

AWICS Scotland News

July 2017



Flats in Edinburgh. The Scottish Government is committed to building 50,000 new affordable homes by 2021.

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Scottish Government announces Affordable Housing Programme

The Scottish Government has announced in June 2017 how it will allocate £1.75 billion of funding for affordable housing between councils, as it seeks to meet its target of 50,000 affordable homes by 2021. The funding will cover the next three years, with £532 million available in 2018/19, £591 million in 2019/20 and £630 million in 2020/21. This is the first time the Scottish Government has allocated affordable housing funding three years in advance.

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The cash is first allocated to local authorities, which can then use it to develop themselves or allocate it to housing providers and builders in their area.

The total size of the programme is £3billion over five years and will fund social rented, affordable rented and affordable homeownership units. The government has committed to building at least 35,000 social rented homes by 2021 as part of its 50,000 affordable homes target. The five councils with the largest allocations are Glasgow, Highland, Edinburgh, North Lanarkshire and Fife.

Kevin Stewart MSP, Minister for Housing in the Scottish Government, said that:

“Today’s announcement will provide the certainty that local authorities and the sector need to accelerate this progress and ensure we keep up this momentum to reach our goal of 50,000 new affordable homes by 2021.”

Statistics released at the same time show that 6,495 social rented homes were approved in Scotland in 2016/17, a 34% increase since 2015/16 year and the highest figure since 2010. The government said that 10,276 affordable homes of all tenures, including homeownership, were approved in 2016/17, a 29% increase and the highest number since 2010.

Across all tenures, completions are at their highest level in six years, with 16,498 homes built in the calendar year for 2016. This remains below pre-recession levels when close to 25,000 homes were being built each year.

Annie Mauger, executive director at the Chartered Institute of Housing Scotland, told ‘Inside Housing’ that:

“A 29% rise in the number of approvals for affordable housing over the year ending March 2017 is to be welcomed, particularly when we consider the Scottish Government’s ambitious target to deliver 50,000 new affordable homes by the end of the current Scottish parliamentary term in 2021.”

“There are always challenges in building capacity to deliver when significant investment is forthcoming. Be it in terms of land supply, planning policy or finance and investment, we are bound to encounter obstacles on the road to delivering that commitment in what continues to be a challenging economic environment.”

Kevin Stewart also told the Local Government and Communities Committee of the Scottish Parliament that grant subsidy can be made available to facilitate so-called ‘off the shelf’ purchases in cases:

“Where it can be demonstrated that the use of grant to acquire housing for rent ‘off the shelf’ is the most appropriate method of meeting the housing needs identified within a particular area – and where this is consistent with the priorities identified in the local authority’s Strategic Housing Investment Plan”.

Of the 33,490 homes that were delivered over the last Parliamentary term, 408 ‘off the shelf’ purchases for rent by housing associations and councils were recorded in the official statistics. This accounts for 1.2% of the overall affordable housing supply programme. A further 1,343 properties were noted as having been rehabilitated over the five years to March 2016; and a further 1,110 ‘off the shelf’ purchases for rent were acquired through the Mortgage to Rent element of the Home Owners’ Support Fund.

In his announcement, Kevin Stewart said that:

“We are also aware that ex local authority properties have been purchased with the support of Affordable Housing Supply Programme grant funding, and also through the Home Owners’ Support Fund. We are unable to provide exact numbers however as we do not record that level of information.

“More generally, we are aware that a small number of local authorities have strategies in place to buy properties without the aid of Scottish Government grant funding.

“While these units are not counted against our 50,000 target, they can make an important contribution to the delivery of affordable housing locally.

“We will look to strengthen forthcoming SHIP guidance to make absolutely clear our expectation that such projects funded or supported by sources other than Scottish Government funding are clearly recorded.”

“It is for local authorities to identify the strategy for meeting affordable housing need as part of its Local Housing Strategy.

“For some local authorities, the redevelopment of poorer quality or underused housing stock can prove to be effective in not only meeting housing need but in delivering additional benefits such as regeneration.

“However for other areas or local authorities demolition and replacement may be the preferred approach, due to the quality, cost and/or broader plans for the area.

“Where local authorities consider that the rehabilitation of existing stock has a role to play locally we would expect them to identify specific projects in the SHIP and to discuss these projects with the relevant Scottish Government area team.”

In June 2017, the Scottish Government revealed that the target to deliver 50,000 new affordable homes will not be exclusively new build, but will include councils buying back existing stock. Kevin Stewart told MSPs that he would allow some flexibility from councils if they wanted to bring stock back into the social housing sector. The term ‘new homes’ has been dropped from the original commitment.

Adam Lang, Head of Communications and Policy at Shelter Scotland told ‘Inside Housing; that:

“Against this overall target, bringing ex-local authority stock back into council control may be helpful in some limited cases – for example in rural communities where the cost of building is higher – but it is unlikely that this would be on any significant scale.

“The only way to start to meaningfully tackle our housing crisis is to meet the commitment on 35,000 new homes for social rent and to then ensure that future affordable housing targets remain consistently high in Scotland and we never again slip back into not building the homes we need, year on year.”

The 50,000 home target is seen as ambitious for the Scottish Government, local authorities and housing associations.

Housing with Care

A new report commissioned by Trust Housing Association has concluded that their Housing with Care model of integrated housing and care services for older people could offer an affordable solution to the growing issue of long-term delayed discharges in Scottish hospitals.

Trust is a national housing, support and care provider, offering a range of accommodation and support services. Primarily serving older people in their communities, they also provide housing for families and individuals. Trust has over 2,500 households across the length and breadth of Scotland. They offer a range of services, from a landlord only service to care and support services that are flexible and tailored to the needs of the individual. This means customers can continue to live independently and have an enhanced quality of life, as well as providing peace of mind to their families.

The report 'Housing with Care: Innovative care solutions for living well at home' concludes that Trust Housing Association's services are highly valued by customers and offer value for money and cost savings for local authorities when compared to other long-term care options, particularly residential care.

It considered seven of Trust's Housing with Care developments across the south and west of Scotland and comprising more than 250 individual housing units. 71% of tenants covered by the study were aged 75 years or older and 43% were aged 85 years or above.

Over a three-year period, the study found that more than fifty tenant admissions to acute hospitals that would have been required had the tenant been living in mainstream housing were avoided as a result of living in a Housing with Care development.

Latest official statistics show that more than three quarters of all delayed discharges recorded in Scottish hospitals are for health and social care reasons – and that around 18% of these cases are delayed for more than six weeks. In 2013/14, delayed discharges were estimated to have cost NHS Scotland £114million.

As part of the study, a cost benefit analysis of Housing with Care concluded that, for older people with less than £16,250 in capital and receiving up to approximately 27 hours of funded personal care per week, local authority commissioners would find Housing with Care to be more cost effective than residential care. For older people with capital between £16,250 and £26,250, Housing with Care would be the more cost effective option for those receiving up to around 23 hours of funded personal care per week. For those with capital above £26,250, Housing with Care was more cost effective than residential care for older people receiving up to twelve hours of funded personal care per week.

Trust Housing Association's chief executive Rhona McLeod told the 'Scottish Housing News' that:

"This report is a real endorsement of the hard work and dedication of our Housing with Care teams across all of our Housing with Care developments. It shows that tenants really value the sense of freedom and personal independence Housing with Care gives them.

"The cost benefit analysis also presents Housing with Care as a more affordable solution than residential care for local authorities, particularly for older people on lower incomes in receipt of substantial levels of personal care on a weekly basis.

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“Whether offered by Trust Housing Association or another registered social landlord, this report also highlights the important role the Housing with Care model can play in helping to tackle the issue of delayed discharges from Scottish hospitals, three quarters of which apparently occur for health and social care reasons. Both by reducing the overall number of tenant admissions to acute hospitals and supporting timely and effective discharge from hospital, Housing with Care is a model that could effectively address the issue of delayed discharges and deliver significant savings for NHS Scotland as a consequence.”

Trust is a housing association with quality and commitment at its core. They aim to provide first-class accommodation for older people, families and individuals that they can enjoy and immediately feel at home in. Over a period of forty years they have gained extensive experience and insights from their customers to ensure that they create comfortable homes especially for retirement communities that support individuals and enable them to relax and enjoy independent lives, with varying degrees of support at hand.

There is clearly a need for more joined-up thinking between health, social work and housing services and the Trust Housing Association’s housing with care model addresses this.

Public Sector Pay Cap

The public sector pay cap is currently in the news across the United Kingdom. It was first introduced as a pay freeze by the former United Kingdom coalition government and was then ‘relaxed’ to a 1% pay cap. As a result, while private sector pay has now recovered to 2008 levels, private sector pay is lagging. Furthermore, with inflation predicted to increase to 4%, the retention of the 1% pay cap this year would represent a real term pay reduction of 3% for all public-sector workers. With the United Kingdom government having just lost its majority partly due to concerns about austerity, with many public services reporting difficulties with recruitment and retention, and with recent terror attacks and the fire at Grenfell Tower in London focusing public attention on the valuable contribution made by public sector workers, the United Kingdom government is clearly preparing for a change of direction. It appears that it will accept pay increases in the public sector of more than 1% where this is recommended by pay review bodies. The Scottish Government has already said that it intends to lift the public sector pay cap in Scotland. This news is clearly to be welcomed by all those with an interest in public services.

The Scottish Government sets the pay for 485,000 public sector workers that is almost 90% of the total public-sector workers. Employees of places like HMRC and Jobcentre Plus offices are governed by United Kingdom-wide rules. National Health Service staff pay is set at a United Kingdom level by an independent body. The United Kingdom Government and the Scottish Government both have a role to play in setting public sector pay in Scotland.

Scottish First Minister, Nicola Sturgeon, announced that the Scottish Government will end the blanket 1% public sector pay cap in the next budget, describing this as a ‘fair deal’. Finance Secretary Derek Mackay also told the Scottish Parliament that:

“We will take a reasonable approach that absolutely recognises that the time is up for the one per cent pay cap. Not only will the SNP commit to that, but we will do it.”

The Scottish Government intends to discuss the new agreement with unions, public sector workers and employers ‘over the coming months’, ahead of the draft budget in December, to ensure that ‘people earn a fair wage and protecting employment and public services’.

In a statement, the Scottish Government said that:

“That won’t always be an easy conversation – unlike at Westminster we really don’t have a magic money tree, but no matter what the United Kingdom government does the Scottish National Party will deliver a new pay deal for Scotland’s public sector workers.”

However, there was no detail as to when public sector workers will next receive a pay rise.

Scottish Health Secretary, Shona Robison, said she has asked ‘organisations that represent NHS staff to work with her on a fair settlement for the future’.

Scottish Finance Secretary Derek Mackay has written to the Chancellor of the Exchequer about the public sector pay cap as follows:

“The Scottish Government has always sought to offer a distinctive Pay Policy – one that is fair, supports those on the lowest incomes and protects jobs and services while delivering value for money. We were the first government to pay the living wage and have ensured within the confines of recent austerity that we have been able to provide higher increases for those on lower salaries.

“We recognise the valuable contribution public sector employees make, working hard to ensure the effective delivery of public services at a time when budgets are being squeezed. Furthermore, we are acutely aware of the impact that rising inflation and social security cuts are having on working households. This is why we will bring to an end the 1 per cent pay cap by taking into account rising living costs in setting pay in 2018-19 and in future years.

“As we work towards the next Scottish budget, we are engaging with trade unions on a Pay Policy for 2018-19 that reflects both inflationary pressures and the need for affordable public finances. Where independent pay recommendations are set at UK level, such as in the NHS, we have already approached workforce representatives to discuss our submission to the independent pay review body.

“We have had a 1 per cent pay cap in place, subject to a minimum uplift for those on the lowest pay, in recent years to protect jobs and maintain public services through the extended period of austerity which has seen the Scottish Budget fall by around 9 per cent in real terms since 2010-11. While there is obviously a need for sustainable public finances, we believe the UK Government position of persisting with the same austerity plan as set out in the last budget will not just harm the economy and public services, but risks household budgets - which in turn threatens consumer confidence and spending power. Taking a more measured approach to deficit reduction would allow investment to deliver pay increases without further reductions in vital public services.

“I have seen the debate around public sector pay that is taking place across the UK and the divisions within the Cabinet on this subject. It is also clear that there are instances – such as the agreement for Northern Ireland – where the Treasury is able to identify additional resource to ease the austerity imposed by successive budgets.

“It is now imperative that you commit to ending unnecessary and ideological austerity. I believe this can be done within sustainable limits and the Scottish Government would be happy to share our proposals with you.

“As a first step toward increasing investment in public services I urge you to lift the 1 per cent pay cap for public sector workers in public bodies reserved to the UK Government and to urge the independent pay review for NHS staff to do the same, just as I intend to do for the NHS and other employees of devolved public sector bodies in Scotland.

“I am copying this letter to Mark Drakeford and to David Mundell.”

Nowhere is the problem with recruitment and retention more pressing than in the National Health Service where it is reported that across the United Kingdom more nurses are leaving the service than are joining and that the problem is especially acute with nurses of European Union origin who are reported to be leaving in large numbers because of ‘Brexit’. Commenting on recent statistics, Janet Davies, Chief Executive and General Secretary at the Royal College of Nursing, told ‘Public Finance’ that:

“These figures are the starkest warning yet that nurses have put up with too much for too long. Our members have had enough, and as a result the profession is shrinking.”

She said the average nurse was now £3,000 worse off in real terms compared to 2010 and urged the government to lift the public sector pay cap.

Real increases in public sector pay combined with increases in expenditure on infrastructure and reduced tax receipts will increase the United Kingdom government’s deficit unless taxes are also increased. An increase in public-sector pay in England should lead to an increase in the Scottish Government’s budget under the Barnett formula so similar increases in public-sector pay in Scotland may not put additional pressure on Scottish budgets. It will be interesting to see how the Treasury will react – although I expect that political pressures will lead to an acceptance of a continued deficit and continued increases in public debt.

Scotland’s National Health Service leads by example

A recent report by the Nuffield Trust has found that Scotland’s National Health Service (NHS) has a ‘unique system for improving patient care’ that has lessons for the rest of the United Kingdom.

The research, entitled ‘Learning from Scotland’s NHS’ is part of the health think-tank’s ongoing work looking at health and care across all four devolved nations of the United Kingdom. It highlights the way NHS Scotland seeks to improve the quality and safety of care given to patients, and the fact that it trusts and equips clinical staff to drive that improvement.

The report also emphasises Scotland’s progress in integrating health and social care, as well as its ‘pioneering’ work in providing healthcare to remote areas and tackling health inequalities.

Scottish Health Secretary Shona Robison said that:

“I’m proud that the achievements of NHS Scotland’s staff are being recognised in this report. Our world-leading Patient Safety Programme has led to 20,000 fewer than expected deaths, the lowest recorded levels of healthcare associated infections and significant improvement in sepsis and surgical mortality.

“We are also delivering the integration of health and social care, which is one of the most significant reforms since the establishment of the NHS, and which is helping improve service delivery. By bringing these services together we are ensuring people get the right care and support for their individual needs, and that staff across health and social care are equipped to work together to make full use of their shared skills and resources.”

“Our ambitions for the NHS are founded on the twin approach of investment and reform, making the changes needed for future backed by record levels of investment and staffing.”

The Scottish Government’s National Clinical Director, Professor Jason Leitch said that:

“This report highlights the efforts of many thousands of dedicated staff who over a number of years have ensured that the healthcare system in Scotland is one of the best in the world.”

“It is very encouraging to see the NHS in Scotland commended for the ‘continuity and consistency’ of the leadership and Scotland’s ‘emphasis on building up a cohort of staff equipped with skills for change’.”

“The Health Secretary has been clear that there is no room for complacency and we are working to build on these successes and continue to improve the quality and safety of care provided to the people of Scotland, ensuring that wherever improvements are needed they are introduced and maintained.”

While it is usual to refer to **the** National Health Service, there are, in practice, four different National Health Services in the four constituent countries of the United Kingdom. It is often said that the National Health Service is in crisis across the United Kingdom, but this report finds that there is innovation in the National Health Service in Scotland that is enabling the service to address that crisis.

Life Chances of Young People in Scotland

‘The Life Chances of Young People in Scotland’ is the second report from the Scottish Government’s independent advisor on poverty and inequality, Naomi Eisenstadt, who says that any support young people receive from the government is vital in their development. The report was issued on 3rd July 2017 and is informed by a formal review of the evidence commissioned from Scottish Government analysts, and engagement with a wide range of experts; including young people themselves. This report outlines key issues facing young people today, and offers recommendations for government, employers, and for wider society, to improve the life chances of young people from less advantaged backgrounds.

The report makes eighteen recommendations to government around employment, housing and mental health, seeking to improve the life chances of young people from less advantaged backgrounds as follows:

Employment

1. Develop new advice provision for young people, supported by a skilled, trained workforce
2. Continue work to improve data collection and sharing to track post school participation in learning, training and work for young people and make better use of that information to improve service delivery and develop Scottish Government policy
3. Do more to enhance the effectiveness of the work of the Developing the Young Workforce regional groups in building systematic engagement between local employers and schools and colleges on local and regional skills shortages

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4. Do more to value non-academic learning routes, post-school
5. The Scottish Government should, through the 15-24 Learner Journey Review, ensure our FE and HE systems have more flex built in so young people can shift between routes
6. Employers need to think about 'job design' and recruitment processes that are free from bias and that match requirements for the job with the skill level needed to make applications
7. All post-school internships should be advertised and every post-school intern should get paid
8. Raise concerns with DWP about the quality of support offered young people in Jobcentre Plus
9. Lobby the UK Government about exploitative zero hours contracts
10. Lobby the UK Government on the need for the National Living Wage to apply to all those over 18 years old
11. Do more to disseminate models of good practice on inclusive growth
12. Do more to provide subsidised/free transport for young people aged 25 and under

Housing

13. Improve housing advice for young people
14. Deliver more affordable housing options for young adults
15. Ensure that tenants and landlords understand the arrangements for enforcing private rented sector regulations, and that monitoring is in place to make sure the new arrangements work as intended
16. Encourage social landlords to make the social sector easier for young people to access

Mental health

17. Take action to embed positive mental health approaches, based on quality evidence, in key settings where young people engage
18. The Scottish Government should fund applied research on school and classroom practices that encourage wellbeing and mental health

Responding to the report, First Minister Nicola Sturgeon said that:

"Naomi's latest report, 'The Life Chances of Young People in Scotland', provides useful challenge to the Scottish and United Kingdom Governments to do more to improve the life chances of young people from less advantaged backgrounds and to build a fairer future.

"The publication of this report marks the end of Naomi's tenure as my Independent Advisor – and I thank her for all she has done. I am delighted that she will continue to have provide her expertise and advice via the new Poverty and Inequality Commission.

"The new Commission will build on Naomi's excellent work, providing independent advice to Scottish Ministers, harnessing determined collective action on a cross-portfolio basis; and scrutinising how governmental budgets, policy and practice can have the strongest impacts on poverty and inequality."

Many social commentators are finding growing divisions in society between different generations with the young feeling excluded from many of the benefits of society including good quality employment, housing and health services. This report addresses these problems.

A copy of the report can be downloaded from the Scottish Government's website at: <http://www.gov.scot/Resource/0052/00522057.pdf>

Employment Prospects for Disabled People

Businesses throughout Scotland are being encouraged by the Scottish Government to recognise the many benefits of employing people with disabilities.

Only around 40% of working age disabled adults in Scotland are in employment, compared with more than 80% of adults with no disability. The employment rate for disabled people (aged 16-64) is 41.7% that compares to 81.5% for non-disabled people. A campaign is underway to redress the balance, that is targeted at small and medium sized enterprises and highlights information and support on how to access this untapped talent pool. Meanwhile, an internship programme for disabled people run by Inclusion Scotland will be opened up to small and medium sized enterprises for the first time, creating new avenues of work experience in the private sector.

Social Security Minister, Jeane Freeman, launched the campaign while visiting Hagsgs Castle Golf Club in Glasgow, one of the employers being highlighted for their commitment to employing disabled people. Jeane Freeman said that:

“This important campaign seeks to dispel the myths – that employing disabled people is too costly, too difficult or will affect profitability. The reality is disabled people have a wealth of skills and talents which are too often unnoticed or ignored. Disabled people should have equal access to employment opportunities and we are committed to reducing the employment gap by at least half. Their skills, hard work and commitment are valuable to any employer – and with practical and financial support available to businesses it just makes sense to recruit from the widest talent pool possible.”

Employability Minister Jamie Hepburn added that:

“People with disabilities already make a significant contribution to our economy, however far too many simply aren’t given the opportunity. Businesses risk missing out on talent that can add real value to their organisations, which is an issue we must address. By highlighting the clear benefits of diverse recruitment practices, we believe more small business can help ensure a greater proportion of disabled people can become valued employees. I would encourage all SMEs to get involved and find out more.”

Tracey Morgan Clubhouse Manager at Hagsgs Castle Golf Club said that:

“I would definitely encourage other small companies to employ people with disabilities – there is someone out there for your business. It may require small adjustments to your workplace, but it is not a difficult process.”

Eddie McGinlay, who has autism and mild learning difficulties, is an employee with Hagsgs Castle Golf Club said:

“My employer is great. I’ve had the opportunity to develop my skills and work my way up. I would say to anyone in the same position, don’t give up, there’s so much support out there and employers are looking for someone like you.”

The one-month campaign includes dedicated media and social media output as well as online resources for employers and disabled people. Inclusion Scotland will carry out initial assessments and appraisals for internship candidates and will provide on-going support through the lifetime of the internship, which will involve paid employment.

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A Fairer Scotland for Disabled People sets out more than twenty actions that the Scottish Government will take to address the disability employment gap.

In my experience, it is very rare to come across actual prejudice against disabled people, but quite common to come across ignorance about the needs of disabled people with the result that they are often excluded from opportunities including in employment. Clearly this is an issue that needs to be addressed.

Coastal Communities Fund

Projects for attracting tourists, creating new jobs and boosting economic growth in coastal communities will receive £4.3million funding. Initiatives that will improve coastal paths, transform harbours and create new visitor attractions are among the eighteen recipients of the latest round of the Coastal Communities Fund announced in July 2017. Projects awarded funding include:

- £300,000 for Dumfries and Galloway Council towards 64 miles of coastal paths at Rhins of Galloway
- £237,500 for British Waterways Board towards a visitor information centre and hub at Fort Augustus
- £258,190 for Dundee Heritage Trust to transform Discovery Point facilities
- £300,000 for Harris Development Ltd to develop two pontoons for small boats, cruise ship tenders, yachts and cruisers
- Nearly £200,000 for Hebridean Whale and Dolphin Trust for a network of 25 whale watching and heritage sites across the west coast

Environment Secretary Roseanna Cunningham said that:

“With more than 10,000 miles of stunning coastline in Scotland we need to do all we can to protect the marine environment that lives there and to help people living and working in these areas make the most of the economic opportunities on offer. This latest £4.3million investment delivers on our commitment to supporting fishing and coastal communities and includes a range of exciting projects that will improve paths and facilities and create new opportunities to attract tourists.”

James McLuckie, vice chairman of the Colintrave and Glendaruel Development Trust in Argyll and Bute said that:

“We are very grateful to the Coastal Communities Fund for their support. As well as retaining direct employment this funding will help us to achieve our goal for the Cowal Way to become recognised as a World Class Multi User Tourism Path.”

Gordon Macdonald, project chair of Harris Development Limited said that:

“The recent award of £300,000 from the Coastal Communities Fund has completed the £1.35million funding package required to create the Harris Marina Hub, a project which is expected to bring significant economic benefits to the area through the development of marine tourism. The ‘hub’ will complete a chain of pontoon facilities including Stornoway, Lochmaddy, Lochboisdale and Castlebay, which will help to consolidate and enhance the reputation of the Outer Hebrides as a premium sailing and cruising destination.”

Coastal communities often face economic challenges with the decline of traditional industries such as fishing and tourism and are often isolated because of their coastal location. Since its creation in 2012 the Coastal Communities Fund has invested around £17.7million in 69 projects across Scotland that is forecast to create more than 1,300 jobs.

Local Authority Provisional Outturn (2016-17) and Budget Estimates (2017-18)

Scotland's Chief Statistician has published the 2016/17 Provisional Outturn and 2017/18 Budget Estimates Statistics for Scotland's local authorities. The publication provides net revenue expenditure figures for all the main services carried out by Scotland's local authorities.

Scotland's local authorities' provisional outturn total net revenue expenditure is £11.875billion. This is a decrease of £0.119billion (-1.0%) compared with 2015/16. £4.879billion of the expenditure in 2016/17 is on Education, an increase of £0.086billion (1.8%) on 2015/16. £3.139billion is on Social Work, a decrease of £0.037billion (-1.2%). These are Net Revenue Expenditure figures and, therefore, the social work figure does not include the £250million made available from the Health budget via Integration Joint Boards. These two services account for over two thirds of expenditure, with Education accounting for 41.1% of total expenditure and social work accounting for 26.4%.

Net revenue expenditure is funded from Scottish Government grants, local taxes and reserves. Local Authorities received £6.837billion (58.5% of funding) from Scottish Government Grants, received £2.768billion (23.7%) from non-domestic rates and raised £2.075billion (17.8% of funding) from council tax. This funding totalled £11.680billion, with £0.195billion being funded from local authority reserves.

At 1st April 2016, local authorities held General Fund reserves of £1.143billion, which fell by 14.3% to £0.980billion at the 31st March 2017. Of the 32 authorities, 27 authorities drew on reserves to fund expenditure in 2016/17, four increased their reserves and one did not draw on or contribute to reserves.

For 2017/18 Scotland's local authorities have set a net revenue expenditure budget of £11.902billion for spending on all services. This is £0.178billion more (1.5%) than the budget set for 2016/17. £4.970billion of the 2017/18 budget is for Education, an increase of £0.144billion (3.0%) on 2016/17. £3.174billion is on Social Work, an increase of £0.088billion (2.8%). These are Net Revenue Expenditure figures and, therefore, do not include the £107million made available from the Health budget via Integration Joint Boards. These two services account for over two thirds of the budget, with Education accounting for 41.8% of the total budget and social work accounting for 26.7%.

Local Authorities have budgeted to receive £6.881billion (58.4%) from Scottish Government grants, receive £2.652billion (22.5%) from non-domestic rates and raise £2.257billion (19.1% of total funding) from council tax. This funding totals £11.790billion, with £0.112billion being funded from local authority reserves.

At 1st April 2017, local authorities estimated that they held General Fund reserves of £0.980billion, 24 authorities have set budgets that call on reserves, three have set budgets that neither call on, nor increase reserves, and five have set budgets that increase reserves. Overall General Fund reserves are expected to fall by 6.8% to £0.914 billion by the 31st March 2018.

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The 1% reduction in expenditure in cash terms obviously represents a larger reduction in real terms and comes after some years of 'austerity'. This is despite significant service pressures in services such as social work and waste management. The actual and planned reductions in reserves are also causing concern among some commentators.

The provisional outturn 2016/17 expenditure is unaudited and subject to revision. The final, audited outturn 2016/17 figures will be published in the Scottish Local Government Financial Statistics (SLGFS) 2016/17, scheduled for publication in February 2018.

All data consists of net revenue expenditure figures. Gross revenue expenditure is the total expenditure on local authority services within a financial year and net revenue expenditure is the gross revenue expenditure less any specific income for individual services. Net revenue expenditure is therefore expenditure to be financed from General Revenue Funding (which comprises General Revenue Grant and Ring-Fenced Revenue Grants), Non-Domestic Rates income, Council Tax income and local authority reserves. Any income received from Integration Joint Boards is treated as service income. As such, the figures for Social Work do not include additional support of £250million in 2016/17 and £107million in 2017/18 which the Scottish Government has made available from the Health budget to authorities via Integration Joint Boards.

The full statistical publication is available at: <http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/POBStats>

This publication contains a breakdown of provisional outturn and budget estimates by local authority and service: <http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/POBStats>

Editorial Note

The AWICS Scotland News is published by AWICS Limited. This edition was edited by Adrian Waite. Articles are written by Adrian Waite unless otherwise stated. However, the views expressed are not necessarily those of Adrian Waite or AWICS unless expressly stated.

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