



West Lothian Council

West Lothian Civic Centre
Howden South Road
LIVINGSTON
EH54 6FF

14 February 2017

A Special meeting of West Lothian Council will be held within the **Council Chambers, Civic Centre, Livingston** on **Monday 20 February 2017** at **4:00pm**.

For Chief Executive

BUSINESS

Public Session

1. Apologies for Absence
2. Declarations of Interest - Members should declare any financial and non-financial interests they have in the items of business for consideration at the meeting, identifying the relevant agenda item and the nature of their interest.
3. Order of Business

Public Items for Decision

4. Revenue Budget 2017/18 - Report by Head of Finance and Property Services (herewith)
5. General Services Capital Programme 2017/18 - Report by Head of Finance and Property Services (herewith)
6. 2017/18 Housing Revenue Account Budget and Rent Level - Report by Depute Chief Executive (herewith)
7. Housing Capital Programme 2017/18 - Report by Depute Chief Executive (herewith)

DATA LABEL: Public

NOTE **For further information contact Anne Higgins, Tel: 01506 281601 or
email: anne.higgins@westlothian.gov.uk**



West Lothian Council

Tom Kerr - Provost
West Lothian Civic Centre, Howden South Road, Livingston, West Lothian EH54 6FF
Tel 01506 281728

TK/jk

Mr Graham Hope
Chief Executive
West Lothian Council
Civic Centre
Howden South Road
Livingston
West Lothian
EH54 6FF

10 February 2017

Dear Graham

I am calling a special meeting of West Lothian Full Council under Standing Order 5(1) to deal with the following business:

1. Report by Head of Finance and Estates - Revenue Budget 2017/18
2. Report by Head of Finance and Estates - General Services Capital Programme 2017/18
3. Report by Depute Chief Executive – 2017/18 Housing Revenue Account Budget and Rent Level
4. Report by Depute Chief Executive – Housing Capital Programme 2017/18

Please proceed with the necessary arrangements for holding the meeting at 4:00pm on Monday 20 February 2017.

Yours sincerely

Provost Tom Kerr



WEST LOTHIAN COUNCIL

REVENUE BUDGET 2017/18

REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES

A. PURPOSE OF REPORT

The purpose of this report is to enable the Council to agree the detailed General Fund Revenue Budget for 2017/18, to set council tax levels for 2017/18 and to take decisions on associated issues.

B. RECOMMENDATION

It is recommended that the Council:

1. Notes the budget pressures for 2017/18 as a result of Scottish Government grant funding not being sufficient to meet the increased costs faced by the council;
2. Agrees the annual revenue budget for 2017/18, including the budget reduction measures, as set out in Appendix 1 of the report;
3. Agrees the 2017/18 level of resources associated with the functions delegated to the West Lothian Integration Joint Board (IJB) of £69.274 million, taking account of West Lothian IJB's share of Scottish Government funding for social care, as set out in section D.2.4 of the report;
4. Sets a council tax level for 2017/18;
5. Approves a strategy of maintaining a minimum uncommitted general fund balance of £2 million;
6. Notes the position in relation to the General Fund Balance and other reserves as set out in Appendix 2 of the report;
7. Notes the equality impact assessment, as set out in Appendix 3 of the report;
8. Approves prudential indicators, as set out in Appendix 4 of the report;
9. Agrees that the council will continue to adopt the approach of integrating corporate planning and financial planning over the next five year period 2018/19 to 2022/23, with a Corporate Plan, revenue plan, capital plan and treasury management plan to be considered at the same Council meeting, to ensure a joined up approach is taken;
10. Agrees that, in accordance with Audit Scotland and CIPFA Best Practice, the council will prepare a priority based revenue financial plan for 2018/19 to 2022/23, to set out how the Corporate Plan priorities will be delivered over this period.

C. SUMMARY OF IMPLICATIONS

I Council Values

Being honest, open and accountable; focusing on our customers' needs; making the best use of our resources; and working in partnership.

II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)

Approval of the Budget

The Council must approve a balanced budget before 11 March each year to comply with statutory obligations. However, to initiate the collection of instalments in April 2017, it is essential that Council sets the council tax for 2017/18 no later than 20 February 2017 to allow council tax bills and benefit

notifications to be issued to customers and for direct debits to be set up.

General Fund Balance

When reporting on the budget, the Council must be provided with details of the General Fund Balance and other reserves.

Prudential Code

The CIPFA Prudential Code for Capital Finance in Local Authorities stipulates that prudential indicators must be approved annually, through the same process established for setting the council's revenue budget.

Equality Impact Assessment

The equality impact of the proposed budget has been assessed in compliance with public sector equality duty requirements, as set out in the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

Reserve Powers

Scottish Ministers have reserve powers to cap local authority expenditure, by imposing a reduced council tax level, where they consider an authority's expenditure or expenditure increase to be excessive.

III	Implications for Scheme of Delegations to Officers	None.
IV	Impact on performance and performance Indicators	The proposed revenue budget will enable the council to maintain performance and deliver better outcomes in key priority areas in 2017/18.
V	Relevance to Single Outcome Agreement	Effective prioritisation of resources will be essential to achieving the targets contained in the Single Outcome Agreement.
VI	Resources - (Financial, Staffing and Property)	The outcome of the local government finance settlement for 2017/18 was reported to Council Executive on 20 December 2016. Further revenue grant funding of £130 million for local government was announced IN the Scottish Parliament on 2 February 2017 and the council's revised settlement figures are reflected in this report. Scottish Government revenue grant funding is insufficient to meet the increasing costs and demand for services, resulting in a budget gap before budget savings and council tax increases of £12.682 million in 2017/18.
VII	Consideration at PDSP	Feedback from the council's Delivering Better Outcomes (DBO) consultation was discussed at a series of Policy Development and Scrutiny Panel (PDSP) meetings in December 2014. In addition, specific budget measures have been subject to further consideration at PDSP and Council Executive meetings, in accordance with the process agreed by the council.

VIII Other consultations

The revenue budget strategy for 2015/16 to 2017/18, agreed by Council on 29 January 2015, was developed from the responses to the 2012 DBO consultation and the second DBO consultation in 2014, which generated a total of 3,467 responses and over 40,000 comments.

Since agreement of the budget strategy, there have been a number of other consultations on specific budget reduction measures.

Meetings on the 2017/18 revenue budget have been held with teaching and non-teaching trade unions.

D. TERMS OF REPORT

D.1 The report covers the following sections:

- D.2 – Governance
- D.3 – Consultation
- D.4 – Revenue Budget Updated Position 2017/18
- D.5 – Balancing Measures for 2017/18 Revenue Budget
- D.6 – Annual Revenue Budget 2017/18
- D.7 – Council Tax Bands 2017/18
- D.8 – Service Budget Expenditure 2017/18
- D.9 – General Fund Balances and Other Reserves
- D.10 – Equality Impact Assessment
- D.11 – Risks and Uncertainties
- D.12 – Prudential Code
- D.13 – Proposed Approach to Future Corporate and Financial Planning

D.2 GOVERNANCE

D.2.1 Budget Setting

The council's budget setting process is subject to statutory, regulatory and governance requirements. The Local Government Finance Act 1992 section 93(2) requires councils to formally agree council tax levels before 11 March each year. However, to enable council tax and benefits billing to take place, the budget needs to be agreed no later than 20 February 2017. The Prudential Code requires councils to approve, on an annual basis, a defined set of prudential indicators, covering both General Fund and Housing capital investment, at the same meeting that approves the revenue budget for the forthcoming year.

The council's financial regulations state that the Head of Finance and Property Services is responsible for annually presenting a balanced revenue budget and prudential indicators to the full Council. The annual revenue budget forms part of the council's integrated approach to financial strategy, corporate planning, delivery of outcomes and performance monitoring. The activity budget links the council's activities, resources and outcomes and is a core element of the council's financial strategy and annual management plans. The 2017/18 activity budget is published on the council's intranet.

Management plans for each service for 2017/18 will be published on the council's website following consideration by PDSP's. The management plans incorporate the outcomes that the council, working in conjunction with Community Planning Partners, is seeking to deliver via the Single Outcome Agreement. Performance during the year is monitored and reported using the Covalent performance management system.

This report seeks approval of the annual revenue budget and council tax levels for 2017/18.

D.2.2 Equality Impact Assessment

The council's statutory public sector equality duty arises from the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. The council is required to undertake equality impact assessments based on the general duty within the Act and specific duties within the Regulations.

The Act requires the council to have due regard to equality when exercising functions in relation to persons covered by the protected characteristics of the Act. The general duty of the Act must be taken into account during the impact assessment process with the council considering how the particular policy or change will relate to:

- Eliminating discrimination, harassment and victimisation
- Advancing equality of opportunity through removing or minimising disadvantages, taking steps to meet different needs or encouraging participation in public life
- Fostering good relations by tackling prejudice and promoting understanding

The equality impact assessment process of considering the impact of current and future savings is well established in West Lothian Council. Further detail on the process undertaken by the council is included in section D.10 of the report.

D.2.3 Best Value

The council has continued to build a resilient culture of effective planning and governance, with strong evidence to demonstrate how the council meets the defined best value characteristics.

The council's approved Best Value Framework ensures that the council complies with the provisions contained within the Local Government in Scotland Act 2003. The 2003 Act requires the council to:

- secure best value in the performance of its functions
- balance the quality and cost of the performance of its functions and the cost of council services to service users
- have regard to efficiency, effectiveness, economy and the need to meet equal opportunity requirements in maintaining that balance
- fully discharge its duty to secure best value in a way which contributes to the achievements of sustainable development

D.2.4 Health and Social Care Integration Joint Board

The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of health and social care in Scotland. Subsequently, the West Lothian Integration Joint Board (IJB) came into effect from 1 April 2016. These arrangements require the delegation of relevant functions and resources by the council and NHS Lothian to the West Lothian IJB.

As set out in Section D.8 of this report, the proposed level of budget resources associated with council functions delegated to the IJB in 2017/18 is £69.274 million. This includes resources of £3.060 million, equivalent to the council's share of the additional £107 million funding for 2017/18 included as part of the Scottish Budget 2017, to support continued delivery of the living wage, to pay for the cost of disregarding war pensions from financial assessments and pre implementation work for the new carers' legislation.

D.3 CONSULTATION

The Council Executive agreed in June 2014 that officers would develop draft budget measures for the three years 2015/16 to 2017/18 to secure a balanced budget position over the period, as funding provided by the Scottish Government was insufficient to meet the council's budget pressures. The starting point for the development of these measures was the detailed responses received from the initial Delivering Better Outcomes (DBO) consultation in 2012, which resulted in agreement of the Corporate Plan priorities aimed at prioritising the council's resources to have the most positive impact on outcomes.

A subsequent DBO consultation, launched in October 2014, provided stakeholders with a range of proposed budget reduction measures aimed at meeting the budget gap. Feedback from the consultation was reported to a series of PDSP's in December 2014. The reports to the PDSP's summarised the range of comments received for each of the budget measures.

The council approved a three year budget strategy on 29 January 2015 which included budget reduction measures that had been developed based on the feedback received from both DBO consultation exercises. As part of the budget approval process, it was agreed that further consultation would take place on certain proposals and reports have been presented to PDSP's, Council Executive and Education Executive as required.

D.4 REVENUE BUDGET UPDATED POSITION 2017/18

D.4.1 Overall Budget Position 2017/18

At the budget meeting on 23 February 2016, budget savings of £20.955 million were agreed for 2016/17 and 2017/18 to deliver balanced revenue budgets in these years.

Following the outcome of the Draft Scottish Budget 2017 and the Local Government Finance Settlement 2017/18, officers have revised budget model assumptions for 2017/18 to incorporate the updated funding position, Scottish Government commitments and latest expenditure estimates.

The Local Government Finance Settlement 2017/18 provides detailed grant funding figures for local authorities and shows that the council's general revenue grant will decrease by £5.851 million from the equivalent 2016/17 position. Attainment Scotland ring fenced funding of £5.052 million is provided for direct use by schools as part of a new Pupil Equity Fund.

D.4.2 Funding and Expenditure Assumptions 2017/18

Officers have undertaken an exercise to review all income and expenditure assumptions within the revenue budget model for 2017/18. Proposed expenditure increases of £15.671 million in 2017/18 include the following key assumptions:

- Pupil Equity Funding of £5.052 million will be ring fenced and allocated to schools to be utilised at the discretion of head teachers
- Allowance for a pay award for all employees, taking account of the ongoing discussions between COSLA and the trade unions, and an increase in the Living Wage from 1 April 2017
- Increased school budgets to ensure that the council can continue to deliver a pupil teacher ratio in 2017/18 in line with the 2016 ratio of 14.1
- Increases in transport, roads and open space costs due to population increases
- Provision for costs associated with the introduction of the Apprenticeship Levy, where employers pay 0.5% of their total pay bill to fund apprenticeships throughout the UK
- Provision for the cost of payment of the Living Wage to external social care providers and West Lothian Leisure staff

- Revenue consequences of the approved 2017/18 capital programme
- Allowance for inflationary price increases across a range of contracts
- Additional Council Tax Reduction Scheme costs of £417,000, associated with households who will receive additional council tax discounts from the proposed council tax charges for 2017/18

The key funding assumptions in the budget model for 2017/18 are:

- Scottish Government revenue grant funding of £308.137 million will be received in 2017/18, including the council's estimated share of funding for the Teachers Induction Scheme, Council Tax Reduction Scheme and Discretionary Housing Payments for which the Scottish Government is still to confirm the exact distribution to individual authorities
- Health and Social Care funding of £3.060 million, which will support delivery of the living wage to social care providers, and cover the cost of disregarding war pensions from financial assessments and pre implementation work for the new carers' legislation
- Council tax income from house completions will increase by £728,000 during 2017/18

Taking account of the council's updated expenditure and funding assumptions for 2017/18, the council will be required to address a budget gap of £12.682 million in 2017/18. The position is set out below:

Table 1: Estimated Expenditure and Funding Movements 2017/18

	2017/18 £m
Staffing Costs	3.801
Pupil Equity Expenditure	5.052
Demographics and Demand Led Pressures	1.876
Revenue Consequences of Capital	0.403
Service Pressures and Developments, including Inflation and Indexation	4.539
Expenditure Increases	15.671
Decrease in Scottish Government Core Revenue Grant	(5.851)
Pupil Equity Funding	5.052
Health and Social Care Funding	3.060
Council Tax Income from Additional Properties	0.728
Funding Movements	2.989
Budget Gap before Balancing Measures	12.682

D.5 BALANCING MEASURES FOR 2017/18 REVENUE BUDGET

D.5.1 Budget Reduction Measures 2017/18

Total budget reduction measures of £9.058 million are proposed for 2017/18. This is consistent with the strategic approach to financial and corporate planning agreed as part of the five year budget strategy in January 2013, which ensures that the council can respond proactively to the magnitude of the challenge in delivering essential services whilst financial resources are constrained. This approach is consistent with Audit Scotland best practice which recommends that strategies should support priorities to ensure that the council has a sustainable financial position. Following a review of the budget measures approved in February 2016, it has been assessed that the youth services saving of £60,000 and the saving from exchanging a public holiday for annual leave of £36,000 are no longer deliverable, and these have not been included in the proposed budget.

Savings of £850,000 are incorporated in the proposed reduction measures for health and social care integration in 2017/18. These savings are based on a review of the staffing and operation of various business and care support functions across Social Policy, taking into account integration and changes to operational processes and staffing teams. The review will incorporate vacancies currently available and will be subject to council organisational

change processes, delivering savings of £750,000. In addition, a saving of £100,000 is proposed through removing the Alcohol Diversionary Fund, with the focus of resources being through the West Lothian Alcohol and Drugs Partnership.

In relation to the business support review, there have been significant changes in legislation, technology and joint working practices over recent years. There is significant potential to achieve efficiencies through more efficient working practices and revising or merging existing staff teams to achieve an appropriate level of support within an integrated health and social care environment. This approach will streamline management, reduce duplication and establish best practice in working processes, taking account of synergies available through integration. It will also incorporate the considerable capacity building that has taken place in areas such as health improvement.

It is proposed that central education staffing resources of £728,000 for chartered teachers are devolved to school budgets. It is not anticipated that this will impact on outcomes.

Income and Concessions

Following feedback from the DBO consultation, the council agreed a schedule of fees, charges and concessions for 2015/16 to 2017/18 on 29 January 2015. Discretionary charges were reviewed to bring them in line with Scottish averages or with charges of other service providers. Income levels were reviewed to take account of increased demand for services, actual levels of income currently being received and, in some cases, consideration of the full cost recovery of some services. The income in this report is in line with the increases approved in January 2015 and it is proposed to retain all concessions.

D.5.2 Council Tax Income

Changes to Bands E to H

Additional council tax income of £2.880 million will be received in 2017/18 from the Scottish Government revision of council tax banding weightings for properties in bands E to H, which will take effect from 1 April 2017.

Council Tax Level

There is flexibility for councils to raise council tax by up to a maximum of 3% in 2017/18. Taking account of the budget gap facing the council, this report has been prepared on the basis that council tax is increased by 1% in 2017/18, which would raise additional recurring income of £744,000.

D.5.3 Updated Budget Model Position 2017/18

Taking account of the council's expenditure and funding assumptions as set out in section D.4 of the report, and the balancing measures set out above, it is proposed that the council's revenue budget for 2017/18 is based on the following position.

Table 2: Balanced Revenue Budget Position 2017/18

	2017/18 £m
Budget Gap Before Balancing Measures	12.682
Balancing Measures	
Budget Reduction Measures	(9.058)
Council Tax - Income From Changes to Banding Weightings	(2.880)
Council Tax Increase of 1%	(0.744)
Total Balancing Measures	(12.682)

D.5.4 Delivering Better Outcomes

If agreed, the updated revenue budget for 2017/18 will enable the council to plan effectively to deliver the council's Corporate Plan outcomes. The Corporate Plan is directly influenced by the priorities that were agreed following the DBO Consultation in 2012. Approval of the budget strategy will help the council to:

1. Deliver positive outcomes and early interventions for early years – providing services that will give children and young people the best start in life. The council will continue to embed new ways of working across partner agencies and to streamline working practices, in line with Getting it Right For Every Child (GIRFEC), to ensure resources are effectively targeted.
2. Improve the employment position in West Lothian - West Lothian's unemployment rate was 1.6% at December 2016, compared to the Scottish average of 2.2%. Employment in West Lothian is supported by the council's time limited investment for training and employment, and continued support to businesses, business start-ups and early stage company growth. The budget allows for the council's contribution to the Apprenticeship Levy which will fund apprenticeships.
3. Improve attainment and positive destinations for school children – including delivering the Curriculum for Excellence and maintaining a pupil teacher ratio of 14.1. The 2016 examination results for Level 6 (Higher or equivalent) are the highest ever achieved at this level by West Lothian students. The percentage of pupils achieving three or more Scottish Credit and Qualifications Framework (SCQF) Level 6 by the end of S5 rose from 29% in 2012/13 to 40% in 2015/16. The percentage of pupils achieving five or more SCQF Level 6 by the end of S5 increased from 15% in 2012/13 to 22% in 2015/16. The council's Raising Attainment Strategy has also delivered an increase in positive destinations for school leavers' from 88.4% in 2012 to 91.6% in 2015.
4. Improve the quality of life for older people – developing a more sustainable service delivery model with increased emphasis on prevention and supporting older people within their home environment. Work will continue to focus on those who are most vulnerable and have additional needs. The health and social care joint strategic commissioning plan will deliver services and support for people in new and innovative ways, including working with agencies to put the right services and support in place.
5. Minimise poverty and the cycle of deprivation, and promote equality – including delivery of the council's Anti-Poverty Strategy and providing school clothing grants, free school meals and Education Maintenance Allowances. The council will continue to focus on in-work poverty and low pay, including making budget provision for the Living Wage for council staff and West Lothian Leisure staff, social care providers and contractors who work regularly on council premises. The council will continue to raise awareness of the benefits of the Living Wage to all its contractors and local employers.
6. Reduce crime and improve community safety – through community safety joint working, re-offending will be reduced and, through earlier intervention, the risk of young people engaging in crime will be reduced. This will improve outcomes for people who offend, helping them to take on fuller responsibility as members of our communities, increase the confidence of victims and the community in the services provided and make West Lothian communities safer and better places to live. Through partnership working, the number of crimes recorded in West Lothian during the period 2011/12 to 2015/16 has reduced from 9,019 to 7,577, equivalent to a 16% reduction in the number of recorded crimes over the five year period.
7. Deliver positive outcomes in health – including integration of health and social care and continued collaborative work to improve life expectancy, mental wellbeing and child health outcomes.

8. Protect the built and natural environment – including supporting economic and population growth, providing customer, cultural and community facilities that meet local needs, improving waste recycling and introducing low carbon energy solutions such as LED street lighting. The council has been steadily increasing the recycling rate throughout 2016 with the roll out of the 140 litre slim bin landfill service.

The council's integrated approach to corporate and financial planning for the five year period 2013/14 to 2017/18 has enabled the council to continue delivering vital services to local people whilst having to make budget savings of over £48 million. The council's corporate and financial plans have delivered the following highlights:

- Achievement of Living Wage accreditation with the Living Wage Foundation.
- Maintenance of the council's commitment to no compulsory redundancies.
- Additional budget provision of over £9.3 million to support delivery of adult and elderly social care provision covering population increases and an increasing demand for care services.
- An increase in foster care allowances providing a 30% increase in the weekly allowance payment and a 15% increase in weekly foster fees to support foster families.
- Increasing the schools budget by over £3.3 million to reflect demographic changes in West Lothian. This investment has ensured that the council has met the national pupil teacher ratio commitment and has supported improvements in attainment within West Lothian. Over the five year period 2012 to 2016, the percentage of students attaining 1+, 3+ and 5+ at Level 6 (Higher A-C grade or equivalent) has continued to improve. West Lothian pupils are leaving school with more qualifications than the council's virtual comparators and more than the national average.
- Funding to expand free breakfast clubs to all primary pupils, and secondary school pupils in receipt of free school meals, in addition to lunch for all P1 to P3 pupils.
- Providing places for probationers within West Lothian schools to support the development of future teachers.
- Implementing the requirements of the Children and Young People Act, including increasing nursery hours from 475 to 600 hours.
- Fully mitigating the impact of the Bedroom Tax through the council's Discretionary Housing Payments Fund.
- The introduction of food and glass recycling collections resulting in an increase in overall recycling rates within West Lothian from 42.9% in 2012 to 47.4% in 2015. The audited recycling rates for 2016 will be published in October 2017.
- Introduction and extension of a concessions scheme that ensures the charges to generate income to support council services are fair and consistent with the council's Anti-Poverty Strategy.
- Capital investment of over £260 million to allow the council's assets to continue to support service delivery.

D.5.5 Workforce Planning

Proactive workforce planning is essential to ensure that staffing changes are managed effectively. Measures that impact on staffing are implemented after consultation with staff and trade unions, in accordance with agreed policies and procedures. Effective workforce planning will ensure that the council continues to deliver its commitment to a no compulsory redundancy position in 2017/18. Use of the council's Modernisation Fund will be essential to help meet one-off costs associated with implementing changes.

While a proactive approach will continue to be taken, the scale of budget measures in 2017/18 inevitably means there will be some impact on staffing numbers. The budget model provides for required changes in staffing to meet demographic pressures and to maintain pupil teacher ratios, but also includes budget measures which will reduce staff numbers.

It is estimated that the proposed budget measures over 2017/18 will result in a reduction of 69.9 FTE staff and that an additional 8.0 FTE will be employed to take account of growth, including maintaining the council's pupil teacher ratio. This results in an estimated net reduction of 61.9 FTE staff in 2017/18, which equates to 0.91% of the workforce.

D.6 ANNUAL REVENUE BUDGET 2017/18

D.6.1 Scottish Government Revenue Grant Funding 2017/18

As reported to the Council Executive on 20 December 2016, the Cabinet Secretary for Finance and the Constitution set out funding allocations for individual authorities for 2017/18 in Finance Circular 9/2016. The funding allocations form the basis of the consultation between the Scottish Government and COSLA, ahead of the Local Government Finance (Scotland) Order 2017 being presented to the Scottish Parliament by the end of February 2017. Following the first vote on the Scottish Draft Budget 2017 in the Scottish Parliament on 2 February 2017, revenue resources of a further £130 million were announced for local government for 2017/18, of which West Lothian Council's share is £4.379 million. This funding for local government will be set out in an amended finance circular following the setting of the local government finance order.

Total revenue grant funding for the council (including the additional funding announced on 2 February, Health and Social Care funding and assumed money from funding streams still to be allocated by the Scottish Government to individual authorities) is £318.327 million in 2017/18. The Cabinet Secretary for Finance and the Constitution wrote to the COSLA President, copying in leaders of all Scottish local authorities, on 15 December 2016 to confirm the details of the local government finance settlement for 2017/18. In order to access the full share of funding in 2017/18, as outlined in the finance circular, local authorities:

- Must maintain the overall pupil teacher ratio at 2016/17 levels as reported in the Summary of School Statistics published on 13 December 2016, and secure places for all probationers who require one under the teacher induction scheme
- Utilise funding for health and social care to meet the full year costs of the Living Wage for social care workers, sleepovers and sustainability, fund removal of social care charges for those in receipt of war pensions and carry out pre-implementation work for the new carers legislation pressures
- Will be able to adjust allocations to Integration Authorities in 2017/18 by up to their share of £80 million below the level of budget agreed with their Integration Authority for 2016/17
- Have been provided with the flexibility to increase council tax by up to 3% in 2017/18

The Cabinet Secretary in his letter to the COSLA President confirmed that local authorities must deliver all of the measures included in the finance settlement to access all of the benefits of the package, including the financial benefits.

The Scottish Budget also included £30 million revenue and £30 million capital funding for the expansion of early learning and childcare to 1,140 hours. Information on the allocation of the revenue and capital funding is still to be confirmed. It is assumed that if West Lothian Council does receive any funding for early learning and childcare in 2017/18, it will be fully utilised for this purpose and will be cost neutral.

There are a number of consultations currently being undertaken by the Scottish Government in relation to education and schools. These include the governance review of Scottish education and the national review of devolved school management (DSM) which will both

report in 2017. Following the publication of these reviews, and incorporating the change to school funding in 2017/18 through the direct availability of pupil equity funding to individual schools, there is an opportunity for the council to review its own DSM scheme to ensure that it is fit for purpose.

D.6.2 Council Tax Income 2017/18

The remainder of the council's recurring funding is raised through council tax. The following council tax assumptions have been made for 2017/18:

- Band D council tax for 2017/18 is increased by 1% from 2016/17 levels, generating additional council tax income of £744,000
- The budgeted council tax collection rate for 2017/18 is 97.75%, which is assessed as the maximum which is achievable
- The council tax yield for 2017/18 is calculated using the Band D return which was submitted to the Scottish Government on 31 August 2016 and includes updated banding weightings for properties in bands E to H
- It is anticipated that the changes to the weightings applied to properties in bands E to H will generate additional council tax income of £2.880 million
- The estimated total income raised from 2017/18 council tax billing is £75.183 million including the additional income from banding weightings and a 1% increase in council tax
- Other council tax income of £571,000 is raised through recovery of prior year council tax, and council tax yields from an estimate of completed properties that become chargeable in the period between 31 August 2016 and 31 March 2017

Taking account of Scottish Government general and ring fenced grants, Health and Social Care funding, and council tax income, total funding for the council in 2017/18 will be £394.081 million, as set out in the table below.

Table 3: Total Funding 2017/18

	Total Funding 2016/17 £'m	Movement 2017/18 £'m	Total Funding 2017/18 £'m
Scottish Gov't Core General Revenue Grant	308.936	(5.851)	303.085
Scottish Gov't Ring-fenced School Attainment Grant	0.000	5.052	5.052
Health and Social Care Funding	7.130	3.060	10.190
Council Tax – Current Year per Band D Return	70.831	4.352	75.183
Council Tax – Prior Year / Base Phasing	0.571	0.000	0.571
Total Recurring Funding	387.468	6.613	394.081

D.7 COUNCIL TAX BANDS 2017/18

Based on the above assumptions, the estimated Band D council tax product is £65,993 in 2017/18 and council tax levels for each property band would be as follows:

Table 4: Council Tax Bands 2017/18

Council Tax Band	Number of Chargeable Dwellings	% of Chargeable Dwellings	Council Tax 2016/17 £	Council Tax 2017/18 £
A	16,939	22.3%	752.00	759.52
B	24,127	31.8%	877.33	886.11
C	9,685	12.8%	1,002.67	1,012.69
D	7,827	10.3%	1,128.00	1,139.28
E	9,164	12.1%	1,378.67	1,496.89
F	5,474	7.2%	1,629.33	1,851.33
G	2,544	3.3%	1,880.00	2,231.09
H	170	0.2%	2,256.00	2,791.24
Total	75,930	100.0%		

The breakdown of the proposed increase in the Council Tax bands for 2017/18 is as follows:

Table 5: Breakdown of Council Tax Increase per Band 2017/18

Council Tax Band	Banding Weightings Increase 2017/18 £	1% Increase 2017/18 £	Total Increase 2017/18 £	Banding Weightings Increase per week £	1% Increase per week £	Total Increase per week £
A	Nil	7.52	7.52	Nil	0.14	0.14
B	Nil	8.78	8.78	Nil	0.17	0.17
C	Nil	10.02	10.02	Nil	0.19	0.19
D	Nil	11.28	11.28	Nil	0.22	0.22
E	103.40	14.82	118.22	1.99	0.29	2.27
F	203.67	18.33	222.00	3.92	0.35	4.27
G	329.00	22.09	351.09	6.33	0.42	6.75
H	507.60	27.64	535.24	9.76	0.53	10.29

Council Tax Reduction Scheme

At present, there are 14,915 households in receipt of a council tax reduction through the Council Tax Reduction Scheme, of which 11,186 households are in receipt of a 100% reduction with the remaining households receiving a tapered amount based on their excess income above the council tax reduction threshold. It is therefore estimated that 19.5% of households (one in five households) chargeable for council tax will not be affected by the proposed increases, either from banding weighting increases or from the 1% increase. A budget allowance of £417,000 has been included in the proposed council budget to fund the increased cost of the Council Tax Reduction Scheme.

D.8 SERVICE BUDGET EXPENDITURE 2017/18

Base Revenue Budget and Time Limited Investment

The recurring revenue budget for 2017/18 is £394.081 million, equivalent to the total funding available as set out in section D.6 of the report. The recurring position takes account of the proposed budget reduction measures for 2017/18.

The revenue budget for 2017/18 also includes time limited investment for training and employment, enhanced teaching support for learning and nurture, public transport and the Anti-Poverty Strategy, totalling £1.786 million, funded from earmarked reserves in the General Fund Balance.

The service budgets for 2017/18 are summarised in the table below, and are set out in more detail in Appendix 1.

Table 6: Overall Service Budget Expenditure 2017/18

Service	Base Budget 2016/17 £'m	Base Movement 2017/18 £'m	Base Budget 2017/18 £'m	Time Limited 2017/18 £'m	Total Revenue Budget 2017/18 £'m
Corporate Services	11.807	(0.214)	11.593	0.000	11.593
Housing, Customer & Building Services	7.014	(0.042)	6.972	0.000	6.972
Operational Services	54.976	0.602	55.578	0.125	55.703
Social Policy – Delegated to IJB	66.156	3.118	69.274	0.000	69.274
Social Policy – Non IJB	31.199	0.135	31.334	0.000	31.334
Planning, Regeneration & Economic Development	4.834	(0.322)	4.512	1.125	5.637
Education	146.192	3.728	149.920	0.300	150.220
Chief Executive / Finance & Property Services	25.886	(1.422)	24.464	0.236	24.700
Non Service / Council Wide	39.404	1.030	40.434	0.000	40.434
Total Revenue Budget	387.468	6.613	394.081	1.786	395.867

D.9 GENERAL FUND BALANCES AND OTHER RESERVES

Local authority accounting standards require that when reporting the annual budget I provide Council with a statement of the General Fund Balance and other reserves. The statement, including a strategy for managing reserves, is set out in Appendix 2.

In order to ensure that sufficient funds are held in reserve to deal with the financial consequences of uncertain future events, and to provide an appropriate reasonable sum to address the potential impact of risks and uncertainties, I recommend that the uncommitted General Fund Balance is maintained at a minimum of £2 million in 2017/18. This represents 0.51% of the core revenue budget for 2017/18, which is amongst the lowest uncommitted general balances held amongst Scottish local authorities. The level of the other reserves is assessed as being required for their stated purpose and any reduction in this level could impact on the council's ability to retain effective financial management and planning in light of the constrained financial environment in 2017/18 and beyond.

Following the outcome of the independent actuarial valuation of the council's Insurance Fund in January 2017 it has been assessed that, based on the actuary's valuations, the current value of the fund is £2 million greater than the outstanding potential insurance liabilities. The £2 million is therefore surplus and this report assumes that the £2 million will accrue to the General Fund balance.

Other potential ways to utilise the one-off resources would be to use them for one-off or time limited expenditure, to provide further capital investment in 2017/18, or to use for recurring spending. If the council agreed to use the one-off resources for recurring purposes, this would have to be taken into account in future revenue budgets at a challenging financial period.

D.10 EQUALITY IMPACT ASSESSMENT

Following the key principles of relevance and proportionality within the Equality Act 2010, an equality impact assessment of policies and decisions of the council is a requirement of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. The council has made significant progress in mainstreaming equality impact assessment into the budget setting process. This is the seventh consecutive financial year where an equality impact assessment has been conducted on the draft budget measures prior to approval by the Council.

The DBO consultation provided an opportunity for partners, staff, trade unions, service users and members of the public to provide their views on the budget and service priorities for the council. Specific sessions were facilitated with the equality forums and networks in West Lothian supported by the council. Twenty seven percent of the total number of members of the forums participated in these sessions, representing the most successful engagement to date with equality forum members in terms of volume of participants. As well as contributing to the overall consultation feedback, these sessions provided input to help inform the equality impact assessment process.

A detailed equality impact assessment of the 2017/18 revenue budget is contained in Appendix 3. Assessments will continue to be presented as part of the annual revenue budget report each year.

D.11 RISKS AND UNCERTAINTIES

There are a number of risks, uncertainties and potential cost pressures that could impact on the ability to balance the revenue budget over 2017/18, as follows.

- There are no agreed pay settlements in place at this stage for 2017/18

- Continued and accelerated increases in demand-led pressures that are greater than budget forecasts, particularly in social care
- Full delivery of approved budget reduction measures not being achieved in 2017/18
- Actual pupil numbers exceeding forecast numbers, requiring more teachers to be employed
- Economic uncertainty and impact on public sector expenditure arising from the impact of the vote to leave the European Union
- Inflation increases are greater than assumed, for example due to the lower value of the pound
- Introduction of new legislation where inadequate funding is provided
- The grant figures contained in the local government finance settlement for 2017/18 are provisional and are subject to approval by the Scottish Parliament

The council's risk based approach to budget monitoring will ensure that effective action is taken to manage risks. Officers will continue to provide updates on risks as part of the quarterly budget monitoring to Council Executive.

D.12 PRUDENTIAL CODE

The Prudential Code requires councils to ensure that capital spending is affordable, prudent and sustainable. The council's role is fulfilled by agreeing and monitoring prudential indicators that cover the General Fund and Housing Revenue Account. There are nine separate mandatory prudential indicators in the Prudential Code and the council must agree appropriate values and parameters for these indicators.

The prudential indicators for West Lothian are set out in Appendix 4 and include initial assumptions regarding the level of capital investment and resources beyond the current approved programme which ends in 2017/18. In approving and subsequently monitoring the indicators, the council is fulfilling its duty to ensure that spending plans are affordable, prudent and sustainable. Council is accordingly asked to approve the prudential indicators.

D.13 PROPOSED APPROACH TO FUTURE CORPORATE AND FINANCIAL PLANNING

In January 2013, the council implemented a new approach to corporate and financial strategy incorporating eight council priorities and an integrated approach to corporate and financial planning. This approach assisted in the prioritisation and allocation of resources to activities that have the greatest impact on the council's outcomes for the five years 2013/14 to 2017/18, aligning plans, activities and budgets to provide links between resources, performance targets and outcomes.

Priorities were used to underpin the council's corporate and financial strategies and help ensure that constrained resources were allocated to achieve desired outcomes and value for money. A priority based approach was underpinned by the integration of corporate and financial planning which ensured that the council's activities, and the resources allocated to them, supported the identified priorities.

Audit Scotland and the Chartered Institute of Public Finance and Accountancy (CIPFA) have both identified the need for public bodies to focus on their medium to long term financial sustainability to ensure effective public services in the future. They believe that it is important that councils have long term financial strategies that support strategic priorities and are underpinned by detailed financial plans and indicative budgets. They have advised that this is best achieved through the development of medium and long term strategies that are based on defined and agreed priorities, providing a clear road map for service delivery within constrained budgets.

The likelihood of a continuation of the constrained financial position into the next five years means that the council will have to continue to prioritise how resources are used to deliver

services, as well as identifying savings to balance the annual revenue budget each financial year. The challenging financial environment strengthens the need for a longer term appreciation of finances and corporate priorities. Given the magnitude of the challenge faced in delivering essential services whilst financial resources are constrained, it is recommended that the council over the next five years 2018/19 to 2022/23 continues to adopt the approach used for the last five years.

It is accordingly recommended that the council should continue to use the established strategic priority based approach to corporate and financial planning to develop plans for the next administrative term. This would entail the council considering a Corporate Plan, revenue plan, capital plan and treasury management plan at the same Council meeting, to ensure that a joined up and coherent approach was adopted.

In addition, it is recommended that in accordance with Audit Scotland and CIPFA Best Practice, a priority based five year revenue plan is prepared. This will set out how the Corporate Plan will be funded and delivered over the five year period.

E. CONCLUSION

The report enables the Council to make decisions that will meet the statutory obligation to set a balanced revenue budget and council tax levels for 2017/18. The revenue budget for 2017/18 takes into account previous decisions by the Council and Council Executive, including budget reduction measures and time limited investment, known cost pressures and the results of the Local Government Finance Settlement.

The report sets out proposals that would enable the Council to balance the revenue budget in 2017/18. Taking account of increased council tax income from Scottish Government changes to Band E to Band H weightings and a 1% increase to all council tax bands, the council will be required to deliver budget reduction measures of £9.058 million in 2017/18.

Agreement of the revenue budget for 2017/18 will enable the council to build on the established strategic approach to financial planning and to meet the challenges of funding restrictions and spending pressures. If agreed, the proposals will enable the council to balance the budget and continue to deliver Corporate Plan priorities.

The report also recommends maintaining the uncommitted general fund balance at a minimum of £2 million and asks Council to approve the mandatory prudential indicators contained in the Prudential Code.

The council has a robust process for conducting equality impact assessment on changes to policy and resources related to the budget setting process. Officers have given due regard to the findings of the equality impact assessment in the development of individual service level budget proposals and the analysis has been considered as part of the process for finalising the proposed revenue budget for 2017/18.

F. BACKGROUND REFERENCES

- Revenue Budget Strategy 2015/16 to 2017/18 - Report by Head of Finance and Property Services to Council Executive on 25 August 2015
- Revenue Budget 2016/17 and 2017/18 - Report by Head of Finance and Property Services to West Lothian Council on 23 February 2016
- Draft Scottish Budget and Local Government Finance Settlement 2017/18 – Report by Head of Finance and Property Services to Council Executive on 20 December 2016
- 2017/18 Activity Budget – available on the council intranet
- Improvement Service Elected Member Guidance on Public Sector Equality Duty

Appendices/Attachments:

- Appendix 1: Revenue Budget 2017/18 – Detailed Analysis of Budget Change
- Appendix 2: Statement on General Fund Balance and Other Reserves
- Appendix 3: 2017/18 Revenue Budget Equality Impact Assessment
- Appendix 4: 2017/18 Prudential Indicators

Contact Person: David Maule, Corporate Finance Manager
Email: david.maule@westlothian.gov.uk, Telephone: 01506 281302

Donald Forrest
Head of Finance and Property Services
20 February 2017

REVENUE BUDGET 2017/18**DETAILED ANALYSIS OF BUDGET CHANGE - CORPORATE SERVICES**

	£	£
BASE BUDGET 2016/17		11,806,694
BASE BUDGET MOVEMENTS 2017/18		
STAFFING		
Pay	<u>94,435</u>	94,435
REVENUE CONSEQUENCES OF CAPITAL PROGRAMME		
School estate expansion - IT maintenance	20,000	
East Calder Partnership Centre - IT maintenance	<u>2,000</u>	22,000
INFLATION AND INDEXATION		
Grant payments to sports, arts, community groups and gala days	<u>1,546</u>	1,546
MODERNISING SERVICES AND MANAGING OUR WORKFORCE		
Corporate Services - workforce management savings and review of non staffing budgets	(88,000)	
Corporate Procurement Unit - workforce management savings	(22,000)	
Reduce taxi examination budget	(6,000)	
Saving from training being provided in partnership with Falkirk Council	<u>(5,000)</u>	(121,000)
MANAGING OUR RELATIONSHIP WITH CUSTOMERS		
Savings through channel shift	<u>(12,000)</u>	(12,000)
MANAGING OUR ASSETS		
Reduction in telephone budgets	(100,000)	
Introduce technology to reduce IT desktop support	(66,000)	
Redesign of education IT support model	<u>(20,000)</u>	(186,000)
DELIVERING EFFECTIVE PROCUREMENT		
Savings from five year procurement plans	<u>(3,000)</u>	(3,000)
REVIEWING INCOME AND CONCESSIONS		
Discretionary licencing fees 3.5% increase	<u>(10,000)</u>	(10,000)
TOTAL BASE BUDGET DECREASE 2017/18		(214,019)
TOTAL BUDGET 2017/18 - BASE BUDGET		<u><u>11,592,675</u></u>

REVENUE BUDGET 2017/18**DETAILED ANALYSIS OF BUDGET CHANGE - HOUSING, CUSTOMER AND BUILDING SERVICES**

	£	£
BASE BUDGET 2016/17		7,014,429
BASE BUDGET MOVEMENTS 2017/18		
STAFFING		
Pay	<u>94,346</u>	94,346
REVENUE CONSEQUENCES OF CAPITAL PROGRAMME		
East Calder Partnership Centre - staff costs	<u>140,000</u>	140,000
MODERNISING SERVICES AND MANAGING OUR WORKFORCE		
Maintain cash collection facility in Livingston and publicise local options for payment	(40,000)	
Realignment of former ring fenced hostels grant funding	<u>(31,000)</u>	(71,000)
MANAGING OUR RELATIONSHIP WITH CUSTOMERS		
Modernising front line services	(103,000)	
Savings through channel shift	<u>(17,000)</u>	(120,000)
DELIVERING EFFECTIVE PROCUREMENT		
Savings from five year procurement plans	<u>(4,000)</u>	(4,000)
REVIEWING INCOME AND CONCESSIONS		
3% rent increase for homeless properties	(72,000)	
Registration charges	(9,000)	
Fauldhouse pool income - 3.5% increase	<u>(1,000)</u>	(82,000)
TOTAL BASE BUDGET DECREASE 2017/18		(42,654)
TOTAL BUDGET 2017/18 - BASE BUDGET		<u><u>6,971,775</u></u>

REVENUE BUDGET 2017/18**DETAILED ANALYSIS OF BUDGET CHANGE - OPERATIONAL SERVICES**

	£	£
BASE BUDGET 2016/17		54,975,808
BASE BUDGET MOVEMENTS 2017/18		
STAFFING		
Pay	<u>479,069</u>	479,069
DEMOGRAPHICS AND DEMAND-LED PRESSURES		
Demographics - Roads and Footpaths	59,000	
Demographics - Waste	135,000	
Demographics - NETS, Land and Countryside	25,000	
Demographics - Additional Support Needs transport	34,000	
Demographics - Concessionary Rail	<u>50,000</u>	
		303,000
REVENUE CONSEQUENCES OF CAPITAL PROGRAMME		
School estate expansion - facilities management	11,000	
East Calder Partnership Centre - facilities management	<u>22,000</u>	
		33,000
SERVICE PRESSURES AND DEVELOPMENTS		
Fleet Euro 6 engine compliance	<u>26,000</u>	
		26,000
INFLATION AND INDEXATION		
Waste disposal gate fees and landfill tax	436,000	
Passenger transport contracts	191,000	
Vehicle fuel	80,000	
Operational materials	87,000	
Food	<u>54,584</u>	
		848,584
MODERNISING SERVICES AND MANAGING OUR WORKFORCE		
Reduction in internal vehicle costs	(205,000)	
Workforce management in Waste, Roads, NETs, Land and Countryside	(98,000)	
Overtime saving	<u>(170,000)</u>	
		(473,000)
MANAGING OUR ASSETS		
Relocation of the Vennel public toilet provision after opening Linlithgow Partnership Centre	<u>(42,000)</u>	
		(42,000)
REDUCING ENERGY USE		
Street lighting LED conversion	<u>(153,000)</u>	
		(153,000)
DELIVERING EFFECTIVE PROCUREMENT		
Savings from five year procurement plans	<u>(163,000)</u>	
		(163,000)
REVIEWING INCOME AND CONCESSIONS		
Commercial Trade Waste charges - full cost recovery of increased costs	(130,000)	
Cemeteries - sale of lairs and interment fees - 5% increase	(23,000)	
Planters and headstones - 3.5% increase	(1,000)	
Roads inspections, consents, permits - 3.5% increase	(16,000)	
Facilities management - external cleaning and catering 3.5% increase	(13,000)	
School meals - 7 pence increase to primary and secondary school meals	(61,000)	
Countryside charges - 3.5% increase	<u>(12,000)</u>	
		(256,000)
TOTAL BASE BUDGET INCREASE 2017/18		602,653
TOTAL BUDGET 2017/18 - BASE BUDGET		<u>55,578,461</u>
TIME LIMITED MEASURES		
Support for Local Bus Services	<u>125,000</u>	
		125,000
TOTAL BUDGET 2017/18 - BASE BUDGET AND TIME LIMITED		<u>55,703,461</u>

REVENUE BUDGET 2017/18**DETAILED ANALYSIS OF BUDGET CHANGE - SOCIAL POLICY INTEGRATION JOINT BOARD**

	£	£
BASE BUDGET 2016/17		66,156,370
BASE BUDGET MOVEMENTS 2017/18		
STAFFING		
Pay	<u>292,613</u>	292,613
DEMOGRAPHICS AND DEMAND LED PRESSURES		
Social care demographics and cost of care demands	1,291,000	
Carers Act preparation	57,000	
War pensions disregard from financial assessments	<u>143,000</u>	1,491,000
INFLATION AND INDEXATION		
Provision for Living Wage for external social care workers	2,851,000	
Food	12,413	
Grant payments to sports, arts, community groups and gala days	<u>700</u>	2,864,113
MODERNISING SERVICES AND MANAGING OUR WORKFORCE		
Introduction of model office - modernising social care processes and systems	(200,000)	
Review of learning disability housing support services	(40,000)	
Review of management of physical disability units	<u>(40,000)</u>	(280,000)
WORKING WITH PARTNERS TO DELIVER OUTCOMES		
Review of business and care support functions across Social Policy	(750,000)	
Focus on West Lothian Alcohol and Drugs Partnership in place of Alcohol Diversionary Fund	<u>(100,000)</u>	(850,000)
PREVENTING NEGATIVE OUTCOMES		
Reshaping care for older people including reablement	(71,000)	
Review commissioning approach for specialist care at home/care home services for adults under 65	(100,000)	
Rationalise Alcohol & Drug Partnership contracts to ensure better targeting to priorities & outcomes	<u>(25,000)</u>	(196,000)
MANAGING OUR RELATIONSHIP WITH CUSTOMERS		
Savings through channel shift	<u>(18,000)</u>	(18,000)
DELIVERING EFFECTIVE PROCUREMENT		
Savings from five year procurement plans	<u>(55,000)</u>	(55,000)
REVIEWING INCOME AND CONCESSIONS		
Community alarms and Telecare - increased volume of new users	(40,000)	
Lunch clubs - 3.5% increase	(2,000)	
Recharges to other local authorities - full cost recovery	(27,000)	
Residents recoveries - learning disabilities & older people - 2% increase	(42,000)	
Sheltered Housing - 3% rent increases	<u>(20,000)</u>	(131,000)
TOTAL BASE BUDGET INCREASE 2017/18		3,117,726
TOTAL BUDGET 2017/18 - BASE BUDGET		<u><u>69,274,096</u></u>

REVENUE BUDGET 2017/18**DETAILED ANALYSIS OF BUDGET CHANGE - SOCIAL POLICY NON INTEGRATION JOINT BOARD**

	£	£
BASE BUDGET 2016/17		31,199,329
BASE BUDGET MOVEMENTS 2017/18		
STAFFING		
Pay	<u>161,804</u>	161,804
INFLATION AND INDEXATION		
Fostering, section payments, residential schools, secure units, day care	400,000	
Food	914	
Grant payments to sports, arts, community groups and gala days	<u>1,021</u>	401,935
MODERNISING SERVICES AND MANAGING OUR WORKFORCE		
Introduction of model office - modernising social care processes and systems	(100,000)	
Children's Services - workforce management savings	<u>(50,000)</u>	(150,000)
WORKING WITH PARTNERS TO DELIVER OUTCOMES		
West Lothian Youth Action Project	<u>(20,000)</u>	(20,000)
PREVENTING NEGATIVE OUTCOMES		
Reshaping care for children - including reduced requirement for residential school places and external care provision	<u>(232,000)</u>	(232,000)
DELIVERING EFFECTIVE PROCUREMENT		
Savings from five year procurement plans	<u>(27,000)</u>	(27,000)
TOTAL BASE BUDGET INCREASE 2017/18		134,739
TOTAL BUDGET 2017/18 - BASE BUDGET		<u><u>31,334,068</u></u>

REVENUE BUDGET 2017/18**DETAILED ANALYSIS OF BUDGET CHANGE - PLANNING, REGENERATION AND ECONOMIC DEVELOPMENT**

	£	£
BASE BUDGET 2016/17		4,833,660
BASE BUDGET MOVEMENTS 2017/18		
STAFFING		
Pay	<u>48,441</u>	48,441
INFLATION AND INDEXATION		
Grant payments to sports, arts, community groups and gala days	<u>5,717</u>	5,717
SERVICE PRESSURES AND DEVELOPMENTS		
Accounting impact of conclusion of West Lothian Social Enterprise Network one-off funding	<u>(35,000)</u>	(35,000)
MODERNISING SERVICES AND MANAGING OUR WORKFORCE		
Refocusing of activity in community regeneration to council priorities - changes to activities and workforce management	<u>(187,000)</u>	(187,000)
REVIEWING INCOME AND CONCESSIONS		
Increased income from planning applications and building warrants	(150,000)	
Pest control charges - 3.5% increase	(3,000)	
Other planning fees	<u>(1,000)</u>	(154,000)
TOTAL BASE BUDGET DECREASE 2017/18		(321,842)
TOTAL BUDGET 2017/18 - BASE BUDGET		<u>4,511,818</u>
TIME LIMITED MEASURES		
Additional training and employment / Skills Training Programme	<u>1,125,000</u>	1,125,000
TOTAL BUDGET 2017/18 - BASE BUDGET AND TIME LIMITED		<u>5,636,818</u>

REVENUE BUDGET 2017/18
DETAILED ANALYSIS OF BUDGET CHANGE - EDUCATION

	£	£
BASE BUDGET 2016/17		146,191,844
BASE BUDGET MOVEMENTS 2017/18		
STAFFING		
Pay - teachers	1,015,712	
Pay - non teachers	<u>304,710</u>	1,320,422
DEMOGRAPHICS AND DEMAND LED PRESSURES		
Pupil Equity Expenditure	5,052,000	
Demographics and maintaining pupil teacher ratio - all sectors	<u>82,000</u>	5,134,000
INFLATION AND INDEXATION		
Public Private Partnership (PPP) unitary charge	296,000	
West Lothian Leisure - Living Wage	84,000	
Nurseries partner provider places	7,000	
Scottish Qualifications Authority fees	19,000	
Food	<u>3,089</u>	409,089
MODERNISING SERVICES AND MANAGING OUR WORKFORCE		
Reduced allocation of places in partner provider nurseries	(200,000)	
Redesign of Instrumental Music service	(92,000)	
Area Business Support Managers - redesign of service	(100,000)	
New model for pre-school provision	(540,000)	
Review of outreach including behaviour, primary, secondary and looked after children	(75,000)	
Workforce planning savings as chartered teachers retire	(86,000)	
Nursery nurses in special primary schools to be replaced with pupil support workers	(73,000)	
Integration of nursery provision in mainstream schools	(113,000)	
Reduction in Devolved School Management school budgets for supplies and services	(49,000)	
Refocusing of activity in community regeneration to council priorities - ABE / CLD Adults	(161,000)	
Refocusing of activity in community regeneration to council priorities - Community Youth	(215,000)	
Devolving chartered teachers to schools	<u>(728,000)</u>	(2,432,000)
WORKING WITH PARTNERS TO DELIVER OUTCOMES		
Revised staffing establishment for active schools, sports development & community arts	<u>(500,000)</u>	(500,000)
MANAGING OUR RELATIONSHIP WITH CUSTOMERS		
Savings through channel shift	<u>(15,000)</u>	(15,000)
DELIVERING EFFECTIVE PROCUREMENT		
Savings from five year procurement plans	<u>(20,000)</u>	(20,000)
REVIEWING INCOME AND CONCESSIONS		
Increase in prices for services transferring to West Lothian Leisure	(133,000)	
Wraparound charges - 3.5% increase	(12,000)	
Burgh Halls - review of charges	<u>(23,000)</u>	(168,000)
TOTAL BASE BUDGET INCREASE 2017/18		3,728,511
TOTAL BUDGET 2017/18 - BASE BUDGET		<u>149,920,355</u>
TIME LIMITED PREVENTATIVE INVESTMENT		
Enhanced teaching support for learning and nurture	<u>300,000</u>	300,000
TOTAL BUDGET 2017/18 - BASE BUDGET AND TIME LIMITED		<u>150,220,355</u>

REVENUE BUDGET 2017/18**DETAILED ANALYSIS OF BUDGET CHANGE - CHIEF EXECUTIVE / FINANCE AND PROPERTY SERVICES**

	£	£
BASE BUDGET 2016/17		25,886,085
BASE BUDGET MOVEMENTS 2017/18		
STAFFING		
Pay	109,870	109,870
REVENUE CONSEQUENCES OF CAPITAL PROGRAMME		
School estate expansion - energy, water & sewerage, Non Domestic Rates & maintenance	116,000	
East Calder Partnership Centre - energy, water & sewerage, Non Domestic Rates & maintenance	92,000	208,000
SERVICE PRESSURES AND DEVELOPMENTS		
Discretionary Housing Payments - ending of one-off top up	(51,000)	(51,000)
INFLATION AND INDEXATION		
Carbon commitment	105,000	
Gas	103,000	
Water and sewerage	23,000	
Public conveniences contract	7,000	238,000
MODERNISING SERVICES AND MANAGING OUR WORKFORCE		
Consolidation of financial management, costing and purchase to pay activity	(124,000)	
Workforce & succession planning - Revenues and Benefits	(44,000)	
Non contractual overtime saving - Revenues and Benefits	(57,000)	(225,000)
MANAGING OUR ASSETS		
Property modernisation	(280,000)	
Increase fees for Tenanted Non Residential Portfolio (TNRP) service charges	(10,000)	
Additional Tenanted Non Residential Portfolio (TNRP) lease income	(109,000)	
Reduction in reactive maintenance	(50,000)	
Relocation of public toilet provision at the Vennel in Linlithgow - property savings	(24,000)	(473,000)
WORKING WITH PARTNERS TO DELIVER OUTCOMES		
Transfer of properties to West Lothian Leisure - non domestic rates relief	(532,000)	(532,000)
REDUCING ENERGY USE		
Installation of energy efficiency measures (solar photovoltaic (PV), biomass & lighting replacement)	(127,000)	
Energy savings from behaviour change programme and energy audits	(151,000)	(278,000)
DELIVERING EFFECTIVE PROCUREMENT		
Savings from five year procurement plan	(215,000)	(215,000)
MODERNISING SERVICES AND MANAGING OUR WORKFORCE		
Reduction in insurance budgets	(200,000)	(200,000)
REVIEWING INCOME AND CONCESSIONS		
Treasury management charges	(4,000)	(4,000)
TOTAL BASE BUDGET DECREASE 2017/18		(1,422,130)
TOTAL BUDGET 2017/18 - BASE BUDGET		24,463,955
TIME LIMITED PREVENTATIVE / ANTI POVERTY MEASURES		
Anti-Poverty Strategy	236,000	236,000
TOTAL BUDGET 2017/18 - BASE BUDGET AND TIME LIMITED		24,699,955

STATEMENT ON GENERAL FUND BALANCE AND OTHER RESERVES

1. Background

In reporting on the annual budget, I am required to provide Council with details of the General Fund Balance and its proposed use, and an opinion as to the adequacy of reserves for the forthcoming financial year.

2. Overall General Fund Balance

The council's General Fund Balance at 1 April 2016 was £19.0 million and is forecast to be £17.6 million at 1 April 2017. This consists of the following:

- An uncommitted General Fund Balance of £4 million, which includes an appropriation of £2 million from the Insurance Fund following the outcome of the Insurance Fund actuarial valuation
- Approved funding for time limited investment of £1.786 million in 2017/18
- A Modernisation Fund of £3.764 million, required to meet the cost associated with staffing and other organisational changes
- A Weather Emergency Fund of £1 million
- A Devolved Schools Management (DSM) scheme balance of £844,000
- An Energy Efficiency Fund of £351,000
- Other earmarked balances of £5.937 million, including committed Economic Recovery Plan funding and Scottish Government employability funding

3. Uncommitted General Fund Balance

The principal focus, in considering future financial strategy, is to ensure that sufficient funds are held in reserve to deal with the financial consequences of uncertain future events, and to provide a reasonable sum to address the potential impact of the range of risks and uncertainties highlighted in the budget report. Taking account of the significant financial pressures facing the council in future years, I am recommending that the uncommitted General Fund Balance is maintained at a minimum of £2 million in 2017/18, equivalent to 0.51% of annual baseline revenue expenditure. At this level, West Lothian Council will continue to have one of the lowest uncommitted general fund balances in Scotland.

The unallocated General Fund Balance at 31 March 2016 was £2 million as noted in the council's audited 2015/16 annual accounts. I would estimate, based on the current year revenue budget monitoring forecasts that the uncommitted General Fund Balance will continue to be £2 million at 31 March 2017. However following an actuarial valuation, it has been assumed that the surplus balance of £2 million from the Insurance Fund has been transferred to the General Fund Balance as an additional uncommitted sum, resulting in a total uncommitted General Fund Balance of £4 million at 1 March 2017.

The proposed 2017/18 revenue budget does not assume any use of the uncommitted general fund balance in 2017/18.

4. Other Elements of the General Fund Balance

The council's Modernisation Fund was established on 15 January 2013 to assist the council in meeting one-off costs associated with implementing changes to services and in delivering proactive workforce planning. The intention in establishing the Modernisation Fund was to recognise that a key objective of the council is to modernise service delivery. While this will be closely linked to the reconfiguration of staffing, there is a broader scope of costs associated with modernising service delivery which the fund also covers. This may, for example, include employing specialist temporary staff or procuring new systems to streamline and modernise

processes. As noted the fund has been utilised to help cover the cost of voluntary severance or early retirement packages with 643 members of staff receiving a package with £16.9 million of costs being funded from the Modernisation Fund since 2010. This has helped to deliver recurring budget savings of over £70 million from 2010/11 to date.

As part of the council's efficiency agenda to secure better outcomes, modernise services and achieve savings, there has been, and will continue to be, continuous change in the way services are delivered. The anticipated deployment of the Modernisation Fund is therefore dependent on the phasing of modernisation initiatives. The projected uncommitted Modernisation Fund balance at 1 April 2017 is £3.764 million. In order to facilitate staffing changes and service modernisation in 2017/18, and to respond to the financial challenges anticipated for the future five years 2018/19 to 2022/23, I would advise council that the Modernisation Fund is required in full to help the council to continue to deliver balanced budgets.

The Weather Emergency Fund was established to assist the council in meeting any exceptional costs in relation to severe weather incidents. This was agreed in conjunction with a reduction in the core annual weather emergency budget of £375,000. Given the constraints on the recurring revenue budget, if the council faced severe weather during the winter or other events such as flooding, I would advise that the Weather Emergency Fund is essential to enable a proactive response. The level of the Weather Emergency Fund should ensure that sufficient funds are available to allow the council to react appropriately and quickly to severe weather events, by covering the financial consequences of such events. If this fund is not available and a severe weather incident occurs, it is likely that there will be an additional unforeseen financial burden on the council.

In accordance with the Devolved School Management Scheme, the schools delegated balance is held within the General Fund but is earmarked for school spending. The schools delegated balance is available to be utilised, if required, on school expenditure in 2017/18.

5. Other Reserves

The council has a capital fund and insurance fund which are separate reserves to the council's General Fund Balance.

The Insurance Fund provides self-insurance within an overall risk management strategy. The fund covers all known liabilities and is independently valued every three years. The fund was subject to an independent actuarial revaluation in early 2017 and based on the results of this revaluation, and an assessment of potential future risks, it was identified that the fund is currently £2 million greater than the assessed potential and future liabilities. On that basis, the £2 million Insurance Fund surplus has been transferred to the General Fund reserve on the basis that it is uncommitted. It should be noted that this will bring the Insurance Fund balance in line with the actuarial revaluation, meaning that I consider it essential to maintain the Insurance Fund at the revised level of £11.7 million to ensure all known liabilities and risks are appropriately covered.

The Capital Fund, established in 2003, is integral to the council's capital investment strategy. The mix between borrowing and application of the Capital Fund is kept under review to take account of prevailing market conditions and other funding risks. The Capital Fund earns interest on balances and, in line with approved procedure, treasury surpluses are also transferred to the fund. Taking account of these factors, the estimated balance on the Capital Fund at 31 March 2018 will be £45.175 million.

Based on the council's planned capital investment programme and future treasury costs, I can confirm that all of this sum is required in future years to help finance the council's asset management and capital investment strategy, and to secure best value in treasury management.

The capital budget report proposes that the council develops a new ten year capital investment strategy to ensure that essential assets are maintained at an appropriate level. As part of the resources to deliver this strategy, the Capital Fund will be required in its entirety over the period 2018/19 to 2027/28 to fund required capital investment. The council's approach to the Capital Fund will ensure that the council can continue to invest in assets in a period of financial constraint. If the Capital Fund is unavailable to prioritise capital investment, the future capital programme would have to be revised accordingly. In this regard, the Capital Fund is a key element in ensuring that capital spending plans are affordable, prudent and sustainable and continue to comply with the requirements of the Prudential Code.

The forecast movement in council reserves in 2017/18 are as follows:

	Forecast Balance 1 April 2017 £000's	Additions/ (Withdrawals) £000's	Forecast Balance 31 March 2018 £000's
Insurance Fund	13,700	(2,000)	11,700
Capital Fund	59,299	(14,124)	45,175

6. Conclusion

As set out above, I am recommending to Council that the uncommitted General Fund Balance is maintained at a minimum of £2 million. Based on an assessment of the assumptions within the revenue budget report including funding and cost pressures in future years, I believe that a minimum uncommitted General Fund Balance of £2 million is an adequate contingency, albeit one of the lowest balances within Scotland. I would also advise that the level of the other reserves is required for their stated purpose and any reduction in this level could impact on the council's ability to retain effective financial management and planning in light of the constrained financial environment in 2017/18 and beyond.

I will keep the level of reserves and balances under review, taking into account latest circumstances and financial demands on the council.

EQUALITY IMPACT ASSESSMENT LEGAL AND PROCESS REQUIREMENTS

The council's statutory public sector equality duty (PSED) is in the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. There is a general duty in the Act and specific duties in the Regulations, which includes the requirement for equality impact assessment. The table below outlines the specific elements of the equality impact assessment Duty and provides an explanation of what the Duty means in practice.

Legal and Process Requirements	Explanation
Assess the impact of the decision on needs	The potential implications of the decision must be assessed, as far as is possible with available information.
Consider relevant evidence	Identify and look at known facts and relevant evidence. It does not always require hard statistics - qualitative and more subjective evidence may be sufficient.
Involvement of others may be required	Involvement and consultation with representative groups may be desirable, but is not a requirement – the sufficiency and adequacy of the evidence is critical rather than following a set procedure in every case.
The process and evidence considered should be recorded	Records of what is done and decisions taken are necessary to show compliance.
The equality impact assessment must be part of the decision taken	Impacts and mitigation measures must be actively considered by the decision-makers when the decision is taken.
Have due regard	The equality impact assessment is a factor in a decision; it is not the only relevant factor for the decision maker to consider. It is for the decision maker to assess and decide the weight to give the equality impact assessment against other relevant considerations.
Other factors can be relevant to the decision	The need for efficiencies and to reduce spending are legitimate factors to be weighed along with equality impact assessment results.
Equality impact assessment is part of a process	The equality impact assessment is undertaken for specific statutory purposes, it is not an end in itself.
Must publish the results within a reasonable period	After carrying out the assessment the council must make it available to the public.
Make appropriate arrangements to review the equality impact assessment following implementation of the policy and, where necessary, revise the decision or recommendations	Reasonable review (measuring actual impacts) and revision/modification procedures are necessary as part of the decision and they should be applied as part of the equality impact assessment process.

2017/18 REVENUE BUDGET EQUALITY IMPACT ASSESSMENT RESULTS

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Corporate Services				
Workforce management savings and review of non staffing budgets	Relevant	Gender	The assessment process identified that due to the workforce profile of administration services, there is likely to be an impact on female employees. The posts affected by the measure are predominately support posts - with a large number of female employees within administration services holding support positions.	The council has a position of no compulsory redundancy. The council also has a range of workforce management policies and procedures in place to ensure that the impact of displacement of employees through service redesign or restructure is minimised. The actual impact of the proposed changes to administration services across the council will be monitored.
Corporate Procurement – workforce management savings	Not relevant	N/A	N/A	N/A
Reduce taxi examination budget	Not relevant	N/A	N/A	N/A
Saving from training being provided in partnership with Falkirk Council	Not relevant	N/A	N/A	Training will continue to be delivered from a centralised service.
Savings through channel shift	Not relevant	N/A	N/A	N/A
Reduction in telephone budgets	Not relevant	N/A	N/A	N/A
Introduce technology to reduce IT desktop support	Not relevant	N/A	N/A	N/A
Redesign of education IT support model	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Savings from five year procurement plan	Not relevant	N/A	N/A	N/A
Discretionary licencing fees 3.5% increase	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Housing, Customer and Building Service				
Maintain cash collection facility in Livingston and publicise local options for payment	Relevant	Age; Disability	The assessment process identified that this measure may have an impact on older people and people with disabilities following implementation, and potentially some single parents. It was felt however that the mitigations already considered by the service will counter any possible negative impacts.	Changes will be implemented in areas where alternative cash payment methods are available in close proximity (for example nearby Post Office or Pay Point). In addition automated payment facilities will be introduced as a substitute and customers will be supported to use this new technology. A range of payment options for all customers will remain available, negating any equality impact.
Realignment of former ring fenced hostels grant funding	Not relevant	N/A	N/A	N/A
Modernising frontline services	Relevant	Age; Disability; Gender	The implications of this measure on service provision by protected characteristics was considered due to a concern over access to local services for people with disabilities, older people and single parents who are more likely to have transport challenges. It was concluded that the particular impact on equality issues will be low to nil given that services will continue to be available locally.	N/A
Savings through channel shift	Not relevant	N/A	N/A	N/A
Savings from five year procurement plan	Not relevant	N/A	N/A	N/A
3% rent increase for homeless properties	Not relevant	N/A	N/A	N/A
Registration charges	Not relevant	N/A	N/A	N/A
Fauldhouse pool income - 3.5% increase	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Operational Services				
Reduction in internal vehicle costs	Not relevant	N/A	N/A	N/A
Workforce management in Waste, Roads, NETs, Land and Countryside	Not relevant	N/A	N/A	N/A
Overtime saving	Not relevant	N/A	N/A	N/A
Relocation of the Vennel public toilet provision after opening Linlithgow Partnership Centre	Relevant	Gender; Disability; Age	The assessment process considered whether this measure presented implications across the protected characteristics of gender, age and disability. The assessment identified service standards and support will continue to be available.	Improved toilet provision will be available at other council buildings nearby, as well as on-street automated toilets.
Street lighting LED conversion	Not relevant	N/A	N/A	N/A
Savings from five year procurement plan	Not relevant	N/A	N/A	N/A
Commercial trade waste charges - full cost recovery of increased costs	Not relevant	N/A	N/A	N/A
Cemeteries - sale of lairs and interment fees - 5% increase	Not relevant	N/A	N/A	N/A
Planters and headstones – 3.5% increase	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Roads inspections, consents, permits - 3.5% increase	Not relevant	N/A	N/A	N/A
Facilities Management – external cleaning and catering 3.5% increase	Not relevant	N/A	N/A	N/A
School Meals – 7 pence increase to primary and secondary school meals	Not relevant	N/A	N/A	N/A
Countryside charges – 3.5% increase	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Social Policy (IJB)				
Introduction of model office - modernising social care processes and systems	Relevant	Gender	The assessment process identified that due to the workforce profile of the administration and social care services, there is likely to be an impact on female employees. The posts affected by the proposed project are predominately support posts – with 96% of employees affected by the proposed restructuring being female. There may be a possible positive impact on the protected groups served by the service. By streamlining administration and IT services used by the service, a more efficient service could be passed on to the client. The service serves a range of clients who may be considered to be vulnerable, and includes those from protected groups – in particular older adults, young children, and individuals with disabilities. During the EQIA process, no particular mitigating actions could be identified that were specific to this measure or service. It was however felt that many of the initiatives being taken at a corporate level were directly relevant and would assist to mitigate any negative implications for those individuals affected.	The council has a position of no compulsory redundancy. While an individual's current post and working practices may be impacted upon by budget proposals, the potential impact of compulsory redundancy is mitigated regardless of protected characteristic. The workforce management policy enables staff that may be displaced to be offered alternative posts. Significant opportunities for flexible transition, including training and development, are provided. Skills matching and the consultation process ensure that the particular needs and issues of each individual are taken into account during the implementation of the policy. Work is being undertaken to profile the council's workforce. This will assist to pro-actively identify services or teams that have capacity to accept employees via the redeployment process. This work assists in advance to identify required skills, training and other development which may be necessary for employees to transition from one role to another. The council's policies on flexible working, reduced hours working, voluntary severance and early retirement provide further options to manage and mitigate the impact of the measure.
Review of learning disability housing support services	Relevant	Age; Gender; Disability	The assessment process identified that due to the workforce profile of Social Policy, there is likely to be an impact on predominantly female employees. Working with external partners could mean a more efficient service to the client. The service serves a range of clients who may be considered to be vulnerable, and includes those from protected groups (older adults, young children and individuals with disabilities).	Services will continue to be provided by external partners at a reduced cost. The workforce management policy enables staff that may be displaced to be offered alternative posts elsewhere in the service, or organisation. Significant opportunities for flexible transition, including training and development, are supported.

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Review of management of physical disability units	Not relevant	N/A	N/A	N/A
Review of business and care support functions across Social Policy	Relevant	Gender; Age; Disability; Religion or Belief; Ethnicity; Sexual Orientation; Gender Reassignment; Pregnancy and Maternity	The assessment process identified that due to the workforce profile of Social policy, there is likely to be an impact on predominantly female employees.	The council has a position of no compulsory redundancy. While an individual's current post and working practices may be impacted upon by budget proposals, the potential impact of compulsory redundancy is mitigated regardless of protected characteristic. The workforce management policy enables staff that may be displaced to be offered alternative posts. Significant opportunities for flexible transition, including training and development, are provided. Skills matching and the consultation process ensure that the particular needs and issues of each individual are taken into account during the implementation of the policy. Work is being undertaken to profile the council's workforce. This will assist to pro-actively identify services or teams that have capacity to accept employees via the redeployment process. This work assists in advance to identify required skills, training and other development which may be necessary for employees to transition from one role to another. The council's policies on flexible working, reduced hours working, voluntary severance and early retirement provide further options to manage and mitigate the impact of the measure.

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Focus on West Lothian Alcohol and Drugs Partnership in place of Alcohol Diversionary Fund	Relevant	Gender; Age; Disability; Religion or Belief; Ethnicity; Sexual Orientation; Gender Reassignment; Pregnancy and Maternity	The assessment process considered whether this measure presented implications across all the protected characteristics. The assessment identified service standards and support will continue to be available to priority service users.	There is no evidence to support that the provision in this area, in terms of diversionary activity, is reducing crime and anti-social behaviour.
Reshaping care for older people including reablement	Not relevant	N/A	N/A	N/A
Review commissioning approach for specialist care at home/care home services for adults under 65	Not relevant	N/A	N/A	N/A
Rationalise Alcohol and Drug Partnership contracts to ensure better targeting to priorities and outcomes	Relevant	Age; Disability; Gender; Gender Identity; Ethnicity; Pregnancy and Maternity; Religion or Belief; Sexual Orientation; Marriage and Civil Partnership	The assessment process considered whether this measure presented implications across all the protected characteristics. The assessment identified service standards and support will continue to be available to priority service users.	N/A
Savings through channel shift	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Savings from five year procurement plan	Not relevant	N/A	N/A	N/A
Community Alarms and Telecare - increased volume of new users	Not relevant	N/A	N/A	N/A
Lunch clubs – 3.5% increase	Relevant	Age; Disability	This measure was flagged at relevance stage as the client base predominantly affected is older people and people with disabilities. The increase is minimal and charges remain below Local Authority averages. No particular negative impact identified.	N/A
Recharges to other local authorities – full cost recovery	Not relevant	N/A	N/A	N/A
Residents recoveries - Learning Disabilities & Older People - 2% increase	Not relevant	N/A	N/A	N/A
Sheltered Housing - 3% rent increases	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Social Policy (Non IJB)				
Introduction of model office - modernising social care processes and systems	Relevant	Gender	The assessment process identified that due to the workforce profile of the administration and social care services, there is a likely to be an impact on female employees. The posts affected by the proposed project are predominately support posts – with 96% of employees affected by the proposed restructuring being female. There may be a possible positive impact on the protected groups served by the service. By streamlining administration and IT services used by the service, a more efficient service could be passed on to the client. The service serves a range of clients who may be considered to be vulnerable, and includes those from protected groups – in particular older adults, young children, and individuals with disabilities. During the EQIA process, no particular mitigating actions could be identified that were specific to this measure or service. It was however felt that many of the initiatives being taken at a corporate level were directly relevant and would assist to mitigate any negative implications for those individuals affected.	The council has a position of no compulsory redundancy. While an individual's current post and working practices may be impacted upon by budget proposals, the potential impact of compulsory redundancy is mitigated regardless of protected characteristic. The workforce management policy enables staff that may be displaced to be offered alternative posts. Significant opportunities for flexible transition, including training and development, are provided. Skills matching and the consultation process ensure that the particular needs and issues of each individual are taken into account during the implementation of the policy. Work is being undertaken to profile the council's workforce. This will assist to pro-actively identify services or teams that have capacity to accept employees via the redeployment process. This work assists in advance to identify required skills, training and other development which may be necessary for employees to transition from one role to another. The council's policies on flexible working, reduced hours working, voluntary severance and early retirement provide further options to manage and mitigate the impact of the measure.
Children's Services – workforce management	Not Relevant	N/A	N/A	N/A
West Lothian Youth Action Project	Relevant	Age; Gender; Disability; Ethnicity; Religion and Belief;	The assessment process considered whether this measure presented implications across the protected characteristics of age, gender, disability and religion and belief. The assessment identified that service standards and support will continue to be available to priority service users.	Duplication in service provision was identified within more than one service area. Streamlining of provision will not result in a reduction in service delivery.

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Reshaping care for children - including reduced requirement for residential school places and external care provision	Not relevant	N/A	N/A	N/A
Savings from five year procurement plan	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Planning, Economic Development and Regeneration				
Refocusing of activity in community regeneration to council priorities - changes to activities and workforce management	Relevant	Age; Gender; Disability; Ethnicity; Gender Identity; Religion and Belief; Sexual Orientation	The assessment process identified whether this measure presented implications for most of the protected characteristics. The realigning of services is likely to have a positive impact on the most vulnerable service users as the service will be more focused on delivering to those who need it most. The assessment process identified whether this measure presented implications for employees as potentially redeployment may be required.	Realigning services to ensure the most vulnerable people and communities of West Lothian continue to benefit from focused interventions, aligned to corporate priorities and the single outcome agreement. The council has a position of no compulsory redundancy. The council also has a range of workforce management policies and procedures in place to ensure that the impact of displacement of employees through service redesign or restructure is minimised.
Increased income from planning applications and building warrants	Not Relevant	N/A	N/A	N/A
Pest control charges - 3.5% increase	Relevant	Disability;	Existing scheme within the council provides concessionary rates to enable people on low income to continue to access services.	N/A
Other Planning Fees	Relevant	Disability; Ethnicity	The assessment process identified whether this measure presented implications for customers with disabilities and/or those where English is not their first language. The assessment identified service standards and support available to ensure customers will not be affected through implementation of the measure.	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Education				
Reduce allocation of places in partner provider nurseries	Relevant	Age; Gender; Disability; Ethnicity; Religion and Belief	The assessment process identified whether this measure presented implications for customers particularly with the protected characteristics of age, disability, gender, ethnicity, religion and belief. The assessment identified service standards and support available will ensure customers are not affected by implementation of the measure.	Council nursery services have been redesigned to offer full days, or morning or afternoon sessions. The legislative requirement to provide 600 hours funded nursery provision per year per child will be achieved through a flexible approach to nursery provision.
Redesign of Instrumental Music service	Not relevant	N/A	N/A	N/A
Area Business Support Managers – redesign service	Not relevant	N/A	N/A	Non filling of vacant post.
New model for pre-school provision	Relevant	Gender; Age; Disability	The assessment process identified whether this measure presented implications for customers with disabilities. The assessment identified service standards and support are available to ensure customers will not be affected by implementation of the measure.	
Review of outreach services including behaviour, primary, secondary and looked after children	Not relevant	N/A	N/A	N/A
Workforce planning savings as chartered teachers retire	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Nursery nurses in special primary schools to be replaced with pupil support workers	Relevant	Gender	The assessment process identified that due to the workforce profile of this service area, there is likely to be an impact on female employees. During the EQIA process, no particular mitigating actions could be identified that were specific to this measure.	The council has a position of no compulsory redundancy. There is also a range of workforce management policies and procedures to ensure that the impact of displacement through service redesign is minimised. The actual impact of the proposed changes will be monitored.
Integration of nursery provision in mainstream schools	Relevant	Disability	The assessment process identified whether this measure presented implications for customers with disabilities. The assessment identified service standards and support available to ensure customers will not be affected by implementation of the measure.	
Reduction in Devolved School Management school budgets for supplies and services	Not Relevant	N/A	N/A	N/A
Refocusing of activity within community regeneration to council priorities – ABE / CLD Adults	Not relevant	N/A	N/A	N/A
Refocusing of activity within community regeneration to council priorities – Community Youth	Not relevant	N/A	N/A	N/A
Devolving chartered teachers to schools	Relevant	Age; Gender	The assessment process considered whether this measure presented implications across the protected characteristics of age and gender. Service standards and support will continue to be available.	This relates to the chartered teachers' qualification. Schools will fund chartered teachers from devolved budgets.

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Revised staffing establishment for active schools, sports development and community arts	Not relevant	N/A	N/A	N/A
Savings through channel shift	Not relevant	N/A	N/A	N/A
Savings from five year procurement plan	Not relevant	N/A	N/A	N/A
Increase in prices for services transferring to West Lothian Leisure	Not relevant	N/A	N/A	N/A
Wraparound Charges - 3.5% increase	Not relevant	N/A	N/A	N/A
Burgh Halls - review of charges	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Chief Executive / Finance and Property Services				
Consolidation of financial management, costing and purchase to pay activity	Not relevant	N/A	N/A	N/A
Workforce and succession planning – Revenues and Benefits	Not relevant	N/A	N/A	N/A
Non contractual overtime saving – Revenues and Benefits	Relevant	Age; Disability; Gender; Gender Identity; Ethnicity; Pregnancy and Maternity; Religion or Belief; Sexual Orientation; Marriage and Civil Partnership	The assessment process considered whether this measure presented implications across all the protected characteristics. The assessment identified service standards and support will continue to be available to service users.	A national review of the benefits system has taken place, this will result in claims being dealt with by the Department of Work and Pensions (DWP) which will reduce or remove the requirement for West Lothian Council employees to provide this service.
Property Modernisation	Relevant	Age; Disability; Gender	While this measure was deemed relevant to equality, the issues identified in relation to the impact of building rationalisation have been picked up throughout a number of other relevant assessments, the cumulative assessment on the wider financial strategy and through previous budget setting work.	N/A
Increase fees for Tenanted Non Residential Portfolio (TNRP) service charges	Not relevant	N/A	N/A	N/A

Budget Measure	EQIA Relevance	Protected Characteristics*	Summary of Issues	Recommendations or Proposed Mitigation
Additional Tenanted Non Residential Portfolio (TNRP) lease income	Not relevant	N/A	N/A	N/A
Reduction in reactive maintenance	Not relevant	N/A	N/A	N/A
Relocation of public toilet provision at the Vennel Linlithgow – property costs	Not relevant	NA/	N/A	N/A
Transfer of properties to West Lothian Leisure – NDR relief	Not relevant	N/A	N/A	N/A
Installation of energy efficiency measures (solar PV, Biomass and lighting replacement)	Not relevant	N/A	N/A	N/A
Energy savings from behaviour change programme and energy audits	Not relevant	N/A	N/A	N/A
Savings from five year procurement plan	Not relevant	N/A	N/A	N/A
Reduction in Insurance budgets	Not relevant	N/A	N/A	N/A
Treasury management charges	Not relevant	N/A	N/A	N/A

2017/18 PRUDENTIAL INDICATORS

The key objective of the Prudential Code is to ensure that the capital investment plans are affordable, prudent and sustainable. The Code has nine prudential indicators designed to support and record local decision making. These indicators require to be approved and monitored by the Council. The following describes the purpose of each indicator and the implications for West Lothian Council of the proposed levels, values and parameters.

CAPITAL EXPENDITURE INDICATORS

1. CAPITAL EXPENDITURE

Purpose of the Indicator

This indicator outlines capital spending plans for the next three years to ensure the council meets its duty under the Local Government in Scotland Act 2003 to determine and keep under review the amount it can afford to allocate to capital expenditure.

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
	Estimate	Estimate	Estimate	Estimate
General Fund	63,593	49,827	33,136	22,000
Housing	50,337	77,152	15,000	15,000
Total	113,930	126,979	48,136	37,000

Implications

The capital expenditure estimates are based on the General Services and Housing capital investment programmes for 2017/18 which are being presented to the Council for approval. As the Prudential Code requires forecasts for three years beyond the current year, high level assumptions have been made as to the base level capital programmes for 2018/19 and 2019/20. These assumptions are subject to change as future year programmes are developed and approved.

2. CAPITAL FINANCING REQUIREMENT

Purpose of the Indicator

The capital financing requirement measures the council's underlying need to borrow for a capital purpose. This is the council's total outstanding debt required to finance planned capital expenditure.

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
	Estimate	Estimate	Estimate	Estimate
General Fund	456,541	457,967	452,706	440,256
Housing	190,987	239,859	245,312	250,367
Total	647,528	697,826	698,018	690,623

Implications

The capital financing requirement continues to rise to the end of 2018/19 as the council's outstanding debt incorporates the borrowing required to finance the approved capital expenditure plans. It then reduces from 2019/20, on the assumption of a base level capital programme. Indicators three, four and five help to determine whether the planned level of borrowing is affordable and financially prudent.

AFFORDABILITY INDICATORS

3. RATIO OF FINANCING COSTS TO NET REVENUE STREAM

Purpose of the Indicator

This indicator provides a measure of the proportion of the budget allocated to financing capital expenditure. For the General Fund, it is the ratio of financing costs against net expenditure financed by government grant and local taxpayers. For Housing, it is the ratio of financing costs to gross house rental income.

	2016/17 £'000 Estimate	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate
General Fund	7.5%	7.4%	7.4%	7.4%
Housing	26.0%	28.6%	32.0%	32.5%

Implications

The General Fund ratio is forecast to remain consistent over the period as the council continues to borrow to fund the revised capital investment programme. Financing costs are assessed to be affordable within the overall context of the revenue budget over the period. For Housing, the proportion allocated to loans charges rises in line with the increased borrowing required to fund the council house new build programme. The Depute Chief Executive Corporate, Operational and Housing Services has confirmed that the costs can be managed within the requirements of the HRA revenue budget in the long term.

4. ESTIMATES OF INCREMENTAL IMPACT OF NEW CAPITAL INVESTMENT DECISIONS ON COUNCIL TAX AND HOUSE RENTS

Purpose of the Indicator

This key indicator demonstrates the incremental impact on council tax and rent levels.

Incremental impact of approved capital plans:	2017/18	2018/19	2019/20
Council Tax (Band D)	Nil	Nil	Nil
Average Weekly House Rents	Nil	Nil	Nil

Implications

The revised capital investment programmes for General Fund and Housing will have no incremental impact on council tax or weekly rents.

FINANCIAL PRUDENCE INDICATOR

5. GROSS EXTERNAL BORROWING AND THE CAPITAL FINANCING REQUIREMENT

Purpose of the Indicator

This indicator records the extent to which gross external borrowing, including long term liabilities such as Public Private Partnerships (PPP) and leases, is less than the capital financing requirement outlined in indicator two above. This is a key indicator of prudence and shows that, over the medium term, external borrowing is for capital purposes only. The values are measured at the end of the financial year.

	2016/17 £'000 Estimate	2017/18 £'000 Estimate	2018/19 £'000 Estimate	2019/20 £'000 Estimate
Capital Financing Requirement	647,528	697,826	698,018	690,623
Gross External Borrowing (including long term liabilities)	647,528	697,826	698,018	690,623
Under limit by	-	-	-	-

Implications

Figures are measured at the end of the financial year when a comparison will be provided for this indicator. During the course of the financial year, the net external borrowing, including long term liabilities, should be forecast to equal the capital financing requirement as the council only borrows for capital purposes. Gross external borrowing will be contained within the capital financing requirement.

TREASURY AND EXTERNAL DEBT INDICATORS

6. AUTHORISED LIMIT FOR EXTERNAL DEBT

Purpose of the Indicator

This limit provides a maximum figure to which the council could borrow at any given point during each financial year.

Authorised Limit for:	2017/18 £'000	2018/19 £'000	2019/20 £'000
Gross External Borrowing	717,777	691,732	683,337
Other Long Term Liabilities	65,230	62,681	60,142
External Debt	783,007	754,413	743,479

Implications

The limit is based on capital investment plans and treasury management policy and practice. It allows sufficient headroom for unanticipated movements and the limit will be reviewed on an ongoing basis throughout the year. The council's capital financing requirement outlined in indicator 5 above is less than the authorised limit for each of the three years. If the authorised limit is liable to be breached, a report will be presented to Council with recommendations on how it can be managed.

7. OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

Purpose of the Indicator

This indicator is a key management tool for in year monitoring and is lower than the authorised limit. It is based on an estimate of the most likely level of external borrowing.

Operational Boundary for:	2017/18 £'000	2018/19 £'000	2019/20 £'000
Gross External Borrowing	707,777	681,732	673,337
Other Long Term Liabilities	64,230	61,681	59,142
External Debt	772,007	743,413	732,479

Implications

This indicator is consistent with revised capital investment plans and with treasury management policy and practice. It is sufficient to facilitate appropriate borrowing during the financial year and will be reviewed on an ongoing basis.

8. ACTUAL EXTERNAL DEBT

Purpose of the Indicator

This is a factual indicator showing actual external debt for the previous financial year.

31 March 2016
£'000

Actual External Borrowing	531,118
Actual Other Long Term Liabilities	69,031
Actual External Debt	600,149

9. TREASURY MANAGEMENT INDICATOR

This indicator intends to demonstrate good professional practice is being followed.

9.1 Adoption of the CIPFA Treasury Management Code

The CIPFA Treasury Code was adopted in March 1997 as an indication of good practice. The 2017/18 annual treasury plan, incorporating the prudential indicators as set out in this report, will be reported to Council on 7 March 2017. The 2016/17 annual treasury report will be reported in the first half of 2017/18.

9.2 Upper limits for fixed and variable rate borrowing to 2019/20

The proposed limit for fixed rate borrowing is 100% and the proposed limit for variable rate borrowing is 35%. These limits mean that fixed rate exposures will be managed within the range of 65 to 100% and the maximum exposure to variable rate borrowing will be 35% of total debt. This is a continuation of current practice.

9.3 Maturity structure of fixed rate borrowing for 2017/18

These parameters control the extent to which the council will have large concentrations of fixed rate debt needing to be replaced at times of possible uncertainty over interest rates. The limits for fixed rate borrowing are as follows:

	Proposed Upper Limit	Proposed Lower Limit
Under 12 months	35%	0%
12 months and within 24 months	35%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and over	100%	25%

9.4 Total principal sums invested for periods longer than 364 days

The Local Government Investment (Scotland) Regulations 2010 allow investments for periods longer than 364 days. Consistent with the decision of the Council on 15 October 2013, the maximum that can be invested is £35 million to ensure security of funds.

The treasury management indicator confirms that sound professional practice is being followed by the council. The proposed values and parameters will provide sufficient flexibility in undertaking operational treasury management.

CONCLUSION

In approving and subsequently monitoring the prudential indicators, the council is fulfilling its duty to ensure that spending plans are affordable, prudent and sustainable. It also confirms that treasury management operates in accordance with the requirements of the CIPFA Treasury Management in the Public Services Code of Practice.



**West Lothian
Council**

WEST LOTHIAN COUNCIL

GENERAL SERVICES CAPITAL PROGRAMME – 2017/18

REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES

A. PURPOSE OF REPORT

The purpose of this report is to enable the council to agree an updated General Services capital programme for 2017/18.

B. RECOMMENDATION

It is recommended that the council:

1. Notes the main achievements from the capital programme that has been delivered from 2013/14 to 2016/17;
2. Approves the updated capital programme for 2017/18, as set out in Appendix 1;
3. Approves updated capital funding for 2017/18, as set out in section D.4 of the report; and
4. Agrees that officers should undertake work on a future capital investment programme and pipeline, asset management strategies and asset management plans, as outlined in section D.6 of the report.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Being honest, open and accountable; focusing on customers' needs; making best use of our resources; working in partnership.
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	<p>The council's General Services capital programme is managed within the stringent requirements set out in the Prudential Code.</p> <p>Expenditure has been in compliance with the council's Best Value Framework, approved on 10 June 2014, aimed at ensuring compliance with the provisions contained within the Local Government in Scotland Act 2003.</p> <p>An Equality Relevance Assessment has been carried out in compliance with the Equality Act 2010 and is included in Appendix 2.</p>
III	Implications for Scheme of Delegations to Officers	None.
IV	Impact on performance and performance indicators	Effective implementation of capital investment is vital to service performance.

V	Relevance to Single Outcome Agreement	Effective prioritisation of resources will be essential in achieving key outcomes over the next year.
VI	Resources - (Financial, Staffing and Property)	The revised capital programme for 2017/18 is £49.827 million and takes account of projected resources for the year.
VII	Consideration at PDSP	Asset Lead Officers provide annual asset performance reports to relevant Policy Development and Scrutiny Panels (PDSPs).
VIII	Other consultations	<p>Depute Chief Executives, Heads of Service, Asset Lead Officers and capital project managers.</p> <p>The DBO consultation in January 2013 agreed eight priorities and nine workstreams. The DBO consultation in 2014 identified budget measures to support the delivery of the priorities and workstreams. The capital programme has supported the priorities and workstreams and has taken account of consultation comments.</p>

D. TERMS OF REPORT

D.1 Background

The Council, on 23 February 2016, approved the General Services capital programme for 2016/17 to 2017/18. This was updated in June 2016 to take account of the 2015/16 capital outturn. This report sets out the capital programme that has been delivered from 2013/14 to 2016/17, outlines a proposed capital programme for 2017/18 and seeks approval for future work to be undertaken to begin to prepare a new ten year capital programme and a corporate asset management strategy.

D.2 2013/14 to 2016/17 General Services Capital Programme

The five year General Services capital programme covering 2013/14 to 2017/18 was approved on 29 January 2013. Over the first four years of the capital programme, there has been £207.241 million of capital investment across West Lothian and, taking account of the planned investment in 2017/18, a total of £257.068 million will have been delivered over the five years. This has provided significant improvements in services and assets over the period.

Property Assets

Investment in the property asset category totalled over £124 million over the four year period and included a number of education projects, such as the new Southdale Primary School in Armadale, the new Woodmuir Primary School in Breich, the refurbishment and extension of Toronto Primary School in Livingston and the refurbishment of Kirknewton Primary School. Extensions to deliver improved suitability of physical education and dining accommodation have been completed at Blackridge Primary, Broxburn Primary, and Carmondean and Peel Primary Schools in Livingston. Extensions to increase capacity and improve suitability have been completed at St. Anthony's Primary School, Armadale, St. Nicholas' Primary School, Broxburn, and Pinewood Additional Support Needs School in Blackburn. Significant planned improvements to the school estate totalling £14.8 million have been completed across a range of schools including Howden St. Andrews and Knightsridge Primary Schools in Livingston, Armadale Primary School and Linlithgow Academy. The council has also committed to its largest single school estate investment with works commencing to deliver the new West Calder

High School, which will be fully operational from August 2018. These significant investments in our education estate have resulted in 100% of schools now being in satisfactory or better condition and the suitability of the estate now exceeding 95%.

In addition to the school estate, a number of notable projects such as the new Kirkton Service Centre and Rosemount Court in Bathgate have been completed. Extensive renovation works have been carried out at St. David House in Bathgate, and works are well under way at the new partnership centres for East Calder and Linlithgow, and also at the new Whitehill Service Centre. The renovations of Stoneyburn Community Centre and West Calder Library, the reconfiguration of Strathbrock Partnership Centre and the completion of Boghall Community Wing have been successfully delivered. These operational asset projects illustrate the council's commitment to modernising assets and enhancing service delivery in communities.

Roads and Related Assets

The roads and related assets category included capital expenditure of £41 million. This included £14.2 million invested in roads and footways across West Lothian. A total of £16 million was spent in the structures and transportation category, which includes £2 million on the new Drumshoreland Distributor Road, a vital enabler of further development in the area. Key areas of investment have also included accident investigation and prevention work, which supports the council's commitments to road safety, and a range of projects that underpin the objectives of improved sustainable and active travel. A substantial investment of £1.6 million has been made in LED streetlighting, which will contribute to the council's CO2 reduction targets whilst achieving recurring revenue savings through increased energy efficiency.

Over £1.9 million has been spent on a wide range of local environmental improvements within our towns and villages.

Open Space Assets

In the open space asset category, £18.9 million has been spent over the four years. A total of £8.3 million was invested in open space and sports facility projects and £4.4 million in planned improvements, which included a number of major park upgrades. A total of £1.7 million has been spent improving children's play areas, £1.9 million delivered a new cemetery at East Calder and there has been ongoing investment in memorial and headstone safety works.

Partnership working on the Almondvale Park project has created a destination park in the heart of Livingston, supported by grant funding secured from the Sustrans Community Links fund. Park improvements included resurfacing paths within the park, re-routing a national cycleway through the park, a new cycle crossing, lighting, an adventure playpark, new viewing areas along the River Almond, a community events space, wildflower meadows, tree thinning, signage, a measured walk and replacement bins and benches. A key priority was to make the underpass and under-bridge areas more welcoming. Livingston ParkRun worked with the council to create a 5 kilometre route through the park. Sustrans volunteers have erected 'milepost' public artwork in the park and they will also help to look after the wildflower areas.

Extensive community consultations were undertaken for a major project at King George V Park, Whitburn and improvements included a new path around the park, re-landscaping, car park improvements and bulb/tree planting. Additional funding of £40,000 was secured from Sportscotland to design and build a skate park. Landscape improvements were incorporated with the construction of the new pavilion to secure best value. Partnership working will ensure good use and community ownership of the park in the future.

Community engagement with park neighbours and existing community groups helped to set priorities for improvements and also helped to secure £50,000 in extra funding for Learmonth Gardens in Linlithgow from the Linlithgow Town Centre Management Group. This project included the renovation of supporting walls within the park, increased accessibility via new paths and ramps, tree thinning, hard landscaping, informal planting and lighting for the Doocot - a listed building within the park. Ongoing communication and partnership working with Burgh Beautiful will be key to the success of this project, as they will help to maintain the park.

ICT Assets

Information and Communication Technology capital investment of £22.9 million over the last four years has enabled the modernisation of council services, refreshed key ICT assets to ensure continuity of service, helped to reduce risk throughout the council and supported the delivery of efficiency savings.

The significant capital investment in council web and online services has enabled the council to introduce a modern, accessible and transactional platform for both internal and external customers. The website has played a pivotal part in supporting the council's objectives in allowing customers to access digital services and complete transactions online, helping to deliver modernised, effective and efficient services. In terms of benchmarking, West Lothian is regularly ranked first overall on desktop surveys and mobile surveys in the UK.

Increased data storage capacity and the use of virtualisation technology has allowed the hosting of multiple council systems, which has reduced the council's carbon footprint while improving system performance. Council offices are now interconnected and connected to other public bodies through the Scottish Wide Area Network, a key enabler for public sector reform and secure data sharing and shared services.

Council services have embraced the use of mobile technology to modernise service delivery and enabled council services to be delivered in our communities. Continued investment in the library book fund has provided our customers with access to multi-media and digital titles.

The provision of technology, including internet protocol (IP) telephony and network infrastructure, has delivered efficiency savings and supports the council's Property Asset Management Plan. The significant investment in ICT infrastructure, including investment of £7 million in schools, has placed the council at the forefront of enhancing learning and teaching through the use of digital technology, which enables and supports embedding digital knowledge and skills in our young people.

D.3 Proposed Capital Programme – 2017/18

The capital programme has been updated each year to take account of latest circumstances, including available funding. Taking the various changes into account, as well as the latest estimated phasing for approved projects, the proposed updated investment by asset category for 2017/18 is as follows:

Table 1: Proposed Capital Programme 2017/18

Asset Category	2017/18 Proposed Programme £'000
Property Assets	25,429
Roads and Related Assets	14,796
Open Space Assets	3,267
ICT Assets	6,335
Total	49,827

A detailed breakdown of the proposed capital programme for 2017/18 is provided in Appendix 1. This includes committed investment for 2018/19.

The capital programme for 2017/18 will upgrade and maintain existing assets while investing in new assets which will benefit the communities of West Lothian. A summary of key investment for each asset category over the period is set out below.

D.3.1 Property Assets

Schools Planned Improvements

The proposed schools planned improvement programme consists of investment of £2.5 million over 2017/18, incorporating improvements to the education estate across West Lothian. This includes works at Deans Primary School, Livingston, to improve lighting, windows and the external environment (£150,000) and completion of the final phase of alteration and refurbishment works at Howden St. Andrews Primary School in Livingston.

Dedridge Primary School currently has an approved budget of £50,000 for new toilets in 2017/18. It has been identified that further work would be beneficial, including roof works and other general planned improvements such as internal decoration and an upgrade to machinery and equipment. Feasibility work for this will require to be undertaken in 2017/18 and will cost £20,000 to allow this to be progressed as a priority in the next capital programme.

Two priority planned improvement projects have been identified at East Calder and Peel Primary Schools. Both of these schools are currently rated as satisfactory but any further deterioration could result in them being re-graded as "C" (poor). East Calder Primary School will require asbestos removal and renovation, with roof works, external fabric works, hard surface works and windows required at Peel Primary School. Investigations and planning are proposed during 2017/18 for these projects and will cost £50,000 and £60,000 respectively.

Additional investment includes £480,000 for further works to modernise science classrooms at Linlithgow Academy, and £20,000 for various external improvements and minor works across the secondary school estate.

The continued investment in planned improvements has achieved a satisfactory school estate condition of 100%, which is a significant achievement, and satisfactory or better suitability rating of 95.3%.

Statutory Compliance

The council has a duty to ensure all properties adhere to statutory compliance regulations and a budget of just under £2 million for 2017/18 will ensure compliance is achieved in areas such as the management of asbestos, legionella and fire safety. This includes works to improve the accessibility of buildings (£462,000) with improvements proposed at Boghall and Broxburn Primary Schools. A budget of £40,000 will be provided in 2017/18 for the inspection, repair and replacement of automatic doors, roller shutters and other mechanical openings in our property assets to ensure that these continue to be functional and statutorily compliant.

This investment will continue to sustain statutory compliance of property assets, improving their condition, suitability and accessibility.

Schools General Project Investment

A total of almost £6 million is budgeted for 2017/18 for general school investment. This includes £1.7 million for the advanced site preparation and off-site works for the new West Calder High School which, as previously noted, is the largest single schools estate project ever undertaken by the council.

Extensions to Torphichen Primary School and St. Mary's Primary School, Bathgate, have both commenced and will be completed in 2017/18 which, together with associated improvements to the existing school buildings, will improve the suitability and general learning environments of both schools. New nursery accommodation at Mid Calder Primary School will also be completed during 2017/18.

Schools Projects - Developer Funded

Developer funded schools projects have been, and will continue to be, reviewed in line with latest planning assumptions and school roll projections. Monitoring of the requirements of the

West Lothian Local Development Plan (LDP) against school capacity and housing completions will inform priorities for school investment. The LDP is currently the subject of examination by the Scottish Government, the outcome of which has to be taken into account when planning future investment in the school estate. Taking latest projections into account, developer funded schools projects will be phased in future years to provide school capacity. Projects at East Calder and Winchburgh will be delivered in line with the roll out of the Local Development Plan.

Operational Buildings

Good progress is being made in the Whitehill Service Centre project to provide a consolidated location for Waste, Highways and NETs operatives, the fleet maintenance garage and Operational Services support staff. The service centre will also include a new waste transfer facility and salt store. The building has been designed to incorporate renewable energy sources and the efficient use of energy. Savings will be generated from the reduced use of energy and additional income will be expected from the provision of renewable energy sources. The project is due for completion in summer 2017.

Work continues to progress for Linlithgow Partnership Centre, with completion expected in Spring 2017. Proposals for Armadale and Whitburn Partnership Centres are also progressing well, with design teams appointed and community consultation on the details of both projects ongoing. Planning applications are proposed to be submitted during 2017/18 for both projects.

Energy Saving Investment

Three spend to save projects have been identified which are school boiler replacements, new LED lighting in selected primary schools across West Lothian and a remote energy management system. Feasibility, design and preparatory costs of £113,000, £135,000 and £20,000 will be required in 2017/18 with overall costs for the projects totalling £1.134 million, £1.350 million and £200,000 respectively. The overall cost of investment will be funded from the generation of additional energy savings.

Miscellaneous Projects

A new asset management software programme to support statutory compliance, maintenance works and condition management has been identified as essential to supporting service delivery and providing better management information on property assets.

Future Works

As 2017/18 is the final year of the approved programme, feasibility, design and preparatory works will be undertaken to identify potential investment to upgrade and maintain existing property assets while investing in new assets which will benefit the communities of West Lothian.

D.3.2 Roads and Related Assets

Roads and Footways

Investment of £4.1 million has been budgeted for 2017/18. This will upgrade and maintain roads and footways throughout the council area. West Lothian's roads ranked fourth in the Scottish Road Maintenance Condition surveys for 2014 to 2016, which covers a two year rolling period. West Lothian has the best A Class roads in Scotland and the third best U Class roads, which together represent around 78% of the road network. The council is also significantly better than the national average for B Class roads, which have remained in ninth position.

Flood Prevention and Drainage

Planned flood prevention and drainage works are budgeted at £3.2 million for 2017/18, and include £1.2 million of investment in the Broxburn Flood Prevention Scheme.

The River Forth Fisheries Trust has been awarded funding from the Heritage Lottery Fund to help coordinate and deliver the adaptation of the Almond River barriers to increase the number

of fish able to navigate to the upper reaches of the river. SEPA has identified that physical barriers are preventing fish from navigating long reaches of some water bodies in Scotland. Barriers to fish passage are one of a number of significant pressures on the River Almond singled out in the first River Basin Management Planning cycle and a priority in the second plan. Easing or removing these barriers will improve the status of the river. A fully grant funded budget of £273,000 is included in the 2017/18 budget for this project, with further grant funding of £353,000 and £520,000 available to continue the project in 2018/19 and 2019/20.

Funding has been made available from the Water Environment Fund for a new project to improve watercourses in Bathgate. The project will be led by the River Forth Fisheries Trust, with the council and SEPA overseeing progress through membership of the Project Steering Group and Project Board. It is intended that the Bathgate Watercourse project will lead to the improvement of about 8 kilometres of the Boghead Burn, Bathgate Water, Couston Water and Logie Water leading to the tributary of the Avon being upgraded to achieve a higher status in terms of their physical state. A fully grant funded budget of £850,000 is included in the 2017/18 budget for this project, with further grant funding of £850,000 and £300,000 available to continue the project in 2018/19 and 2019/20.

To meet the requirements of the Flood Risk Management (Scotland) Act 2009, West Lothian Council, along with other members of the Forth Estuary Local Plan District (LPD), have collaborated to prepare a Local Flood Risk Management Plan for the years 2016 to 2022. The Plan confirms the actions that will be taken to meet the objectives in the agreed Flood Risk Management Strategy to avoid and reduce the risk of flooding and to protect communities located within potentially vulnerable areas. It is proposed that studies will be undertaken to meet the council's obligations under the Local Flood Risk Management Plan, which will lead to a reduction in the number of homes and businesses at risk of flooding. Funding of £165,000 is required in 2017/18 to fund these studies.

Beecraigs Reservoir is a high-risk reservoir under the Reservoirs (Scotland) Act 2011 and is therefore subject to a regime of statutory supervision and inspection. A recommendation has been made, following the most recent inspection by an independent All Reservoirs (Scotland) Panel Engineer, that the existing drawdown capacity of the reservoir should be increased in the interests of safety. The panel engineer also made a number of additional recommendations requiring capital investment and it is proposed that all of these additional works are undertaken. The total estimated costs are £250,000 with £80,000 of this required in 2017/18. Works are to be completed by November 2018.

Road Lighting

There is a budget of over £2.5 million to upgrade road lighting across West Lothian. Following the success of the LED replacement lighting programme, it is proposed to continue to roll out this programme and invest a further £581,000 on LED lighting column replacements, to be funded from the generation of additional energy savings. This will bring the total 2017/18 investment in LED streetlighting to £1.18 million.

Structures

An area of substantial investment within the roads capital programme is structures, with a budget of £2.3 million for 2017/18.

The currently approved 2017/18 capital programme includes budgets for Bathgate Branch Railway Bridge and Guildiehaugh Railway Bridge projects. As these bridges are located on the main Edinburgh to Glasgow line, the works will only be able to be undertaken during limited time periods. This will impact on the costs of the works and budgets of £350,000 are required for each project.

The condition of Skolie Burn Bridge has deteriorated rapidly in recent years and now needs to be replaced. The bridge is currently width restricted as the northern half of the bridge has failed its load carrying assessment. The remainder of the bridge has a reduced capacity and a

permanent weight restriction at this location is not considered acceptable as it would result in the only unrestricted access route to Loganlea being a single carriageway road with passing places. The bridge is currently being managed in accordance with 'The Management of Sub Standard Highway Structures' Regulations, which allow for interim measures to be taken to ensure public safety in the short term. However, a permanent solution must now be implemented. A temporary bridge will also be required during the construction period to allow full access to Loganlea. The total cost for the replacement and temporary bridges will be £2.5 million and it is proposed to update the 2017/18 budget for the commencement of these essential works, with a commitment also being made in 2018/19.

In December 2016, Council Executive agreed to install a road narrowing of Cappers Bridge, controlled by a priority system. This will provide a 1.5 metre cycle lane and a 2.0 metre area for pedestrians, segregated from the traffic by a 0.5 metre kerbed island. Preparatory work for this project has commenced with the project scheduled to be carried out during summer 2017.

Town Centres and Villages

Investment of £1.5 million has been provided to continue a programme of local environmental improvements to West Lothian's town centres and villages.

Future Works

As 2017/18 is the final year of the approved programme, feasibility, design and preparatory works will be undertaken to identify investment to upgrade and maintain existing roads and related assets while investing in new assets which will benefit West Lothian communities.

D.3.3 Open Space Assets

Open Space and Sports Projects

Projects in this area have a total budget of £941,000 for 2017/18, providing investment in open space and sport facilities across West Lothian.

The council has a duty of care under the Occupiers Liability Act 1941 to persons invited or uninvited onto its land. Under the Health & Safety at Work Act, the council also has a duty of care to manage and maintain its landholdings to a safe standard for recreational users. Investment for essential safety improvement works within parks, specifically roads, parking and footpath infrastructure including drainage improvements, is required at a value of £86,000.

Open Space and Sports Planned Improvements

Planned improvements for open space and sport facilities in 2017/18 are budgeted at just over £1 million, and include investment for Drumshoreland Park, Craigsark and Marrfield Park to enable a programme of works to be carried out. The additional budget required for these works is funded from developer contributions and external grant funding.

A project has been identified which will develop existing hard standing and derelict areas within Craigsark in Livingston into thriving greenspace areas at an estimated cost of £126,000. A budget of £63,000 is already approved for 2017/18 to improve the existing ground conditions, however additional funding is required to provide play equipment and to enhance the park facilities. Almond Housing will provide £13,000 towards the additional funding required with a further £50,000 of funding being provided through developer contributions for the locality.

The council currently has a planned improvement project of £63,000 in 2017/18 to upgrade Drumshoreland Park in Pumpherston. A large housing development is currently underway near to the park and a contribution has been made from the development which would enable further improvements to be delivered to ensure the park is suitable for additional use. The revised cost of the project is £182,000 with the additional funding being provided from developer contributions.

Ongoing drainage issues have been identified at Marrfield Park. There has been a history of flooding to local properties and poor drainage has had a negative impact on the football pitch

and the informal pedestrian route through the park. A football pavilion has recently been completed and a pitch of suitable quality is required to sustain demand for use of this pavilion. An additional £50,000 of investment is required, in addition to the currently approved budget of £63,000, to improve the overall quality of the site and to address the outstanding drainage issues. The additional budget will be funded through developer contributions for the locality.

An opportunity has arisen to carry out additional externally funded work in Almond Park. The objective of the new project is to improve functionality of the ponds that were created by improving the drainage to alleviate ongoing flooding issues. The additional project costs are forecast at £18,000 and will be fully funded by Landtrust.

The council is responsible for the management and maintenance of four public bowling greens, including Watson Park Bowling Green in Armadale. This bowling green has an artificial bank, which is an integral part of the facility that has been in place for twenty years, and which is now reaching the end of its expected lifespan. The walls are in poor condition and causing safety concerns, and they require to be renovated as soon as possible at a cost of £12,000.

Children's Play Areas

Millgate Park is an existing neighbourhood park in close proximity to the Winchburgh Core development area where major development is currently taking place. Enhancement of the existing park at Millgate is a requirement of the development and is outlined in the Proposed Local Development Plan. A contribution of £80,000 has been agreed with the developer and will be used to enhance the park, focusing primarily on reintroducing a play area and associated paths and seating.

Synthetic Turf Pitches

Provision of a full sized synthetic turf pitch in East Calder has been identified as being required in accordance with the council's approved Sport and Recreation Facilities Strategies. The estimated cost of the project for community use football is £586,000. There is potential to secure up to £250,000 of the required funding from Sportscotland, and identified developer contributions can fund the remainder of the costs if the Sportscotland funding is confirmed.

Cemeteries

A freestanding wall supporting several memorial stones within Glasgow Road Cemetery in Bathgate has been identified as unstable. The graves within the area are currently closed to the public due to safety concerns and a stabilisation project is required to make this wall safe. It is essential on health and safety grounds that a project to deal with the safety issues is carried out as soon as possible.

Future Works

As 2017/18 is the final year of the approved programme, feasibility, design and preparatory works are proposed to identify potential investment in the future to upgrade and maintain existing open space assets while investing in new assets which will benefit the communities of West Lothian.

D.3.4 ICT Assets

There will be investment of £6.3 million in 2017/18 to support the council's ICT Strategy. The investment in ICT assets will ensure the council is compliant with data management legislation and will assist in improving the delivery of services. The programme includes investment of £1.3 million in school ICT infrastructure, improving connectivity within schools and upgrading ICT hardware.

Contracts for the council's integrated HR and Payroll system, the SWIFT system used by Social Policy and Workspace Manager are all due to expire within the next three years. Feasibility studies will be required during 2017/18 to ensure cost effective solutions are identified and in place before the various contracts expire.

The current version of the council's main financial system, Cedar E5, is nearing the end of its useful life and will no longer be supported by the software provider from September 2017. A budget of £50,000 is required to upgrade to version 5.5 of the system in advance of this date to ensure business continuity.

The council implemented an Electronic Document and Records Management system (EDRMS) in 2008, Meridio, which enabled the move away from paper based filing and storage systems to a more efficient, corporate-wide electronic system. The Meridio system will reach the end of its useful life in February 2017. The council are in the process of procuring a replacement solution, Objective Electronic Content Management (ECM), with appropriate budget provision being agreed by Council Executive in October 2016.

Social Policy provide laptops for Looked After Children in West Lothian, which are distributed to children in foster care to ensure that these young people have the same opportunities as their peers to access ICT and the internet at home. Regular access to the internet is essential for all young people so that they can develop the digital literacy that will enable them to compete for places in Further and Higher Education, be competitive in the job market and build resilience to potential online threats. Investment of £141,000 is proposed to equip every Looked After Child of school age (5-18) with the technology to become digitally literate and resilient users of the internet, capable of safely exploring educational and vocational opportunities online with creativity and confidence.

Organisations worldwide, and in particular public bodies, are increasingly under threat from criminals attempting to circumvent their security to exploit information and corrupt data. Investment is recommended for the implementation of additional malicious software prevention which, along with awareness training, will help mitigate the increasing risk and will enhance the council's security measures.

D.3.5 Prudential Investment

The Prudential Code for Capital Finance in Local Authorities is a professional code of practice to support local authorities in making capital investment decisions and has been in place since 2004. Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003. The code provides local flexibility in determining capital investment strategy, on the basis that spending plans should be affordable, prudent and sustainable. The code also requires councils to take account of a range of other factors, including asset management and option appraisal. Each year the council is asked to approve a set of prudential indicators as part of the revenue budget report, covering capital expenditure, affordability, financial prudence, treasury management and external debt.

Prudential investment proposals are self-financing and are funded from areas such as revenue savings or developer contributions. As investment is self-financing, prudential investment can be considered as and when proposals are developed, subject to a robust business case being provided. Prudential investment proposals could, for example, include self-funded new investment by partners such as West Lothian Leisure or energy savings investment. Robust proposals for prudential borrowing will continue to be proactively developed on an ongoing basis with the capital programme updated to include prudentially funded projects agreed by the Council Executive.

D.4 Capital Funding

As with the revenue budget, capital funding resources are constrained. This is due to various factors, including the Scottish Government's decision to cease funding for new supported borrowing. There are also reduced resources from capital receipts. The updated resources position is as follows, and takes account of £890,000 of grant funding announced on 2 February 2017:

Table 2: 2017/18 Capital Funding

Revised Funding Source	2017/18 £'000
Resources from Capital Fund/ Modernisation Fund	8,632
Resources from Developer Contributions	2,547
General Capital Grant Funding	15,633
Specific Grant Funding	1,648
Borrowing	12,555
Capital Receipts	8,812
Total Resources	49,827

Although work is yet to commence on the development of a ten year capital investment strategy and programme, as outlined in section D.6 of this report, it is anticipated that based on previous capital resource assumptions, some element of borrowing is likely to be required for the new programme. The current level of uncertainty in the economy has meant that borrowing rates available to the council since summer 2016 have been extremely attractive. On that basis, to ensure the continued affordability of any future capital programme and to secure low borrowing rates, it is proposed to rephase planned use of the capital fund in 2017/18 and accelerate anticipated borrowing for any future capital investment.

The level of borrowing is assessed as prudent, affordable and sustainable within the parameters of the council's treasury management plans and the Prudential Code for Capital Finance. The balance between application of the capital fund and borrowing is regularly monitored to ensure that investment plans remain affordable. To date, the main driver for effective treasury management has been to minimise the level of borrowing in future years, where rates are uncertain. The updated resources position has been incorporated into treasury management assumptions which indicate that the level of borrowing is at the maximum that is affordable based on current resources.

The council continues to have an ambitious asset disposal programme which aims to deliver budgeted receipts for the period to 2017/18. There remains a degree of risk attached to many of the remaining sites, including uncertainties regarding both the timing of land disposals and school capacity restraints, which could also affect the assumed level of receipts for the period. Therefore, it would not be prudent to budget for receipts in excess of the value identified.

I would advise that the proposed resource assumptions are achievable, although there are various risks that will require careful management. In light of these risks, it would not be prudent to increase estimated resource assumptions for 2017/18.

D.5 Other Factors to be Taken into Account

The council approved an updated Best Value Framework on 10 June 2014 aimed at ensuring the council complies with the provisions contained within the Local Government in Scotland Act 2003. The 2003 act requires the council to:

- secure best value in the performance of its functions;
- balance the quality and cost of the performance of its function and the cost of council services to service users;
- have regard to efficiency, effectiveness, economy and the need to meet equal opportunity requirements in maintaining that balance;
- fully discharge its duty to secure best value in a way which contributes to the achievements of sustainable development;

The delivery of the capital programme will be undertaken in compliance with the agreed Best Value Framework.

The Prudential Code requires the council to take account of a number of factors when agreeing capital spending plans. In overall terms, I would assess that the capital budget for 2017/18 is

affordable. The revenue implications are incorporated within agreed revenue budgets and loan charge projections continue to indicate the capital programme is prudent and sustainable. All aspects of the programme are geared to securing best value however it may be necessary, on occasion, to rephase budgets for operational reasons or to ensure best value.

The proposals within the capital programme were considered for their impact on equality in conjunction with the council's Equality Officer. No specific issues were identified from an equality perspective. The equality relevance assessment is provided in Appendix 2.

Officers will continue to coordinate work on capital planning and asset management, managing risks and uncertainties through ongoing monitoring and control arrangements. This approach ensures that the focus is on delivery of the capital programme within approved budgets and timescales.

D.6 Corporate Asset Management and Future Capital Investment

The current Corporate Asset Management Strategy was agreed in January 2013 and individual Asset Management Plans for each asset category were approved throughout 2013. Asset management provides appropriate structures and governance arrangements to ensure the council's assets are utilised appropriately in support of service delivery.

The General Services capital programme supports the delivery of the council's eight priorities incorporated in the Corporate Plan. The programme also takes into consideration comments received during budget consultations where there was support for the managing our assets and reducing energy use workstreams. It is important that resources are prioritised on an ongoing basis to ensure investment has the maximum impact on the core assets required to sustain existing service delivery.

Asset Management Plans are reported annually to PDSPs to demonstrate best value, continuous improvement, sound performance management, partnership working and sustainable development.

Officers will continue to review future school capacity requirements and will work with developers to identify funding for any required school extensions or new schools. Officers will report the outcome of discussions with developers regarding school capacity projects as required.

Officers will continue to develop the approach to asset management and capital investment to ensure assets are available on a sustainable basis to support services and secure better outcomes in the shorter, medium and longer term.

It is proposed that officers begin work to develop a new ten year capital programme, as well as producing an updated Corporate Asset Management Strategy and updated Asset Management Plans. There are a number of strategic drivers that would be important in the development of a future capital investment programme, Asset Management Strategy and Asset Management Plans:

- The approach should focus on delivery of both local and relevant national outcomes
- There should be improved efficiency and effectiveness of resource deployment
- Capital requirements should support service modernisation
- The Asset Management Plans should be supported by appropriate performance management indicators
- Where possible effective use of asset management should support revenue modernisation and savings
- The approach to asset requirements should be consistent with best practice guidance including the Chartered Institute of Public Finance and Accountancy (CIPFA) and Audit Scotland recommendations on long term asset management strategy and planning

It is proposed that the future capital programme will take a longer term approach to asset investment and planning as follows:

- Proposals will be produced for each of the four general services asset categories - Property, Roads and Related Assets, Open Space and ICT
- A ten year capital programme will be produced for 2018/19 to 2027/28
- Projects will be phased for each individual year up to 2022/23. Projects will be grouped as a single figure for 2023/24 to 2027/28 (years 6 to 10 of the ten year programme)
- Block budgets such as planned improvements and cyclical investments will be detailed and identified to individual project level and phased to individual years for 2018/19 to 2020/21
- Block budgets will be shown as phased to individual years but not split down to individual project level for 2021/22 and 2022/23
- Strategic level block budgets will be prepared for the period 2023/24 to 2027/28, and shown as a single figure, i.e. they will not be phased to individual years

The approach to developing medium term capital investment proposals will follow the current established and successful approach, which is based on an assessment of capital resources available, development of Strategic Outline Business Cases (SOBCs) and a robust options appraisal process. It has always been recognised that the process is an aid to decision making for officers and elected members, rather than a definitive and absolute method of arriving at ranking for investment decisions. There remains scope for judgement to be exercised by both officers and members at all stages in the process.

It is proposed that the new programme should focus on the following categories of investment: core investment (sustaining what we have); new council funded investment (new council funded assets); self-funded investment (such as energy spend to save); or externally funded investment (such as developer funded infrastructure).

In addition to the ten year capital programme, it is proposed that a longer term capital investment pipeline should be identified for 2028/29 onwards. Using this approach ensures that initial consideration is given to investment that will be required on council assets in future years so that long-term needs can be identified and plans considered accordingly. Factors that will be taken into consideration in the development of this pipeline include whole life cost, useful remaining life, future management requirements (including the impact of demographic changes) and statutory and regulatory requirements.

For the period beyond 2028/29, proformas will be developed for the long term capital investment pipeline. The remaining life of existing assets will be assessed to determine potential asset improvement or replacement requirements. In addition, future service requirements that may arise from service modernisation, demographic changes or statutory or regulatory requirements will be considered.

E. CONCLUSION

This report sets out main achievements from the capital programme that has been delivered from 2013/14 to 2016/17, outlines a proposed General Services capital investment programme for 2017/18, and outlines proposals for work to develop a new ten year programme for 2018/19 to 2027/28. The ongoing investment will help the council deliver enhanced performance and better outcomes, and will improve the quality of life for communities throughout West Lothian.

F. BACKGROUND REFERENCES

2016/17 General Services Capital Budget – Month 9 Monitoring Report – Report by Head of Finance and Property Services to Council Executive 14 February 2017

General Services Capital Programme 2016/17 to 2017/18 – Report by Head of Finance and Property Services to Council Executive 21 June 2016

Asset Management and General Services Capital Programme 2013/14 to 2017/18 – Report by
Head of Finance and Property Services to Council 29 January 2013

Appendices:

Appendix 1 – General Services Capital Plan 2017/18

Appendix 2 – Equality Relevance Assessment

Contact Person: Gillian Simpson, Accountant

Email: gillian.simpson@westlothian.gov.uk - Telephone: 01506 283237

Donald Forrest
Head of Finance and Property Services
20 February 2017

GENERAL SERVICES CAPITAL PROGRAMME - 2017/18

Asset Type	Proposed Budget	Committed Budget
	2017/18 £'000	2018/19 & Future Years £'000
<u>Property Assets</u>		
Planned Improvements and Statutory Compliance	5,631	20
Property Projects	19,798	17,441
Property Assets - Total	25,429	17,461
<u>Roads and Related Assets</u>		
Roads and Footways	4,162	0
Flood Prevention and Drainage	3,225	2,193
Road Lighting	2,547	0
Structures and Transportation	3,340	2,000
Town Centres and Villages Improvement Fund	1,522	0
Roads, Structures, Lighting and Water Related Assets - Total	14,796	4,193
<u>Open Space Assets</u>		
Open Space and Sports Facility Projects	941	0
Open Space and Sports Facility Planned Improvements	1,095	0
Children's Play Areas	506	0
Synthetic Turf Pitches	625	0
Cemeteries	100	0
Open Space Assets - Total	3,267	0
<u>ICT Assets</u>		
Corporate and Modernisation	5,083	196
School Investment	1,252	0
ICT Assets - Total	6,335	196
CAPITAL PLAN - TOTAL	49,827	21,850

PROPERTY ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
<u>Planned Improvements and Statutory Compliance</u>		
<u>Schools Planned Improvements</u>		
Nursery Schools		
Eastertoun Nursery - toilets	20	0
Internal Improvements and Minor Works	15	0
Kirkhill Nursery - toilets, render and windows	30	0
Nursery Schools - Total	65	0
Primary Schools		
Addiewell/ St Thomas' Primary School - electric heating (school only)	55	0
Armada Primary School - roof	40	0
Deans Primary School - lighting, windows and external works	150	0
Dedridge Primary School - toilets	70	0
East Calder Primary School Feasibility Works	50	0
Howden St Andrew's Primary School - roof, roughcast, ceilings, porch	90	0
Internal Improvements and Minor Works - Primary Schools	10	0
Livingston Village Primary School - Boilers	25	0
Mid Calder Primary School - roof, lighting, fittings	50	0
Our Lady of Lourdes Primary School, Blackburn - roof works, link corridor and improvements	125	0
Peel Primary School Feasibility Works	60	0
St Anthony's Primary School, Armadale - toilets	30	0
St Nicholas Primary School, Broxburn - roof	115	0
St Ninian's Primary School, Livingston - roof	10	0
Stoneyburn Primary School - external doors and internal works	90	0
Toronto Primary School - renovation, asbestos removal, upgrading, accessibility	871	0
Primary Schools - Total	1,841	0
Secondary Schools		
Decoration/Floorcovering Programme - common areas and halls	10	0
External Improvements & Minor Works - Secondary Schools	20	0
Internal Improvements & Minor Works - Secondary Schools	15	0
Linlithgow Academy - Science Classrooms	480	0
Secondary Schools - Total	525	0
Special Schools		
Pinewood - roof and internal works	50	0
Special Schools - Total	50	0
School Estate Wide Improvements (Kitchens)	50	0
Schools Planned Improvements - Total	2,531	0

PROPERTY ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
<u>Operational Buildings Planned Improvements</u>		
Care Homes		
Bathroom Upgrade Programme (Limecroft and Whitdale)	110	0
Kitchen Refurbishment - Whitdale & Burngrange	50	0
Limecroft - windows	10	0
Norvell Lodge - rewire and lighting (fittings to communal areas)	50	0
Care Homes - Total	220	0
Cemeteries - Boundary Walls	25	0
Community Centre & Halls		
Lanthorn Community Centre - roof and render	195	0
Old Town Centre Broxburn - patio feasibility and design	0	20
Community Centre & Halls - Total	195	20
Country Parks		
Country Parks Minor Improvements	3	0
Country Parks - Total	3	0
Family Centres		
Internal Improvements and Minor Works	5	0
Family Centres - Total	5	0
Social Policy		
Housing with Care - Bathrooms & Kitchens	340	0
Social Policy - Total	340	0
Sports Pavilions		
Compliance Work	50	0
Sports Pavilions - Total	50	0
Miscellaneous		
Almond Valley Heritage Trust Grant	20	0
West Lothian Leisure (WLL) Landlords Service Leased Maintenance	100	0
Miscellaneous - Total	120	0
Operational Buildings Planned Improvements - Total	958	20
Tenanted Non Residential Properties Planned Maintenance	150	0
Planned Improvements Total	3,639	20

PROPERTY ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
<u>General Statutory Compliance</u>		
Accessibility Works	462	0
Asbestos Management	200	0
Automatic Doors & Roller Shutter Doors Servicing	40	0
Boundary Walls and Fences Compliance	80	0
Building Warrant Works School Estate	30	0
Chimney Safety Inspections and Lightning Protection	20	0
Control of Legionella	100	0
Door Access Systems	50	0
Ductwork	50	0
Electricity at Work	50	0
Fire Alarm Upgrade Programme	100	0
Fire Precautions	450	0
Gas Network Safety	20	0
Hazardous Substances Detection	25	0
Intruder Alarm Upgrade Programme	50	0
Lath and Plaster Ceilings	30	0
Lift Upgrade Programme	20	0
Pressure Vessels	50	0
Rainwater Goods and Drainage	50	0
School Window Replacement Programme	100	0
Water Quality and Hydrants	15	0
General Statutory Compliance Total	1,992	0
Planned Improvements and Statutory Compliance Total	5,631	20

Property Projects**Schools****Schools General Projects**

Additional Support Needs Review (Pinewood)	0	100
Bathgate Academy School Capacity	0	1,340
Blackridge Primary School - Hall Extension	25	0
Boghall Primary School - Nursery Extension	600	0
Broxburn Primary School - Free School Meals Halls	100	0
Carmondean Primary School - Free School Meals Halls	175	0
East Calder Nursery Replacement	50	0
Free School Meals - Production Kitchens	5	0
Mid Calder Nursery Replacement	125	0
Peel Primary School - Free School Meals Halls	100	0
Renewables (School Estate)	100	0
School Estate Feasibilities Assessments	190	0
St Mary's Primary School Bathgate Sports Provision	490	0
Torphichen Primary School - extension and improvements	750	0
West Calder High School - site preparation works	1,700	1,000
Whitdale Early Years Centre	200	0
Schools General Projects - Total	4,610	2,440

PROPERTY ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
Schools Projects - Developer Funded		
Armadale Primary School Temporary Units	25	0
East Calder Primary School Capacity	250	0
Livingston Village Primary School Capacity Extension	0	680
Misc Schools Feasibility Projects	572	0
New Southdale Primary School, South Armadale, Phase 1	268	0
Parkhead Primary School, West Calder - Capacity	0	787
Pumpherstons & Uphall Station Primary School - Capacity	0	1,729
St Nicholas Primary School, Broxburn, Extension	100	0
St Paul's Primary School, East Calder, Phase 1 Extension and footpath	97	0
Winchburgh Secondary School Feasibility Design & Preparatory Work	74	0
Schools Projects - Developer Funded - Total	1,386	3,196
Schools Total	5,996	5,636
Operational Buildings and Depot Modernisation		
Armadale Partnership Centre	100	841
Blackburn Partnership Centre - WLC IT, Furniture, Moves and Demolition	400	0
Broxburn Hub	125	0
Community Property Integration and Modernisation	260	0
East Calder Park Upgrade	0	95
East Calder Partnership Centre	900	0
General Operational Buildings Feasibilities and Design	82	0
Kirknewton Changing Pavilion	330	0
Linlithgow Partnership Centre	300	0
Rosemount Court, Bathgate	140	0
Uphall King George V Changing Pavilion	0	170
Uphall Station Changing Pavilion	30	0
Watson Park Pavilion - Armadale	20	947
Whitburn Partnership Centre	45	4,900
Whitehill Service Centre, including fleet maintenance garage, waste transfer facility and salt store	9,782	1,000
Winchburgh Community Facilities	0	900
Operational Buildings Projects - Total	12,514	8,853
Energy Savings Investment - Biomass, Renewables & Other Investments		
Energy Saving Investment including Renewables	750	0
General Energy Saving Projects and Feasibilities	268	2,416
Energy Savings Investment - Biomass, Renewables & Other Investments - Total	1,018	2,416
Miscellaneous Projects		
Asset Management System Replacement	75	0
Craigsfarm Community Asset Transfer	125	0
Dangerous and Defective Buildings	0	404
Mill Centre Blackburn Reconfiguration	0	132
Miscellaneous Projects Feasibilities	40	0
Property Condition Surveys and Drawings	30	0
Miscellaneous Projects - Total	270	536
Property Projects Total	19,798	17,441
TOTAL PROPERTY ASSETS	25,429	17,461

ROADS AND RELATED ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
Roads and Footways		
A Class Roads - Backlog and Lifecycle Investment		
A70 The Beeches (Two Areas)	142	0
A801 Dual Carriageway	36	0
A89 Tesco Bathgate (Two Areas)	90	0
A899 Livingston Road	29	0
A899 Main Street Broxburn	31	0
A Class Roads - Backlog and Lifecycle Investment - Total	328	0
B Class Roads - Backlog and Lifecycle Investment		
B7002 Whitburn Road, Bathgate	79	0
B7008 at X C24	196	0
B7008 Harburn	77	0
B7015 Bents	127	0
B7015 From Junction with Rosebank Road to Simpson Parkway	65	0
B7031 Kirknewton	44	0
B8020 Beatlie Road	49	0
B8028 Strathloanhead	74	0
B Class Roads - Backlog and Lifecycle Investment - Total	711	0
C Class Roads - Backlog and Lifecycle Investment		
C8 North of Blackridge	22	0
C9 Bangour Farm Cottages	333	0
C9 Mounteerie	47	0
C19 Faucheldean (Two Areas)	90	0
C24 West from B7008	139	0
C Class Roads - Backlog and Lifecycle Investment - Total	631	0
U Class Roads - Backlog and Lifecycle Investment		
Avontoun Park, Linlithgow	20	0
Baird Road, Armadale	22	0
Blyth Road, Broxburn	26	0
Burns Avenue, Armadale	21	0
Cochrane Street, Bathgate	24	0
Drove Road, Armadale	32	0
Heather Park, Seafield	27	0
Irvine Crescent, Bathgate	34	0
Lothian Street, Bathgate	38	0
Preston Crescent, Linlithgow	35	0
Shaw Avenue, Armadale	23	0
Stewartfield Road, Broxburn	21	0
The Glebe, West Calder	22	0
The Green, Bathgate	19	0
U15 Beecraigs	47	0
U15 Beecraigs Carpark	25	0
U15 Beecraigs Sawmill	35	0
U15 Blackcraig Farm	19	0
U15 South of Beecraigs Sawmill	41	0
U15 South Mains Farm	21	0
U29 at Station House Harburn	25	0
U29 Broadshaw Harburn	34	0

ROADS AND RELATED ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
U29 Skivo	74	0
U31 Humble Holdings	19	0
U31 Knowetop	23	0
U31 Knowetop, Kirknewton	19	0
U38 Blackhall, Harburn	29	0
U38 Camilty Near Blackhall Farm	27	0
U38 Harburn	33	0
U38 Junction C24	28	0
U38 Sawmill Cottage, Harburn	42	0
West Burnside, Broxburn	23	0
Contingency - In year Response to Condition Surveys	21	0
U Class Roads - Backlog and Lifecycle Investment - Total	949	0
Non Adopted Roads and Footways		
Inveralmond Community High - School Playground	83	0
James Young High - School Playground	83	0
Linlithgow Academy - School Playground	83	0
Non Adopted Roads and Footways General	53	0
St Joseph's Primary School, Whitburn - School Playground	21	0
St Kentigern's Academy - School Playground	83	0
St Margaret's Academy - School Playground	83	0
Non Adopted Roads and Footways - Total	489	0
Adopted Footways - Backlog and Lifecycle Investment		
Addiewell - Various Locations	8	0
Breich - Various Locations	117	0
Houston Industrial Estate	48	0
Howden - Various Locations	11	0
Kirknewton - Braekirk Avenue	13	0
Ladywell - Various Locations	14	0
Linlithgow - Various Locations	41	0
Livingston Village - Millfield	3	0
Longridge - Various Locations	60	0
Polbeth - Various Locations	23	0
West Calder - Various Locations	19	0
Westfield/Bridgehouse - Various Locations	75	0
Whitehill Industrial Estate	177	0
Contingency - In year Response to Condition Surveys	25	0
Adopted Footways - Backlog and Lifecycle Investment - Total	634	0
Roads Projects		
Accessibility Schemes	100	0
Maintenance of Coloured Textured Surfaces	137	0
Pedestrian Guardrails	28	0
Roads and Footways General Feasibilities	80	0
Safety Fences	75	0
Roads Projects - Total	420	0
Roads and Footways Total - Total	4,162	0

ROADS AND RELATED ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
Flood Prevention and Drainage		
Almond Barriers (Grant Funding)	273	873
Bathgate Watercourse Restoration (Grant Funding)	850	1,150
Broxburn Flood Prevention Scheme	1,183	0
Local Flood Risk Management Plan Studies	165	0
Reservoir Safety Compliance - Beecraigs Reservoir	80	170
Risk Management (Scotland) Act Investment	674	0
Flood Prevention and Drainage - Total	3,225	2,193
Road Lighting		
Bells Burn / Huntburn / Carseknowe (Linlithgow)	130	0
Deans North Road (Livingston)	165	0
Deanswood Park (Deans, Livingston)	250	0
Granby Avenue (Howden, Livingston)	250	0
Kirk Rd / Marjoribanks St (Bathgate)	130	0
Kirkton North Road (Livingston Village)	170	0
LED Streetlighting (Prudential Borrowing)	1,181	0
Minor Works	62	0
Road Lighting General Feasibilites	50	0
Road Traffic Signs	60	0
Traffic Signals	99	0
Road Lighting - Total	2,547	0
Road Safety		
Cycling, Walking and Safer Streets Projects	555	0
Road Casualty Reduction Schemes	270	0
School Travel Schemes	20	0
Road Safety - Total	845	0
Traffic Management		
Active and Sustainable Travel Infrastructure Improvements	76	0
Bus Park and Ride Kilpult, Broxburn - Feasibility and Design	65	0
Bus Passenger Infrastructure	25	0
Disabled Parking Act Implementation	50	0
Traffic Management - Total	216	0
<u>Structures</u>		
Adopted Bridges - Assessment and Strengthening of Weak Bridges		
Kinnenhill Bridge Strengthening	232	0
Adopted Bridges - Assessment and Strengthening of Weak Bridges - Total	232	0
Adopted and Non Adopted Bridges - Backlog and Lifecycle Investment		
Bathgate Branch Railway Bridge	350	0
Beecraigs Reservoir Outlet Footbridge	15	0
Black Bridge	20	0
Brunton Farm Bridge	10	0
Cappers Bridge Footpath	60	0
Crofthead Interchange East Bridge	75	0
Crofthead Interchange West Bridge	75	0

ROADS AND RELATED ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
Cross Bridge	20	0
Drumcross Bridge	10	0
Easter Foulshiels Bridge	10	0
Easter Longridge Bridge	10	0
Easton Culvert	10	0
Guildiehaugh Railway Bridge (Bathgate)	350	0
Houstoun Footbridge Painting (Livingston)	100	0
New Farm Bridge	10	0
Retaining Walls	91	0
Riccarton Bridge	10	0
Skolieburn Bridge	500	2,000
Strathloanhead Culvert	10	0
Structures General Feasibilites	80	0
Underpass Refurbishment (various locations in Livingston)	231	0
Adopted and Non Adopted Bridges - Backlog and Lifecycle Investment - Total	2,047	2,000
Structures - Total	2,279	2,000
Town Centres and Villages		
Armadaale Town Centre	119	0
Bathgate Town Centre	52	0
Broxburn/Uphall Town Centre	200	0
Linlithgow Town Centre	52	0
Whitburn Town Centre	72	0
Shop Front Improvement Scheme	27	0
Villages Improvement Fund	1,000	0
Town Centres - Total	1,522	0
TOTAL ROADS AND RELATED ASSETS	14,796	4,193

OPEN SPACE ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
Open Space and Sports Facility Projects		
Country Parks - Internal Pathways/Roadways/ Car Parking Provision	86	0
General Open Space feasibilities	240	0
Kettilstoun Mains Project	307	0
Management and Regeneration Woodlands	68	0
Non Adopted Hard Landscaping Areas	30	0
Outdoor Access Projects Programme	60	0
Rural Paths	10	0
Waste Containers - Cyclical Replacement	140	0
Open Space and Sports Facility Projects - Total	941	0
Open Space and Sports Facility Planned Improvements		
Almond Park Pond (External Grant Funding)	18	0
Balbardie Park of Peace	116	0
Bowling Green Banks	12	0
Clement Rise Park, Dedridge	63	0
Craigspark, Craigshill (Developer Funding/ External Grant Funding)	126	0
Drumshoreland Park, Pumpherston (Developer Funding)	182	0
East Calder Park	54	0
Glebe Park, Uphall	63	0
Land Decontamination - Various Works	20	0
Linlithgow Loch Park	85	0
Marchwood Crescent Park, Bathgate	47	0
Marrfield Park, Uphall Station (Developer Funding)	113	0
Park Furniture	27	0
Stonebank, Ladywell	63	0
Watson Park, Armadale	106	0
Open Space and Sports Facility Planned Improvements - Total	1,095	0
Children's Play Areas		
Badgers Brook Play Area and Skatepark, Broxburn	81	0
Chestnut Grove, Craigshill	36	0
Ecclesmachan	68	0
Fells Road, Polbeth	68	0
Glenmavis, Bathgate	68	0
Millerfield, Linlithgow	36	0
Millgate Park, Winchburgh (Developer Funding)	80	0
Puir Wives Brae, Bathgate	69	0
Children's Play Areas - Total	506	0
Synthetic Turf Pitches		
East Calder 3G Pitch (Developer Funding/ External Grant Funding)	586	0
Synthetic Kick Pitch Rejuvenation Programme (Non Schools)	39	0
Synthetic Turf Pitches - Total	625	0
Cemeteries		
Glasgow Road Cemetery Wall	100	0
Cemeteries - Total	100	0
TOTAL OPEN SPACE ALLOCATION	3,267	0

ICT ASSETS - CAPITAL PROGRAMME 2017/18

	Proposed Budget 2017/18 £'000	Committed Budget 2018/19 & Future Years £'000
Corporate and Modernisation		
Automated Cash Machines	39	0
Business Application Server Refresh	372	0
Customer Relationship Management System	274	0
Desktop PC Replacement	381	0
E5 Upgrade	50	0
Email Encryption	75	0
General Provision - IT Future Technology Developments	236	0
HR & Payroll System Replacement Feasibility	96	0
Library Books (including ebooks and reader development)	188	0
Library/CIS Integration	67	0
Local Area Network Refresh	982	0
Looked After Children Device Replacement	141	0
Malware Software Prevention	194	0
MS Office Upgrade	0	196
Objective Electronic Content Management (ECM) system.	1,058	0
Office Modernisation ICT	55	0
Online Services - Development & Management	278	0
Replacement of Featurenet	294	0
Swift System Replacement Feasibility	125	0
Telephone Upgrade / Customer Contact Centre	97	0
Workplace Manager Replacement Feasibility	81	0
Corporate and Modernisation - Total	5,083	196
Schools		
Desktop PC Replacement	1,000	0
Education Wireless Local Area Network Refresh	238	0
Scottish Wide Area Network (SWAN) Bandwidth Upgrade	14	0
Schools - Total	1,252	0
TOTAL ICT ALLOCATION	6,335	196



West Lothian
Council

Equality Relevance Assessment

1. Details of proposal	
Policy title	General Services Capital Programme 2017/18
Lead officer	Donald Forrest, Head of Finance and Property Services
Date relevance considered	February 2017
2. Does the council have control over how this policy will be implemented?	
YES	<input checked="" type="checkbox"/> NO <input type="checkbox"/>
3. Do you have evidence or reason to believe that this policy will, or may potentially:	
General Duties	Impact on equality (Yes or No)
Reduce or increase discrimination, victimisation or harassment against people covered by the equality protected characteristics?	No
Reduce or increase equality of opportunity between people who share an equality protected characteristic and those who do not?	No
Provide opportunity to improve good relations between those who share an equality protected characteristic and those who do not?	No
4. Equality impact assessment required? (Two Yes above = full assessment necessary)	
YES	NO <input checked="" type="checkbox"/>
5. Decision rationale	
<p>The purpose of equality impact assessment for proposed capital spending is to consider whether capital works are likely to assist, reduce or increase equality of opportunity, through consideration of who is likely to most benefit from any works taken forward. The proposals within the Capital Programme were initially considered for their impact on equality in January 2013 by Heads of Service working in collaboration with the council's Equality Officer, where no specific issues were identified.</p> <p>Since then a number of new projects have been added to the programme and it was considered prudent to undertake a further review of the remaining programme for 2017/18. The proposals within the programme were considered for their impact on equality in conjunction with the council's Equality Officer. No specific issues were identified from an equality perspective. Spending on various regular maintenance and refurbishment projects aside, the proposals within the programme were deemed to align with the priorities and focus of the revenue budget and the Corporate Plan. There were no individual projects which were flagged during the relevance assessment process as having the potential to impact disproportionately on any group or individual covered by the protected characteristics of the Equality Act 2010.</p>	



West Lothian
Council

WEST LOTHIAN COUNCIL

2017/18 HOUSING REVENUE ACCOUNT BUDGET AND RENT LEVEL

REPORT BY DEPUTE CHIEF EXECUTIVE

A. PURPOSE OF REPORT

The purpose of the report is to enable the Council to approve the proposed Housing Revenue Account (HRA) budget, rent and service charges to be applied in 2017/18.

B. RECOMMENDATION

It is recommended that the Council:

1. Approves the 2017/18 HRA Budget as set out in the report;
2. Approves a rent increase of 3% in 2017/18 in accordance with the previously agreed strategy;
3. Approves a 3% increase in garage rents in 2017/18 in accordance with the previously agreed strategy;
4. Approves an increase of 3% in service and support charges for Sheltered Housing properties for 2017/18 in accordance with the previously agreed strategy;
5. Approves a 3% increase in rents and service and support charges for Homeless properties for 2017/18 in accordance with the previously agreed strategy.

C. SUMMARY OF IMPLICATIONS

I Council Values	Focusing on our customers' needs Being honest, open and accountable Making best use of our resources Working in Partnership
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	<p>This report complies with legal requirements under the Housing Act 1987. The budget and rent increase is reported to the Council annually each year for approval.</p> <p>An Equality Relevance Assessment has been undertaken in compliance with the Equality Act 2010 and is included in Appendix 1.</p>
III Implications for Scheme of Delegations to Officers	None
IV Impact on performance and performance Indicators	None

V Relevance to New Single Outcome Agreement	Outcome 10 – We live in well designed, sustainable places where we are able to access the services we need.
VI Resources - (Financial, Staffing and Property)	The 3% rent increase for 2017/18 will deliver a balanced HRA and capital programme and ensure continued investment in our housing infrastructure.
VII Consideration at PDSP	N/A
VIII Other consultations	Consultation with all tenants through Tenant News, Tenants' Panel and discussion with the Head of Finance and Property Services.

D. TERMS OF REPORT

D.1 GOVERNANCE

The Housing Revenue Account (HRA) budget setting process is subject to statutory, regulatory and governance requirements. This report seeks budget approval for 2017/18 HRA Income and Expenditure and rent levels, as defined within the Housing (Scotland) Act 1987. The council's Financial Regulations also state that the Depute Chief Executive – Corporate, Operational and Housing Services is responsible for presenting an HRA Revenue Budget to a meeting of the full council.

The HRA Revenue budget forms part of the council's integrated approach to financial strategy, corporate planning, delivery of outcomes and performance monitoring. The activity budget links activities, resources and outputs / outcomes which enables the council to demonstrate Best Value in the use of resources. The activity budget is published on the council's intranet.

The Council's approved Best Value Framework ensures that the council complies with the provisions contained within the Local Government in Scotland Act 2003. The 2003 Act requires the council to:

- secure best value in the performance of its functions;
- balance the quality and cost of the performance of its functions and the cost of council services to service users;
- have regard to efficiency, effectiveness, economy and the need to meet equal opportunity requirements in maintaining that balance.
- fully discharge its duty to secure best value in a way which contributes to the achievements of sustainable development.

This report seeks approval of the HRA Revenue budget and rent levels for 2017/18.

D.2 RENT STRATEGY AND LEVELS

West Lothian Council approved a five year rent strategy, covering the period 2013/14 to 2017/18, on 29 January 2013, including indicative rent levels for 2017/18. In line with statutory and regulatory requirements, this report seeks formal Council approval for the 2017/18 HRA budget and an associated rent rise of 3%. Approval is also sought for a 3% increase in garage and garage site rents in financial year 2017/18.

The Council has undertaken significant investment in its housing stock over recent years. The 3% increase will enable delivery of a balanced HRA revenue budget, and

will allow high quality and responsive housing services to be maintained for our tenants and ensure continued investment in our housing infrastructure, improving existing homes and creating 1,000 new affordable homes. If the rent increase is approved, and based on the latest stock report at 31 December 2016, the average weekly rental for homes will be £70.23, and £6.05 for garages in 2017/18.

	2016/17 (£)	Increase (£)	2017/18 (£)	Increase (%)
Average Weekly Rent	68.19	2.04	70.23	3.00
Average Weekly Garage Rent	5.87	0.18	6.05	3.00

D.3 SERVICE AND SUPPORT CHARGES

It is proposed that service charges for Sheltered Housing properties will be increased by 3% in 2017/18, consistent with the policy agreed by Council in January 2013. A 3% increase for support charges in relation to Homeless Properties for 2017/18 is also proposed.

D.4 HOUSING REVENUE ACCOUNT – REVENUE BUDGET

The proposed HRA revenue budget is based on the medium term 3% rent strategy agreed in January 2013, which will enable key priorities to be delivered. The 2017/18 budget will enable financial resources to be directed towards the efficient management of the council's housing stock and tenancies, with customer focused services delivered by local housing teams. Targeted resources will support tenant participation, including tenants' panels, networks and other groups, as well as tenant led inspections. The service will continue to maximise rental income through effective management of council houses, work to mitigate the impact of Welfare Reform and be responsive to changes in the way social housing is regulated and inspected. West Lothian Council will continue to work to improve the quality of life for tenants; assisting individual households as well as playing an important role in promoting strong and sustainable communities.

West Lothian Council remains committed to providing high quality, value for money housing services. The 1,000 Houses New Build Programme was highly commended at the UK Housing Awards, and a winner of the 2016 Association for Public Sector Excellence Housing and Regeneration Award. It has also enabled re-development of the Deans South area to commence. Based in the new Kirkton Service Centre, Building Services continue to seek to modernise and deliver a more cost efficient service.

Planned service developments and improvements continue for Housing, Customer and Building Services. In 2016/17 projects included the co-location of Livingston Housing Office in Arrochar House and development of Open Housing to improve IT system capabilities. There has been successful implementation of the Tenants Self-Service Portal and Tenant Participation Facebook Group. Successful work with tenants was recognised in the Tenants Information Service (TIS) National Excellence Award for Financial Scrutiny in June 2016. Where possible, further efficiencies and improvements will continue to be sought, enabling customer focused services to be maintained across a wider tenant base. It should also allow continuing support to be provided to tenants affected by changes brought about by Welfare Reform and Universal Credit.

The summary HRA Budget for 2017/18, and the proposed allocation of resources, is shown in the table below. Estimated Income and Expenditure is expected to be £48.1 million in 2017/18.

	2016/17 £M	2017/18 £M
Rents	46.2	47.7
Other Income	0.5	0.4
Total Funding	46.7	48.1
Employee Costs	4.4	4.5
Premises Costs	15.0	15.1
Transport Costs	0.1	0.1
Supplies & Services Costs	3.4	3.4
Third Party Payments	0.1	0.1
Transfer Payments	0.9	0.9
Support Services	2.6	2.6
Capital Financing Costs	20.2	21.4
Total Expenditure	46.7	48.1

The proposed budget takes account of a number of cost pressures and assumptions including:

- 3% rental increase for council houses and garages.
- A minimum of 1% pay award for staff and allowance for incremental pay progression.
- Indexation pressures, such as energy costs.
- Updated capital financing charges relating to the Housing Capital Programme.
- Ongoing impact of Welfare Reform and Universal Credit.

While the Housing Scotland Act 1987 requires local authorities to keep a ring fenced HRA, the HRA revenue budget also forms part of the council's integrated approach to corporate planning, delivery of outcomes, activity planning and performance monitoring through the activity budget which is published on the council's internet. The council is committed to delivering a well maintained housing stock and efficient management services to support tenants and their communities.

D.5 RISKS AND UNCERTAINTIES

In developing the 2017/18 HRA Budget, it is recognised that there are a number of risks and uncertainties that could impact on the level of financial resource required. This would include potential variances to pay and price indexation as well as interest rates on capital borrowing requirements. Resources for reactive repairs remain subject to demand for services and vagaries of winter weather.

The ongoing effect of Welfare Reform changes continue to present risk and uncertainty to all social landlords. However, the risk is partly mitigated by confirmation that the wider roll out of Universal Credit will not commence in West Lothian until February 2018. While the Scottish Government have stated that they would wish to take advantage of provisions within the Scotland Act 2016 in relation to Welfare Benefits, this will take time to come into regulatory effect. This would allow payments to be made directly to social landlords, and allow variations to both the amount and

timings of payments. Further change could also positively impact on plans to withdraw housing support to single people aged 18-21.

The Council continues to actively pursue housing arrears. The level of rent arrears is expected to fall from £1.25 million reported at 31 March 2016, despite the challenges faced by Welfare Reform and introduction of Universal Credit.

Appropriate steps will be taken to mitigate against risks and contain expenditure within available resources during the financial year. Quarterly monitoring reports will be reported to Council Executive during 2017/18 to provide updates on the financial position and actions to ensure risks are appropriately managed.

D.6 HOUSING RESERVES

Local authority accounting standards require that, in setting budgets, the Council receives details of reserves, their proposed use and an opinion as to the adequacy of the reserves for the forthcoming year.

As reported to Council Executive on 14 February 2017, within the period 9 monitoring report, a breakeven position is forecast for the HRA revenue budget for 2016/17. It is therefore projected that the HRA reserve at 31 March 2017 will remain at £926,000 and there is no proposal to augment this during 2017/18.

Given the inherent risk associated with the impact of Universal Credit, extreme weather conditions and other risks and uncertainties, it is recommended that this balance be maintained and the level is considered adequate to meet with unforeseen demands on resources. The proposed budget does not assume any use of this reserve.

D.7 PRUDENTIAL CODE IMPLICATIONS

The Prudential Code provides the council with local discretion in investment levels for Housing, provided it ensures that capital spending and associated borrowing are at levels that are affordable, prudent and sustainable.

To demonstrate this, the Code sets prudential indicators that are designed to support and record local decision making. The Head of Finance and Property Services is responsible for reporting these indicators for both the General Fund and the HRA. For this reason, the Prudential Indicators will be reported in detail by the Head of Finance and Property Services in the 2017/18 Revenue Budget, presented to the Council budget setting meeting.

A key Prudential Indicator is affordability, which assesses the incremental impact of capital spending on rent levels. Under the proposed budget, increases to loans charges arising from borrowing are fully funded within the HRA. This area will continue to be closely monitored; particularly in relation to affordability with housing arrears, procurement costs for the 1,000 Houses New Build project and the full impact of council house sales under Right to Buy legislation.

D.8 CONSULTATION

The council has a statutory duty to inform and consult tenants on its rent policy. Tenant consultation took place prior to the rent strategy being agreed by West Lothian Council in January 2013. Tenants have been consulted on the 2017/18 increase through a range of activities including: Housing Network meetings, Tenant News, through local offices and via our website and social media.

The Scottish Social Housing Charter set the standards and outcomes that all social landlords should aim to achieve when performing their core housing activities. Indicator 29 requires all landlords to establish what percentage of tenants feel that the rent for their property represents good value for money. In a two yearly survey, completed in September 2015, 85.3% of tenant responses indicated that rent levels represented good value for money, a favourable comparison to the national average of 76.6%. Just over 1,400 tenants completed the survey.

COSLA rent statistics indicate that West Lothian's average rent for 2016/17 was broadly in line with the national average of £67.74.

E. CONCLUSION

The HRA revenue budget provides a balanced financial plan, incorporating a 3% rent increase, which will allow the council to continue to provide excellent value for money services to our tenants and to be responsive to customers' needs. The balanced budget also provides for continued investment and funding of our housing infrastructure, including the 1,000 houses new build programme to improve the amenity of communities to meet the needs of existing and future tenants. The HRA revenue budget for 2017/18 will enable the delivery of key priorities and allow the people of West Lothian to continue to be supported to find a suitable place to live and have quality housing options available to them.

F. BACKGROUND REFERENCES

- Ten Year Housing Capital Investment Programme 2008/09 to 2017/18 Report to Council Executive, 23 December 2008.
- 2012/13-2017/18 Housing Revenue Account Budget and Rent Levels, Report to West Lothian Council 11 January 2012.
- HRA 2013-14 Budget Rent Levels Report, Report to West Lothian Council 29 January 2013.
- 2016/17 Housing Revenue Account – Month 9 Monitoring, Report to Council Executive 14 February 2017.

Appendices/Attachments: One

Appendix 1 - HRA Budget (Equality Impact Assessment)

Contact Person: alistair.shaw@westlothian.gov.uk

Graeme Struthers
Depute Chief Executive
20 February 2017



West Lothian
Council

Equality Relevance Assessment

1. Policy details	
Policy title	2017/18 Housing Revenue Account Budget and Rent Level
Policy lead officer	Alistair Shaw – Head of Housing, Customer and Building Services
Date relevance considered	25/01/2017
2. Does the council have control over how this policy will be implemented?	
YES	<input checked="" type="checkbox"/> X
NO	<input type="checkbox"/>
3. Do you have evidence or reason to believe that this policy will, or may potentially:	
General Duties	Level of impact (high, medium or low)
Reduce or increase discrimination, victimisation or harassment against people covered by the equality protected characteristics?	Low
Reduce or increase equality of opportunity between people who share an equality protected characteristic and those who do not?	Low
Provide opportunity to improve good relations between those who share an equality protected characteristic and those who do not?	Low
4. Equality impact assessment required? (All high and medium policies MUST be impact assessed)	
YES	<input type="checkbox"/>
NO	<input checked="" type="checkbox"/> X
5. Decision rationale	
<p>The purpose of this assessment is to act upon the recommendation of a previous full EQIA completed on proposed Housing Revenue Account (HRA) budget, rent and service charges to be applied in 2017/18; which stipulated that any future amendments to the proposed rent strategy or associated service budgets or charges must be screened for relevance to equality.</p> <p>The Equality and Human Rights Commission (EHRC) Public Sector Advice Note on Public Duties and Financial Decisions also outlines a duty to consider the impact of fiscal planning decisions. The impact for tenants of the ongoing UK Government Welfare Reform Act roll-out, with a particular and ongoing focus on Universal Credit, places a duty of care and an ethical obligation as a responsible landlord on the council to consider the socio-economic impact of financial decisions on the local economic climate. In particular, there is a duty to consider the needs of those vulnerable to financial hardship or poverty as a result of these decisions.</p>	

Previous related rent setting proposals seeking formal committee approval and EQIA screened for relevance are as follows:

- Approval for the rent strategy consulted on with tenants setting out 3% increases from 2012-17;
- Approval for the HRA budget and a rent freeze in 2013/14;
- Approval for a freeze in Garage and Garage site rents in 2013/14;
- Approval for the HRA budget in 2014/15;
- Approval for the HRA budget, a 3% rise in rent and garage rents in 2015/16;
- A 3% increase in service and support charges for Sheltered Housing properties and a 3% increase in rents, service and support charges for Homeless properties for 2015/16;
- Approval for the HRA budget, a 3% rise in garage rents in 2016/17; and
- A 3% rise in service and support charges for Sheltered Housing properties for 2016/17, and a 3% increase in rents and service and support charges for homeless properties for 2016/17.

This assessment deals with the proposals for 2017/18 which are as follows:

- The 2017/18 HRA Budget as set out in the report;
- A rent rise of 3% in 2017/18 in accordance with the previously agreed strategy;
- A 3% rise in garage rents in 2017/18 in accordance with the previously agreed strategy;
- Approves an increase of 3% in service and support charges for Sheltered Housing properties for 2017/18 in accordance with the previously agreed strategy; and
- Approves a 3% increase in rents and service and support charges for Homeless properties for 2017/18 in accordance with the previously agreed strategy.

Rent Levels

As the Rent Strategy has been fully consulted on with the public at large, individually and via community groups, and the HRA and rent levels being proposed for 2017/18 remain in line with the approved strategy then no further issues arise from this proposal. The previous EQIAs completed for the HRA budget each year since 2012, the associated Capital Programme and the Rent Strategy and any amendments sufficiently cover any potential equality related issues and have been widely consulted on.

The Council has undertaken significant investment in its housing stock over recent years. The 3% increase will enable delivery of a balanced HRA revenue budget, and will allow high quality and responsive housing services to be maintained for our tenants and ensure continued investment in our housing infrastructure, improving existing homes and meeting the commitment to 1,000 new affordable homes.

It is expected that more new homes will be delivered in 2017/18. Delivering affordable, socially rented accommodation built to a high standard of specification helps the council meet some of the rising demand for such accommodation within the community and increases housing options for vulnerable people. By investing significantly in our existing stock to meet SHQS and EESSH standards, regenerating local communities, and investing in energy efficiency improvement works, the service will mitigate the effects of rent increases through improving the energy efficiency of older properties that cost more to heat – working towards the outcome of helping vulnerable tenants avoid the threat of fuel poverty.

If the rent proposal is approved then the average weekly rent in West Lothian will increase by 3% for individual tenants. The average weekly rental in for homes for 2017/18 will be £70.23 and for garages £6.05 as illustrated in the table below:

	2016/17 (£)	Increase (£)	2017/18 (£)	Increase (%)
Average Weekly Rent	68.19	2.04	70.23	3.00
Average Weekly Garage Rent	5.87	0.18	6.05	3.00

Service and Support Charges

It is proposed that service charges for Sheltered Housing properties will be increased by 3% in 2017/18, consistent with the policy agreed by Council in January 2013. A 3% increase for support charges in relation to Homeless Properties for 2017/18 is also proposed.

Other Factors

As there is no change proposed to the agreed Rent Strategy for subsequent years from 2014-2017, the existing EQIA which has considered these years is still applicable but will include this screening for the proposed 2017/18 HRA and Rent Levels.

As a result of either a freeze or minimal uprating for most working-age benefits from 2016 to 2020, the financial situation for benefit tenants will become more challenging in the coming year. However unlike rents in the private sector, through the Local Housing Allowance limits, if council rents go up by 3%, the eligible rent on which the Housing Benefit calculation is based will also go up by 3%, so those on full benefit will not suffer further financial detriment. Someone entitled to full Housing Benefit with a £100 rent whose rent increases to £103 will see their benefit increase to £103.

Those on part benefit, who may have to pay a portion of their rent just now, will see that amount increase, and those already subject to under occupancy charge (bedroom tax) who currently have their £100 Housing Benefit award reduced by £14, will see their £103 award reduced by £14.42 – as a result there continues to be pressure on our Discretionary Housing Payment cash which WLC utilises to mitigate this shortfall. The HCBS focus on rent arrears from a preventative standpoint should assist those who are negatively impacted by the 3% rise as officers are working in partnership with the Advice Shop to maximise income and improve budgeting skills.

The ongoing effect of general economic conditions and Welfare Reform changes, including direct housing benefit payments to tenants and universal credit, continue to present risk and uncertainty to all social landlords. Recent developments related to Scottish Government additional powers on housing benefit may over the course of 2017/18 assist to reduce this risk.

The Council continues to actively pursue housing arrears. We continue to focus effort on reducing arrears, and while the context for this focus remains a challenge, at time of assessment the council has achieved a year on year reduction in arrears. A corporate approach to debt continues to be taken forward, to ensure resources are most appropriately targeted and that services are working in partnership to break the cycle of debt in complex and high level arrears cases where tenants have instances of multiple debts.

- **No assessment required – process ends**
- **Assessment required – continue to next section**



West Lothian
Council

WEST LOTHIAN COUNCIL

HOUSING CAPITAL PROGRAMME 2017/18

REPORT BY DEPUTE CHIEF EXECUTIVE

A. PURPOSE OF REPORT

To seek Council approval for an updated 2017/18 Housing Capital Programme.

B. RECOMMENDATION

It is recommended that the Council approves the updated 2017/18 Housing Capital Programme and related funding as detailed in the report.

C. SUMMARY OF IMPLICATIONS

I Council Values	Focusing on our customers' needs Being honest, open and accountable Making best use of our resources Working in Partnership
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	The report on the Housing Capital Programme complies with the Housing (Scotland) Act 1987 and the council's Financial Regulations. An Equality Relevance Assessment has been carried out in compliance with the Equality Act 2010 and is included in Appendix 3.
III Implications for Scheme of Delegations to Officers	None
IV Impact on performance and performance Indicators	An effective housing capital and asset strategy is vital to service performance.
V Relevance to Single Outcome Agreement	Outcome 10 – We live in well designed, sustainable places where we are able to access the services we need.
VI Resources - (Financial, Staffing and Property)	Capital investment of £77.152 million in 2017/18.
VII Consideration at PDSP	Services for the Community Policy Development and Scrutiny Panel 7 February 2017.

VIII Other consultations

Consultation has taken place with the Tenants Panel and the Head of Finance & Property Services.

D TERMS OF REPORT

D.1 Background

The council approved a five year housing capital programme, encompassing the period 2013/14 to 2017/18, in January 2013. The 2013/14 and 2014/15 budgets were updated in September and December 2013 respectively, with a revised three year programme covering the period 2015/16 to 2017/18 approved by West Lothian Council in January 2015. The most recent update to Council Executive, in June 2016, detailed revised spending plans of £55.653 million for 2017/18.

D.2 2016/17 Housing Capital Out-turn Position

As included within the month 9 monitoring report to Council Executive on 14 February 2017, expenditure totalling £50.337 million is forecast to be incurred within the 2016/17 Housing Capital Programme. The programme encompasses both new build housing and major investment in the existing housing stock, with a number of large scale housing projects undertaken by Building Services. The projected expenditure of £50.337 million represents a £12.113 million variance against budgeted resources. The 2017/18 capital budget has been updated for the following phasing assumptions:

- Re-phasing of New Build Housing expenditure of £16.595 million to 2017/18, to reflect appropriate planning approvals and consents, and consequent site start dates.
- Slippage of £64,000 for repairs to walls and footpaths, and £176,000 for tenant street improvements.
- Resources of £695,000 to be carried forward from 2016/17 due to issues with services and discovery of asbestos in the shallow roofs which has resulted in delays at Bathville, Armadale.
- Slippage of £168,000 to be brought forward to enable completion of major upgrades of BISF houses at Ladeside, Blackburn.
- Accelerated expenditure of £300,000 on open market acquisitions, supporting homelessness in 2016/17.
- Smaller scale slippage, and other movements, totalling £209,000, over a number of projects.

D.3 Housing Capital Programme 2017/18

A housing capital budget of £77.152 million is proposed in 2017/18 and Council is asked to approve this updated investment programme. Significant resources will be invested in new homes and there will be a strong focus on the maintenance of quality standards across the housing stock. External upgrading will continue in areas identified as in greatest need and an increasing emphasis will be placed on the Energy Efficiency Standard for Social Housing (EESH). A pilot heat exchange project for Westfield is proposed to help address an area of relative fuel poverty. The planned investment programme, adjusted for latest phasing assumptions, remains essentially unchanged from the report to Council Executive in June 2016. Notable exceptions include:

- A reduction of £225,000 to the central heating programme in recognition of grant funding received to support energy efficiency measures during 2016/17.
- £100,000 investment in a district ground source heat pump pilot project at Westfield to consider a renewable energy solution in an area of relative fuel poverty.
- Additional £85,000 planned investment in the kitchen and bathrooms programme.
- A further £365,000 investment in external wall insulation projects.
- A net saving of £176,000 across various other planned programmes to reflect reprioritisation of expenditure, and latest cost estimates, for required works.
- Reassessment of demand for Mortgage to Rent purchases (a financially neutral scheme to support homeowners in financial difficulty) to £200,000.
- Additional funding to support the new build programme of £3.468 million, and £600,000 to support Open Market Acquisitions.

The proposed investment programme for 2017/18, totalling £77.152 million, is summarised in the table below. Individual projects, comprised within each project heading, are listed in Appendix 1 and further detail on work to be encompassed within the programme is contained in Appendix 2.

Project	Planned Expenditure 2017/18 £'000
New Build 1,000 Houses	60,659
Major Refurbishments	2,508
Major Elemental Repairs	2,768
Planned Programmes	6,714
Environmental/External Upgrading	812
Miscellaneous	3,691
Sub-Total Housing Investment	16,493
Total	77,152

New Build Investment Programme

Significant resources will be invested in new homes, with budgeted resources of £60.659 million factored into the investment programme. The new build programme incorporates 117 new housing units at Deans South. The council remains committed to significant redevelopment of the site, following buy back of a number of owners' properties, of whom many benefited from the Scottish Government's Open Market Shared Equity Scheme, and purchase of land and buildings from Castle Rock Edinvar.

Major Refurbishment

Significant improvements will continue at Mayfield, Armadale with planned investment of £1.179 million. These works commenced in 2012 and are expected to complete in 2017/18. There will also be major works at Bathville Flats, Armadale, where extensive work is being carried to renovate and improve the area. Work at Harrison Houses, which forms part of the Loch Scheme in Whitburn will commence in 2017/18. Work at Park Road flats is expected to complete in the financial year.

Major Elemental Repair

Major Elemental Repairs continues to form an important part of the investment programme, with planned resources of £2.768 million to be invested in 2017/18. With the exception of some phasing adjustments from 2016/17, the programme remains unaltered from the budget approved in June 2016.

Planned Programmes

Planned programmes cover a broad range of activities, including: energy efficiency measures, central heating replacements, electrical testing and repair, painting and fencing programmes. These works are in addition to core planned maintenance programmes, as well as kitchen and bathroom replacements and window refurbishment or renewal.

The Energy Efficiency Standard for Social Housing (EESH) continues to be a focus for project work, it is intended to increase investment in external wall insulation from £151,000 to £516,000 to target work in council houses in areas of mixed tenure, where homeowners benefit from support through the Home Energy Efficiency Programme Scotland (HEEPS).

New resources of £100,000 have been identified to enable a pilot District Heating project in Westfield for a Heat Exchange Pump system, which has potential to link to Renewal Heat Initiative funding stream.

Environmental / External Upgrading

Planned work will continue on general environmental improvements and external upgrading, including tenant led street improvement projects. Although many works are of a small scale, these projects can have a substantial impact on the local amenity and community. The tenants' street improvements programme is delivered in consultation with tenants. The planned programme for 2017/18 is essentially unchanged from the programme approved by Council Executive in June 2016, with the exception of slippage brought forward from 2016/17.

Miscellaneous

A range of capital projects and measures to support the work of the Housing Revenue Account are encompassed within this heading, including feasibility studies, asbestos management and legionella upgrades. A number of home security measures, as well as aids and adaptations, also support our tenants to live safely and independently within their homes.

In 2017/18 it is proposed that £3.691 million will support related initiatives. There are two changes to the programme approved in June 2016. Demand for purchase of Mortgage to Rent properties has been reassessed to reflect existing levels of support, from £400,000 to £200,000. As reported to Council Executive on 17 January 2017, £300,000 of resources earmarked for Homelessness were accelerated to enable purchase of 45 properties in 2016/17. In 2017/18, this project heading will be re-designated as "Open Market Acquisitions", with £1.6 million of planned expenditure, inclusive of £0.6 million Scottish Government grant funding.

Capital Resources 2017/18

The proposed 2017/18 Housing Capital Budget is consistent with the overall funding agreed by council in January 2015. Financing of the programme will continue to be largely met through borrowing of £53.518 million. Legislative changes came into effect on 1 August 2016 that ended tenants' right to buy council houses; final receipts are estimated at £5.633 million in 2017/18. The volume of sales, with an estimated 281 completions processed after the cut-off date, will significantly impact on HRA rental income.

Updated assumptions on Scottish Government grants and other contributions have also been factored into funding sources as the council progresses with the new build housing programme. Scottish Government grant funding for the new build programme, and open market acquisitions, of £9.376 million is forecast for 2017/18. Funding agreed with the Scottish Government has been site specific, ranging from £20,000 per unit on initial sites to £57,000 per unit on later sites. Funding, of £919,000 is expected from developer contributions and council tax on second homes.

The level of capital financing charges and CFCR are considered to be at an affordable level within the HRA Revenue Budget. The table below shows the capital resources available to fund the housing capital programme 2017/18 and Council Executive will be updated on latest assumptions in future monitoring reports.

Funding Source	2017/18 Planned Resources £'000
CFCR	7,706
Borrowing	53,518
Council House Sales	5,633
Government Grants	9,376
Council Tax on Second Homes	206
Developer Contributions	713
Total Income	77,152

D.4 Governance

In setting the HRA capital budget, due cognisance must be made to the relevant statutory, regulatory and governance requirements.

The Prudential Code requires the council to take into account a number of factors when agreeing capital spending plans. In overall terms the Housing Capital Investment Programme for 2017/18 is considered affordable relative to gross rent levels, subject to appropriate management of capital risks and housing arrears. The revenue implications are incorporated within the HRA Revenue budget and loan charge projections continue to indicate that the Housing Capital Investment Programme is prudent, affordable and sustainable. All aspects of the programme are geared toward securing best value; however it may be necessary, on occasion, to re-phase budgets for operational reasons or to secure best value.

The council approved an updated Best Value Framework on 10 June 2014 aimed at ensuring the council complies with the provisions contained within the Local Government in Scotland Act 2003. The 2003 act requires the council to:

- secure best value in the performance of its functions;
- balance the quality and cost of the performance of its function and the cost of council services to service users;
- have regard to efficiency, effectiveness, economy and the need to meet equal opportunity requirements in maintaining that balance;
- fully discharge its duty to secure best value in a way which contributes to the achievements of sustainable development;

The Best Value Framework requires works over a pre-determined threshold to be subject to competitive tendering. Exemptions are permissible, under the 2003 Act. The Council Executive report on 10 June 2014 approved exemptions relating to Central Heating, Roof and Roughcasting and New Build works at Bathville and the programme has been prepared on this basis. A high level review of the capital programme has been completed to determine works that will be carried out by external providers and works to be carried out in-house to ensure compliance with the Best Value Framework.

The proposals within the programme were considered for their impact on equality. No specific issues were identified from an equality perspective and the assessment is detailed in Appendix 3.

D.5 Corporate Asset Management and Future Capital Investment

The current Corporate Asset Management Strategy was agreed by the council in January 2013. Asset management provides appropriate structures and governance arrangements to ensure the council's assets are utilised appropriately in support of service delivery. It is important that resources are prioritised on an ongoing basis to ensure investment has the maximum impact on the core assets required to sustain existing service delivery. The Housing Capital Plan is updated annually to demonstrate best value, continuous improvement, sound performance management, partnership working and sustainable development.

In line with General Services arrangements, it is therefore proposed that officers work to develop a new ten year Housing Capital programme and rent strategy. It is proposed that the future capital programme will also take a longer term approach to asset investment and planning, with a longer term capital investment pipeline being developed as well as the ten year programme, to consider the council's assets in future years so that long-term needs can be identified and plans developed.

E. CONCLUSION

The report sets out the Housing Capital programme for 2017/18, with proposed investment of £77.152 million. There is a strong focus within the programme on the 1,000 new build council house project to deliver affordable homes, which alongside open market acquisitions, will increase the availability of social housing within communities for both existing residents and future generations. Alongside investment in new and additional housing stock, there will be continued investment in existing council housing stock and the environment, to improve homes and local amenity. Energy efficiency is recognised as a continuing priority, with an emphasis on meeting the requirements of the Energy Efficiency Standards for Social Housing legislation

The 2017/18 Housing Capital programme consolidates and updates on movements reported to Council Executive in June 2016 and February 2017, recognising the

requirement to refine and phase projects and expenditure during the programme period. It ensures that resources are prioritised effectively, and where appropriate reassesses resource requirement to reflect sustained levels of demand.

Through the Housing Capital programme, the council continues to maintain quality standards and invest in the suitability and sufficiency of its housing stock to improve the environment within communities and meet the needs of existing and future tenants across West Lothian.

F. BACKGROUND REFERENCES

Housing Capital Programme 2013/14 to 2017/18, Report to Council, 29 January 2013.

Housing Capital – 2015/16 Out-turn and Updated 2016/17 to 2017/18 Budget, Report to Council Executive, 21 June 2016.

2016/17 Period 9 Housing Capital Monitoring, Report to Council Executive 14 February 2017.

2017/18 Housing Revenue Account Budget and Rent Levels, Report to Council, 20 February 2017.

Update on the 1000 New Build Council House Programme, Report to Services for the Community Policy Development and Scrutiny Panel, 7 February 2017.

Update on Energy Efficiency Programmes and Proposals, Report to Services for the Community Policy Development and Scrutiny Panel, 4 October 2016.

Appendices/Attachments: Three

Appendix 1 – Housing Capital Programme Projects 2017/18

Appendix 2 – Housing Capital Programme Further Information 2017/18

Appendix 3 – Housing Capital Programme Projects 2017/18 (Equality Impact Assessment)

Contact Person: colin.miller@westlothian.gov.uk

Graeme Struthers
Depute Chief Executive
20 February 2017

West Lothian Council

Housing Capital Programme 2017/18

	Approved June 2016 £'000	Revised 2017/18 £'000
EXPENDITURE		
New Build	40,596	60,659
NEW BUILD TOTAL	40,596	60,659
Major Refurbishment		
Mayfield Area, Armadale Roof and render repair.	1,179	1,179
Harrison Houses - Whitburn Roof.Stair and balcony repairs.	368	368
Park Road Flats, Blackridge	0	35
Bathville Flats, Armadale Roof and render repairs etc.	237	926
MAJOR REFURBISHMENT TOTAL	1,784	2,508
Major Elemental Repair		
Aitken Orr Drive, Broxburn	70	70
Lanrigg Area, Fauldhouse	488	488
Empire St, Baillie St, Bog Rd, Park View, Dean St, Whitburn	513	513
Miscellaneous Whitburn*	509	509
Cuthill, Stoneyburn	300	300
Strathlogie, Westfield	304	304
Auldhill Bridgend	64	64
Ladeside, Blackburn	332	520
ROOFS AND ROUGHCAST TOTAL	2,580	2,768
Planned Programmes		
Firewalls	25	25
Repairs to walls and footpaths etc in HRA areas	100	164
Periodic testing and repairs / Electric Wiring	694	694
Central Heating	2,340	2,115
Kitchens and Bathrooms	379	464
Windows Refurbishment / Renewal	548	548
Hard wired smoke detectors	240	240
Painting - External	354	354
Assisted Decoration Scheme	300	300
Common Stair Upgrades	123	123
Rhone Cleaning and Repair	246	146
Fencing	200	175
Energy Efficiency / PV Panels	200	300
Insulation	100	50
External Wall Insulation	151	516
Planned Maintenance/ HIO Investment	500	500
PLANNED PROGRAMMES TOTAL	6,500	6,714
Environmental / External Upgrading		
Tenants Street Improvements	150	326
Environmental Projects - Area Schemes	20	20
Programmed Drainage	50	50
Play Areas Play areas in council housing areas.	50	39
Almondell	232	277
Bin Store Improvements	100	100
ENVIRONMENTAL / EXTERNAL UPGRADING TOTAL	602	812

	Approved June 2016 £'000	Revised 2017/18 £'000
Miscellaneous		
Open Market Acquisitions	1,300	1,600
Deans South	139	139
Aids & Adaptions	700	700
Asbestos Management	650	650
Legionella Upgrades	102	102
Feasibility Surveys	50	50
Home Safety Service for Older People	170	170
Home Security for Older People	45	45
Capita Housing IT System	35	35
Mortgage to Rent	400	200
MISCELLANEOUS TOTAL	3,591	3,691
TOTAL EXPENDITURE	55,653	77,152

*Glebe Road, Union Road, Union Drive, Jubilee Road, Armadale Road, Manse Avenue

West Lothian Council Housing Capital Programme 2017/18 – Further Detail

1. New Build

This major investment is to provide new houses in areas across the district of many different sizes and styles, with many designed to support the occupation by people with limited movement ability including wheelchair users. Built to modern standards they are also very well insulated and therefore substantially reduce the heating bills of the tenants while ensuring warmth and stable heat levels. Existing tenants are given priority to move into the new houses. Rents are slightly higher but should be more than offset by the reduction in heating costs. Phase II completed in Spring 2015. Six homes at Adelaide Street were completed during 2014/15 and a further 40 units have been completed this year. Four of the 23 sites have still to start.

New Build	2017/18 £'000
New Build Houses, 1000 Houses	60,659
Total	60,659

2. Major Refurbishment

Where there is a significant proportion of a street that requires investment, where local houses are of the same design and construction, or have similar problems, it is logical and economic to deal with the whole street. The following programmes are of a high level of work exceeding the routine roof and render renewal projects. The major works to the stone faced houses in Main Street in Fauldhouse were completed and handed over in January 2017. The ongoing works at Mayfield, Armadale which began in 2012 are expected to complete in 2017/18. The final upgrading works to the Park Road flats has been awarded to a landscaping contractor and the works are expected to be completed by May 2017. The works at Bathville are extensive and have been complicated by services such as gas and electricity which underlay the buildings, causing significant problems. Building Services have nonetheless accelerated their works to progress the development. Currently 74% of the refurbishment work in Phases 1 and 2 has been completed and three new build units are under construction.

Major Refurbishment	2017/18 £'000
Mayfield Area, Armadale	1,179
Harrison Houses - Loch Scheme, Whitburn	368
Park Road Flats	35
Bathville Flats, Armadale	926
Total	2,508

3. Major Elemental Repair

As is perennially the case, roofs and roughcast are the key investment areas identified by survey. Roofs are prioritised because a failed roof inevitably leads to water penetration and rapid internal deterioration. Roughcast replacement is carried out wherever it is required

under a roofing replacement programme. For these reasons, the majority of our Major Elemental Repair programme is roof replacement and associated roughcast repairs.

While the major work is limited to the roofs and external walls, in some cases, to reduce internal draughts for the occupant and also to prevent future maintenance liabilities, we will remove chimneys, which are often a source of dampness and risk in poor weather. This means that the new roofs will last longer and suffer less disrepair, and need fewer repair call-outs over their lifetime. To effect this change, we may need to replace the boiler, and this will also be included in the programme of works. Any required repairs to lintols or cills, or to doors and windows, stairs and paths noticed at the survey or during the works will also be carried out at the same time.

All these works are to improve the condition of the housing as an asset, increase its performance in terms of weather protection and energy saving, and, in conjunction with the planned programmes and servicing of gas and electrical systems, we aim to ensure that it will pose no risk to the occupying tenants and will in fact reduce their heating bills and, providing the house is adequately ventilated, will also protect them from any risks from mould.

Areas of scheduled work are detailed in the table below, it is noted that works in Lanrigg in Fauldhouse, Empire Street and Glebe Road areas of Whitburn are multi-year projects and works beyond 2017/18 will require future council approval to complete the projects.

Major Elemental Repair	2017/18 £'000
Aitken Orr Drive, Broxburn	70
Lanrigg Area, Fauldhouse	488
Empire & Baillie Streets, Bog Road, Park View, Dean Street, Whitburn	513
Glebe Road, Union Road, Union Drive, Armadale Road, Jubilee Road, Manse Avenue.	509
Cuthill, Stoneyburn	300
Strathlogie, Westfield	304
Auldhill, Bridgend	64
Ladeside BISF's, Blackburn	520
Total	2,768

4. Planned Programmes

These planned programmes are the types of work that arise continually, require regular replacement due to short lifetimes, or are protective works to increase the life of the underlying element. They will be continued until completion where appropriate or continuously in response to legislation or cyclical maintenance requirements.

Planned Programmes	2017/18 £'000
Firewalls	25
Repairs to walls and footpaths etc. in HRA areas	164
Periodic testing and repairs / Electric Wiring	694

Planned Programmes	2017/18 £'000
Central Heating	2,115
Kitchens and Bathrooms	464
Windows Refurbishment / Renewal	548
Hard wired smoke detectors	240
Painting - External	354
Assisted Decoration Scheme	300
Common Stair Upgrades	123
Rhone Cleaning and Repair	146
Fencing	175
Energy Efficiency / PV Panels	300
Insulation	50
External Wall Insulation	516
Planned Maintenance/ HIO Investment	500
Total	6,714

The descriptions below give the purpose of the budget line included in the main paper and break it down to give explanations of the reasons for the work.

1. Firewalls

These works are to prevent the spread of fire between attached properties. Firewalls are normally found in houses, but a number of houses of particular construction are requiring these to be retro fitted.

2. Repairs to Walls and Footpaths etc. in HRA areas

Surveys have shown a number of issues in areas under HRA ownership that require repairs, such as retaining walls, garage sites and footpaths or common areas. This budget is in place to address these issues in priority order. The budget has been increased this year by £64,000 due to the equivalent underspend in 2016/17.

3. Periodic Testing and Repairs / Electric Wiring

There is an obligation on the council as a landlord to electrically test each of our houses at least every ten years and additionally at the point of re-letting after a house is empty. These surveys, entitled 'Periodic Testing', carried out by the council's electricians, identify the underlying condition and any potential problems. The most important of these are earthing issues and asbestos in consumer units. All repairs identified in the survey are also done under this budget, bringing all our houses up to a good and safe standard.

4. Central Heating

The budget supports the replacement of boilers and/or radiators and pipes based on assessment by the Council's Gas Team Leader and gas engineers. A saving of £225,000 has been made due to a government grant for the purchase of energy efficient boilers which offsets some of our Capital spend requirements.

5. Kitchens and Bathrooms

An allowance is made each year to allow for full kitchen and bathroom replacements that were not part of the previous contract or subject to differential deterioration. The budget has

been increased by £85,000 due to the expected increase in voids following transfers into completed New Build Houses.

6. Window Refurbishment / Renewal

This budget supports the repair of windows or their replacement for safety reasons where replacement parts are unavailable or the windows are uneconomic to repair.

7. Hard Wired Smoke Detectors

A programme to replace battery operated smoke detectors with hard wired smoke detectors. New Carbon Monoxide (CO) detectors are also fitted under this budget. Manufacturer's Specifications are improving, and we are improving our own requirements to suit, fitting new units that communicate with each other to maximise the sensitivity and accuracy of detection and to increase the volume and extent of the alarm system.

8. Painting (External)

This is a permanent cyclical programme of window, door and fascia maintenance through protective coatings renewal. If the property masonry was previously painted, this coating would also be renewed. This maintenance, properly done, extends the life of the substrate, be it wood or masonry, by a very significant margin, reducing long term replacement requirements.

9. Assisted Decoration Scheme

This programme is in place to assist those qualifying households who are deemed unable to decorate by themselves without assistance.

10. Common Stair Upgrades

The common areas in the close and stairs of flatted properties are an unheated space, and partially open to the outside through secure external doors which are not air or moisture tight. This means that the space can suffer deterioration. The expectation of all occupants is that the common space will be secure, well decorated and attractive. This is also what the council wants and the spaces are maintained regularly. Each stair will therefore need regularly repainted, with any required repairs carried out to stairs, doors, wall and ceiling areas.

11. Rhone cleaning and repair

This is a cyclical programme of gutter (rhone) and downpipe maintenance through clearing out accumulated debris, carrying out any required repairs and renewal of protective coatings. This maintenance, properly done, extends the life of the gutters by a very significant margin, reducing long term replacement requirements. It also ensures that they continue to work and minimises blockages.

12. Fencing

The fencing programme is in place to renew dilapidated boundary fencing and to provide new fences where appropriate.

13. Energy Efficiency / PV Panels

This budget supports the fitting of Photovoltaic (PV) panels. The fitting of PV panels on the existing housing stock, which is not linked to mains gas, is a new initiative following consideration of a report by the Services for the Community PDSP. An additional £100,000 has been added to the budget to fund a pilot project of 'district' heat pumps in Westfield which will gain funding for the council from the Renewable Heat Initiative government funding.

14. Insulation

This budget supports upgraded insulation, such as extraction of damaged or damp insulation and its renewal.

15. External Wall Insulation

This budget has been put in place mainly to support the HEEP:ABS government funding. This will also assist the council in meeting the 2020 EESSH target. Additional funding has been allocated from the savings in the Central Heating Programme, from the grant funding offset, and savings from the Insulation budget. This budget will enable some council houses in selected areas to be upgraded at the same time as owners' properties. By grouping houses in this way, economies of scale will be achieved.

16. Planned Reactive / HIO investment

This programme supports required major repair or individual upgrade investment out-with the named current capital projects and is commissioned by the local Housing Investment Officers.

5. Environmental /External Upgrading

This budget supports general environmental improvement and repair works. This work supports all other work in improving the local areas around capital works and in areas of poor visual impact. The Tenants Street Improvements programme is delivered in detailed consultation with tenants. The priorities for upgrading or renewal of play areas or shelters are established in consultation with NETS & Land Services and with local communities. The St Helen's Place Courtyard is being upgraded to address surface, safety and accessibility issues at the site. The Almondell project is to improve the security and overall environmental quality at a large block of flats in Broxburn. The works are expected to complete within 2017/18. The Tenants Street Improvements budget has been increased this year by £176,000 due to the equivalent underspend in 2016/17. The Play Areas budget has been reduced this year by £11,000 due to an equivalent overspend in 2016/17.

Environmental /External Upgrading	2017/18 £'000
Tenants' Street Improvements	326
Environmental Projects - Area Schemes	20
Programmed Drainage	50
Play Areas	39
Almondell Upgrades	277
Bin Store Improvements	100
Total	812

6. Miscellaneous

The following programmes are ones that are supported by the Capital Programme but are not specifically about works to improve homes but are needed to support individuals or to carry out investigations and do preparatory work for programmes or development.

Miscellaneous	2017/18 £'000
Open Market Acquisitions	1,600
Deans South	139
Aids and Adaptations	700
Asbestos Management	650
Legionella Upgrades	102
Feasibility Surveys	50
Home Safety Service for Older People	170
Home Security Scheme for Older People	45
Capita Housing IT System	35
Mortgage to Rent	200
Total	3,691

1. Open Market Acquisitions

This budget will be used to purchase a further 20 houses.

2. Deans South

This budget ensures that works to keep the site safe are able to be carried out and to support any preparatory purchase, demolition or initial development work. The majority of development funding will come under the New Build Programme.

3. Aids and Adaptations

Aids and adaptations are assessed by Occupational Therapists in Social Policy and are carried out based on individual need. This budget level is set according to demand and due to the increased number of voids expected due to the New Build transfers, and the needs for the works therein.

4. Asbestos Management

The primary purpose of this budget is to allow for surveys, testing and removal works to be carried out wherever asbestos would be likely to be disturbed in the course of other works.

5. Legionella Upgrades

This budget supports survey work and remedial work to installations of stored water in common areas. It also allows for upgrade and prevention works.

6. Feasibility Surveys

This allocation supports detailed survey or engineering reports on structure, hydrology or geology.

7. Home Safety Service for Older People

This provides an upgraded package of smart technology primarily for older people in their own homes. Experience has shown that the technology can help in providing a safer and more secure long-term home environment.

8. Home Security Scheme for Older People

This scheme provides options for the provision of locks, external lighting, door viewers, door chains, window locks and door intercom systems for older people. Since the scheme's

inception in 2000, approximately 8,000 homes have received their chosen package of security measures to support vulnerable people.

9. Capita Housing IT System

This budget will provide for ongoing development work for service requirements: consultancy work to cover service area enhancements and bespoke activity. It will also provide for additional mobile units at Building Services for the initiation of a supply programme of mobile working units for Housing Management, Housing Need and Housing Strategy service areas as part of phase three mobile working project.

10. Mortgage to Rent

The costs associated with this scheme will be funded from borrowing afforded by rental income received on the properties involved. This is a Scottish Government subsidy scheme to allow home owners in financial difficulty to sell their properties to the council and move to paying a social rent, providing they meet certain criteria. The number of applications has recently fallen off significantly, so the budget has been reduced to £200,000. The service will closely monitor any variation in the numbers applying.



West Lothian
Council

Equality Relevance Assessment

1. Policy details	
Policy title	Housing Capital Programme 2017/18
Policy lead officer	Alistair Shaw – Head of Housing, Customer and Building Services
Date relevance considered	25/01/2017
2. Does the council have control over how this policy will be implemented?	
YES	<input checked="" type="checkbox"/> X
NO	<input type="checkbox"/>
3. Do you have evidence or reason to believe that this policy will, or may potentially:	
General Duties	Level of impact (high, medium or low)
Reduce or increase discrimination, victimisation or harassment against people covered by the equality protected characteristics?	Low
Reduce or increase equality of opportunity between people who share an equality protected characteristic and those who do not?	Low
Provide opportunity to improve good relations between those who share an equality protected characteristic and those who do not?	Low
4. Equality impact assessment required? (All high and medium policies MUST be impact assessed)	
YES	<input type="checkbox"/>
NO	<input checked="" type="checkbox"/> X
5. Decision rationale	
<p>The ten year capital programme was originally approved by the Council Executive in December 2008, with a detailed five year programme approved by West Lothian Council on 29 January 2013. The 2017/18 programme details where West Lothian Council intends to spend its capital resources. The justification for this expenditure is on housing stock condition, in relation to the Scottish Housing Quality Standard; delivery of new build council houses as well as other additional upgrades and improvements including externals, environmental work to aid in achieving energy efficiencies (in support of EESSH compliance) and Equipment and Adaptations.</p> <p>A screening was carried out, as recommended by the EQIA, in 2008 on the proposed capital programme, and for each year subsequently. This was required as there were proposed changes to the funding committed to projects, particularly to take into account the impact of the recession and associated funding restrictions being faced by the service. Any concerns around potential equality issues were met at this point through examination of the breakdown provided within the report on the proposals for investment.</p> <p>The initial focus of the five year programme was on meeting the Scottish Housing Quality Standard</p>	

and delivering the 1,000 new council houses project. These works mitigated any of the initial concerns as the outcome of these works would improve the condition of older stock to make it more secure, safe, accessible and energy efficient by design. The new build were being built to an exceptionally high specification and the selection of the designs at tender bid stage were made in partnership with members of the local equality groups to ensure the service had considered the needs of potentially vulnerable tenants from the formative stages of the project.

A significant level of investment has been driven towards improving property standards to meet the SHQS standard, and investment in this area going forward will also support further energy efficiency work in compliance with EESSH regulations. Demographically, the communities in greatest need of housing improvements tend to include people who may face fewer life choices and decreased social mobility – these tenants benefit most from improvement projects. By improving the appearance and overall quality of stock in these areas as a priority the life chances of those living there are significantly improved, with benefits to education, health and wellbeing and community safety.

This type of combined approach to meeting demand of increasing housing supply through new homes and improving older stock is continued in the proposed 2017/18 programme through the environmental upgrade works in communities, and the energy efficiency measures through the provisions made for increased spend on improving energy efficiency of properties and external environmental improvement projects to regenerate the communities most in need of works to improve the local environment.

A needs based investment approach prevents areas from becoming undesirable places to live, increases choice for potential tenants and encourages social mobility for existing residents, thereby increasing the social diversity of communities while seeking to prevent socio-economic deprivation.

The capital programme provides for needs based improvements to aid active living through provision of funding for adaptive equipment and adaptations to West Lothian Council's housing stock as determined by the health assessment process. Improvements made to meet the SHQS ensure all stock is more accessible at a basic level. The provision made for improvements to lighting, kitchen and bathroom renewals will also increase safety and quality of life for residents in older properties. This portion of the programme remains need-based and reactive in terms of service delivery in order to deliver improvements at the point of need to the tenant.

The approach of making general structural and fixture/fittings improvements combined with specific adaptations, where required, enables tenants with mobility issues to remain independent in their own homes for longer. It also ensures that the adaptations are tailored to the individual. As the surrounding properties and area are also improved via general upgrading works the possibility of any discrimination or perceptions of unfairness is avoided and the fostering of good relations between minority groups and the rest of the community is maintained.

By budgeting for, and recognizing, the importance of this type of improvement work to properties the proposals ensure the provision of needs based solutions for those who require it most. The policy on equipment and adaptations is centred on qualification via a set criteria applied by Occupational Therapy professionals and is based on the social model of disability; this has led to a straightforward process that is transparent and easy to access. Most requests meet the criteria and are approved.

By designing new build properties with the capacity for future aids and adaptations future proofs the supply of accommodation types in order to meet the needs of a diverse range of tenants. The decision to build one story bungalows is a result of responding directly to the needs of our local communities as expressed during consultation activity.

The other main driver of the direction of capital funds is new build housing. This new house-building has been combined with the demolition of older, financially unsustainable estates and seeks to address the gap in supply and demand issues for decent and affordable socially rented housing in the area. Provision of modern housing, built to exceed the SHQS standard, that is well supported by robust local infrastructure and services will benefit those most in need of housing and increase housing options for tenants and potential tenants. There is enormous housing demand pressure on all local registered social landlords; the capital programme priorities are directed towards alleviating some of this pressure and increasing the supply of affordable, socially rented accommodation.

The funding to help tenants achieve energy efficiency and keep fuel bills as low as possible will obviously aid those in most danger of fuel poverty and deprivation. This funding commitment for 2017/18 continues the previous financial years commitment allocated for improvements including boiler and heating system replacements and the installation of energy efficient loft and cavity wall insulation. The service intends to continue to focus on this area in recognition of the importance of tackling poorly insulated and heated homes to mitigate the threat of fuel poverty for those tenants most vulnerable to this threat. Improving the energy efficiency of our stock most in need of this work is a priority for the service. The additional specific funding for district heating in Westfield is a further positive investment in relation to tackling fuel poverty.

The original 10 year Capital Programme and the subsequent budgetary breakdowns each financial year have been subject to EQIA relevance screening. During this further screening process for 2017/18 consultation was made on these proposals with the service Group Accountant, HCBS Senior Management Team, Housing Strategy Officers, Special Projects Co-ordinator (responsible for the Capital Programme) and the service equality lead. The details of the budget proposals within this report support these findings and it is unnecessary that a full EQIA be carried out.

It is recommended that any further budgetary proposals or amendments to the Capital Programme be screened for EQIA relevance where required.

- **No assessment required – process ends**
- **Assessment required – continue to next section**