, inflation eased further below the 2% target to just 1.0% in November as a result of lower petrol prices, a drop in food prices and competitive pressures which have forced retailers to pass on recent falls in import prices to consumers.
- Accordingly, it is perhaps not surprising that the two hawks that emerged at August's MPC meeting have yet to convince other members to join them in voting for rate hikes. Indeed, the minutes of December's MPC meeting acknowledged "promising" signs that pay growth had strengthened by more than it had anticipated. However, it also noted that a recent modest recovery in productivity meant that "domestic cost growth remained lower than would be consistent with the inflation target", suggesting that the first rate hike remains a few months away yet.
- Meanwhile, November's borrowing figures finally brought some good news on public finances. Borrowing in the year to date on the "PSNB excluding public sector banks" measures fell below last year's equivalent figure for the first time this year. Nonetheless, in order to meet the target set out in the 2014 Budget for borrowing to be 6% lower this year, it would need to be a chunky £5.6bn or 27% lower in the remaining four months of the fiscal year than it was in 2013/14.
- The housing market has continued to cool over the final quarter of 2014. According to Nationwide, house prices rose by only 0.3% in November. What's more, the more stable 3m/3m growth rate eased to 0.9%, the lowest reading since June 2013. Moreover, mortgage approvals fell to a sixteen-month low of 59,426 in October. The continued slowdown in the housing market seems to have been primarily driven by weaker demand. Indeed, the sustained weakness in approvals is in line with other measures, such as the RICS housing market survey, that show new buyer demand easing rapidly.
- Internationally, the 231,000 increase in US non-farm payrolls in November provided another encouraging sign on the strength of the recovery. And November's 1.3% monthly rise in industrial production also added to the positive story on the US economy's strength. Meanwhile, the latest statement from the US Fed dropped the language that it would be a "considerable time" before it began to raise rates from near-zero and

replaced it with the assessment that it “can be patient in beginning to normalise the stance of monetary policy”, giving the Fed more flexibility to move sooner on interest rates if necessary. However, in her post-meeting press conference, Fed Chair Janet Yellen stressed that while everything would come down to the strength of economic data, as things stand now, the FOMC was “unlikely to begin the normalisation process for at least the next couple of meetings”.

- By contrast, activity indicators for the euro-zone suggest that the region has continued to struggle. December’s flash euro-zone PMI survey suggested that the euro-zone economy probably lost steam in the fourth quarter, following lacklustre quarterly GDP growth of just 0.2% in Q3. Meanwhile, headline inflation has remained dangerously weak, falling from 0.4% in October to 0.3% in November, leaving it well below the ECB’s target of “below, but close to, 2%”. Meanwhile, the latest figures show that the ECB’s efforts to revive the euro-zone have so far proved rather ineffective. Banks borrowed just €130bn of a possible €317bn in the ECB’s second Targeted Longer-Term Refinancing Operation (TLTRO). The ECB remains some way from its target to expand its balance sheet by £1tn, strengthening our view that a full-blown QE programme, including sovereign bonds, will be required.
- In the UK, equities continued to underperform other major advanced markets despite the UK’s strong growth prospects. The FTSE 100 has ended the fourth quarter broadly where it started it at about 6,600. The underperformance seems to primarily reflect falls in the oil price and continued weak earnings, potentially as a result of sterling’s strength. Meanwhile, 10-year gilt yields have edged down from 2.31% at the end of Q3 to 1.88% at present. And finally, sterling has fallen slightly against the euro, from €1.28 at the end of Q3 to €1.27. And rising interest rate expectations in the US relative to the UK have pushed cable down, with the pound falling from \$1.62 to \$1.55 over the same period.

Appendix 2

Interest Rate Forecast:

Our treasury management advisers, Capita Asset Services have provided us with the following update to their interest rate forecasts.

Change in market sentiment and outlook

- The plunge in the price of oil has been the major surprise of the last three months. This will reduce inflation and stimulate the economies of oil importing countries.
- There is a downside to the plunge in oil prices in terms of a sharp increase in the risk of emerging country debt default and emerging country oil producing corporate defaults. This could have a knock on effect on western banks who have lent to these areas and to hedge, pension and investment funds which have been wrong footed by holding debt or equities in these areas.
- Greece: the anti EU and anti austerity party Syriza is likely to be the strongest party in the January 25 general election. However, the Eurozone has put in place sufficient firewalls that a Greek exit would have little direct impact on the rest of the EZ and the Euro. The indirect effect is more problematic to quantify as such an election result would be likely to strengthen support for anti EU and anti austerity political parties in many EU countries. Italy is the greatest risk as it has the third biggest debt mountain in the world and has shown little progress so far in undertaking fundamental reforms to improve the competitiveness of the economy.
- UK GDP growth forecasts have recently been more subdued although growth will still remain strong, but not as strong as previously expected.
- The political risks around the UK general election in May 2015 have increased with the likely result now being very hard to predict.
- A combination of the above factors has caused us to put back the start of increases in Bank Rate from Q2 2015 to Q4 with knock on delays on increases in following years.
- We have also had to bring our short term PWLB forecasts down to reflect current abnormally low levels which are unsustainably low. However, how quickly or slowly they will unwind is very hard to predict.

The one area of resoundingly good news over the last three months has been that the American economy is well on track to making a full recovery from the financial crash. GDP growth rates (annualised) for Q2 and Q3 of 4.6% and

5.0% have been stunning and hold great promise for strong growth going forward and further falls in unemployment. It is therefore confidently predicted that the Fed. will start on the first increase in the Fed. rate by the middle of 2015. In contrast, the surge in UK growth during 2014 appears to have diminished (Q1 0.7%, Q2 0.9%, Q3 0.7%) and the year on year rate has subsided from 3.2% in Q2 to 2.6% in Q3. Forward indicators are also revealing some cooling of prospects going forward, though lets still keep hold of the fact that this remains strong growth by UK standards, but not as strong as previously forecast.

In consequence, it is now the US which is most likely to be putting central rates up before the UK. The prospects for the UK are somewhat mixed. The hoped for rebalancing of the economy towards greater reliance on exports is not happening and the UK faces an uphill struggle with its main trading partner, the EU now expected to resort to full blown quantitative easing (QE) early in 2015 in order to stimulate the economy to rise above near stagnation. However, UK consumer confidence is still buoyant although the housing market looks as if it is also cooling with house price rises and new mortgage approvals both subsiding. UK consumers are obviously benefiting from the fall in the oil price with overall inflation falling to 1.0% in November, the lowest rate since September 2002. It is also forecast to stay around the same level for the best part of a year.

Nevertheless, the beneficial effect of the fall in oil prices will fall out after twelve months, so inflation will rise as a result after then, although it is still expected to remain at or near 2%. What this does mean, however, is that average wage increases are likely to exceed inflation for the coming year and so increase the disposable income of consumers. This, in turn, will underpin domestic demand and support GDP growth. Looking further forward, whichever political party or coalition comes to power after the general election in May 2015 will still have to decide what balance of government spending cuts and / or tax increases will be needed to bring the public sector net borrowing deficit down. This will likely mean an erosion of overall consumer disposable income although further falls in unemployment will counteract some of this effect. The Bank of England therefore faces an incredibly delicate task of balancing the pros and cons of when to start on increasing Bank Rate, especially knowing that many consumers are still heavily indebted and very vulnerable to increases in borrowing rates.

A further factor affecting financial markets and the confidence of UK producers is the increase in political risk. The UK faces a general election where the outcome looks very hard to predict as to the knock on effects on the UK economy.

As for the MPC, their last minutes appeared to show a consolidation of support for holding off on increasing Bank Rate due to the fall in inflation caused by the fall in oil prices. They will also be focusing in 2015 on how quickly wage inflation increases and said it needed to pick up further in order to meet the 2% inflation target. This resulted in financial market investors pushing back their bets on the timing of the next interest rate hike to late 2015 / early 2016. Our view has also shifted in this forecast to a first increase in Q4 2015 rather than Q2 2015.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis. There is an increased risk that Greece could end up leaving the Euro but if this happens, the EZ now has sufficient fire walls in place that a Greek exit would have little immediate direct impact on the rest of the EZ and the Euro. It is therefore expected that there will be an overall managed, albeit painful and tortuous, resolution of any EZ debt crisis that may occur where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be weak at best for the next couple of years with some EZ countries experiencing low or negative growth, which will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and / or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a sharp resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks currently include:

- The situation over Ukraine poses a major threat to EZ and world growth if it was to deteriorate into economic warfare between the West and Russia where Russia resorted to using its control over gas supplies to Europe.
- Fears generated by the potential impact of Ebola around the world.

- UK strong economic growth is currently mainly dependent on consumer spending and the potentially unsustainable boom in the housing market. The boost from these sources is likely to fade after the strong surge in growth in the first half of 2014.
- A weak rebalancing of UK growth to exporting and business investment causing a weakening of overall economic growth beyond 2014.
- Weak growth or recession in the UK's main trading partner - the EU, inhibiting economic recovery in the UK.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.
- Recapitalisation of European banks requiring more government financial support.
- Lack of support by populaces in Eurozone countries for austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face major challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- Italy: the political situation has improved but it remains to be seen whether the new government is able to deliver the austerity programme required and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.
- France: after being elected on an anti-austerity platform, President Hollande has embraced a €50bn programme of public sector cuts over the next three years. However, there could be major obstacles in implementing this programme. Major overdue reforms of employment practices and an increase in competitiveness are also urgently required to lift the economy out of stagnation.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.
- Heightened political risks in the Middle East and East Asia could trigger safe haven flows into bonds.
- There are also increasing concerns at the reluctance of western central banks to raise interest rates significantly for some years,

plus the huge QE measures which remain in place (and likely to be added to by the ECB in the near future). This has created potentially unstable flows of liquidity searching for yield and, therefore, heightened the potential for an increase in risks in order to get higher returns. This is a return to a similar environment to the one which led to the 2008 financial crisis.

The potential for upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- An adverse reaction by financial markets to the result of the UK general election in May 2015 and the economic and debt management policies adopted by the new government
- ECB either failing to carry through on recent statements that it will soon start quantitative easing (purchase of government debt) or severely disappointing financial markets with embarking on only a token programme of minimal purchases which are unlikely to have much impact, if any, on stimulating growth in the EZ. (It should be noted that the Bundesbank and most German politicians have been very opposed to the concept of QE.)
- A sudden reversal of Russian policy on military intervention in eastern Ukraine caused by the likelihood of, or actual, severe damage done to the Russian economy by a prolonged depression in oil prices and by sanctions.
- A sudden reversal of Iranian policy on developing militarised nuclear capability caused by the likelihood of, or actual, severe damage done to the Iranian economy by a prolonged depression in oil prices and by sanctions.
- The commencement by the US Fed. of increases in the central rate in 2015 causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities, leading to a sudden flight from bonds to equities
- A surge in investor confidence that a return to robust world economic growth is imminent, causing a flow of funds out of bonds into equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

We would, however, remind clients of the view that we have expressed in our previous interest rate revision newsflashes of just how unpredictable PWLB rates and bond yields are at present. We are experiencing exceptional levels of volatility which are highly correlated to geo-political and sovereign debt crisis developments. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

APPENDIX 3 : PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2014/15	2014/15	2015/16	2016/17
(1). EXTRACT FROM BUDGET AND RENT SETTING REPORT				
	Original Estimate	Forecast Outturn	Forecast Outturn	Forecast Outturn
	£'000	£'000	£'000	£'000
Capital Expenditure				
Non - HRA	50,185	38,732	42,822	14,353
TOTAL	50,185	38,732	42,822	14,353
Ratio of financing costs to net revenue stream				
Non - HRA	10.98%	10.98%	8.24%	7.96%
Net borrowing requirement				
brought forward 1 April *	258,871	258,871	254,823	269,746
carried forward 31 March *	275,239	254,823	269,746	261,402
in year borrowing requirement	16,368	(4,048)	14,923	(8,344)
In year Capital Financing Requirement				
Non - HRA	16,368	(4,048)	14,923	(8,344)
TOTAL	16,368	(4,048)	14,923	(8,344)
Capital Financing Requirement as at 31 March				
Non - HRA	275,239	254,823	269,746	261,402
TOTAL	275,239	254,823	269,746	261,402
Incremental impact of capital investment decisions				
Increase in Council Tax (band D) per annum	£ p 69.61	£ p 36.77	£ p 58.44	£ p 5.33

PRUDENTIAL INDICATOR	2014/15	2015/16	2016/17
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS			
	£'000	£'000	£'000
Authorised limit for external debt -			
borrowing	203,000	220,000	205,000
other long term liabilities	81,000	80,000	78,000
TOTAL	284,000	300,000	283,000
Operational boundary for external debt -			
borrowing	198,000	215,000	200,000
other long term liabilities	78,000	77,000	75,000
TOTAL	276,000	292,000	275,000
Upper limit for fixed interest rate exposure			
Principal re fixed rate borrowing	195%	190%	190%
Upper limit for variable rate exposure			
Principal re variable rate borrowing	60%	60%	60%
Upper limit for total principal sums invested for over 364 days (per maturity date)	£20m	£20m	£20m

Maturity structure of new fixed rate borrowing during 2014/15	upper limit	lower limit
under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	40%	0%
10 years and above	80%	0%

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ARGYLL AND BUTE COUNCIL POLICY AND RESOURCES COMMITTEE

COMMUNITY SERVICES

5 FEBRUARY 2015

FULL SIZE ALL WEATHER PITCH CHARGES REVIEW

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to outline the current charging position for Argyll & Bute Council's synthetic pitches and makes recommendations to standardise these within the Council's Fees and Charging policies.

1.2 At present, there is no common charging policy for the six full size all-weather pitches as the current charging arrangements have developed historically on an ad-hoc basis related to local circumstances, and require rationalisation in order to ensure equitable charges and access for customers across Argyll and Bute.

1.3 Customer demand highlights a clear preference for the quality of the 3g surfaces over any alternative all weather surface. Whilst full size grass pitches remain popular for matches, the local climate limits the availability of them for training and competitive games.

1.4 The vast majority of use of these pitches is for third size hire for 5 or 7 a side recreational and training purposes. The maximum increase in price for such a let per session would be less than £3, averaging around 30p per user. It is proposed that there be a phased introduction of a common charging policy across the Council area.

1.5 RECOMMENDATIONS

1.6 Members are asked to approve the introduction of a common charging policy for letting of full size all weather pitches.

1.7 Members are asked to approve that letting charges are altered in the phased approach shown Appendix 1.

- 4.4 Charges shown for Dunoon and Rothesay reflect historical charges for blaes sports pitches at the old Dunoon Grammar and Rothesay Academy sites. As the cost of the new pitches was included within the NPDO model for the school in both cases no change in pricing was introduced at the time as there was no direct cost pressure on the service.
- 4.5 In contrast, the charges being applied for Oban, Lochgilphead and Campbeltown reflect current practice and lie within the median charge range across Scotland.
- The Oban pitch was built as a new community facility within the high school grounds and as it was a stand-alone development the local management committee at the time calculated a charging schedule in relation to operational and maintenance requirements for a new facility.
 - The Lochgilphead pricing was linked to the financial model for the NPDO development that included the costs of the replacement for the only Council operated Sports centre in the Council and took account of a nominal per head additional charge levied on all users of the centre.
 - The Campbeltown facility was only opened in Sept 2012 and the price was based on the Lochgilphead overall cost and was seen as a fair charge by Sportscotland and the local Community Sports group who were fully involved in the pitch planning and development process.
- 4.6 Accurate benchmark charges for synthetic pitches are difficult to obtain but the undernoted figures in Table 1 provide recent comparisons available for individual authorities.

Table 1

Council	Full Pitch hourly rate
North Ayrshire Council	£31.00
Dundee City Council	£53.00
West Lothian Council	£49.50
Inverclyde Council	£57.00
Midlothian Council	£66.00
West Dumbartonshire Council	£46.24
Borders Council	£75.00
Orkney Council	£38.00
Perthshire Council	£65.63
Clackmannan Council	£60.10

- 4.7 It is recommended that a policy should be introduced to ensure all parts of Argyll and Bute have the same charge for the hire of synthetic pitches. The implementation of charge increases should be undertaken in a phased approach to allow clubs and individuals time to make the necessary financial adjustments in more than one year as shown in Appendix 1.

5. CONCLUSION

- 5.1 The current charging practice for all weather pitches is not in accordance with the Council's commitment to provide fair and equal access to similar facilities across all areas of Argyll & Bute. The opening of the Campbeltown pitch in September 2012 ensured that all the major townships in the area now have a full size synthetic pitch. The agreed pricing structure for the pitch was reached on the basis of widespread consultation and benchmarking and created the appropriate opportunity to introduce a common policy across the area. Whilst there will be an increase in costs for the use of some facilities, the new policy which is proposed in this paper will ensure all our customers are treated in a fair and equitable manner.

6. IMPLICATIONS

- 6.1 Policy** The proposal would be an alteration to the current variations in pricing structures for synthetic pitches and introduce a consistent and equitable policy across Argyll and Bute.
- 6.2 Financial** It is anticipated that there will be no reduction in overall income as some prices will increase and some decrease in the short term. The phased introduction will allow customers to plan for any increase in costs.
- 6.3 Personnel** There are no personnel issues.
- 6.4 Equal opportunities** This proposal is consistent with the Council's policy on Equalities
- 6.5 Risk** There is a risk that income may be reduced as some groups or individuals are unwilling to pay the increased charges.
- 6.6 Customer Service** The centralised booking system, inclusion of changing facilities in the core price and equalisation of charges represent improvements in the current service to customers.

Cleland Sneddon
Executive Director, Community Services

Cllr Robin Currie, Policy Lead
22.1.2015

For more information contact: Donald MacVicar, Head of Community and Culture
01546 604364
Muriel Kupris, Leisure & Youth Services Manager, 01631 572181

Appendix 1

Full pitch prices per hour

Full Pitch	14/15	15/16	16/17	17/18	18/19
Oban	£57.95	£45.00	£45.00	£50.00	£55.00
Aqualibrium	£49.35	£45.00	£45.00	£50.00	£55.00
MASC	£49.35	£45.00	£45.00	£50.00	£55.00
Hermitage	£23.70	£30.00	£38.00	£45.00	£55.00
Dunoon	£15.27	£25.00	£35.00	£45.00	£55.00
Rothesay	£15.27	£25.00	£35.00	£45.00	£55.00

*1/2 pitch will be charged at 60% of the above charges from 15/16

* 1/3 pitch will be charged at 40% of the above charges from 15/16

Third pitch prices per hour

Third Pitch	14/15	15/16	16/17	17/18	18/19
Oban	£23.20	£18.00	£18.00	£20.00	£22.00
Aqualibrium	£25.00	£18.00	£18.00	£20.00	£22.00
MASC	£23.70	£18.00	£18.00	£20.00	£22.00
Hermitage	£ 7.90	£12.00	£15.00	£18.00	£22.00
Dunoon	£ 7.60	£10.00	£14.00	£18.00	£22.00
Rothesay	£ 7.60	£10.00	£14.00	£18.00	£22.00

*Current 50% concession charge for under 17's will remain

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ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CUSTOMER SERVICES****5 FEBRUARY 2015**

**AUDIT SCOTLAND/ACCOUNTS COMMISSION
ACTION PLAN UPDATE**

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the Audit Scotland action plan, which was most recently approved by members at the full Council held on 25 September 2014, following a further visit from Audit Scotland in April 2014.
- 1.2 The majority of actions within the action plan are complete, with the remainder on track as per the agreed timescales. A meeting was held on 12 November 2014 involving Executive Director - Customer Services, Head of Governance and Law, Head of Strategic Finance, Chief Internal Auditor, and Corporate Support Manager, with instruction from the Chief Executive to review progress against the plan, and consider the gathering of evidence in support of all actions on her behalf.
- 1.3 As part of this meeting Officers challenged the progress against all actions, including those which have already been completed, to determine whether any further action could be achieved. This resulted in a number of additional actions being agreed, including: member feedback via survey in FQ4; audit of attendance at seminars to ensure follow up training/provision of seminar notes/presentations; service committee work plans to be tabled at Performance Review and Scrutiny (PRS) Committee to identify scrutiny areas; work of PRS will be monitored over next 9 months, including a report in February 2015 with proposed changes to operation; and sounding boards to be created to review the committee reporting template and the approach to training for elected members.
- 1.4 Members are asked to note the contents of this report and the updated action plan, which outlines the progress that has been made.

ARGYLL AND BUTE COUNCIL

POLICY & RESOURCES COMMITTEE

CUSTOMER SERVICES

5 FEBRUARY 2015

**AUDIT SCOTLAND/ACCOUNTS COMMISSION
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- 1.4 The action plan is attached at Appendix 1 and includes an additional column providing an update on the discussions held.

2.0 RECOMMENDATIONS

- 2.1 Members are asked to note the contents of this report and the updated action plan, which outlines the progress that has been made.

3.0 DETAIL

- 3.1 Background

- 3.1.1 Audit work was carried out between May and August 2013 – following Assurance and Improvement Plan report 2013-16 which identified that scrutiny was required on some aspects of Argyll and Bute Council's leadership and culture, specifically in respect of councillor to councillor and councillor to officer working relationships
- 3.1.2 During the onsite work the Audit Team carried out interviews with senior officers and councillors, observations at committees and focus groups.
- 3.1.3 Statutory Report and Findings prepared by the Controller of Audit for the Accounts Commission was published in October 2013, and was tabled at the Council in November 2013 where Statutory Report and Accounts Commission's findings were accepted.
- 3.1.4 The Commission asked Audit Scotland for a further report on the progress made to improve over the following 6 months, and a follow up visit was scheduled for week commencing 21 April 2014. The Follow up report undertaken was submitted by the Controller of Audit to the Accounts Commission for consideration at their meeting on 19 June 2014. The Commission accepted the Controller of Audit's report, noted the progress that had been made and concluded there was further work to be done to secure improvements and requested a further report by the end of 2015.

3.2 Current Position

- 3.2.1 Since the publication of the two Audit reports in October 2013 and June 2014, a wide range of activity has been undertaken to meet the Audit Scotland recommendations. All actions within the plan are either on track or complete, and a summary of the main achievements are detailed below;
 - New political management arrangements implemented – new committees in operation and dealing with their workload.
 - Terms of reference developed for all committees and been incorporated into standing orders/constitution. Development days held for each committee and work plans prepared. Feedback from members has been positive, advising that the development days provided clarity on the role of the new committees and the linkages/interaction between them.
 - Improved scrutiny and decision making processes - In terms of ensuring effective governance and scrutiny, scorecards and performance reporting measures have now be incorporated within the scrutiny reporting arrangements for each committee. In addition, the work plans for each committee will be tabled at the PRS to enable them to proactively identify areas to fulfil their scrutiny role.
 - Increased communication and information flows across committees, groups and those with lead roles in the political management and

governance framework – e.g access to committee papers for all councillors; Chief Executive meetings with Leader/Depute Leader/Leader of Opposition; SMOG meetings have been reintroduced which provides senior members, including Leader of Opposition, the opportunity to discuss relevant issues on a collegiate basis; monthly Policy Leads meetings in place to give senior members “space” to engage in political discussion on policy development/strategic issues.

- Monitoring Officer role has been re-affirmed, with a revised Protocol implemented, which has contributed to the overall improvement in member behaviour.
- Training delivered to Officers in respect of dealing with unacceptable behaviours and managing expectations
- Seminar programme delivered to members in respect to a wide range of topics/issues, including their roles/responsibilities in line with code of conduct, role of officers as professional advisors, and dealing with private/confidential information. Seminar approach being revisited to provide a more flexible/targeted approach.
- Group protocols have been adopted to provide clarity around proper conduct/group discipline
- Revised committee report template and guidance implemented – generally positive feedback. Further feedback will be invited as part of the annual members survey, which will inform the creation of a sounding board thereafter.
- Provision made within the constitution for SLWGs to allow groups to examine long term challenges and strategic issues facing Argyll and Bute
- Impact of behaviours on employees has been monitored via stress survey, morale survey and annual employee survey. Report setting out analysis of results was tabled at Policy and Resources Committee on 27 November 2014. Overall, there is an improving trend in a wide range of factors, when compared to previous survey results.

3.2.2 The above gives a flavour of the nature of improvements which have been made in response to the recommendations from Audit Scotland in regard to member/member and member/officer relations within the Council. In preparation for the return visit from Audit Scotland, evidence will be gathered in respect of each of the completed actions, including the results of a member survey to obtain their views on the changes that have been put in place since the initial visit between May and August 2013.

4.0 CONCLUSION

- 4.1 This report provides an update on the progress that has been made with the Audit Scotland Action Plan, following a review by senior Officers in November 2014.

5.0 IMPLICATIONS

- 5.1 Policy – The Council requires to have full regard to the terms of the Accounts Commission findings
- 5.2 Financial – none at this time
- 5.3 Legal – the Council requires to comply with the statutory requirements
- 5.4 HR – Additional time commitment required from Members and Officers to implement the action plan
- 5.5 Equalities - none
- 5.6 Risk – Failure to comply with the requirements could result in further action by the Accounts Commission.
- 5.7 Customer Service - none

6.0 APPENDICES

- 6.1 Action Plan update as at 20 November 2014

December 2014

Douglas Hendry
Executive Director of Customer Services

For further information contact:

Laura Cameron
Executive Support Officer
Customer Services
Tel: 01546 604325

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ARGYLL AND BUTE COUNCIL - ACTION PLAN - AUDIT SCOTLAND STATUTORY REPORT

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
	This is the main heading for improvement		This is what we are going to do	This is when it will be completed	This is how we will decide if we have been successful	This is what we will use to decide if we have been successful	These are the people responsible for leading this	This is what we have achieved to date		
1 Standards		1	Refresh Standards Commission training with input from Commissioners Office	Mar-14	Refresh training on standards and behaviour input from Commissioner's office	Training Programme and record of attendance	C Reppke	Members Seminar on 3rd March with input from Commissioner for Ethical Standards in Public Life	Complete	There has been a general improvement in member behaviour and fewer issues are being raised/dealt with by Officers. Council meetings are also more business like in nature and meetings/agendae are shorter. As per previous practice, a survey will be undertaken with members in Q4 of 2014/15 to establish their views, and a further one scheduled for the following year.
1 Standards		2	Monitoring Officer revised operating protocol	Jan-14	Develop protocol for Monitoring officer / Elected Members adhere to Code of Conduct	Protocol/ related documentation approved by Council and available for use	D Hendry	Tabled at SLWG PMAs Dec 2013. Discussed at Members Seminar 3rd March	Complete - Protocol approved by Council January 2014 and included in Members Seminar on 3rd March.	Protocol in place and the role of the Monitoring Officer has been reaffirmed, which has contributed to the overall improvement in member behaviour. Firmer action has been taken in respect of member behaviours, which has resulted in referrals to the Standards Commission. In addition, a new Trainee Solicitor has been recruited, and one of their key duties will be to support the work of the Monitoring Officer.
1 Standards		3	Revised guidance/training to officers on responding to unacceptable behaviours	Mar-14	Successful delivery of training for officers on identifying and reporting unacceptable behaviours	Training course materials and record of attendance	C Reppke	Meeting between Officers and Commissioner on 3rd March provided basis for scoping out seminar session. Development session presented at COSO 21st March 2014.	Complete - presentation/ guidance on COSO pages of the HUB.	In addition to the training for Officers, Annex 2 of the Financial and Security Regulations part of the Constitution contains the Public Interest Disclosure Policy, which sets out the process to enable employees and others to report instances of wrong doing, improper conduct or other failures of a substantive nature. This information is held on the HUB/Website.

Update following review meeting held on 12/11/14

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update following review meeting held on 12/11/14
1	Standards	4	Reinforce the roles and responsibilities of Elected Members	Mar-14	Seminar to ensure all elected members understand their roles and responsibilities as a member, in line with Code of Conduct	Seminar Programme and record of attendance	C Reppke	Roles and responsibilities for Policy Leads endorsed at Council in January 2014. Code of Conduct training incorporated into Seminar on 3rd March. Attendance records kept for all seminars. Seminars held to clarify the differing roles of members/officers.	Complete	There has been a general improvement in member behaviour and fewer issues are being raised/dealt with by Officers. The only real remaining issue is in respect of Rothesay Harbour. The approach to seminars is being revisited, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.
1	Standards	5	Reinforce the processes/procedures for dealing with private and confidential correspondence	Mar-14	Seminar to ensure all elected members deal appropriately with private and confidential correspondence and do not release to the press/ others	Seminar Programme and record of attendance	C Reppke	Incorporated into Seminar on 3rd March. Attendance records kept for all seminars.	Complete	Seminar held, and as per 4 above, an exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap. There are still ongoing issues with one or two members potentially leaking information and work is ongoing to obtain evidence in support of this. Where this is possible, referrals will be made to the standards commission.
1	Standards	6	Group discipline and leadership	Ongoing	Group leaders and groups collectively ensure proper conduct of their respective group members	Regular review at Group Leaders meetings	Group Leaders/All members		Complete - protocols for group behaviour have been adopted	Political groupings have been reformed and signed up to a statement of intent, which has provided stability and a clear understanding of expected behaviours.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update following review meeting held on 12/11/14
1	Standards	7	Reinforce the role of officers as professional advisors	Mar-14	Seminar to ensure members recognise and understand the role of officers as professional advisors	Seminar Programme and record of attendance	C Reppke	Incorporated into Seminar on 3rd March.	Complete	There has been a general improvement in member behaviour and fewer issues are being raised/dealt with by Officers. The approach to seminars is being revisited, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.
1	Standards	8	Revised guidance from Monitoring Officer for Senior Officers on managing expectations	Apr-14	Senior Officers are better informed and clearly understand their role and responsibilities	Guidance note prepared and issued	D Hendry		Complete	Protocol in place and the role of the Monitoring Officer has been reaffirmed, which has contributed to the overall improvement in member behaviour. Firmer action has been taken in respect of member behaviours, which has resulted in referrals to the Standards Commission. In addition, a new Trainee Solicitor has been recruited, and one of their key duties will be to support the work of the Monitoring Officer. Information available on the HUB.
1	Standards	9	Review progress, assess impact and identify further improvements	Dec-14	Review completed	Report summarising outcome of review and setting out impact and further improvements	S Loudon		Complete	Review meeting undertaken on 12/11/14. Action plan updated to reflect discussions and, together with a covering report, will be presented to Policy and Resources Committee in February 2015.
2	Governance structures & process	10	Revise Political Management Arrangements to Improve scrutiny and decision making	Apr -14 -	Committee structure set out by SLWG	Council approve new Political Management Arrangements	D Hendry	Revised Political Management Arrangements approved at Council in January 2014 to come into effect in April 2014.	Complete	New committee structure in place and clear statement on terms of reference for each developed. Committee membership aligned to member knowledge and experience.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update following review meeting held on 12/11/14
2	Governance structures & process	11	Clarity on roles of area committees and central committees and clear statement on terms of reference for each	Apr-14	Successful implementation of new Political Management Arrangements	Copy of terms of reference for each committee as approved by Council	C Reppke		Complete.	Terms of reference incorporated into standing orders/constitution. Development days held for each committee and forward action/work plans developed. Feedback from members has been positive and felt that the development days provided a common understanding on the role of the new committees and the interaction with other committees.
2	Governance structures & process	12	Align members knowledge, experience, and interests with senior members roles	Oct/Dec -13	Develop criteria and introduce process for nominations to senior roles and committees	Audit trail of returns from councillors	Leader of Council	All members invited to express interest in key committees and highlight experience and knowledge. Returns were tabled at Council in January 2014.	Complete	Process followed. Letters issued to members inviting interest. Returns collated and evaluated. Copies of correspondence available. In addition CPD provides evidence of further upskilling within the term of the Council.
2	Governance structures & process	13	Establish staffing resources and operating procedures to support new PMA	Apr-14	New staffing structure operational	New structure implemented	D Hendry		Complete	All posts filled and operational.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update following review meeting held on 12/11/14
2	Governance structures & process	14	Development day for membership of each committee	Jun-14	Shared understanding of the key issues to be considered by each committee over the next year	Development day held and plan in place	C Reppke/ Policy Leads	All development days have taken place and work ongoing in respect of actions arising.	Complete	Development days held for all new committees. The Audit Committee held a development day on 30th May and agreed an action plan. PRS Development day held on 26th August. The session was facilitated by CIPFA and senior officers from Customer Services. Also in attendance was Chair/members of the committee, Council Leader, Chair of Audit committee, members of SMT, and the chief internal auditor. An additional session was held on 24 October which focused on Effective Questioning on Scrutiny. Feedback from members following the development day was positive and they felt that their expectations had been met in terms of clarifying their scrutiny role, relationship between PRS and audit committee, focus on key strategic issues etc. Each of the committee work plans will be tabled at the PRS to enable them to proactively identify areas to fulfil their distinguished scrutiny role (couple of key areas each year). Arrangements will also be put in place to submit a report to the PRS in Feb 2015 in regard to the proposals from the Independent Chair (covering potential vice chair, changes to constitution etc...). The work of the PRS over the next 9 months will be monitored to demonstrate key decision making.
2	Governance structures & process	15	Develop work plan / forward agenda planning to try and identify key issues to be dealt with by each committee	Jun-14	Work plan and forward agenda planner agreed	Copy of work plan and forward agenda planner	C Reppke/ Policy Leads		Complete	Terms of reference incorporated into standing orders/constitution. Development days held for each committee and forward action/work plans have been developed. Audit Committee and Community Services work plans going to December meetings. Feedback from members has been positive and felt that the development days provided a common understanding on the role of the new committees and the interaction with other committees.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update following review meeting held on 12/11/14	
2	Governance structures & process	16	Development day for PRS Committee members	Jun-14	Shared understanding of the key issues to be considered by PRS Committee over the next year	Development day held and plan in place	C Reppke, J Fowler & PRSC Chair		Complete - PRS Development day held on 26th August.	Terms of reference incorporated into standing orders/constitution. Development days held for each committee and forward action/work plans developed. Feedback from members has been positive and felt that the development days provided a common understanding on the role of the new committees and the interaction with other committees. Each of the committee work plans will be tabled at the PRS to enable them to proactively identify areas to fulfil their distinguished scrutiny role (couple of key areas each year). Arrangements will also be put in place to submit a report to the PRS in Feb 2015 in regard to the proposals from the Independent Chair (covering potential vice chair, changes to constitution etc...). The work of the PRS over the next 9 months will be monitored to demonstrate key decision making.
2	Governance structures & process	17	PRS Committee Work plan agreed	Jun-14	Work plan and forward agenda planner agreed	Committee minutes	PRS Committee/C Reppke/J Fowler		Complete	Development days held for each committee and forward action/work plans developed. Report on the outcome of the PRS development day was tabled at the PRS on 20 November 2014. The work plan was approved at this meeting, together with a specific number of improvement actions which are being taken forward by the Committee. One of these is to audit the performance review activity of other Council committees to ensure an appropriate balance between the review of performance and the scrutiny functions of the PRS committee. Each of the committee work plans will be tabled at the PRS to enable them to proactively identify areas to fulfil their scrutiny role (couple of key areas each year). Arrangements will also be put in place to submit a report to the PRS in Feb 2015 in regard to the proposals from the Independent Chair (covering potential vice chair, changes to constitution etc...). The work of the PRS over the next 9 months will be monitored to demonstrate key decision making.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update following review meeting held on 12/11/14	
2	Governance structures & process	18	Revise report format to address Members feedback (e.g. including justification for recommendations)	Mar-14	Extend executive summary in report to assist Members understanding	New report template and sample of reports	D Hendry		Complete. Revised report format developed and issued to senior managers/members. Guidance posted on HUB. A Sounding Board will be established to review operation of new reporting format.	Report template in operation. Template and guidance issued to Officers and available on HUB. Generally positive feedback, however some members have expressed concerns about the use of the executive summary. As part of the annual member survey (as per action 1) specific questions will be included in respect of the new reporting template, the results of which will inform the establishment of a member sounding board thereafter.
2	Governance structures & process	19	Chief Executive Appraisal process annualised	Dec-13	Appraisal completed annually	Sign off by Leader/ Depute Leader / Leader of Opposition	D Walsh/S Loudon	Complete	Complete	In place - next appraisal scheduled for 12/20 January 2015 facilitated by Sir Neil McIntosh.
2	Governance structures & process	20	Monitor impact on staff morale via staff survey	Nov-14	Assess current levels of and trend in staff morale	Survey issued in June 14 with results/ analysis available November 14	J Fowler	Complete	Complete	Stress survey and annual employee survey complete, together with SMT Roadshows. Employee focus groups undertaken, and results collated/analysed. Report to policy and Resources Committee on 27 November 2014 setting out the key findings of employee engagement activities in 2014, proposals to develop a corporate action plan, and a new Employee Engagement Strategy drafted by March 2015.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update following review meeting held on 12/11/14	
2	Governance structures & process	21	Explore opportunities to broaden/improve engagement with local communities via media platforms	Dec-14	Increase number of followers on Council Social Media sites by 20% / Corporate Facebook page developed to enable interactive engagement with Council (Jun-14) and Revised Social Media Policy approved (Dec-14)	Update report to Policy and Resources Committee 30/10/14	J Fowler		Complete	Corporate facebook launched on 30 June 2014, and following a low key launch to primarily elected members/employees it has approx 300 followers. Following the success of the initial launch, the SMT agreed to increase its profile at their meeting held on 24 November 2014. As at end FQ2 (Sept) the number of followers on facebook has increased by almost 30% and twitter by 55%+. The figures continue to rise and as at end FQ3 the total number of facebook likes across all pages was 7784 and twitter followers was 7294. The revised Social Media Policy was tabled at SMT on 24 November, and went to the Policy and Resources Committee on 18 December 2014.
2	Governance structures & process	22	Further scrutiny/review of local community planning processes and area community planning groups/ partnerships	Oct-14	Review undertaken and outcome considered by CPP	Report on outcome of review and proposed changes	D MacVicar		Complete	Area Community Planning Groups considered and agreed the locality governance review proposals during the September 2014 round of meetings. The terms of reference and the phased approach to localising the SOA were agreed. These reports were also considered, along with full partnership review documents, at the CPP Management Committee on 31 October 2014.
2	Governance structures & process	23	Report to Council on member training undertaken and attendance	Ongoing	Implement a new format of report on elected member training	Report to Policy and Resources Committee	C Reppke/ J Fowler		Complete	Report tabled at the Policy and Resources Committee on 21 August detailing training activity since August 2013 and proposals for the next years programme, taking account of the Elected Member Survey responses and discussion at development days. Discussions are ongoing with regard to the development of the forthcoming programme.
2	Governance structures & process	24	Review progress, assess impact and identify further improvements	Dec-14	Review completed	Report summarising outcome of review and setting out impact and further improvements	S Loudon		Complete	Review meeting undertaken on 12/11/14. Action plan updated to reflect discussions and, together with a covering report, will be presented to Policy and Resources Committee in February 2015.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update following review meeting held on 12/11/14	
3	Training & Development	25	Full participation/ Implementation of Elected Member Development Programme, including; Improvement Service Programme, Peer Mentoring Programme, competency based training, scrutiny role training, masterclasses on key leadership/strategic issues	Nov-14	Members engaged in Elected Member Development Programme	Training Plans signed off by all members	Group Leaders/All members		Ongoing	To date 23/36 Elected Members currently signed up to CPD Framework (11 - 360/8 self assessment/4 still to confirm). PDP discussions underway - 30% complete to date. Revised approach to promote participation has been developed. This action will be taken forward on an ongoing basis as some members will be at different stages of development and participation e.g.some new members.
3	Training & Development	26	Review progress, assess impact and identify further improvements	Dec-15	Review completed	Report summarising outcome of review and setting out impact and further improvements	S Loudon		scheduled for December 2015.	Review will be undertaken in 2015
4	Policy Development Support	27	Seminar programme to address key policy areas - to be delivered centrally and at area committees where appropriate	Aug-14	Deliver seminar programme with full member participation as appropriate	Seminar Programme and record of attendance	T O'Neill		Complete	Programme of Seminars in place and running. Record of attendance maintained and schedule of seminar dates agreed to April 2015. The approach to seminars is being reviewed, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update following review meeting held on 12/11/14
4	Policy Development Support	28	Council create working groups to examine long term challenges and strategic issues facing Argyll and Bute as and when required	Ongoing	Regular review of need for working groups by Council (or other committees)	Minute of Council (or other committees)	C Reppke	Governance arrangements to support are in place.	In progress/ongoing	Provision has been made within the constitution to allow members to submit proposals to the Council in regard to the establishment of a SLWG. At present an Argyll Islands task Force Short Life Working Group is in operation. The creation of this SLWG was agreed at Council in January 2014 to investigate and to take forward key actions and to meet with the Scottish and UK Government to present its own case in regard to our islands and their needs and to seek support and commitment. Meetings of the SLWG have taken place in April, May, June, August, and a further meeting is scheduled for December 2014.
4	Policy Development Support	29	SOA Delivery Plans to be finalised	Jun-14	Clear Strategic planning/ direction	SOA delivery plans	J Fowler / D MacVicar	Development session for Elected Members on SOA held on 17th March which included representation from key Community Planning Partners.	Complete	Delivery plans signed off by Council and Scottish Government in June 2014. Outline of delivery of the SOA considered at Policy and Resources on 27 November 2014 and detailed paper will be submitted to Policy and Resources on 18 December 2014. Outline will be discussed at CPP COG thereafter detail will be discussed.
4	Policy Development Support	30	Align resources and services to SOA outcomes and delivery plans.	Ongoing but review March 15	Clear links drawn between SOA delivery plans and Council services and resources	Reports in relation to SOA progress, service planning and budget	J Fowler/D MacVicar/B West		Complete	Delivery plans signed off by Council and Scottish Government in June 2014.
4	Policy Development Support	31	Corporate priorities and service plans updated to reflect alignment of resources and service to SOA outcomes and delivery plans.	Ongoing but review March 15	Clear links drawn between SOA delivery plans and Council services and resources	Reports in relation to SOA progress, service planning and budget	J Fowler/D MacVicar/B West		Complete	All service plans have been reviewed and realigned to the 6 SOA outcomes. A further outcome on council only services that support frontline delivery of SOA outcomes has been developed. Corporate priorities are therefore now aligned to the SOA.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update following review meeting held on 12/11/14
4	Policy Development Support	32	Chief Executive Leaders Briefing	On going	Meeting with Leader/Depute Leader and Opposition Leader	Confirmation that meeting takes place	S Loudon	Meetings in place.	Complete	Monthly meetings (excluding July recess) held with Leader/Depute Leader/Leader of Opposition. Separate monthly meetings also held with Leader of Opposition. Action notes taken at each meeting.
4	Policy Development Support	33	Review progress, assess impact and identify further improvements	Dec-15	Review completed	Report summarising outcome of review and setting out impact and further improvements	S Loudon		scheduled for December 2015	Review will be undertaken in 2015
ADDITIONAL ACTIONS TO TAKE ACCOUNT OF FOLLOW UP REPORT JULY 2014										
Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update following review meeting held on 12/11/14
	This is the main heading for improvement		This is what we are going to do	This is when it will be completed	This is how we will decide if we have been successful	This is what we will use to decide if we have been successful	These are the people responsible for leading this	This is what we have achieved to date		
	Political Management Arrangements	34	Evaluate effectiveness of PMAs and identify any changes or improvements required.	Sep-15	Evaluation completed, report and action plan prepared and considered by Council	Report to Council and minute of meeting	C Reppke	Ongoing monitoring	On track	Effectiveness of the PMAs will be monitored on an ongoing basis, and report prepared by Sept 2015.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update following review meeting held on 12/11/14
	Political Management Arrangements	35	Ensure that the new PMAs are fully implemented and Councillors/Officers have a clear and common understanding in practice of the roles and responsibilities of each committee, sub group and individual role	Oct-14	Delivery of training events, seminars and development days for each committee	Record of training events, seminars and development days	C Reppke		Complete - with conclusion of the development day process. Ongoing monitoring of effectiveness will continue as normal business.	Development days held for each committee and forward action/work plans developed. Feedback from members has been positive and felt that the development days provided a common understanding on the role of the new committees and the interaction with other committees. The approach to seminars is being revisited, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.
	Roles/ relationships	36	Ensure there is good communication and information flows across committees, groups and those with lead roles in the political management and governance framework.	ongoing	Delivery of political briefings / review of agendae / adherence to group protocols /	Regular review at policy leads meetings			Ongoing	All elected members have access to all committee papers. Each political group meets on a regular basis to consider issues. the Chief Executive holds monthly meetings (excluding July recess) with Leader/Depute Leader/Leader of Opposition. Separate monthly meetings also held with Leader of Opposition. Action notes taken at each meeting. Policy Lead meetings have been held on a monthly basis since June 2014, and SMOG meetings have also been reintroduced since August 2014. These meetings are minuted. Policy Lead and shadow Policy Leads briefings also take place.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update following review meeting held on 12/11/14	
	Roles/ relationships	37	Support and encourage councillors to increase their engagement in training and development opportunities.	Jun-15	Review of current training programme and uptake of Councillor Development Plans then prepare plans for further training/ development.	Report on outcome of review and report setting out further proposals for training and development	C Reppke/J Fowler	Sounding Board to be established to support review	Regular updates from Gov and Law to IHR in regard to members training needs and provision aligned with officer training as appropriate.	Programme of Seminars in place and running. Record of attendance maintained and schedule of seminar dates agreed to April 2015. The approach to seminars is being reviewed, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.Revised approach to delivery of seminar and development opportunities has been developed for Chief Executive and discussion with Group Leaders. Proposed approach includes reduction of number of seminars and links training and development more closely to Committee remits.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update following review meeting held on 12/11/14	
Scrutiny	38		Ensure that scrutiny arrangements are strengthened through the new committees and by improving the contribution of councillors to effective governance and accountability through the Audit and PRS Committees	Aug-15	Delivery of development days/ arrange for PRS Committee to visit another Local Authority	Regular meetings with PRS independent chair. Review the effectiveness of additional scrutiny at Strategic committees and at Area committees. Scorecards scrutinised at all strategic committees.	C Reppke	Performance scorecards are now reviewed at all strategic committees from Aug 2014. All strategic committee development days included discussion on performance review and scrutiny, including the performance management system, reporting structure/ presentation of information and roles/responsibilities. This was a core element of the discussions at the PRS Committee development day in terms of relationships with other committees/roles and responsibilities.	in place and ongoing	Scorecards are reviewed by Area Committees and Strategic Committees as well as PRS Committee. The development days for all committees considered the role of elected members in effective scrutiny. The Chair of the Audit Committee and Chief Internal Auditor as well as the Council Leader participated in the PRS Development Day along with Committee members and contributed to the development of a scrutiny plan. Members attendance at PRS and Audit Committees has improved. The Chair of the Audit Committee presented the Audit Committee annual report to a meeting of the full council. The PRS Committee are developing a scrutiny plan so that a structured approach to scrutiny in addition to review of performance scorecards can take place. Liaison between the chairs of the PRS and Audit Committee will lead to more informed and co-ordinated approach to performance monitoring, risk management, audit and scrutiny and how these are considered and driven forward by PRS and Audit Committee. This work will be supported by additional training and development for all members to enhance their capacity to undertake an effective scrutiny role and a plan for this will be developed by officers.
Scrutiny	39			Oct-15	Review of Planning and Performance Management Framework (PPMF) to clarify scrutiny role of members	approval of revised PPMF	J Fowler		Complete	PPMF review paper to SMT 14 July 2014. A session with Heads of Service was held on 22 August 2014 and a further report tabled at Customer Services DMT/SMT on 13 October. Revised PPMF approved at PRS on 21 November 2014. All committee development days included a session on the roles of elected members in performance review and scrutiny. PRS Committee development day was held on 26 Aug and further developed the scrutiny role for members involved in the PRS. The Chair of the Audit Committee attended as did the Chief Internal Auditor to inform the discussion and clarify roles and responsibilities between the two committees. All feedback was collated and fed into the revised PPMF.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update following review meeting held on 12/11/14
	Leadership and staff development	40	Ensure the SMT makes progress with its leadership and team development arrangements.	Mar-15	Delivery of Chief Officer Leadership Programme	Progress with delivery of programme and feedback on quality of programme. Delivery of outcomes of sessions with Roger Paine.	J Fowler	Presentation to SMT by range of suitable providers scheduled for 14 August 2014.	on track	Harvey MacMillan selected as the preferred provide, following procurement exercise. Sessions with COG took place on 15, 16 and 17 December 2014, and further development sessions held in January 2015.
	Leadership and staff development	41	Ensure SMT has a shared understanding of the key strategic and leadership issues facing the Council	Jul-15	Facilitated sessions on key challenges and shared understanding of future shape of organisation.	SMT Sessions with Roger Paine held on 6 and 7 July 2014.	SMT	Complete	Complete	Action plan developed from Roger Paine sessions tabled at SMT on a monthly basis to monitor progress. Discussion paper tabled at SMT on 17 and 24 November in regard to the development of the SMT, specifically agenda, frequency and themes.
	Leadership and staff development	42	Ensure SMT has arrangements in place for individualised support and challenge	Dec-14	Facilitated sessions scheduled on a regular basis for each member of the SMT.	Record of meetings held with external support	SMT	Complete	Complete	Arrangements currently in place and operational for the Chief Executive and the Executive Director of Customer Services. Executive Directors of Community Services and DIS have put in place arrangements for mentor/coaching, with first meetings still to be scheduled.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update following review meeting held on 12/11/14	
	Leadership and staff development	43	Ensure operational leadership of the Council is as well equipped as possible for the challenges ahead	ongoing	Delivery of Argyll and Bute Manager Programme	Progress with Argyll and Bute Manager Training and feedback on training	J Fowler		Ongoing	Argyll and Bute Manager is progressing with 150 managers now enrolled and undertaking the course. Feedback on the course is consistently high and continues to be monitored. The programme was designed as a result of consultation with managers, COG and SMT, and on the basis of management information. This resulted in the current programme which is structured to to meet the identified needs. The programme is subject to annual review and will be adjusted as necessary to ensure that it aligns with current and future challenges and to take into account evaluation feedback. Feedback from the Employee surveys carried out throughout 2014 will also inform the ongoing adjustment of the programme to meet improvement needs. Review of the leadership element in summer 2014 has confirmed that the programme is fit for purpose and will be rolled out to the next cohort of current and aspiring leaders.

Policy and Resources Committee Workplan 2014-15

February 2015: This is an outline plan to facilitate forward planning of reports to the P&R Committee.					
Committee Date	Report Description	Lead Service	Regularity of occurrence/ consideration	Date for Reports to Committee Services	Additional Comment
5 Feb 2015					
	Financial Reports Monitoring Pack - <ul style="list-style-type: none"> • Revenue Budget Monitoring Report as at 31 December 2014 • Monitoring of 1% Efficiency Savings for 2014-15 and 2015-16 • Update to 2015-16 Budget as at 31 December • Monitoring of Financial Risks • Reserves and Balances • Capital Plan Monitoring Report as at 31 December • Treasury Monitoring Report as at 31 December 	Strategic Finance	Every meeting	6 January 2015	
	Service Plans 2015/16	Improvement and HR	Annual	6 January 2015	All previously approved service plans
	Strategic Risk Register update	Strategic Finance	6 monthly		
	Corporate Asset Management Plan Service Asset Management Plan	Facility Services	Annual		Timed to align with the related budget and capital planning processes
	Treasury and Investment Strategy Review	Strategic Finance	Annual	6 January 2015	
	Review of the Argyll and Bute Guidance on Community Benefits from Onshore Renewable Energy	Development and Infrastructure		6 January 2015	

Policy and Resources Committee Workplan 2014-15

	Digital Infrastructure Update	Development and Infrastructure		6 January 2015	
	Audit Scotland/Accounts Commission Action Plan Update	Customer Services			
	Review of All Weather Pitch Charges	Community Services			
	Lorn Arc Project	Development & Infrastructure			
	2015 – 2016 Budget Pack	Strategic Finance	Annual		
19 March 2015					
	Financial Reports Monitoring Pack - <ul style="list-style-type: none"> • Revenue Budget Monitoring Report as at 31 January 2015 • Monitoring of 1% Efficiency Savings for 2014-15 and 2015-16 • Update to 2015-16 Budget as at 31 January 2015 • Monitoring of Financial Risks • Reserves and Balances • Capital Plan Monitoring Report as at 31 January 2015 • Treasury Monitoring Report as at 31 January 2015 	Strategic Finance	Every meeting	17 February 2015	

Policy and Resources Committee Workplan 2014-15

Future Items – date to be determined					
	Café Pavement Licences	Development and Infrastructure	Annual		Recommended approval to Council on 26 June - To come back for review after first year of implementation in May 2015.
	CHORD Progress Update	Development and Infrastructure Services	Quarterly		Agreed to request quarterly updates at P&R on 21 August
	ABC Schools Limited - Change of Control	Special Projects	Occasional		
	IHR Policies: <ul style="list-style-type: none"> • Recruitment and Selection Policy • Maximising Attendance Policy • Redundancy Policy • Improving Employee Performance Policy 	Improvement and HR	Occasional		
	Discretionary Housing Payments Policy	Customer Services			P&R Committee August 2014 noted that a further paper would be brought forward in respect of 2015-16 and beyond once the funding position in relation to those years is known.
	Council Tax Empty Property Relief	Customer and Support Services	Annual		
	NPDO Schools Project Annual Update	Special Projects	Annual		Report after March 2015 to allow a full year outturn to be reported

Policy and Resources Committee Workplan 2014-15

	SOA Annual Report	Community Services	Annual – Aug/Sept		
	2015 – 2019 Customer Service Strategy	Customer Services			
	Information Management Strategy	Customer Services			

ARGYLL AND BUTE COUNCIL**Policy & Resources Committee****Development and Infrastructure****5 February 2015**

Review of the Argyll and Bute Guidance on Community Benefits from Onshore Renewable Energy

1.0 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to advise the Policy and Resources Committee of the work undertaken in reviewing and updating the current Council policy in relation to community benefit from renewable energy developments and to seek approval of the principles contained within the draft Framework. This will allow further consultation to be undertaken.
- 1.2 Community benefit payments derived from renewable energy represent a significant opportunity for communities as they offer a long-term source of funding to support community and economic development which will be provided over the life of the development, in the case of wind this would usually be 25 years.
- 1.3 The current policy on community benefit was approved in 2005 and is now outdated. Following discussions with the Argyll and Bute Renewable Alliance (ABRA), feedback from a recent public seminar and consideration of up to date Government guidance it is felt that a framework for community benefit for onshore renewable would be the most appropriate approach. The development of a framework as opposed to a policy approach allows each developer the flexibility to use a different model and acknowledges that each community differs in regard to capacity, needs and aspirations.
- 1.4 The draft Framework will provide guidance to developers and communities and seeks to maximise economic and community benefit as a result of renewable energy development across Argyll and Bute.
- 1.5 It is recommended that Policy and Resources Committee
1. Notes the contents of this report and the review process which has been undertaken;
 2. Approves the principles within the draft Framework contained at Appendix 1.
 3. Agrees that the draft Framework is subject to a period of consultation with key partners and communities including Argyll and Bute Renewables Alliance (ABRA) and the Community Planning Partnership (CPP) with the final document being reported to appropriate committees for approval in Spring/Summer 2015.

Review of the Argyll and Bute Guidance on Community Benefits from Onshore Renewable Energy

2.0 INTRODUCTION

- 2.1 Community benefit payments derived from renewable energy represent a significant opportunity for communities as they offer a long-term source of funding to support community and economic development over the life of the development, which in the case of wind is usually 25 years. As the payment levels per megawatt (MW) and the size of renewable energy developments increase so do the community benefit funds. The funding provided to local communities through these payments offers them an important opportunity to support local organisations and facilities as well as developing a wider sustainable community over the longer term.
- 2.2 The Council's current policy was approved in 2005 and sets down a protocol whereby voluntary contributions will be sought from onshore windfarm developers on the basis of a recommended payment of £2,000 per megawatt (MW) of installed capacity. Based on information provided to us by the operators we understand that currently approximately £145,000 of community benefit payments are made across Argyll and Bute per annum (most are index linked). The payments are wholly voluntary and the levels and scale of payments vary across the developments. These are often reflective of the age of the development and associated start date of the fund with the earliest being in place from as far back as 1999. The individual funds are detailed in the table below.

Wind Farm	Value of Fund (yr 1 base rate)	Start Date	£/MW	Most Recent Income	Date
Beinn Ghlas, Taynuilt (16T - 8.4 MW)	£8,000 pa*	1999	£952.38	£12,165.50	2013
Beinn an Tuirc, Carradale (46T - 30MW)	£21,000 pa*	2001	£700	£30,646.99	2013
Deucheran Hill, Carradale (9T - 15.75MW)	£10,500 pa*	2001	£666.67	£15,804.19	2013
Tangy, Campbeltown (15T - 12.75MW)	£1,500 pa	2002	£117.65	£1,500	2013
Cruach Mhor, Glendaruel (35T - 29.75MW)	£21,000 pa*	2003	£705.88	£28,307.39	2013
Tangy 2 (7T - 5.9MW)	£7,140pa*	2006	£1,210.17	£13,414.63	2013
Clachan Flats, Cairndow (9T - 15MW)	£21,902*	2008	£1,460.13	£13,973.39	2013
An Suidhe (23T - 19.3MW)	£28,500*	2011	£1,476.68	£29,760.50	2013

* Index linked

- 2.3 Community benefit in relation to onshore windfarms can help to support the

outcomes identified in the Single Outcome Agreement (SOA) by providing funding for communities to develop infrastructure (Outcome 2), support education and skills development (Outcome 3) and provide facilities which support Outcomes 4-6. Securing community benefit is in line with the Economic Development Action Plan (EDAP) (Sustainable economic Assets: Priority One - Renewable Energy) and the Renewable Energy Action Plan (REAP) which states that securing related benefits for the communities is one of four energy development priorities.

- 2.4 However much has changed since the policy was approved in 2005, in particular the standard rate of payment which has recently increased to £5,000 per MW. Scottish Renewables' Onshore Wind Community Benefit Protocol and the Scottish Government Good Practice Principles for Community Benefit from Onshore Renewable Energy Developments both advocate this higher rate of contribution as an industry best practise.

3.0 RECOMMENDATIONS

3.1 It is recommended that Policy and Resources Committee

1. Notes the contents of this report and the review process which has been undertaken;
2. Approves the principles within the draft Framework contained at Appendix 1.
3. Agrees that the draft Framework is subject to a period of consultation with key partners and communities including Argyll and Bute Renewables Alliance (ABRA) and the Community Planning Partnership (CPP) with the final document being reported to appropriate committees for approval in Spring/Summer 2015.

4.0 DETAIL

4.1 In order to update the policy a review was launched and the components of the review were agreed by the Argyll and Bute Renewable Alliance (ABRA) to include the following:

1. Review the minimum level of contribution from onshore windfarm developments – *the minimum recommended contribution in relation to onshore wind is set to be increased to £5,000 as a widely accepted contribution proposed by both Scottish Renewables, as the industry representative, the Scottish Government and Forestry Commission Scotland.*
2. Review the distribution and application of funds (consider local and regional split) – *the 2005 policy advocates a 60:40 split in funds with 60% to go to the local community and 40% to ALI Energy to deliver a wider regional benefit as a result of the development. The concept of delivering a wider benefit is supported and it is proposed that where the value of funds is sufficient a split of up to 50% to a wider regional or sub-regional fund is made however ALI Energy is not always the most appropriate mechanism for delivering the wider benefit and therefore a number of mechanisms are proposed to ensure that a wider benefit is achieved.*

3. Review the need and mechanism to prioritise/capture local contracting – *the Framework is not felt to be the most appropriate mechanism to progress this although it is considered as part of the wider ABRA agenda.*
 4. Explore the opportunities for Community Investment – *community investment in commercial schemes is becoming more widely available and will be encouraged within the Framework to reflect the draft Community Energy Policy Statement issued by the Scottish Government.*
 5. Consider expansion of scope for inclusion of other renewable technologies – *the Framework will cover other renewable technologies although no defined payment level will be set £5,000 per MW is the preferred payment level.*
- 4.2 The existing policy recognises the long-term relationship the Council wishes to have with the renewable energy companies operating in the area and to seek to maximise benefit to local communities and the wider Argyll and Bute economy. The principal approach in securing this long-term commitment from both parties is the development of a strategic concordat, a formal agreement between the Council and developer which identifies common priorities and areas for joint working linked to future investment and as well as the principles for community benefit payments from renewable energy schemes. Strategic concordats have been agreed with developers including Scottish Power Renewables and have proved successful in creating a close working relationship which delivers benefits for our communities.
- 4.3 In recognition of this success, the concordat approach remains the model through which the framework is being sought to be delivered.
- 4.4 More recently, the Council held a seminar focusing on maximising the impact from community benefit. The seminar was attended by over 70 representatives from local community organisations and developers. The seminar reiterated the need to update the Council's guidance on community benefit.
- 4.5 The principle issues arising from the seminar were:
- The rate of payment for onshore wind should be increased as soon as possible;
 - Guidance is required for both developers and communities;
 - Community plans form an important tool to help communities plan for the long-term but can be challenging to develop, support is often required;
 - Community benefit funds should operate in an open, accountable and proportional way with decisions being made by the local community;
 - An element of regional funding, where funds are sufficient, is supported and can help to spread the benefits across a wider area;
 - Community benefit funds should not be used to replace existing statutory services;
 - Community investment in renewable schemes should be encouraged;
 - There is no one model which will suit all communities.
- 4.6 The issue of community investment/development plans was widely discussed at the seminar and is advocated as the most appropriate way to establish local priorities. Community plans should identify the needs and priorities of the community over a short, medium and long term and set down actions to address these. The community investment/development plan should work

towards creating a sustainable community and consider implications in relation to ongoing revenue costs associated with any new facilities/services and projects proposed. The community investment/development plan should link closely to the outcomes of the SOA and should focus on delivering community needs which link to the SOA and include the identification of support to community facilities/services which may have previously been provided by the public sector but which may no longer be able to be provided due to future funding restrictions.

- 4.7 Using information obtained through ABRA, the seminar and recent Scottish Government guidance, a draft framework with a list of recommendations which should be considered by both developers and communities has been produced.
- 4.8 Following these discussions, it is felt that a framework for community benefit for onshore renewable would be the most appropriate approach. The development of a framework as opposed to a policy approach allows each developer the flexibility to use a different model and acknowledges that each community differs in regard to capacity, needs and aspirations. It is considered that a Framework provides a much more flexible approach to take account of the above and can also incorporate best practice guidance to communities and developers alike.

5.0 CONCLUSION

- 5.1 The current Council Policy on Community Benefits from Windfarms has become out of date and is in need of review.
- 5.2 A draft framework is proposed and is based on initial consultation with communities and developers. The purpose of the framework will be to help to maximise the economic and community benefit from a range of commercial renewable energy developments across Argyll and Bute.
- 5.3 The Council will continue to promote strategic concordats with developers to create a long lasting relationship which will maximise benefits to Argyll's communities and economy.

6.0 IMPLICATIONS

- 6.1 Policy The Framework is in line with Single Outcome Agreement, EDAP and REAP. It also accords with the Scottish Government Good Practice Principles for Community Benefit from Onshore Renewable Energy Developments.
- 6.2 Financial The Framework seeks to maximise the community benefit derived from onshore commercial renewables.
- 6.3 Legal None.
- 6.4 HR None.
- 6.5 Equalities None.

6.6 Risk If the Framework is not agreed then the level of community benefit realised from new developments may not be maximised.

6.7 Customer Service None.

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APPENDICES

Appendix 1 Argyll and Bute Framework for Community Benefit from Onshore Renewables

APPENDIX 1

Argyll and Bute Framework for Community Benefits from Onshore Renewables

This document represents Argyll and Bute Council's Framework to guide consideration of community benefits by renewable developers and communities. It sets out the key principles that should be taken into account when considering community benefits and seeks to promote best practice.

Community benefits in relation to renewable energy can include voluntary monetary payments (funds), benefits derived from community investment and other voluntary benefits provided to the community. In line with Scottish Government guidance, community benefits do not include direct economic or supply chain benefits arising from the individual developments.

Since the development and adoption of the Argyll and Bute Community Benefit Policy in 2005, community benefit arrangements have been completely separate from the regulatory planning process in the Argyll and Bute Council area. Instead, voluntary community benefit arrangements made under the Powers of Wellbeing in the Local Government (Scotland) Act 2003 are negotiated for each development post planning. The 2005 policy was based on the payment levels of £2,000 per MW and £1,000 per MW of installed capacity.

Argyll and Bute Council considers that there is a case for forging strong long-term relationships with renewable energy developers in order to ensure that maximum benefit is delivered to the local communities from any development. The 2005 Policy sought to secure this through the drawing up of a Strategic Concordat, a formal agreement between the Council and developer set down following grant of planning consent which sought to identify common priorities and areas of joint working. This will be continued in this Framework.

There are concordats in place with a number of developers and these have secured the delivery of wider local economic benefit. The Concordat typically lasts several years and includes details of the community benefit fund arrangements, including level of payments, which would apply to any future wind farm developments. It seeks to maximise the benefit to local communities and the local economy through a range of different activities which can bring mutual benefits to developer and community. These have included renewable energy resource assessments, support for a schools energy education officer and the promotion of green energy projects. A parallel can be drawn with the relationship between the Shetland and Orkney Islands and the Oil industry.

After consultation with the Argyll and Bute Renewable Alliance (ABRA), developers and local community representatives it is proposed that the following principles form the basis of the draft framework which will update and replace the 2005 policy.

This Framework recommends:

1. Community benefits are provided for all new renewable developments in excess of 5MW;
2. Commercial developments between 50kW and 5MW seek to provide community benefits although it is appreciated that the margins would be much tighter and therefore any level of community payments will be much smaller. In addition this

scale of project may represent a form of farm/estate diversification and a payment may not be appropriate. Each case should be looked at on its own merits.

3. The minimum community benefit payment in relation to onshore wind is £5,000 per megawatt of installed capacity per annum;
4. Payment levels for other forms of onshore renewables are negotiated on a case by case basis with the objective of providing a contribution of £5,000 per megawatt of installed capacity per annum;
5. All community benefit funds are index linked and last the lifetime of the renewable energy project;
6. A community investment option should be offered on all commercial renewable developments;
7. Community development funds shall include a regional /sub-regional contribution with a focus on delivering a wider community economic benefit aligning to the priorities set out in the respective community investment/development plans. This wider fund should be considered in all cases unless it can be demonstrated that the level of funding from the development, when considered in light of the scale of the community within the renewable development catchment area, is insufficient to meet immediate community need as demonstrated by a community investment/development plan. Any sub-regional/regional fund should represent 50% of the value of the overall fund and should have a more strategic focus, i.e. skills and education, benefit to service centres which support the communities where the renewable energy development is located etc. this could be achieved through:
 - a. A locally administered fund which is open to applicants from across the regional or sub-regional area; or
 - b. Provision of a percentage to be added to existing local Common Good Fund which operate in many of our key service centres to be held in perpetuity for the benefit of local people; or
 - c. Funding provided to Argyll wide bodies delivering key economic outcomes and working in key economic sectors to deliver local economic benefit e.g. ALI Energy (renewable energy and energy efficiency), Argyll and the Isles Tourism Co-operative (tourism), Argyll and the Isles Coast and Countryside Trust (outdoor access and environmental improvements), Argyll College (skills and education).
8. The detailed fund arrangements for each new project are negotiated and agreed in writing with the community, developer and the Council using the framework of the Local Government (Scotland) Act 2003.

Developers should:

- Engage with the local community early in the process, separately to consultation on the planning process where possible, and making clear to them that the receipt of community benefit is not dependent upon their support for the proposal;
- Provide professional support to communities to secure the development of a community investment/development plan to allow the maximum community and economic benefit to be delivered from any future community renewable fund(s) and/or other sources of external funding;
- Offer a community investment buy in option to appropriate community bodies;
- Carryout consultation in an open and inclusive way allowing the community sufficient time to respond (particularly in relation to community buy in discussions);
- Be flexible in relation to the governance structure for community benefit funds and work with the community to find a solution which accommodates their needs particularly where they are already administering existing funds;

- Where existing renewable developments are being upgraded (re-powered) ensure that there is early discussion with the community to secure continuity of funds and agreement on any changes to existing community benefit payments;
- Ensure decision making in relation to allocation of funds is carried out at a local level;
- Ensure the governance structure is robust and is operated in an open and transparent way;
- Investigate with the Council the opportunity to enter into a strategic concordat to define wider local economic opportunities;
- Define an appropriately wide geographical area to ensure all communities affected by the construction or operation of the renewable energy development can access community benefit and encourage development of a regional/sub-regional fund in accordance with the Framework;
- Start community benefit payments from the commencement date of the construction period;
- Enable projects to be funded for several years or for large projects to be funded by making advanced aggregated payments;
- Ensure community benefit arrangements will be honoured should the site be sold;

Communities should:

- Be aspirational – this is an excellent opportunity to make a difference not only to your local area but also to the wider region/sub-region.
- Create a community investment/development plan to provide a strategic view of community priorities across the region/sub region with a focus on contributing to the outcomes set out in the Single Outcome Agreement and addressing key issues including support for community facilities and organisations, job creation or new businesses, improving skills of local people, support for tourism and addressing issues of rural isolation. This may identify support to new or additional facilities/services which may have previously been provided by public bodies but which are no longer able to be provided due to funding restrictions. Any plan should be sustainable and give full consideration to meeting the ongoing revenue liabilities related to maintaining services and facilities in the long-term including in the period after community benefit payments have ceased. The plan should be reviewed periodically to reflect changing circumstances and needs.
- Create a robust governance structure to administer community benefit funds which includes open and transparent allocations of funding;
- Create a decision making process which is fair, transparent and proportional to grant amount with any assessment criteria publicly available;
- Seek representation from all sectors of the community on community benefit fund administering bodies to make them as inclusive and representative as possible;
- Review and report on the operation of the community benefit fund annually to ensure it is operating effectively and maximising benefit;
- Seek match funding where possible to maximise the benefit received;
- Consider long-term aims of the community and particularly whether to invest some of the fund to buy an equity stake or to invest directly in the commercial renewable project or alternatively to develop their own renewable project to provide an additional income. The community investment plan may identify this as an action/opportunity;
- Work with neighbouring communities where funds and/or projects are operating across administrative boundaries;

This Framework is designed to relate to community funds associated with commercial

developments however some of the principles will apply equally to funds derived from renewable project owned solely by the community with the principal difference being that community projects will usually provide all surplus funds as community benefits.

Argyll and Bute Council:

- Offers guidance to local community groups on appropriate governance of community benefit funds, further information can be provided by the Council's Governance Team;
- Maintains a Wind Farm and Renewables Trust which can form the governance structure for community organisations free of charge;
- Offers support to community groups who are preparing Community Investment/ Development Plans or involved in consultation and engagement with their community through our Social Enterprise and Community Development Teams;
- Maintains details of community benefit funds operating across Argyll and Bute and makes these available at <http://www.argyll-bute.gov.uk/crop-benefits-community>.
- Will review this framework every two years to ensure that it remains up to date.

This Framework is prepared to align with Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments and its purpose it to secure the maximum economic and community benefit for Argyll and Bute communities.

Further Reading

- Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments - <http://www.localenergyscotland.org/developers/good-practice-principles/>
- Community Energy Policy Statement - <http://www.scotland.gov.uk/Publications/2014/08/1223>
- Investing in your community - A guide to managing community funds - <http://www.hie.co.uk/community-support/managing-community-funding/default.html>
- Community Renewables Opportunity Portal – <http://www.argyll-bute.gov.uk/crop-introduction>
- Onshore Wind Community Benefit Protocol - <http://www.scottishrenewables.com/technologies/onshore-wind/>
- Renewable energy on Scotland's National Forest Estate - <http://scotland.forestry.gov.uk/managing/work-on-scotlands-national-forest-estate/renewable-energy>

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****Development and Infrastructure****5 FEBRUARY 2014**

Digital Infrastructure Update

1.0 EXECUTIVE SUMMARY

1.1 The main aim of this report is to provide an update in relation to the digital infrastructure projects which are ongoing across Argyll and Bute. The report includes updates in relation to broadband and mobile communication improvements.

1.2 Next Generation Broadband

- BT commercial programme – Live in Helensburgh and Oban, Dunoon expected to follow in 2015.
- Highlands and Islands Programme – subsea cable work was undertaken during the summer, the first live premises are in Oban.
- Rest of Scotland Programme – Properties in the Cardross exchange area received the service in October 2014 (initial build date was 2016); other areas are expected to follow in 2015.
- Community Broadband Scotland (CBS) - CBS continue to support communities across Argyll and Bute, including the Argyll Isles project known as Giga Plus Argyll.
- New Technology – remodelling work to include Fibre to the Remote Node (FTTRN) is being undertaken and is expected to be available during 2015.
- Extension Funding - £21 million has been identified by Broadband Delivery UK (BDUK) for an extension project in Scotland subject to match funding being identified.
- Exchange Activate – Highlands and Islands Enterprise (HIE) are in discussions with BT in relation to upgrading the nine Exchange Activate exchanges in Argyll and Bute and they understand that BT are investigating what could be achieved.

1.3 Mobile Communications

- Mobile Infrastructure Plan - Site searches have commenced in relation to four locations contained within the revised National Implementation Plan, transmission issues are expected to be a significant factor in relation to deliverability.
- Scottish Government Pilot on Coll - Work on the installation of the mast commenced during the summer and the service – which is planned to include 4G – is expected to go live once connections to Mull have been completed.
- Vodafone Rural – The Isle of Luing and the Isles of Seil and Easdale were announced within the first 30 successful communities planned to receive the

equipment. Crossapol (Isle of Tiree) was announced in the second 30 communities.

- 4G Coverage – we understand 4G deployment is planned but we have no confirmation as to coverage levels within Argyll.

It is recommended that Policy and Resources Committee

1. Note the content of this report; and
2. Agree that officers write to the Scottish Government and COSLA to request that sufficient extension funding is allocated to ensure that coverage levels within Argyll and Bute match the Scotland wide action to “put in place infrastructure that will have the capacity to deliver next generation broadband to 95% of premises by 2017, and a significant uplift in speeds for the remaining areas”.

Digital Infrastructure Update

2.0 INTRODUCTION

2.1 Work has commenced on a number of programmes which aim to improve the digital infrastructure across Argyll. This report provides an update on the various projects.

3.0 RECOMMENDATIONS

3.1 It is recommended that Policy and Resources Committee

1. Note the content of this report; and
2. Agree that officers write to the Scottish Government and COSLA to request that sufficient extension funding is allocated to ensure that coverage levels within Argyll and Bute match the Scotland wide action to “put in place infrastructure that will have the capacity to deliver next generation broadband to 95% of premises by 2017, and a significant uplift in speeds for the remaining areas”.

4.0 DETAIL

The work being undertaken in relation to digital infrastructure relates to broadband or mobile communications.

4.1 Next Generation Broadband

Next generation broadband within Argyll is being delivered through one of four programmes. In some areas (parts of Dunoon, Helensburgh and Oban), it is commercially viable for BT to deliver the service at their own cost however this would only cover approximately 28% of premises across Argyll. In recognition of the market failure in relation to next generation broadband, public funding has been made available to deliver the Highlands and Islands and Rest of Scotland projects. In combination with the commercial rollout, the Highlands and Islands and Rest of Scotland projects will deliver coverage to approximately 85% of premises in Argyll. In those areas not likely to be served by any of these current programmes, Community Broadband Scotland can help the local community to deliver their own solution.

4.2 Next generation broadband will utilise a completely new infrastructure network with new fibre backbone extending out to the islands and peninsulas of Argyll. Some of the difficulties experienced during the rollout of next generation broadband are indicated in Appendix 1 The Deployment Story. Whilst telephone exchanges will continue to provide a service in relation to telephone calls only a

handful of exchanges will handle next generation broadband services, new access cables running from these “headend” exchanges will run directly to new communication cabinets within communities. For example, within the Helensburgh and Lomond area services will be provided by either the Alexandria or Arrochar exchange, current services within Helensburgh and Cardross are being delivered from Alexandria.

4.3 BT commercial programme

The commercial rollout by BT is expected to bring next generation broadband to some premises in Helensburgh, Oban and Dunoon where it is commercially viable for them to do so. The commercial rollout does not extend to the rural areas or cover those premises which are connected directly to their local exchange (known as exchange only). The first 1,500 premises in Helensburgh gained access in May 2014 with Oban following in September 2014. Work is continuing in relation to Dunoon which is expected to have coverage during the first half of 2015. The commercial rollout is expected to be completed during 2015.

4.4 Highlands and Islands Programme

The Highlands and Islands programme relates to the Bute and Cowal, Mid Argyll Kintyre and Islands and Oban, Lorn and the Isles areas of Argyll and Bute and is being led by Highlands and Islands Enterprise (HIE). It will seek to cover as many premises as possible in those parts of BC, MAKI and OLI which will not benefit from commercial coverage. It is currently expected that coverage will be in region of 83% of premises when taken with the commercial rollout.

4.5 During the summer, the main element of activity has been in relation to the laying of subsea cables which will extend the fibre backbone network across the islands and peninsulas (previously there was no infrastructure in the west of Scotland). The final subsea cable work was completed in November 2014.

4.6 The first live premises in relation to this programme were in Oban in September with coverage expected to follow for the Ledaig (Benderloch) and Taynuilt exchange areas in early 2015. Deployment to Balvicar, Connel, Dalmally and Kilmelford Exchange Areas was formally announced in the October 2014 press release and coverage is expected within approximately 6 months of the announcement.

4.7 The following changes have occurred in relation to anticipated dates for deployment within exchange areas:

- The Craignure Exchange Area, also originally targeted for deployment in 2014, is now showing for coverage during the first half of 2015.
- The Campbeltown Exchange Area (which was originally shown for 2016) is now expected to get coverage during the latter half of 2015.

4.8 Rest of Scotland Programme

The Rest of Scotland Programme relates to the Helensburgh and Lomond area of Argyll and Bute and is being led by the Scottish Government. Like the Highlands and Islands programme it aims to extend coverage to as many premises as possible. It is expect that coverage will be around 92% of premises when the commercial coverage is included.

4.9 Cardross exchange area was the first area to be targeted through the Rest of Scotland programme within Argyll and the first premises were able to access the service during October 2014 (initial build date was 2016). The following exchange areas which were initially programmed for 2016 are now expected to progress during 2015:

- Arrochar (Jul-Dec 15)
- Clynder (Jul-Dec 15)
- Garelohead (Jul-Dec 15)
- Helensburgh (where not covered by the commercial rollout) (Jan-Jun 15)
- Kilcreggan (Jul-Dec 15)
- Rhu (Jan-Jun 15)

4.10 Community Broadband Scotland

Despite the programmes of works being undertaken, some premises (approximately 15% across Argyll) will be unable to connect to the next generation broadband infrastructure. Community Broadband Scotland (CBS) operates to support communities in taking forward their own broadband solution.

4.11 The most substantial project that CBS are supporting is the Argyll Isles project (now known as Giga Plus Argyll) which is seeking to provide superfast broadband to all premises on Colonsay, Jura, Iona, Lismore, Luining and parts of Mull, Islay and the Craignish Peninsula. The area is home to around 3,300 people living in approximately 1,400 properties. There are also 120 businesses in the project area.

4.12 Giga Plus Argyll will be a new community body leading the programme which includes the following seven community groups Mull and Iona Community Trust, Colonsay Community Development Trust, Jura Development Trust, Craignish Community Company, Lismore Community Council, Islay Broadband Group and Atlantic Islands Trust (Luining).

4.13 The project aims to deliver superfast broadband to 100% of the Argyll Isles project community by 2015. The tender to see if a solution can be procured ran until 6 November 2014 and CBS are following up on the expressions of interest received. They hope to be able to make an appointment in spring 2015.

4.14 **Other broadband issues**

New Technology

Whilst work has been ongoing on the ground, BT and other technology providers have been testing new technologies to establish whether they are suitable for commercial deployment.

4.15 Currently the programmes utilise the following technology to deliver superfast broadband:

- Fibre To The Cabinet (FTTC) where fibre optic access cabling is taken to a new street communications cabinet (Digital Subscriber Line Access Multiplexer or DSLAM) which then links into the existing copper cable network via an existing communications cabinet (Primary Cross-connection Point or PCP). This is the most cost effective solution where communities of

approximately 50+ premises are within approximately a kilometre distance of the PCP via existing copper cables. Premises close to the cabinet could receive speeds of up to 80mbps but this will decrease as the distance from the cabinet increases. It is expected that after approximately 1-1.5km the speed will have dropped to 24mbps (the threshold for superfast broadband), beyond this the speed will continue to fall although for many it could offer a better service than they currently receive.

- Fibre to the Cabinet Exchange Only Lines (FTTC EO) uses the same technology as FTTC but for premises which are not currently connected to a PCP, a new PCP is also required. There are a high number of exchange only lines across the highlands and islands. This solution requires an additional site to be identified for the PCP which will need to be in a location which is suitable for being connected into the existing copper cabling and is therefore usually close to the telephone exchange. As with FTTC the speed of broadband received will depend on the proximity of a premise to the new PCP and DSLAM.
- Fibre to the Premise (FTTP) takes the fibre optic access cabling directly to individual premises, it can offer the highest speeds as the broadband speed does not drop on the fibre optic in the same way as it does on the copper cables but it is also the most expensive and difficult to deploy option, it will not be widely used. Currently premises connect via FTTP could expect to receive up to 330mbps.

4.16 New technology, Fibre to the Remote Node (FTTRN), is being tested by BT. The Remote Node is essentially a smaller cabinet and therefore works in a way similar to the FTTC solution but is suitable for deployment in smaller communities of around 10-15+ premises; it is believed that this could be significant in rolling out next generation broadband to our smaller communities at a cost which is much lower than the FTTP solution.

4.17 At the start of the project BT went through a modelling exercise which indicated which exchange areas they thought could be covered with the money available. The model produced maps of those exchange areas which were expected to be covered and when, these have now been superseded by the map included as Appendix 2 which feeds in up to date information in relation to the rollout in the form of an interactive map at www.digitalscotland.org/whereandwhen. The modelling exercise is currently being undertaken again but this time it should include FTTRN technology. The details of this work are expected to be available during 2015.

4.18 Extension of Funding

Broadband Delivery UK (BDUK) has indicated that a further £21 million has been identified to extend the Highlands and Islands and Rest of Scotland projects subject to match funding being identified. There are no indications currently as to how the additional funds will be split between the Highlands and Islands and Rest of Scotland areas or the implications it could have for Argyll. It is recommended that we write to the Scottish Government and COSLA to request sufficient funding be made available to deliver additional coverage across Argyll with a preference that the additional coverage brings Argyll up to the Scottish wide target which states that the Government aims to “put in place infrastructure that will have the

capacity to deliver next generation broadband to 95% of premises by 2017, and a significant uplift in speeds for the remaining areas”.

4.19 Exchange Activate

When broadband was initially rolled out across the highlands and islands there were insufficient funds to upgrade all exchanges. In response to this, BT provided a solution which would give broadband speeds of up to 0.5mbps to the remaining exchanges; this is known as Exchange Activate.

4.20 There are currently nine Exchange Activate exchanges across Argyll, two of which are programmed to be improved as a result of the next generation broadband projects. Issues have been raised by communities in relation to the Exchange Activate equipment which gives what is now a poor broadband speed and is inflexible in terms of the number of users who can access a broadband service.

4.21 HIE are in discussions with BT in relation to upgrading the Exchange Activate exchanges and they understand that BT are investigating what could be achieved. The Council has written to HIE to support them in this regard.

4.22 **Mobile Communications**

Mobile Infrastructure Plan

The Mobile Infrastructure Plan (MIP) is the main government mechanism for the delivery of improvements to mobile infrastructure across the UK. The £150m project aims to address “not spots” where there is currently no mobile coverage from any operator and to provide voice coverage. The Department for Culture, Media and Sport (DCMS) have been working on delivery of the MIP with their agents, Arqiva.

4.23 Using data from the mobile operators they have identified not spots but as there is insufficient funds to cover all not spots a prioritisation process has been undertaken. The method used to select not spots for inclusion within the National Implementation Plan has not been shared with the Council. It is our understanding that to date two new mobile masts have been delivered through the MIP in Devon and North Yorkshire.

4.24 During 2013, the Council was notified of a number of sites included within the National Implementation Plan for MIP but which required release from the Implementation Panel before site searches could be undertaken.

4.25 In the interim period we were notified that due to inconsistencies between the data held in relation to mobile coverage and that on the ground, there was typically better coverage than expected, a review of the plan was being prepared. The review has now been undertaken and we met with DCMS and Arqiva at the beginning of October 2014 to receive an update on the National Implementation Plan.

4.26 The MIP is tasked with providing mobile coverage where there is none and we are informed that where previous sites have been excluded from the plan this is most likely due to there being better mobile signal available within the locality than

originally anticipated. Arqiva are unable to confirm details regarding any changes to specific sites.

- 4.27 The main issue in relation to the delivery of sites is the requirement to connect into the existing mobile operators' networks, i.e. there must be a direct line of sight from the new mast to existing masts for each of the four main mobile operators. Without this link to the existing network calls could not be connected. The technical difficulties in making these connections within Argyll may have serious implications for the delivery of any MIP masts.
- 4.28 To date four sites have been released to allow the site search to be undertaken and MIP personnel were accompanied by a development management planner to provide on the spot feedback on the potential sites. Transmission requirements will be key in identifying a location for sites however landscape impact is also an important consideration which could impact the ability to deliver the sites. We have no confirmation to date as to whether these sites will proceed.
- 4.29 Scottish Government Pilot on Coll
At the same time as the MIP has been developing, the Scottish Government have been working with the community on Coll to deliver mobile phone coverage for the island. The Scottish Government has led the development stages of the project and provided the capital for the mast. Development Coll has agreed to take ownership of the mast and pay for its maintenance. Development Coll have sought support for this from public sector bodies, including the Council which has agreed to make a contribution for the first 5 years of the pilot.
- 4.30 Work on the installation of the mast commenced during the summer and the service – which is planned to provide 4G – is expected to go live once the connection to Mull has been established.
- 4.31 Vodafone Rural
During Autumn 2014, Vodafone sought communities interested in receiving their Open Sure Signal product. Open Sure Signal boxes connect to the internet (minimum 4mbps required) and provide a 3G mobile coverage for Vodafone users within approximately 500m radius (reducing where trees, buildings etc. block the signal). The competition required communities which currently have no or very poor mobile coverage to identify appropriate sites for the equipment to be located and to agree to cover the electricity costs (currently estimated at approximately £30 per annum per box). Vodafone would cover the costs of the equipment and broadband connections.
- 4.32 Notification of this opportunity was sent to all Councillors, those community councils which were most likely to fit the criteria in terms of broadband speed and current mobile signal and through the Council's Funding Alert. The Isle of Luing and the Isles of Seil and Easdale were included within the first 30 successful communities announced in early November 2014. Crossapol (Isle of Tiree) has been announced in a second round.
- 4.33 Other Mobile Issues
Alongside these programmes, O2 have been awarded the contract for delivering

4G across the UK, this contract includes a stipulation that 95% of premises within Scotland receive coverage. It is understood that 4G deployments are planned but it is not yet known which premises within Argyll will benefit.

- 4.34 The Department for Culture, Media and Sport carried out a consultation on Tackling Partial Not-Spots in Mobile Phone Coverage during Autumn 2014, the Council made a response supporting action to tackle partial not-spots. We also responded to the Ofcom consultation Communications Services and SMEs.

5.0 CONCLUSION

- 5.1 Superfast broadband is being delivered across Argyll and Bute and will pick up pace over the next twelve months. The extension funding offers an opportunity to secure coverage for additional premises and we propose writing to the Scottish Government and COSLA in relation to this. Excluding the extension funding and coverage through community projects, 85% of premises are expected to benefit from connection to next generation broadband infrastructure.
- 5.2 Progress on mobile coverage has been slow and whilst the MIP appears to be moving forward there are still substantial, mainly technical, issues which need to be overcome before any improvements can be secured for Argyll. The 4G rollout has the potential to make some improvements but we need to understand further how far this will reach across Argyll and Bute. As an indication, figures from the Scottish Government estimate that voice and data coverage by 2017 should be available to approximately 83% of premises (2012 – voice was 62% and data was 46%).

6.0 IMPLICATIONS

- 6.1 Policy – the Single Outcome Agreement (SOA) and Economic Development Action Plan support improvements in the digital infrastructure.
- 6.2 Financial – Across Scotland funding of £410m has been committed to the next generation broadband project across Scotland (including a contribution from COSLA on behalf of all local authorities). A further £42m is anticipated. £150m has been allocated to the MIP project. No direct financial implications to the Council at the present time.
- 6.3 Legal – none.
- 6.4 HR – None.
- 6.5 Equalities – the differing nature of the deployment of new technology has the potential to lead to inequalities in terms of access to internet and broadband services including those which support business and personal development.
- 6.6 Risk – there is a risk that those areas which do not benefit from next generation broadband will become undesirable locations within which to live and work which could have implications in relation to the SOA objective of growing the population. There is a risk that communities progressing through the

Community Broadband Scotland route may be less able to sustain a community based next generation broadband solution. There is significant risk that the technical, transmission related issues surrounding the Mobile Infrastructure Project sites cannot be resolved and that the improvements for these areas will not be delivered.

- 6.7 Customer Service – improvements in broadband and mobile technology improve the opportunities for customer service via these technologies.

Appendices

- 1 The Deployment Story
- 2 Broadband leaflet (correct at December 2014, updates will be available from <http://www.argyll-bute.gov.uk/superfast-broadband#leaflet>)

See also <http://www.argyll-bute.gov.uk/superfast-broadband>

Executive Director of Development and Infrastructure Services Pippa Milne
Policy Lead Councillor Aileen Morton

For further information contact: Anna Watkiss, Development Support Officer
(01546 604344, Anna.Watkiss@argyll-bute.gov.uk)

APPENDIX 1 The Deployment Story - <http://www.digitalscotland.org/superfast-broadband/deployment-story/>

It's frustrating when you check out the map and discover that where you stay isn't going to be getting fibre for a while longer – we know, some people in the deployment team are also waiting to get fibre broadband.

Why is this, and why sometimes do you see a cabinet being stood but then find out that you still can't get fibre broadband?

There are a number of stages that each exchange area has to go through to deliver the fastest speeds to the most amount of people.

To stand one cabinet can take 10- 15 months – here's why.

Currently there are three types of technological solution we can provide. A lot depends on where you are in the country and what services are already there.

There is FTTC (fibre to the cabinet) this uses fibre-optic cables throughout the network right up to the green street cabinet. It then uses existing copper wires to connect the cabinet to homes and businesses. FTTC provides download speeds up to 80Mbps and upload speeds up to 20Mbps – this is usually our preferred choice.



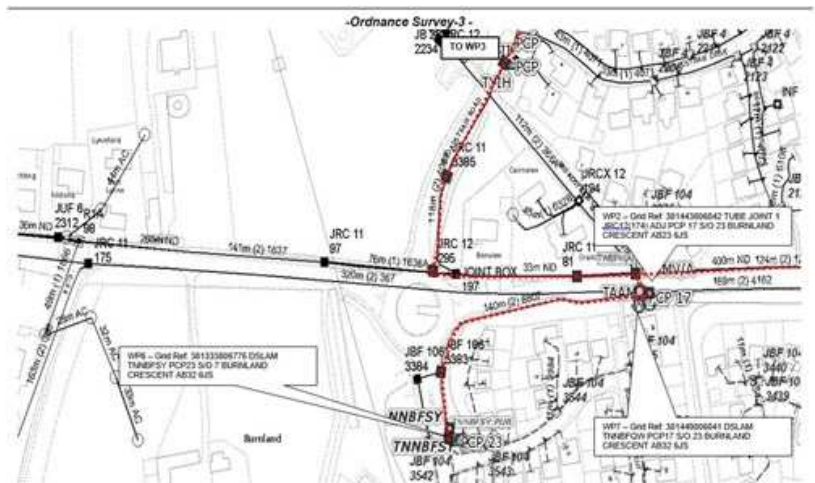
Then there is FTTP (fibre to the premise) this means fibre-optic cables run from the exchange right to the door of each house. It provides download speeds up to 330Mbps and upload speeds up to 30Mbps.

Finally we have EO (exchange only) lines. These are connected directly to the local telephone exchange rather than passing through the green cabinet. These lines are generally either very close to the telephone exchange or very remote from it. EO lines can be fibre enabled by building a new cabinet close to the exchange and using FTTC or by using FTTP.

Pre-planning

To begin with, the most important thing is to know is what the current picture is like in an exchange area.

Our engineers do a full assessment of the existing infrastructure already in the ground to provide



accurate, up-to-date information. This allows them to decide what service is best suited to the area and includes:-

- Planning and surveying the area to check capacity, condition of existing infrastructure and establish what work needs to be done
- Planning how the main fibre cable (the spine) will be laid to the exchange and out to the areas that the exchange serves
- Surveying existing cabinets, and working with power companies, highways agencies and conservation officers to agree the location of new cabinets. There is a lot to do and discover. New cabinets require planning permission, which usually take 28 days to be approved, if in a conservation area take 56 days.

Preparing the exchange

We then agree and plan where the new equipment goes. Once the equipment is ordered and built, we install everything and upgrade the power facilities within our exchange building.



If FTTP is to be installed then surveyors walk the route of existing telegraph poles and cables to plan how the fibre cable can be run to the most suitable point to serve the properties.

Where we build new cabinets, wayleaves are often required. A wayleave is the consent that allows work to be carried out on privately-owned land. It's a written legal agreement between ourselves and the land/property owner that grants us access to install, maintain or repair the network equipment to use private land if needed.

Installation

The final stage is building from the exchange to new street cabinet locations that have passed the planning stage.

- Laying fibre duct and fibre to the exchanges through underground ducts. Often this stage can be difficult as engineers discover blockages along the ducts – on average around 3 per km. The process can take a while depending where we are in the country with challenges on busy roads and ground conditions such as granite
- While the majority of network will be underground, there will be sections of overhead network in the more rural areas, particularly with FTTP solutions. New telegraph poles may need to be put up in these areas and will be part of normal planning applications.

- If FTTC, we install new fibre cabinets, connect them to the power supply and connect the cabinets to the fibre network.

To do this we have to co-ordinate with power companies to get power supplied, agreeing a time, date and cabinet to be powered up.

- Testing the cabinets and FTTP network points to make sure they are delivering the best speeds possible



After all of these procedures are complete, the cabinet is ready. The team can then tell customers that fibre broadband services are available, ready for them to order from their supplier.

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Next Generation Broadband in Argyll and Bute



Connections
now in
Cardross,
Helensburgh
and Oban



£145.8
million
for
Highlands and Islands



£264 million
for Rest of
Scotland

Coming soon...
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Dalmally, Dunoon, Kilmelford and
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Delivered by BT  

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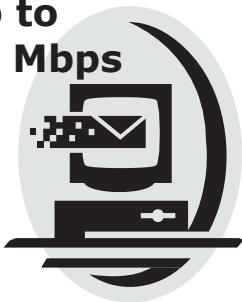
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www.argyll-bute.gov.uk/newsletters

Up to
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Community Broadband
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www.communitybroadbandscotland.org

85%
of properties
expected to be
covered by
2017



Interactive map at
www.digitalscotland.org

10 new subsea
cables in Argyll
and Bute area

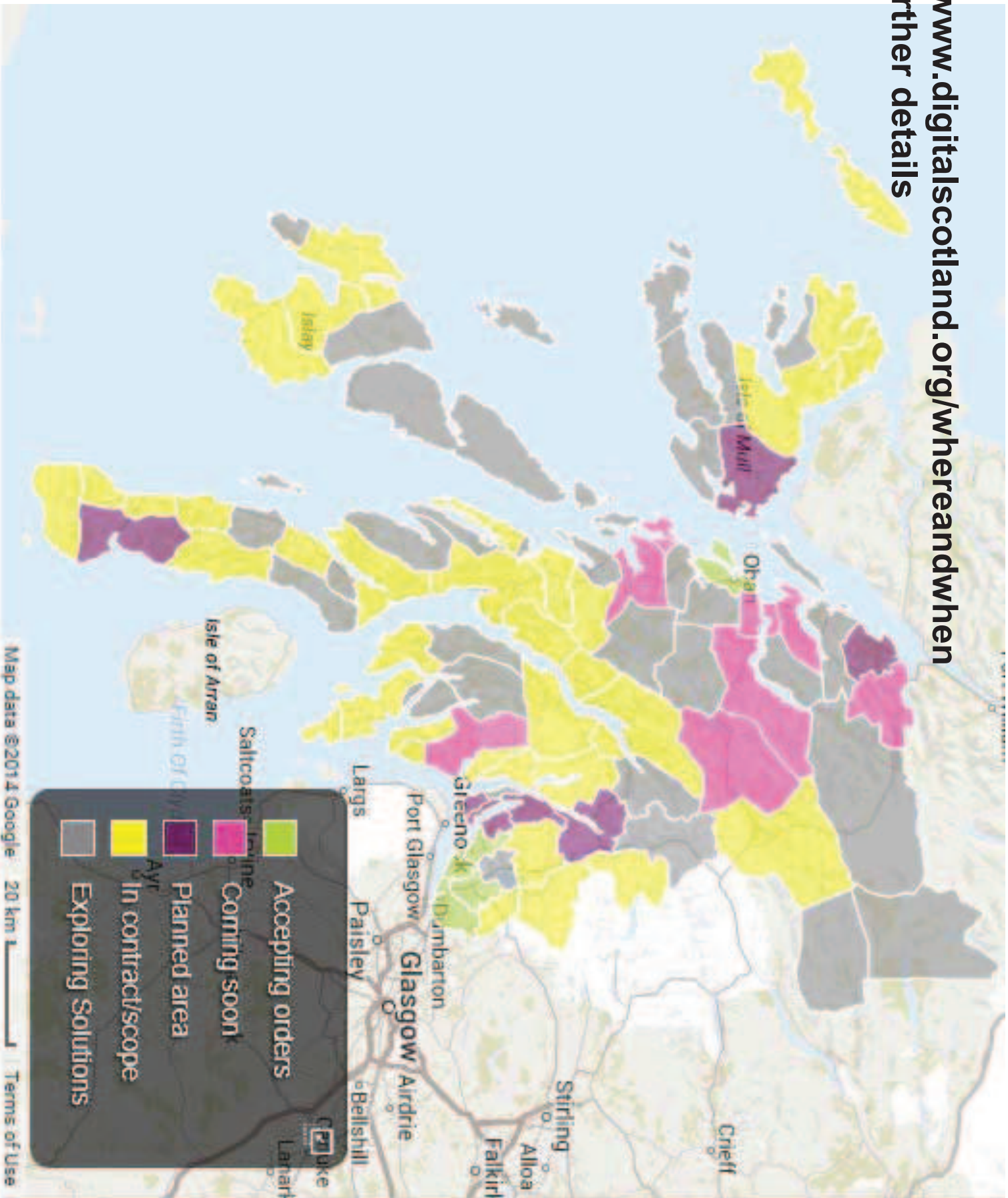


www.digitalscotland.org/

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Visit www.digitalscotland.org/wherelandwhen for further details



ARGYLL AND BUTE COUNCIL**Policy and Resources Committee****DEVELOPMENT & INFRASTRUCTURE
SERVICES****5th February, 2015**

**LORN ARC TAX INCREMENTAL FINANCING (TIF) ASSET PROJECT 9 - EXISTING
ACCESS IMPROVEMENTS AND BUSINESS PARK ENABLEMENT, OBAN
AIRPORT START UP REPORT**

1.0 EXECUTIVE SUMMARY

- 1.1 The Full Business Case for the Lorn Arc Tax Incremental Financing (TIF) programme outlines the proposals for delivering a £18.89 million package of infrastructure improvements including access to the Scottish Association for Marine Science (SAMS) / European Marine Science Park, measures to improve Port and Marine facilities within the Lorn Arc area and other business related infrastructure which will support the delivery of the Local Development Plan and assist population and economic growth through the generation of new employment opportunities.
- 1.2 TIF arrangements will allow Argyll and Bute Council to retain and use additional Non Domestic Rates (NDR) generated once borrowing has been repaid, within an agreed boundary over a 25 year period.
- 1.3 Project 9 within the programme business case approved by Scottish Government - Existing access improvements and business park enablement at Oban airport, will be the first project to be taken forward. It is a requirement that the Lorn Arc programme be implemented through a material start on site prior to 30th September 2015.
- 1.4 The Programme Initiation Document (PID), which received approval from Council on 22 January, sets out the governance for the programme. It states that project start-ups and development costs are to be reported to the Policy and Resources committee for their approval.
- 1.5 **Recommendation**
- 1.6 That Members:
 - Approve the drawdown of borrowing for a total of £95,550 for the development of a Full Business Case for Lorn Arc Project 9 – Existing Access Improvements and Business Park Enablement, Oban Airport. These resources will be held in a defined budget and managed as detailed in the Lorn Arc Programme PID.
 - Note that the Full Business Case for Project 9 will be reported to a future OLI Area Committee and Policy and Resources Committee before moving to the implementation stage.

ARGYLL AND BUTE COUNCIL

Policy and Resources Committee

DEVELOPMENT & INFRASTRUCTURE
SERVICES

5th February, 2015

**LORN ARC TAX INCREMENTAL FINANCING (TIF) ASSET PROJECT 9 - EXISTING
ACCESS IMPROVEMENTS AND BUSINESS PARK ENABLEMENT, OBAN
AIRPORT START UP REPORT**

2.0 INTRODUCTION

- 2.1 This report outlines the background to the Lorn Arc Tax Incremental Financing (TIF) programme and requests the approval of a startup budget to enable Project 9 at Oban Airport to be taken to full business case. The project is expected to constitute the first material start of the Lorn Arc Programme which is required by 30th September 2015.
- 2.2 The Oban, Lorn and the Isles Area Committee considered this matter on the 11th February 2015 and recommended that the Policy and Resources Committee approve the drawdown of borrowing for this project.

3.0 RECOMMENDATIONS

- 3.1 That Members:
- Approve the drawdown of borrowing for a total of £95,550 for the development of a Full Business Case for Lorn Arc Project 9 – Existing Access Improvements and Business Park Enablement, Oban Airport. These resources will be held in a defined budget and managed as detailed in the Lorn Arc Programme PID.
 - Note that the Full Business Case for Project 9 will be reported to a future OLI Area Committee and Policy and Resources Committee before moving to the implementation stage.

4.0 DETAIL

LORN ARC PROGRAMME

- 4.1 By way of background, a TIF programme must demonstrate that the funded enabling infrastructure that unlocks regeneration and sustainable economic growth will generate additional public sector revenues to repay the financing requirements of the enabling infrastructure. A full business case for the Lorn Arc TIF programme has previously been developed and approved by both the Council and Scottish Government.
- 4.2 The Lorn Arc programme is considered to be essential for Lorn and indeed wider Argyll and Bute. The focus of Lorn Arc is on delivering essential infrastructure to

unlock private sector investment on a number of identified investment opportunities. The Council is mindful that Lorn Arc represents a borrowing consent for up to £18.89 million and not a grant. This requires that it be paid back by the Council over a 25 year period with additional non domestic rates being used to pay this money back. Lorn Arc will only succeed if investment is forthcoming from the private sector and consequently it will rely on partnership working to deliver the desired outcomes. The Council also recognises that Lorn Arc will require investment from outwith Lorn.

- 4.3 The Lorn Arc programme will commence when the first work starts on the ground. It is a requirement of the Scottish Government approval that this happens before 30th September 2015.
- 4.4 In order to progress the Lorn Arc programme, the team has developed a robust and fit for purpose Programme Initiation Document (PID). The PID describes how the Lorn Arc programme will be delivered and managed. It was approved by Council on 22nd January 2015.
- 4.5 The governance arrangements set out in the PID require that project start-ups and the costs associated with preparing a full business case are approved by the Policy and Resources Committee. A full business case is necessary to ensure that the project is viable and prudent. Preparatory works are required to inform the full business case and often include site surveys, design work, preparation of planning applications, economic impact assessments and procurement costs.
- 4.6 Start-up costs for each project are likely to constitute up to 20% of the overall capital costs of the proposed project. These costs form part of the TIF borrowing and therefore have to be funded within the £18.89m borrowing consent.
- 4.7 A summary of Lorn Arc TIF Project 9 - Existing Access Improvements and Business Park enablement, Oban Airport is detailed in the following table :-

Table 1 :	
Project No. 9	Existing Access Improvements and Business Park Enablement, Oban Airport
Purpose	Potential access improvements to Oban Airport to improve safety and capacity at the site and to construct a new access road to allow the opening up of a new business park adjacent to the existing airport.
Finance	Indicative Cost - £0.59M TIF Investment - £0.59M
Justification summary	The existing airport junction would be altered from a simple T junction to a ghost island junction with associated signage, gateway and landscaping improvements which will improve the visibility of the airport, and the safety of the existing junction. The works are considered to be relatively low risk road improvement works and the costing includes 20% optimism bias.

	<p>This road link and services enable the development of a new business park to the south of the existing Airport Roundabout to maximise the use and benefits of the airport facility. This site is included in the Local Development Plan for business use. There is potential that businesses related to the use of the airport may be attracted but the potential for small scale start up units has also been suggested. The costs within the business case are purely related to the provision of a central spine road and associated utilities which would enable either private sector or supported development of the plots on the site to be progressed.</p> <p><u>The Oban Airport investment is likely to be the first TIF Investment and effectively start the 25 year NDR capture timescales.</u></p>
Delivery Timescales	2014 to 2018

4.8 In order to produce a Full Business Case for this project a drawdown of £95,550 is required. The detailed breakdown of these costs is detailed in Appendix 1.(exempt item)

4.9 The Full Business Case is expected to be presented to the Oban, Lorn and the Isles Area Committee on 15th April 2015 and then the Policy and Resources Committee on 14th May 2015. This will include full details of the delivery programme for completion of this project.

5.0 CONCLUSION

5.1 The Lorn Arc TIF Project 9 - Existing Access Improvements and Business Park enablement at Oban Airport is likely to constitute the first meaningful start of the overall Lorn Arc programme and so requires to be commenced prior to the Scottish Government deadline of 30th September 2015. Start-up costs are required to develop a full business case which will ensure that the project is viable and prudent. The Policy and Resources Committee will be asked to approve the full business case before the project proceeds to implementation.

6.0 IMPLICATIONS

6.1 **Policy** - The delivery of the Lorn Arc Programme supports the delivery of the Council's Corporate Plan, Single Outcome Agreement, EDAP and the draft Local Development Plan. The economic outcomes from this programme will also contribute to the Government's Economic Strategy.

6.2 **Financial** - The Lorn Arc TIF business case has secured the ability of the Council to borrow up to £18.89 million to take forward the Lorn Arc Programme. Approval of a budget to cover the start-up costs for this TIF Asset project is essential to enable a full business case to be produced to establish the viability of this project.

6.3 **Legal** - None.

6.4 **HR** - None.

6.5 **Equalities** - An equalities impact assessment has been undertaken as part of the Full Business Case process. The Lorn Arc programme will comply with the Council's equality and sustainability policies. This TIF project's full business case will include an equalities impact assessment and a sustainability assessment.

6.6 **Risk** - A risk assessment has been undertaken as part of the Lorn Arc full business case and a risk register forms an integral part of the Project Initiation Document (PID). The full business case for this project will include a project specific risk register.

6.7 **Customer Service** – None

Executive Director of Development and Infrastructure, Pippa Milne

Ellen Morton - Policy Lead Special Projects

For further information contact:

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