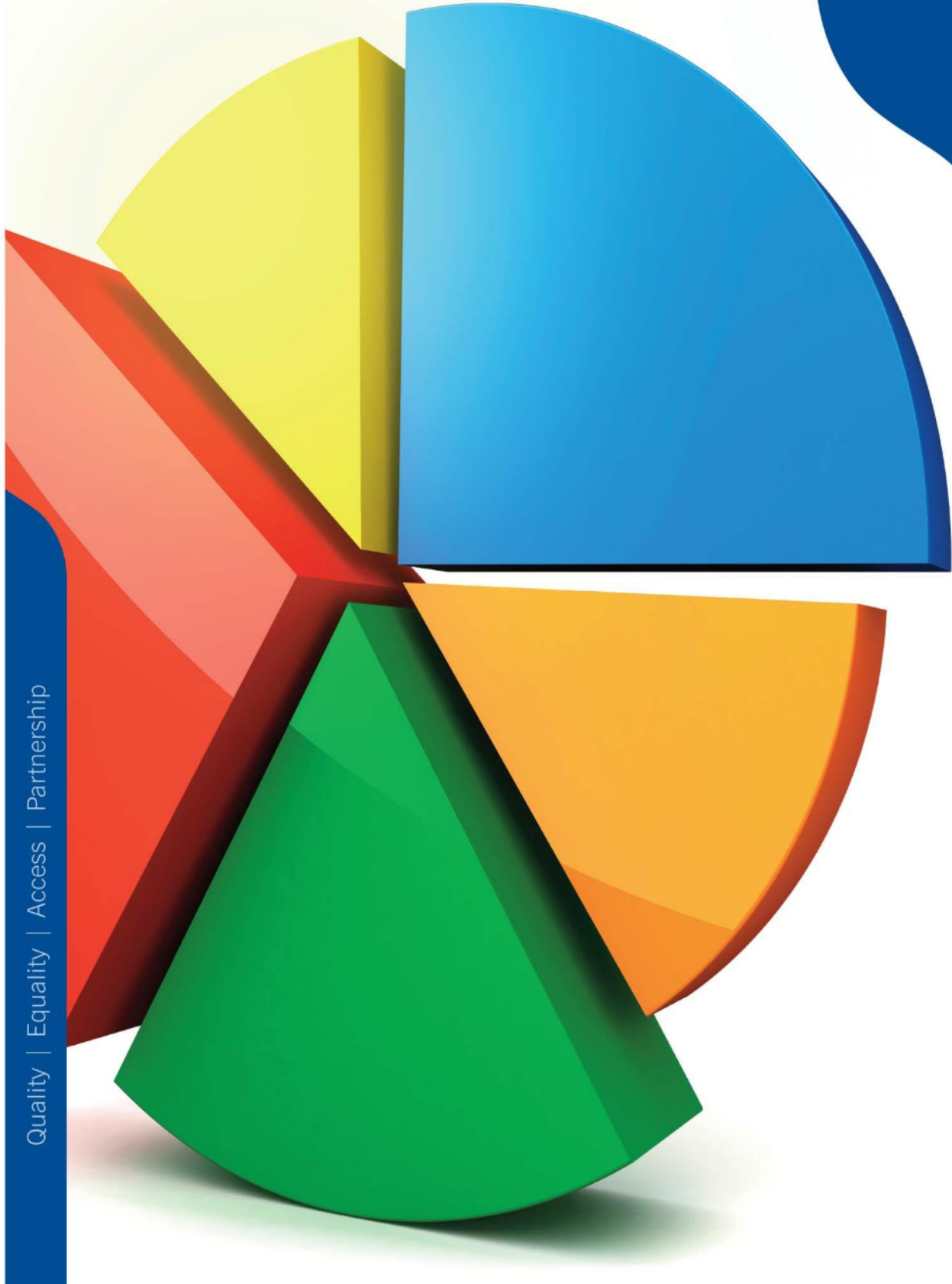




# East Ayrshire Performs

Summary Report

Period 4 2018/19 (to 22 July 2018)



Quality | Equality | Access | Partnership

**REVENUE**

Economy and Skills	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Education	92.068	(0.104)
Finance and ICT	8.255	(0.192)
Planning and Economic Development	5.031	(0.147)
Policy Planning and Performance Division	1.284	0.000
Central Management Support	1.554	0.000
<b>Total</b>	<b>108.192</b>	<b>(0.443)</b>

**Key Points:****Education**

The current variance assumes an online projection for schools and early years establishments ahead of the 2018/19 academic year.

Pupil Equity Funding (PEF) of £3.465m was received for 2018/19 (Year 2 PEF), to address the poverty related attainment gap and the projection assumes this will be fully spent by schools with carry forward permitted by the Scottish Government until the end of the academic year in June 2019.

The Council has also been allocated £3.763m of Scottish Attainment Challenge funding in 2018/19 and the service continues to monitor expenditure in relation to this area to ensure this funding is fully spent within the year.

**Finance and ICT**

The variance reflects the timing of filling vacancies pending a service review due this year.

**Planning and Economic Development**

The variance is mainly due to the timing of filling vacant posts and additional income anticipated in respect of Building Warrant fees which the service will continue to monitor.

Safer Communities	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Housing and Communities	15.259	0.189
Ayrshire Roads Alliance	6.425	(0.201)
Facilities and Property Management	25.101	0.059
Human Resources	1.847	0.001
Health and Safety	0.341	0.000
Transport Services	5.746	1.518
Central Management Support	0.335	0.014
Arms Length Organisations	4.574	0.000
Emergency Planning	0.074	0.000
SPT	2.148	(0.030)
<b>Total</b>	<b>61.850</b>	<b>1.550</b>

**Key Points:****Ayrshire Roads Alliance**

The variance reflects Strategic Delivery savings mainly due to vacant posts and additional income, partly offset by additional Local Delivery costs in respect of sub-contractors within Street Lighting and supplies and services, including insurance costs and increased salt costs.

**Transport Services**

It is currently anticipated that the service will outturn £1.518m greater than budget. This mainly reflects expenditure on Additional Support Needs Transport of £0.853m mainly due to increased demand and higher than anticipated contract inflation. Primary and Secondary Education Transport is anticipated to outturn £0.534m greater than budget mainly due to higher contract inflation. Depute Chief Executives are taking action to review existing arrangements to ensure that all awards for school transport are aligned to currently approved policies and will take management action to address any over provision where applicable. It is also anticipated that vehicle maintenance and fleet management costs will outturn £0.131m greater than budget due to additional vehicle tracking costs and reduced income, partly offset by computing and vehicle hire costs. The service is currently reviewing the Fleet Strategy which is anticipated to address some of these issues.

**Central Management Support**

The variance is mainly due to additional expenditure in a number of areas including recruitment advertising and employee counselling.

## Revenue

Wellbeing	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Children and Families	17.811	(0.222)
Outwith Placements	4.577	0.709
Justice Services	2.207	0.001
Alcohol and Drugs Support	0.187	0.000
Adult Support and Protection	0.190	0.000
Lead Partner - Standby Services	0.567	0.000
Learning Disabilities	14.000	0.269
Mental Health	2.786	0.012
Older People	34.431	0.444
Physical Disabilities	1.073	0.017
Sensory	0.186	(0.012)
Service Strategy	6.111	(0.256)
<b>Total</b>	<b>84.126</b>	<b>0.962</b>
Premises Costs	0.468	0.000
<b>Total</b>	<b>84.594</b>	<b>0.962</b>
Creditor to Integration Joint Board	0.000	0.000

## Revenue

### Key Points:

#### Outwith Placements

The variance reflects the most recent position reported to the Outwith Placement Screening Group on 7 August 2018 and relates to the cost of 22 external residential and education support placements.

#### Sensory

The minor variance reflects the timing of filling vacancies.

#### Service Strategy

The variance mainly reflects the timing of filling vacancies, maternity leave across the service and reduced expenditure in War Veterans costs.

Governance	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Governance	2.811	(0.104)
<b>Total</b>	<b>2.811</b>	<b>(0.104)</b>

### Key Points:

The variance is mainly due to the timing of filling vacancies and other minor variances across the service.

Central Services	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Chief Executive's Office (incl. Internal Audit)	0.689	(0.015)
Other Non-Service Related expenditure	4.708	(0.500)
Insurance	2.743	0.000
Debt Charges	17.607	0.000
Council Tax	(56.904)	0.000
HB/CT Benefit Subsidy	10.388	0.000
<b>Central Services</b>	<b>(20.769)</b>	<b>(0.515)</b>

**Key Points:****Chief Executive's Office**

The variance mainly relates to reduced employee costs within Internal Audit partly offset by Shared Fraud Service costs and specialist computer audit services provided by Glasgow City Council.

**Other Non-Service Related Expenditure**

The variance relates to a VAT refund following the outcome of a legal hearing which provided UK wide resolution in respect of a VAT overpayment in respect of fees and charges for the period 2006 to 2013.

Partnerships and Projects	Balance Brought Forward £m	Balance at 22 July 2018 £m
Economy and Skills	(8.186)	(7.889)
Safer Communities	(0.802)	(0.687)
Governance	(1.553)	(2.127)
<b>Total</b>	<b>(10.541)</b>	<b>(10.703)</b>

**Key Points:****Economy and Skills**

The balance predominantly relates to restoration bonds held in respect of Open Cast mining with work continuing to progress across various sites.

**Safer Communities**

The balance includes amounts held for Roads and Transportation including projects related to Tesco Kilmarnock (£0.255m) and culvert repairs on A77 (£0.170m). Facilities and Properties Management hold amounts for the Energy Efficiency Initiative (£0.157m) and Salix funding (£0.051m). Private Sector Empty Homes funding (£0.250m) and costs against the Dean Castle Country Park to be funded from HLF are also held within the overall amount.

**Governance**

The balance predominantly relates to funds received in respect of Whitelee Wind Farm with additional income received for Phase 2 in the period to date.

In Year Fund Transfers	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Proposed earmarked balances in year	0.315	(1.950)
Transfer to uncommitted GF	0.000	0.500
Proposed transfer to R & R Fund	0.000	0.000
<b>NET EXPENDITURE</b>	<b>236.993</b>	<b>0.000</b>

Funded by	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Aggregate External Finance	(227.368)	0.000
NHS Social Care Allocation (Share of £250m & £107m )	(8.845)	0.000
Transfer from Renewal & Repairs Fund	0.000	0.000
Utilisation of Previous Years Balances	(0.780)	0.000
<b>Total Funding</b>	<b>(236.993)</b>	<b>0.000</b>

Housing Revenue Account	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Expenditure	55.865	(1.011)
Income	(55.865)	(0.348)
<b>Net Expenditure</b>	<b>0.000</b>	<b>(1.359)</b>

**Key Points:****Housing Revenue Account**

The projected variance mainly relates to employee cost savings within HAS, debt charges and reduced use of sub-contractors. These are partially offset by additional expenditure on grounds maintenance and waste disposal, along with additional stores issues. Additional rental income is anticipated due to the timing of demolitions. Additional rent arrears are anticipated to be contained in within funding set aside for welfare reform changes. . The current projection assumes the requirement to utilise £1.564m of reserves to support the Housing Investment Programme within the year.

	Opening Balance £m	In year Movement £m	Current Projected Balance £m
<b>General Fund Balances (Unaudited)</b>			
Uncommitted	(13.205)	(0.434)	(13.639)
Committed General Fund Balance	(0.780)	0.780	0.000
Committed and Service-Related	(29.012)	1.569	(27.443)
Transformation Fund	(2.908)	0.000	(2.908)
<b>Total</b>	<b>(45.905)</b>	<b>1.915</b>	<b>(43.990)</b>
<b>HRA Balances</b>			
<b>Total</b>	<b>(13.049)</b>	0.204	<b>(12.845)</b>



# ALTERNATIVE DELIVERY MODELS

## Alternative Delivery Models

Ayrshire Roads Alliance - Consolidated Budget Revenue	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Strategic Delivery	4.000	(0.294)
Local Delivery - East Ayrshire	4.465	0.095
Local Delivery - South Ayrshire	5.081	0.119
<b>Total</b>	<b>13.546</b>	<b>(0.080)</b>

### Key Points:

#### STRATEGIC DELIVERY

This variance mainly reflects staff turnover savings due to vacant posts along with additional income and an anticipated saving on overtime costs. This is partly offset by additional consultancy and computing costs.

#### LOCAL DELIVERY – EAST AYRSHIRE

This variance mainly reflects additional staff costs, a contract price increase for salt and additional use of sub-contractors within Street Lighting.

#### LOCAL DELIVERY – SOUTH AYRSHIRE

This variance mainly reflects additional use of sub-contractors within Roads Maintenance Unit along with jetty repairs at Girvan Harbour. The projection also includes additional hire of vehicles related to winter gritting vehicles. Additional Supplies and Services costs reflect the purchase of parking machines, consultancy relating to Doonholm Road Junction improvements, computing costs and additional expenditure on roads maintenance materials. The variance is partly offset by additional income and reduced employee costs.

Capital Budget	Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
<b>East Ayrshire</b>			
Bridges	0.933	0.071	0.933
Roads Resurfacing	5.349	1.197	5.349
A70 Route Improvements (Glenbuck)	2.176	0.011	2.176
Footways Resurfacing	0.104	0.005	0.104
New Cumnock Flood Scheme	3.345	0.000	1.200
Street Lighting	0.258	0.088	0.258
Street Lighting LED	2.200	0.000	2.200
SPT Schemes	0.465	0.001	0.465
Cycling Walking & Safer Streets	0.166	0.004	0.166
EAC Roads General Projects	1.244	0.034	0.518
<b>Total - East Ayrshire</b>	<b>16.240</b>	<b>1.411</b>	<b>13.369</b>
Bridges	0.255	0.003	0.255
Roads Resurfacing	1.000	0.790	1.000
Strathclyde Partnership for Transport	0.260	0.020	0.260
SAC General Projects	0.821	0.070	0.821
<b>Total - South Ayrshire</b>	<b>2.336</b>	<b>0.883</b>	<b>2.336</b>
<b>Total</b>	<b>18.576</b>	<b>2.294</b>	<b>15.705</b>



## Key Points:

### CAPITAL – EAST AYRSHIRE

The contractor has been awarded the A70 Glenbuck scheme and work commenced in late July with the works programmed for completion in May 2019.

The New Cumnock flood scheme is nearing completion of phase 1 (Leggate) and phase 2 (Afton Water) is nearing tender stage. As the proposed scheme adjoins many properties along the Afton Water, the Council will use its powers under the Flood Risk Management Act to access land to construct these works should negotiations with the many land owners not be successful.

The £6m programme for road surfacing work commenced in early May and is anticipated to complete in Autumn 2018. The programme continues to progress well. To date 23km of the road network has been resurfaced at a cost of £2.100m and 1300 potholes have been repaired at a cost of £0.378m. At present the Ayrshire Roads Alliance has now addressed all the historic potholes and they are only dealing with current defects.

The contractor has been appointed to undertake the principal bridge inspection work on around 550 structures. Site work has already commenced and works are programmed to be completed in twelve months.

The slippage in the general projects relate to a number of schemes which are in development either to determine the scope of works or are currently in the design process.

### CAPITAL – SOUTH AYRSHIRE

Additional spend on externally funded projects will be reclaimed by South Ayrshire Council.

East Ayrshire Leisure Trust	Revised Annual Budget £m	Projected Variance (favourable) / adverse £m
Trust Chief Executive, People & Finance	1.041	(0.020)
Marketing and Development	0.283	(0.007)
Cultural	1.911	0.047
Countryside and Outdoor Activities	0.784	0.000
Sport and Fitness	0.510	(0.020)
<b>Net Expenditure</b>	<b>4.529</b>	<b>0.000</b>
Management Fee	(4.494)	0.000
Total	0.035	0.000
Net Transfer to / from Reserves	(0.035)	0.000
<b>Total after Transfer to Reserves</b>	<b>0.000</b>	<b>0.000</b>

## Key Points:

### Trust Chief Executive, People & Finance

The variance relates to the timing of filling vacancies.

### Marketing and Development

The variance reflects the timing of filling vacancies and reduced use of bank staff.

### Cultural

The variance reflects reduced income across Community venues/halls and additional employee costs in Performing Arts Venues and Community Venues and Libraries due to the timing of implementation of the service review. Additional expenditure for marketing Michael Morpurgo and lower than expected ticket sales of the Bricktropolis exhibition have also contributed. These income and expenditure variances have been offset by management savings across service areas to mitigate impact.

### Countryside and Outdoor Activities

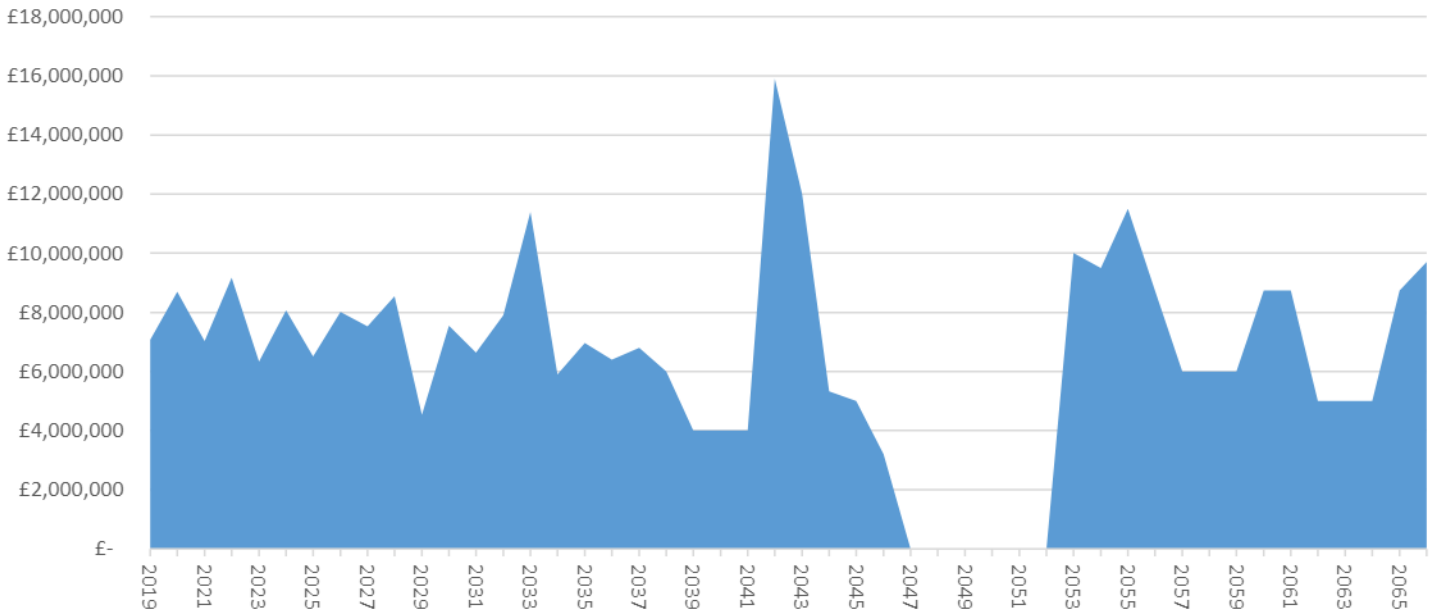
Work to install the sewage pipe at Annanhill Golf Course was due to complete by March 2018. This has been delayed and a contractor compensation claim is currently in process in respect of reduced season ticket income as a result. There are also savings due to the timing of filling vacancies as a result of Dean Castle being closed.

### **Sport and Fitness**

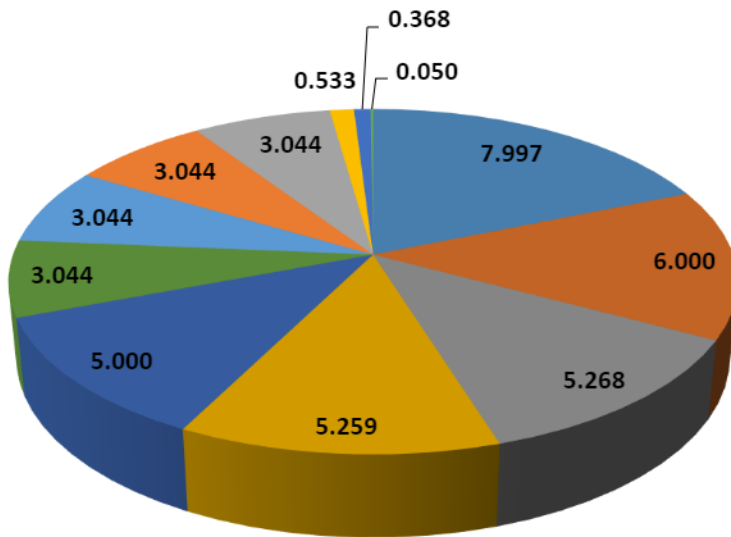
A shortfall in membership income is offset by the timing of filling vacancies throughout the service and the release of centrally held funds.

**TREASURY**

Maturity Profile of Loan Debt



Investments (£'m)



- UK Treasury Bills (7.997m)
- Santander (UK) PLC (6.000m)
- Bank of Scotland PLC (5.268m)
- Handelsbanken (5.259m)
- DZ Bank (5.000m)
- Standard Life Investment MMF (3.044m)
- Blackrock MMF (3.044m)
- Prime Federation MMF (3.044m)
- Goldman Sachs MMF (3.044m)
- Catrine Community Trust (0.533m)
- Hub South West Scotland Ltd (0.368m)
- Scottish Dark Sky Observatory (0.050m)

Key Points:

The Council had a total debt portfolio of £309.213m at the date of the report. 78.46% of this debt is with the Public Works Loan Board (PWLB), with the balance being loans with money market institutions. The average interest rate of all loans is 4.82%.

The Council had a total investment portfolio of £42.651m at the date of the report. This was invested across a range of counterparties as permitted within the Treasury Management Strategy. An average interest rate of 0.570% was being earned on these investments with 55.57% of the total investments placed "overnight" which essentially means instant access. The longest duration of the treasury investments is 3 months with DZ Bank. The Council has previously provided short term loan support to Catrine Community Trust and an update report on discussions with the Trust will be presented to Members in early course. The loan to the Scottish Dark Sky Observatory is backed by a personal guarantee. The Hub South West Scotland Ltd investment relates to subordinated debt in respect of the William McIlvanney project. This will be repaid over the duration of the contract with the final repayment in 2043.

# CAPITAL PROGRAMME

	Total Project Budget £m	Forecast Total Project Expenditure £m	2018/19 Budget £m	Forecast 2018/19 Expenditure £m	Project Progress / Risk
<b>Economy &amp; Skills</b>					
Barony Campus	68.000	68.000	29.840	29.840	5
Early Years 1140 Hours Programme	21.610	21.610	6.900	6.900	2
Galston Office Development	3.200	3.200	1.032	1.032	2
William McIlvanney Campus	2.564	3.100	0.126	0.655	7
Hurlford Primary Dining Facilities	4.120	4.220	0.000	0.086	6
Loudoun Academy	4.410	4.410	0.995	0.995	4
Logan Refurbishment	0.690	0.690	0.114	0.114	4
Stewarton Academy	15.675	15.675	1.011	1.011	4
Loanhead Primary & ECC	4.150	4.150	0.411	0.411	4
Nether Robertland Primary	1.850	1.850	0.000	0.000	1
Netherthird Primary	10.314	10.314	0.000	0.000	1
Hillhead Primary Refurbishment	0.450	0.450	0.000	0.000	1
Crosshouse Communication Centre	6.200	6.200	0.000	0.031	2
Dunlop Primary Extension & ECC	3.700	3.700	1.210	1.210	3
Riccarton ECC	0.400	0.400	0.115	0.115	6
Kilmaurs Primary School and ECC	1.600	1.600	0.599	0.599	1
Lainshaw Primary / ECC	0.500	0.500	0.413	0.413	2
Onthank Primary Toilet Refurbishment	0.400	0.400	0.400	0.400	2
Ingram Business Centre	4.800	4.957	0.058	0.058	7
Cumnock Town Centre Regeneration	5.988	5.923	2.550	2.464	5
Moorfield/Rowallan Industrial Units	7.450	7.450	2.369	1.220	5
Kilmarnock Town Centre Regeneration	5.000	5.000	0.500	0.000	0
1 Dunlop Street / 12 Strand Street	1.000	1.000	0.971	0.971	5
Halo	2.000	2.000	1.651	1.651	N/A
In Year General Projects	N/A	N/A	3.482	3.393	N/A

## Need to Know:

### Barony Campus

Construction works are progressing well on-site given the spell of good weather. Groundworks are on-going with foundations starting to be formed for sports block before moving round the site in sequential order finishing at the primary / ASN block. Works have also commenced on junction improvements to the south (Cumnock Academy) whilst the schools are on holiday. Works to the synthetic pitches and running track are also progressing well and it is anticipated these works will be completed by early 2019 as planned.

### Early Years 1140 Hours Programme

A phased programme of projects to deliver the requirements of 1140 hours of Early Learning and Childcare is currently being progressed. This includes new build projects at Netherthird, Nether Robertland and Kilmaurs along with a range of extension and refurbishment projects.

### St Sophia's Primary School

Further consultation of options in relation to St Sophia's Primary School is in progress and is anticipated to be reported back to Cabinet in September 2018.



**Bellsbank Primary School**

As previously noted, the additional capital grant funding from Scottish Government of approximately £1.450m, together with the balance of funding from the original project of £4.650m and after allowing for some value engineering of the original scheme, has been determined as sufficient to allow a contract to be awarded for the construction of a new school. Firm timescales have yet to be determined with the main contractor however it is anticipated that works could commence on site late 2018 / early 2019 with a 12 months construction programme to completion.

**Galston Office Facilities**

A public consultation event on options in relation to the proposed community facilities was held on 10 June 2018. Copies of the proposed options together with feedback forms have also been on display at the Galston Community Centre and Library for a number of weeks. Feedback from both events is currently being collated prior to final proposals being presented to Cabinet for approval.

**William McIlvanney Campus**

Works are on-going in relation to the demolition of the existing James Hamilton Academy and New Farm Primary which is anticipated to be completed by November 2018; with the works to form the additional car parking and sports pitches to commence shortly thereafter. It is currently anticipated that all works will be completed by April 2019 with the exception of the grass pitch which will be available later 2019. Off-site road works at McKeller Place drop-off and Grassyards Road junction improvement are now completed.

**Hurlford Primary School**

The Council external advisors have been following due contractual process in relation to agreeing a final valuation for the works. However as previously indicated there is a risk that the main contractor may seek to recover sums in excess of the current final valuation for the project. Legal services, in conjunction with Facilities and Property Management staff, are monitoring the situation which may include taking further action against the main contractor and / or external advisors.

**Loudoun Academy**

The next phase of works to replace high level brickwork together with improvements to the car park and elements of internal refurbishment are on-going and will be completed for the school returning after the summer break.

**Stewarton Academy**

Works in relation to the construction of the new synthetic pitch at Stewarton Academy commenced on site in July 2018 with a targeted completion October 2018. Designs are also being progressed in relation to new changing facilities. A master plan exploring the possibility of a connected campus between Stewarton Academy and Nether Robertland Primary as part of the wider proposals for the secondary school and possible future ECC and ASN requirements is also being developed.

**Loanhead Primary School**

Proposals for the extension of Loanhead Primary School to provide new dining facilities and an Early Childhood Centre have been agreed with key stakeholders. The Planning and Listed Building applications were lodged May 2018 with final determination anticipated shortly. All other works to allow a tender to be prepared is on-going.

**Netherthird Primary School**

Hub South West have been appointed to deliver the new stand-alone Early Childhood Centre based on the Council's own exemplar design and in conjunction with the Facilities and Property Management design team. Works are currently on-going with the main contractor to develop designs and it is currently anticipated that works could be completed by Summer 2019. A Master Plan incorporating designs for the new primary school are also currently being developed and will be brought forward at a later date.

**Crosshouse Communication Centre**

All alteration works to allow P5, 6 & 7 to be accommodated at the Crosshouse Community Centre, on a temporary basis have been completed. Initial feasibility designs have been prepared and were presented to the wider school community at a recent drop-in session receiving positive feedback. Designs are now being progressed for final approval.

**Dunlop Primary School**

Work is on-going to prepare the planning application which is will be submitted in August. Based on current timescales it is anticipated that works could commence on site summer 2019 however this will be dependent on finalisation of the more detailed programme of the works in consultation with all parties and also determining an appropriate solution to ensure the safety of staff and pupil which is likely to require decant.

**Cumnock Town Centre Regeneration**

Redevelopment works to construct a new Farmfoods store and speculative retail units for the Council commenced 21 February 2018. Works are progressing well on site with targeted completion November 2018.

	Total Project Budget £m	Forecast Total Project Expenditure £m	2018/19 Budget £m	Forecast 2018/19 Expenditure £m	Project Progress / Risk
<b>Safer Communities</b>					
Western Road Depot	4.400	4.400	2.378	2.378	5
Waste & Recycling Depot - South Area	5.300	5.300	0.000	0.100	2
CCTV Renewal	0.330	0.330	0.283	0.283	5
Gypsy Traveller Site	0.300	0.300	0.300	0.000	0
Lugar Office Site	0.350	0.350	0.345	0.000	N/A
Dalricket Landfill Site	1.000	1.000	0.916	0.850	N/A
Risk Management Centre Equipment	0.400	0.400	0.300	0.300	N/A
Energy Efficiency	4.445	4.445	0.565	0.565	N/A
Council House Building (SHIP)	85.922	86.041	36.744	36.744	N/A
Housing Investment Programme	N/A	N/A	16.912	18.120	N/A
Roads Projects	N/A	N/A	16.240	13.369	N/A
In Year General Projects	N/A	N/A	2.762	2.794	N/A
<b>Wellbeing</b>					
New Build Children's Home	1.500	1.500	1.500	0.000	0
H&SC Management System	0.700	0.700	0.700	0.700	N/A
North West Area Centre Reconfiguration	0.265	0.265	0.265	0.265	N/A
Telecare	N/A	N/A	0.150	0.150	N/A
<b>East Ayrshire Leisure</b>					
In Year General Projects	N/A	N/A	0.281	0.281	N/A

**Need to Know:****Depot Improvements**

Works to at the Western Road Depot have had to be temporarily stopped on site at the end of June due to complications with finalising agreements with Scottish Power to allow them access to carry out the works to enable the switch-over for the new sub-station. It is currently anticipated that the main contractor could return to site on 3 September. The implications of the delay in terms of overall programme and cost are currently being assessed and will be reported back to Cabinet through the next East Ayrshire Performs report.

### Waste & Recycling and Outdoor Amenities Centre

Phase 2 design work in relation to the refurbishment and renewal of the roof of the former bus garage is currently in progress. It is currently anticipated this work could be issued for tender November 2018, with a start on site early 2019. The remaining phase of work in respect of the refurbishment of the existing accommodation is also in progress and it is currently anticipated that tenders could be issue February / March 2019, with a start on site Summer 2019. Design works is also on-going for the final phase of the project to form the new waste recycling facility at Caponacre Industrial Estate. It is currently anticipated tenders could be issue February / March 2019, with a start on site Summer 2019.

### Energy Efficiency

A programme of energy efficiency projects approved by Cabinet on 20 April 2016 continue to developed and delivered.

### Dean Castle Country Park

**Dean Castle Parks for People** - The visitor / residential centre and education facility was handed over November 2017 with the Rural Life Centre handed over December 2017. It is currently anticipated that costs will exceed the available budget however it is anticipated that any overspend can be contained within the overall funding package for the entire works.

**Dean Castle Restoration Project** – Tender evaluation has been completed and a preferred bidder selected. Contractual details are currently being finalised and approval granted by co-funders Heritage Lottery Funding and Historic Environment Scotland to proceed. It is currently anticipated that construction could commence on site October 2018.

### Council House Build Programme

Works have now been completed at Barbieson Road, Dalrymple and the properties handover to the Council. The first phase of the new SHIP projects at Cessnock Road, Hurlford have also commenced on site. However SEPA continue to object to the planning application for Brown Street, Newmilns due to concerns with the flood risk assessment. Further discussions are on-going with SEPA to try and alleviate their concerns.

### Key

Project Risk



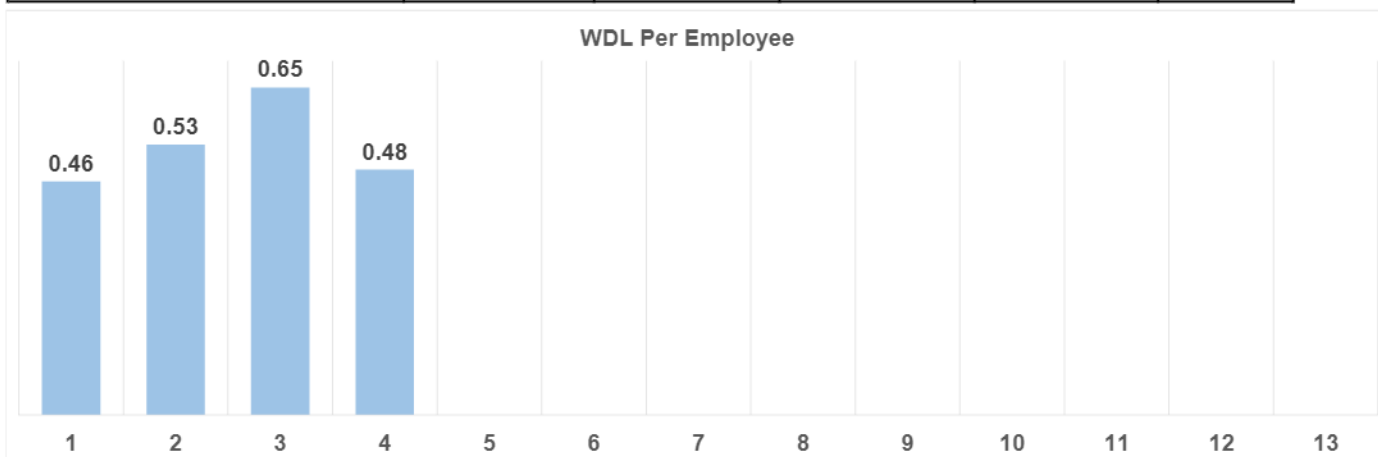
RIBA Plan of Work Stages

- 0 Strategic Design
- 1 Preparation and Brief
- 2 Concept Design
- 3 Developed Design
- 4 Technical Design
- 5 Construction
- 6 Handover and Close Out
- 7 In Use

**PEOPLE**

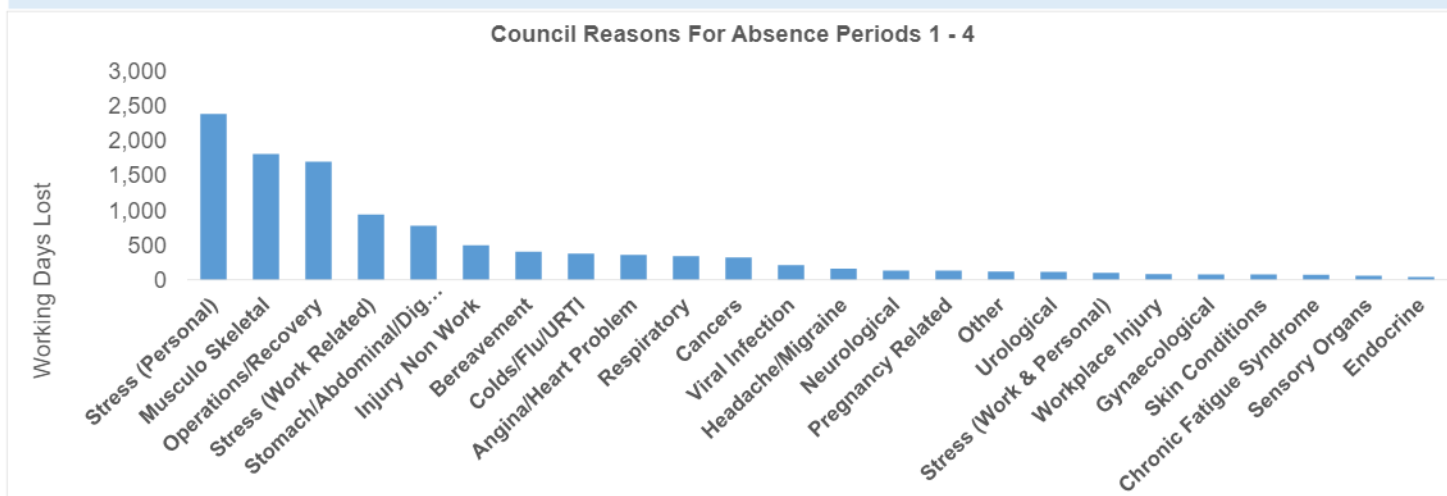


Service Groupings	Breakdown of Absence Statistics				
	Average Employee Headcount	Average Employee FTE Numbers	Employees Absent in Period	Work Days Lost (WDL, FTE)	WDL Per Employee
Chief Executive's Office	97	89	13	124	1.39
Economy and Skills	2,723	2,426	478	3,503	1.44
Health & Social Care Partnership	1,446	1,127	306	3,161	2.81
Safer Communities	1,940	1,644	458	4,460	2.71
<b>Total</b>	<b>6,205</b>	<b>5,287</b>	<b>1,255</b>	<b>11,248</b>	<b>2.13</b>
<b>Council Year to Date Totals</b>	<b>6,205</b>	<b>5,287</b>	<b>1,255</b>	<b>11,248</b>	<b>2.13</b>



**Key Points:**

Over the first 4 periods of 2018/19 the average number of employees within East Ayrshire Council was 6,205. When adjustments were made to take account of part-time workers the average number of Full Time Equivalent (FTE) employees was 5,287. There were 1,255 instances of absence over the period giving a total of 11,248 Working Days Lost (WDL).



**Key Points:**

Safer Communities had the most Work Days Lost due to sickness over the period with 4,460 days. The most frequent reason being Musculo/Skeletal. Health & SC Partnership had the highest ratio of Days Lost per employee followed by Safer Communities, Economy & Skills then Chief Executive's Office. In the Council, the top 5 reasons for absence were Stress Personal (2,389 days lost), Musculo Skeletal (1,815 days lost), Operations/Recovery (1,705 days lost), Stress Work (940 days lost) and Stomach/Abdominal (779 days lost).

Service Groupings	Short Term Absence (Periods 1 - 4)		
	1 day	2 days to 7 days	8 days to 1 month
Chief Executive's Office	6	7	2
Economy and Skills	190	259	145
Health & Social Care Partnership	108	126	112
Safer Communities	156	229	163
<b>Total</b>	<b>460</b>	<b>621</b>	<b>422</b>

Service Groupings	Long Term Absence (Periods 1 - 4)		
	1 month to 3 months	3 months to 6 months	Over 6 months
Chief Executive's Office	2	0	1
Economy and Skills	48	32	7
Health & Social Care Partnership	55	24	21
Safer Communities	66	24	23
<b>Total</b>	<b>171</b>	<b>80</b>	<b>52</b>

**Key Points:**

During the period 83% of all people absent were for less than 1 month (short term). The most frequent period of absence was in the category of 2 to 7 days.

Service Groupings	Absence Triggers (Periods 1 - 4)	
	Employees activating a Trigger	% of Employees activating a Trigger
Chief Executive's Office	6	6.2
Economy and Skills	242	8.9
Health & Social Care Partnership	196	13.6
Safer Communities	289	14.9
<b>Total</b>	<b>733</b>	<b>11.8</b>

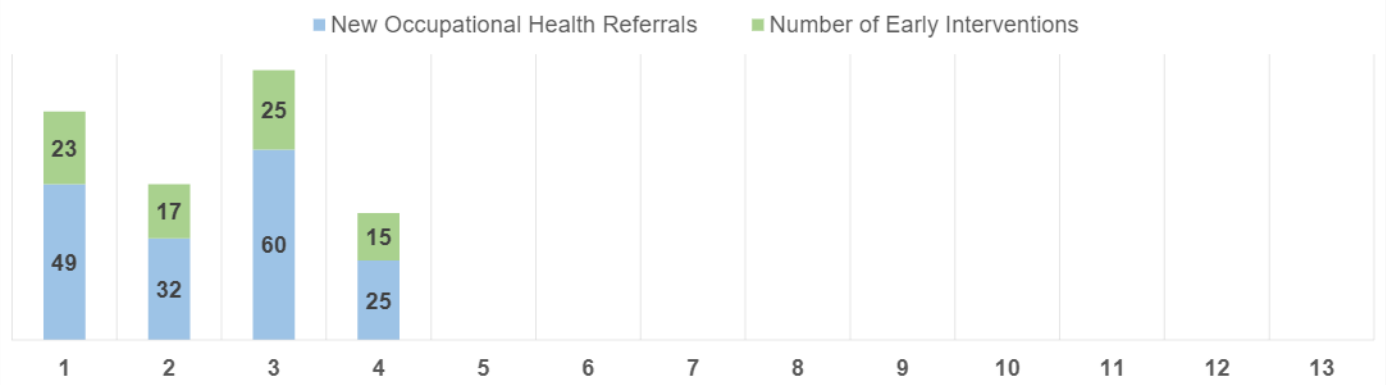
**Key Points:**

During the period there were 733 instances where an Absence Trigger was activated, most of these cases occurred within Safer Communities. As a percentage of the workforce, 11.8% of Council employees activated an Absence Trigger within the reporting period.

Service Groupings	Occupational Health Activity (Periods 1 - 4)	
	Number of New Occupational Health Referrals	Number of Early Interventions
Chief Executive's Office	2	0
Economy and Skills	62	6
Health & Social Care Partnership	62	29
Safer Communities	40	45
<b>Total</b>	<b>166</b>	<b>80</b>



**Occupational Health Activity**

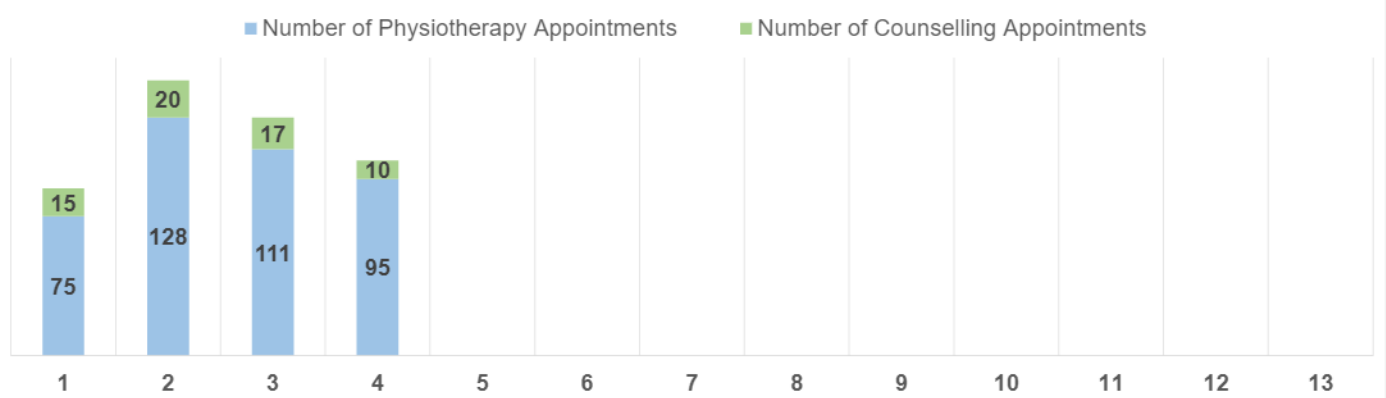


**Key Points:**

During the period there were 166 new referrals to the Occupational Health Service.

Service Groupings	Welfare Activity			
	Number of Physiotherapy Appointments (Periods 1 - 4)	Number of Physiotherapy Appointments year	Number of Counselling Appointments (Periods 1 - 4)	Number of Counselling Appointments year
Chief Executive's Office	3	3	1	1
Economy and Skills	63	63	16	16
Health & Social Care Partnership	127	127	22	22
Safer Communities	216	216	23	23
<b>Total</b>	<b>409</b>	<b>409</b>	<b>62</b>	<b>62</b>

**Welfare Activity**



**Key Points:**

During the period, 409 referrals were made with Physiotherapy and a further 62 appointments with the Counselling Service.

Service Groupings	Disciplinary Activity (Relating to Absence) Periods 1 - 4					Outcome still under consideration
	Verbal Warning	Written Warning	Final Warning	Dismissal	Other	
Chief Executive's Office	0	0	0	0	0	0
Economy and Skills	0	4	1	0	0	0
Health & Social Care Partnership	2	12	1	0	1	0
Safer Communities	4	7	0	0	1	0
<b>Total</b>	<b>6</b>	<b>23</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>

<b>Council Year to Date Totals</b>	<b>6</b>	<b>23</b>	<b>2</b>	<b>0</b>	<b>2</b>
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Service Groupings	Disciplinary Activity (Excluding Absence) Periods 1 - 4					Outcome still under consideration
	Verbal Warning	Written Warning	Final Warning	Dismissal	Other	
Chief Executive's Office	0	0	0	0	0	0
Economy and Skills	0	0	0	0	0	0
Health & Social Care Partnership	0	1	1	0	2	0
Safer Communities	1	5	3	1	3	0
<b>Total</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>0</b>

<b>Council Year to Date Totals</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>5</b>
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**Key Points:**

Overall during the period there were 50 Disciplinary Hearings. There was 1 Dismissal, 6 Final Written warnings, 29 Written Warnings and 7 Verbal Warnings.

Service Groupings	Grievance Activity Periods 1 - 4			
	On-going Case	Concluded at Stage 2	Concluded at Stage 3	Concluded at Stage 4
Chief Executive's Office	0	0	0	0
Economy and Skills	8	0	0	0
Health & Social Care Partnership	2	1	0	0
Safer Communities	0	0	0	0
<b>Total</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>

<b>Council Year to Date Totals</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>
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**Key Points:**

During the period there were 11 Grievances raised. The majority of these (10) are still ongoing, the other was concluded at Stage 2.

Service Groupings	New Employees and Leavers Periods 1 - 4		
	Number of New Employees	Number of Leavers	Number of Exit Interviews
Chief Executive's Office	0	3	0
Economy and Skills	33	42	25
Health & Social Care Partnership	20	24	1
Safer Communities	61	61	7
<b>Total</b>	<b>114</b>	<b>130</b>	<b>33</b>

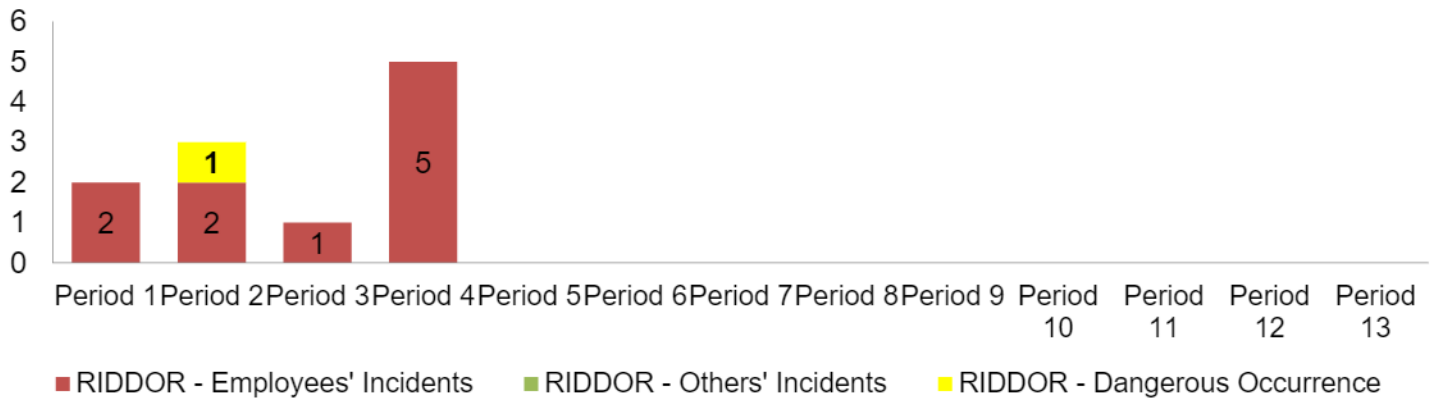
<b>Council Year to Date Totals</b>	<b>114</b>	<b>130</b>	<b>33</b>
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**Key Points:**

During the period the Council employed 114 new members of staff and there were 130 people who left the Council. Of the 130 leavers, 33 chose to complete an Exit Interview.

# HEALTH AND SAFETY

Reportable Incidents



RIDDOR - The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

Key Points:

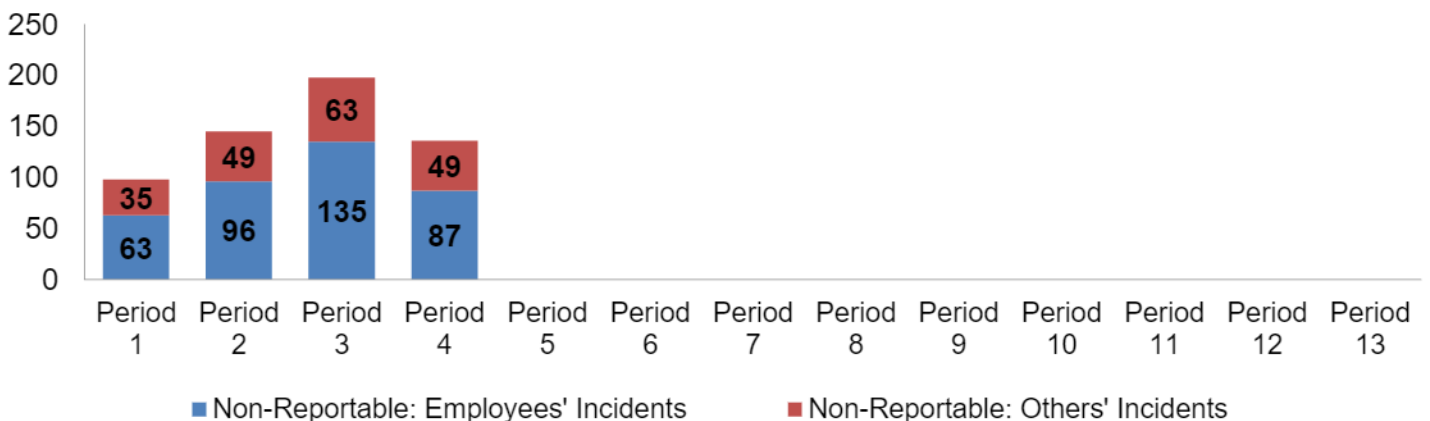
During Periods 1-4 (2018/19) there were a total of 588 incidents reported to the Health and Safety Team. This is an increase of 65 incidents when compared with 2017/18 where there were 523 incidents reported. Of the 588 incidents reported to the Health and Safety Team, 11 required to be reported to HSE in line with RIDDOR. This is an increase of 2 when compared to 2017/18 when there were 9 reported to HSE in line with RIDDOR.

The 'Causes' of the 11 incidents were: Slips-Trips-Falls x 4; Manual Handling x 3; Violence and Aggression x 1; Insufficient care and attention x 1; Operator Error x 1 and Dangerous Occurrence x 1.

The dangerous occurrence occurred at Crookedholm Garage on 21 May 2018 and involved oxy-acetylene gas welding equipment where the gas bypassed the safety valves and enter the oxygen hose where it combusted. No-one was injured as a result of the incident.

An investigation was carried out by Health and Safety, and the HSE and as a result internal procedures have been strengthened to ensure that there was no-reoccurrence. Procedures now include all workshop equipment records being reviewed monthly and signed; the introduction of equipment pre-use safety checks including sign-off sheet and all employees using gas welding and cutting equipment will undergo refresher training.

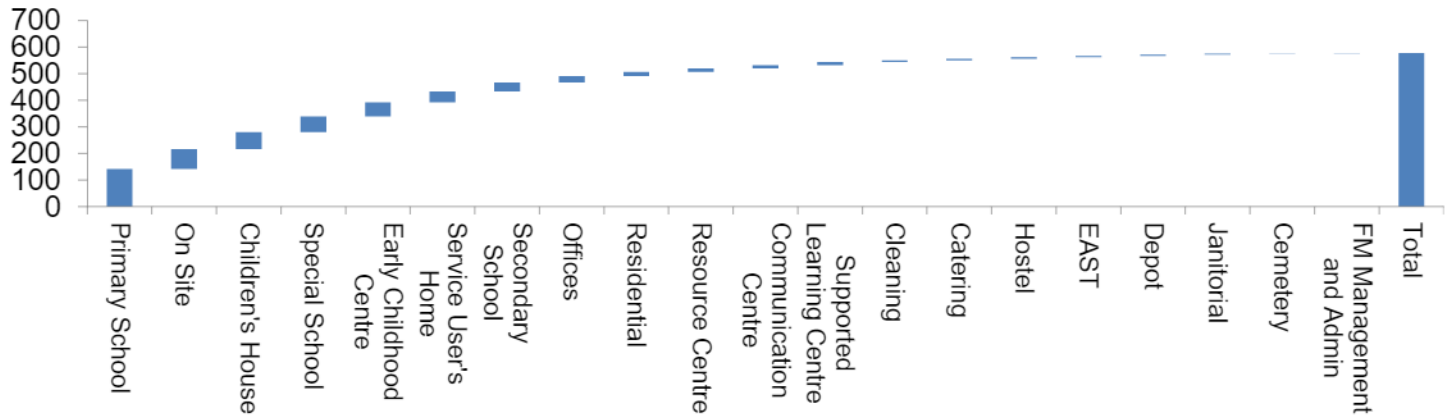
Non Reportable Incidents



Key Points:

Of the 577 'non-reportable' incidents reported to the Health and Safety Team in 2018/19 the 3 main 'Causes' were: Violence and Aggression x 330 (57%); Slips-Trips-Falls x 72 (13%); Sports and Activities x 34 (6%).

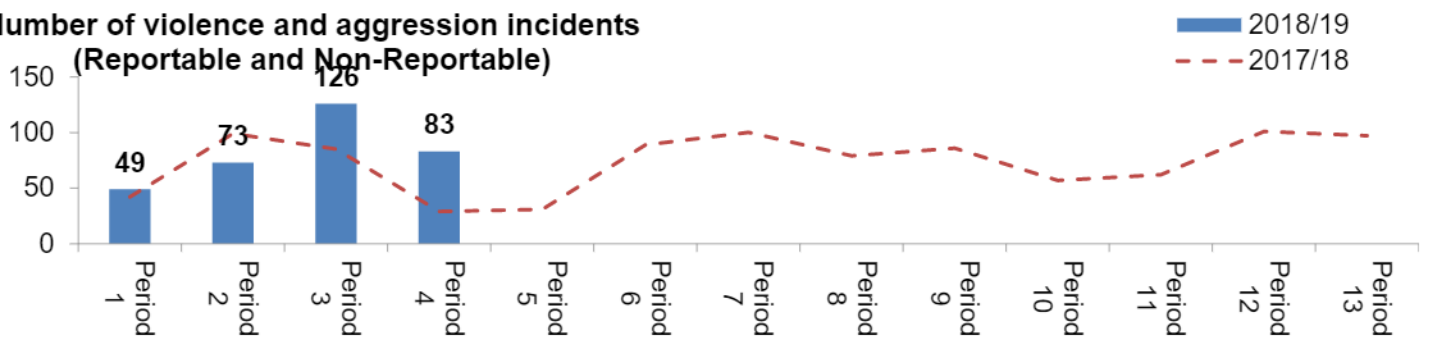
## Location of Non-Reportable Incidents (Periods 1 - 4 - 2018/19)



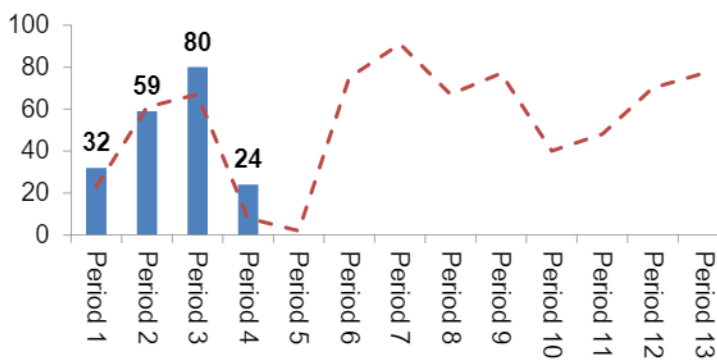
### Key Points:

A high percentage (61%) of non-reportable incidents occurred within Educational Establishments, including Special Schools and Additional Support Needs facilities.

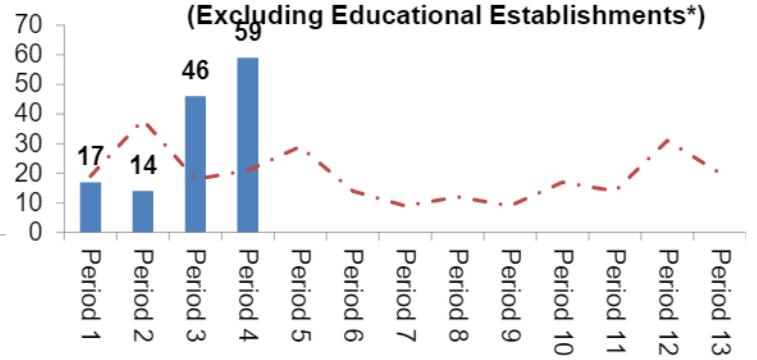
## Number of violence and aggression incidents (Reportable and Non-Reportable)



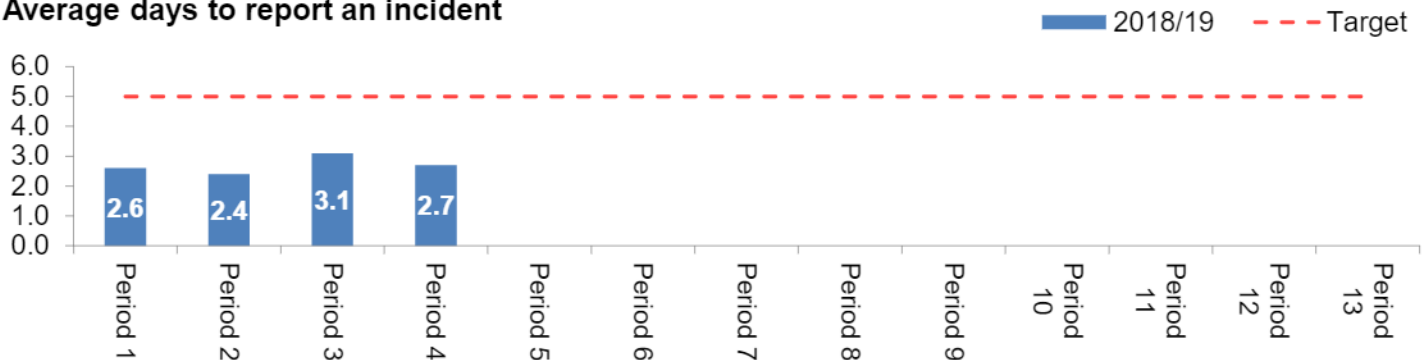
## Number of violence and aggression incidents (Educational Establishments\*)



## Number of violence and aggression incidents (Excluding Educational Establishments\*)



## Average days to report an incident



\* Educational Establishments includes early childhood centres, primary schools, secondary schools, special schools and ASN Facilities.

### Key Points:

During Periods 1 - 4 (2018/19) there were 331 incidents of Violence and Aggression, 1 of which required to be reported to HSE in line with RIDDOR. This is an increase of 76 incidents compared to Periods 1 - 4 (2017/18) when there were 255 incidents.

The average number of days to report an incident during Periods 1 - 4 (2018/19) was 2.7 days. This is an increase when compared with Periods 1 - 4 (2017/18) where the average number of days to report an incident was 2.6 days.

# Business Briefing



	Period	Target	Result	Status
<b>Economy and Skills</b>				
Average number of days to process a new benefit claim (days)	YTD June	19.5	21.9	
Average number of days taken to process a benefit change of circumstance (days)	YTD June	5.5	5.5	
Percentage of householder planning applications determined within target	June	80.0%	86.7%	
Building Warrants: Percentage of applications responded to within 15 days of being valid	June	90%	99%	
Town centre vacancy rate	Q1	12.0%	14.0%	
Number of exclusions incidents per 1,000 pupils (Primary)	2017/18	16.5	12.1	
Number of exclusions incidents per 1,000 pupils (Secondary)	2017/18	79.3	33.0	
Number of exclusions incidents per 1,000 pupils (Special)	2017/18	37.8	37.3	

## Key Points:

### Benefits Processing

At June 2018, the average number of days to process a new claim (21.9 days) is above the YTD target of 19.5 days. East Ayrshire Council now has Universal Credit in place, which means that very few new benefit claims can now be accepted by us. For this period there were 82 new claims compared with 673 at the same time last year. As this indicator takes into account any delays, including customers providing information, even one or two customers delaying causes a significant increase to the indicator. In addition, the caseload that we still accept are those with complex information which again will lengthen the time taken to process. Recognising that the context for this indicator has changed, a review of the indicator and target will now be undertaken.

The average time to process a change of circumstance as at June 2018 is 5.5 days, which is line with the YTD target set. The trend for the last few months has shown that the indicator remains on track to meet the full year target of 5.5 days.

### Householder Planning Applications

Performance levels have remained consistently higher than target during the last two years. These figures will be revised, and are set to improve further, following a Scottish Government audit. This will take into consideration those applications which are subject to processing agreements and 'stop the clock' regulations.

### Building Warrants

The service has consistently achieved its target in this area every month since November 2016. Performance at June 2018 reflects 99% of applications for building warrants responded to within 15 days of being valid, which is higher than target (90%) and higher than performance reported at June 2017 (96%).

### Town Centre Vacancy Rate

The town centre vacancy rate has remained stagnant since the last quarter. While new businesses are continuing to set up in the town centre, this is countered by the closure of a number of retail businesses such as Game Centre.

## School Exclusions

Exclusions in primary schools have decreased from 21.9 per 1,000 pupils in 2016/17 to 12.1 per 1,000 pupils in 2017/18 and are lower than the annual target of 16.5 per 1,000 pupils. Exclusion data for 2017/18 indicates that 9 pupils account for over half of all exclusions in the sector and that 7 of those pupils had 'social, emotional and behavioural difficulty' as a recorded additional support need. The 7 identified pupils all have support plans in place and receive extensive supports through Education. This includes adjustments to their curriculum, classroom assistant support, access to Nurture provision and services such as Community practitioners and Home Link Workers who also support their families. Other agencies are also involved in most cases, including Child and Adolescent Mental Health Services and Social Work.

One of the pupils has now left our authority. The remaining six will still be subject to extensive supports on their return to school.

Exclusions in secondary schools have decreased from 73.4 per 1,000 pupils in 2016/17 to 33.0 per 1,000 pupils in 2017/18 and are lower than the annual target of 79.3 per 1,000 pupils. The majority of secondary schools in East Ayrshire maintained a significantly reduced number of exclusions, resulting in a lower level rate of secondary school exclusions per 1,000 pupils.

Exclusions in special schools increased from 30.2 per 1,000 pupils in 2016/17 to 37.3 per 1,000 pupils in 2017/18, although in line with the annual target of 37.8 per 1,000 pupils. In total, 11 exclusions were reported in special schools during 2017/18.

A multi-agency approach and robust tracking, monitoring, reporting and follow up by the Education Service has facilitated a reduction in pupil exclusions. In addition, a range of activity is being implemented to support improved performance, including the introduction of Scottish Attainment Challenge funded inclusion hubs, with input from Psychological Services. Further to the results recorded in 2017/18, a review of targets in relation to pupil exclusions is currently being taken forward.

	Period	Target	Result	Status
<b>Safer Communities</b>				
The percentage of the highest paid 5% of employees who are women	2017/18	45%	52.1%	
Average number of days to re-let not low demand stock	Period 4	32	30	
Average number of days taken to re-let low demand stock	Period 4	95	105.4	
Number of void properties excluding those voids to be demolished	Period 4	400	234	
Current tenant arrears as a percentage of the net amount of rent due in the year	Period 4	10%	7.3%	
Gross rent arrears as a percentage of rent due	Period 4	5%	8.1%	
Rent collected as percentage of total rent due in reporting year	Period 4	96%	94.3%	

## Key Points:

### Highest paid 5% of employees who are women

The percentage of the highest paid 5% of employees who are women in East Ayrshire was 52.1% in 2017/18. In East Ayrshire, performance has consistently increased year-on-year from 2010/11 in respect of this indicator, from 40.4% in 2010/11 to 52.1% in 2017/18 (an increase of 11.7% over the 7-year period). Over the last year, performance has improved from 51.0% in 2016/17.

**Re-lets and Voids**

The average number of days taken to re-let not low demand stock is currently 30 days, compared with 38.6 days at Period 4 2017/18. For low demand stock, the average number of days taken to re-let is currently 105.4 days compared with 142.3 days at Period 4 2017/18. Low demand is particularly prevalent in the rural settlements and communities in the south of the authority. This level of low demand has resulted in a high number of void properties.

Low demand and void properties are being considered as part of a Housing Asset Management Framework (HAMF). Many long-term voids have been brought back into the letting pool as a direct result of the HAMF, which although impacts on re-let performance, generates rental income for the Council. For example, in Period 4 a property in Dalmellington was let after being empty for almost 4 years. The HAMF was developed taking cognisance of the existing Housing Need and Demand Assessment and Local Housing Strategy to ensure that East Ayrshire's housing stock meets the present and future needs of tenants, sustainability of tenancies is improved and that the best use of resources is made. It is anticipated that the number of voids will reduce as a result of the HAMF.

**Arrears**

Gross rent arrears performance is currently 8.1% at Period 4 compared with 6.45% at Period 4 2017/18. It should be noted that gross rent arrears includes former tenant arrears and write-offs. When compared to current tenant arrears, performance is currently 7.3% at Period 4 compared with 4.8% at Period 4 2017/18. Universal Credit has now been fully implemented in East Ayrshire and although current arrears have increased since last year, current performance is still within the target of 10%.

	Period	Target	Result	Status
<b>Wellbeing</b>				
Hospital discharge (over 2 weeks) as at the end of the month	May	0	0	
Delayed discharge bed days	May	490	463	
Number of Looked After Children and Young People	July	Reduce	393	

**Key Points:**

**Delayed Discharges**

The number of people who remain in hospital when assessed as fit to be more appropriately supported in another setting (known as 'delayed discharges') for over 2 weeks has been maintained at zero in April and May of 2018/19.

In the first quarter of 2018/19, we have seen some pressure on hospital occupied bed days for our residents. 'Winter pressure' impacts were experienced later and have had some knock-on consequences in managing discharge compared with last year. We continue to deliver positive performance. For the first two months of 2018/19, the monthly average total bed days is 463, compared with 414 for the same period last year. Complex discharges (known as 'Code 9' delays), which have been a focus for our improvement action, have reduced from an average of 317 bed days per month to 252 in the most recent reporting period.

**Number of Children and Young People Looked After**

Over the course of 2018/19, to date, the long-term reduction in the number of children looked after has been maintained. National statistics show a total of 463 looked after and accommodated children and young people in East Ayrshire at the end of the academic year 2016. As at July 2018 there were 393 looked after children and young people. This is associated with the partnership working and asset-based ways of working in relation to prevention and early intervention.

# COMPLAINTS



	Complaints Received (1 April to 22 July)			
	Dealt with Under Stage 1 only	Dealt with Under Stage 2 only	Dealt with Under Stage 1 then Stage 2	Number of complaints
Economy and Skills	10	3	2	15
Governance	0	1	0	1
Safer Communities	24	3	5	32
Cross Department	0	0	0	0
<b>East Ayrshire Council</b>	<b>34</b>	<b>7</b>	<b>7</b>	<b>48</b>

### Key Points:

During the reporting period, a total of 48 complaints were dealt with. As at 22 July 2018, 44 of these complaints were closed with a full response given, 1 complaint was withdrawn by the complainant and 3 complaints remained open. This compares with 41 complaints that were dealt with during the same period in 2017/18.

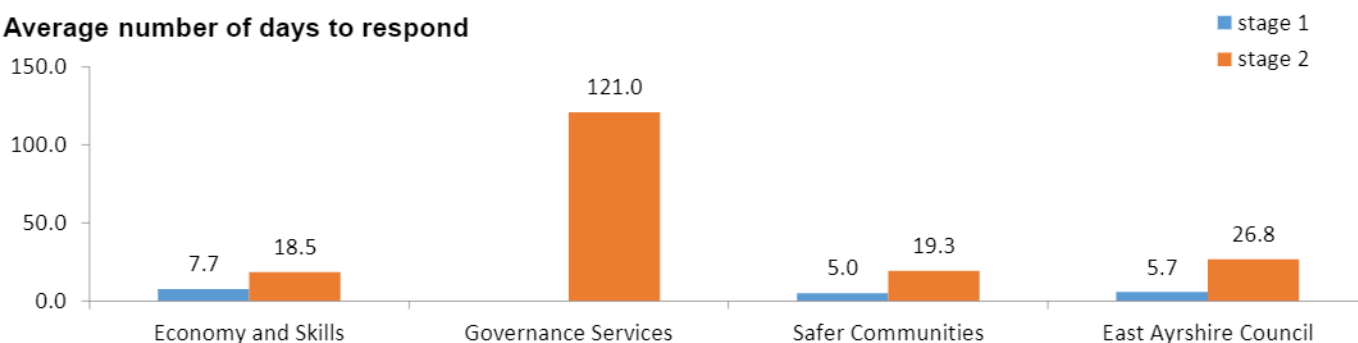
Of the 44 complaints closed, 31 were dealt with at Stage 1 of the Complaints Handling Procedure, 6 complaints were dealt with at Stage 2 and 7 complaints were dealt with at both Stage 1 and 2.

The Governance complaint arose from the proposed sale of ground adjacent to the former Galston Primary School. Matters were extremely complex with efforts to identify an outcome which would also result in the refurbishment of the former school and contributed to a significant delay in issuing a response.

	Complaints Closed (1 April to 22 July)				
	Number Closed	Number Closed Within Time	Average Days to Respond	Upheld in Full	Partially Upheld
Stage 1 Complaints	38*	33 (86.8%)	5.7	13 (34.2%)	6 (15.8%)
Stage 2 Complaints	13*	12 (92.3%)	26.8	2 (15.4%)	4 (30.8%)

\* denotes the total number of complaints closed which includes complaints dealt with at both Stage 1 and 2.

### Average number of days to respond



### Key Points:

The average number of days to respond to a Stage 1 complaint was 5.7 days for the reporting period, while the average number of days to respond to a Stage 2 complaint was 26.8 days. This compares with 5.5 days for Stage 1 and 19.4 days for Stage 2 complaints reported for the same period in 2017/18.

# RISKS



Risk No.	Risk	Risk Owner	Overall Risk
1a	<p><b>Economic climate</b> - The level of grant funding available in the future will not support existing service levels.</p>	<p><b>Depute Chief Executive and Chief Financial Officer Economy and Skills</b></p>	<p>We consider the overall risk rating to be High as there remains significant uncertainty within the United Kingdom as to the longer term impact of the Comprehensive Spending Review, recent Budget announcements and the ongoing austerity measures.</p> <p><i>Projections included in the Transformation Strategy Update Report (2014), anticipated a balanced budget by 2017 following the rephasing of a number of savings, and assuming the delivery of all previously approved efficiencies and workstreams. The SG policy to maintain teacher numbers and the pupil / teacher ratio at September 2014 Census levels continues to adversely impact on the savings previously approved by Council or alternatively on the level of grant received from the SG. Reviews of existing structures / financial controls / service delivery models are ongoing to maintain strong financial management across the Council. Officers continue to analyse budget announcements, economic forecasts and demographic projections to ascertain the local impact of these. The Transformation Plan Strategic Board meets regularly to challenge progress being made in delivery of the programme and ensure anticipated savings are delivered.</i></p> <p><i>A one year Local Government settlement was announced in December 2016, and following the Parliamentary process confirmation of the impact on EAC funding was finalised in February 2017. The final position for 2017/18 was a balanced budget with a projected draw from reserves of £1.494m.</i></p> <p><i>Work on Transformation Strategy 2 has commenced and report to Cabinet on 25 October 2017 outlined, for planning purposes, a projected budget gap of £55.5m by 2021, although the uncertainties are such that a wider range of projections were prepared. The worst case scenario shown in the modelling was a gap of £90.1m by 2021. The SG budget settlement was announced on 14 December 2017 and the 2018/19 budget report agreed at Council on 22 February 2018 approved a balanced budget for 2018/19 and no draw on the Council's uncommitted general fund balance. The Transformation Strategy Report was presented to Elected Members in June 2018 identifying an anticipated budget gap of £32m along with specific corporate workstreams to facilitate closing the budget gap. The Transformation Team is meeting with Heads of Service to support and facilitate the achievement of service redesign and achieve the required anticipated savings.</i></p>
			Red
1b	<p><b>Economic climate</b> - The current economic position will have an impact on the income collected by the council</p>	<p><b>Depute Chief Executive and Chief Financial Officer Economy and Skills</b></p>	<p>We consider the overall risk at present to be High as continuing reforms to benefits, and job losses in the area, could have a severe impact across Council services.</p> <p><i>The anticipated downturn has been reflected in Council budgets with income and bad debt budgets critically reviewed and realigned. The anticipated impact of welfare reform is being monitored on an ongoing basis. The previously expected increase in bad debt provision, caused by the impact of under occupancy and universal credit is not currently required. Universal Credit full service launched in East Ayrshire in October 2017 and while it is still early days, evidence from other areas indicates that there is a significant risk for increased rent arrears. This is being kept under close review locally, with policies, processes and procedures being updated to mitigate as far as possible the anticipated impact of UC. A joint report was prepared by the DCE's of Economy and Skills and Safer Communities detailing the current position particularly in relation to the impact arising from the implementation of UC Full Service. UC project team report will be considered at Cabinet on 22 August 2018 with the report setting out the significant support that will be provided to our communities from the proposal to enhance the Project team pilot from 2 staff to 7.</i></p>
			Red

Risk No.	Risk	Risk Owner	Overall Risk
1c	<p><b>Economic climate</b> - The local economic position will have a direct impact on the residents of East Ayrshire and their demand for council services.</p>	<p><b>Depute Chief Executive and Chief Financial Officer Economy and Skills</b></p>	<p>We consider the overall risk to be High as recent and imminent reforms to benefits, and job losses in the area will have a severe impact on residents and indeed across Council services. <i>Welfare Reform is having an acute impact on East Ayrshire residents. Work is progressing to ensure support mechanisms are in place through Financial Inclusion and other appropriate services including CAB. CAB have moved office to allow some capacity issues to be addressed, and these new offices are now fully operational. Officers from social services, housing, finance, economic development, communications, DWP and CAB meet regularly to plan appropriate responses to welfare reform in terms of service delivery. Changes to Discretionary Housing Payments regulations have enabled additional payments to be awarded to those tenants affected by under occupancy and who apply for the payments, and is mitigating against potential rent arrears. Benefits sanctions are continuing to have an adverse impact on a range of individuals. Funding was identified, targeted at vulnerable individuals who rely on food banks and suffer fuel poverty, and continuing funding for CAB to support individuals impacted by welfare reform. A report to Cabinet on 31 May 2017 approved the extension of this funding to 31 March 2018. The revised Benefit Cap came into force on 7 November 2016 and is having an adverse impact across a number of households. A total of 103 households were capped as of 30 September, impacting on 363 children. The annual total value of benefit payments not now being paid as a result of the cap is £0.213m. An appropriate and flexible response to the roll out of UCFS in East Ayrshire is in place and remains under close review as claimant numbers increase. The Grants Committee at its meeting of 15 March 2018 agreed a further detailed review of the funding mechanism for those individual community and voluntary sector projects that were recipients of Grants Committee funding would be undertaken as part of the Transformation Strategy with the continuation of additional funding to CAB for 2018/19 through the Welfare Reform Grant as approved by Council on 22 February 2018 as part of the Revenue Budget. In addition the actions contained in the Universal Credit Project Team report being presented to Cabinet in August will detail the support that will be wrapped around those in our communities who will be impacted by Universal Credit and changes to the wider benefits system.</i></p> <p style="text-align: center;">Red</p>
2a	<p><b>Financial Risk</b> - The UK leaving the European Union will have an impact on the local economy and the Council's financial position</p>	<p><b>Depute Chief Executive and Chief Financial Officer Economy and Skills</b></p>	<p>We consider the overall risk to be High, as there are uncertainties around the impacts that leaving the EU will have. The potential loss of funding, impact on economic conditions including growth, inflation, borrowing costs, and the potential for further changes to local government funding all present a significant financial risk to the Council and the local economy, including the number of public and private sector jobs. <i>Close contact is being maintained across government to understand mechanisms and processes. A close overview of EU funded projects is being maintained, particularly around Employability programmes to establish the potential impacts on the Council. The impact on borrowing costs has not yet materialised, although affordability of the capital programme remains under constant and detailed scrutiny. Transformation Strategy 2 will require to take account of this changing landscape. The Ayrshire Growth Deal (AGD) may provide some mitigation in terms of the economic impact. COSLA are coordinating work that assesses the impacts, including employability, funding, procurement, economic impacts, local democratic accountability and other local issues. The East Ayrshire Community Planning Partnership (EACPP), has arranged for the Minister for UK Negotiations on Scotland's Place in Europe to meet with the group to discuss the current thinking linked to the implications of Brexit. The EACPP has extended invitations to both the North Ayrshire CPP South Ayrshire CPP and the meeting will take place after the Council recess. The Scottish Government had a local event for non-UK citizens to provide advice and seek local views on the implications of Brexit and as a council we will continue to work and support all citizens and companies who have raised concerns about the impact Brexit may have on them.</i></p> <p style="text-align: center;">Red</p>
2b	<p><b>Financial Risk</b> - Equal Pay, Equal Value and Holiday Pay Claims could have a significant financial impact on the Council</p>	<p><b>Depute Chief Executive Safer Communities</b></p>	<p>We consider the overall risk to be High as there remains an element of uncertainty in respect of the total expected cost of resolving these, and potential future claims. A reasonable provision has been identified to fund claims which are being managed by the Council with its external advisers. Significant progress has been made in settling first wave claims and settlement discussions are ongoing to resolve second wave claims. <i>The 2017/18 year end position is currently the subject of external audit scrutiny with Deloitte reviewing the level and appropriateness of the provision currently held by the Council.</i></p> <p style="text-align: center;">Red</p>

Risk No.	Risk	Risk Owner	Overall Risk
3	<b>Financial Risk</b> – Certain Liabilities in relation to opencast coal sites may fall to the Council to resolve	<b>Depute Chief Executive and Chief Financial Officer Economy and Skills</b>	<p>As at February 2018, the Council has implemented restoration programmes for Dunstonhill; Netherton; Skares; Ponesk and Spireslack and has contributed to the restoration of Powharnal and Dalfad which is being carried out by Mines Restoration Limited on behalf of the Scottish Government in response to the threatened EU Infraction proceedings. The Council also continues to work with the owner/operators of the last current sites at Greenburn; House of Water; Chalmerston and Duncanziemere to deliver effective restorations solutions for each of those sites. Finally, the Council has also set aside funding to support the restoration required at Grievehill and Garleffan and will be taking this forward with the adjacent landowners in early course. This should be the last Council led restoration project for all of the opencast sites which were previously affected by the liquidation in April 2013 of Scottish Coal and ATH.</p> <p style="text-align: center;">Amber</p>
4	<b>Health and Safety</b> - implementation of arrangements fails to adequately address risk.	<b>Depute Chief Executive Safer Communities</b>	<p>The overall risk is Medium recognising that there has been an increase in focus on Health and Safety. Failure in this area would have significant consequences for employees, service users and the Council.</p> <p><i>We have arrangements in place to manage health and safety across the Council which are kept under review. The Chief Executive's Health and Safety Strategy Group, which includes Trade Union representation, continues to keep under review both policy, and relevant and related operational matters. Regular Safety Flashes and Bulletins continue to be issued to ensure awareness across the organisation of key Health and Safety issues. Focussing specifically on violence and aggression, which remains the most frequent type of incident reported, an external company, accredited under the Crisis Prevention Institute (CPI), has been appointed to provide crisis intervention training across all Council departments, with the exception of Children's Houses which have their own training arrangements under Therapeutic Crisis Intervention. A range of Health and Safety standards have been updated in recent months, including risk assessments and lone working. The penalty regime in terms of penalties, fines and sanctions that Health and Safety breaches can result in are becoming increasingly punitive (per recent decisions) in line with recent changes to the position in England and Wales.</i></p> <p style="text-align: center;">Amber</p>
5	<b>Scottish Child Abuse Inquiry</b> - resource requirements on the Council could, and potential financial risk depending on claims made against the Council	<b>Director of Health and Social Care</b>	<p>The overall risk is currently assessed as Medium. The inquiry has recently started taking evidence and is likely to require significant volumes of information to be submitted. It can also be anticipated that historic claims for damages will be submitted, with the current insurance arrangements likely to be challenged.</p> <p><i>An inquiry preparation group has been put in place and is populated with officers from across the Council, NHS and HSCP. This group will consider how records can be produced and managed appropriately taking into account the many legal considerations. A communications plan and staff briefings will seek to ensure progress with the inquiry and any associated implications are appropriately shared, and reputational risk considered accordingly. Requests for information are now being received by the Council and these are being actioned. The Council has received requests for information linked to the inquiry and these requests are in the process of being actioned. Given that the inquiry is at information gathering stage then the Council continues to maintain a watching brief on progress and will assess any potential financial implications as matters develop further including any national guidance issued by Audit Scotland to local auditors in terms of recognition of liabilities.</i></p> <p style="text-align: center;">Amber</p>



Risk No.	Risk	Risk Owner	Overall Risk
6	<p><b>Protection of Children and Vulnerable Adults</b> - individuals are not adequately protected.</p>	<p><b>Director of Health and Social Care</b></p>	<p>The overall risk is Medium - the impact for individuals could be severe and would adversely impact on the Council's reputation.</p> <p><i>The Chief Officer's Group (Public Protection) retains a strategic overview of child protection, adult protection, MAPPAs and violence against women activity and developments. The Child Protection Committee, Adult Protection Committee, South West Scotland Strategic Oversight Group (MAPPAs) and the Violence Against Women Partnership are all in place, and have responsibility for strategic planning, continuous improvement/development, workforce development and public information / engagement. These partnerships report directly and regularly to the Chief Officer's Group. Independent Chairs are now in post for the Child Protection Committee and Adult Protection Committee, and this will create opportunities to further improve our governance and accountability arrangements.</i></p> <p><i>The Joint Inspection of Children and Young People's Services reported in March 2018 and found that "as part of public protection arrangements, clear and effective governance arrangements were in place". The report highlighted "a strong, coherent planning structure, with clear lines of accountability", noting that "The multi-agency structures driving these processes were effective and all relevant services were meaningfully involved."</i></p> <p style="text-align: right;">Amber</p>
7	<p><b>Fraud and misappropriation of council resources</b> - the Council is faced with financial loss through fraudulent activities.</p>	<p><b>Depute Chief Executive and Chief Financial Officer Economy and Skills</b></p>	<p>The overall risk continues to be Medium as the nature of the activity is such that new attacks are increasingly likely.</p> <p><i>Enhanced procedures are in place to prevent and detect fraud, information received from colleagues in other areas and anti-fraud networks is assessed as received. This includes participation since June 2014 in a scheme hosted by the National Anti-Fraud Network (NAFN) to deter attacks on creditor systems through NAFN as a co-ordinating reporting point with the banks, with the objective of closing down recipient bank accounts used by potential or actual fraudsters. The Head of Finance and ICT chairs a Strategic Anti-Fraud Steering Group which is reviewing and ensuring a corporate approach is taken. Close liaison is being maintained with Police Scotland with regular meetings and ongoing communication with Internal Audit, including consideration of a number of live cases. The Council continues to engage with NAFN to maximise the opportunities to benefit from our membership. Corporate fraud investigations continue to be supported via the partnership established with North Ayrshire Council in the form of the corporate anti-fraud team, which has now been operational for a year. The review of internal controls undertaken during the year by Internal Audit was summarised in their Annual Report which was presented to Governance and Scrutiny Committee on 26 April 2018 and further assurance will be provided as part of the external audit currently taking place within the Council.</i></p> <p style="text-align: right;">Amber</p>
8	<p><b>Business Risk</b> - the Council is unable to properly manage the impact of multiple internal and external change programmes</p>	<p><b>Depute Chief Executive and Chief Financial Officer Economy and Skills</b></p>	<p>The overall risk is Medium as failure to manage the consolidated impact of the current range of internal and external change programmes could be significant.</p> <p><i>The consolidated impact of the current range of internal and external change programmes is significant and failure to manage the programme effectively represents a financial and service risk. The Executive Management Team and Transformation Plan Strategic Board are alert to the consolidated impact of change programmes. It will continue to be important for individual project leads to maintain specific risk registers and to highlight any change in the level of risk, and for the EMT to ensure that sufficient resource and capacity exists to maintain organisational resilience as change is implemented. The Transformation Strategy was approved by Cabinet in June 2018 and a series of corporate workstreams were identified and these together with service based redesign programmes are being advanced by Heads of Service, supported by the Transformation Team.</i></p> <p style="text-align: right;">Amber</p>

Risk No.	Risk	Risk Owner	Overall Risk
9	<b>Business Risk</b> the Council is subject to a ransomware or other cyber attack resulting in loss of systems or data	<b>Depute Chief Executive and Chief Financial Officer Economy and Skills</b>	<p>The overall risk is Medium as the impact could be significant as has been evidenced elsewhere and is increasingly likely. Attacks are extremely complex and could exploit previously undetected vulnerabilities.</p> <p><i>The Council has a range of security measures in place that are subject to ongoing and robust evaluation. This includes firewalls, virus checking and blocking software, automatic software patching and updates, website filtering, user restrictions, password policies and user education. The Council remains PSN compliant and this provides an external assurance of our integrity, policies and procedures. A mandatory e-learning module has been introduced, and focussed cyber security awareness sessions are being developed. The SG have recently published a response to public sector cyber resilience, and we will engage fully in this process to ensure we remain properly protected. General Data Protection Regulations (GDPR), came into force on 25 May 2018 with the Council ensuring that the documented processes in place for collecting, processing, storing and sharing personal data are compliant with this new EU law. All users of IT are required to complete on-line Cyber Security training modules and where the training has not been completed then access to online systems has been withdrawn until the training is complete and certified in line with the course requirements.</i></p>
			Amber