



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Cabinet

A Meeting of the **Cabinet** of North Ayrshire Council will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Tuesday, 21 February 2023** at **14:30** to consider the undernoted business.

Meeting Arrangements - Hybrid Meetings

This meeting will be held on a predominantly physical basis but with provision, by prior notification, for remote attendance by Elected Members in accordance with the provisions of the Local Government (Scotland) Act 2003. Where possible, the meeting will be live-streamed and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>.

1 Declarations of Interest

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

2 Minutes

The accuracy of the minutes of meeting of the Cabinet held on 24 January 2023 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

EDUCATION ITEM FOR DECISION

3 Educational Trust Funds

Submit a report by the Executive Director (Communities and Education) on the anticipated annual income and expenditure of the Charitable Trusts administered by the Education Service and seeking approval for the level of funding to be made available for disbursement during 2022/23 academic session (copy enclosed).

GENERAL BUSINESS FOR DECISION

Report by the Chief Executive

4 FOI Consultation

Submit a report by the Head of Service (Democratic Services) on the above (copy to follow).

Report by the Executive Director (Communities and Education)

5 North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 Budget

Submit a report by the Executive Director (Communities and Education) seeking approval for the North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 Budget (copy enclosed).

Reports by the Executive Director (Place)

6 North Ayrshire Council's Apprenticeship Proposals

Submit a report by the Executive Director (Place) providing an update on the North Ayrshire Council's Modern Apprenticeship Programme and seeking approval to develop the Council's apprenticeship offer and deliver an enhanced programme from April 2023 to include new entrants and support for existing employees (copy enclosed).

7 Lease Acquisition – Seabed at the Ardrossan Strategic Regeneration Site

Submit a report by the Executive Director (Place) seeking approval to lease 1,478m² of seabed from Crown Estate Scotland to enable the development of the proposed revetment works at the Ardrossan Strategic Regeneration Site (copy enclosed).

8 Electric Vehicle Charging Infrastructure Investment in Ayrshire

Submit a report by the Executive Director (Place) on the findings from the Ayrshire Public Electric Vehicle Charging Business Case and the proposed next steps (copy enclosed).

9 Urgent Items

Any other items which the Chair considers to be urgent.

Webcasting

Please note: this meeting may be filmed/recorded/live-streamed to the Council's internet site and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>, where it will be capable of repeated viewing. At the start of the meeting, the Provost/Chair will confirm if all or part of the meeting is being filmed/recorded/live-streamed.

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Generally, the press and public seating areas will not be filmed. However, by entering the Council Chambers, using the press or public seating area or (by invitation) participating remotely in this meeting, you are consenting to being filmed and consenting to the use and storage of those images and sound recordings and any information pertaining to you contained in them for webcasting or training purposes and for the purpose of keeping historical records and making those records available to the public. If you do not wish to participate in a recording, you should leave the meeting. This will constitute your revocation of consent.

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Cabinet Sederunt

Elected Members

Marie Burns (Chair)
Shaun Macaulay (Vice-Chair)
Tony Gurney
Alan Hill
Margaret Johnson
Christina Larsen

Church Representatives

Mr Andrew Bruce
Ms Elizabeth Turbet
Rev Mark Goodman

Teaching Representative

Ms Jackie MacKenzie

Youth Council Representatives

Chair:

Apologies:

Attending:

At the Meeting of the Cabinet of North Ayrshire Council at 2.30 p.m. involving a combination of participation by remote electronic means and physical attendance within the Council Chambers, Irvine.

Present (Physical Participation)

Marie Burns, Alan Hill, Christina Larsen and Shaun Macaulay.

Present (Remote Electronic Participation)

Tony Gurney and Margaret Johnson.

Also Present (Physical Participation)

Stewart Ferguson, Cameron Inglis, Nairn McDonald, Matthew McLean, Donald Reid, Chloe Robertson and John Sweeney.

In Attendance (Physical Participation)

C. Hatton, Chief Executive, M. Boyd, Head of Service (Finance) and D. Forbes, Senior Manager (Finance Management) (Chief Executive's Service); R. McCutcheon, Executive Director, D. Hammond, Head of Service (Sustainability, Transport & Corporate Property), T. Reaney, Head of Service (Neighbourhood Services), L. Kirk, Senior Manager (Regeneration) and C. Dempster, Senior Manager (Roads); A. Sutton, Executive Director and R. Leith, Head of Service (Connected Communities) (Communities & Education); C. Cameron, Director (Health and Social Care Partnership); A. Craig, Head of Service, I. Hardy, Team Manager (Policy and Performance), J. Hutcheson, Senior Communications Officer, C. Stewart, H. Clancy and S. Wilson, Committee Services Officers (Democratic Services).

Chair

Marie Burns in the Chair.

1. Chair's Remarks

Prior to commencing with the business of the meeting Councillor Burns, Chair, advised Cabinet that Councillor Davidson had stood down from Cabinet and that his portfolio duties for Place would be undertaken by Councillor Gurney for the time being.

Noted.

2. Minutes

The Minutes of the Meeting of the Cabinet held on 29 November 2022 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 11 and Section 5 of the Code of Conduct for Councillors.

4. Council Plan Mid-Year Progress Report

Submitted a report by the Head of Service (Democratic Services) advising Cabinet on progress of the Council Plan priorities. The Council Plan Progress report was set out at Appendix 1 to the report.

Members asked questions and were provided with further information on the two actions significantly adrift of target, which were due to external factors.

The Cabinet agreed (a) to approve the Council Plan Progress Update Mid-Year 2022-23 as set out at Appendix 1 to the report; (b) to note the status of the Council's performance indicators and actions at Appendices 2 and 3 to the report; and (c) to refer this report to the Audit and Scrutiny Committee for further consideration.

5. Proposed Car parking Charges Kilwinning, Irvine and Saltcoats

Submitted reports by (1) the Head of Service (Democratic Services) on the outcome of consideration by the Audit and Scrutiny Committee of three petitions in relation to proposed car parking charges in Kilwinning, Irvine and Saltcoats, and (2) the Executive Director (Place) on 3 petitions received objecting to the introduction of car parking charges, the outcome of local discussions held with Ward Members and local measures proposed following the introduction of DPE and car parking charges and to consider and agree the level of parking charges to be introduced.

On behalf of Members, Councillor Burns, Chair, thanked officers for all their hard work on this matter, including the significant consultation that had been carried out with local Elected Members.

The Cabinet agreed (a) to note the 3 petitions (as detailed in the separate report to this Cabinet) received objecting to the introduction of car parking charges and heard at a recent meeting of the Audit and Scrutiny Committee; (b) to remit consideration of the recommendations for addressing local concerns (including the introduction of resident parking permits and the removal of Bradshaw Street, Saltcoats from the chargeable car parks) to the next meeting of Council; and (c) to remit consideration and approval of the level of charges to be introduced in the car parks (noting that should option 3, as detailed within Appendix 3 to the report, be the preferred option, then an alternative source of revenue funding would need to be identified to address the budget shortfall identified in section 4.1 of this report) to the next meeting of Council.

6. Change of Mental Health Champion

Submitted a report by the Head of Service (Democratic Services) on the appointment of an Elected Member as Mental Health Champion following a vacancy having arisen.

The Cabinet agreed to appoint Councillor McClung as Mental Health Champion.

7. Revenue Budget 2022/23: Financial Performance to 30 November 2022

Submitted a report by the Head of Service (Finance) on the financial performance of the Council at 30 November 2022. Detailed explanations of the significant variances in service expenditure compared to the approved budgets, together with information on funding to be carried forward to support expenditure during 2022/23 were provided in Appendices 1-4 of the report. A full list of the proposed carry forward of earmarked funds was set out at Appendix 5 to the report. Information in respect of the Housing Revenue Account (HRA) was contained in Appendices 6 and 6a and information on virements/budget adjustment requests was provided at Appendix 7 to the report. Information on the IJB financial performance was presented in Appendix 8 to the report.

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

- the recovery by the Scottish Government of Covid support costs from Integrated Joint Boards (IJB) and any consequential impact this might have on the budget for the IJB going forward; and
- the potential impact on the Council budget in terms of cost pressures had earmarking of funds not taken place.

The Cabinet agreed to (a) note (i) the information and financial projections outlined in the report and its associated appendices, (ii) the latest financial projection for the Health and Social Care Partnership highlighted at section 2.6 of the report and (iii) the current projected deficit position of KA Leisure; and (b) approve (i) the earmarking of £0.023m identified at section 2.5 of the report to meet future year commitments and (ii) the virements detailed at Appendix 7 to the report.

8. Capital Programme Performance to 31 March 2023

Submitted a report by the Head of Service (Finance) on progress in delivering the Capital Investment Programme for 2022/23.

The Cabinet agreed to note (i) the revisions to budgets outlined in the report, (ii) the General Services and HRA revised budgets at 30 November 2022, and (ii) the forecast expenditure to 31 March 2023.

9. Proposals for Community Investment Fund (CIF) Expenditure

Submitted a report by the Executive Director (Communities & Education) on applications by Locality Partnerships to allocate CIF funding to proposed projects. The proposals from CHAP – Advice Outreach Services were set out in Appendix 1 to the report, with the CIF application from Ardrossan Community Sports Winton Park 3G being set out at Appendix 2 to the report.

Members asked questions and were provided with further information in relation to the value of the CHAP proposal in terms of being a worthwhile investment going forward.

Cabinet Members also commented on the importance of the views of the Locality Partnership in considering applications.

The Cabinet, having reviewed the applications from the Three Towns Locality Partnership set out in the appendices to the report in line with CIF criteria, agreed to approve (i) the CIF application in relation to CHAP – Advice Outreach Services in the amount of £45,767 and (ii) the CIF application in relation to Ardrossan Community Sports Winton Park 3G in the amount of £100,000.

10. Community Asset Transfer Application – Toilet Block and adjacent land at Ardrossan South Beach

Submitted a report by the Executive Director (Communities & Education) seeking approval, in principle, for a 25-year lease of the toilet block and adjacent land at Ardrossan South Beach to Ardrossan Community Development Trust. A location Plan and an outline of the Phased Approach of the Application were set out at Appendices 1 and 2, respectively, to the report.

The work of the Ardrossan Community Development Trust, officers and local Members in developing the asset transfer to this stage was acknowledged by the Cabinet.

The Cabinet agreed to (a) the 25-year lease, in principle, of the Toilet Block and adjacent land at Ardrossan South Beach between North Ayrshire Council and Ardrossan Community- Development Trust, subject to the satisfactory conclusion of the Council's Community Asset Transfer process, including the requirements detailed in section 1.3 of the report; (b) approve the recommended terms of transfer on this occasion as a £6,000 in annual rental fee ((a total of £150,000 over the 25-year period of the lease ; and (c) authorise officers to conclude the associated legal and community asset transfer processes for Ardeer Quarry Football Ground and adjacent land.

11. Providing Affordable Warmth – EC04 Flex

Submitted a report by the Executive Director (Place) seeking approval for proposals to enable access to EC04 Flex funding for eligible households within North Ayrshire. A draft Statement of Intent was set out at Appendix 1 to the report.

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

- ongoing revenue implications for the Council; and
- the commencement date of the programme being from April 2023, and whether there were any consequential difficulties arising from this early start date.

The Cabinet agreed (a) to approve the introduction of EC04 Flex in North Ayrshire on the terms outlined in section 2.8 of the report; and (b) to delegate authority to the Executive Director (Place) to publish an updated Statement of Intent following completion of the Prior Information Notice and subsequent assessment of eligible contractors.

12. North Ayrshire Community Renewable Energy Generation Funding Scheme (CREGFS)

Submitted a report by the Executive Director (Place) seeking approval of a proposed North Ayrshire Community Renewable Energy Generation Funding Scheme.

Members asked questions and received clarification on the types of projects which may fall within the terms of the Scheme.

The Cabinet agreed to (a) approve the proposed Community Renewable Energy Generation Funding Scheme (CREGFS); and (b) receive a further update on the CREGFS at a future meeting of Cabinet.

13. Town Centre Fund Update

Submitted a report by the Executive Director (Place) providing an update on the delivery of the approved Town Centre Fund projects and seeking approval for the reallocation of the balance of funding. The proposals for the remaining balance of the Town Centre Fund were set out at Appendix 1 to the report.

The Cabinet agreed to (a) note the progress made on the implementation of the agreed Town Centre Fund projects, and the remaining balance of £147,092 which required to be allocated; (b) approve the proposals for the remaining balance of the Town Centre Fund as detailed at Appendix 1 to the report; and (c) provide delegated authority to the Executive Director (Place) to agree any future changes to the funding allocations, in consultation with the Portfolio Lead, if required.

14. Ownerless Property Transfer Scheme

Submitted a report by the Executive Director (Place) seeking approval for the proposed North Ayrshire Council submission to the King's and Lord Treasurer's Remembrancer consultation on the proposed new Ownerless Property Transfer Scheme (OPTS). A summary of the OPTS and the proposed consultation response were set out at Appendices 1 and 2, respectively, to the report.

The Cabinet agreed to approve the submission of the proposed consultation response to the Ownerless Property Transfer Scheme provided at Appendix 2 to the report.

The meeting ended at 3.50 p.m.

NORTH AYRSHIRE COUNCIL

21 February 2023

Cabinet

Title: Educational Trust Funds

Purpose: To advise Cabinet on the anticipated annual income and expenditure of the Charitable Trusts administered by the Education Service and seek approval for the level of funding to be made available for disbursement during 2022/23 academic session.

Recommendation: That Cabinet:

- a) Approves the 2022/23 revenue estimates for the Charitable Trusts detailed in Section 2.3.
- b) Approves the amounts available for disbursement noted at paragraph 2.3; and
- c) Agrees to capital spend from the dormant and low value Trusts.

1. Executive Summary

- 1.1 The Education Service is the custodian of a number of Charitable Trusts, which are largely composed of bequests made many years ago.
- 1.2 The Charitable Trusts make annual disbursements of grants to schools. The level of funding available for these grants is normally set at the net annual income of each Fund or Trust after meeting their expenditure commitments.
- 1.3 However, over the past few years, the smaller Charitable Trusts' income has declined to such an extent that no disbursements have been possible.
- 1.4 In order to encourage the utilisation of funds across school communities, where the Trusts have been dormant or have low levels of income, it is recommended that, the full balance of the Trusts are approved as available for disbursement. Any disbursement which utilises the full capital balance will result in closure of that Trust.

2. Background

Charitable Trusts:

- 2.1 The Education Service administers a number of Trusts which are largely composed of bequests made many years ago by local citizens wishing to support schools to provide annual prizegiving awards for children and young people.

- 2.2 A number of Trusts have experienced periods of dormancy where no grants have been disbursed, in the main due to there being no or very little interest gained. This has been further exacerbated by the recent pandemic restrictions. If no other action is taken, the annual external audit fee and administrative charges will eventually exhaust these Trusts.

It is therefore recommended that the full balances of the minor Trusts are made available for disbursement to the relevant schools. It should be noted that any disbursement which would result in the winding up of a registered Trust must be approved by the Office of the Scottish Charity Regulator (OSCR). However, none of the Trusts detailed in Section 2.3 are registered with OSCR.

- 2.3 The following table summarises the anticipated income and expenditure for each of the Charitable Trust and the proposed budget for grant disbursement for each.

	Estimated Balance at 01 April 2022	Estimated Income 2022-23	Estimated Expenditure 2022-23	Proposed Disbursement	Estimated Balance at 31 March 2023
Stewart Prize	25.25	0	0	25.25	0
Wm Ainsworth Fund	338.62	0.26	0	338.88	0
Kemp School Prize Fund	326.85	0.05	0	326.90	0
John Parker Legacy	382.19	0.50	0	382.69	0
Henry L Russell Fund	220.68	0.29	0	220.97	0
George Hendry Fund	180.43	0.24	0	180.67	0
Mgt A F Patrick Fund	60.62	0	0	60.62	0
Grace B Boyd Fund	293.88	0.01	0	293.89	0
Jean C McKenzie Prize	108.97	0.01	0	108.98	0
M & W Birds Trust	409.01	0.28	0	409.29	0
J O Porter Prize	180.25	0.24	0	180.49	0

The Charitable Trusts detailed in the above table generate around £2 of income per year and during 2021/22 there have been no disbursements. Therefore, the full balance is available for disbursement during 2022/23.

A number of the Charitable Trusts have external investments attached to them. However, after having carried out all reasonable checks to identify these investments, there is no paperwork held within Education or Legal Departments.

Please find information below which shows the Trusts and the school/s they are linked with:

NAME OF FUND	RELATED SCHOOL
Stewart Prize	Largs Academy
Wm Ainsworth Fund	Auchenharvie Academy
Kemp School Prize Fund	Schools in Ardrossan, Saltcoats and Stevenston
John Parker Legacy	Irvine Royal Academy, Glebe and Woodlands Primary Schools
Henry L Russell Fund	Caledonia Primary School
George Hendry Fund	Largs Academy
Mgt A F Patrick Fund	Auchenharvie Academy
Grace B Boyd Fund	Auchenharvie Academy
Jean C McKenzie Prize	Stanley Primary School
M & W Birds Trust	Auchenharvie Academy
J O Porter Prize	Irvine Royal Academy

3. Proposals

3.1 It is proposed that Cabinet:

- a) Approves the 2022/23 revenue estimates for the Charitable Trusts detailed in Section 2.3.
- b) Approves the amounts available for disbursement noted at paragraph 2.3; and
- c) Agrees to capital spend from the dormant and low value Trusts.

4. Implications/Socio-economic Duty

Financial

4.1 Approval of the 'proposed disbursement' amounts to be given to the individual schools will allow each school establishment to allocate the remaining Trust funds for appropriate educational purposes.

Human Resources

4.2 None.

Legal

4.3 All expenditure from Trusts must be for the purposes of the Trust, benefitting the relevant schools.

Equality/Socio-economic

4.4 None.

Climate Change and Carbon

4.5 None.

Key Priorities

4.6 This report directly supports the Council Plan 2019 to 2024 by supporting active and strong communities through the disbursement of grants to school groups and individuals.

Community Wealth Building

4.7 None.

5. Consultation

5.1 Legal Services and Corporate Finance have been consulted on the recommendations and procedures for winding up the Trusts.

Audrey Sutton
Executive Director (Communities & Education)

For further information please contact **Alison Mair, Business Manager**, on **(01294) 324409**.

Background Papers

None.

NORTH AYRSHIRE COUNCIL

21 February 2023

Cabinet

Title: North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 Budget.

Purpose: To seek Cabinet's approval for the North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 Budget.

Recommendation: That Cabinet:

- a) Notes the North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 budget;
- b) Notes the projected balanced budget position in 2022-23; and
- c) Authorises officers to continue to progress the recovery of the business, including the Recovery and Renewal Plan.

1. Executive Summary

1.1 North Ayrshire Leisure Limited (KA Leisure) aims to improve health and wellbeing through physical activity. The work of the leisure trust includes:

- Supporting physical activity
- Improving health and wellbeing;
- Providing quality experiences
- Supporting and developing community sport
- Creating volunteering opportunities;
- Enhancing skills through training; and
- Creating pathways to employment.

1.2 Prior to the Covid-19 pandemic, KA Leisure consistently recorded significant increases in participation across programmes and facilities. Equity of opportunity is at the heart of the approach. The impact of the pandemic and resultant restrictions had a severe impact on the business through temporary closures during 'lockdowns' and adaptations to buildings to accommodate new guidance. This was partially mitigated by the furlough scheme, a phased return and greatly accelerated digital programmes.

1.3 The Council's Financial Recovery Plan for 2020/21 was presented to Cabinet on 8 September 2020 and included approval of additional cashflow management support to KA Leisure of up to £2.743m to ensure they continued to operate as a going concern

and met their cash liabilities. Cabinet approved the North Ayrshire Leisure Limited (KA Leisure) Recovery and Renewal Plan in February 2021 and a progress report was presented in September 2021. The Performance and Impact Report presented in February 2022 provided a further update on the implementation of the Plan. A further presentation on continuing progress was made to all members in December 2022.

- 1.4 In 22/23, operational objectives and levels of activity have been able to be progressed once again. In the financial year 2022/23 KA Leisure incurred a trading deficit of £35,423 after allowing for the core contribution from North Ayrshire Council, a considerable improvement from the previous year's deficit of £1,248,549 after allowing for the contribution from and after incorporating income recovered via the UK Government Job Retention Scheme.
- 1.5 Despite this, there continues to be consequential financial impacts on KA Leisure from the pressures sustained during the pandemic, and from the increase in operational costs due to rising prices. This continues to present challenges, however the Council and KA Leisure continue to work closely on operational and financial planning and importantly, in addressing the financial pressures and further developing and refining the operation of the organisation. A balanced budget is anticipated for 2022-23.

2. Background

- 2.1 North Ayrshire Leisure Limited trades as KA Leisure. They are a Company limited by guarantee and a registered Scottish Charity and are also a not-for-profit organisation and any surpluses generated are reinvested across the Company. They are governed by their Articles of Association which includes their charitable objectives.
- 2.2 KA Leisure aims to improve health and wellbeing through physical activity, regardless of age or background and, to fulfil these goals, will continue to encourage participation, operate facilities, and create innovative opportunities to help the inactive become active. The Recovery and Renewal Plan balances the focus on those who participate in physical activity and sport and, in line with the North Ayrshire Active Communities strategy, those who are not active because inactivity carries significant health, social and economic risks. Working with partners in North Ayrshire and beyond, KA Leisure continues to develop innovative programmes and to participate in the North Ayrshire Active Communities Strategy and the DrEAM (Drop Everything and Move) events. The Recovery and Renewal Plan set out three key areas to focus on to gain the greatest impact: Venue Portfolio; Reinvent and Reimagine; and People and Partnerships.
- 2.3 The removal of Covid restrictions have allowed for a more innovative programme of activities to be offered by KA Leisure, and membership income has returned to nearer pre-pandemic levels. This is a positive for the organisation, where membership has now reached over 8,738, showing a continuing upward trend from the reduction to under 5,500 over the pandemic. There still continue to be considerable financial implications, however, from the increase especially in utilities prices and other costs, and regular planning, support and finance meetings have taken place to ensure there is integration with the Council's ongoing financial planning.
- 2.4 An Interim Chief Executive was appointed in 2021 -22 to provide leadership and support for the implementation of the Recovery and Renewal Plan. Recruitment of a permanent Chief Executive is planned and this will provide stable leadership for the organisation

as it focuses on developing its new adaptive model. Additional HR support continues to be provided by the Council. Work will continue to ensure that the organisation operates as efficiently as possible.

- 2.5 In the last year performance has shown considerable recovery, with swimming pool visits and indoor visits both showing a rise of just under 60% during the first 3 quarters of the year when compared to the same time period in the previous year.
- 2.6 KA Leisure has a national reputation for its excellent community health, wellbeing and recovery programmes and these were highlighted at Cabinet in September 2021 in the Health and Wellbeing Service Performance and Impact Report. In light of their experience in this area and the experiences of the pandemic, KA Leisure has aligned itself even more closely with the new Local Outcomes Improvement Plan (LOIP) for 2022 – 2030. KA Leisure is now the lead partner of North Ayrshire's Health and Wellbeing Alliance, which was launched in September 2022 and which builds on extensive existing work to develop the Wellbeing priority from the LOIP. This work aims to tackle health inequalities by co-locating services, delivering preventative activities and strengthening the relationship between health and leisure. It presents an exciting vision for the future of KA Leisure.

Venue Portfolio

- 2.7 With North Ayrshire Council, KA Leisure continues to offer a modern and diverse portfolio of venues across North Ayrshire and to use these to seek new and innovative ways to engage with communities. This includes innovative developments such as the new community health and wellbeing hub at Bridgegate in Irvine town centre.

Reinvent and Reimagine

- 2.8 KA Leisure's current programme continues to adapt, innovate and expand current service provision to meet the requirements of a new operating environment.

Fitness

- 2.9 New health and fitness products continue to be developed, such as the Elevate Transform programme which builds on the well-established Elevate Series to bridge the gap between group training and personal fitness.

Digital

- 2.10 The Customer Relationship Management system has continued to be developed, and along with the KA Leisure app, email marketing and the increased use of social media, has allowed for improved engagement with customers and potential customers. Some classes continue to be delivered online to improve accessibility.

Health & Wellbeing Service

- 2.11 KA Leisure's Health & Wellbeing Service continues to expand to deliver innovative programmes including Bridgegate Active Zone and Health and Wellbeing Hub. One to one support in the form of Doorstep Visits was introduced for frail and vulnerable people has now developed into the Doorstep Programme, a unique and targeted intervention aimed at reducing social isolation and declining function and improving mental health among the client group. The Doorstep programme takes an assertive outreach approach to including people in health and wellbeing.

Community Sport

- 2.12 There are now a record 8 community sport hubs, with 73 registered clubs and over 600 volunteers. Inspire membership allows children and young people to experience sporting activities, arts, drama, dance and music, with over 90 classes offering 21 types of activity each week. Champions for Change is run in partnership with the Alcohol and Drugs Partnership and North Ayrshire Active Schools to encourage healthy lifestyles and provide education about the dangers of alcohol, drugs and tobacco.

People and Partnerships

- 2.13 KA Leisure continues to deliver its Wellbeing at Work programme, aimed at developing a positive health and wellbeing culture and encouraging employees to take a proactive part in this. The new “Know the Way, Show the Way, Go the Way” programme also encourages the organisational culture of being better every day.

3. Proposals

- 3.1 It is proposed that Cabinet:

That Cabinet:

- a) Notes the North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 budget;
- b) Notes the projected balanced budget position in 2022-23; and
- c) Authorises officers to continue to progress the recovery of the business, including the Recovery and Renewal Plan.

4. Implications/Socio-economic Duty

Financial

- 4.1 The financial position continues to be closely monitored by North Ayrshire Council and the KA Leisure Board. The Council and KA Leisure continue to work together on medium term financial planning. While there remains uncertainty regarding future costs, in particular relating to utilities, KA Leisure staff will ensure that future expenditure represents the best value possible at all times

It is also recognised that continuing to progress the KA Leisure Recovery and Renewal Plan remains vital in addressing the short, medium and long term financial pressures facing KA Leisure. Based on current projections, utility costs in respect of 2023/24 could be as much as £700,000 more than 2022/23. North Ayrshire Council will continue to provide support to KA Leisure within the context of current earmarked resources and the KA Leisure Recovery and Renewal Plan. Any additional financial support will be reflected in the Council’s Financial Performance Reporting throughout 2023/24 for Cabinet consideration.

Human Resources

- 4.2 The Council and KA Leisure will work together to align workforce planning and the KA Leisure Recovery and Renewal Plan.

Legal

4.3 There are no legal implications contained within this report.

Equality/Socio-economic

4.4 As set out in the report KA Leisure continues to focus much of their activity on individuals and groups requiring specialist support and activity, thus closing the inequalities gap across a number of themes. The Health and Wellbeing Service and Community Sport continue to address health inequalities and this provide the starting point for the refocusing as a community health and wellbeing organisation.

Environmental and Sustainability

4.5 Energy efficiencies continue to be sought through improvements in venues and KA Leisure continues to work with the Council's Sustainability team and external advisers to maximise opportunities for this.

Key Priorities

4.6 The proposal contained within the report supports the following North Ayrshire Council Plan priorities:

- Active and strong communities;
- Children and young people experience the best start in life; and
- People enjoy good life-long health and wellbeing.

Community Wealth Building

4.7 The proposal contained within the report maintains and continues to develop employment opportunities and volunteering and skills development opportunities.

5. Consultation

5.1 Consultations take place with KA Leisure on a regular basis. Customers, prospective customers and partners are the focus of regular engagement by KA Leisure and North Ayrshire Council. Ongoing engagement with elected members will continue as the Recovery and Renewal Plan continues to be progressed.

Audrey Sutton
Executive Director Communities and Education

For further information please contact **Rhonda Leith, Head of Service (Connected Communities)**, on **(01294) 324415**.

Background Papers

Appendix 1: KA Leisure Performance and Impact Report incorporating the 2023/24 Budget

PERFORMANCE & **IMPACT** REPORT

Incorporating 2023/24 Budget



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MESSAGE FROM THE CHAIR

Ashley N Pringle, Chair



As Chair of KA Leisure, I am pleased to provide this Foreword and share with you our 2023 Performance and Impact report.

As we all emerge from the effects of the COVID pandemic, it is exciting to see active leisure and fitness resuming in the communities of North Ayrshire. KA Leisure adapted with imagination and innovation to the enforced temporary closure of our major facilities, creating digital platforms for live class streaming and tailor-made activities on behalf of our clients. We made use of the North Ayrshire parks and countryside to develop programmes and classes of outdoor activity.

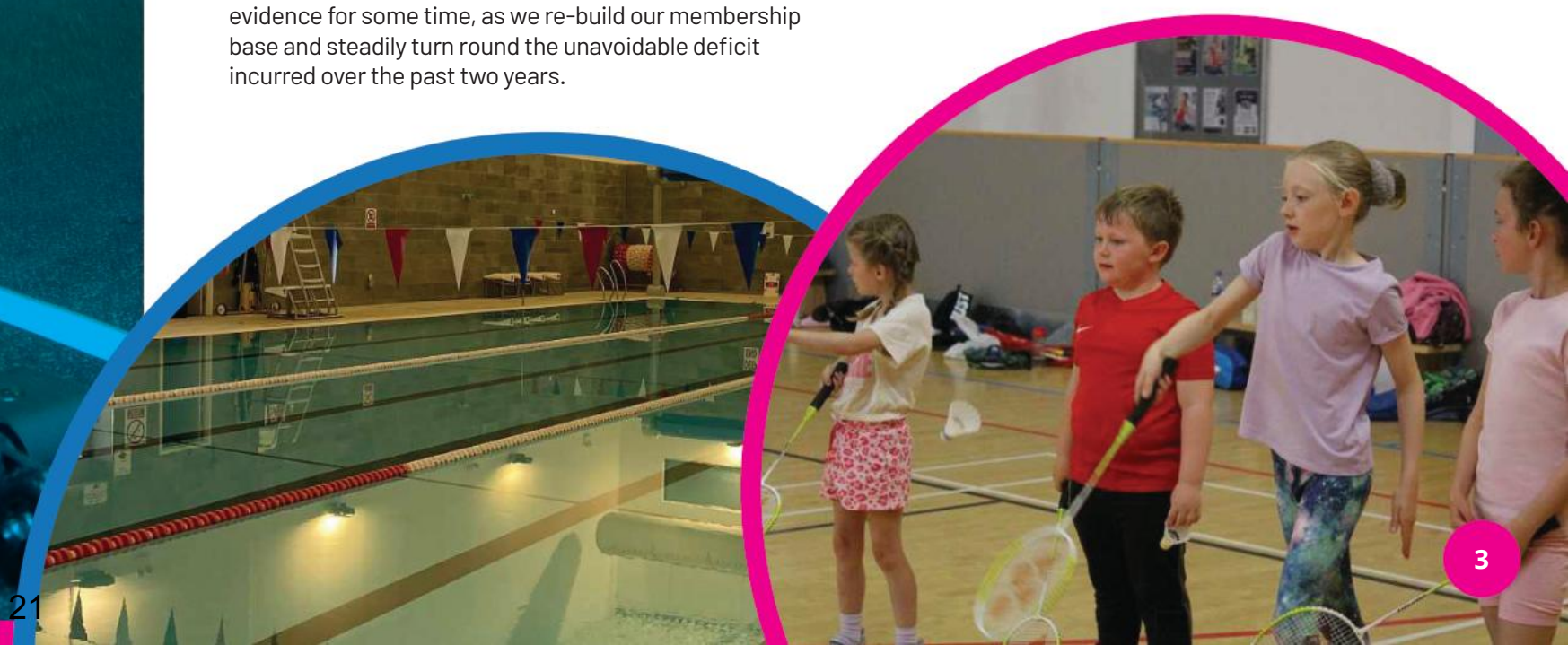
Our outstanding team are now extending their engagement with priority groups, including those who are vulnerable, isolated and at greatest risk of inactivity. We are developing new dimensions to our health and fitness offer with boutique fitness studios and the Active Zone & Health and Wellbeing Hub at Bridgegate, Irvine. Our meticulous attention to safety and cleanliness enabled us to gain the RoSPA COVID-19 Compliant Award and re-build customer confidence.

Following on from our COVID Recovery Strategy, developed in conjunction with key partners, particularly North Ayrshire Council and NHS Ayrshire & Arran, we are focussing on long term sustainability to build an adaptive, resilient model for KAL's future operations. Encouraging signs of financial recovery have been in evidence for some time, as we re-build our membership base and steadily turn round the unavoidable deficit incurred over the past two years.

The long period of disruption for all the employees of KAL was a particular cause of concern for the Board and senior managers. As a people-oriented business staff are our greatest asset. We are supporting staff through internal programmes including Know, Show Go and the extensive Wellbeing programme we have embarked on. We aim to enable all to work at optimum level, by improving internal communication and showing that we value every individual. Using personal development reviews, business outcomes are aligned with personal outcomes. We are embarking on a new culture within the organisation and putting in place a staff structure to reflect the changing environment.

Two of KAL's long-serving leaders stood down in 2022. Gary Higgon, a member of the Board for 20 years, ten of them as Chairman, and Libby Cairns, Chief Executive since 2012 both gave unstinting service to KAL and led it through many changes with notable success. We are grateful to Gary and Libby for their immense contribution to KAL and wish them well for the future.

To conclude I would like to thank our employees, Board of Directors, and all strategic partners for their dedication and commitment over the previous twelve months, and in particular North Ayrshire Council for their ongoing support, guidance, and encouragement during a difficult period.



WELCOME

Malcolm McPhail
CEO (Interim)

I am pleased to share with you this Performance and Impact Report, highlighting the incredible progress we have made so far. Not only have we seen a remarkable recovery from the pandemic, but also the impact of our programmes on our communities is extraordinary. It is a testament to the organisation's resilience, and I look forward to seeing our continued progress in the coming months.

At KA Leisure, we are proud of the breadth of programmes we offer that are designed to improve the physical, mental and social wellbeing of our communities. We are looking forward to taking this commitment even further with the establishment of North Ayrshire's new Health and Wellbeing Alliance. We are honoured to have been chosen to lead the development of this Alliance and to have the opportunity to build on the relationships we have with our partners. Together we will tackle inequalities to ensure that all residents of North Ayrshire benefit from improved health and wellbeing.

Finally, I wish to express my deepest gratitude to our Staff, Board of Directors, Wider Partners, and Friends at North Ayrshire Council for their ongoing dedication and commitment to our organisation. We could not have accomplished our success or achieved the impact we have had without them. I would also like to thank our loyal customers for their ongoing support. Your faith in our services has enabled us to reach our goals and objectives. Thank you all for being a part of our journey.

Malcolm McPhail

Malcolm McPhail



KA LEISURE AT A GLANCE

Established in 2000, KA Leisure is a Company limited by guarantee and a registered Scottish charity, committed to creating opportunities, inspiring people and changing lives through sport and physical activity.

KA Leisure manages sport and physical activity services on behalf of North Ayrshire Council and all financial surplus generated is reinvested back into the communities of North Ayrshire.

With over 300 employees, 16 venues and a range of outdoor sports facilities, KA Leisure provides a range of high quality programmes, activities and facilities delivering opportunities for over 2 million customers to participate in physical activity and improve their health and wellbeing each year.

Trustee Directors

- A Pringle (Chair)
- H Campbell
- J McClung
- J Montgomerie
- I Murdoch
- J Sweeney
- A Todd
- L Tulloch

Senior Management Team

- Malcolm McPhail – Interim CEO
- Laura Barrie – Head of Active Communities
- Colin Glencorse – Head of Operations and Customer Service

We are governed by our Articles of Association which includes our charitable objectives.

Objects of the Organisation:

- 1 to advance public participation in sport;
- 2 to provide or assist in the provision of facilities for, or activities relating to, recreation or other leisure time occupation;
- 3 to advance the arts, heritage, culture or science; and
- 4 to enhance lifelong learning opportunities for individuals and community groups

In each case such services being provided in the interests of improving social welfare and community wellbeing for the benefit of, and in relation to the general public in, the North Ayrshire area (including the communities of the North Ayrshire area and visitors to that area) save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances have need of special facilities, and in each case through any appropriate means, and to do all such other things as may seem incidental or conducive to the pursuit of the foregoing objects and the exercise of the powers of the organisation (whenever express or implied).

** extract from Articles of Association*



PERFORMANCE

During the past year the focus has continued to be on recovering from COVID 19 and by supporting people to return to activity and achieving our ambition of:

NORTH AYRSHIRE MORE ACTIVE MORE OFTEN

Our initial Recovery and Renewal Plan was built on three key phases:

-  **Response**
the immediate actions to keep the organisation solvent and trading
-  **Recovery**
helping the organisation adjust and adapt to Build Back Better
-  **Renewal**
focusing on long term sustainability to build an adaptive model



Underpinned by our priorities:

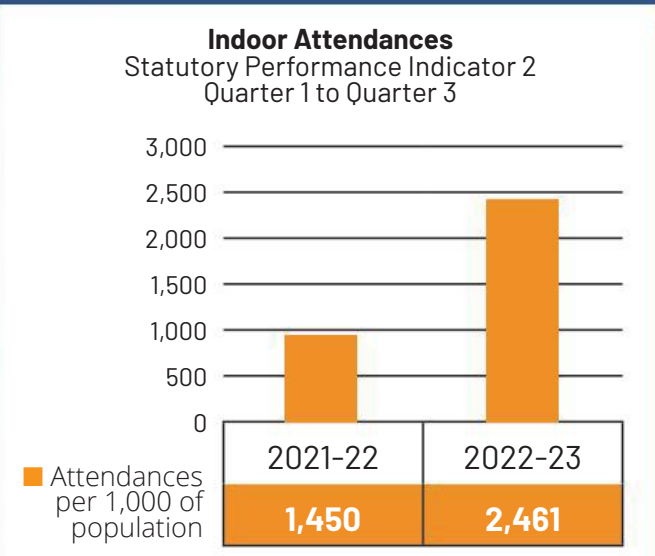
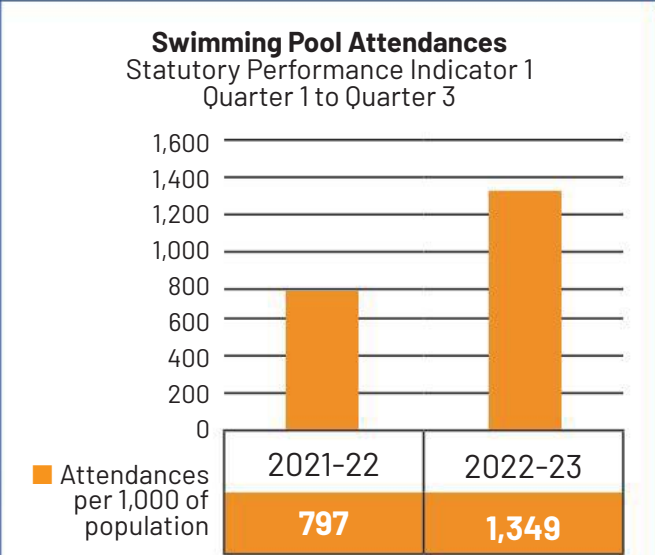
- Expanding our reach to maximise the impact on the health and wellbeing of North Ayrshire.
- Balancing inclusiveness, accessibility, and affordability with charitable sustainability.

The impact of COVID-19 has been profound and we have used the opportunity of the disruption to accelerate progress, to reinvent ourselves to be more agile, inclusive, and resilient and to change the way we do things, so we better meet the needs of North Ayrshire communities.

Fundamental to has been a reshaping of services, to ensure there is a sustainable balance of income generation with wider social objectives to reduce health inequalities.

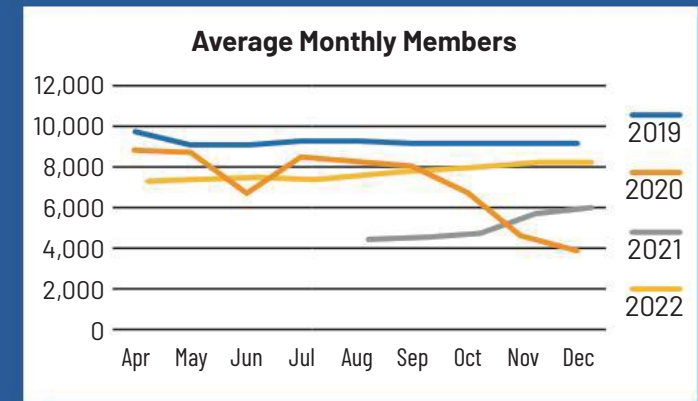


Despite the 'long tail' of COVID-19, across the year individually and collectively customer visits have increased across activities with individual users, class sessions and club participation gradually moving back towards pre-pandemic levels. Increased customer visits are highlighted through the statutory performance indicators displayed below:

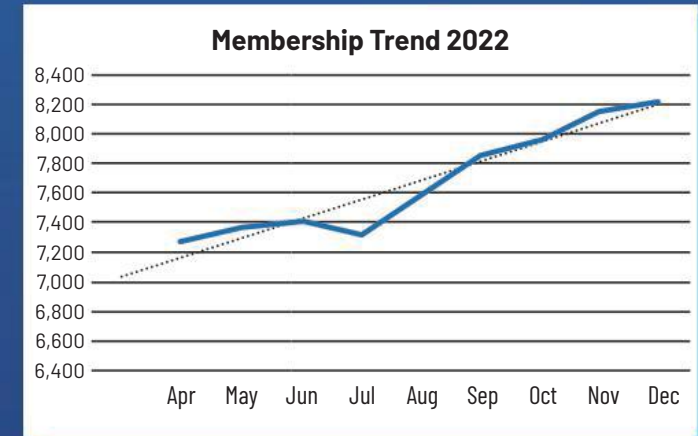


Fitness performance is critical to the financial sustainability of the organisation having previous accounted for over £2million of overall annual income prior to the pandemic. During the pandemic memberships reduced from 9,600 members to under 5,500.

The introduction of new fitness products, membership categories and the introduction of a sales team during the last 12-month period has driven a steady increase in membership numbers, highlighted in the graph below.



During the first three quarters of the current financial year membership numbers have steadily climbed back to over 8,200, illustrated in the graph below.



As we move forward we continue to demonstrate positive growth with memberships reaching over 8,800 during the first half of January 2023 demonstrating our resilience and move back towards sustainable operations.



IMPACT

Health & Wellbeing Service

1098
new referrals

64
classes per week

24 supported gym sessions

9 online classes per week

22 health partners refer

25 MEMBERS
ANA Partnership Steering Group

50% 65 years
25% 50-64 years

238 people currently being supported within MBA

103 supported within WEIGH TO GO

Staying Connected

The North Ayrshire Doorstep Programme is a unique and accessible service which supports vulnerable and frail people who are isolated in their own home.

The programme addresses –

- **SOCIAL ISOLATION**
- **DECLINE IN FUNCTIONAL CAPACITY**
- **POOR MENTAL HEALTH**

53
new referrals

278
Doorstep Visits

71% improved Tinetti strength and balance score

57% reported an improvement in Mental Health

"I have found the Doorstep Programme an excellent help in restoring my confidence in movement. The support has been valuable and an important help when I most needed it and was feeling extremely down. I feel it is a very important and helpful service offered to people in need. Long may it continue!"

Elizabeth Crawford – Doorstep Programme Participant



"The classes have had such a positive impact on my health. I have so much more energy and my family and friends are amazed at the difference in my overall health. I am so proud of myself and the progress that I've made. Thank you so much KA Leisure"

Active North Ayrshire Participant
Carol Haddow

Walking

3259



Walk for Health Programme Attendances

86 121 Buddy Walks

16 Weekly Walk Groups

27 Walk Volunteers



"The Vikingar walk offers people like me who have various medical issues a support system to encourage us to have a better quality of life, medically and socially. It's like a 2nd home where you can meet up with friends, have the support of the instructors and staff to talk to and help you." Alywn Jarrett – Walking Participant

"Our communities and patients are now recovering from the impact of COVID-19 however I feel that the Doorstep visits are as essential now as they were during the pandemic. Some of the most vulnerable people I am in contact with are finding it difficult to engage in mainstream activities, whether it be because of reduced mobility, frailty or poor mental wellbeing. KA Leisure have created a valuable service that is suited to their needs. Without access to this provision, I would find it difficult, at best, but more likely impossible to source appropriate supports or services."

Leeanne Killen Community Link Worker (HSCP SP&TT)

Inspire

The Inspire membership provides value, variety and access to sporting activities, arts, drama, dance and music.

285 Inspire members

93 classes per week

21 types of activities

Membership **AGES 3 – 13**



"The Inspire membership is fantastic value and gives my son the opportunity to participate in something different every day. Nairn not only loves the new gymnastics classes on a Saturday but the introduction of art to the programme has been something completely new for him"

Mark Smith – (Inspire Member Parent)

CHAMPIONS for CHANGE

Schools Programme
19 schools & **900** pupils

Referral programme
81 people referred

Champions for Change is delivered in partnership with North Ayrshire Alcohol and Drug Partnership and North Ayrshire Active Schools. The project uses sports and for physical activity to tackle local issues around substance misuse.



"Having a membership is amazing man, it benefits my physical & mental health as I'm not just sitting around doing nothing, I can go with other people I volunteer with & I wouldn't be able to afford to do this without the help."

Jay Champions for Change referral

"Our coach had a great rapport with the class, delivering the materials in a fun, enjoyable and educational way. They engaged well with him and looked forward to each of the 4 workshops."

Teacher St Winnings Primary School

Memberships



8209 members

"The membership is so flexible and allows me to use all the venues available. This is great as my work sends me all over the area. I also love the fact that I can use the gym, go swimming or take part in classes. It helps me keep my training fresh and stops me from getting bored. The app makes booking all of these super easy!"

Mark Grimshaw – KA Leisure Member



Fitness



180 fitness classes per week



ELEVATE ONLINE

398 Active Users
1289 Live Attendances
1670 On Demand

"I've been training at the Portal for a little over a year now, when I joined, it gave me some structure back and allowed me to focus on me and my mental health. I was filled with anxiety about even stepping into the gym. I didn't know where to start and had zero confidence, however, it's the best thing I have ever done! I am so much stronger mentally and physically and I owe it to the whole team at the Portal." Alli Barr – Gym Member Participant

Learn to Swim!



"Cole loves coming to his KA Leisure swimming lessons and learning new and different skills. The teachers have all been very supportive and this allows Cole to engage with the lesson. He is looking forward to continuing to progress and moving up to Swim Skills 4 in the near future."

1787 children in the LTS programme

4 Swimming Pools

Auchenharvie Leisure Centre, Stevenston
Garnock Community Campus, Glengarnock
Portal, Irvine
Vikingar!, Largs

INVESTING IN OUR FUTURE

Delivering an agile and resilient structure, that provides a solid foundation for creating an innovative, engaging and collaborative workforce with the right skills remains fundamental to all that we do.

COVID-19 has provided us the opportunity to review, reinvent and reimagine how we do things. To remain successful, thriving and sustainable a programme of organisational development and review is underway.

To align with this programme and to ensure we have a robust operational framework, staffing structures have been revised to develop agile leadership at all levels to deliver organisational objectives, strengthening the connection and collaboration between sport and physical activity and health partners at all levels.

The creation of a revised staffing structure has included a series of structural changes within personnel to harness organisational relationships and improve organisational culture. In addition it has provided clarity on a number of key elements including, organisation resource, processes and changes to customer behaviour.

To accompany the introduction of a revised staffing structure we have launched two employee programmes:



Know Show Go the way

Know, Show, Go encourages everyone across the organisation to embrace the culture of being better every day. The three principles and seven behaviours of Know the Way, Show the Way,

Go the Way have been shaped by colleagues across the organisation, and it will become part of everything we do at KA Leisure with the emphasis on attitude and behaviours.



Launched in early 2022 our comprehensive Wellbeing at Work programme aims to demonstrate the organisation's commitment to developing a positive health and wellbeing culture, recognising the impact that a positive health and wellbeing culture can have on individuals and the organisation.

All employees have a vital role in promoting a positive and proactive health and wellbeing culture. This is achieved by encouraging the participation of employees through consultation, communication, and cooperation as their suggestions for improvements are valued and implemented. A feature of this is the annual HSE Stress Indicator Toolkit Survey to measure the perceptions of work-related stress and wellbeing. The findings provided a valuable opportunity to create a Workplace Wellbeing Action Plan and programme a series of wellbeing workshops and training opportunities.

Programme Development

Our Active Lifestyles, Community Sport and Fitness teams have continued to build upon their successful existing programmes with the development of a range of new initiatives to support our communities. These include:

Active North Ayrshire – Physical Activity on Referral

In partnership with Parkinson's UK, a new programme was introduced in 2022 to deliver a variety of supported physical activity session specifically for people who are living with Parkinson's. Linking with the current Parkinson's support groups across North Ayrshire and liaising with the specialist NHS Parkinson's Physiotherapist Team we support people to continue to live well in daily life with the condition.

"The class has really helped me and I've noticed a difference in the time that I've been here. The staff are super friendly and it's been a good experience for me"

Alex Ferguson Active North Ayrshire Participant



Young Carers Membership Programme

We have continued to support a range of activities for Young Carers. As part of this programme, young carers have begun to receive KA Leisure memberships which will help support health and wellbeing by removing barriers such as cost and provide access to fun activities at a variety of local venues across North Ayrshire.

The KA Young Carers Membership not only offers young carers the opportunity to have a break from their caring role but give them the chance to make new friends and have fun while getting active and looking after their own health and wellbeing. KerryAnne Owens – Carers Development Officer

Elevate Fitness Programme

The well-established successful Elevate Series fitness programme has been further developed to include Elevate Transform. A results focused training programme bridging the gap between group fitness and personal training.

Digital Transformation

The introduction of new and expanded programmes has been supported by a marketing and communications programme to engage with customers and partners. Utilising a range of platforms including our KA Community Channel our messaging and campaigns focus on –

- The benefits of staying active
- The fantastic value of being a member of KA Leisure
- The range of opportunities available to everyone in North Ayrshire
- The impact of our community programmes and services

The continued development of the new Customer Relationship Management System has allowed us to keep our members and customers more up to date than ever. The KA Leisure App launched in August 2021 has strengthened our brand, assisted with the retention and acquisition of members and delivered digital fitness using the unique power of mobile.



We have successfully achieved the RoSPA (Royal Society for the Prevention of Accidents) Gold Award for 8 consecutive years, in addition to this the Company has achieved the RoSPA Gold Leisure Safety Award for the past 4 years. This is a fantastic achievement by our employees and a testament to their commitment, cooperation and involvement in health and wellbeing.



A SHARED VISION

For more than two decades we have worked to support, encourage and inspire people to be more active more often – a purpose that is more relevant now than ever. Across the next year our purpose remains constant but the way we achieve it will change substantially.

Prior to the pandemic we saw growing momentum around the tangible need for a more holistic integrated approach to health and wellbeing and the challenge of COVID-19 has compelled us to make the best use of our people's skills and experience to address this.

We want physical activity to be at the heart of how we all think about North Ayrshire's health and wellbeing, but we can only do this if we effectively respond to changing demographics, trends in health and tackle the things that can make it even harder for people to be active.

The scale of the challenge is significant, however, throughout the COVID-19 recovery period, we have demonstrated our adaptability, agility and resilience to respond to the local community's needs, particularly those who are most vulnerable.

We continue to deliver a breadth of programmes that have a direct role in improving North Ayrshire physical, mental and social wellbeing. Our organisation is the engine room of physical activity, with gyms, pools, leisure centres, sports pitches, fitness studios and an abundance of beautiful green spaces on our doorstep.

However, our role can grow further by embedding social prescribing in our and our partners approach by creating new pathways and co-designing opportunities and collaborations.

To enable us to play this vital role in this fast-growing area of work it is important to connect the dots and take a whole system approach, to find ways to understand and influence the numerous interconnected factors to ensure that this journey is easy, personalised and supported to increase that individuals likelihood of becoming and staying active

We recognise activity levels are affected by a series of complex issues and no single organisation or programme can create sustainable change at scale. With an in-depth understanding of our local communities and our cross-sector partnerships, we are well placed to lead this transformational change and address key issues collaboratively and proactively.



North Ayrshire Health and Wellbeing Alliance

Established in September 2022, North Ayrshire's Health Wellbeing Alliance will build on the extensive work already underway and set the strategic direction for the wellbeing agenda in North Ayrshire. It will provide a multi-level working leadership body in the development and delivery of the wellbeing Local Outcome Improvement Plan priority for North Ayrshire Community Planning Partnership.

In addition, its remit will:

- **Tackle the inequalities related to wellbeing with a clear focus on early intervention and prevention and a whole system approach**
- **Identify and create opportunities for innovation, improvement and efficiency among partners**
- **Facilitate co-produced solutions to promote equality and reduce health inequalities**
- **Provide visibility for the community health and wellbeing agenda for the residents and communities of North Ayrshire**
- **Identify gaps and overlaps in provision, whilst considering potential savings in activities, with requisite approval from individual partner organisations**
- **Enable shared planning where appropriate, with requisite approval from individual partner organisations**
- **Identify joint opportunities to access funding, with requisite approval from individual partner organisations**
- **Align with the Active Communities Strategic Partnership to involve and work with relevant partners and initiatives.**



Central to this will be to create a health and wellbeing brand and align all communication to the vision and mission ensuring that the Community Health and Wellbeing Alliance is recognised throughout North Ayrshire by its residents and communities.

We're optimistic. We believe that large scale meaningful change is possible as our shared vision creates a closer relationship between health and leisure, built on social prescribing, co-location of services and the delivery of preventative activity opportunities.

As a committed member of the North Ayrshire Community Planning Partnership, we are excited and honoured to be leading the North Ayrshire Local Outcome Improvement Plans wellbeing agenda.



FINANCIAL INFORMATION 2023/2024

Although we are moving out of the challenges presented up by the pandemic, the advent of the cost-of-living crisis and more importantly the rising cost of energy will mean the new financial year remains extremely challenging. The leisure sector is still in the throes of recovery from the pandemic resulting in slow return rates (80% of pre-pandemic levels across the UK), reduced levels of income and increased energy costs.

Although leisure centres including swimming pools and ice rinks are high consumers of gas and electricity they haven't been classed as 'intensive users' by the UK Government. Therefore, our utility costs do not qualify for the more preferential price cap.

To partly offset rising utility costs we are currently reviewing all options for maximising energy efficiencies and reducing costs. The 2023/24 Budget is provided below alongside the current year for comparative purposes.

Budget 2023/24

	2022/23 Budget	2023/24 Budget
Expenditure	£	£
Employee Costs	5,983,900	6,293,013
Utility Costs (Gas, Electricity & Water)	993,631	979,118 *
Other Property Costs (excluding Utility costs)	488,900	496,650
Supplies & Services	444,800	487,389
Transport & Plant	31,000	31,600
Administration Costs	359,900	363,650
Payments to Other Bodies	155,232	159,442
Finance/Other Expenditure	458,842	441,232
Total Expenditure	8,916,205	9,252,094

*New energy contract yet to be concluded.
The estimated date of finalising prices for 23/24 will be mid-February.

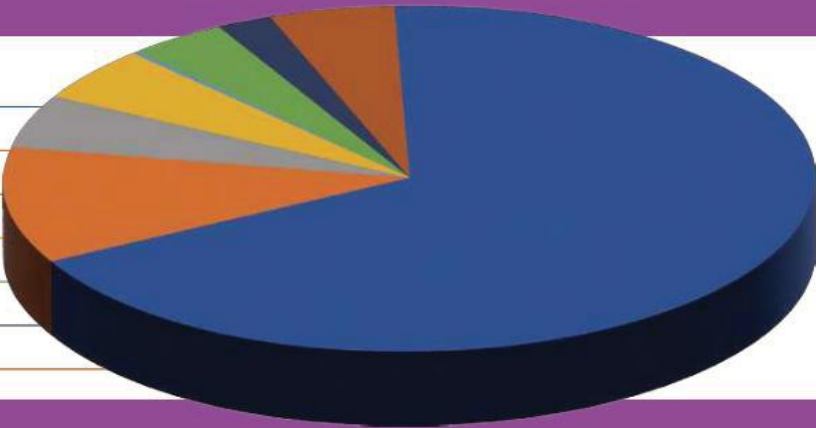
Income		
North Ayrshire Council	4,129,137	4,300,874
Other Income	4,822,491	4,965,194
Total Income	8,951,628	9,266,068
Surplus/(Deficit)	35,423	13,974

North Ayrshire Council contribution has increased in the year by £171,737 which relates to the budgeted pay award for the financial year 2023/24, estimated at a 3% increase. This is in addition to North Ayrshire Council's ongoing contribution to support COVID-19 recovery 2023/24.

The pie chart reveals the percentage breakdown of budgeted expenditure across KA Leisure for 2023/24. The largest cost to KA Leisure is employee costs, which is 68% of the expenditure budget for the financial year.

2023/24 Budgeted Expenditure

Employee Costs	68%
Property Costs (Excluding Utilities)	11%
Utilities	5%
Supplies and Services	5%
Administration Costs	4%
Payments to Other Bodies	2%
Finance/Other Expenditure	5%



Variances in Budget 2023/24

The significant variances between the 2022/23 budget to the 2023/24 budget are detailed below.

Employee Costs

Overall employee costs are budgeted £309,113 higher than 2022/23. This is mainly attributed to:

- Pay Award**
The pay award for financial year 2023/24 has been budgeted at an estimated increase of 3%. This is an additional cost of £171,737, which will be offset by additional income from North Ayrshire Council.
- Post Amendments**
As the business is returning to normality after COVID there has been a number of amendments made to the employee structure. This has resulted in changes to posts, hours and grades at an additional cost of £117,835.
- Incremental Factors**
Included within the 2022/23 budget are pay increments due to employees totalling £19,541.

Utility Costs

Property costs are budgeted £6,763 lower than the 2022/23. Although an energy purchase tender exercise will be completed in the coming weeks where it is anticipated costs will increase in the region of £700,000.

Supplies and Services

Supplies and Services have increased by £42,589 from the previous year. This is predominately due to an additional budget within 2023/24 of £30,000 for third party management of direct debit payments. Other increases relate to general price increases for items such as pool chemicals, IT software provision and restricted project expenditure.

Finance and Other Expenditure

Finance and other expenditure costs is £17,610 lower in 2023/24 than in 2022/23. This is predominately due to a reduction in depreciation costs.



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21 February 2023**Cabinet**

Title: North Ayrshire Council's Apprenticeship proposals

Purpose: To provide an update on the North Ayrshire Council's Modern Apprenticeship Programme and seek approval to develop the Council's apprenticeship offer and deliver an enhanced programme from April 2023 to include new entrants and support for existing employees

Recommendation: It is recommended that Cabinet:

- I. Note the contents of this report
 - II. Agree the Council's apprenticeship programme
-

1. Executive Summary

- 1.1 North Ayrshire Council is now in its 12th year of delivering a successful Modern Apprenticeship (MA) programme across Council services, supporting the Apprenticeship Charter, confirming the ongoing commitment to create Modern Apprenticeships for North Ayrshire young people and developing young people as part of the Council's future workforce planning approach.
- 1.2 The Council's MA programme has operated as one of the largest local authority programmes in Scotland. The 3-year agreement, agreed by Cabinet in 2018, created 150 new Modern Apprentices across various Council services and concluded in March 2022. A review of the MA programme was conducted to determine the future scale, offer and funding model.
- 1.3 To inform the future apprenticeship offer, the review considered the available budget, the new apprenticeship products now available, workforce development needs, labour market conditions, other employability offers for young people, and feedback from services, past and present modern apprentices. It is proposed changes to the programme will be implemented from April 2023 onwards.
- 1.4 North Ayrshire Council is a Young Persons Guarantee Employer, a corporate parent and a Disability Leader and were the first Community Wealth Building Council in Scotland with a vision of a North Ayrshire that is fair for all. The Modern Apprenticeship programme creates a diverse range of opportunities, with ringfenced places for young people with a disability and or care experience, to join the Council's workforce.

2. Background

- 2.1 In November 2018, a report to Cabinet, set out proposals to recruit 150 MAs by 31st March 2022 with an investment of £3million. North Ayrshire Council's MA Programme forms part of the Council's commitment to tackling youth unemployment. The Council has an Apprenticeship Charter confirming the commitment to create and support Modern Apprenticeships. In August 2022, the Council were approved as a Young Person's Guarantee (YPG) employer, signing the YPG pledge to:
- Prepare young people for the world of work
 - Help all young people to achieve their potential
 - Invest in a skilled workforce
 - Create jobs and training opportunities
 - Create an inclusive and fair workplace
- 2.2 North Ayrshire Council delivers a successful MA programme across Council Services utilising over 20 different frameworks including Active Leisure, Business Administration, Civil Engineering, Horticulture, Housing, Social Sciences and Youthwork.
- 2.3 North Ayrshire Council, as a corporate parent and a Disability Leader, aims to recruit at least 20% from young people with a disability and or care experienced. In 2021-22 the Equality Data report from Skills Development Scotland (SDS) reported NAC recruited 24% (compared to the national average of 13.3%) young people with a disability and 6% (compared to the national average of 2%) who were care experienced to their MA Programme.
- 2.4 The £3million investment, approved as part of a 3-year plan, acknowledged legacy (contingent liability) costs beyond the 3 years as apprentices continue in posts beyond the year, they were recruited in. The MA programme includes varying timescales to complete qualifications from 12 to 48 months, thereby increasing salary costs significantly based on the length of the apprenticeship. The available recurring annual budget has reduced by 25% over the period. Future requirements need to consider the full costs over the length of the apprenticeship, in addition to the number and type of apprenticeships, ensuring options are affordable within the allocated budget.
- 2.5 The actual expenditure incurred within each financial year was within the agreed budget however the carry forward amounts were higher, due to delayed starts because of COVID restrictions and MAs contracts lasting up to 3 years. To support the current MA Programme, contingent liabilities totalling £742,000 are forecast. To mitigate this, a COVID Recovery Funding allocation of £476,000 has been approved and earmarked funds of up to £500,000 are available. This will deliver a balance budget for 2022/23 and continues to fund the contingent liability, based on starts to date until 2025/26.
- 2.6 Over the 3-year period, 151 new MAs were recruited, achieving the target set. The MA programme supports the Council's future workforce planning programme, successfully recruiting local people to gain work experience and a qualification. The following outcomes have been achieved:

Outcomes	MA Starts	Qualifications Achieved	Jobs Secured	Uni/College Progressions	Continuing MAs
2019/20	54	47	42 (36: NAC)	3	4
2020/21	45	30	27 (24: NAC)	3	11
2021/22	52	13	20 (16: NAC)	0	28
TOTAL	151	90	89 (76: NAC)	6	43

These positive outcomes are achieved through the extensive wraparound support from the dedicated Employability & Skills Modern Apprenticeship Team, mentors, and line managers, who all offer tailored support to ensure qualifications and progressions are secured. Feedback received from current and previous apprentices was sought to assist in the review and refresh of the current apprenticeship offering and is detailed within Appendix 1.

- 2.7 In 2022-23, MA recruitment has been more challenging with lower volumes of applications and some posts being advertised on several occasions. This is a reflection on lower unemployment levels, higher volumes of vacancies and a broader range of job and training opportunities for young people. However, in comparison to other local authority areas North Ayrshire has significantly higher levels of youth unemployment at 6.4% (youth claimant count), the 2nd highest rate in Scotland and is significantly higher than the Scotland average rate of 4.1%. Addressing youth employment remains a priority given its impacts on future life chances.
- 2.8 A review and refresh of the Council's approach to apprenticeships provides a great opportunity to consider the broader range of apprenticeship offers which now include Foundation Apprenticeships, Modern Apprenticeships and Graduate Apprenticeships to support vocational based learning. In addition to supporting new entrants, the apprenticeship frameworks can be used to develop the existing workforce. The eligibility criteria for both Modern Apprenticeships (MAs) and Graduate Apprentices (GAs) is employed status.
- 2.9 There is a wide range of training opportunities, in addition to MAs, to support young people to secure a positive destination. 'Your Next Move, Working North Ayrshire' is the Council's Employability Service. This offer includes Ambition Agreements, Modern Apprenticeships, Equal Programme, Skills for Life, Streetscene Environment Skills Training Academy, Justice Employment Mentors, Positive Pathways to Volunteering, Employer Recruitment Incentives and sector specific training as well as tailored pre-employment support. Dedicated keyworkers support all young people on their employability journey from engagement, barrier removal, vocational training, job matching and aftercare to support progression to positive and sustained outcomes.
- 2.10 Research has also been conducted with all Local Authorities, with 18 areas contributing to this. The key findings are:
- 100% deliver Modern Apprenticeships
 - 88% deliver Foundation Apprenticeships
 - 70% deliver Graduate Apprenticeships
 - 65% use MA frameworks to support existing employees
 - 76% use departmental budgets to fund the wage costs for the MA

Modern Apprenticeships

- 2.11 Modern Apprenticeships can support new entrants and existing employees to achieve Scottish Vocational Qualifications (SVQs), up to SCQF Level 9. To be eligible to be a MA, employed status is required. MAs can be offered to employees of all ages, young people and adults and there are over 80 different qualifications available. Funding support is available for most of the training requirements associated with modern apprenticeships. To date, the Council's MA programme has focused on recruitment of new entrants to the Council workforce, offering the national minimum wage rate, based on age. The Living Wage Accreditation scheme excludes Apprenticeships in recognition of an employer's commitment for the scheme.
- 2.12 It is proposed that future programmes should include a cohort of existing staff, paid at their existing rate, offered the opportunity to work towards gaining a SVQ as a Modern Apprentice.

Graduate Apprenticeships

- 2.13 Graduate Apprenticeships (GAs) can support training for existing employees up to master's degree level at SCQF Level 11. A GA provides a work-based learning opportunity to work towards completing a degree and/or a master's degree.
- 2.14 Launched in 2017, GAs offer work-based routes to achieve a degree level qualification, funded for both the learner and the employer, enabling existing employees to achieve accreditation through 80% workplace and 20% academic studies. This qualification is not competency based but is assessed at an academic level with 2/3rd technical content and 1/3rd project-based learning in the workplace, giving a direct benefit back to the organisation. Attendance at University depends on the qualification, but one day per week protected time to enable completion of the qualification and work-based projects is recommended.
- 2.15 In 2020-2021 there were 21 North Ayrshire residents working across 10 local employers registered as GAs, 2 of the 2022 graduates are employed with North Ayrshire Council. There are 12 available GA frameworks and UWS are accredited to deliver the following 5: BA (Hons) Business Management, BEng (Hons) Civil Engineering, BA Early Learning & Childcare, BEng (Hons) Engineering Design & Manufacture, BSc (Hons) IT: Software Development.
- 2.16 The Graduate Apprenticeship programme is delivered by the Scottish Funding Council, is fully funded and contracted to a number of Scottish Universities to deliver across the suite of approved Degree level qualifications.

Training Providers

- 2.17 Partnerships with Ayrshire College could be further developed to deliver more MAs, specifically for existing employees, and with the University of the West of Scotland to deliver Gas. Initial discussions with these training providers have been positive and set conditions to create a strategic, funded, partnership approach to Apprenticeships for North Ayrshire Council. This supports local employers and anchor institutions to grow and develop a talented future workforce, creating fair employment and delivering community wealth building for Ayrshire. This strategic review of the current MA programme will develop an offer which will drive skills development, invest in existing employees and attract new employees.

Foundation Apprenticeships

- 2.18 Foundation Apprenticeships are a work-based learning opportunity for senior-phase secondary pupils delivered in partnership with schools, colleges and employers. Completion leads to a qualification at the same level as a Higher and this vocational qualification is recognised by Scottish Colleges and Universities. These qualifications can raise attainment levels and provide vocational routes for young people to gain work experience and work-based learning while still at school, closing the gap between the classroom and the workplace.
- 2.19 Foundation Apprenticeships are currently available in 12 subject areas including civil engineering, scientific technologies, software development, accountancy, food and drink technologies and financial services. They are linked to the growth sectors of the Scottish economy to enable young people to gain industry experience, develop vocational skills and gain qualifications linked to the forecast demands of the future labour market

Enhanced Apprenticeship Programme

- 2.20 A programme to support over 70 apprentices annually, within the allocated annual budget of £723,000, can be delivered by broadening the offer in line with the strategic workforce planning needs, incorporating other apprenticeship offers, and extending the programme to include support for existing employees.

Details	Apprentices Supported	Budget
*Modern Apprenticeships: New Entrants	41	£715,769
Modern Apprenticeships: Existing Employees	10	0
Graduate Apprenticeship: Existing Employees	10	0
Foundation Apprenticeships: Schools	10	0
Totals	71	£715,769

*This calculation is based on restricted durations; 2 Trade Apprenticeships (24 months), 10 Modern Apprentices (18 months) and 29 Modern Apprentices (12 months) paid at the National Minimum Wage Rate – variances to this would exceed the agreed budget

- 2.21 The above forecast includes the contingent liability and is affordable within the annual budget of £723,000. All costs are calculated at 22/23 levels and in anticipation that all future pay awards are expected to be fully funded.
- 2.22 There are options to increase support for existing employees using Modern and Graduate Apprenticeships with indicative targets suggested in tables. These would be subject to discussions and demand from council services, interest and commitment from existing employees to develop their skills and qualifications and successful application to SFC to support Graduate Apprentices.
- 2.23 Adjustments may have to be made within the apprenticeship programme and each of the products, but it is proposed that the overall target numbers would remain at a minimum of over 50 per year as part of North Ayrshire Council's approach to maximising opportunities for workforce for both new and existing employees.

Proposed Apprenticeship Programme

- 2.24 To continue to deliver the ambition of 50 apprenticeship places per year. This would be made up of a combination of existing employees and new employees to be supported. This would attract new talent and develop the existing workforce.
- 2.25 In line with the agreed budget, new MAs will be recruited annually to meet workforce planning requirements, with consideration to ringfencing opportunities as a corporate parent and disability leader, currently we aim to 20% of our intake meeting this criterion.
- 2.26 Modern Apprenticeships for existing employees offers the potential to support workforce development across a range of services including payroll, hospitality, management, digital, facilities, housing, IT, procurement and social services. These frameworks can support people of all ages and this programme will be developed in partnership with Ayrshire College.
- 2.27 Graduate Apprenticeships for existing employees also offer the potential to support workforce development. This will be developed in partnership with the University of the West of Scotland (UWS) as a pilot and will focus on the following qualifications as options for employees, in accordance with service demands; BA (Hons) Business Management, BEng (Hons) Civil Engineering, BA Early Learning & Childcare, BEng (Hons) Engineering Design & Manufacture, BSc (Hons) IT: Software Development
- 2.28 Foundation Apprenticeships (FA) will be explored and developed in partnership with Education, Ayrshire College and our local employers.
- 2.29 The proposed approach ensures an ambitious apprenticeship programme is developed to support our future workforce needs, provides first class training and learning opportunities for local young people and strengthens partnerships with key stakeholders.

3. Proposals

- 3.1 It is recommended that Cabinet:
- I. Notes the contents of this report
 - II. Agrees the Council's apprenticeship programme

4. Implications/Socio-economic Duty

Financial

- 4.1 An annual recurring budget is available to support an apprenticeship programme. Proposals presented are based on the current budget available. This proposal provides options which are affordable from 2023/24 to support delivery of an apprenticeship programme, which includes the range of apprenticeships now available; Modern, Graduate and Foundation.

To mitigate the impact of the contingent liability costs, COVID Recovery Funding allocation of £476,000 has been approved and earmarked funds of £500,000 (Challenge Poverty Funds) were approved by Chief Executive (30 March 2022) to be used to address the Modern Apprenticeship funding shortfall.

Human Resources

- 4.2 The MA programme is an important workforce development initiative for the organisation. There is a desire to create opportunities linked to the needs of individual professions and service workforce plans within the Council. A small team within EDR currently manage the annual MA programme and would continue to manage the refreshed programme.

Legal

- 4.3 None

Equality/Socio-economic

- 4.4 The MA Programme has had a target to recruit 20% of new employees with a disability and or who are care experience. To ensure a council which is Fair for All, and as a corporate parent and disability leader this will remain at the core of the design of the apprenticeship programme for the future.

Climate Change and Carbon

- 4.5 None, this is a skills programme with no specific carbon objectives, it does not include any construction elements and is intended to support skills development.

Key Priorities

- 4.6 The report covers information relevant to the following Council Plan priorities including:
- North Ayrshire has an inclusive, growing, and enterprising economy
 - North Ayrshire is well-connected with effective infrastructure
 - North Ayrshire is a sustainable environment
 - North Ayrshire is a vibrant, welcoming, and attractive environment
 - An efficient Council that maximises resources and provides value for money

Community Wealth Building

- 4.7 The MA opportunities offer a route to fair work for young people, with accredited training, qualifications, a NMW rate and wraparound support to ensure that young people have a great start to their career. The NMW rate is offered in recognition that these are trainee roles. MAs are supported to apply for Living Wage jobs within the Local Authority at appropriate stages including access to redeployment in the final stages. North Ayrshire's practice in prioritising and resourcing an MA programme of this scale as part of their workforce development is being promoted and advocated to other anchor organisations. North Ayrshire Council has been a Living Wage employer since 2011.

This proposal would develop a partnership with Ayrshire College and UWS, as key anchor institutions. This would also deliver a test of change for other Anchor Institutions to introduce Foundation, Modern and Graduate Apprenticeships as part of their Fair Work offer for employees. This proposal and partnership with North Ayrshire Council is a model of good practice and has been developed with Fair Work as a guiding principle.

5 Consultation

- 5.1 Finance Services have provided budget information to inform the options modelling. Human Resources have provided guidance in developing this proposal and will continue to be part of the development of the future Apprenticeship programme. Consultations have been undertaken with key stakeholders including council services, current and former Modern Apprentices to ensure service user involvement is at the heart of the future design. Other Local Authorities have been consulted to adopt models of good practice across Scotland. Consultation with training providers; UWS and Ayrshire College as well as Skills Development Scotland.

RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact **Laura Neill, Senior Manager Employability & Skills**, on **07795 528243**.

Background Papers

Cabinet Report, 13 November 2018, 3 Year Plan for North Ayrshire Council Modern Apprenticeship Programme

Survey Responses: to inform the recommendations, research was conducted with various groups within North Ayrshire Council to include recruiting departments, current and former Modern Apprentices. Key highlights from the research are detailed below:

Current North Ayrshire Council Modern Apprentices – Survey Further Comments

If you were to sell the MA programme to another young person, what would you say?

It is a great learning opportunity and allows you to gain job experience
Worth it
It is a great as you work towards your qualification and get work experience at the same time
Go for it!!! You have nothing to lose and lots to gain... I love it
It is a great opportunity to meet new people and learn new skills
It is a great opportunity. You get paid to learn
That it is a great opportunity to start your career as you are getting a good qualification out of it but are also getting to work and earn money.
It is worth the time
Brilliant life experience and lot more fun and active than College or Uni
I would say it benefits young people getting work experience, so they know what to expect when they get a full-time job
It is a great way to learn new skills
That it is a well planned out course and helps you gain the confidence in the job. There are highs and lows, but you are fully supported.
An MA is a great opportunity especially for people who learn better on the job than a classroom sitting. It is great to get to be working whilst learning & having that experience when you do get a job.
I would encourage them to apply definitely as I have learned so much in such a short span of time compared to other jobs I've had in the past and I'm excited to come to work each day rather than dreading it, it is a brilliant environment, and a Modern Apprenticeship will help further your career a lot.
100% go for it as it gives u lots of experience and is a rewarding job
In a few words go for it! It is amazing and the people are amazing, you get to know and learn on the floor, and it is the most rewarding job there is.
it is not like any other job your supported and its flexible
Not like any other job get paid for fun activities
I would talk about the flexible hours that this position comes with. The different groups you get to work with and the experience you get for future jobs
Good for improving work and social skills
You get paid to learn, you get work experience, and you earn a certificate at the end.
Amazing experience
It is a great way to learn new things, gain experience and knowledge and learn about learning being in a workplace environment.
It helps gain experience
Do your best and communicate with everyone
Doing this apprenticeship has made me so much more confident. It has brought me out of my comfort zone by talking to so many different people every day and learning so many new things while being here.
so worth it, get paid for gaining a qualification at the same time, new fun experiences and brings out a better version of yourself

It is great way to get your qualification through work experience
It is a lot of fun and worth applying for
Modern Apprenticeships allow anyone over the age of 16 to work in a paid job while receiving on-the-job training to gain new and enhanced skills and recognised qualifications, it is always a great way to exercise working with young people.
It is worth it because instead of in a classroom and learning you are getting more practical experience in the childcare setting.
The MA programme is a very enjoyable way to learn and get into the working world. It provides both learning and experience which is a much more interesting way to get into these different sectors.
It is a great opportunity, and it offers you so much

Former North Ayrshire Council Modern Apprentice; Now Employees Survey Further Comments

What was the highlight of the MA experience?

Gaining real life work experience in a busy environment
Being able to use less than a years' experience to gain a full-time job within the council still with HSCP
Working in Education as Business Education Assistant helped me be successful in a permeant post at Greenwood Academy that has now helped me higher my grade to Customer Service Team at Cunninghame House
Assisting a social worker with making an induction pack for a student social worker starting in a few weeks and assisting my other colleagues with a variety of admin-related jobs
Learning every day and meeting new people along the way
Learning on the job
Learning the different council services, also enjoyed the pre-employment training as it really helped me prepare for my new job.
Gaining a full-time position
College
Getting a full-time job
Working within NAC and experiencing the job first hand. This made such a difference in my learning ability, and I felt much more capable from this than any other course
Furthering my education whilst getting vital work experience and building strong relationships with colleagues
Being part of a team
The highlight of the MA experience for me was working across teams and gaining experience in each.
Working within the nursery each day
Constantly learning new things
The children and the placement I worked at.
The relationships and bonds I built with the children and staff
Finding Out I had successfully completed my MA.
Gaining hand on experience and getting to work daily with the children.
Learning different skills

If you were selling this job to a young person, what would you say?

Best way to get into the world of work and learn if the path is right for you
You can make new friends, new experiences, a new vision of the area you live within, see what will be progressing, you find ways to help and can be part of the help. It is also very good for people who love to volunteer as there have been many opportunities to help other teams and events that HSCP put on.
That it is worth it, growing confidence, working my way up the council, new skills and treated with respect and responsibility
I would let them know what tasks and responsibilities they will be doing in the job, what qualifications they need, North Ayrshire Council's staff values and behaviours (Focus, Passion and Inspiration). I would also add where they will be working, their pay rate per hour, how many hours they will work and if it is full-time or part-time and if it is permanent or temporarily.
Take the chance and learn from the amazing people that are skilled in the job. Always remember that it is a journey not a race.
Great opportunity
Best way to learn while you earn and perfect way to get a qualification to help get further employment
Great way of learning while earning and progressing your career within chosen service.
Great job to get in to
Modern Apprenticeship in NAC is a great experience and a first foot in the door with good pay while getting a qualification.
Bereavement Services is an amazing team, with great support from other members of staff. If you are interested in this type of role, go for it. Due to the nature of the service, you very quickly begin to adapt and understand how to help best with vulnerable people, which will come in handy for any future roles, like it has with me.
It is a fantastic opportunity to earn money while you are also learning and gaining work experience that will help you to secure another post in future.
This is your step into the door of a council, and you will gain a job for life as well as gathering qualifications.
Very rewarding job
Constantly learning new things
You will not find a job as rewarding as this one.
Do it!!! Best experience of my life, and opens many doors for the future, I will never regret it.
Working in early years can be challenging but very rewarding the changes you can make on these young children's lives is incredible even just showing them that you are listening to them makes their faces light up.

NORTH AYRSHIRE COUNCIL

21 February 2023

Cabinet

Title:	Lease Acquisition – Seabed at the Ardrossan Strategic Regeneration Site
Purpose:	To seek Cabinet approval to lease 1,478m ² of seabed from Crown Estate Scotland to enable the development of the proposed revetment works at the Ardrossan Strategic Regeneration Site.
Recommendation:	That Cabinet approves the lease acquisition of the seabed from Crown Estate Scotland for a period of 99 years at a grassum rent of £38,850, exclusive of VAT.

1. Executive Summary

- 1.1 This report is seeking Cabinet approval to commence with a lease, agreed in principle, with Crown Estate Scotland in relation to 1,478m² of seabed adjacent to the proposed Ardrossan Strategic Regeneration site (see Appendix 1). The proposed lease will enable the development of a revetment works proposed as part of the wider Ardrossan Strategic Regeneration Programme.
- 1.2 The Ardrossan Strategic Regeneration Programme comprises a range of projects, including a new Ardrossan Community Campus, which are set to transform central Ardrossan. To deliver this programme, a series of enabling works are required including construction of a new revetment to protect the site from coastal flooding risk.
- 1.3 The revetment works are due to be situated, in part, on 1,478m² of seabed owned by Crown Estate Scotland.
- 1.4 Following initial negotiations with Crown Estate Scotland, it is recommended that the Council enters a commercial lease, the terms of which have been agreed in principle, of the relevant area of the seabed for a period of 99 years with a grassum (or initial) rental of £38,850 exclusive of VAT. This would be funded from existing budgets. The annual rent thereafter would be £1.00 p.a.
- 1.5 While a decision to formally progress the lease at this stage is in accordance with the updated project programme to enable opening of the Ardrossan Community Campus in August 2026, it is also recommended that Cabinet approves the Council entering into an Early Consent Agreement, should such an Agreement be required. Officers would seek to conclude the lease as efficiently as possible, however, to minimise any risk of delay in the construction of the revetment works, an Early Consent Agreement can be concluded prior to the proposed lease to allow early access to the site.

2. Background

- 2.1 The Ardrossan Strategic Regeneration Programme comprises a range of projects, including a new Ardrossan Community Campus, which are set to transform central Ardrossan and one of the largest vacant and derelict sites in Scotland which is identified as a key strategic location in the Council's recently approved Regeneration Delivery Plan. To deliver this programme, a series of enabling works are required including construction of a new revetment to protect the site from coastal flood risk.
- 2.2 The revetment works are due to be constructed, in part, on 1,478m² of seabed owned by Crown Estate Scotland (see Appendix 1). Following negotiations with the Crown Estate Scotland and their agent, Bidwells, it is proposed that the Council enters into a 99-year lease at a commercial rent to enable the construction of the revetment works. A 99-year period is proposed as it provides the Council with security over the land for a duration that reflects the lifespan of the revetment works and this timescale is also acceptable to Crown Estates Scotland.
- 2.3 Approval is sought to progress with a commercial lease for a period of 99 years at a grassum rental of £38,850 exclusive of VAT (a grassum rent is where it is discounted for the period of the agreement and paid in advance). The annual rent thereafter would be £1.00 per annum exclusive of VAT. The lease sums would be funded from existing capital budgets associated with the project.
- 2.4 Crown Estate Scotland have advised that it may take some time to complete the legalities for the lease. Consequently, to progress matters and minimise the risk of any development delays, it is proposed that, if necessary, an Early Consent Agreement is entered into. This will allow the Council to commence works on the land in accordance with the project programme and prior to completion of the lease, whilst the relevant legal procedures are completed. Any agreement for access under an Early Consent Agreement would be aligned with the lease Heads of Terms. The intention of such an agreement is to ensure that there are no delays in relation to the construction of the revetment works.

3. Proposals

- 3.1 It is recommended that the Council enters a commercial lease of the seabed for a period of 99 years with a grassum rental of £38,850 exclusive of VAT. The annual rent thereafter would be £1.00 per annum exclusive of VAT.
- 3.2 It is also recommended that Cabinet approves the Council agreeing to an Early Consent Agreement, if required. Officers would seek to conclude the lease as efficiently as possible, however, to avoid any delays in construction of the revetment works, the Early Consent Agreement would be entered into.
- 3.3 The Early Consent Agreement will permit the Council access to the land to enable works to commence in accordance with the project programme and prior to completion of the lease.

4. Implications/Socio-economic Duty

Financial

- 4.1 The proposed lease will result in the Council paying a grassum rent of £38,850 exclusive of VAT followed by an annual rent of £1.00 per annum exclusive of VAT.

The cost of the grassum rent will be met from the existing capital budget for the Ardrossan project enabling works.

Human Resources

4.2 None.

Legal

4.3 The Lease Documentation and potential Early Consent Agreement would be progressed with Legal Services.

Equality/Socio-economic

4.4 None.

Climate Change and Carbon

4.5 The proposed lease will permit the construction of the revetment works. This will enable remediation works within the wider area and support adaptation to the impacts of climate change by offering the appropriate level of flood protection to the site.

Key Priorities

4.6 The proposals support the Council Plan priorities that North Ayrshire's children and young people have the best start in life, and that North Ayrshire is well-connected with effective infrastructure

Community Wealth Building

4.7 There are no specific implications arising from this report, however the proposed lease will support the overall objectives of the Ardrossan Strategic Regeneration Programme which will contribute to the Community Wealth Building objective of making the best use of our land and assets by bringing back into economic use one of the largest vacant and derelict sites in North Ayrshire.

5. Consultation

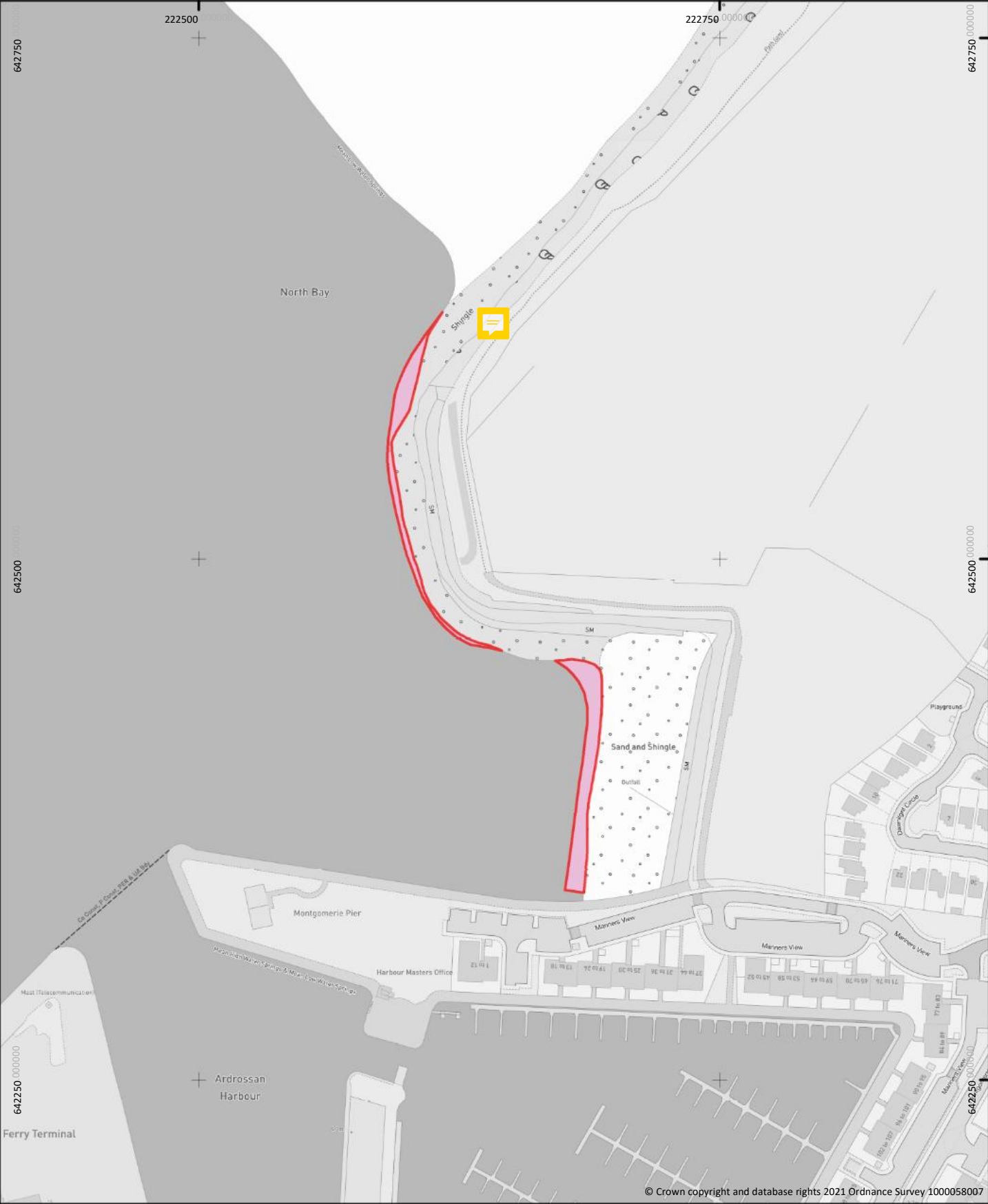
5.1 Consultations have taken place with Legal Services and a number of services within the wider Place Directorate in arriving at the recommendation contained in this report.

RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact **David Hammond, Head of Sustainability, Corporate Property & Transport** on **01294 324514**.

Background Papers

1 – Site Plan



 Revetment

FOR INFORMATION ONLY

NORTH AYRSHIRE COUNCIL

21 February 2023

Cabinet

Title:	Electric Vehicle Charging Infrastructure Investment in Ayrshire
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Purpose:	To update Cabinet on the findings from the Ayrshire Public Electric Vehicle Charging Business Case and the proposed next steps.
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Recommendation:	<p>That Cabinet:</p> <ul style="list-style-type: none">I. notes the findings from the Ayrshire Public Electric Vehicle Charging Business Case including the identification of a new concession contract as the preferred delivery mechanism for expansion of the public vehicle charging network;II. provides delegated authority to the Executive Director (Place) to develop and enter into an Inter Authority Agreement with East and South Ayrshire (represented by the Ayrshire Roads Alliance) to govern the specification, procurement, implementation and operation of the proposed concession contract; andIII. agrees to receive a further update report on completion of (ii) above, prior to the procurement of the proposed concession contract.
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1. Executive Summary

- 1.1 As part of the Council's ambition to achieve net zero carbon emissions by 2030, options for new delivery models to increase the provision of Electric Vehicle (EV) infrastructure and support the uptake of EVs have been explored. Utilising external funding, a 'pathfinder' business case, jointly undertaken with East and South Ayrshire Councils, has been prepared which provides recommendations on the scope, locations, delivery model and funding arrangements for a significant expansion of the public EV charging network in Ayrshire.
- 1.2 In tandem, a new, four-year £60 million fund for local authorities was launched by the Scottish Government, with £30 million provided by Transport Scotland to

support the roll-out of an enhanced vehicle charging network. The proposals in the Ayrshire pathfinder business case were developed to align with this fund to maximise the potential for leverage of external funding as part of our emerging plans.

- 1.3 Four commercial models have been identified as options for delivery of new electric vehicle chargers at scale and pace. The preferred mechanism is a model where the EV network would be leased via a concession contract to an experienced commercial operator.
- 1.4 In order to advance to the next stage of this project, an Inter Authority Agreement would be entered into between the three Ayrshire councils, setting out the proposed governance processes and arrangements for the specification, procurement, development, delivery, operational and monitoring stages of the project, with a further update to Cabinet prior to any procurement of the concession contract.
- 1.5 East and South Ayrshire Councils have plans to consider a similar report through their respective decision-making processes, and approval from all three authorities will be required to progress to the next stage of the project.

2. Background

- 2.1 In June 2019, North Ayrshire Council declared a climate emergency, committing to achieve net zero carbon emissions by 2030, for both Council estate emissions and area-wide emissions. As part of the route map to achieve this target, the Council's first Electric Vehicle (EV) Strategy (2021-25) was approved in May 2021, the aim of which is to increase the number of EVs being used throughout North Ayrshire by creating a robust network of EV charge points.
- 2.2 As of January 2023, the Council has installed 29 publicly accessible EV charge points throughout North Ayrshire (11 rapid and 18 destination charge points), utilising approximately £740,000 funding provided through Transport Scotland's local authority installation programme. A further 17 publicly accessible charge points are at various stages of installation across the Council area and will all be operational by March 2024. However, Transport Scotland's current full-subsidy funding model for electric vehicle charging investment is ending.
- 2.3 Scottish Futures Trust (SFT) is a multi-disciplinary centre of expertise working in collaboration with both the public and private sectors, to help plan, fund and deliver future infrastructure. Transport Scotland and SFT published a joint Electric Vehicle Charging Infrastructure Report in July 2021, which highlighted the progress made in delivering publicly available EV charging infrastructure and the challenges and opportunities associated with significantly expanding the public charging network to support the growing demand for EVs. One of the report's key findings related to identifying opportunities for greater private sector investment and involvement in EV charging infrastructure in the short to medium-term through partnership approaches with local authorities to provide a sustainable and long-term delivery proposition for a public electric vehicle infrastructure network.

- 2.4 In October 2021, SFT sought expressions of interest from local authorities to undertake a business case to explore alternative delivery models for public EV charging through private sector investment. North Ayrshire Council was successful in our application and received £50k funding towards the development of the business case. SFT were keen to understand the potential of partnership working between local authorities, therefore East and South Ayrshire Council, via the Ayrshire Roads Alliance (ARA), were invited to participate. A further £25k of funding was awarded and the business case was expanded to include consideration of EV infrastructure across the whole of Ayrshire.
- 2.5 In January 2022, Scottish Government published its draft vision for Scotland's Public Electric Vehicle Charging Network. A new, four-year £60 million fund for local authorities was launched, with £30 million provided by Transport Scotland to support private sector investment, while maintaining the benefits of an integrated, consumer focused network that actively encourages public transport and active travel choices.
- 2.6 The proposals in the Ayrshire wide business case were developed to align with the £60 million fund to maximise the potential for leveraging external funding for the anticipated proposals for expansion of our electric vehicle charging network. A further key aspect was to ensure that business case principles were underpinned by the need for a 'just transition' ensuring EV infrastructure is available in rural, remote and more deprived areas, and not limited to commercially attractive locations only.

Business Case

- 2.7 Mott MacDonald Limited were appointed to develop the business case, which was completed in December 2022. The business case sets out how North, East and South Ayrshire Councils could work together to expand the EV charging infrastructure network to meet projected EV demand over the next three to four years.
- 2.8 In consultation with key stakeholders, the objectives for the Ayrshire EV business case were developed with the following key outcomes:
- **Usable** – the public EVI network will give people access to a technologically advanced, well maintained, reliable network.
 - **Equitable** – the EVI network will work for everyone. It will adopt the 'Place Principle' and community wealth building principles to achieve better outcomes for people and communities. It will ensure that the islands and rural areas are not left behind, acting as a catalyst for local economic development.
 - **Viable** – it will be commercially viable and will attract private sector investment.
 - **Connected** – It will promote the use of public transport and active travel as people's first choice in line with the National Transport Strategy, especially as part of trip chaining.
- 2.9 The business case sets out proposals for collaborative delivery, between the three Councils and the market, by blending required public investment for EVI with

commercial EVI investment. It proposes a viable investment programme which could enable the Ayrshire local authorities to work with commercial suppliers to increase EV charge points from an existing 126 publicly funded and managed charge points, to an estimated 433 across Ayrshire. Table 1 below highlights the number of proposed and existing charge points across the three Ayrshire Council areas emerging from the study:

Table 1. Summary of Total Proposed EVCI to be Procured

	No. of proposed Residential (7kW)	No. of proposed Destination (22kW)	No. of proposed Rapid (50kW)	Total proposed charge points	Total existing & proposed charge points
North Ayrshire	39	53	12	104	150
East Ayrshire	58	31	3	92	146
South Ayrshire	69	35	7	111	137
Total	166	119	22	307	433

North Ayrshire's forecast EV infrastructure requirements, which includes both public and privately owned EVCI, is summarised below:

Table 2. North Ayrshire 2025 Forecast Requirement

	Low Scenario	Central Scenario	High Scenario
Residential (Slow)	40	78	125
Destination (Fast)	122	244	340
Rapid	34	62	87
Total EV Sockets	196	384	552

The business case proposes 150 EVCI for North Ayrshire through a mix of dual socket AC posts and 'single socket' DC and this equates to 271 sockets in total. In relation to the 2025 forecast, the Council's 271 EV sockets would make up approximately half of the total EV socket requirement in the high forecast scenario in 2025 (552 EV sockets) and the private sector (e.g. operators such as Pod Point, Instavolt, Gridserve) would be expected to provide the balance.

2.10 A desktop exercise was carried out to confirm the potential locations for the proposed EVCI – the proposed locations are detailed in Appendix 1. An EV Optimisation tool was used to analyse each local authority area based on an established methodology. The suggested sites generated were then reviewed and modified based on a range of considerations including:

- Aim for 99% of Ayrshire properties without off-street parking to be within a 10-minute drive of a charge point

- Five-minute walking catchments have been assumed to residential chargers where off-street parking is limited to help deliver the 'equitable' and 'usable' objectives. However, for rural locations, local provision will be dependent given the need to meet the 'viable' objective
- Scottish Index of Multiple Deprivation (SIMD) – ensure Transport Scotland's EVCI vision is met through the Just Transition and ensure EVCI are available in a range of demographic areas
- Existing petrol stations – where the private sector may develop existing petrol stations into future rapid charging sites
- Existing supermarkets and retail parks – where destination and rapid charging could be provided by the private sector
- Trunk roads – proximity to well-trafficked routes through the region, where the private sector is likely to develop rapid charging hubs
- Placemaking criteria – use the placement of EVCI to promote high streets and town centres, such as within public car parks
- Public Transport and Active Travel – proximity to public transport and active travel infrastructure

Recommendations for EVCI locations within each local authority mostly focus on providing destination charging at car parks owned by the councils at schools, leisure centres or near high streets. Rapid charging has only been recommended where market failure could exist in more rural locations.

The proposed list of site locations at Appendix 1 will require further investigative work and detailed site surveys will be undertaken and the list of locations will be robustly reviewed to ensure suitability. Public consultation will also be carried out to inform the public of the plans to introduce more EVCI in Ayrshire and the locations will be finalised thereafter.

2.11 The estimated capital investment required to deliver the above network is summarised below:

Table 3. Summary of Total Proposed EVCI Capital Costs (excluding ongoing transaction and maintenance costs)

	Total Proposed EVCI Estimated Cost	Estimated Grid Connection Costs	Estimated Total Capital Cost
North Ayrshire	£1,356,800	£532,800	£1,889,600
East Ayrshire	£905,600	£170,800	£1,076,400
South Ayrshire	£1,225,600	£355,800	£1,581,400
Total	£3,488,000	£1,059,400	£4,547,400

These cost estimates are based on £8,580 for 7kW AC chargers, £8,910 for 22kW AC chargers and £46,760 for 50kW DC chargers. Grid connection cost estimates are variable depending on the proposed EVCI location and the associated power output.

2.12 The full programme costs are approximately £5.4million, which includes the capital costs above alongside other items such as maintenance and transaction costs. It is proposed that this would be met through private sector investment, grant funding from the Scottish Government and through operational cashflow (the income generated from the Council's existing portfolio of charge points and newly installed EVCI). By maximising private sector investment, whilst ensuring a viable rate of return for an operator, the grant requirement is optimised to approximately £3.2 million. This would then inform an application to Transport Scotland's national £60 million fund. Transport Scotland has been kept apprised of our pathfinder work and is anticipated to welcome an application for the 100% grant funding requirement. The breakdown of funding requirement is presented in the table below:

Table 4. Funding Sources

Funding Source	Value £, based on 2022 prices
Capital funding (grant requirement)	£3,200,000
Private Investment	£2,000,000
Operational cashflow available for funding	£200,000
Total Upfront Investment Requirement	£5,400,000

2.13 It should also be noted that the proposed concession contract includes passing the operation and maintenance of the Council's existing EVCI to the new commercial private partner. As a result, the Council would forego the current EV tariff income from our existing portfolio of EVCI (approx. £50,000 per annum). In return, the Council will no longer be responsible for the operation and maintenance cost for the EVCI. Therefore, the cost for electricity bills, repairs, maintenance contracts and most importantly the capital cost for the replacement of the Council's existing aging EVCI assets would be passed to the commercial private partner.

2.14 There are a number of variables that can affect the cost of EVCI installation including civil works, grid connection and wider grid upgrades, therefore the above capital costs are estimated at this time and would be subject to a full procurement exercise.

Operating Model

2.15 As noted above, there is a strong case for continued local authority intervention in the UK EVCI market. This is driven primarily by local authority targets to achieve Net Zero by 2045 (for Scotland), with the transition away from internal combustion engine vehicles to electric vehicles being a key component of the strategy to deliver this. However, surveys also show that the current lack of charging infrastructure is the main barrier to consumer adoption of EVs, with 43% of respondents citing this as their primary deterrent in a recent Scottish study. At the

same time, the combination of potentially high initial investment costs and uncertain user demand present barriers to fully private sector led expansion of the EV infrastructure network. There is a role for public sector intervention to address market failure and stimulate the required expansion of EV charging infrastructure.

2.16 The business case identified four potential commercial models to consider for the delivery of an expanded network, ranging from fully private-sector-led, fully public-sector-led, and two public-private partnership hybrids. These are summarised below:

Table 5. Commercial model options

	A – Privately owned and operated	B – Privately operated only	C – Privately operated with risk share	D – Public sector owned and operated
Approach	Private sector ownership and operation of network	Public sector ownership with private sector operation	Public sector ownership with private sector shared-risk/revenue operation	Public sector ownership and operation of network
Existing and new EVCI asset ownership	Private	Public (concession model)	Public (concession model)	Public
Loss making assets	Bundled with profit-making assets	Bundled with profit-making assets	Bundled with profit-making assets	Public
Operator	Private	Private	Private	Public
Risk to LA	No	No	Yes	Yes
Revenue stream to LA	No	No	Yes	Yes
Tariff setting	Private	Private / Public	Private / Public	Public

- **Model A** assumes that the private sector would own and operate all existing and new assets, giving them greatest control over tariff setting and charger locations.
- **Model B** assumes that the public sector would ultimately own all existing and new assets, but that the network would be leased via a concession model to a private sector operator who receives all revenue but assumes all asset and operating risk.
- **Model C** is the same as Model B, except that the public sector also enters into a risk and revenue sharing agreement with the operator (as part of the terms of the concession), receiving a level of income for assuming a level of operating risk.
- **Model D** assumes that the public sector would own and operate all existing and new assets, giving them full control over tariff setting and charger locations.

2.17 The models were qualitatively assessed with weighted scoring in relation to affordability, social outcomes, risk allocation, contestability, procurement, resources and revenue. Although any of the models could potentially be viable, Model B scored the highest and is the recommended option. In selecting Model B, all capital investment requirements (besides the element which would be grant funded), future revenues, management, maintenance, repairs running costs and the main capital and revenue risks would all be the responsibility of the commercial sector for the duration of the contract, and therefore there is no further financial burden on the Council. In addition, the ability to leverage in private sector funding is expected to improve the prospect of a successful grant funding application to Transport Scotland. Appendix 2 provides further detail on assessment scoring of the four different models.

2.18 The concession contract is expected to be for a duration of 20 years. In years 11,12,13, the EVCI assets will undergo a replacement programme which the operator will be responsible for financing and implementing. Once the concession contract ends, it is expected that we would procure for another concession contract and within that there will be a requirement to replace the existing EVCI and the end of the useful life.

Tariffs

2.19 In December 2021, the Council introduced a tariff for the use of EV charge points in North Ayrshire, in line with recommendations from the Electric Vehicle Association (EVA) Scotland and Charge Place Scotland. The current tariffs are as follows:

- £0.19 per kWh for Destination charge points (7kW and 22kW)
- £0.30 per kWh for Rapid charge points (50kW)

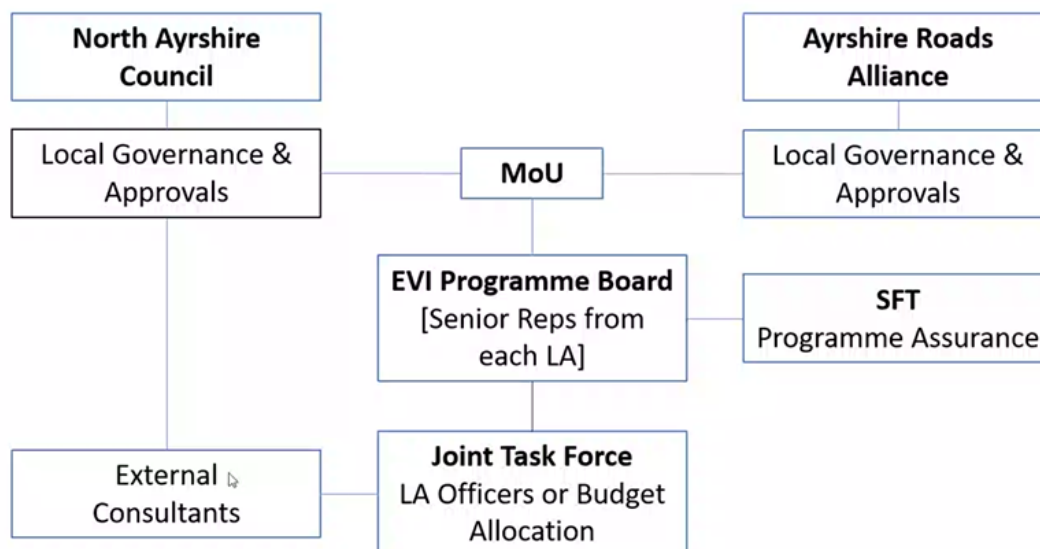
The Council's tariff equates to 5.4p per mile for Destination charge points and 8.6p per mile for Rapid charge points. There is currently no tariff set for EV charge points in East and South Ayrshire Council, however a tariff is being developed and is expected to be introduced during 2023.

2.20 The business case recommends a new tariff be implemented across the three Council areas for price synergies and consistency within the region. The updated tariff would be determined at procurement stage, informed by the need to set a rate which continues to enable and incentivise EV uptake, but which reflects the costs of electricity used and a share of the wider operating costs of the network.

Governance

2.21 Figure 1 below provides a representation of the governance proposed for the next stages of this project.

Figure 1. Proposed Procurement and Development Organogram



2.22 SFT has commissioned legal advisors Burness Paull to prepare an Inter Authority Agreement template, as a pro forma that can be used by other organisations seeking mutual delivery of EVI Pathfinder projects. This would set out the proposed governance process for the specification, procurement, development, delivery, operational and monitoring stages of the project. The draft Inter-Authority Agreement and associated Memorandum of Understanding has been reviewed by Legal Services, who would continue to provide advice as discussions progress further with Ayrshire Roads Alliance in finalising the details of the document.

2.23 The next steps for the overall EVI programme would be as follows, with timescales estimated at this stage:

Next Steps	Timescale
Approval of the Ayrshire Public Electric Vehicle Charging Business Case within each of the three Ayrshire Councils	February 2023
The three Ayrshire Councils enter an Inter Authority Agreement to progress with the EVI programme	Q2 2023
Submit the business case proposal to Transport Scotland and apply for funding of £3,200,000 for project delivery	Q2-3 2023
Public consultation, where required, for key sites	Q3-4 2023
Final feasibility work on site infrastructure (including grid connection) and capital works requirements for the selected locations	Q4 2023

Development of tender documentation to procure a commercial private partner. Transport Scotland has already allocated funding for Council staff and consultancy time to cover this stage. Thereafter, overseeing contract awards and monitoring contractual delivery will be required. This will include ensuring commercial partners deliver to time and budget, dealing with problems and issues, and reporting on progress (including quarterly progress updates to SFT and Transport Scotland).	Q3-4 2023
Commercial private partners in place and commencement of capital works for new EVI and the replacement of existing assets (capital installations is expected to be a three year programme)	Q2-3 2024

2.24 East and South Ayrshire Councils have plans to consider a similar report through their respective decision-making processes, and approval from all three authorities will be required to progress to the next stage of the project. Subject to this tripartite agreement, it is recommended that one of the Ayrshire authorities act as the lead authority for the next phase of the programme. It is proposed that East Ayrshire Council undertake this role, given their current role in undertaking procurement activity for multiple authorities via the Ayrshire Roads Alliance.

2.25 The business case proposes a completely new operating model for the delivery of a public EVCI network, in the context of a dynamic, fast-moving sector reflecting a range of variables including battery range, charging type and speed, and continued innovation in charging provision. The business case, at this stage, is designed to establish the key principles to significantly expand our public EVCI network in a financially sustainable way which will be further developed and finalised through the proposed Inter Authority Agreement. A further update would be brought to Cabinet prior to commencing procurement of the concession operator.

3. Proposals

It is proposed that Cabinet: (i) notes the findings from the Ayrshire Public Electric Vehicle Charging Business Case and identification of a new concession contract as the preferred delivery mechanism for expansion of the public vehicle charging network; (ii) provides delegated authority to the Executive Director (Place) to develop and enter into an Inter Authority Agreement with East and South Ayrshire (represented by the Ayrshire Roads Alliance) to govern the specification, procurement, implementation and operation of the proposed concession contract; and (iii) agrees to receive a further update report on completion of (ii) above, prior to the procurement of the proposed concession contract.

4. Implications/Socio-economic Duty

Financial

- 4.1 The Council is investing significantly in the journey to net zero, taking action on climate change and addressing the Climate Emergency. A total of £9.7 million has been allocated from the Council's Investment Fund to support our climate change aspirations to deliver two solar pv farm projects. In addition, £1.69 million of Investment Fund has also been assigned to progress a range of low carbon projects. The Ayrshire Public Electric Vehicle Charging Business Case is a precursor to accessing external funding. The total capital costs required for funding are approximately £5,400,000. This will be met through private sector investment, grant funding from the Scottish Government and through operational cashflow. By maximising private sector investment, whilst ensuring an attractive rate of return, the grant requirement is optimised to approximately £3,200,000.

Human Resources

- 4.2 The administrative resources required for delivery of the project will be met from existing resources. The capital costs for the project would be met from a mixture of external funding and commercial investment as noted within the report at paragraph 2.12.

Legal

- 4.3 Officers would engage with internal and external legal advisors for the next stage of this EV Infrastructure project.

Equality/Socio-economic

- 4.4 By utilising capital investments to support a green economic recovery, the Council is tackling climate change, whilst supporting fair green jobs, addressing inequality and creating a fairer economy. It is essential that our green economic recovery continues to play a key part of our collective net zero aspirations. The recommendations provide an opportunity to develop an approach for decarbonisation and to achieve net zero emissions targets in a way which builds upon the principles of Community Wealth Building, focussing on using our land and assets and supporting local and sustainable supply chains.

Climate Change and Carbon

- 4.5 The proposal aims to:
- make a positive contribution to national carbon reduction targets
 - contribute to the Council's commitment to be carbon neutral by 2030
 - contribute to the delivery of the EV Strategy 2021-2025 and the development of a network of strategically located EV charge points across North Ayrshire

The proposals would also contribute to the delivery of the North Ayrshire Environmental Sustainability & Climate Change Strategy (ESCCS) Transport and Travel workstream.

Key Priorities

4.6 The proposals contained within the report support the North Ayrshire Council Plan priorities:

- Active and strong communities
- Inclusive, growing and enterprising local economy
- A sustainable environment; and
- People enjoy good life-long health and wellbeing

Community Wealth Building

4.7 The EV Infrastructure programme helps to deliver the wider need for a 'just transition': a people-focused network; accelerating commercial investment; coordinating with the electricity network; and integration with Scotland's sustainable transport system. The vision of this programme is to provide a usable network, accessible for all and through the 'Place Principle' which is based on the needs of communities, ensuring they are in the right places to provide benefits. A 'Community Wealth Building' approach is adopted to act as a catalyst for local economic development (particularly tourism), whilst also ensuring that rural and island communities are not left behind.

5. Consultation

5.1 Consultation and stakeholder engagement for this business case has taken place through engagement with targeted stakeholders, public/business surveys, and a webinar for non-domestic tenants and local community groups. The resident and business surveys which were open from 31st March 2022 to 2nd May 2022, provided essential insights that enabled the demand modelling in the Economic Case to be tailored to Ayrshire. In total, there were 70 responses from the businesses survey and 450 responses from the residents' survey.

RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact **David Hammond, Head of Sustainability, Corporate Property & Transport**, on 01294 324514.

Background Papers

N/A

Appendix 1 - Potential locations for North Ayrshire Proposed EVCI

Table 1. List of Proposed Destination Charger (7kW to 22kW) Sites

Ref.	Site	Post Code	X Coordinate	Y Coordinate	Location	EVCP	Max kW Output	Primary Substation	Comment
D1	Afton Road Car Park, Stevenston	KA20 3EY	226690	641901	Car Park	1	22.0	Stevenston	Assumed average 22kW. Moved from Schoolwell St car park at NAC request.
D2	Ardeer Youth and Community Centre, Stevenston	KA20 3NB	226903	641227	Off-Street	2	7.0	Stevenston	Assumed average 7kW. Reduced from 22kW at NAC request.
D3	Auchenharvie Academy, Stevenston	KA20 3JW	225873	641727	Off-Street	2	7.0	Stevenston	Assumed average 7kW. Reduced from 22kW at NAC request.
D4	Auchenharvie Leisure Centre, Stevenston	KA20 3JR	225627	641672	Off-Street	2	7.0	Stevenston	Assumed average 7kW. Reduced from 22kW at NAC request.
D5	Beith Community Centre	KA15 2BQ	234794	654187	Off-Street	1	22.0	Kilbirnie	Assumed average 22kW
D8	Blackwaterfoot Car Park, Blackwaterfoot	KA27 8ET	189584	628142	Car Park	1	22.0	Hunterston	Assumed average 22kW.
D9	Bradshaw Street Car Park, Saltcoats	KA21 5HR	224788	641215	Car Park	1	7.0	Saltcoats main	Assumed average 7kW
D10	Caledonia Car Park, Irvine	KA12 0AA	232265	639129	Car Park	3	7.0	Dalrymple Drive	Assumed average 7kW. Reduced from 22kW at NAC request.
D11	Castlepark Community Centre, Irvine	KA12 9LQ	232220	640573	Off-Street	2	7.0	Ravenspark	Assumed average 7kW. Reduced from 22kW at NAC request.
D12	Civic Centre, Ardrossan	KA22 8HJ	223129	642413	Car Park	1	7.0	Saltcoats Main	Assumed average 7kW. Changed from Glasgow St.
D14	Dalry Primary School/Community Sports Hub	KA24 5DR	228904	649386	Off-Street	2	7.0	Kilbirnie	Assumed average 7kW.
D15	Eglinton Park, Irvine	KA12 8TA	231924	641862	Off-Street	2	7.0	Irvine	Assumed average 7kW. Moved from St Mark's/Annick Primary at NAC request. Reduced from 22kW at NAC request.
D16	Garnock Community Campus, Garnock	KA14 3BJ	232476	652767	Off-Street	1	22.0	Kilbirnie	Assumed average 22kW. Complement existing charger
D18	Garrison House, Millport	KA28 0DJ	216446	655034	Off-Street	1	22.0	Hunterston	Assumed average 22kW.
D19	Gateside Street Car Park, Largs	KA30 9LG	220409	659411	Car Park	1	7.0	Largs	Assumed average 7kW. Moved from Main St
D20	Girdle Toll, Irvine	KA11 1AQ	233943	640268	Off-Street	1	22.0	Riverside	Assumed average 22kW utilisation.
D21	Glen Road, West Kilbride	KA23 9BL	220540	648288	On-Street	1	22.0	Hunterston	Assumed average 22kW.
D22	Invercloy Car Park, Brodick, Isle of Arran	KA27 8BD	201496	636066	Car Park	1	22.0	Saltcoats Main	Assumed average 7kW. Reduced from 22kW at NAC request. Moved from Shore Road.
D23	Kilmeny Terrace Car Park, Saltcoats	KA22 8DX	223582	642136	Car Park	1	7.0	Saltcoats Main	Assumed average 7kW. Changed from South Crescent Road.
D24	Largs Campus, Largs	KA30 9EU	221260	659995	Off-Street	1	22.0	Largs	Assumed average 22kW. Complement existing charger
D25	Main Road Fairlie Car Park, Fairlie	KA29 0AB	221013	655410	Car Park	1	7.0	Fairlie	Assumed average 7kW. Moved from Jetty Road.
D26	Main Street Car Park, Dreghorn	KA11 4AH	235244	638219	Car Park	1	22.0	Riverside	Assumed average 22kW.
D28	New St Car Park, Dalry	KA24 5AF	229395	649356	Car Park	1	7.0	Kilbirnie	Assumed average 7kW
D29	Newton Street Car Park, Kilbirnie	KA25 6HN	231530	654381	Car Park	1	7.0	Kilbirnie	Assumed average 7kW
D30	Portencross Car Park	KA23 9QA	217661	648796	Car Park	1	22.0	Hunterston	Assumed average 22kW.
D32	Roslin House, Stevenston	KA20 3JL	226270	641923	Off-Street	1	22.0	Stevenston	Assumed average 22kW. Moved from Lockhart ASN Campus at NAC request.
D33	Seafront Car Park, Largs	KA30 8LZ	220198	659574	Car Park	2	7.0	Largs	Assumed average 7kW. Reduced from 22kW at NAC request.
D36	Silverburn Road Car Park, Whitling Bay	KA28 8PS	204544	626213	Car Park	1	22.0	Hunterston	Assumed average 22kW.
D37	Skelmorlie Community Centre	PA17 5AH	219537	668047	Off-Street	2	7.0	Finnock Bog	Assumed average 7kW. Complement existing charger. Reduced from 22kW at NAC request.
D38	Smith Street Car Park, Dalry	KA24 5BZ	229291	649450	Car Park	2	22.0	Kilbirnie	Assumed average 22kW.
D39	Springside Community Centre	KA11 3BG	236989	638788	Off-Street	1	22.0	Riverside	Assumed average 22kW.

Ref.	Site	Post Code	X Coordinate	Y Coordinate	Location	EVCP	Max kW Output	Primary Substation	Comment
D41	Strand, Beith	KA15 1DT	234831	653882	On-Street	1	22.0	Kilbirnie	Assumed average 22kW
D42	The Portal, Irvine	KA12 0BT	232319	638980	Car Park	2	7.0	Dalrymple Drive	Assumed average 7kW. Reduced from 22kW at NAC request.
D43	Viking Centre, Largs	KA30 8QL	220227	660048	Car Park	2	7.0	Largs	Assumed average 7kW. Complement existing charger. Reduced from 22kW at NAC request.
D44	Volunteer Hall Car Park, Irvine	KA12 0DA	232282	638770	Car Park	2	7.0	Dalrymple Drive	Assumed average 7kW. Reduced from 22kW at NAC request.
D45	West Kilbride Community Centre, West Kilbride	KA23 9EH	220304	648379	Off-Street	1	22.0	Hunterston	Assumed average 22kW. Moved from Main St Car Park
D46	Woodlands Primary, Irvine	KA12 0PU	232706	639415	On-Street	2	7.0	Dalrymple Drive	Assumed average 7kW utilisation. Proposed outside school in parking bays for versatility across the day. Reduced from 22kW at NAC request.
D47	Woodwynd Car Park, Kilwinning	KA13 6AE	230392	643392	Car Park	1	22.0	Byrehill	Assumed average 22kW. Complement existing charger

Source: Mott MacDonald

Table 2. List of Proposed Rapid Charger (50kW) Sites

Ref.	Site	Post Code	X Coordinate	Y Coordinate	Location	EVCP	Max kW Output	Primary Substation	Comment
D6	Bellman's Close Car Park, Beith	KA15 2AX	234904	654081	Car Park	2	50.0	Kilbirnie	Assumed average 50kW. Provides rapid charging in area with limited options close to A737
D7	Blackwaterfoot Car Park, Blackwaterfoot	KA27 8ET	189584	628142	Car Park	1	50.0	Hunterston	Assumed average 50kW. No rapid chargers in West of island. Suggest prioritise rapid over destination
D13	Cumbrae Ferry Terminal	KA28 0HQ	218329	658621	Off-Street	1	50.0	Hunterston	Assumed average 50kW. Provides rapid charging for vehicles waiting on the ferry.
D17	Garnock Community Campus, Garnock	KA14 3BJ	232476	652767	Off-Street	1	50.0	Kilbirnie	Assumed average 50kW. Complement existing charger and provides rapid charging in area with limited options
D27	Main Street Car Park, Dreghorn	KA11 4AH	235244	638219	Car Park	1	50.0	Riverside	Assumed average 50kW. Provides rapid charging in area with limited options close to B7081
D31	Princes Street, Ardrossan	KA22 8GA	222900	642108	On-Street	2	50.0	Saltcoats Main	Assumed average 50kW. Provides rapid charging for vehicles in town centre near ferry
D34	Seafront Car Park, Largs	KA30 8LZ	220198	659574	Car Park	2	50.0	Largs	Assumed average 50kW
D35	Ship House Car Park, Lamlash	KA27 8LT	202642	631042	Car Park	1	50.0	Saltcoats Main	Assumed average 50kW.
D40	Springside Primary School, Station Road	KA11 3AZ	236775	638748	Off-Street	1	50.0	Riverside	Assumed average 50kW. Provides rapid charging in area with limited options close to B7081

Source: Mott MacDonald

Table 3. List of Proposed Residential Charger (<7kW) Sites

Ref.	Site	Post Code	X Coordinate	Y Coordinate	Location	EVCP	Max kW Output	Primary Substation	Comment
R1	Anderson Drive, Saltcoats	KA21 6AS	225015	642464	On-street	2	7.0	Saltcoats Main	Assumed average 7kW
R2	Argyle Road, Saltcoats	KA21 5AF	224284	641994	On-street	2	7.0	Saltcoats Main	Assumed average 7kW
R3	Baird Avenue, Kilwinning	KA13 7AP	230244	643970	On-Street	2	7.0	New Cumnock	Assumed average 7kW
R4	Bensley Avenue, Irvine	KA11 1AH	233991	640216	Car Park	2	7.0	Dalrymple Drive	Assumed average 7kW
R5	Blacklands Avenue, Kilwinning	KA13 6HU	230254	642711	Car Park	2	7.0	Byrehill	Assumed average 7kW
R6	Braehead, Girdle Toll, , Irvine	KA11 1BE	233688	640462	Car park	2	7.0	Dalrymple Drive	Assumed average 7kW
R7	Brisbane Rd, Largs	KA30 8NW	220494	659962	On-Street	2	7.0	Largs	Assumed average 7kW
R8	Broomfield Place, Largs	KA30 8LA	220374	658766	On-street	2	7.0	Largs	Assumed average 7kW
R9	Broomlands Drive, Irvine	KA12 0DT	232488	638677	On-street	2	7.0	Dalrymple Drive	Assumed average 7kW
R10	Burns Avenue, Saltcoats	KA21 6HD	225013	642983	On-Street	2	7.0	Saltcoats Main	Assumed average 7kW
R11	Carment Drive, Stevenston	KA20 3LD	227021	641210	On-street	2	7.0	Stevenston	Assumed average 7kW
R12	Claremont Crescent, Kilwinning	KA13 7HF	229889	643467	On-Street	2	7.0	Byrehill	Assumed average 7kW

Ref.	Site	Post Code	X Coordinate	Y Coordinate	Location	EVCP	Max kW Output	Primary Substation	Comment
R13	Corserine Bank, Irvine	KA11 1LH	234001	639459	Car Park	2	7.0	Dalrymple Drive	Assumed average 7kW
R14	Dickson Drive, Irvine	KA12 9AH	232254	640450	On-Street	2	7.0	Ravenspark	Assumed average 7kW
R15	Dundonald Road, Irvine	KA11 4DB	235282	638120	Car park	2	7.0	Riverside	Assumed average 7kW
R16	Garelet Place, Irvine	KA11 1EX	234742	638956	Car Park	2	7.0	Riverside	Assumed average 7kW
R17	Garnock St, Dalry	KA24 4AW	229225	649001	On-Street	2	7.0	Kilbirnie	Assumed average 7kW
R18	Gladstone Road, Saltcoats	KA21 5LF	225018	641641	On-Street	2	7.0	Saltcoats Main	Assumed average 7kW. Changed from Windmill Wynd
R19	Glasgow Street, Isle of Cumbrae	KA28 0DP	216750	655014	On-street	2	7.0	Hunterston	Assumed average 7kW
R20	Glenapp Place, Kilwinning	KA13 6TQ	229504	642704	On-Street	2	7.0	Byrehill	Assumed average 7kW
R21	Haco Street, Largs	KA30 9BG	220765	659907	On-Street	2	7.0	Largs	Assumed average 7kW. Moved from Greenock Road
R22	Harbour Street, Irvine	KA12 8PZ	231310	638384	Car Park	2	7.0	Irvine	Assumed average 7kW
R23	Heatherstane Way, Irvine	KA11 1DU	235314	638925	Car Park	2	7.0	Riverside	Assumed average 7kW
R24	Holehouse Road, Largs	KA30 9JH	221003	659714	On-Street	2	7.0	Largs	Assumed average 7kW
R25	Ladeside Court, Kilbirnie	KA25 6BG	231157	653999	On-Street	2	7.0	Kilbirnie	Assumed average 7kW. Moved from Holmhead.
R26	Lanfine Way, Irvine	KA11 1BT	234004	640710	Car Park	2	7.0	Dalrymple Drive	Assumed average 7kW
R27	Lewis Wynd, Irvine	KA11 1HL	234020	638946	Car park	2	7.0	Dalrymple Drive	Assumed average 7kW
R28	Lismore Drive, Irvine	KA11 4JF	235002	637756	Car Park	2	7.0	Riverside	Assumed average 7kW
R29	Manuel Terrace, Irvine	KA11 4BY	235247	637877	On-Street	2	7.0	Riverside	Assumed average 7kW
R30	Milldown Place, Irvine	KA11 1EF	235256	638705	Car park	2	7.0	Riverside	Assumed average 7kW
R31	Montgomerie Street, Ardrossan	KA22 8HP	222996	642461	On-street	2	7.0	Saltcoats Main	Assumed average 7kW
R32	Morar Place, Irvine	KA12 9PU	232238	640971	Car Park	2	7.0	Ravenspark	Assumed average 7kW
R33	Muirside Road, Saltcoats	KA13 6NA	229165	642829	On-Street	2	7.0	Byrehill	Assumed average 7kW
R34	Newfield Place, Irvine	KA11 1NS	234524	640225	Car Park	2	7.0	Dalrymple Drive	Assumed average 7kW
R35	Princes Street, Ardrossan	KA22 8DQ	223012	641957	On-street	2	7.0	Saltcoats Main	Assumed average 7kW
R36	Redburn Place, Irvine	KA12 9BQ	231734	640461	Car Park	2	7.0	Ravenspark	Assumed average 7kW
R37	Stanley Road, Adrossan	KA22 7DL	223743	643428	On-Street	2	7.0	Saltcoats Main	Assumed average 7kW
R38	Sundrum Place, Kilwinning	KA13 6SP	229649	642917	Car Park	2	7.0	Byrehill	Assumed average 7kW
R39	Victoria Road, Saltcoats	KA21 5LG	224993	641712	On-street	2	7.0	Saltcoats Main	Assumed average 7kW

Source: Mott MacDonald

Appendix 2 – Commercial Model Assessment

The four commercial models were assessed by scoring them against the objectives of affordability, social outcomes, risk allocation, contestability, procurement, resources and revenue.

Assessment Parameters

For all objectives, each model has been qualitatively scored on a scale of 0 to 3. The following table provides examples of what, in each case, constitutes a low score and a high score, and also suggests a weighting against each objective from 1 to 3.

Objective	Low score example	High score example	Suggested weighting
Affordability	Models which maximise capital investment burden to local authority, e.g., model D	Models which minimise capital investment burden to local authority, e.g., model A	3
Social outcomes	Models which release chargepoint location and pricing control to private sector, e.g., model A	Models which retain chargepoint location and pricing control with public sector, e.g., model D	3
Risk allocation	Models which assign high-resource / high-reward risks to public sector, e.g., model D	Models which assign high-resource / high-reward risks to private sector, e.g. model A	3
Contestability	Models which grant long-term full infrastructure ownership to either sector, e.g., models A or D	Models which limit competition enhancing assets to private sector, e.g., model B	2
Procurement	Models with greatest level of public-private partnership, e.g., model C	Models with least level of public-private partnership, e.g., models A or D	1
Resources	Models requiring greatest local authority back-office resource commitment, e.g., model D	Models requiring least local authority back-office resource commitment, e.g., model A	1
Revenue	Models least likely to return a long-term profit to the local authority, e.g., model A	Models most likely to return a long-term profit to the local authority, e.g., model D	1

Source: Mott MacDonald

The suggested weighting values reflect the following local authority priorities:

- Affordability, social outcomes and risk allocation are given the highest weightings because the model:
 - Must be affordable to the Council
 - Must meet the Councils' vision of providing a fair and equitable network, and
 - Should not expose the Council to unmitigated risk.
- Contestability, procurement, resources and revenue are given lower weightings as, though these are important objectives, they are of a lower priority.

Assessment Scoring

Based on the above scoring parameters, the following table presents a high-level scoring assessment of the four commercial models against the objectives.

Table 1. Commercial model scoring – weighted results

Objective	A – Privately owned and operated	B – Privately operated only	C – Privately operated with risk share	D – Public sector owned and operated
Affordability	3	2	2	1
Social outcomes	1	3	3	3
Risk allocation	3	3	2	1
Contestability	1	3	3	2
Procurement	2	2	1	3
Resources	3	3	2	1
Revenue	1	1	2	3
Weighted avg score	2.07	2.57	2.29	1.86
Normalised score	0.81	1.00	0.89	0.72

Source: Mott MacDonald

The following observations can be drawn from these assessment results:

- Model D scores lowest, for though it would give the local authority maximum control over the implementation and operation of EVCI network and would potentially maximise revenue, it would also fully expose the authority to the significant commercial uncertainties of this emerging market, while requiring a level of capital investment and back-office resource commitment that many authorities are not best placed to generate and sustain.
- Model A scores second lowest. The fully market led approach is better placed to effectively handle market uncertainties and while shielding the local authority from commercial risk, but the downside is that it is also less likely to deliver a socially equitable network (as loss making locations would be unlikely to proceed) and while the considerable up-front investment could also prove commercially unviable to the private sector. Private ownership of the underground connections would also potentially reduce the long-term contestability and adaptability of the network.
- The two hybrid models provide an opportunity to combine the respective strengths of models A and D, with the combination provided by model B – ‘privately operated only’ – resulting in the highest score. This model retains local authority ownership of all assets with no exposure to capital risks, which are covered by a combination of private sector concessionaire investment and grant subsidy. This gives the public sector control over chargepoint specifications, locations and, to some degree, tariffs, while allowing the private sector to handle all commercial risks in return for collecting all revenue. Model C is similar but with revenue share to the local authority, but this is in exchange for exposure to financial downside risks which could potentially outweigh revenue gains if realised (and which local authorities may be less well placed to manage than EV charging organisations who have greater capability to forecast future demand). This model therefore scores lower than Model B.

Overall, based on this assessment, Model B is recommended for further consideration as the preferred commercial model to support local authority intervention into the EVCI market for the three Ayrshire Councils, working together.

For reference, the unweighted assessment results in the same ranking of models.

