



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Cabinet

A meeting of the **Cabinet** of North Ayrshire Council will be held remotely on **Tuesday, 23 February 2021** at **14:30** to consider the undernoted business.

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 the meeting of the Cabinet held on 26 January 2021 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).

PRESENTATION

3 North Ayrshire Leisure Limited (NALL) Recovery and Renewal Plan, Incorporating Potential 2021-22 Budget Scenarios

Submit a report by the Executive Director (Communities) on the proposed recovery and renewal plan for North Ayrshire Leisure Limited (NALL) (copy enclosed).

GENERAL BUSINESS FOR DECISION

Reports by the Chief Executive

4 Strategic Risk Register 2021/22

Submit a report by the Head of Service (Recovery and Renewal) on Strategic Risk Register for 2021/22 (copy enclosed).

Reports by the Executive Director (Place)

- 5 Local Authority Discretionary Business Support Fund**
Submit a report by the Executive Director (Place) on a new COVID 19 Local Authority Discretionary Fund for local businesses (copy enclosed).
- 6 Green Jobs Fund**
Submit a report by the Executive Director (Place) on a new Green Jobs Fund which will support North Ayrshire's Economic Recovery and Renewal Approach (copy enclosed).
- 7 Demolition Order – 2 Montgomerie Road, Saltcoats**
Submit a report by the Executive Director (Place) on progress with the demolition of a residential property in Saltcoats confirmed as being below the Tolerable Standard with no contactable owner (copy enclosed).

Reports by the Executive Director (Communities and Education)

- 8 Proposals for Community Investment Fund (CIF) Expenditure**
Submit a report by the Director (Growth and Investment) on an approach to secure appropriate economic development at Hunterston and the strategic importance of the area (copy enclosed).

Reports by the Director (Growth and Investment)

- 9 Hunterston Strategic Development Area**
Submit a report by the Director (Growth and Investment) on an approach to secure appropriate economic development at Hunterston and the strategic importance of the area (copy enclosed).

Reports by the Director (Health and Social Care Partnership)

- 10 HSCP Budget Monitoring Report**
Submit a report by the Director (HSCP) on the projected financial outturn for the financial year (copy enclosed).

Urgent Items

Any other items which the Chair considers to be urgent.

Cabinet Sederunt

Joe Cullinane (Chair)
John Bell (Vice-Chair)
Robert Foster
Alex Gallagher
Louise McPhater
Jim Montgomerie

Chair:

Apologies:

Attending:

At a meeting of the Cabinet of North Ayrshire Council at 2.30 p.m. involving participation by remote electronic means.

Present

Joe Cullinane, John Bell, Robert Foster, Alex Gallagher, Louise McPhater and Jim Montgomerie.

In Attendance

C. Hatton (Chief Executive), M. Boyd, Head of Service (Finance) and D. Forbes, Senior Manager (Financial Management) (Chief Executives); R. McCutcheon, Executive Director, Y. Baulk, Head of Service (Physical Environment), D. Hammond, Head of Service (Commercial), C. McAuley, Head of Service (Economic Development and Regeneration), J. Cameron, Senior Manager (Housing Strategy and Development) and A. Piatek-Bednarek, Senior Manager (Energy & Sustainability) (Place); A. Sutton, Executive Director and R. Arthur, Head of Service (Connected Communities) (Communities); C. Cameron, Director (HSCP); A. Fraser, Head of Service, A. Beveridge, Communications Officer, E. Gray and H. Clancy, Committee Services Officers (Democratic Services).

Chair

Joe Cullinane in the Chair.

1. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 10 and Section 5 of the Code of Conduct for Councillors.

2. Minutes

The accuracy of the Minutes of the meeting of the Cabinet held on 8 December 2020 and the special meeting on 22 December was confirmed and the minutes authorised to be signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Revenue Budget 2020/21 : Financial Performance to 30 November 2020

Submitted a report by the Head of Service (Finance) on the financial performance for the Council at 30 November 2020. Budget reports for each service and the Housing Revenue Account were set out at Appendices 1-6 of the report, a summary of virement/budget adjustment requests at Appendix 7 and an overview of the IJB's financial performance as at Period 7 at Appendix 8.

Members requested and were given confirmation that the financial impact of the Covid-19 pandemic would continue to be assessed and reported to the Cabinet.

The Cabinet unanimously agreed to note (i) the overall integrated financial performance report for the financial year 2020-21 and the overall projected year-end underspend of £0.807m at period 7; (ii) the updated estimated costs of the Covid mobilisation plan of £8.5m, including savings delays, and the associated funding received to date; and (iii) the financial risks for 2020-21, including the impact of Covid 19, and the fact that there was currently no recommendation to implement a formal Financial Recovery Plan for the IJB.

4. Capital Programme Performance to 31 March 2021

Submitted a report by the Head of Service (Finance) on the progress in delivering the Capital Investment Programme for 2020/21 as set out at Appendix 1 to the report. The HRA Capital Statement was set out at Appendix 2.

The Cabinet unanimously agreed to (a) approve the revisions to budgets outlined in the report; and (b) note (i) the General Services and HRA revised budgets at 30 November 2020; and (ii) the forecast expenditure to 31 March 2021.

5. Supporting North Ayrshire Together – Our Response to the Coronavirus Pandemic and Progress Report (Council Plan Progress Update – Quarter Two 2020-21)

Submitted a report by the Head of Service (Democratic Services) on the response so far to the Covid-19 pandemic and performance against the Council Plan 2019-24 as at Quarter Two 2020-21. The report on the Council's response to the Coronavirus pandemic was set out at Appendix 1 to the report, the Council Plan Performance Indicators at Appendix 2 and the Council Plan Performance Indicators Exceptions at Appendix 3.

The Cabinet unanimously agreed to (a) approve the performance of the Council Plan as at 30 September 2020 (b) note the Council's response to the Covid-19 pandemic to date; and (c) submit the report and appendices to Audit and Scrutiny Committee for consideration at the next available meeting.

6. Land at Dalry Road, Kilwinning

Submitted a report by the Executive Director (Place) on the disposal of undeveloped land at Dalry Road, Kilwinning to Ayrshire College. A location plan detailing the land to be sold was set out at Appendix 1 to the report.

The Cabinet unanimously agreed to approve the disposal of the undeveloped land at Dalry Road, Kilwinning, detailed within Appendix 1 to the report, to Ayrshire College for a nominal consideration of £1 to support the development of the Ayrshire College Future Skills Hub.

7. Solar PV Farm Proposal

Submitted a report by the Executive Director (Place) on the outcome of investigations into the potential and viability of developing a ground mounted solar photovoltaic (PV) farm as part of the environmental road map to achieve net-zero carbon by 2030.

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

- the Council's post-pandemic energy needs and whether this had formed part of the discussion around the proposal;
- grid capacity in the area and the progress made in terms of negotiating access;
- the impact of the Ayrshire Growth Deal projects would have on the demand for grid use in the area; and
- the benefits around using a sleeving agreement.

The Cabinet unanimously agreed to:

- (a) note the investigations into the viability of constructing ground mounted solar photovoltaic (PV) farms on Council owned land at two former landfill sites at Nethermains and Shewalton;
- (b) approve the development of a solar PV farm installation at Nethermains former landfill site;
- (c) note the Nethermains solar PV farm proposal would require an estimated total initial investment of £6.768m which would be part funded utilising £4.5m of capital funding from the Council's approved £8.8m Investment Fund;
- (d) that the remaining required funding of £2.268m would be included in the proposed refreshed Capital Investment Plan to be considered by Council in March 2021 as part of the budget setting process;
- (e) note the options available for revenue generation from the energy created from the proposed Nethermains solar PV farm and authorise the Executive Director of Place together with the Head of Finance to further investigate and conclude final contractual arrangements;
- (f) note the associated community benefits funding that the project would create for disbursement under existing policy and mechanisms; and
- (g) note that the potential for a Shewalton solar PV farm and other renewable energy opportunities would continue to be investigated and would be reported to a future Cabinet.

8. Estate Based Regeneration Programme: Demolition of low demand housing stock in the Garnock Valley

Submitted a report by the Executive Director (Place) on the progress with the proposal to demolish 48 flatted properties across four streets in Beith, Dalry and Kilbirnie.

The Cabinet unanimously agreed to note (i) the progress to date on the proposal and the ongoing tenant engagement and rehousing exercise in place for the affected tenants; and (ii) the projects identified which would replace the 48 units within the Garnock Valley.

9. North Ayrshire's 2030 Woodland: A Tree Planting Strategy

Submitted a report by the Executive Director (Place) on the proposed 'North Ayrshire's 2030 Woodland: A Tree Planting Strategy' set out at Appendix 1 to the report.

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

- the potential to support local businesses by using them for planting works and how this linked with the Council's Community Wealth Building strategy;
- the importance of choosing the appropriate trees in relation to their surroundings and identifying suitable areas to plant; and
- the feasibility of using strategic planting to provide areas with wind and flood relief.

The Cabinet unanimously agreed to approve to the proposed 'North Ayrshire's 2030 Woodland: A Tree Planting Strategy'.

10. North Ayrshire Food Growing Strategy

Submitted a report by the Executive Director (Place) and the Executive Director (Communities) on the proposed food growing strategy for North Ayrshire as set out at Appendix 1 to the report.

The Cabinet unanimously agreed to approve the proposed Food Growing Strategy and action plan.

11. Proposals for Community Investment Fund (CIF) Expenditure

Submitted a report by the Executive Director (Communities) on an application by the Three Towns Locality Partnership to allocate CIF funding to proposed.

The Cabinet unanimously agreed to approve the CIF application in relation to Ardrossan Community Sports Hub in the sum of £43,320.

The Meeting ended at 3.45 p.m.

NORTH AYRSHIRE COUNCIL

23 February 2021

Cabinet

Title: North Ayrshire Leisure Limited (NALL) Recovery and Renewal Plan, incorporating potential 2021-22 Budget scenarios.

Purpose: To seek Cabinet's approval for the North Ayrshire Leisure Limited (NALL) Recovery and Renewal Plan and note the potential 2021-22 Budget scenarios.

Recommendation: That Cabinet:

- a) Notes and agrees to support the North Ayrshire Leisure Limited (NALL) Recovery and Renewal Plan;
- b) Notes the projected deficit position in 2020/21;
- c) Notes the Recovery and Renewal progress;
- d) Agrees to receive regular reports to monitor the financial impact of COVID on NALL in 2021-22;
- e) Agrees to receive regular reports to monitor developments in Renewal plans; and
- f) Agrees to receive regular reports to monitor resultant additional financial support to NALL in 2021-22 as part of the Council's financial monitoring arrangements.

1. Executive Summary

1.1 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;
- Enhancing skills through training; and
- Creating pathways to employment.

1.2 KA Leisure has consistently recorded significant increases in participation across programmes and facilities. Equity of opportunity is at the heart of the approach.

1.3 2020 marked KA Leisure's 20th Anniversary. In the period since its launch in January 2000 the company has recorded over 30 million activities, including over 2.7 million

visits in 2019. KA Leisure's Annual Report 2020 was published in December 2020 and is attached as appendix 1. This details positive operational activity and outcomes in the period 2019/2020.

- 1.4 In previous years the KA Leisure Impact Report, Business Plan and budget proposals for the forthcoming year have been presented to Cabinet for approval in advance of the Council's budget setting process. Due to the effects of the pandemic, the current report is in lieu of the usual procedure which will resume as soon as possible.
- 1.5 In the financial year 2020/21 KA Leisure is currently projecting a trading deficit of £1,928,121 after allowing from the core contribution for North Ayrshire Council and after incorporating income recovered via the UK Government furlough scheme. 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 NALL of up to £2.743m to ensure they continue to operate as a going concern and meet their cash liabilities.
- 1.6 Due to the ongoing effect of the pandemic, the trading environment and the consequential financial impact for KA leisure will continue to present challenges through 2021/22. The Council and KA Leisure continue to work closely on operational and financial planning and importantly, in addressing the financial pressures and further developing Recovery and Renewal activities. It is recognised, however, that to ensure KA Leisure continues to operate as a going concern, additional financial support from the Council will be required through 2021/22. This will be considered within the context of additional Scottish Government funding and as part of the Council's financial monitoring arrangements through this current financial year 2020/21 and 2021/22.

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, make significant investments in facilities, and create innovative opportunities to help the inactive become active.

20th Anniversary of KA Leisure

- 2.3 Just prior to the pandemic, the Company marked its 20th Anniversary in 2020. Highlights over the last 20 years include the launches of Cardiac Referral Programme and KA Fitness in 2002, the development of exercise referral and walking programmes, rebranding as KA Leisure in 2007, the opening of the first KA Leisure Campus in 2008 and the launch of community games in 2010. The last decade has seen the launch of new campuses, the refurbishment of the ice rink at Auchenhavrie and a plethora of awards – including shortlisting as UK Active's Gym of the Year 2018 and six consecutive Royal Society for the Prevention of Accidents (RoSPA) Gold Awards in 2019. The Company has long specialised in health and wellbeing programmes, starting with Mind and Be Active and leading to successfully partnering

with the Health and Social Care Partnership, NHS, Green Health Partnership, North Ayrshire Drug and Alcohol Partnership and North Ayrshire Active Schools to deliver support for healthy lifestyles as well as supporting mental health. Much of this work attracts significant external funding. Move More is a funded partnership with Macmillan Cancer Support, encouraging physical activity and supporting wellbeing for those with a cancer diagnosis, working with 169 participants and with the help of 36 volunteers. Macmillan Cancer Support's Move More Report cites research showing that being active during and after treatment can maintain physical function, improve feeling of mental wellbeing as well as minimising the side effects of treatment.

- 2.4 Highlights during 2020 include the opening of the new Circuit facility in Irvine, RoSPA Gold Award and national recognition for the delivery of innovative projects. During the past year investment in fitness venues has continued with refurbishment and extension of the fitness suite at Auchendarvie Leisure Centre. Over 54% of members attend fitness activities. The fitness portfolio continues to develop with the launch of the new "ELEVATE" fitness club and "EVOLVE" cycling series, as well as the introduction of a new personal training service.

Covid-19 and Recovery and Renewal Plan

- 2.5 KA Leisure continues to focus on those who participate in physical activity and sport, and in line with the North Ayrshire Active Communities strategy, a strong focus is also on those who are not active. 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.
- 2.6 Against the context of success and notable impact outlined at 2.3 and 2.4, the Covid-19 pandemic in 2020 has had a significant impact on KA Leisure's income and customer base. The Scottish Government's Covid restrictions affected attendances, membership income and the range of activities which could be offered. After discussion with North Ayrshire Council, KA Leisure furloughed many of its staff and secured support from the Government's Job Retention Scheme. The financial implications for KA Leisure and the Council continue to be considerable and, as such, are integrated the Council's ongoing financial planning to address the impact of COVID-19. Throughout, KA Leisure Board and North Ayrshire Council have met regularly to ensure that planning, activity and communication are aligned. The Council continues to provide support and guidance to KA Leisure, and this will be further intensified in relation to the Recovery and Renewal Plan.
- 2.7 As restrictions eased, activities have had to be adjusted to comply with reduced capacity restrictions. This resulted in customer visits to all areas of activity being significantly impacted, in particular, fitness activity. In 2019/20 the total customer visits recorded were 2,663,489 and the projected figure for 2020/21 is 208,604, assuming tier 4 restrictions continue until the end of March 2021. Customer visits to fitness activity annually account for over 50% of customer visits with around 1.5 million attendances, generating over £2 million income each year. By the end of December 2020, less than 70,000 visits had been recorded to fitness activities, over 1 million fewer than the corresponding period in 2019. KA Leisure's membership numbers have reduced from over 9,600 in March 2020 to under 5,500 at December 2020.
- 2.8 The impact will continue into 2021/22. Maintaining a strong relationship across the partners is pivotal to ensuring the financial viability of the company and managing KA

Leisure through its recovery. KA Leisure's Board established a Renewal Working Group which has been developing Recovery and Renewal Plan (appendix 2), in tandem with work going on in the Council and across the wider CPP. The Recovery and Renewal Plan was approved by KA Leisure's Board earlier this month. In previous years the KA Leisure Impact Report, Business Plan and budget proposals for the forthcoming year have been presented to Cabinet for approval in advance of the Council's budget setting process. Due to the effects of the pandemic, the current report is in lieu of the usual procedure which will resume as soon as possible.

- 2.9 In partnership with North Ayrshire Council the focus in 2021/22 will be reshaping the business in line with the Recovery and Renewal Plan; managing the financial recovery, including working closely with Council Finance Officers; by rebuilding the customer base; and re-opening venues and restarting activities in line with the Scottish Government Route Map.
- 2.10 KA Leisure's Renewal Working Group has developed the Recovery and Renewal Plan using a complementary approach to the Council's Recovery & Renewal Strategy. This includes learning from the lessons of the Covid-19 pandemic response and addressing community needs, while considering new ways of working. Services will be gradually reintroduced in line with government health advice. Three key areas are the focus to gain the greatest impact: Venue Portfolio; Reinvent and Reimagine; and People and Partnerships.

Venue Portfolio

- 2.11 Within the renewal phase a review of venues is being undertaken to re-balance the business to ensure sustainability whilst maximising operating capacity and considering changing community needs, emerging demands, complementary local provision, and opportunities to develop capacity within local communities. The review will include Community Sport Hubs and venues that provide fitness, golf, and swimming.

Reinvent and Reimagine

- 2.12 The development of the outdoor programme will include, fitness programmes and physical activity sessions, community wellbeing initiatives, gardening and the introduction of the 'Fitbox' concept to enable expansion of an outdoor group fitness programme. The popular Walking Programme will be expanded to respond to demand and with leader and volunteer training improved. The Health and Wellbeing Service will continue to deliver innovative programmes through collaboration with key partners that engage with priority groups, including those who are vulnerable, isolated and at greatest risk of inactivity and provide early intervention by offering the right support at the right time. New plans include an Active Zone & Health and Wellbeing Hub at Bridgegate, Boutique Fitness, a more commercial digital and live-streaming programme, a Health Improvement and Weight Management programme and improved Mental Health and Wellbeing opportunities. KA Leisure will launch INSPIRE, a children and young people's multi activity membership. which offers unlimited access to community sport, arts and drama opportunities. There is a need to balance the pricing strategy with resourcing targeted interventions through a whole systems approach to ensure inclusion and wide participation.

People and Partnerships

- 2.13 Covid-19 presents a fresh set of challenges for KA Leisure and its partners. The pandemic has demonstrated the need to consider how resources can flex and adapt

to new delivery methods. Alongside the review of programmes, the Recovery and Renewal Plan will set the future direction of the organisation and define what success looks like. To maintain high levels of creativity and innovation greater emphasis will be placed on the development of:

- Consultation, engagement and co-designing of services
- Building capacity
- Continual reflective learning
- Data, evidence and insights
- Training, skills, tools and resources
- Communication and collaboration

As a committed member of the North Ayrshire Community Planning Partnership, KA Leisure will work collaboratively with partners and like-minded organisations to increase activity levels, reduce inequalities and improve the health and wellbeing of our communities across North Ayrshire. Delivering an agile and resilient structure, that provides a solid foundation for creating an innovative, engaging and collaborative workforce with the right skills across the organisation will be key to future success. The Council has agreed to provide HR advice to support the company through this.

Financial Implications

- 2.14 In the financial year 2020/21 KA Leisure is currently projecting a trading deficit of £1,928,121 after allowing from the core contribution for North Ayrshire Council and after incorporating income recovered via the UK Government furlough scheme. 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 NALL of up to £2.743m to ensure they continue to operate as a going concern and meet their cash liabilities. The projected financial performance for 2020/21 is incorporated into the KA Leisure Recovery and Renewal Plan, (appendix 2).
- 2.15 Understanding the level of financial impact to KA Leisure through 2021/22 is very difficult at this current time. There continues to be a great deal of uncertainty both in terms of the operating landscape, through the level and length of time restrictions remain in place, and the degree to which the customer base and trading levels are recovered following the easing of these restrictions. Aligned to this there is further uncertainty around the potential continuation of government support schemes, with the current Furlough scheme due to end at the end of April 2021. In recognising this complex landscape, a number of operating and financial modelling scenarios have been developed and a summary is included in appendix 2.
- 2.16 It is important to note that as well as each scenario incorporating variations around the timings of operating restrictions, they also include anticipated financial savings of c.£509k from Recovery and Renewal Plan. As illustrated in appendix 2 the potential level of financial deficit facing KA Leisure from the three scenarios shown ranges from £570,116 to £1,211,852. It should be stressed, however, that this landscape remains very fluid and uncertain and will be subject to further volatility as more information is known. With this backdrop it is recognised that to ensure KA Leisure continues to operate as a going concern, additional financial support from the Council will be required through 2021/22. This will be considered within the context of additional Scottish Government funding and as part of the Council's financial monitoring arrangements through the current financial year 2020/21 and in 2021/22 and within

the context both of further progress through Recovery and Renewal activity and the level of financial reserves held by KA Leisure.

3. Proposals

3.1 It is proposed that Cabinet:

- a) Notes and agrees to support the North Ayrshire Leisure Limited (NALL) Recovery and Renewal Plan;
- b) Notes the projected deficit position in 2020/21;
- c) Notes the Recovery and Renewal progress;
- d) Agrees to receive regular reports to monitor the financial impact of COVID on NALL in 2021-22;
- e) Agrees to receive regular reports to monitor developments in Renewal plans; and
- f) Agrees to receive regular reports to monitor resultant additional financial support to NALL in 2021-22 as part of the Council's financial monitoring arrangements.

4. Implications/Socio-economic Duty

Financial

4.1 Financial implications arising from this report are outlined in section 2.15-2.17 of the report and at appendix 2. This could range from £570,116 to £1,211,852. The restrictions associated with the pandemic impact on KA Leisure's operations and Scottish Government funding support continue 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.

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 At this stage there are no legal implications.

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.

Environmental and Sustainability

4.5 None.

Key Priorities

4.6 The proposal contained within the report supports the 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 employment opportunities and volunteering and skills development opportunities.

5. Consultation

5.1 Consultations take place with KA Leisure on an ongoing basis and partners. Customers and prospective customers are the focus of regular engagement by KA Leisure and North Ayrshire Council. There may be a need for specific consultations, depending on the work of the KA Leisure Renewal Working Group and the decisions of the KA Leisure Board, as the Recovery and Renewal Plan progresses.

Audrey Sutton
Executive Director
Communities and Education

For further information please contact **Rhona Arthur, Interim Head of Connected Communities**, on **01294 324415**.

Background Papers

Appendix: 1 KA Leisure 2020 Annual Report

Appendix: 2 KA Leisure Recovery and Renewal Plan, incorporating potential 2021-22 Budget scenarios



| leisure

ANNUAL REPORT 2020





CONTENTS

Foreword	3-4
Reference and Administration Details	5
20 Years of KA Leisure	6-7
Director's Report	8-11
Objectives and Activities	12-19
Achievements and Performance	20-21
Financial Review	22-23
Strategic Direction	24-25
Principal Risks and Uncertainties	26-27
Trustees Responsibilities	29
Annual Accounts	30-31

FOREWORD

As chairman of KA Leisure, I am pleased and proud to provide this foreword and share with you our 2019/2020 Annual Report.

The last financial year was the 20th anniversary of our Company incorporation in January 2000, since when, over 30 million activity attendances have been recorded at our facilities, of which approximately 2.7M customer visits were recorded in the last year.

The financial year 2019/2020 has been a challenging year, with temporary closures at some sites to accommodate necessary refurbishment and facility expansion as well as a downturn in business at the end of the year due to the coronavirus pandemic. Nevertheless, the Company has attained a turnover of £8,455,262 during the year, an increase of 2.3% in comparison to the previous year, and retained a consistent staff profile of 351 employees.

Our focus continues to provide the best possible service to our community and in so doing improve the health and wellbeing of the residents of North Ayrshire. In this respect we are grateful to all of our partners, and in particular North Ayrshire Council for supporting us in this endeavour.

There have been many highlights during the year including, the opening of the new Circuit facility, and national recognition for the delivery of innovative projects. During the past year we have continued to reinvest in fitness venues with the refurbishment and extension of the fitness suite at Auchenharvie Leisure Centre.

We continue to develop our fitness portfolio with the launch of our new "ELEVATE" fitness club and "EVOLVE" cycling series, as well as the introduction of a new personal training service. These developments have been well received, as indicated by the fact that customer visits to our fitness activities now provide 54% of overall customer attendances.

KA Leisure has always recognised the importance of mental health within the community. Our Active Lifestyle Team has developed a new Health and Wellbeing Service with the North Ayrshire Health and Social Care Partnership, and in partnership with the North Ayrshire Drug and Alcohol Partnership and North Ayrshire Active Schools our “North Ayrshire Champions for Change” programme was created.

As a Company we continue to strive to ensure everyone's health and safety, and nurture a positive health, safety and wellbeing culture across our workplaces. I am delighted to record that our efforts have again been recognised with our 6th consecutive Royal Society for the Prevention of Accidents (RoSPA) Gold Award, achieving the RoSPA Gold Medal and being awarded the inaugural RoSPA Gold Leisure safety Award.

We are familiar with the challenges ahead. The coronavirus pandemic has, and will continue, to impact how we operate therefore we will continue to seek out new and novel ways to offer our services to the community. Our focus remains however, on improving the health and wellbeing of the communities of North Ayrshire by doing everything we can to provide a safe, healthy and happy experience.

To conclude I would like to take this opportunity to thank our employees, Board of Directors, North Ayrshire Council and all strategic partners for their dedication and commitment over the previous twelve months, as well as our valued customers for all their ongoing loyalty and support.

Gary Higgon, Chairman



REFERENCE AND ADMINISTRATION DETAILS

Company registration number SC202978

Charity registration number SC029780

Registered office 22 Quarry Road
Irvine
KA12 0TH

Company trading name KA Leisure

Trustees G Higgon (Chairman)
A Pringle (Vice Chairman)
T Billings
J Brahim (Resigned 13th November 2019)
H Campbell
S Macaulay
J McClung (Appointed 28th November 2019)
J Sweeney
A Todd (Appointed 27th June 2019)
L Tulloch (Appointed 27th June 2019)

Chief executive officer E Cairns

Senior management team E Cairns
L Barrie
C Glencorse

Solicitor Shepherd and Wedderburn
191 West George Street
Glasgow
G2 2LB

Auditors Azets Audit Services Limited
Registered Auditors
5 Whitefriars Crescent
Perth
PH2 0PA

Bankers Clydesdale Bank
151 High Street
Irvine
KA12 8AD

2000



North Ayrshire
Leisure Limited
Established.

20 YEARS OF KA LEISURE

2001

Companywide
customer
management and
information
system
introduced.

2002

- First Cardiac rehabilitation class.
- KA Fitness Launched.
- Viking Visitor Attraction Longhouse opened.

2009

Portable
Pitch Youth
Diversionary
Programme
established.

2008

First KA
Campuses
Open.

2007



leisure

North Ayrshire
Leisure rebranded
as KA Leisure.

2010

The
Community
Games
were
established
at KA Campus
St Matthews.

2011

Extended &
Refurbished
Ice Rink Opens at
Auchenharvie
Leisure
Centre.

2012

- New fitness internet enabled equipment purchased across all 4 leisure centres.
- On-line customer booking introduced.

2020

2019

- Circuit Opens, 5th Consecutive RoSPA Gold Award, RoSPA Gold Medallist, RoSPA Leisure Gold Award Winners.
- Awarded funding from Changing Lives Partnership to deliver Champions for Change project.

2018

- 3-year funding received from the Health and Social Care Partnership to develop a new Health and Wellbeing Service.
- KA Campus Largs Opens
- Finalists in UK Active Awards – Gym of the year.
- Active Partner in the newly established Green Health Partnership.

2003

- Big Lottery Funding – expansion of exercise referral programme to all North Ayrshire surgeries & appointment of Exercise Referral Officer.

- Paths for All Funding – Walking Development Officer appointed.



Gymfest – First annual Scottish National Festival of Gymnastics at Magnum Leisure Centre.

2005

2006

Activator Mobile Health & Physical Activity Unit purchased & outreach programme rolled out across North Ayrshire.



- KA Exercise Referral Programme, Active North Ayrshire, gains funding from Health and Social Care Partnership.
- KA Campus West Kilbride opens.
- Magnum Indoor Synthetic Football Pitch opens.

2013

2014

Finalists in UK Active Flame Awards – Healthy Partnerships Category.

2015

- Awarded £80,000 from Commonwealth Games Legacy Fund for Mind and Be Active mental health improvement programme.
- Swimming Lesson direct debit introduced.
- 1st RoSPA Gold Award.

2017

- Garnock Community Campus & Portal Open.
- Move to New Head Office, Quarry Road.
- Funding awarded for Girl Make Your Move campaign £27,215
- £123,000 from MacMillan Cancer Care for our Move More cancer rehabilitation programme.



DIRECTORS' REPORT

(incorporating Strategic Report) Structure, Governance and Management

Company Structure

North Ayrshire Leisure Limited is a Company limited by guarantee and has charitable status. The Company's trading name is KA Leisure. The Company is governed by its Articles of Association. The Company is a not for profit organisation, any surpluses generated are reinvested in improving facilities and services.

The Company is responsible for the management and operation of the following facilities in North Ayrshire;

- **Auchenharvie Leisure Centre, Stevenston**
- **Garnock Community Campus, Glengarnock**
- **Portal, Irvine**
- **Vikingar!, Largs**
- **KA Campuses**
 - Arran High School
 - Dalry Primary School
 - Greenwood Academy
 - Kilwinning Academy
 - Largs Academy
 - St Matthew's Academy
 - Stanley Primary School (Company acts as booking agent only)
 - West Kilbride (in partnership with West Kilbride Community Association)
- **Golf Courses**
 - Auchenharvie, Stevenston
 - Ravenspark, Irvine
 - Routenburn, Largs
- **Outdoor Sports Facilities**
- **North Ayrshire Leisure Trading Services Limited (dormant)**

Facilities are owned by North Ayrshire Council but are leased to the Company. Specific contractual agreements are in existence to enable sport, leisure and recreational community use within school facilities.

Directors

The trustees, as detailed on page 5, are also Directors of the Company and both references will be used in the Annual Report. As set out in the Company Articles of Association the maximum number of Directors is 9 and comprises of the following;

- a maximum of 4 Directors appointed by North Ayrshire Council.
- maximum of 4 Directors appointed from, and representative of, the North Ayrshire area (with skills to assist the Company in carrying out its objects).
- maximum of 1 Director appointed from and by the employees of the Company.

The Board of Directors meet at least six times a year to consider Company business. The Company has an HR Committee and Audit Committee.

Trustee Induction and Training

The Board seek to ensure that all members possess the range of skills and interests that are relevant to meeting the Company's overall objectives.

All new Directors are provided with the Company Articles of Association, Annual Report and Company Progress and Impact Report incorporating the financial budget. Directors are provided with training on various topics including charity and company legislation.



Employees

The Company communicates and consults with employees, and, where represented, trade unions. The Company is committed to staff training and development to ensure all employees have the necessary skill base to effectively contribute to the objectives of the Company.

Applications for employment by disabled persons are given full and fair consideration. In the event of employees becoming disabled every effort is made to provide support to ensure their employment with the Company can continue.

The Company over the period has employed an average of 351 employees. The Company has a Senior Management Team comprising of a Chief Executive and 2 Business Managers covering the areas of Leisure and Physical Activity. The remuneration of key management personnel is reviewed annually and normally increased in line with local government agreements.

During the period the Company continued to meet the criteria to maintain the Healthy Working Lives Silver Award and we are now actively working towards achieving the Gold Award from NHS Health Scotland. As part of the Gold award portfolio we will produce a Company Health, Safety



and Wellbeing Strategy demonstrating clear commitment to promoting a healthy working environment for our employees.

The Company has an Employee Forum comprising employee representatives drawn from each facility and service area of the Company. The Forum is chaired by a Company Director and acts as an effective communication vehicle.



Related Parties

The Company owns 100% of the share capital of North Ayrshire Leisure Trading Services Limited. The trading subsidiary was dormant throughout the year to 31 March 2020.

A funding agreement exists between the Company and North Ayrshire Council. North Ayrshire Council provides the Company with a financial contribution to assist in the maintenance of the facilities and the delivery of sport, leisure and recreational services. The existing funding agreement is being revised by both parties and will be replaced with a flexible service specification. This will also include reviewing the funding mechanism to encompass revenue and capital requirements to ensure the sustainability of facilities across North Ayrshire.

North Ayrshire Council also provides assistance to the Company within the treasury management function and provides some administrative support.



Risk Management

As part of the Company's risk management policy and strategy a Strategic Risk Register is reviewed on an ongoing basis by the Company Audit Committee and approved annually by the Board of Directors. A range of controls and actions are maintained to mitigate the impact of any of these risks on the future operations of the Company. Principal risks are identified on pages 26 and 27 of this report.



Health and Wellbeing

The Company continues to be committed to developing a positive health and wellbeing culture through the involvement and commitment of all employees in delivering a quality service.

The Company aims to foster the commitment, co-operation and involvement of all staff in developing and delivering a health and wellbeing culture. We seek to channel the ideas, experience and enthusiasm of our employees into continually improving our health and wellness culture across the Company. A key element of employee engagement is the operation of two staff forums which meet on a regular basis throughout the year – the Employee Forum and the Health and Wellbeing Forum.

Recognition of the Company health and wellbeing culture has led to KA Leisure being awarded a second consecutive Gold Medal from the Royal Society for the Prevention of Accidents (RoSPA) for achieving six consecutive annual Gold Awards through RoSPA's international awards scheme. KA Leisure is the only leisure trust in Scotland to be awarded the RoSPA Gold Award. Additionally, the Company has successfully achieved a second consecutive RoSPA Gold Leisure Safety Award, making KA Leisure one of only four Companies to have achieved this honour in the UK.

In addition, in recognition of their health and safety leadership and commitment to the development of the Company health and wellbeing



culture, one of our Assistant Customer Service Managers was awarded the Institution of Occupational Safety & Health (IOSH) Certificate of Merit Award.



OBJECTIVES AND ACTIVITIES

Making a Difference

Our portfolio of community venues form the foundation of what we do. Our venues offer opportunities to participate in a wide range of sporting and physical activity activities; from baby ballet to ballroom dancing, learning to swim to club swimming, and, mini kickers through to walking football. We have activities to suit everyone, for individuals, teams, clubs and organisations providing; coaching and instruction, competitive and performance sport, or, simply opportunities to feel better about yourself and have fun.

As an organisation we have been fortunate to benefit from significant investment from North Ayrshire Council during recent years. The newest edition, the Circuit – indoor and outdoor sports pitches, compliments previous investment in Garnock Community Campus, Largs Campus and the Portal.

In addition to the North Ayrshire Council investment we have continued to invest in our fitness venues during the last 12-months, creating exciting spaces for our customers at Auchenharvie Leisure Centre and Vikingar. We have also continued to reimagine what fitness means to our customers with the launch of our new fitness brand ELEVATE fitness club providing opportunities to take part regards of fitness level.

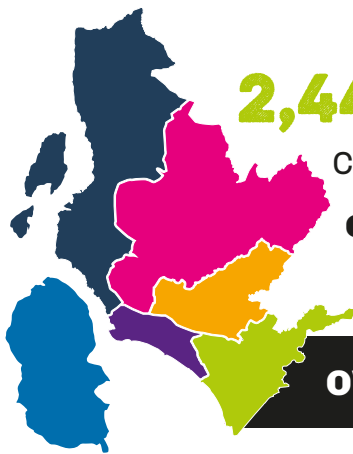
As well as encouraging active participation the continued success of our fitness activities is crucial to the maintenance and development of our wider programmes. The income from fitness activity ensures a range of activities and programmes remain accessible, affordable and inclusive particularly for those requiring a more supportive approach.



Additionally, to core programmes and activities community venues provide a base for a range of innovative programmes delivered by our Active Lifestyles and Community Sport Teams, supporting individuals to act now!

One such session is the Circuit Friday night 'Just Play' session delivered by the Community Sport Team in partnership with the Scottish Football Association and Fullarton Connections. This free diversionary programme offers the opportunity for young people to socialise and get active with friends in a safe, welcoming environment.

Another example is our inaugural Golden Games that took place at the Portal in November 2019. The games provide older adults an opportunity to participate as part of a team in a range of activities including; adapted golf, boccia, carpet bowls, cycling, netball, seated yoga and table tennis.



2,448,129

COMMUNITY
VENUE
CUSTOMER
VISITS



FITNESS
VISITS WERE

54%

of overall
visits

OVER 280 FITNESS CLASSES per week

8,775
Fitness

MEMBERS



THE NEW
ELEVATE
FITNESS CLUB
brand launched



**EXTENSION AND
REFURBISHMENT**
of Auchenharvie
Fitness Suite

**RENEWAL OF
FITNESS
EQUIPMENT**
at Auchenharvie
Leisure Centre
and Vikingar



297

SWIMMING
memberships

384

**LEARN
TO SWIM
CLASSES**
per week



15,812

VIKING VISITOR
ATTRACTION VISITS

**OPENING OF
THE CIRCUIT**

indoor and outdoor
SYNTHETIC PITCHES



1,007
GOLF

Memberships



Move More North Ayrshire

Move More North Ayrshire is a project funded by Macmillan Cancer Support, which provides physical activity opportunities for patients who have recently been diagnosed with cancer or are within 3 years of a cancer diagnosis. Moving into the final year of the project we have supported 169 participants from the project target of 180 through both behaviour change interventions and physical activity opportunities.

Volunteer led activities and support has been an integral part of the Move More North Ayrshire programme which now has 36 volunteers assisting in the delivery of classes, gardening and walking opportunities. Our partnership with Kilwinning Sports Club has continued over the past year allowing us to develop volunteer led activities within an area of low deprivation which has the highest cancer incidence in North Ayrshire.



Health & Wellbeing Service

We continue to work in partnership with North Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran. During 2019 we continued to develop our Health and Wellbeing Service, enabling us to provide a variety of physical activity opportunities and support individuals to adopt an active, healthy lifestyle across all 6 North Ayrshire Localities. Working together with partners we can reach those most in need, improve health and reduce inequalities.

The overarching Physical Activity Referral Programme, **Active North Ayrshire (ANA)** also includes:

- **Healthy Active Rehabilitation Programme (HARP)** that provides a structured pathway of physical activity from rehabilitation led by health professionals to longer term supported physical activity
- **Mind and Be Active (MBA)** programme which aims to improve mental health and wellbeing through supported physical activity
- **Weigh To Go** weight management programme
- **Move More North Ayrshire** which supports people who are living with or have recently recovered from a cancer diagnosis.



ACTIVE NORTH AYRSHIRE

53,230

ATTENDANCES PER YEAR



1025

REFERRALS
PER YEAR

69

**CLASSES
A WEEK**

DELIVERED BY ACTIVE
LIFESTYLE TEAM

896

total
consultations

885

6/12 month
follow up

114

referrals to
other agencies

31%

REFERRED BY GP



49%

MALE

51%

FEMALE

52%

OF ALL REFERRALS
have more than
one medical
condition

4

health and wellbeing
education sessions
delivered each month

22

CONDITION
SPECIFIC
classes
per week

BENEFITS reported by participants ATTENDING CLASSES

92%

reported
attending classes
**HELPED REDUCE
SOCIAL ISOLATION**

74%

reported
attending classes
**MAINTAIN A HEALTHY
BODY WEIGHT**

78%

reported
attending classes
**PROVIDES RELIEF
FROM STRESS**



AT FIRST APPOINTMENT



78%

are
overweight
or obese

98

participants referred
as low risk were
found to be high risk
at consultation and
required condition
specific support

33%

have moderate or severe
**ANXIETY
or DEPRESSION**

61%

HAVE ELEVATED
BLOOD
PRESSURE

53

participants
referred were
contraindicated
for participation in
physical activity and
were not suitable for
the programme



% referred from each locality

23%

Irvine

14%

Kilwinning

28%

Three
Towns
Area

25%

North
Coast

8%

Garnock
Valley

2%

Arran



Activator

Our Activator is a versatile, mobile, physical activity and health unit providing a valuable service of health checks and lifestyle advice within the heart of local communities. Over the past 12 months we carried out a number of health checks that identified potential health issues that required referral to a medical professional. In some instances, this resulted in the identification of a health condition and the prescription of medication, demonstrating the impact our service can have as the first point of contact and an opportunity for early intervention.

North Ayrshire Green Health Partnership

The North Ayrshire Green Health Partnership is one of four pilot Green Health Partnerships across Scotland. Established to demonstrate how cross-sectoral co-ordination can mainstream approaches to increasing physical activity and improving mental health through engagement with the natural environment. These innovative partnerships bring together the health, social care, environment, leisure, sport and active travel sectors in order to make more use of local green space as a health-promoting resource.

Each partnership draws on its sound knowledge of community needs, existing outdoor assets and green health activity, and adds value by identifying co-benefits. It's an integral part of our Active North Ayrshire exercise referral programme and offers a variety of green activities such as gardening, conservation and nature walks as an alternative to the more traditional activities based within leisure centres.



Mental Health and Wellbeing

Mental health and wellbeing continue to be a priority across all localities in North Ayrshire. Over the last year 276 participants within the Mind and Be Active programme were supported become more physically active on a regular basis to help improve their mental health and wellbeing.

The Company participated in a variety of campaigns to support positive mental health throughout the year including Mental Health Awareness Week, Loneliness Awareness Week, Stress Awareness Week and World Mental Health Day. The campaigns used a variety of methods to engage with Mind and Be Active participants, customers within our facilities and KA Leisure employees including social media, poster displays, drop in sessions and information events.



276

NEW REFERRALS

8,130

ATTENDANCES

70%

of those referred attend
first consultation

20%

**SELF
REFERRED**
TO THE PROGRAMME

15%

Referred by Drug
and Alcohol
Rehabilitation



50%
ARE OBESE

with a further
30% classed
as overweight

21%

Referred by
their GP



25%

**REFERRED BY
MENTAL HEALTH
PARTNERS**

23%

Those needing
support beyond
12 months

82% OF PARTICIPANTS
are working age

80% in high risk waist measurement category

76% are on
medication to
IMPROVE MENTAL HEALTH

28%

have a severe or enduring mental
health condition

68% of participants
also have other
health conditions

**26 WEEKLY
SUPPORTED SESSIONS**

75%

of those referred are
from the most deprived
postcode areas*

*SIMD quintiles - 50% SIMD area 1
and 25% SIMD area 2

People referred, reside in:

39%

Irvine

11%

Kilwinning

27%

Three
Towns
Area

12%

North
Coast

11%

Garnock
Valley



35%

of participants are male

65%

are female

70%

reported
IMPROVED MENTAL HEALTH
after taking part in the programme

83%

reported
REDUCED SOCIAL ISOLATION

60%

reported
BEING MORE ACTIVE

COMMUNITY SPORT

Champions for Change

The Changing Lives Through Sport and Physical Activity (CLTSPA) Fund was launched in partnership between the Scottish Government, sportscotland, the Robertson Trust and Spirit of 2012, and supports organisations to deliver positive change in communities across the country.

Champions for Change in North Ayrshire involves an innovative partnership between KA Leisure, North Ayrshire Active Schools and North Ayrshire Alcohol and Drug Partnership. The project is based in the Irvine and Garnock Valley localities and focuses on two key outcomes.



1. The development of volunteers in unemployment or disengaged at school.
2. The delivery of a schools and community activity programme which incorporates educational messages of drugs, alcohol and tobacco misuse.

The project draws on the energy and passion of the people in North Ayrshire and serves as a vehicle for tackling social challenges. It includes support for achieving sports coaching qualifications, employability training and education and awareness around drug and alcohol issues.

North Ayrshire Community Sport Hubs

National Lottery funded Community Sport Hubs (CSH) are one of sportscotland's national programmes which focus on sustainable, community-led approaches that get local sports clubs working together to develop welcoming, safe and fun environments for sport.

We support 5 Community Sport Hubs in the North Ayrshire CSH programme in partnership with North Ayrshire Council. The programme brings together sport clubs and community organisations who have a common aim to develop and grow the sporting offering in their community. CSH's provide information, support and advice on a wide range of sports and physical activities to make it easier for local people to get involved and engage in a more active and healthier lifestyle.

The specifics of each hub and what it offers vary according to local need and local resource. However, all our hubs work to the following five principles:

- Growth in participation
- Engage the local community
- Promote community leadership
- Offer a range of sporting opportunities
- Bring all appropriate partners, groups and people together

CSH's across North Ayrshire aim to support local sports clubs and individuals who may experience barriers to participation with a focus on age, disability, gender, and social and economic disadvantage.

Coach and Volunteer Development

Volunteers are an integral part of sport across North Ayrshire. There are currently 62 affiliated clubs in our Community Sport Hub Programme and 559 volunteers across the area.

We value the contribution volunteers make to clubs and to our communities. To ensure the volunteer experience is rewarding the Community Sport Team provide a programme of support throughout the year.

Development opportunities, workshops and training support individuals across several sport club roles. These include –

- Coach and sport specific qualifications
- Child protection
- First Aid
- Marketing
- Funding support
- Volunteer recruitment
- Community Engagement
- Club development planning
- Disability inclusion

All courses are available for free or at a reduced cost through the CSH programme or the Scottish FA's Quality Mark scheme.

Kilmarnock FC Health & Wellbeing Programme

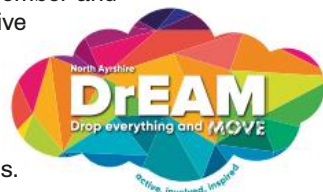
We are delighted to have developed a new partnership with Kilmarnock FC, Scottish FA South West and the Kilmarnock Community Sports Trust (KCST). The partnership includes access to project funding, affiliation to the club, player and stadium visits and shared marketing and branding opportunities

Our Community Sport Team delivered a North Ayrshire primary school launch project to raise awareness of the importance of leading healthier lives. The project focused on the power of football to generate conversations around healthy eating, the benefits of physical activity and the dangers of alcohol.

KA Dance

Delivered in partnership with members of the Active Communities Steering Group DrEAM is North Ayrshire's approach to encouraging people to have fun, while living healthier more active lives.

As part of the DrEAM programme in November 2019 we co-ordinated and led inter-generational dance sessions within 4 local care homes. Children from 4 local Early Years Centres participated in singing and dancing with the residents from the homes. The partnership continued throughout December and focused on festive activities which included carol singing and making Christmas cards.



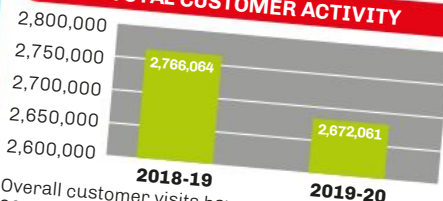
ACHIEVEMENTS AND PERFORMANCE

Key Facts

To measure performance the Company provides Statutory Performance Indicators (SPIs) information to North Ayrshire Council on an annual basis. The Company also produces a series of key performance indicators (KPIs).

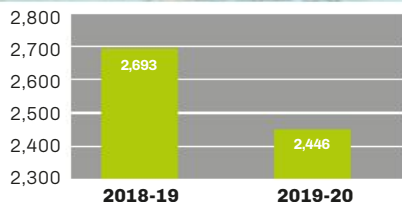
Overall attendance figures for the Company in 2019/20 have shown a reduction of 94,003 visits and an operational surplus of £40,656. The following graphs highlight the main areas of activity and report on any fluctuations.

TOTAL CUSTOMER ACTIVITY



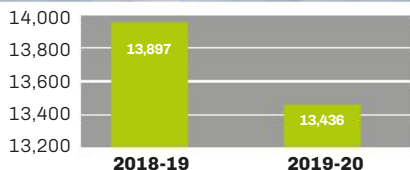
Overall customer visits have reduced by 3.4% during 2019/20. Attendances across all activities have been affected by the coronavirus pandemic. A breakdown of activity areas is provided in the following graphs:

SWIMMING POOL ATTENDANCES (SPI 1)



Aquatic activity has decreased in comparison to the previous year. The biggest reduction was due to a 12-week closure of the swimming pools at the Portal to complete necessary remedial maintenance.

INDOOR ATTENDANCES (SPI 2)

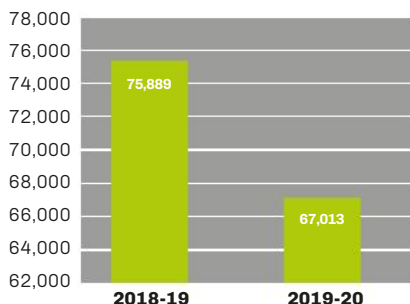


Despite the pandemic indoor sports attendances have maintained a similar number of visits to the previous year.

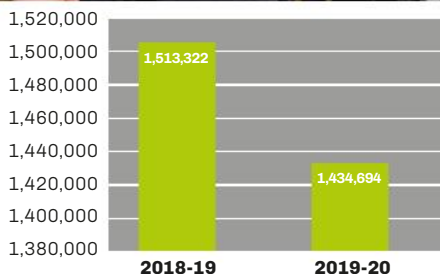
ICE



Customer visits to the ice rink have recorded a reduction in comparison to the previous year. In addition to the impact of the pandemic the rink was closed for 6-weeks to facilitate the extension of the fitness suite at Auchenharvie Leisure Centre.

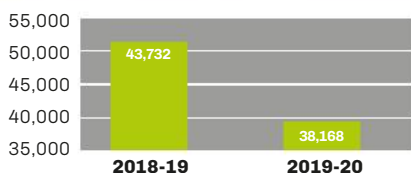


FITNESS



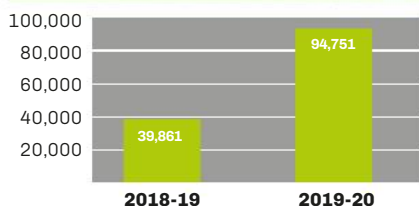
The implementation of a pricing review in May 2019 resulted in a reduction to memberships and therefore customer visits. Attendances had been gradually recovering up until January 2020 however they were impacted by the pandemic during February and March 2020.

GOLF COURSES



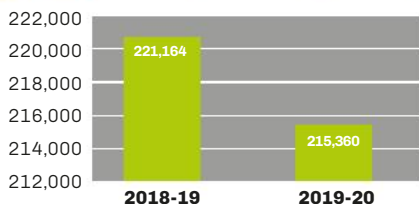
Customer visits to our three golf courses have been impacted during the latter part of the financial year due to a combination of inclement weather and the coronavirus pandemic.

OUTDOOR SPORTS



Recorded customer visits in outdoor sports have increased in comparison to the previous year. The main contributing factor to the increase has been the opening of the indoor and outdoor sports pitches at the new Circuit facility.

PHYSICAL ACTIVITY



Attendances across physical activity which includes both Active Lifestyles and Community Sport has reduced by 2% in comparison to the previous financial year. Attendances have increased across Active Lifestyles due to an increase in the number of community based weekly classes and an increase in the number of community visits made by the Activator. Overall attendances have decreased, which is primarily due to programme funding ending for the Rugby and Basketball School of Sport Programme. In addition, attendances previously recorded within physical activity for aquatics and campus programmes are now recorded within leisure attendances.

FINANCIAL REVIEW

The financial statements for North Ayrshire Leisure Limited at 31 March 2020 show a turnover of £8,455,262 (2019: £8,264,945), an Investment Reserve of £314,648 (2019: £331,061), and General Reserves in deficit by £1,045,671, incorporating £1,262,000 reflecting Defined Benefit Pension Fund liabilities (2019: reserves deficit £3,353,327, incorporating £3,529,000 pension liability). The Company is an Admitted Body to Strathclyde Pension Fund.

North Ayrshire Council's financial contribution towards the cost of maintaining facilities and delivering services is £2,965,825 (2019: £2,886,624).

Reserves Policy

It is the policy of the Company to hold reserves of funds which have not yet been committed or designated for any particular purpose.

The trustees have set aside these general reserves in order to protect future operations of the Company from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice. At 31 March 2020 the general reserve amounted to a deficit of £1,045,671 (2019: deficit £3,353,327). Setting

aside the pension deficit the trustees are aware that the Company has minimal free reserves and are working on improving this position by ensuring the Company is operating efficiently.

It is also the policy of the Company to provide a designated reserve where it is deemed necessary in considering the future intentions of the Company. Such a reserve has been set aside for investment. At 31 March 2020 the investment reserve amounted to £314,648 (2019: £331,061).

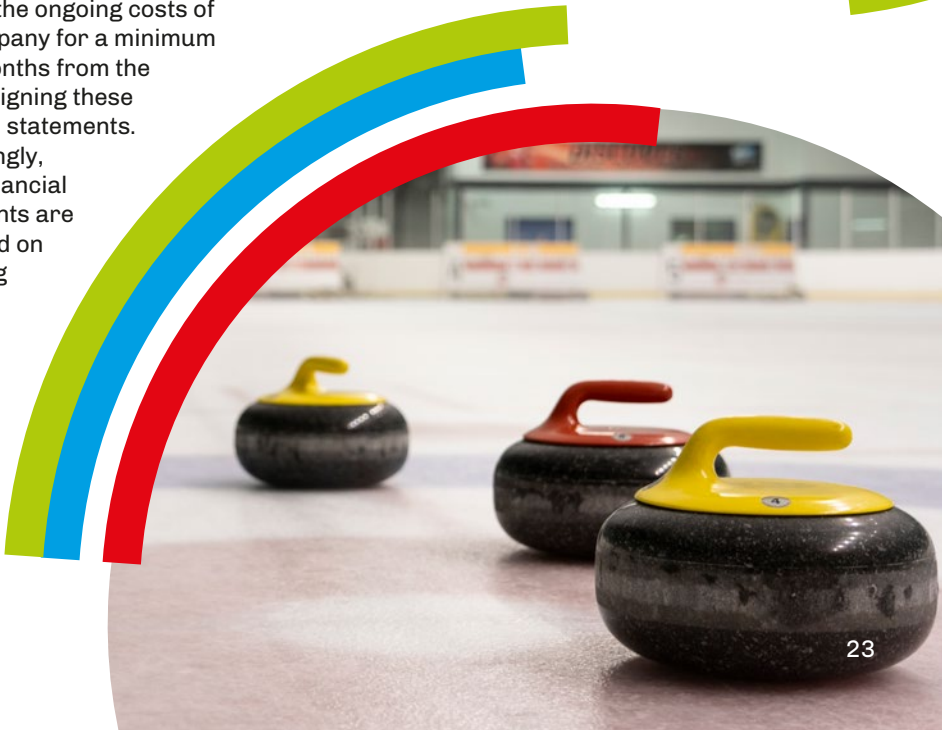


Pension Deficit

The trustees acknowledge the net pension deficit at 31 March 2020 of £1,262,000 (2019: deficit £3,529,000). This is in relation to the Company's share of assets and liabilities within the Strathclyde Pension Fund, a local government pension scheme. The Company continues to meet its ongoing commitments in accordance with the payment plan.

Going Concern

The trustees have assessed, based on future budgets, that there are adequate resources in place from both committed funding and cash resources to meet the ongoing costs of the Company for a minimum of 12 months from the date of signing these financial statements. Accordingly, these financial statements are prepared on the going concern basis.



STRATEGIC DIRECTION

As a committed member of the North Ayrshire Community Planning Partnership, as well as an active member of the North Ayrshire Active Communities Strategic Partnership, KA Leisure engages with partners to capitalise on opportunities to fulfil the Company ambition of:

North Ayrshire More Active More Often

Through taking a focussed approach, and by working with our many partners, we will continue to use our resources to make the greatest impact across North Ayrshire and will continue to develop and grow participation by:

Expanding our reach to maximise the impact of the health and wellbeing of North Ayrshire

We are committed to growing our programmes and activities to make North Ayrshire, more active, more often and by doing so contribute to the collective North Ayrshire Active Communities target of a 10% increase in activity levels by 2026.

Our universal activity programmes are for the whole community and we remain committed to keeping them accessible,

affordable and inclusive. While we continue to strengthen the scope of our health and wellbeing programmes, with activity geared towards the prevention and management of long-term health conditions.

Balancing inclusiveness, accessibility and affordability with charitable sustainability

A key challenge for KA Leisure is achieving and maintaining a balance between providing sustainable services with those that are socially worthwhile and meet our charitable purpose. We ensure that activities and programmes are accessible, affordable and inclusive, through the effective use of resources and investment.

We will continue to maintain a strong focus on fitness activities. Fitness activities provide 41% of our customer income, supporting initiatives for those requiring a more specific approach to overcoming barriers to participation, as well as contributing to investment in venues to ensure they remain relevant for all our customers.



Future Plans

The Coronavirus pandemic has and will continue to have a significant impact on KA Leisure. In partnership with North Ayrshire Council the immediate focus in 2020/2021 will be on re-opening venues and restarting activities in line with the Scottish Government Route Map.

We will review and adapt how we operate to ensure the sustainability of the Company.

The Company is committed to ensuring that it responds to and manages any challenges that may impact on the organisation. The Company recognises that a certain amount of risk is inevitable if the organisation is to achieve its objectives. A risk management framework is in place to assist with taking informed decisions regarding the risks that impact on the Company's priorities, whether Strategic or Operational.

Principle risks identified through the Company Strategic Risk Register which have the potential to seriously affect the performance, future prospects or reputation of the Company are detailed below along with mitigating actions being taken by the Company.

Principal Risks and Uncertainties

Strategic Risk	Possible Impact	Mitigating Actions
Maintenance of Adequate Corporate Reserves	Maintaining low reserves levels could result in the organisation being unable to absorb unforeseen or unplanned expenditure. The Company is experiencing financial difficulties due to the Coronavirus pandemic. Discussions are ongoing with North Ayrshire Council (NAC) with regards the financial viability of the Company going forward.	The Company is participating in on-going discussions with NAC on future Service Level Agreement including revenue and capital funding. NAC has advised that they deem the Company a going concern and are including the Company's situation in the overall recovery plan for the Council.
Business Continuity	Loss of one of more Company facilities would result in loss of income and customer loyalty whilst increasing opportunity for competitors. The Company faces a clear and existential threat as a result of the Coronavirus pandemic that will require reshaping and reforming of activities in order to protect the viability of KA Leisure.	The Board of Directors continually reviewing the structure and operational direction of the Company to ensure its future viability. Maintaining strong and robust relationship with NAC with regards going concern. Adherence to new COVID19 guidance, revision of risk assessments, NOPs and EAPs. Review pricing structure and continue digital to complement onsite delivery of activities.
Asset Management	Failure to manage facilities during the Coronavirus pandemic may result in further closures leading to lost revenue and lower customer satisfaction. Major plant and machinery failure may require large replacement/repair costs placing increased pressure on Company finances. Facilities presented in poor operational and decorative order reduce customer satisfaction, adversely impact community perceptions of Company facilities and reduce partner confidence.	Adherence to Government guidelines as a result of the Coronavirus pandemic. Contracting specialist providers to maintain and repair plant and equipment. Halo system to identify and record maintenance issues. Continual use of Quality Leisure Management audits to assess health & safety effectiveness across facilities. Collaborative working with partners to ensure service meets expectation.
Health & Safety	Failure to provide a safe environment for staff, contractors and customers may lead to a forced closure of a facility resulting in lost income, loss of confidence and reduced customer satisfaction and loyalty	Comprehensive health and safety policy and strategy, training for staff and Directors to include specific COVID19 sessions, health and safety forum, maintenance of RoSPA Gold Accreditation. Compliance with all Government guidance in relation to the Coronavirus pandemic.
Social, Economic, Environmental, & Legislative Pressures	The Coronavirus pandemic has highlighted that its impossible to plan for every eventuality even with robust procedures in place. However, the Company must respond proactively to minimise the impact COVID19 has had on operations. Failing to adequately monitor and react to pressures from the external environment could result in increasing costs, loss of customer satisfaction and loss of revenue and loss of confidence with strategic partners.	Follow all Government guidance in response to the Coronavirus pandemic to ensure compliance. Retention of Company solicitors, membership of industry body, engagement and consultation with external advisors and strategic partners to enable service delivery whilst adhering to legislative and guidance requirements.

Strategic Risk	Possible Impact	Mitigating Actions
Information & Communication Technology	During the current pandemic the importance of ICT has never been more significant as the Company is working more virtually with customer activities also being delivered in a digital format. If the business does not remain current with the continual developments within ICT it could lead to inefficient operating systems, lack of customer satisfaction and data security.	IT policies and control procedures for staff to ensure appropriate use of IT and communication systems. Ongoing corporate ICT development and training to ensure compliance with General Data Protection Regulation.
Strategic Workforce Issues	Apprehension from employees concerned about the future of the Company, returning to workplace whilst pandemic continues and undertaking additional training to revise working practices to adapt to the new COVID19 environment. If the Company does not comply with Government guidance the Company will not be able to operate. If employees are not provided with information and training this could lead to absenteeism, reputational damage and legal claims. If communication and engagement with employees and Trade Unions is not open and collaborative this will foster mistrust, misunderstanding and a lack of willingness to assist the Company to respond proactively to the crisis.	The Company provides all employees with staff updates on re-opening, advice and guidance relating to COVID19 and supporting mechanisms to assist with mental health issues during the pandemic. The Company has engaged with a number of partners including Trade Unions, North Ayrshire Council. The Company has revised risk assessments and operating procedures and training will be carried out. The Company engages with a number of professional organisations including legal and financial advisors, health and safety and industry specialists, these are pivotal in supporting the re-opening of operations.
Customer Satisfaction	The Company's inability to fulfil customer expectation due to the Government guidance restricting service availability. The lack of confidence in the Company from major funding partners. Possible adverse press coverage of the Company. Lack of confidence in the Company from delivery partners and failure to achieve revised performance targets. Economic downturn could result in fewer customers returning to the service.	Adoption of Government advice on safety and social distancing measures as result of the pandemic. Maintenance of customer consultation forums, adoption of social media communication techniques, ongoing customer service training for staff; maintenance of competitive pricing structure and roll out of the customer charter.
Governance & Management	Failing to consider issues surrounding the pandemic would lead to the Company no longer being viable. The lack of effective governance could lead to the Company lacking strategic direction, possible misallocation of funds, poor performance and non-adherence to charity and company law.	External audit, retention of Company solicitors, membership of Industry body, Director training, records held with Companies House and OSCR.
Partnership Working	Loss of funding from North Ayrshire Council would seriously impact the ongoing viability of the Company. During the pandemic NAC has provided assurance to the Company that it will remain a going concern via cashflow support. Robust engagement with NAC is more important than ever to ensure going forward from the pandemic that facilities are fit for purpose and programmed activities meet local need.	Development of funding arrangements with North Ayrshire Council and membership of the North Ayrshire Community Planning Partnership. Regular meetings take place with NAC officers. Attendance at partnership forums, meetings and events by senior members of staff. Due to circumstances these meetings and forums may be held virtually and timeframes subject to change.



TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The trustees (who are also the Directors for the purposes of Company Law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under Company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the results of the Company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Company law, as the Company's Directors, we certify that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- as the Directors of the Company we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BY ORDER OF THE TRUSTEES

G Higgon

Trustee

Date: 26 November 2020

ANNUAL ACCOUNTS

Statement of Financial Activities (incorporating income and expenditure account)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income from donations and legacies				
Lottery and other funded projects	-	445,904	445,904	443,883
Income from charitable activities				
Services provided to North Ayrshire Council	2,965,825	-	2,965,825	2,886,624
Charitable trading operations	4,864,129	174,094	5,038,223	4,930,269
Income from investments				
Investment income	5,310	-	5,310	4,169
Total income and endowments	<u>7,835,264</u>	<u>619,998</u>	<u>8,455,262</u>	<u>8,264,945</u>
Expenditure on charitable activities				
Charitable activities	8,948,021	619,998	9,568,019	8,893,228
Total resources expended	<u>8,948,021</u>	<u>619,998</u>	<u>9,568,019</u>	<u>8,893,228</u>
Net income / (expenditure)	<u>(1,112,757)</u>	<u>-</u>	<u>(1,112,757)</u>	<u>(628,283)</u>
Actuarial (losses)/ gains on defined benefit pension schemes	3,404,000	-	3,404,000	(1,989,000)
Net movement in funds	2,291,243	-	2,291,243	(2,617,283)
Funds brought forward at 1 April 2019	(3,022,266)	-	(3,022,266)	(404,983)
Funds carried forward at 31 March 2020	(731,023)	-	(731,023)	(3,022,266)

There is no difference between the result as disclosed in the Statement of Financial Activities and the result on an unmodified historical cost basis.

None of the Charitable Company's activities were acquired or discontinued during the above two years.

Balance sheet as at 31 March 2020

	2020 £	2019 £
Fixed assets		
Tangible assets	456,901	476,831
Investments	1	1
	<u>456,902</u>	<u>476,832</u>
Current assets		
Stocks	33,885	38,229
Debtors	1,087,420	969,723
Cash at bank and in hand	12,275	170,099
	<u>1,133,580</u>	<u>1,178,051</u>
Creditors: amounts falling due within one year	<u>(894,366)</u>	<u>(983,797)</u>
Net current assets	<u>239,214</u>	<u>194,254</u>
Total assets less current liabilities	<u>696,116</u>	<u>671,086</u>
Creditors: amounts falling due after more than one year	<u>(165,139)</u>	<u>(164,352)</u>
Net assets excluding pension liability	<u>530,977</u>	<u>506,734</u>
Net pension liability	(1,262,000)	(3,529,000)
Net assets including pension liability	<u>(731,023)</u>	<u>(3,022,266)</u>
Funds		
Designated funds: Investment Reserve:		
Unallocated	258,747	293,401
Allocated	55,901	37,660
Unrestricted funds: General Reserve	(1,045,671)	(3,353,327)
	<u>(731,023)</u>	<u>(3,022,266)</u>

These financial statements were approved by the Board of Trustees on 26 November 2020 and are signed on their behalf by: G Higgon and A Pringle - Trustees



Registered Office:

22 Quarry Road,
Irvine
KA12 0TH

01294 315120
info@kaleisure.com

North Ayrshire Leisure Limited is a Company
Limited by Guarantee No.202978 and a
recognised Scottish Charity No.SC029780.

KA Leisure is a trading name of
North Ayrshire Leisure Limited

www.kaleisure.com  



Recovery and Renewal Plan

Incorporating Financial Information 2021/2022

Contents

Introduction	3
COVID-19 Response	4-5
Performance	6-7
COVID-19 Recovery and Renewal	8
Venue Portfolio	8
Reinvent & Reimagine	9-10
People & Partnerships	11
Financial Information	12
Current Year Position January 2021	12
Financial Information 2021/22	12-13
Variances in Budget Options 2021/22	14
Governance	14
Looking Ahead	14

Introduction

Our 20th year of operation has proven to be a year like no other. The impact of the Coronavirus has been profound. The lockdown in March 2020, resulted in the closure of all KA Leisure venues and the suspension of all our usual activity programmes and services. This presented major challenges both operationally and financially.

Against that backdrop our draft Recovery and Renewal Plan addresses the key challenges, offers priorities and future direction as we adapt following the COVID-19 pandemic. It sets out objectives and governance arrangements, informs the development of detailed renewal plans to chart the activities and milestones required to successfully deliver a phased unlocking, restoration and revision of service delivery in-line with the North Ayrshire Council Family. The additional support and guidance provided by North Ayrshire Council continues to be invaluable and is greatly appreciated.

Our approach builds on three key phases:

- **Response** - immediate actions to keep the organisation solvent and trading during severe restrictions. These interventions have shaped our response to recovery and renewal.
- **Recovery** - helping the organisation adjust and adapt to a new normal and overcoming the longer-term effects of COVID-19 – Building Back Better.
- **Renewal** - focusing on long term sustainability to build an adaptive, resilient model.

Our approach to recovery and renewal builds on the existing priorities and organisational strategy to achieving our ambition of:

North Ayrshire, More Active, More Often

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.

COVID-19 Response

Our response to the pandemic has been underpinned by the need to ensure the safety and wellbeing of staff and customers. Maintaining critical functions to ensure business continuity enabled us to engage with customers to maintain activity levels and support vulnerable participants.

Our response to the pandemic has been underpinned by the need to ensure the safety and wellbeing of staff and customers. Maintaining critical functions to ensure business continuity enabled us to engage with customers to maintain activity levels and support vulnerable participants.

A series of measures were implemented to reduce operating costs where possible, including accessing the UK Government Job Retention Scheme and decommissioning or temporarily repurposing facilities.

Encouraging and keeping people active remains our primary goal, however, the pandemic has presented new challenges in how that is achieved. In addition, it has brought into stark focus the importance of using physical activity as an intervention to address public health, support underlying health conditions and engage with communities.

During this initial response period, it was critical for us to engage and maintain a strong ongoing relationship with our customers. As many turned to digital channels, we quickly reviewed, adapted and transferred our current activity and delivery programmes online. A dedicated health and wellbeing portal was also created to keep customers engaged, supported and informed.

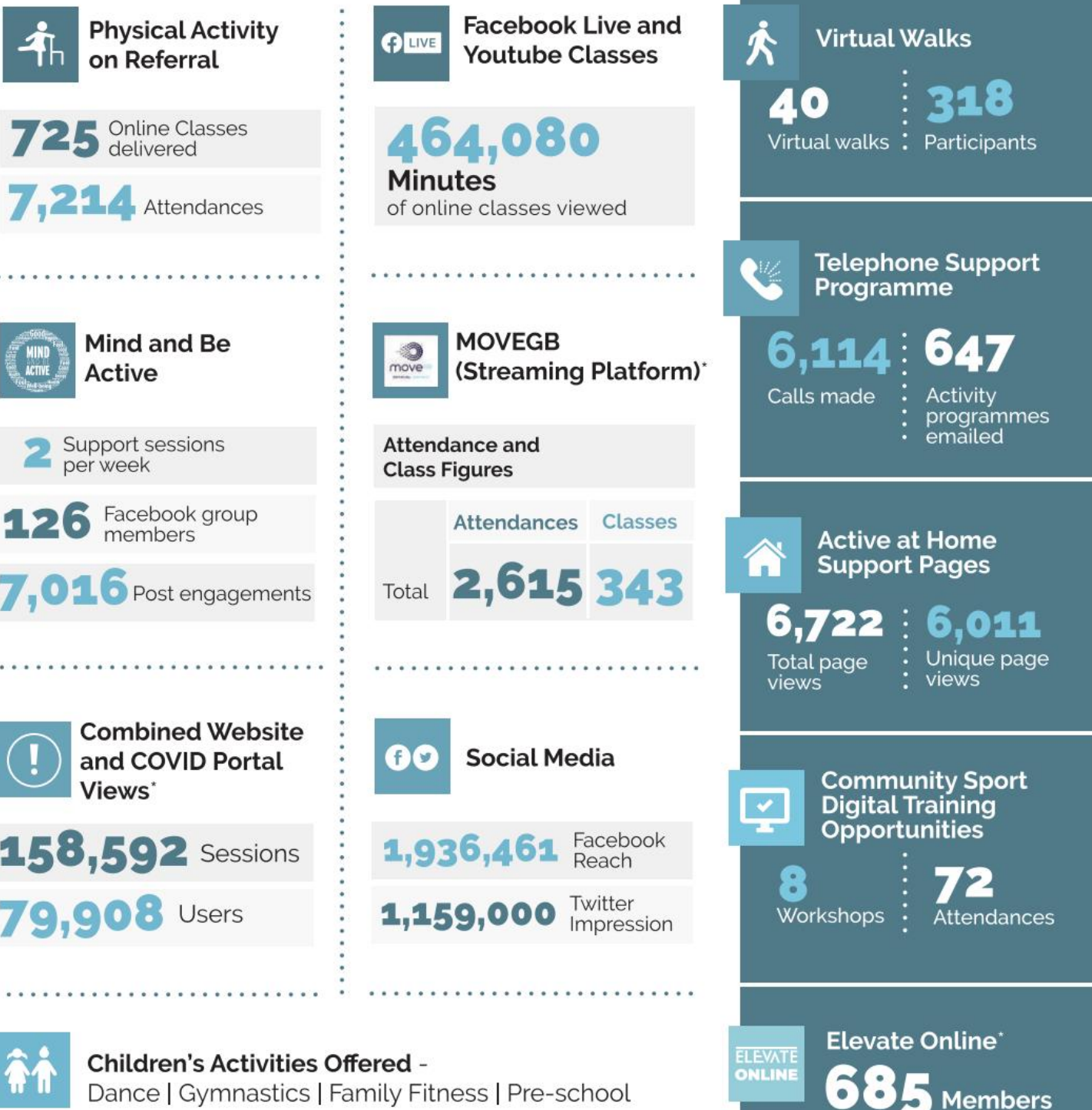
Our response phase included:

- Digital Fitness Provision
- Digital Physical Activity on Referral
- Digital Mind and Be Active
- Virtual Walks
- Telephone Support Programme
- A Programme of Partner Intervention & Support

Beyond the immediate challenges and disruptions, the pandemic has shown many aspects of our organisation at its best. We have responded with outstanding dedication and skill to rapidly develop new ways of delivering continued provision of essential activities safely.

#StayHomeStayActive MAKE THE COMEBACK

(1st April 2020 – 31st December unless stated otherwise)



*1st April 2020 – 25th January 2021

COVID-19 Response

During the response phase, we engaged with regional and national forums to enable the development of a framework. This ensured we were fully compliant with Government and industry guidance for re-opening venues and restarting activities when permitted.

Our framework was implemented on a phased basis as restrictions eased, restarting activities in a COVID-19 secure environment while minimising re-opening costs.

This approach enabled us to gain the RoSPA COVID-19 Compliant Award and re-build customer confidence by clearly defining service standards, addressing health and safety requirements, promoting physical distancing and implementing enhanced cleaning regimes. In addition, we created a customer engagement campaign to accompany this – ‘Make the Comeback’. This was developed to give the public confidence that our facilities were safe and COVID-19 secure. We utilised a variety of communication channels to connect with customers and capture their feedback.

Performance

In line with Government guidance, activities recommenced beginning with golf at the end of May, followed by sports pitches in July. Indoor services restarted with fitness activities and swimming pools at the end of August.

The following graph provides customer visit information and performance for the current financial year:

- A comparison of overall customer visits for the first 9-months of the existing financial year 2020/21, to the corresponding period of 2019/20 and the current year target.
- A comparison of overall customer visits projected for 12-months of the existing financial year 2020/21 to the corresponding period of 2019/20 and the current year target.
- The projected customer visit target for 2021/22.

As restrictions eased, we were able to phase recommencement of activity complying with reduced capacity restrictions, resulting in customer visits being significantly impacted, in particular fitness activities. Customer visits for fitness activity account annually for over 50% of all visits with around 1.5 million attendances, generating over £2 million income each year.

The introduction of the Scottish Government's tiered response in October led to North Ayrshire being placed into tier 3 and adult group activity and contact sports being suspended. North Ayrshire's inclusion in tier 4 which began on 26 December 2020 suspended all activity with the exception of golf.

At the end of December 2020, less than 70,000 visits had been recorded to fitness activities, over 1 million less than the corresponding period in 2019.

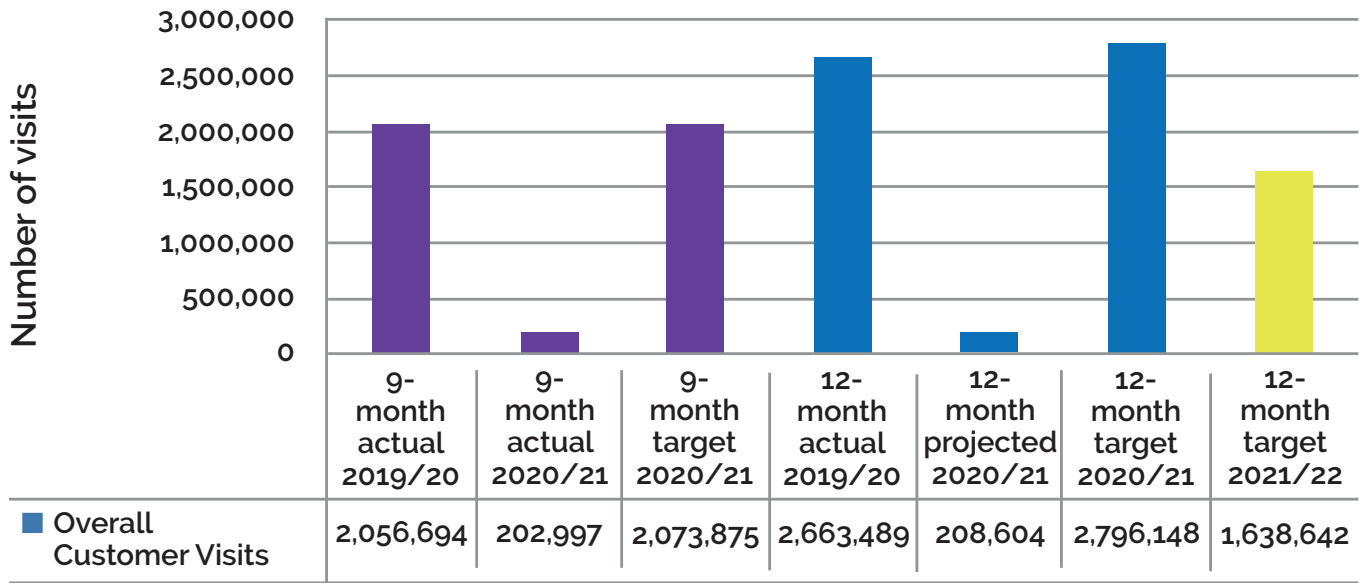
Overall membership numbers reduced from over 9,600 in March 2020 to under 5,500 in December 2020.

We do not anticipate the current tier 4 restrictions being relaxed until April 2021 at the earliest and our projected customer visits for the existing financial year are reflective of only golf continuing to operate.

Our customer visit target for 2021/2022 aims to balance our ambition with a realistic approach. The impact of venue closures and restricted capacities upon re-opening will be apparent for the foreseeable future and reinforces the requirement to develop and implement a flexible Recovery and Renewal Plan. To achieve this continued collaborative working with North Ayrshire Council and other partners is essential.

Moving into the new financial year, regaining our pre-pandemic performance is our goal, however, we recognise this will not be achieved in a short period of time and that we will continue to require support.

Overall Customer Visits



COVID-19 Recovery and Renewal

The pre-COVID-19 challenges North Ayrshire faced have been accelerated by the pandemic and as an organisation, we now need to rethink and reimagine how we keep movement, physical activity and sport central to the lives of everyone in our community.

Fundamental to this is a reshaping of services we deliver to ensure a sustainable balance of income generation with wider social objectives to reduce health inequalities. Adapting and revitalising our approach for the present times we are living in and the future we want to build is crucial.

Recovery will present challenges as it is unlikely we will be able to return to pre-pandemic ways of operating for a considerable period of time. This is an opportunity to pause and to review how services are provided, how they are best delivered, and the most appropriate operating model to meet community needs and mitigate the financial impact.

We will draw on existing evidence, insight and experiences, as well as lessons learned from the pandemic to ensure we have the resilience and agility to re-shape our organisational priorities. Creativity and innovation will be at the core of our approach.

Now more than ever we need to respond to people's day to day lives and circumstances to make sure that everyone has opportunities and options to be active in a way that works for them. We know people with the most to gain from being active are often the least able to participate. Therefore, the pandemic has reinforced our commitment to improve health and reduce inequalities across North Ayrshire.

The strength of our partnerships shone through in the initial response and we have well-established forums for networking, collaboration and mutual support. This joint work provides a solid foundation on which to rebuild a sustainable organisation.

We have identified three key areas where we will concentrate our efforts to gain the greatest impact:

- Venue Portfolio
- Reinvent & Reimagine
- People & Partnerships

Venue Portfolio

Our portfolio of venues and diverse programmes offered across North Ayrshire's 6 localities boast a range of social and recreational opportunities which previously attracted in excess of 2 million attendances each year. Our venues are key to supporting positive health and well-being and contributing to the reduction of health inequalities.

Within our renewal phase a review of venues is currently being undertaken. The initial review has included fitness and swimming operations to meet demand and optimise operational efficiencies. Future venue reviews will be necessary to ensure sustainability whilst considering changing community needs and other local provision.

Reinvent & Reimagine

The impact of the pandemic will be a feature of our daily lives for the foreseeable future. Through consultation, we can better understand the community context and develop relationships which will increase participation. We need to adapt and expand our current service provision to meet the requirements of a new operating environment and generate income to ensure our sustainability.

We are confident that the following areas will generate necessary income and make a valuable contribution to wider social objectives across North Ayrshire.

● Development of Outdoor Activity Programme -

We are fortunate in North Ayrshire to have some of the best outdoor spaces, beautiful beaches and countryside to be active in. Our renewal programme will develop opportunities and innovative ways to encourage the use of green space. This will include fitness programmes, physical activity sessions, community wellbeing initiatives, gardening and the introduction of the 'Fitbox' concept to enable expansion of an outdoor group fitness programme.

Our outdoor activities will also feature an expansion of the KA Walk Programme by introducing a series of health walks to enhance existing opportunities and accommodate participants as part of the Physical Activity on Referral Programme. Volunteer training will continue to support and promote social connectivity and the benefits of being active outdoors.

● Health and Wellbeing Service -

The service is currently being reviewed and re-designed to continue to support individuals to develop the knowledge, skills and confidence they need to improve their health and wellbeing. The service will continue to deliver innovative programmes through collaboration with key partners and engage with priority groups, including those who are vulnerable, isolated and at greatest risk of inactivity. Providing early intervention by offering the right support at the right time remains essential.

Whilst COVID-19 is still a relatively new virus, we are learning more as data becomes available and it is clear that long covid can have a major impact on the lives of those affected. Our existing Physical Activity on Referral Programme - 'Active North Ayrshire', is flexible to respond sensitively and effectively to accommodate the requirements of this condition.

It has also reinforced the importance of our contribution to improving health and well-being, including responding to the direct impact of COVID-19 and redoubling our efforts to reduce health inequalities more broadly. This includes concurrently implementing a health impact assessment process, to provide a mechanism to ensure that any potential negative impacts are minimised and that opportunities are taken to improve the health and well-being of vulnerable population groups.

● Boutique Fitness Studios -

Boutique fitness studios have increased in popularity in recent years. A venue that offers a smaller, more personal group exercise space focused on a particular fitness activity area, provides a unique experience of fun, intensity and social fitness. The small footprint of a boutique studio also allows retail units to be utilised providing a premium fitness offering in local settings. The premium fitness offering income potential enables a range of targeted activities and interventions remain accessible, affordable and inclusive.

● Active Zone & Health and Wellbeing Hub at Bridgegate -

An innovative venue providing an opportunity to engage individuals who traditionally may not have accessed our leisure venues and activities previously. The venue will offer a variety of health screening and wellbeing services to support individuals access physical activity programmes. In addition, to complement the existing Pre 5 programme a range of physical activity opportunities for families providing interactive music and movement classes for babies and toddlers will be available. The venue will also provide an opportunity for partners to offer accessible, complementary services.

● Digital Development –

It has been imperative to develop our digital programme and expand our digital capabilities to meet changing customer expectations. We have worked with leading leisure industry providers to develop a solution that combines the motivation and social connection of live fitness experiences in our venues, with the convenience of digital workouts at home. Our digital platform provides live class streaming and on-demand classes, ensuring vital customer engagement and interaction is retained. To maximise digital opportunities and continue to reduce health inequalities emerging from the pandemic, we will continue to work with partners to support digital inclusion.

● Health Improvement and Weight Management –

Since the start of the COVID-19 pandemic, a renewed focus has been placed on improving our lifestyles and achieving a healthy weight. We recognise the significant challenge that this presents and the important role that physical activity has in improving an individual's health and well-being.

Building on our existing targeted weight loss programme 'Weigh to Go', we will develop a universal weight management programme which will include, access to a range of fun physical activity options, digital tracking and meal planning, peer support, and access to a supported education programme to sustain long term weight loss.

● Mental Health and Wellbeing –

We are dedicated to promoting the positive benefits that physical activity has on mental health and wellbeing. As part of our renewal plans, our innovative programme, 'Mind and be Active', will be developed to accommodate children and young people. We will work with health partners, young people and their families to co-design and pilot physical activity interventions to support mental health and wellbeing. Key features will include digital peer support, outdoor physical activity interventions and enhanced social interaction opportunities.

● Community Sport –

We believe that through sport we have the power to change lives. We are passionate about creating environments that are welcoming, inclusive, and fun. It is vital that we better understand and meet the needs of communities who may experience barriers to participation with a particular focus on age, disability, gender, and social economic disadvantage.

To enhance the current provision of sport and physical activity opportunities across North Ayrshire, we shall launch 'INSPIRE', a children and young people's multi activity membership which offers unlimited access to community sport, arts and drama opportunities. This collaborative programme recognises that positive experiences for children and young people to participate in a variety of inspiring activities can help build the foundations for an active life.

● Review of pricing –

We remain committed to keeping our activities accessible, affordable and inclusive, through the effective use of resources and investment. However, we recognise that providing low-cost activity alone does not lead to engaging those who would benefit most from participation in physical activity. We need to continue to balance our pricing strategy with resourcing targeted interventions through a whole systems approach to ensure we engage with the vulnerable and those groups most excluded.

People & Partnerships

The future success of the organisation will depend on our ability to adjust to new ways of working. As we grapple with the challenges emanating from COVID-19 we recognise the requirement to consider how our resources can flex and adapt to new delivery methods.

Delivering an agile and resilient structure, that provides a solid foundation for creating an innovative, engaging and collaborative work-force with the right skills will be key to our success.

To remain successful, thriving and sustainable we need to set out the future direction of the organisation and define what success looks like. To maintain high levels of creativity and innovation greater emphasis will be placed on the development of:

- Consultation, engagement and co-designing of services
- Building capacity
- Continual reflective learning
- Data, evidence and insights
- Training, skills, tools and resources
- Communication and collaboration

As a committed member of the North Ayrshire Community Planning Partnership, we are passionate about working collaboratively with our partners and like-minded organisations to increase activity levels, reduce inequalities and improve the health and wellbeing of our communities across North Ayrshire.

We have demonstrated that as an organisation we have the capacity to work in partnership to respond dynamically and work towards sustainable recovery and renewal. Nurturing existing, and developing new partnerships are crucial to ensure we can fulfil and achieve our future goals.

Financial Information

Current Year Position January 2021

We have been significantly impacted by COVID-19 and this has placed us in a challenging position financially since the closure of all venues in March 2020. In addition, we do not anticipate the current tier 4 restrictions easing until April 2021 at the earliest.

The probable outturn exercise carried out in January 2021 anticipates a deficit at the financial year end of £1,928,121 against 2020/21 budget. The table below shows the current overall financial position.

Annual Budget 2020/2021

	Annual Budget (£)	Probable Outturn (£)	Variance on Budget to Date (£)
Expenditure	8,453,660	6,596,354	(1,857,306)
Income	8,458,871	4,673,444	3,785,427
(Surplus)/Deficit	(5,211)	1,922,910	1,928,121

We are grateful to North Ayrshire Council for providing additional financial support within the current financial year 2020/21 ensuring the ongoing sustainability of the organisation.

Financial Information 2021/22

The impact of COVID-19 is ongoing and we will continue to experience significant financial challenges, resulting in an anticipated operating deficit for the financial year 2021/2022.

Financial planning for the financial year 2021/22 has been undertaken in partnership with North Ayrshire Council to develop efficiency savings and optimise income by taking an innovative approach to utilising technology, collaborating with new partners and providing responsive programmes to aid the future sustainability of the organisation.

A scenario planning model aligned to the Scottish Government tier system has been used to prepare three indicative projections for the financial year 2021/22. Projections have been developed for each of the scenarios estimating the number of months we will spend in each tier. This information is detailed in the table below:

Tier Level	Number Of Months In Each Tier		
	Scenario1	Scenario2	Scenario3
Full lockdown	0	0	0
Tier 4	0	3	1
Tier 3	4	9	11
Tier 2	3	0	0
Tier 1	2	0	0
Tier 0	3	0	0

Three indicative financial projections have been prepared utilising the scenario model outlined above, North Ayrshire Council's 2020/21 contribution as a base budget and includes an anticipated annual net saving of £509,731 from the recovery and renewal plan actions. These are detailed in the following table:

	2020/21 Budget	2021/22 Scenario 1	2021/22 Scenario 2	2021/22 Scenario 3
Expenditure	£	£	£	£
Employee Costs	5,632,238	5,088,786	4,591,900	4,883,222
Property Costs	1,413,939	1,404,274	1,129,456	1,320,969
Supplies & Services	408,082	402,662	402,662	402,662
Transport & Plant	44,363	44,363	44,363	44,363
Administration Costs	347,050	346,100	346,100	346,100
Payments to Other Bodies	163,244	163,244	163,244	163,244
Finance/Other Expenditure	444,744	422,766	357,867	382,337
Total Expenditure	8,453,660	7,872,195	7,035,592	7,542,897
Income				
North Ayrshire Council	2,705,624	2,705,624	2,705,624	2,705,624
Other Income	5,753,247	4,596,455	3,407,835	3,625,421
Total Income	8,458,871	7,302,079	6,113,459	6,331,045
Surplus/(Deficit)	5,211	(570,116)	(922,133)	(1,211,852)

The anticipated savings of £509,731 identified within our recovery and renewal plan actions are realistically achievable as £263,643 has already been realised through the review of fitness and swimming pool operations. Despite these savings, the potential level of financial deficit facing the organisation ranges from £570,116 to £1,211,852.

The following information and assumptions have been considered within the financial information above:

- We will continue to utilise the UK Government Job Retention Scheme whilst available. It has been assumed that the scheme will be extended which will allow us to recover 80% of furloughed employee costs.
- For all non-payroll expenditure, 2% inflation has been applied.
- Access to Community Sport Hub venues is included.
- Physical distancing restrictions and COVID-19 compliance measures will remain in place across all tiers limiting capacity.
- No inflationary adjustments have been applied to indicative income projections.

Variances in Budget Options 2021/22

Options for reducing the current levels of expenditure are limited. In each scenario, employee costs vary due to accessing the UK Government Job Retention Scheme and a reduction in property costs as a result of reduced energy consumption.

Governance

The criticality and magnitude of our recovery requires a robust governance framework to provide assurance on the implementation of the Recovery and Renewal Plan. Regular oversight and scrutiny of organisational performance, financial projections, HR and social outcomes will be provided by the KA Leisure Audit Committee and North Ayrshire Council. Providing an opportunity and authority to adjust the implementation of our recovery and renewal plan to ensure that all risks and liabilities are managed timeously.

North Ayrshire Council has committed to work with us and support us financially in 2021/22. To ensure financial transparency, our performance will be included within North Ayrshire Council's in year financial monitoring process.

Looking Ahead

As we look to the future, we recognise there will still be many more challenges ahead and it is difficult to predict future performance and impact, however, we are positive and confident that we have developed an approach to recovery and renewal that builds on our ambition to keep North Ayrshire More Active More Often.

We would like to take this opportunity to thank our customers for their continued support and commitment. Our achievements to date would not be possible without the dedication, support and hard work of our staff, Board of Directors and dedicated partners.

We have been fortunate to strengthen our working relationship with our foremost partner North Ayrshire Council during the pandemic and we would like to express our sincere thanks and gratitude for the continued support and guidance received.

NORTH AYRSHIRE COUNCIL

23 February 2021

Cabinet

Title:	Strategic Risk Register 2021/22
Purpose:	To seek Cabinet approval of the Strategic Risk Register for 2021/22.
Recommendation:	That Cabinet approves the Council's Strategic Risk Register for 2021/22.

1. Executive Summary

- 1.1 The Strategic Risk Register has been reviewed and updated for 2021/22.
- 1.2 It is recommended that six current risks remain on the Strategic Risk Register at their existing risk scores – Financial Environment, Inequalities, Cyber Security, Transformation, Climate Change and Community Capacity Building & Empowerment. It is recommended that the Financial Sustainability of the Health and Social Care Partnership risk score is reduced from 20 to 16.
- 1.3 Furthermore, the risk for Brexit has been removed from the Strategic Risk Register as the risk score has significantly reduced (risk score 9) due to agreement on a trade deal between the UK Government and the EU.
- 1.4 Covid-19 was added to the Strategic Risk Register as the pandemic emerged and subsequent wording has been developed to reflect this risk.

2. Background

- 2.1 North Ayrshire Council is committed to ensuring that it is proactive in identifying and managing the risks impacting on the authority. The Council recognises that a certain amount of risk is inevitable if the organisation is to achieve its objectives.
- 2.2 The aim of risk management is to reduce the likelihood and/or impact of risk by identifying and controlling risks to the Council. If risk is to be managed appropriately, and Services are aware of these risks, risk management can contribute positively towards the organisation's decision-making processes, making the Council more innovative and effective in its approach to service delivery.

- 2.3 The most significant risks are identified through the Council's Strategic Risk Register (SRR), recognising the challenges facing the Council and demonstrating the arrangements in place to manage these risks.
- 2.4 The Strategic Risk Register has been reviewed and updated for 2021/22 and is attached at Appendix 1 to this report. For each of the risks detailed within the register a number of components are identified:
- Risk proximity factors.
 - Risk score.
 - Potential effect on the Council's priorities.
 - Internal controls currently in place.
 - Assessment of controls, and
 - Additional actions identified.
- 2.5 To assist in the assessment of each risk, the Council's agreed risk matrix was used to ensure consistency. This is used to assess the likelihood of occurrence (on a scale from 1 to 5) and the significance of the impact of the risk should it occur (on a scale from 1 to 5). The risk score is the product of likelihood multiplied by impact. Only those risks rated as high or very high (10 or above) will feature on the SRR to ensure a focus on managing the most significant risks.
- 2.6 Six current risks remain on the Strategic Risk Register at their existing risk scores – Financial Environment, Inequalities, Cyber Security, Transformation, Climate Change and Community Capacity Building & Empowerment.
- 2.7 The existing risk relating to 'Financial Sustainability of the Health and Social Care Partnership' score has decreased from 20 to 16.
- 2.8 The risk for Brexit has been removed from the Strategic Risk Register as the risk score has significantly reduced due to agreement on a trade deal between the UK Government and the EU.
- 2.9 Covid-19 was added to the Strategic Risk Register as the pandemic emerged and subsequent wording has been developed to reflect this risk for 2021/22. Furthermore, a Risk Horizon Scanning Workshop for the Chief Officers Leadership Team was facilitated by the Council's Risk Partner, Zurich Municipal, on 2 December 2020. The purpose of the workshop was to;
- Identify new and emerging risks arising in the aftermath of Covid-19
 - Assess how North Ayrshire Council's risk landscape has changed following Covid-19
 - Visualise the current perception of risk within North Ayrshire Council
 - Compare Zurich Municipal's view on key risks with our own view
 - Use the information and insight gained to agree some next steps in addressing risk
- 2.10 The eight Strategic Risks are categorised as follows:

Very High Risks

- **Financial Environment** - this risk reflects the ongoing financial challenge faced by the Council. (risk score 20)
- **Inequalities** - this highlights the socio-economic inequalities faced in North Ayrshire. (risk score 20)
- **Covid-19 Impact** - there is a developing risk to the Council from the ongoing impacts from the pandemic. (risk score 20)

High Risks

- **Financial Sustainability of the Health and Social Care Partnership** - this reflects the ongoing financial challenges faced by the Partnership and the risk these present to the Council. (risk score 16)
- **Cyber Security** – this reflects the ongoing risk from external cyber-attack which is being faced by all organisations. The Scottish Government has put in place a Cyber-Resilience Action Plan which the Council is complying with. (risk score 16)
- **Transformation** - this reflects the wider risks associated with delivering the current Transformation Programme and developing a pipeline of future initiatives. (risk score 16)
- **Climate Change** – this risk is in line with the declaration by the Council of a Climate Change Emergency during 2019 (risk score 16).
- **Community Capacity Building and Empowerment** - this highlights the challenges associated with community empowerment (risk score 12).

2.11 Council Services have identified high level strategic actions within their planning for 2021/22 to help the Council mitigate against its strategic risks. These actions are detailed in summary format in the Risk Management Action Plans following each Risk within Appendix 1. These actions will assist with performance monitoring and reporting on the strategic risks.

2.12 The Council's Internal Audit Plan 2021/22 was approved at the Audit and Scrutiny Committee on 12th January 2021 and is risk-based with clear links in place between the audit plan and the key risks the Council face.

3. Proposals

3.1 Cabinet is requested to approve the Strategic Risk Register 2021/22.

4. Implications/Socio-economic Duty

Financial

4.1 The Council continues to have a robust long- and medium-term financial planning framework. Key strands include development of key transformation themes and the establishment of an Investment Fund that will generate future savings alongside delivery of a number of key Council priorities.

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4 The risk to the Council is that North Ayrshire residents, and in particular certain groups, will experience increasing levels of poverty and its effects. Current control measures fall into two categories - measures to address the root causes of socio-economic inequalities and mitigation measures to minimise the impacts of poverty.

Environmental and Sustainability

4.5 The Council has declared a climate change emergency and has in place an Environmental Sustainability and Climate Change Strategy. Significant work to help mitigate the risk of flooding is included within the Capital Plan.

Key Priorities

4.6 A successful risk management framework helps to underpin the delivery of the Council's strategic priorities in the Council Plan 2019-2024.

Community Wealth Building

4.7 None.

5. Consultation

5.1 The Strategic Risk Register has been reviewed in consultation with the Executive Leadership Team and the Corporate Risk Management Group.





Thomas Reaney
Head of Service (Recovery and Renewal)

For further information please contact **Alex Fitzharris, Risk Manager, Recovery and Renewal**, on **01294-324515**.



Background Papers

None.


Risk Code	SRR2122_R01	Risk Title	Financial Environment			Latest Note Date	28-Jan-2021
Risk Owner		Mark Boyd					
Risk Proximity Factors		Consequences / Impact		Existing Risk Control Measures		Likelihood	Impact
<p>The risk is that the level of funding from Scottish Government to local government will require the Council to take increasingly difficult and challenging decisions, potentially operating with increased levels of risk to ensure service delivery and investment in assets align with available resources. Although the 2021/22 local government settlement represents an increase of 0.84% in core grant funding, this has to continue to be looked at within the context of financial pressures facing the council including pay, contractual and demographic pressures over the short, medium and long term. The continuation of single year settlements makes effective medium and long term financial planning challenging. It is recommended that following the settlement and within the wider financial pressure context, the risk score remains unchanged at this time. Any consideration to change this will only occur following a sustained period of annual growth in core revenue funding.</p> <p>The Council is exposed to financial risk as a result of the financial performance of the IJB; more detail on this is set out at risk SRR03.</p>		Funding not keeping pace with demand and cost means that there will be a reduction in some service areas potentially resulting in higher risks for service users.		<p>Robust monitoring of the Council’s revenue and capital budgets is in place as well as regular reporting of financial performance of the IJB to Cabinet and Audit and Scrutiny.</p> <p>To assist financial planning The Long Term Financial Outlook (LTFO) to 2030/31 was approved at Council on 16 December 2020 - this is the cornerstone of the Council's financial planning in the medium to long term.</p> <p>The Council is currently preparing to deliver a balanced budget for 2021/22 with work being progressed to further develop the Transformation and Renewal programme over the period 2021/22 to 2030/31. The development and monitoring framework to support this activity is currently being progressed. This framework will capture plans to address anticipated budget gaps over the medium to long term.</p> <p>Based on the anticipated outturn position in 2020/21 for the IJB, there is a high degree of confidence to achieve the annual debt repayment to the Council of £1.497m, therefore reducing overall debt to £3.796m. This position is further supported by the creation of a potential surplus position to help enable the delivery of the IJB Transformation programme.</p>		4	5
Status		Risk Score	Heat Map	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div></div>			

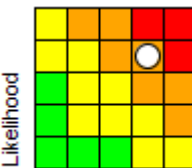
Strategic Risk Action Plan			Date Updated	28-Jan-2021
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Regular financial monitoring of Revenue and Capital Budgets	28 January 2021: Bi-monthly monitoring	31-Mar-2024	Mark Boyd	
Deliver balanced Budget for 2021/22	28 January 2021: No update	04-Mar-2021	Mark Boyd	
Develop Renewal Programme monitoring framework to capture and monitor plans to address funding gap over medium and long-term	28 January 2021: Governance arrangements have now been agreed and include programme development and monitoring through the Transformation Board and ELT.	31-Mar-2021	Mark Boyd; Thomas Reaney	
Maintain Financial Governance Arrangements for IJB	28 January 2021: Bi-monthly monitoring.	31-Mar-2024	Mark Boyd	










Risk Code	SRR2122_R02	Risk Title	Inequalities		Latest Note Date	27-Jan-2021
Risk Owner		Audrey Sutton				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<p>North Ayrshire residents, and in particular certain excluded groups, will experience increasing levels of poverty and its effects, as a result both of the economic situation and Covid-19.</p> <p>Health inequality is closely linked to poverty, employment and people's earliest experiences as children, and will increase.</p> <p>The population of North Ayrshire is projected to fall over the next 10 years but there will also be a larger proportion of the population considered dependent (not economically active).</p>		<p>The impact on specific risk groups is greatest for our children, young people and families, unemployed people and those in in-work poverty and people exposed to the risks of drug and alcohol addiction.</p> <p>Demand for HSCP and Council Services will increase.</p> <p>As reductions in resources increase, early intervention and prevention activities are at risk, thus increasing the potential for an increase in costly crisis interventions.</p> <p>The local economy will be impacted by reduced spending power by economically inactive residents.</p>	<p>Tackling inequalities is a strategic priority of the Community Planning Partnership (CPP), the Council and the HSCP.</p> <p>Current poverty-related controls fall into two categories: measures to address the root causes of socio-economic inequalities – income through employment or benefits – and mitigation measures to minimise the impacts of poverty. A range of strategies are in place: Fair for All, Children’s Services Plan, the Child Poverty Action Plan, Economic Renewal Strategy, Community Wealth Building, the Ayrshire Growth Deal.</p> <p>The HSCP tackles inequalities in areas of economy, health and community. Through the HSCP strategic plan, the Partnership sets out actions to tackle inequality through its Partnership Pledge and across its strategic priorities.</p> <p>The Alcohol and Drug Partnership has a focus on drug and alcohol misuse, with a focus on reducing the numbers of drug related deaths.</p> <p>The ‘Housing First’ programme provides tenancies for the most vulnerable homeless people in North Ayrshire, initially targeting households with addiction and mental health issues on discharge from prison.</p> <p>Through Covid-19 responses a whole system approach is being developed to support residents through a place based model.</p> <p>We continue to progress work to fulfil our commitment in equality of opportunity in employment for all our employees.</p>	5	4	
Status		Risk Score	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><</div></div>			



Strategic Risk Action Plan			Date Updated	27-Jan-2021
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
<p>Many of the current controls are in early stages of implementation:</p> <p>Fair for All (ongoing)</p> <p>Children's Services Plan (new plan)</p> <p>Child Poverty Action Plan (new annual plan)</p> <p>HSCP Strategic Plan (new plan)</p> <p>Economic Renewal Strategy (new strategy)</p> <p>Community Wealth Building (new strategy)</p> <p>Ayrshire Growth Deal (in ongoing development)</p>	<p>27 January 2021:</p> <p>Each of these strategies, taken together, and further developed and implemented, should make a significant contribution to inequalities.</p>	31-Mar-2024	Audrey Sutton; Caroline Cameron	
Recovery & Renewal Strategy Implementation	<p>27 January 2021:</p> <p>The implementation of this strategy includes children and young people service transformation, locality working via hubs and place-based approaches to joined up service provision</p>	31-Mar-2022	Thomas Reaney	

Risk Code	SRR2122_R03	Risk Title	Financial Sustainability of the Health and Social Care Partnership		Latest Note Date	27-Jan-2021
Risk Owner		Caroline Cameron				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<p>Uncertainty of future funding against growing demand and demographic pressures.</p> <p>Resources have not kept pace with the demand for and cost of social care services.</p> <p>If the partnership does overspend the debt owed to the Council will increase. This could reduce confidence in the ability to operate within available resources.</p> <p>Covid-19 has the potential to impact our ability to meet an on-line budget position and ensure repayment of debt.</p> <p>If Covid-19 response is not fully funded the IJB may be required to recover any overspend in-year.</p> <p>Improved financial position in 20-21 projected to underspend after allowing for the planned 20-21 debt repayment reduces risk proximity.</p>		<p>Historically the HSCP have not managed to contain spend within the delegated budget. As a consequence, there is a debt to be repaid by the partnership to the Council.</p> <p>Funding levels could result in savings being made that are not in alignment with the strategic plan. This would impact on the future demand levels e.g. reduction in early intervention and prevention means that future demand is increased.</p> <p>Funding levels impact on the partnerships requirement to transform services at scale and pace to deliver services in a more sustainable way and secure a shift in the balance of care from institutional to community-based services.</p> <p>The partnership requires to put in place a Financial Recovery Plan if there is a projected overspend.</p>	<p>IJB actively monitors the partnership financial position. Directors of Finance of the Council and Health Board have oversight.</p> <p>Regular updates are provided to the Council's Cabinet and Audit and Scrutiny Committee.</p> <p>The Chief Finance and Transformation Officer within the HSCP support's the delivery of transformation at scale and pace. (Note: vacant post at present and recruitment underway).</p> <p>A Medium-Term Financial Plan has been developed and is being refreshed.</p> <p>Transformation Board overseeing the programme of service re-design.</p> <p>Council's budget has £1.5m earmarked to support repayment of the outstanding debt (currently £5.3m).</p> <p>Integrated approach to managing totality of NHS and LA resources delegated to the IJB.</p> <p>Robust processes for monitoring projects and the monthly financial position ensuring financial projections can inform any correction action.</p> <p>Financial returns are submitted to the Scottish Government (SG) on a regular basis.</p> <p>Significant funding for IJBs for Covid-19 response, supported by regular returns to SG. Previous financial settlements have seen both partners meet the SG settlement conditions with any additional resources passed to the IJB.</p>	4	4	
Status		Risk Score	<div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Likelihood</div><div>Impact</div></div></div>	Change in Score	Approach	
Reducing		16		Reduced from 20 to 16	Tolerate	

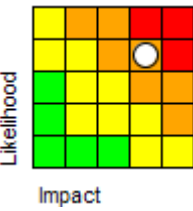
Strategic Risk Action Plan			Date Updated	27-Jan-2021
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Sustainability - Budget outlook report and budget setting paper are effective but further action is required.	21 January 2021: 1) Integrated Strategic Plan and Budget 2) Refresh the medium-term financial plan	31-Mar-2021	Mark Boyd; Caroline Cameron	
Budget Monitoring - Regular budget monitoring reports to IJB is effective.	21 January 2021: No additional actions planned at this time but will keep under review.	31-Mar-2024	Mark Boyd; Caroline Cameron	
Corrective Action – Transformation Board and Recovery Plan is effective	21 January 2021: No additional actions planned at this time but will keep under review.	31-Mar-2024	Mark Boyd; Caroline Cameron	



Risk Code	SRR2122_R04	Risk Title	Cyber Security		Latest Note Date	27-Jan-2021
Risk Owner		Fiona Walker				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<p>The potential compromise of business operations or a data breach orchestrated via either digital channels or the IT infrastructure. This can include targeting of the user base. Risk derives from both Council operations and those of its supply chain.</p> <p>The increasing importance of delivering services through digital channels and maximising efficiency through effective and secure use of technology. This includes a growing adoption of cloud-based computing resources which extend processing capabilities, and associated risks, beyond the Council's network.</p> <p>The Covid-19 pandemic has accelerated the adoption of remote and mobile working practices by staff. While this ensures business continuity, such a distributed work force increases the complexity of protecting against cyber and data protection risks.</p>		<p>Failure by Services to adopt and comply with strategies, policies and procedures may result in a failure to adequately ensure the desired levels of cyber-security required to maintain and protect council systems and data.</p> <p>There may be a significant impact on the authority through the release of personal and/or sensitive information resulting in a loss of public confidence and significant financial loss incurred through fines and service disruption.</p> <p>A successful cyber-attack (malicious external or internal action) on the Council's IT environments could also result in significant service disruption, loss of income streams and possible data loss.</p> <p>Impacts of a cyber-attack could include economic (i.e. inability to collect online payments), societal disruption (i.e. loss of diaries and client appointments), and reputational damage (i.e. loss of public confidence in digital services).</p>	<p>It is recognised that it is not possible for any organisation to expect to be completely protected against continually evolving cyber threats. A threat actor with sufficient motivation, resource and capability will be able to compromise the most secure system.</p> <p>The Council takes a sociotechnical approach to reducing risk by continually developing protective measures through technical, organisational and people-focused controls.</p> <p>Technical controls are implemented in areas such as network defences, secure configuration of systems, user authentication, malware protection, and vulnerability management. These are based on best practice and independently tested on an annual basis to confirm their effectiveness in accordance with compliance schemes.</p> <p>The Council maintains a comprehensive set of policies, standards, guidelines, metrics and reporting mechanisms as part of its information security governance structure. A comprehensive training and awareness programme is delivered to nurture a cyber-aware workforce and culture.</p>	4	4	
Status		Risk Score	 Likelihood Impact	Change in Score		Approach
Stable		16		No change		Treat


Strategic Risk Action Plan			Date Updated	27-Jan-2021
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Security Controls and Compliance – Overall, the current controls remain effective. However, they are continually reviewed to ensure they remain effective in countering emerging threats and risks.	21 January 2021: PSN IT Health Check assessments and compliance certification.	31-Mar-2021	Fiona Walker	
	21 January 2021: Introduction of improved authentication controls, such as removal of password expiry and deployment of multi-factor authentication.	31-Dec-2021	Fiona Walker	
	21 January 2021: Deployment of new anti-malware solution.	30-Jun-2021	Fiona Walker	
Remote Working Security Controls – These have shown to be effective during the pandemic response with limited need for additional solutions.	21 January 2021: Deployment of a new remote access Always-On VPN service in-line with new best practice.	31-Dec-2021	Fiona Walker	
Incident Detection and Response – Recent cyber-attacks on public sector organisations highlight the need for robust incident detection and response procedures and technologies. The current response procedures been shown to be effective based on incidents experienced so far, however detection capabilities will need to be reviewed and improved.	21 January 2021: Review of existing monitoring controls	31-Mar-2021	Fiona Walker	
	21 January 2021: Development of a strategic approach on protective monitoring and incident response	30-Sep-2021	Fiona Walker	
	21 January 2021: Implementation of new protective monitoring technologies and procedures.	31-Dec-2021	Fiona Walker	
	21 January 2021: Review the benefits of Cyber Insurance and procure, if appropriate.	30-Jun-2021	Fiona Walker	
Training and Awareness – The pandemic has impacted on the cyber training	21 January 2021:	30-Jun-2021	Fiona Walker	



programme with the long-term cancellation of all classroom-based training. However, a new online course was launched to compensate for this.	Review effectiveness of online course.			
	21 January 2021: Re-instate classroom training, when possible.	31-Dec-2021	Fiona Walker	
	21 January 2021: Use the Cyber Scotland Week national campaign to increase cyber awareness	28-Feb-2021	Fiona Walker	

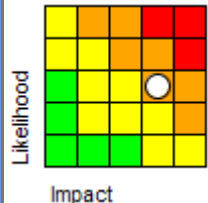
Risk Code	SRR2122_R05	Risk Title	Transformation	Latest Note Date	28-Jan-2021
Risk Owner	Thomas Reaney				
Risk Proximity Factors	Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
There is an overarching corporate risk that transformation and change management activities, which are core to the future delivery models and long-term financial sustainability of both the Council and Health and Social Care Partnership, fail to deliver.	<p>Failure to deliver transformational change will impact on the Council's financial sustainability, effectiveness of service delivery and delivery of the outcomes set out in the Council Plan 2019-24 and the Local Outcome Improvement Plan (LOIP).</p> <p>Failure to deliver the HSCP Transformation programmes across the Partnership, involving North Ayrshire Council (NAC) and NHS Ayrshire & Arran (NHSAA) services may lead to the identified outcomes not being delivered; resulting in financial instability, reduced performance, deteriorating patient outcomes, and reputational damage within North Ayrshire Health and Social Care Partnership (NAHSCP).</p> <p>Failure to embed cultural transformation activities may lead to difficulties in building future workforce capacity and in ensuring we have an engaged, skilled and knowledgeable workforce to meet service demand.</p>	<p>The transformation programme aligns to the Council Plan and is monitored via the Chief Officer Leadership Team (COLT), the Executive Leadership Team (ELT) and the Transformation Boards.</p> <p>A Benefits Tracking monitoring tool is being developed to ensure financial and wider outcomes, aligned to our Transformation plan, are captured.</p> <p>HSCP have an established Transformation Board to closely monitor progress with plans, regular updates on programme to the IJB and regular meetings with the Chief Executive and S95 Officer to review progress and mitigation plans. IJB will approve budget and Strategic Plan for 2021-22 in March 2021 which will align financial plans with transformational strategic change ambitions.</p> <p>Cultural transformation activities continue to evolve to support the Council's transformation and improve effectiveness and capability. This includes sharing learning and skills, engagement, design experiments and a whole systems approach to transformation and change.</p> <p>Our workforce planning approach utilises a variety of tools and techniques, such as career development, succession planning, vacancy management, redeployment and early release schemes to ensure our workforce requirements for the future, in terms of skills and capabilities, are planned. Each Head of Service has a workforce plan, and these are monitored six-monthly with continued HR support and guidance to ensure service review and redesign of the workforce is on track.</p>	4	4	
Status	Risk Score	Heat Map		Change in Score	Approach
				No change	Treat






Stable	16			
--------	----	---	--	--

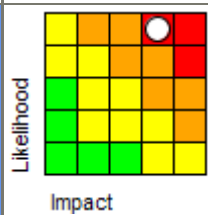
Strategic Risk Action Plan			Date Updated	28-Jan-2021
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Existing controls remain effective and are constantly reviewed. However, in order to enhance these, additional actions have been developed	Develop a new Benefits Tracking Tool to capture financial savings and other benefits, such as environmental gains. The tool should also include potential medium-long terms savings (up to 10 years ahead) and workforce planning.	30-Jun-2021	Mark Boyd; Thomas Reaney	
	Develop governance arrangements around the reporting and management of the Transformation Programme.	30-Jun-2021	Thomas Reaney	



Risk Code	SRR2122_R06	Risk Title	Climate Change		Latest Note Date	27-Jan-2021
Risk Owner		Yvonne Baulk				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<p>Climate change is expected to continue and worsen in the future if no action is taken, with increases to mean global temperatures, sea level rise and the increasing frequency and severity of weather events such as floods, heatwaves, droughts and storms.</p> <p>More frequent and intense heavy rainfall events increase the risk of soil erosion and flooding.</p> <p>Rises in mean sea level increases risks of coastal erosion, flooding, saltwater intrusion and soil salinisation (risk to agricultural land and freshwater habitats).</p> <p>Severe weather is already affecting public services across Scotland, with operational, reputational, financial and legal consequences.</p> <p>There is also an ongoing impact of severe winter weather including snowfall and freezing temperatures which impact service delivery and the integrity of our roads open space and buildings infrastructure. This shift in weather patterns caused by climate change is also affecting biodiversity across Scotland.</p>		<p>Increased frequency of severe weather conditions and flooding events may lead to more instances of damage to Council infrastructure and property, interruptions to service delivery and increased demands on services, often with little notice.</p> <p>Risk to life, transport disruption and pollution to the local environment, as well as impact adversely on the local economy if businesses are unable to operate.</p> <p>Council requirement to provide immediate response and manage the adverse effects of more frequent and severe weather emergency situations, including support to local communities and businesses.</p> <p>The Council is required to comply with the ‘Public Bodies Climate Change Duties’ under the Climate Change (Scotland) Act 2009. These duties require the Council to assess the risks, threats and opportunities associated with climate change and identify actions to increase resilience to climate change.</p>	<p>North Ayrshire Council declared a Climate Emergency in June 2019, committing to act on climate change and reduce carbon emissions. In January 2020 the Council approved the target to become net-zero carbon by 2030.</p> <p>The third iteration of the Environmental Sustainability & Climate Change Strategy is being finalised and will be presented to Cabinet in Spring 2021 for approval. Climate Change Adaptation has been included as a workstream within the new strategy, utilising Adaptation Scotland’s Capability Framework to ensure North Ayrshire takes a strong, proactive approach to adapting to climate change</p> <p>The Flood Risk Management Strategy has been developed into a 6-year plan which began in 2016. A second plan, which will follow on, is in development.</p> <p>In addition, actions to mitigate Climate Change risk are held within strategies such as the Core Paths Plan, Outdoor Access Strategy, Local Biodiversity Action Plan, and Weather and Winter Emergencies Plan. Asset management plans are in place which are regularly reviewed for our Roads, Fleet, Housing, Property and Open Spaces.</p> <p>Furthermore, through the Ayrshire Civil Contingencies Team there are emergency planning arrangements in place in the event of severe weather and flooding conditions causing major disruption and damage to the area or to individual communities within it.</p>	4	4	
Status		Risk Score		Change in Score	Approach	
Stable		16		No change	Treat	

Strategic Risk Action Plan			Date Updated	27-Jan-2021
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
<p>Reducing Carbon Emissions:</p> <p>North Ayrshire Council declared a Climate Emergency in June 2019, committing to act on climate change and reduce carbon emissions. In January 2020 the Council approved the target to become net-zero carbon by 2030.</p> <p>We have seen a significant reduction in overall carbon emissions in the first half of 2020/2021 from 17,184tCO2 to 9,738 tCO2.</p> <p>Existing controls remain effective and are under review as our response to climate change develops and we progress towards achieving net zero by the 2030 target.</p>	<p>26 January 2021:</p> <p>Implementation of the 3rd Environmental Sustainability & Climate Change Strategy, which Includes a Roadmap with actions towards achieving the target. The ESCCS 3 contains workstreams:</p> <ul style="list-style-type: none"> • Affordable Warmth • Green Economy • Transport and Travel • Natural Environment • Sustainable Operations • Carbon Absorption • Climate Change Adaptation, which follows Adaptation Scotland's Capability Framework, to build a climate resilient North Ayrshire. <p>Ongoing work to support renewable energy generation, energy from waste, increased energy efficiency in domestic and non-domestic properties, active travel and actions within the North Ayrshire Local Biodiversity Action Plan.</p>	31-Mar-2023	Yvonne Baulk	
<p>The Flood Risk Management Strategy:</p> <p>This has been developed into a 6-year plan which began in 2016. The strategy involves taking a proactive approach to flood protection, using modelling to identify vulnerable assets. Assets will then be protected on a prioritised basis taking financial damages and other impacts such as danger to life and disruption into account.</p> <p>Existing controls remain effective and are under review as our response to climate change develops and we progress towards achieving net zero by 2030 target.</p>	<p>26 January 2021:</p> <p>To continue the implementation of the flood risk management strategy and to develop the next flood risk plan. Adaptation to the impacts of climate change can be seen in the Flood Protection Schemes being developed and delivered in the Upper Garnock Valley and Millport.</p>	31-Mar-2022	David Hammond	

Risk Code	SRR2122_R07	Risk Title	Community Capacity Building and Empowerment		Latest Note Date	27-Jan-2021
Risk Owner		Rhona Arthur				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<p>Unrealistic timescales for implementation of aspects of legislation of the Community Empowerment Act (Scotland) 2015, such as Community Asset Transfer.</p> <p>Pressure to support community capacity building and the variation of needs within a reducing workforce.</p> <p>Duplication of effort across HSCP and Locality Partnerships to foster community participation and deliver engagement activities.</p> <p>Complying with the complex consultation legislation in service redesign.</p>		<p>Where the risk is not managed effectively the potential benefits of community capacity building and empowerment may be lost.</p> <p>Widening inequality gap between those communities where levels of capacity and engagement with the empowerment agenda are high and those with less social capital where interest remains low, which constrains the ability to influence the planning and delivery service.</p> <p>Any disconnect between the Council’s aspirations, community appetite for increasing ownership of assets and what communities themselves feel able and prepared to commit to can result in community assets reverting back to Council.</p> <p>Accelerating asset transfer risks losing services and facilities.</p> <p>Over-engagement carries disengagement and engagement fatigue.</p>	<p>Ongoing commitment to community empowerment and locality partnerships from CPP.</p> <p>Six locality partnerships and alignment with HSCP locality arrangements.</p> <p>Leadership of the CPP Senior Officers’ Group.</p> <p>Enabling approach with community partners and support with third sector interface to build capacity and identify opportunities for growth and sustainability.</p> <p>Reviewed guidance and processes relating to asset transfer, allotment and Community Councils.</p> <p>Participatory budgeting approach local grants, commitment to PB with partners and leading practice in mainstreaming participatory approaches</p> <p>External funding bid help for groups through regular meetings with third sector, funders and funding officers.</p> <p>Membership of The Consultation Institute.</p>	3	4	
Status		Risk Score		Change in Score	Approach	
Stable		12		No change	Tolerate	

Strategic Risk Action Plan			Date Updated	27-Jan-2021
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
Implementation of CEA: Existing controls remain effective and are keep under review to monitor the impact of Covid-19.	26 January 2021: Ongoing Locality Partnerships and Community Asset Transfer programme. Further development of Locality Hubs and participatory budgeting approaches. Implementation of NA Food System and Food Growing Strategy.	31-Mar-2024	Rhona Arthur	
Implementation of CEA: Existing controls remain effective and are keep under review to monitor the impact of Covid-19.	26 January 2021: Complete of Best Value Audit Review 2020 actions.	30-Jun-2021	Rhona Arthur	
Staff capacity: Existing controls remain effective and are keep under review to monitor the impact of Covid-19.	26 January 2021: Continue to refine processes and develop staff skills, working closely with organisations and third sector through Community Empowerment Collective.	31-Mar-2024	Rhona Arthur	
Alignment of engagement: Existing controls remain effective and are adapting to respond to the impact of Covid-19.	26 January 2021: Share the learning from the Arran Locality Partnership Pilot. Continue to develop the NA Virtual Community Centre and Engagement Hub. Digital participation and social inclusion initiatives to support engagement.	31-Mar-2024	Rhona Arthur	
Consultation: Existing controls remain effective and are adapting to respond to the impact of Covid-19.	26 January 2021: Continue to work closely with The Consultation Institute regarding service change and to keep staff skills updated.	31-Mar-2024	Rhona Arthur	

Risk Code	SRR2122_R08	Risk Title	Covid-19 Impact		Latest Note Date	28-Jan-2021
Risk Owner		Thomas Reaney				
Risk Proximity Factors		Consequences / Impact	Existing Risk Control Measures	Likelihood	Impact	
<p>Repeat waves of the pandemic and new strains emerging.</p> <p>There are ongoing and interrelated strategic risks impacted by the pandemic ranging from increased technology/cyber risk, financial, supply chain, inequalities to how this affects our transformation ambitions.</p> <p>Concurrent' resilience risks such as EU Exit and 'Blackstart' power resilience risks add a layer of complexity to the ongoing management of the pandemic.</p>		<p>Reduction in Council service provision in order to redirect and focus on prioritised activities or impacts on efficiency due to enhanced 'Covid secure' controls.</p> <p>Delays to key plans, objectives and projects.</p> <p>Consequences from this period including financial loss, backlogs, socioeconomic, health and mental health impacts on our staff and communities.</p> <p>The disruption to proactive work in the community has been detrimental to inequalities, poverty, socio-economic and health workstreams.</p>	<p>Strategic, tactical and operational response groups formed.</p> <p>Effective internal and external digital communication strategy in place.</p> <p>Covid-19 hub model adopted during response by North Ayrshire and Anchor Community Partners.</p> <p>The 'North Ayrshire Food System' has been developed to ensure enhanced resilience.</p> <p>Ongoing interpretation of guidance, involvement with national and local resilience partners and horizon scanning.</p> <p>Increased work on concurrent resilience risk planning.</p> <p>Refreshing the approach to Business Continuity Management.</p> <p>Work to identify recovery, renewal and transformation opportunities.</p>	5	4	
Status		Risk Score	 <p>Likelihood</p> <p>Impact</p>	Change in Score	Approach	
Stable		20		No change	Treat	

Strategic Risk Action Plan			Date Updated	28-Jan-2021
Analysis of Effectiveness of Controls	Further Action Required	Target Date for Completion	Officers Responsible	Current Status: RAG
<p>Recovery:</p> <p>Existing controls remain effective and are under review as situation develops. However, in order to enhance these, additional actions have been developed</p>	<p>21 January 2021:</p> <p>Fulfilment of the Councils renewal and recovery strategy and associated action plan.</p>	31-Mar-2022	Thomas Reaney	
<p>Business Continuity:</p> <p>Existing controls remain effective but are under review to ensure lessons from Covid-19 are incorporated.</p>	<p>21 January 2021:</p> <p>Revise Councils approach to business continuity including the development of an electronic Business Continuity Plan.</p>	31-Oct-2021	Thomas Reaney	

NORTH AYRSHIRE COUNCIL

23 February 2021

Cabinet

Title:	Local Authority Discretionary Business Support Fund
Purpose:	To seek approval for a new COVID 19 Local Authority Discretionary Fund for local businesses.
Recommendation:	<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none">a) Notes the approach taken to develop the North Ayrshire Local Authority Discretionary Fund for businesses;b) Approves the proposed criteria for delivery of the Local Authority Discretionary Fund as set out in Appendix 2; andc) Agrees that delegated authority be given to the Head of Service (EDR) to approve exceptions to the above criteria in special circumstances that would directly result in local jobs being safeguarded.

1. Executive Summary

- 1.1 In November 2020 wide-ranging National package of additional business support was announced in response to the continued impact of COVID on the economy. The support totalling £185 million, included a new Local Authority Discretionary Fund. The Discretionary Fund is for Local Authorities to augment the other national support schemes by using local knowledge to identify businesses that have fallen through gaps in the system that are in need of financial aid.
- 1.2 The 3 Ayrshire Councils have worked together to consider a framework of eligibility for delivering this fund and the North Ayrshire proposal is consistent with that.

2. Background

- 2.1 On 17th November 2020 further support for businesses and self-employed people impacted by the pandemic restrictions was announced which would be introduced to control the spread of Coronavirus (Covid-19) in Scotland. These funds are to complement the Strategic Framework Business Fund. A list of COVID business funds is attached at Appendix 1 to the report. Included in the announcement was a commitment to establish a £30m Discretionary Fund to allow Local Authorities to provide additional support for business.

- 2.2 £25m was split between all 32 Local Authorities and based on business base numbers within North Ayrshire, the Council has received an allocation of £461,793. A further £5m was allocated to the eleven Local Authorities that were placed in Tier 4 earlier, including East and South Ayrshire.
- 2.3 The Scottish Government announced on the 28th Jan in their 2021 budget, plans to double the funding available for the Local Authority Discretionary Fund to £60m. The Finance Secretary announced on the 10th Feb plans to increase the fund to £120m to allow Councils to respond to further local economic pressures. No written details have yet been provided on requirements or timeframes associated with the additional funds.
- 2.4 The main purpose of the discretionary grant is for Local Authorities to use their local economy knowledge and support businesses in immediate financial distress as a result of the Covid-19 restrictions, specifically those who have been without financial support since October 2020. As of the Fund arrangements, Local Authorities can administer aid to Limited Companies (including Scottish Charitable Incorporated Organisations and Social Enterprises), Sole Traders, Trusts, Community Interest Companies, Partnerships, Freelancers and the Self Employed.
- 2.5 The announcement in November 2020 has created a wide variety of different funds aimed at specific sectors each with specific eligibility criteria, being delivered by various agencies with funds becoming available from early to mid-January onwards. The wide scope of the funding is welcome however until all the detail of the available national funds and their respective eligibility criteria is known it is difficult to confirm those businesses that would qualify for a local discretionary grant.
- 2.6 A local discretionary proposal has been developed which is largely consistent with that being developed by other Scottish local authorities. An Ayrshire approach has been agreed across the 3 local authorities informed by local intelligence with three key areas of focus namely:
- businesses that supply goods or services to those who have been closed or restricted;
 - businesses facing hardship as an indirect consequence of the current restrictions but have not been eligible to receive financial support through the Strategic Framework Business Fund;
 - businesses who do not have business premises and are therefore ineligible for grants attached to the rates system.
- 2.7 It is proposed that the North Ayrshire Local Authority Discretionary Fund will provide a payment of £2,000 per business to support immediate financial hardship. A consistent offer across Ayrshire will be promoted and a common eligibility-criteria for the fund is proposed as set out in Appendix 2.
- 2.8 Applications to the fund will be by application form and processed by the Business Team. The availability of the fund will be promoted through appropriate Council social media channels and local business networks. Completed applications will be assessed by the Business Team to ensure all the necessary documentation has been completed and a decision made on the application. On appeal, applications are reviewed by the Senior Manager for Business Development. This is in line with all current grant awards.

- 2.9 It is also proposed that as some of the national COVID Business Support grants or their detail are not yet available and live schemes have been subject to changing criteria at government level, and the challenges that the economy is facing, a degree of local flexibility to the criteria set out above may be required. It is also noted that the recent increased allocation will provide scope for providing more support. This will be kept under review as more details come from government, the scheme is launched and demand and need are assessed by the Business Team.
- 2.10 It is therefore proposed that subject to demand and funding availability should a local business present itself in financial distress that exceptions to the funds criteria would be considered. In these circumstances any funding award would be linked to safeguarding jobs and funder of the last resort. It is proposed that Cabinet delegate authority in this regard to Head of Service EDR.

3. Proposals

- 3.1 It is proposed that Cabinet:
- a) Notes the approach taken to develop the North Ayrshire Local Authority Discretionary Fund for businesses;
 - b) Approves the proposed criteria for delivery of the Local Authority Discretionary Fund as set out in Appendix 2; and
 - c) Agrees that delegated authority be given to the Head of Service (EDR) to approve exceptions to the above criteria in special circumstances that would directly result in local jobs being safeguarded.

4. Implications/Socio-economic Duty

Financial

- 4.1 The proposals will be fully funded by Scottish Government and a grant award has been received confirming the North Ayrshire allocation of £463k. A further award is expected in 2021/22. The fund will be monitored to manage demand and the availability of the funds. A closing date in due course will be announced and consideration of any underspend should it occur would be reviewed with the Head of Finance.

Human Resources

- 4.2 This support will be delivered by existing staff teams in the Council who continue to prioritise emergency COVID Business Support.

Legal

- 4.3 None.

Equality/Socio-economic

- 4.4 The fund aligns to Community Wealth Building principles and will help local businesses struggling to survive in the area.

Environmental and Sustainability

- 4.5 The fund will support local businesses to survive including those who may operate within the green jobs sector.

Key Priorities

- 4.6 The report covers information relevant to the following Council Plan priorities:

- North Ayrshire has an inclusive, growing and enterprising economy
- North Ayrshire is a sustainable environment
- North Ayrshire is a vibrant, welcoming and attractive environment

Community Wealth Building

- 4.7 Although this fund is a direct response to the Covid pandemic it will support CWB principles in that it will help safeguard many of our smaller businesses who underpin our local economies.

5. Consultation

- 5.1 Engagement has taken place with the East and South Ayrshire Councils as well as Scottish Enterprise.

RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact Matt Strachan, Senior Manager Business Development, on 01294 310658.

Background Papers

Appendix 1: COVID 19 Business Support National Funds

Appendix 2: Discretionary Fund Guidelines

Appendix 1:List of Proposed Funds 17th February

Fund Name	Eligibility Criteria/ Description	Delivery Partner	FUND STATUS
Retail Hospitality and Leisure Top Up	<ul style="list-style-type: none"> • For Non Essential Retail, Hospitality and Leisure • Linked to Strategic Business Fund eligibility 	Local authorities	CLOSED
Self-Catering Accommodation Support Fund	<u>larger self-catering accommodation</u> <ul style="list-style-type: none"> • For units with 7+ bed spaces • Capped at 5 premises per business. <u>large exclusive use venues</u> <ul style="list-style-type: none"> • Cap maximum 5 premises per business. 	Local authorities	NOT YET AVAILABLE Planned launch - Feb
Taxi and Private Hire Vehicle Driver Support Fund	<ul style="list-style-type: none"> • £1500 for Taxi Drivers and Private Hire Drivers 	Local authorities	OPEN
Newly Self-Employed Hardship Fund	For those business who recently started and cannot access Self Employed Income Support Scheme	TBC	OPEN
Mobile Close Contact Services	<ul style="list-style-type: none"> • Self-employed mobile close contact service providers, hairdressers or driving instructors 	TBC	OPEN
Contingency Fund Plus	<ul style="list-style-type: none"> • Support for Brewers, Travel Agents and Indoor Football Centres 	Local authorities	OPEN
Brewer Support Fund – <i>Contingency Fund Plus</i>	<ul style="list-style-type: none"> • Must operate from premises that pay Non-Domestic Rates • Must be registered with HMRC under the terms of Excise Duty Notice 226; • Provide evidence of their production data and businesses will therefore be asked to provide evidence of their 2019 production volumes and figures for 2020 if they relate to the period before April; • Breweries with a Rateable Value of over £51,000 or production in 2019 of over 5,000 HL will be eligible for an additional allocation and a total grant of £30,000. • 	Local authorities	OPEN
B&B and Guest House Support Fund	<ul style="list-style-type: none"> • For Bed & and other Small Serviced Accommodation businesses who have not been able to access support through other schemes as a result of banking status. 	Local authorities	NOT YET AVAILABLE Planned launch - Feb
Tour Operators	<ul style="list-style-type: none"> • Must be an international inbound tour operators, domestic tour operator or a coach tourism company. 	Visit Scotland	CLOSED
Visitor Attractions	Excludes LA, Government supported, HES and NTS attractions. Government supported further including: <ul style="list-style-type: none"> • Forestry & Land Scotland 	Visit Scotland	OPEN

	<ul style="list-style-type: none"> • Nature Scot • Scottish Canals • National Museums of Scotland • The Scottish Parliament 		
Outdoor Tourism Sector Recommissioning Fund	<ul style="list-style-type: none"> • Must be an outdoor tourism or marine tourism operator. 	Visit Scotland	CLOSED
Visitor Accommodation Hostel	<ul style="list-style-type: none"> • Support for visitor hostels, including independent and affiliated hostel 	Visit Scotland	NOT YET AVAILABLE Planned launch - Feb
Destination Management Organisations Fund	<ul style="list-style-type: none"> • For businesses that provide tourist marketing services or arrange local accommodation, tours, events, activities, attractions and transportation. 	VisitScotland	CLOSED
Events Industry Support Fund	<ul style="list-style-type: none"> • Must derive at least 40% of income from the supply to, organisation of, and/or delivery of or to Events in Scotland 	EventScotland	NOT YET AVAILABLE Planned launch - Feb
Strategically Important Events Business Fund	<ul style="list-style-type: none"> • For event organisers, event supply chain business or event venues 	EventScotland	CLOSED
Grassroots Music Venue Stabilisation Fund	<ul style="list-style-type: none"> • Indoor, permanent venues whose main function is to present all-year-round live grassroots music events for a public audience and • 	Creative Scotland	CLOSED
Commercial Theatres Support Fund	<ul style="list-style-type: none"> • For theatres more at risk because their commercial model, • 	Creative Scotland	CLOSED
Culture Collective	<ul style="list-style-type: none"> • To provide paid opportunities for creative practitioners to work with communities. These funds added to existing £1.5m programme which was heavily oversubscribed, with funding decisions in early February. 	Creative Scotland	CLOSED
Youth Arts Fund	<ul style="list-style-type: none"> • Funds to be added to existing £3 m programme allocated to support youth arts which provides creative opportunities for target groups of children and creates employment opportunities for freelance musicians and other youth arts professionals. 	Creative Scotland	CLOSED
Wedding Sector Support Fund	SOSE developing twin-track approach similar to events approach: with larger awards and different assessment for strategically important venues; and a range of smaller grants for “supply chain” businesses, prioritising those with no or low previous support.	South of Scotland Enterprise/with SE & HIE	OPEN

Ski Centre Support Fund	<ul style="list-style-type: none"> • A ski centres – mountain resorts and artificial slopes – that are of regional and or local economic importance and are experiencing financial hardship. 	Economic Development Agencies	OPEN
Creative Industry Business Support Fund	<ul style="list-style-type: none"> • To support digital development for businesses in the creative and cultural sector to build resilience and drive innovation 	Enterprise Agencies and Business Gateway	NOT YET AVAILABLE
Museums Recovery and Resilience Fund Top up	<ul style="list-style-type: none"> • For independent museums (i.e. not local authority or public body or university run museums) to support survival until March 2021 and continued public engagement. 	Museums & Galleries Scotland	CLOSED
Food and Drink Sector Support Fund	<ul style="list-style-type: none"> • This is a reserve pot of money to respond to the impact of Brexit on the food and drink sector. The details of this fund will be determined once there is greater clarity on the impact of Brexit on this sector 	TBD	NOT YET AVAILABLE
Travelling Show People Support Fund	<ul style="list-style-type: none"> • For travelling show-people that can evidence active trading 	Corra Foundation	CLOSED

Discretionary Fund Proposal Appendix 2

The Discretionary Business Fund aims to provide a £2,000 grant to local businesses that are experiencing immediate financial challenges as a result of the COVID-19 restrictions and regulations but have not been able to access the Strategic Framework Business Fund or other business grant funds provided by the Scottish Government. In particular, this fund will aim to assist businesses that have been without financial support since October 2020.

The discretionary fund will provide a one-off payment of £2,000 per business.

The business must fall into one of the following 3 categories:

- businesses that supply goods or services to those who have been closed or restricted;
- businesses facing hardship as an indirect consequence of the current restrictions but have not been eligible to receive financial support through the Strategic Framework Business Fund;
- businesses who do not have business premises and are therefore ineligible for grants attached to the rates system.

Other Eligibility Includes:

- must be a small or micro enterprise employing less than 50 staff;
- must be ineligible for any scheme of support introduced since October by Scottish Government, this will also include any new schemes of support which have been or may be announced by the Scottish Government prior to the end of March 2021;
- business is not connected to a tax haven, as set out in the Coronavirus (Scotland) (No 2) Act 2020;
- must be able to present robust evidence (eg profit and loss accounts, invoices and receipts, details of contracts lost, cancelled booking diaries/work schedules, cancelled customer bookings) to show that income in the period October to December 2020 was at least 30% lower than in the equivalent period in 2019;
- must be able to provide evidence (eg proof of cancellations/lost bookings) that loss of income was as a result of COVID-19 restrictions eg travel restrictions or supply of goods/services to businesses that have been directly required to close / modify operations;
- must have been trading as of 17 March 2020;
- must provide details and evidence of a business bank account (in the form of an uploaded bank statement) into which grant payments will be made (in the case of self-employed discretion will be applied as long as there is clear evidence of trading from the personal bank statements provided);
- business premises (where applicable) must be registered for non-domestic rates. Businesses that pay rates through their landlords rather than directly must provide evidence of this;
- business has not breached wider COVID regulations/requirements leading to enforcement action;

- open to Limited Companies (including Scottish Charitable Incorporated Organisations and social enterprises), Sole Traders, Trusts, Partnerships, Community Interest Companies, freelancers or the self-employed;
- non premise based businesses will be required to provide evidence to demonstrate proof of identity (e.g. passport) and address (e.g. Council tax bill, utility bill);
- businesses will be required to provide evidence of active trading in the period before restrictions came into place on 9 October 2020; and
- self-employed will be required to confirm that self-employment makes up at least 50% of their income from employment.

NORTH AYRSHIRE COUNCIL

23 February 2021

Cabinet

Title:	Green Jobs Fund
Purpose:	To seek approval for a new Green Jobs Fund which will support North Ayrshire's Economic Recovery and Renewal Approach.
Recommendation:	<p>That Cabinet:</p> <ul style="list-style-type: none"> a) Approves the proposal for a new £500,000 Green Jobs Fund; b) Agrees that financial intervention will be capped at £10k for each business seeking support; c) Agrees that in the exceptional circumstances outlined in paragraph 2.7 that delegated authority be given to the Head of Service (EDR) in consultation with the appropriate portfolio holder to increase the financial cap to £30k; d) Notes the allocation of £250k towards this project from the Council's £8.8million Investment Fund and the award by North Ayrshire's Ventures Trust (NAVT) of £250k to deliver the £500,000 Green Jobs Fund.

1. Executive Summary

- 1.1 At its budget setting meeting in March 2020, the Council allocated an £8.8m Investment Fund to be utilised to deliver climate change, sustainable infrastructure investment and Community Wealth Building. As part of the Investment Fund proposals a new North Ayrshire Green Jobs Fund (GJF) was outlined in the Council's Economic Recovery and Renewal Approach agreed by Cabinet in September 2020.
- 1.2 Supported through agreed funding from NAVT, the Green Jobs Fund proposal represents an investment of £500,000 to support local businesses to make a green transition through business adaption or creation of green jobs that support renewable or circular economy investments.

2. Background

- 2.1 The Covid-19 pandemic has had a major impact on our local economy and the Council has acted decisively to support our local businesses and communities who have been negatively affected by the economic impact. In May 2020 the Council launched its Community Wealth Building (CWB) strategy 2020-2025 to set out our strategic approach to economic recovery and renewal. This strategy is the first of its kind in Scotland and the Council has shown real economic leadership in proposing a new economic model which will ensure economic, social and environmental wellbeing for

our communities. The Council's Economic Recovery and Renewal Approach was agreed by Cabinet in September 2020 and outlined a comprehensive package of support to build back better, fairer and greener through a local Green New Deal for North Ayrshire.

2.2 The plan outlined the development of a Green Jobs Fund (GJF) to support economic recovery and renewal at the same time as tackling climate change and delivering the commitment to become net zero carbon by 2030. The GJF will support the required transition in North Ayrshire by:

- Working with businesses and community groups to explore renewable energy generation and circular economy schemes that would create local fair green jobs.
- Supporting green business adaptation to encourage and support local businesses to adapt their processes and business models to support industrial decarbonisation and meet net zero targets.

2.3 The GJF proposal will provide the following support to businesses, community organisations and potential investors:

- The implementation of a Green Route Map (attached at Appendix 1) to categorise and support businesses through five 'green' categories:
 - Stage 1: No or limited understanding;
 - Stage 2: Developing an understanding;
 - Stage 3: Implementing Sustainability Projects;
 - Stage 4: Substantially embedded in process and culture;
 - Stage 5: Green Exemplar.
- The Route Map identifies where further resource could be allocated and splits support into key stages however broadly speaking this would be used in three ways:
 - Raising awareness (identify specific locality and sectoral needs and design interventions to a targeted audience);
 - Specialist consultancy support (deliver bespoke solutions for businesses where there are gaps in national provision);
 - Grant provision (help business transition to low carbon activities including developing systems, processes, capital equipment, training in greener business practices – targeted where there is a demonstrable benefit and no other provision in the market).
- Support feasibility studies for community organisations and prepare them to access national funds and/or programmes.
- Supporting feasibility for inward investment opportunities that can demonstrate commitment to net zero and Community Wealth Building.

2.4 A business case was prepared which considered:

- The strategic context;

- The case for change – business need;
- Benefits of the proposals;
- Risks and mitigations;
- The available options and an options appraisal with preferred option; and
- Funding and management arrangements.

2.5 The key points from the business case are summarised below:

<i>Strategic context</i>	<ul style="list-style-type: none"> • North Ayrshire's fragile economy and economic impact of Covid-19. • Commitment to inclusive and green economic recovery, and the need to tackle climate change and assist our businesses and communities in playing a key role in this. • Industrial decarbonisation, development of green innovative technologies, circular economy approaches and green reskilling as national priorities. • Development of a green support tool for businesses.
<i>The case for change – business need</i>	<ul style="list-style-type: none"> • Cluttered support landscape with support to help business transition particularly driven by loan funding and gap in provision to support smaller businesses financially to help make small changes. • Majority of programmes nationally and resource required to raise awareness and engagement on green adoption to identify and design local place-based support requirements. • An initial assessment of the business base identified a large exercise required to build knowledge, huge investment needed to support implementation of ambitions, and opportunity to accelerate and enhance existing proposals. • Access to national programmes will be improved and more resources directed to North Ayrshire, including realising potential inward investment enquiries.
<i>Benefits of the proposals</i>	<ul style="list-style-type: none"> • Business and community-led circular economy and energy initiatives supported • Reduced business energy costs • Green innovation and business investment initiatives supported • Green local supply chain initiatives supported • Leveraging of external funding to North Ayrshire including to businesses and community groups • Inward investment with a focus on living wage jobs • Improving resilience of business base • Upskilling and reskilling of businesses • Local supply chain opportunities • Support green economic recovery and renewal • Outcomes: job creation, fair employment, contribution towards challenging net zero target
<i>Risks and mitigations</i>	<ul style="list-style-type: none"> • Key implementation risks include lack of demand, over demand, officer knowledge and skills, and coordination. • These will be mitigated by proactive engagement, an evidence of need being established, continuous monitoring of spend,

	grants targeted where a different can be made and where there is no other provision, engagement of expertise as required, a robust management arrangement outlined and coordination across services.
<i>The available options and an options appraisal with preferred option</i>	<ul style="list-style-type: none"> • An options appraisal has been developed with an assessment of the do nothing, do minimum, preferred option and alternative option proposals.
<i>Funding and management arrangement</i>	<ul style="list-style-type: none"> • The project is a three-year fund. • It is anticipated this will enable significant external investment in North Ayrshire. • The project will be managed by officers within the Council's Economic Development and Regeneration Service. It is proposed that the systems currently employed for managing the Business Development funds are adopted as these are European Funding and Audit Compliant.

- 2.6 Research identified that there is a gap in business grant support for green adoption for sums of up to £10k. It is proposed that financial intervention will be capped at £10k for businesses looking at green adoption and for those seeking support to develop local projects.
- 2.7 Exceptions to the above would relate to projects that represent an opportunity to lever in largescale investment and job opportunities (£1m+). It is proposed that discretion to authorise up to £30k of support will be remitted to the Head of Service for Economic Development and Regeneration in consultation with the appropriate portfolio holder, to assist with bringing suitable green projects to fruition in North Ayrshire given the potential opportunities for job creation.
- 2.8 Each project will be considered on its own merits however will be required to reflect the Council's ambitions contained within Green New Deal and Community Wealth Building principles.
- 2.9 Outputs and outcomes that the project is expected to achieve will be:

Outputs

- Business and community-led, and potentially joint venture, circular economy and energy initiatives supported
- Reduced business energy costs
- Green innovation and business investment initiatives supported
- Green local supply chain initiatives supported
- Leveraging of external funding to North Ayrshire including to businesses and community groups
- Inward investment including living wage jobs
- Improving resilience of business base
- Upskilling and reskilling of businesses
- Local supply chain opportunities
- Support green economic recovery and renewal

Outcomes

- Job creation
- Fair employment
- Contribution towards challenging net zero target

2.10 It is expected that further benefits will emerge and be captured as demand is stimulated within the business base. These measurements will feed into Council Plan and Community Wealth Building reporting frameworks.

2.11 The GJF is supported by North Ayrshire's Ventures Trust (NAVT) through the provision of £250k towards the overall fund. NAVT will be informed and updated on progress made in delivering the new Green Jobs Fund when appropriate.

3. Proposals

3.1 It is proposed that Cabinet:

- a) Approves the proposal for a new £500,000 Green Jobs Fund;
- b) Agrees that financial intervention will be capped at £10k for each business seeking support;
- c) Agrees that in the exceptional circumstances as outlined in paragraph 2.7 that delegated authority be given to the Head of Service (EDR) in consultation with the appropriate portfolio holder to increase the financial cap to £30k;
- d) Notes the allocation of £250k towards this project from the Council's £8.8million Investment Fund and the award by North Ayrshire's Ventures Trust (NAVT) of £250k to deliver the £500,000 Green Jobs Fund.

4. Implications/Socio-economic Duty

Financial

4.1 It is intended that an allocation of £250k from the Council's £8.8m Investment Fund which was established to contribute to potential Community Wealth Building, Climate Emergency and Infrastructure investments will be utilised to create the Fund. In addition, the project has been successful in attracting £250k of NAVT fund support. This will allow the council to launch the £500k fund immediately. The proposal has been promoted to Scottish Enterprise and further assessment will be made of potential for Scottish Government support in light of recent announcements in the budget on a new national Green Jobs Fund. Any additional funds that become available would enhance and expand the support that is being initiated through this proposal.

Human Resources

4.2 The GJF will be delivered through existing resource including the CWB Business Locality Officers.

Legal

4.3 None.

Equality/Socio-economic

4.4 The GJF aligns to Community Wealth Building and will support the creation and sustainability of employment opportunities that align to the principles of fair employment.

Environmental and Sustainability

4.5 The GJF aligns to the Environmental Sustainability and Climate Change Strategy themes on the green economy and the Council's declaration of a Climate Emergency and will support ambitions to reach net zero by 2030 by supporting industrial decarbonisation and green innovation.

Key Priorities

4.6 The report covers information relevant to the following Council Plan priorities:

- North Ayrshire has an inclusive, growing and enterprising economy
- North Ayrshire is a sustainable environment
- North Ayrshire is a vibrant, welcoming and attractive environment

Community Wealth Building

4.7 The Fund will support delivery of the following Community Wealth Building strategy actions:

- Ensure our Community Wealth Building approach delivers our ambitions to become a carbon neutral Council and use the Anchor Institution approach to deliver a green transition for North Ayrshire.
- Promote our investment opportunities to regional and national institutions to gain investment in our communities.
- Encourage our business base to explore the social and environmental impact of their activities.
- Support our business base – including a wide range of business models – to enhance their capacity to bid for public sector contracts.

5. Consultation

- 5.1 Engagement has taken place with the Energy and Sustainability Team to ensure alignment to the refresh of the Environmental Sustainability and Climate Change Strategy. In addition to this, engagement has taken place with Scottish Enterprise, Zero Waste Scotland and the CWB Working Group. Wider engagement was undertaken as part of the development of the Economic Renewal and Recovery Approach. Ongoing engagement with the business base has informed the development of proposed activities.


































RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact Matt Strachan, Senior Manager Business Development, on 01294 310658.

Background Papers

Appendix 1 – Business Green Route Map

Business Green Route Map

Team Preparations	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
<p>Green – Proposed Activity</p> <p>Black – In Place</p> <p>Orange – In Progress</p>	Raising Awareness & Establishing Interest	Baseline Audits Audit Recommendations Further Research	Green Activity/Projects	Green Strategy and Eco - Culture	Optimised
 <p>Advisor Assessment of Green Activity in NAC Businesses Baseline RAG</p>	No or Limited Understanding	Developing An Understanding	Implementing Sustainability Projects	Substantially Embedded in Processes & Culture	Green Exemplar
 Advisor Toolkit  Green Strategy  Advisor Education  CRM Data Capture CRM Reporting  Identify Sector Specific Initiatives  Green Inward Investment Strategy  Develop Local Green Supply Chain Directory	 Promote Partner Activity ZWS, Green Webinars, SMAS, Green Tourism, Carbon Trust  NAC Green Promos – Social Media  NAC Green Promos - Direct Marketing Emails  Growth & Business Managers Advisor Toolkit  Promoting Sector Initiatives  TINA Website 1.Signposting, 2. Local Case Studies 3.Circular Economy Opportunity	 ZWS Referral – Audits  Bespoke Green/Technical Consultancy  Share Directory of Local Green Supply Chain  Identify or establish an Early Stage Green Research Grant / Feasibility	 ZWS SME Loan Interest Free Loan - £100K  Low Carbon Transport Fund Interest Free Loan £120K  Circular Economy Fund (£50K- £1M)  EV Charging  NAC Green Project Grant  NAC Green Skills Training Grant  Green Strategy Grant	 Green accreditation e.g. BS, ISO 14001  Green Graduates Paid Service (£4K- £6k)  Employee Focused Campaigns Materials  NAC Green Job Support  Local Green Challenges - Joint Initiative with Community Team	 Recognition & Reward Green Awards NAC Green Awards?  Green Accreditation e.g. British Standards, ISO14001  Showcase Green Exemplars

NORTH AYRSHIRE COUNCIL

23 February 2021

Cabinet

Title: Demolition Order – 2 Montgomerie Road, Saltcoats

Purpose: To seek approval to progress with the demolition of a residential property in Saltcoats confirmed as being below the Tolerable Standard.

Recommendation: That Cabinet approves (i) the serving of a Demolition Order at 2 Montgomerie Road, Saltcoats; (ii) that Council officers arrange for the demolition of the property if the owner does not arrange demolition within the set timescale; and (iii) that a Compulsory Purchase Order is sought for the property if the Council arranges for the demolition to be undertaken, to recoup some of the demolition costs through sale of the land.

1. Executive Summary

- 1.1 Section 115 of the Housing (Scotland) Act 1987 gives local authorities the powers to serve a Demolition Order where a house fails to meet the Tolerable Standard and cannot be brought back up to standard.
- 1.2 A Demolition Order was served on 2 Montgomerie Road, Saltcoats on 15 January 2015, due to the property being below the Tolerable Standard as defined in Section 86 of the Housing (Scotland) Act 1987. The Demolition Order was not taken forward as the owners were deceased and it was not possible to engage with the next of kin at the time.
- 1.3 The condition of the property has not been improved and indeed there has been a continued deterioration of the building. An options appraisal has subsequently been undertaken to determine the most appropriate steps to take to resolve this long-standing issue.
- 1.4 It is proposed that another Demolition Order be served at the property to ensure its validity. Whilst in general the Council would expect owners to assume responsibility for the demolition of their property in these circumstances, it is proposed that the Council arrange for the demolition to take place if no response is received from the owner. It is further proposed that a Compulsory Purchase Order (CPO) be instructed with the intention to sell the land to recoup some of the demolition costs.

2. Background

- 2.1 Section 115 of the Housing (Scotland) Act 1987 gives local authorities the powers to serve a Demolition Order where a house fails to meet the Tolerable Standard and cannot be brought back up to standard.
- 2.2 On 15 January 2015, North Ayrshire Council served a Demolition Order on the two-apartment detached cottage at 2 Montgomerie Road, Saltcoats. The property had been found to be below the Tolerable Standard as defined by Section 86 of the Housing (Scotland) Act 1987. It was in very poor condition with penetrating dampness throughout. The roof was structurally unstable, and the property had no bathroom amenities.
- 2.3 The owners are deceased and it was not possible at the time to engage with the next of kin in relation to the property. No action has been taken by the next of kin with regards to the Demolition Order.
- 2.4 During a recent inspection of the site by Officers, further structural issues were identified and it was confirmed that the metal box on the roof had fallen off, along with some slates. The area was therefore fenced off and doors and windows boarded up to make the site safe. The property sits behind two residential properties in an otherwise attractive neighbourhood.
- 2.5 An options appraisal was developed in order to establish next steps in resolving the issue. The appraisal acknowledged that, whilst it may be possible to bring the building back into use as a residential property subject to structural considerations, costs associated with re-use are likely to be prohibitive. The property has lain empty since 2002 and is in very poor condition.
- 2.6 The validity of the 2015 Order may be in question due to being unable to evidence service of the notice by recorded delivery or any other means. It is proposed that Officers serve another Demolition Order.
- 2.7 Section 123 of the Housing (Scotland) Act 1987 states *“when a demolition order has become operative, the owner of the building to which it applies shall demolish the building within the time limited in that behalf by the order; and, if the building is not demolished within that time, the local authority may enter and demolish the building”*.
- 2.8 It is anticipated that, similarly to the last attempted contact with the deceased owners' next of kin, there will be no response to the Order. It is proposed that, if this is the case, the Council proceeds with arranging the demolition. Costs for this work are estimated at £10,000. A budget for this has been identified by the Regeneration Team.
- 2.9 Furthermore, Section 123 of the Act makes provision for *“where a local authority have demolished a building in exercise of the powers conferred on them by section 123 and the expenses thereby incurred by them cannot be recovered by reason of the fact that the owner of the building cannot be found, the authority may be authorised by the Secretary of State to purchase compulsorily the site of the building, including the area of any yard, garden or pertinent belonging to the building or usually enjoyed therewith”*.

- 2.10 It is proposed that a Compulsory Purchase Order be sought if the Council is required to arrange the demolition. It is estimated that this part of the process will take between six and twelve months to complete, to allow for the appropriate documentation to be served and obtain authorisation from the Scottish Government.
- 2.11 The area does not create what could reasonably be termed a redevelopment opportunity due to a minimal amount of open space solely for its use and existing parking issues in the area. It is, therefore, proposed that the land be sold if it is brought within Council ownership. A valuation was obtained in 2019, which indicated a market value of £2,250 for the land, which would recoup some of the costs of the demolition and CPO.

3. Proposals

- 3.1 That Cabinet approves (i) the serving of a Demolition Order at 2 Montgomerie Road, Saltcoats; (ii) that Officers arrange for the demolition of the property if the owner does not arrange demolition within the set timescale; and (iii) that a Compulsory Purchase Order to be sought for the property if the Council arranges for the demolition to be undertaken to recoup some of the demolition costs through sale of the land.

4. Implications/Socio-economic Duty

Financial

- 4.1 Demolition of this property has been estimated at £10,000 which has been identified within the Regeneration budget 2021/22. Once demolished, a CPO will be sought and, if agreed, it is anticipated that the land will be offered for sale to the two adjacent owners at market value. It is anticipated that the sale costs will not cover costs of the demolition and obtaining a CPO for the property in full.

Human Resources

- 4.2 None.

Legal

- 4.3 Notice will be served under Section 115 of the Housing (Scotland) Act 1987. If the Council requires to arrange the demolition, this will be carried out in accordance with Section 123 of the Act, as will powers to compulsorily purchase the land.

Equality/Socio-economic

- 4.4 None.

Environmental and Sustainability

- 4.5 None.

Key Priorities

- 4.6 Demolishing this property supports the Council plan priority outcome 'North Ayrshire is a vibrant, welcoming and attractive environment'.

Community Wealth Building

- 4.7 If the Council requires to demolish the property, procurement of a contractor for the works offers the opportunity to support local businesses.

5. Consultation

- 5.1 Consultation with Legal and Property Management and Investment Services was undertaken during both the progression of the case and development of this report. Neighbouring residents have also been consulted as part of the options appraisal process to determine their interest in the land.

RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact **Jacqueline Cameron, Senior Manager (Housing Strategy & Development)** on **01294 485652**.

Background Papers

0

NORTH AYRSHIRE COUNCIL

23 February 2021

Cabinet

Title:	Proposals for Community Investment Fund (CIF) Expenditure
Purpose:	To provide an update on the Millport Town Hall CIF Project and seek permission to draw down previously agreed Community Investment Fund funding in respect of the project.
Recommendation:	That Cabinet: <ul style="list-style-type: none"> a) Notes the update on the Millport Town Hall project; and b) Approves the early release of a further £70,000 from the £200k CIF funding previously allocated by North Ayrshire Council for the Millport Town Hall project.

1. Executive Summary

- 1.1 Within its budget for 2017-18, North Ayrshire Council provided a funding allocation for the creation of an innovative fund to enable communities to address the priorities they have identified through Locality Planning Partnerships and within the context of North Ayrshire Community Planning Partnership's Fair for All strategy.
- 1.2 Locality Partnerships have subsequently continued to work on their local action plans and brought forward proposals for expenditure in line with their locally identified needs. The North Coast and Cumbrae Locality Partnership developed the Millport Town Hall proposal through a process of collaboration and consensus and £200,000 was approved from CIF Funds, subject to the matched funding being secured in 2019. Cabinet approved the early release of £30,000 to allow the project to progress in 2020.
- 1.3 Millport Town Hall has continued to make progress and secure external funding including £1.5million from the Scottish Government's Regeneration Capital Grant Fund in January 2021. This is pivotal to the completion of the project funding and the Millport Town Hall SCIO is requesting to draw down a further £70,000 for the next phase of the restoration works.

2. Background

- 2.1 The Millport Town Hall project is the restoration and regeneration of a historic building, on the At Risk Register and within a Conservation Area. The proposed use is as a multi-

purpose building housing a Heritage and Conservation Centre, Arts and Culture Centre and Community Centre. Sustainable income will be achieved from ticketed events, three holiday let flats, exhibitions, Cumbrae Lottery and local fundraisers. Community lets will be charged at a rate commensurate with those of NAC. The Feasibility Report has shown this to be a viable proposition.

- 2.2 The scale of the project was such that an ambitious funding partnership was required and the amount of CIF requested exceeded the maximum under the guidance. Cabinet outlined some safeguards to ensure that the project was financially viable before releasing funding.

In August 2019 Cabinet agreed to award £200,000 from the North Coast's allocation of the CIF to Millport Town Hall for the restoration of the building subject to:

- (i) the award being set aside for 12 months to allow for the full cost of the project to be funded; and
- (ii) a proportional reduction in the award should the overall cost of the project reduce.

- 2.3 The Millport Town Hall SCIO has worked assiduously with external funders and a cross-service range of council officers to progress the project, however progress has been difficult in the context of the external funding climate, the complexity of the funding partnership and the context of the Covid pandemic.

- 2.4 In February 2020 Cabinet approved the early release of £30,000 to enable the project to progress with architectural and quality surveyor reports. That leveraged in time-limited external funding. The project's progress depended on reports from an architect and a quantity surveyor to inform the next step of the restoration and for further funding applications where the essential detail requires to be provided by specific experts.

- 2.5 The Covid-19 pandemic impacted on the external funding available and made an already challenging task, more difficult. In September 2020, Cabinet reviewed the timescale and extended this until August 2021. Despite the challenges Millport Town Hall has continued to make progress and secure external funding.

- 2.6 In January 2021 the project secured £1.5million from the Scottish Government's Regeneration Capital Grants Fund. This is pivotal to the completion of the project funding.

- 2.7 Work is continuing with external funders and a cross-service range of council officers to support the £2m project, manage increased materials costs due to Covid-19 and to close the revised small funding gap. This currently stands at £88,152, with work currently underway to close this remaining gap.

- 2.8 The Millport Town Hall SCIO is requesting to draw down a further £70,000 for the next phase of the restoration works.

- 2.9 If the current request is approved, the balance of the previously agreed CIF funding would be £100,000. This is an essential part of the project's funding package and further proposals will be brought to Cabinet when the project's funding package is completely agreed with other external funding partners.

2.10 The property has been alienated from Millport Common Good and the Community Asset Transfer to the Millport Town Hall SCIO is in progress.

3. Proposals

3.1 That Cabinet:

- a) Notes the update on the Millport Town Hall project; and
- b) Approves the early release of a further £70,000 from the £200k CIF funding previously allocated by North Ayrshire Council for the Millport Town Hall project.

4. Implications/Socio-economic Duty

Financial

4.1 CIF funding is allocated within existing resources. The project intention is to continue to leverage into the area the balance of funding required for the project from external funding partners, such as Magnox.

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4 The purpose of Locality Planning is to reduce inequalities, increase community cohesion and advance community empowerment. Each of the CIF proposals is tested against that purpose before being presented to Cabinet. This proposal addresses inequalities by better meeting the needs of island communities and addressing social isolation and wellbeing needs amongst older people, in particular.

Environmental and Sustainability

4.5 The building will meet building and environmental standards and recently secured £20,000 for solar panels from the Green islands Fund.

Key Priorities

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

- Active and strong communities;
- Inclusive, growing and enterprising local economy;
- People enjoy good life-long health and wellbeing;
- Vibrant and welcoming places; and

- A sustainable environment.

Community Wealth Building

4.7 The application supports the following pillars of community wealth building:

- Creating volunteering and skills development opportunities;
- Creating local employment through the redevelopment and in the ongoing operation;
- Advancing community enterprises;
- Advancing local ownership of underused land and building; and
- Supporting local business activities and increasing the variety of ownership models.

5. Consultation

5.1 The proposals contained within this report have been developed and approved by the respective Locality Partnerships, through consultation with local people, including young people.

Audrey Sutton
Executive Director
Communities and Education

For further information please contact **Rhona Arthur , Interim Head of Connected Communities**, on **01294 324415**.

Background Papers

0

NORTH AYRSHIRE COUNCIL**23 February 2021****CABINET**

Title:	Hunterston Strategic Development Area
Purpose:	This paper outlines an approach to secure appropriate economic development at Hunterston recognising the strategic importance of the area.
Recommendation:	It is recommended that Cabinet: a) Notes the establishment of the strategic group comprising key regional and national agencies and organisations to determine the best way to realise the ambitions for the Hunterston Strategic Development Area b) Notes the preliminary actions of the group c) Notes the intent to write to the Minister to establish the Task Force once actions have been established d) Agrees to create a tri-partite partnership to facilitate early action at Hunterston Parc and which would be underpinned by the attached Memorandum of Understanding.

1. Executive Summary

- 1.1 The Hunterston Strategic Development Area (HSDA) comprises a number of sites including the Hunterston B nuclear power station employing about 500 people and capability of supplying electricity to approximately 1.7 million homes and Hunterston PARC, which is one of Scotland's largest brownfield sites (320 acres), largest deep water port with direct rail and grid connections. The HSDA is one of Scotland's most important strategic locations as identified in the National Planning Framework. The UK Government has also recognised the strategic importance of Hunterston PARC and £18m has been secured through the Ayrshire Growth Deal to develop centres of excellence in key areas of innovation, advanced technologies and applied research with a particular focus on the blue and green economies including: low carbon energy /circular economy/aquaculture/advanced manufacture and the servicing of assets for the offshore wind and renewable energy sector.
- 1.2 The recent decision to accelerate the decommissioning of Hunterston B will put many of the high-quality jobs at risk and would present a very significant loss to North Ayrshire and there is now a need to accelerate plans to mitigate the likely severe economic consequences. There is a major opportunity to bring economic transformation to the area, by linking the challenges facing the decommissioning of the power station with the range of new industry sectors capable of being realised at the neighbouring site.
- 1.3 Following the announcement in August 2020, that decommissioning of Hunterston B is to be accelerated to 2022, North Ayrshire Council has sought to establish a Ministerial Taskforce to support the acceleration of Ayrshire Growth Deal (AGD) funding to mitigate against adverse socio-economic impacts of the early decommissioning of Hunterston B. This report sets out strategic proposals for the establishment of initial governance arrangements and anticipated early actions.

- 1.4 Hunterston PARC is a major strategic development project within the Ayrshire Growth Deal and the unlocking of the potential of the AGD funding would be best secured through a partnership approach to ensure collaboration and agreed strategic direction of the future development of the site. The paper sets out the initial partnership proposals to take forwards the next stages of project development.

2. Background

Hunterston Ministerial Taskforce

- 2.1 At the meeting of North Ayrshire Council on 23 September 2020, the Council agreed a motion to request the establishment a ministerial taskforce to accelerate the development at Hunterston through the Ayrshire Growth Deal. The motion also sought that the Hunterston Strategic Development Area be included in the Scottish Government's emerging National Planning Framework 4. The motion was a response to the announcement that the Hunterston B power station would cease operation two years earlier than previously planned and that no detailed and funded proposals for alternative employment were in place for the accelerated decommissioning. The motion reflected on the infrastructure assets at Hunterston that make it well placed to support the transition to a green economy.
- 2.2 Subsequently, a formal request for a ministerial taskforce was issued to the Minister for Transport, Infrastructure and Connectivity seeking the establishment of a taskforce. An initial response to the request from the Minister was favourable to the Council's proposal. Simultaneously, Council officers have engaged with national agencies and organisations, including Scottish Enterprise, Peel, Nuclear Decommissioning Authority, Crown Estate Scotland, EDF, Field Studies Council, Skills Development Scotland, Scottish Power and Ayrshire College to develop a set of provisional governance arrangements and agree workstreams that would be the preliminary focus of the collaboration. Although the Minister has yet to confirm the Task Force, an initial meeting of senior representatives from the key agencies was held on 1st February to consider the strategic purpose of the group and critical next steps. It was agreed to extend membership of the group to include Marine Scotland, Scottish National Heritage, relevant expertise from UK and Scottish Governments and Hunterston Estates.
- 2.3 In terms of key priorities and critical first steps for the group the following actions were agreed as the immediate focus of the group: -
- I. Development of a socio-economic baseline to identify and underpin next steps
 - II. Undertake a strategic analysis of relationship between decommissioning and capacity and opportunities for skills retention.
 - III. Develop a strategic proposition for the Hunterston Strategic Development Area to succinctly identify the collective priorities of the stakeholders
 - IV. Develop a consultation strategy, reflecting on opportunities to integrate the work of the group with UN COP26.
- 2.4 It was agreed to write to the Minister to formally establish the Task Force once a clear set of priorities has been established.

Ayrshire Growth Deal

- 2.5 Hunterston PARC is a major project within the AGD to develop a nationally important hub for new growth and investment. The UK Government under the Heads of Terms has offered up to £18 million to support site re-development most of which is currently profiled towards the end of the AGD programme in 10 plus years. The decommissioning of Hunterston B and the need to support the economic recovery and renewal of the North Ayrshire economy post Covid, creates a rationale to accelerate project activity through the AGD and utilise this funding to lever in additional other investment to realise the economic potential of the area.
- 2.6 Scottish Enterprise has offered funding support for developing proposals for the Circular Economy and re-use of the Dry Dock. In addition, other funders such as the Nuclear Decommissioning Agency and Crown Estates Scotland are potentially interested in supporting development at Hunterston. To unlock this funding, a case will need to be made to develop the opportunities to blue economy, innovation and research, low carbon energy and circular economy.
- 2.7 The Hunterston PARC site is owned by the Peel Ports Group under Clydeport Operations Limited (COL) who recognise that the success of realising the strategic ambitions for the site and unlocking third party investment from national agencies and governments is best achieved through a strategic partnership approach between the key parties.
- 2.8 Discussions have taken place with Scottish Enterprise and the Clydeport Operations Limited to develop a partnership arrangement and are set out in the proposed Memorandum of Understanding (MoU), attached in appendix 1, which will support collaboration by the partners with a clear focus on delivery of project elements. The MoU sets out a model for co-funding development work and arrangements for collaborative working. The MoU envisages that the arrangement will operate over 12 months and be renewed as required, subject to agreement from all parties.
- 2.9 The initial focus of Ayrshire Growth Deal project development will develop proposals around enabling works within a 20-acre site and a suite of wider framework proposals for the future development of Hunterston PARC. This will act as a catalyst to enabling strategic activity in the blue, green and circular economy by providing start-up space to support investment in start-up/scale-up investment proposals, which can support future strategic investments in the wider PARC site. Key work to be advanced will include:
- Scoping (with preliminary designs/costings) for the Phase One innovation park proposals within the 20-acre site;
 - Phase Two wider proposals for advance site development works for the entire 320-acre Hunterston PARC area, building on a spatial framework and costed proposals;
 - Alignment of SE/AGD support funding to both the 20-acre site and wider Hunterston PARC proposals;
 - A programme of Advance Building Works that links with the development of Hunterston PARC, with a phase one focus on the 20 acres to potentially include;
 - R&D Office - 750m2

- Incubator Unit – 500m2.
- An Outline Business Case for the development of an innovation park (20 acre) site, under the auspices of the Ayrshire Growth Deal and as a first phase of a wider business case that considers the longer-term development of Hunterston PARC, i.e., Phase Two framework proposals.

2.10 The priority tasks will inform the development of a masterplan for the Hunterston Strategic Development Area, to ensure the direction of agreed development on the site, in line with the tri-partite aims of SE/NAC and Clydeport Operations and to accord with the strategic leadership of the Hunterston Taskforce. The masterplan will be considered through the North Ayrshire planning processes.

3. Proposal

3.1 It is recommended that Cabinet: a) Notes the establishment of the strategic group comprising key regional and national agencies and organisations to determine the best way to realise the ambitions for the Hunterston Strategic Development Area b) Notes the preliminary actions of the group c) Notes the intent to write to the Minister to establish the Task Force once actions have been established d) Agrees to create a tri-partite partnership to facilitate early action at Hunterston Parc and which would be underpinned by the attached Memorandum of Understanding.

4. Implications / Socio-economic Duty

Financial

4.1 In March 2019, the three Ayrshire Councils and the UK and Scottish Governments signed Heads of Terms for the Ayrshire Growth Deal. The Deal documents were signed and concluded on 19th November 2020. The MoU costs to NAC will be absorbed within the AGD Development Budget as will any work advanced under the partnership in meeting Phases One and Two of the proposals. At this stage, support to the Task Force would be met from existing Council budgets and staff. Any significant pieces of work emerging from the Task Force would need to be considered by partners to the Task Force.

Human Resources

4.2 Given the wide scope of the task force work and the complexities of developing the Hunterston site, resource from across NAC will be required to support the proposed work.

Legal

The Draft Memoranda of Understanding have been legally drafted and checked by NAC Legal and discussed in outline with both COL and SE. The Memorandum of Understanding commits NAC/COL/SE to constructive collaboration on the project and contributions to development funding for studies/fees. No capital works or capital expenditure will proceed without approvals.

Equality /Socio-economic

4.4 The project is part of the wider AGD Programme, which includes over-arching KPI's in terms of socio-economic activities and Community Wealth Building. Specific measures on equalities and socio-economic outcomes will be reported to ELT.

Environment and Sustainability

- 4.5 Hunterston PARC is a nationally recognised strategic site (NPF3) and accords with the Local Development Plan. The coastal assets of North Ayrshire and local area involve sites /areas of environmental sensitivity and these will be recognised and accounted for within the development studies. It was also agreed that emerging proposals for the HDSA would be considered through the lens of the environment and sustainability.

Key Priorities

- 4.6 The Hunterston Strategic Development Area will address area wide issues. NAC's priority in developing the MoU is to unlock investment, secure early delivery and create jobs/economic activity in North Ayrshire. The Hunterston Innovation Park (H:IP) seeks to deliver on this priority, within the wider context of Hunterston PARC.

Community Wealth Building

- 4.7 The proposals will include over-arching KPI's in terms of socio-economic activities and Community Wealth Building. Specific measures on equalities and socio-economic outcomes will be reported to ELT and Cabinet as detailed proposals emerge. CWB measures will focus on community benefits, training, skills development and local supply chains.

5. Consultation

- 5.1 Consultation has been progressed with SE/COL and with Crown Estate Scotland. Wider consultation with regulators (Marine Scotland/Scottish Natural Heritage (SNH); Scottish Environment Protection Agency (SEPA); and NAC Planning Services will be advanced as the project develops. A consultation plan is being produced which will set out an approach to wide consultation and engagement.

Karen Yeomans
Director (Growth & Investment)

For further information please contact **George Hunter, Senior Manager, Growth & Investment** on **georgehunter@north-ayrshire.gov.uk 01294 324198**

APPENDIX ONE

Memorandum of Understanding

among

North Ayrshire Council

and

Scottish Enterprise

and

Clydeport Operations Limited

Re HUNTERSTON Project

Effective Date: _____

This Memorandum of Understanding is made among:

The North Ayrshire Council, a local authority constituted in terms of the Local Government etc. (Scotland) Act 1994 and having its principal office at Cunninghame House, Friarscroft, Irvine, KA12 8EE (hereinafter referred to as “**NAC**”) and

Scottish Enterprise, (hereinafter referred to as “**SE**”) established under the Enterprise and New Towns (Scotland) Act 1990 having its principal office at 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU (hereinafter referred to as “**SE**”) and.

Clydeport Operations Limited, incorporated under the Companies Acts (Company Number SC134759) and having its registered office at 16 Robertson Street, Glasgow, Strathclyde, Scotland, G2 8DS (hereinafter referred to as “**COL**”),

each a **Party** and together the **Parties**.

1 Definitions

In this Memorandum of Understanding the following defined terms are used:

Ayrshire Growth Deal or **AGD** means the joint commitment of East Ayrshire Council, North Ayrshire Council, South Ayrshire Council the Scottish and UK Governments to work collaboratively to deliver a Deal that will help transform the Ayrshire economy, as more particularly detailed in the Heads of Terms entered into between these parties dated 8 March 2019 and the Deal Document dated 19 November 2020.

Confidential Information means any information disclosed by one Party to another, whether verbally or written (including in electronic format), which is not in the public domain or which is designated or reasonably regarded as confidential, including this MOU itself;

Hunterston PARC means the port and industrial site known as Hunterston Terminal, Fairlie, Largs, KA29 0AZ and registered in the Land Register of Scotland under Title Number AYR83412;

Hunterston Project means the investment in and development of Hunterston PARC;

Hunterston Strategic Development Area [means Hunterston PARC and the wider surrounding area including Hunterston Port (PPG) Hunterston Nuclear (EDF/NDA) and Designated Strategic Employment sites to the south].

MOU means this Memorandum of Understanding;

2 The Hunterston Project Vision

- 2.1 Hunterston Strategic Development Area is a Strategic Site within the National Planning Framework (NPF3) and a Strategic Employment Site in the Regional Economic Strategy and Local Development Plan. It forms a nationally recognised strategic investment zone and site. Hunterston PARC, situated within Hunterston Strategic Development Area, is one of 10 national and internationally important investment sites within the Scottish Government's Green Investment Portfolio.
- 2.2 Hunterston PARC with its strategic infrastructure (deep water port / grid connections/ large scale sites / rail infrastructure) represents a major area of change and investment. The tri-partite partnership formed in terms of this MOU creates a foundation for further partner and investor participation and specifically seeks to accelerate investment opportunities and ensure the area is made market-ready for inward investment and future development. Significant funding from the AGD has been allocated to the Hunterston Project to support innovation, jobs and inclusive growth.
- 2.3 The Parties recognise that they are the formative partners to lead and structure the Hunterston Project due to their respective interests and shared interest in driving regional growth, securing investment and creating jobs. As it is likely that each Party will invest time and resources in the Hunterston Project, the Parties have agreed to set out their intentions in writing to facilitate this collaboration. The working title for the tri-partite working group will be the Hunterston Development Board.

3 Purpose and Aims

- 3.1 The purpose and aims of this MOU are:
 - 3.1.1 To provide a basis for the Parties to collaborate on the Hunterston Project.
 - 3.1.2 To help deliver the Hunterston Project and specifically to build on the shared vision to create a deliverable strategy and framework that will accelerate investment in the Hunterston Strategic Development Area, create quality jobs and support inclusive growth.
 - 3.1.3 To enable the Parties to work together in developing and securing the aims of the Hunterston Project and defining the specific roles and remits of each of the Parties. To achieve this, the Parties will collaborate in developing a strategic framework document, as outlined in clause 4.2 below, setting out a coordinated plan to advance and deliver a range of opportunities and unlock funding for the Hunterston Project.

4.0 Hunterston Project Opportunity

- 4.1 The Hunterston Development Board is created to support collaboration of the Parties focussed on the Hunterston PARC site. Key sector opportunities exist associated within energy, blue economy, manufacturing, aquaculture, logistics and circular economy.

The Hunterston Project supports the drive towards net zero carbon and creates a catalyst for growth and investment based on its scale, sites, infrastructure and port assets.

- 4.2 The Parties wish to advance and secure delivery of investment opportunities for the Hunterston Project, some of which could include, but are not limited to, enabling a joint understanding of investment needs through the development of: -
- **An Early Action Investment Plan (Phase One)**
To facilitate early release of investment funding to create an innovation Centre within Hunterston PARC (known as Hunterston Innovation Park – H: IP), to offer market ready sites/facilities and secure innovation, start-up and supply chain investment businesses. This will form Phase one of work to be undertaken. Key to this work will be the preparation of an outline design on an identified 20-acre site within Hunterston PARC. Detailed costings will also be developed, and both will form an Outline Business Case, that will inform partnership next steps and satisfy Ayrshire Growth Deal approval requirements.
 - **A Hunterston Delivery and Investment Framework (Phase Two)**
Building on Phase One, the partners will work to develop a framework for the wider Hunterston PARC development. Critically, this will clarify near market / inward investment opportunities and align development opportunities, through the production of a spatial plan, by sector and site(s), to establish the target market areas, define uses spatially and facilitate the phased delivery of projects. Significant work has already been completed in the areas of blue economy / energy / circular economy.

Key to Phase Two will be developing an approach to major investment programmes which could be undertaken by the Parties or landowners in the Hunterston Strategic Development Area and identify the needs of funders to unlock support and create a site-wide investment portfolio and associated design briefs. Both phases will require partnership/governance arrangements to be put in place to advance matters. This will be developed in line with the NAC Growth and Investment Team Strategic dashboard approach for project/programme board delivery.
- 4.3 The Parties acknowledge that the Hunterston Project has the potential to play a significant part in delivering national and regional investment objectives defined in the Scottish Government Inward Investment Strategy and Ayrshire Economic Strategy. A collaborative partnership approach to develop a framework and action plan, as outlined at clause 4.2 above, for investment to align all the varied interests is critical. The Parties therefore commit to contribute to the Hunterston Project development costs as set out below. A budget of £50,000 for financial year to end March 2021 will be allocated. This will produce developed design an associated costing for Phase One and produced an OBC in support of Phase One objectives. An estimated further budget allowance of £50,000 will be required to March 2022. this will progress Phase Two as above and lead to the production of a wider framework for the PARC. Thereafter any funding will be determined or addressed on a project by project basis.

Funding Contributions to March 2021 (Phase One)

- NAC / SE £30,000
- COL £20,000

Funding Contributions to March 2022 (Phase Two)

- NAC/SE £30,000
- COL £20,000

5 Term

- 5.1 This MOU shall commence on the Effective Date and may be reviewed periodically at any Party's request. Unless extended by written agreement among the Parties, this MOU will terminate on 31 March 2022.
- 5.2 Any Party may exit this agreement at any time, having given the other Parties [three] months prior written notice of its intention to do so.

6 Meetings

- 6.1 The Parties acknowledge that their agreement to work together in good faith under the terms of this MOU includes a commitment to attend regular Hunterston Development Board Meetings, which will wherever possible be pre-arranged and diarised to ensure availability.

7 Joint Working in Practice

- 7.1 In light of the respective interests of the Parties outlined above in relation to the Hunterston Project, the Parties agree to work together to:
 - 7.1.1 establish an agreed shared framework, as outlined at clause 4.2;
 - 7.1.2 explore the opportunities for accelerating/advancing investment, including through the Early Action Investment Plan outlined at clause 4.2 to create an Innovation Centre within Hunterston PARC, supported through AGD funding;
 - 7.1.3 consider and discuss the respective roles of each Party in the delivery and ongoing management and operation of the Hunterston Project; and
 - 7.1.4 explore options regarding the form of any investment in the Hunterston Project.

8 Principals of Collaboration

- 8.1 The Parties agree to adopt the following principles in relation to their discussions:
 - 8.1.1 Co-operation and adherence to the principles and spirit of this MOU;
 - 8.1.2 Open communication about any concerns, issues or opportunities related to the Hunterston Project;
 - 8.1.3 Pro-active and positive progression of the Hunterston Project aims;
 - 8.1.4 Adherence to all legal requirements and best practice guidance, particularly in relation to state aid, procurement, data protection, freedom of information; and

8.1.5 Collectively agreed management of external partners and stakeholders, including consultation, engaging and negotiating in good faith.

8.2 The Parties recognise that any action ultimately agreed upon must be compliant with all applicable law, including (but not limited to) state aid and procurement rules, and in which respect the Parties shall take independent legal advice as required.

9 Confidentiality

9.1 The Parties agree not to use Confidential Information for any purpose other than performance of the intentions set out in this MOU.

9.2 The Parties agree not to disclose Confidential Information to any third party (except to the extent that the information is already in the public domain or required to be disclosed by law or applicable regulatory requirement) without obtaining the prior written consent of the other Parties.

10 Legal effect

10.1 This MOU is a summary of the terms of the working relationship between the Parties and as such, the terms hereof are not, and are not intended to be, legally binding.

10.2 Notwithstanding the terms of clause 10.1, clause 9 and this sub-clause 10.2 are legally binding and enforceable by the parties.

11 Counterparts

11.1 This MOU may be executed in any number of counterparts and by each of the Parties on separate counterparts.

11.2 Where executed in counterparts, unless otherwise agreed between the Parties, this MOU shall not take effect until each of the counterparts has been delivered in accordance with the Legal Writings (Counterparts and Delivery) (Scotland) Act 2015.

11.3 Delivery shall take place when the date of delivery is agreed between the Parties following execution of this MOU, as evidenced by the date inserted at the beginning of this MOU (the **Effective Date**).

12 General

12.1 Unless otherwise agreed between the Parties in writing, each Party shall bear its own costs and expenses in respect of this MOU and any work following upon it.

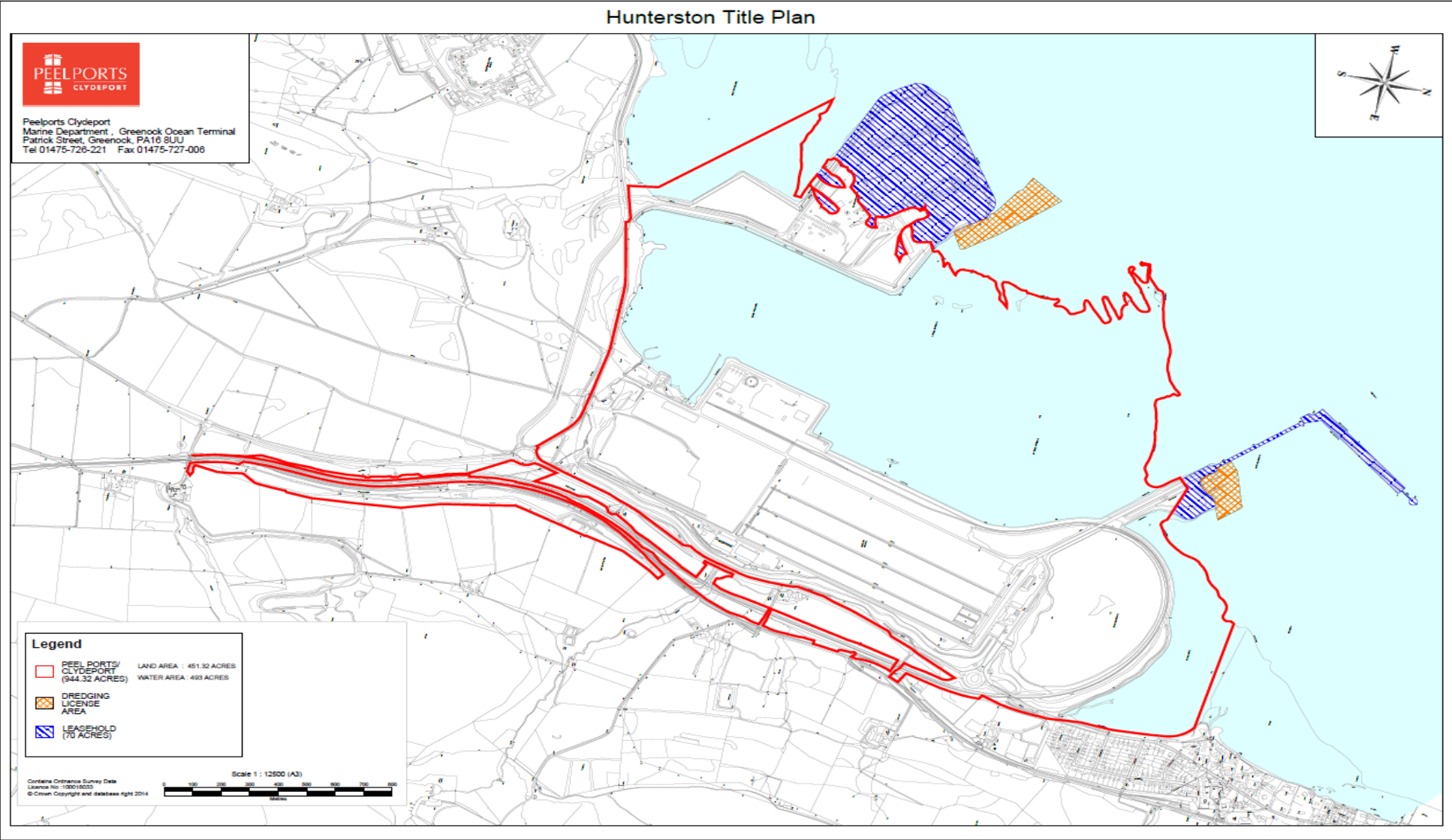
12.2 This MOU is personal to the Parties and no Party shall assign any or all its rights and obligations under this MOU without the prior written consent of the other Parties.

13 Governing Law

The Parties agree that this MOU shall be governed by and construed in accordance with the laws of Scotland and hereby submit to the exclusive jurisdiction of the Scottish Courts.

IN WITNESS WHEREOF these presents consisting of this and the preceding three pages are executed as follows:

APPENDIX TWO: SITE PLAN



NORTH AYRSHIRE COUNCIL

23 February 2021

Cabinet

Title: **HSCP – Budget Monitoring Report**

Purpose: To provide an update on the projected financial outturn for the financial year as at December 2020.

Recommendation: It is proposed that the Committee note the attached report.

1. Executive Summary

- 1.1 The attached report provides an overview of the financial position for the partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments, these have been prepared in conjunction with relevant budget holders and services. The report also outlines the estimated financial impact of the Covid-19 response, the associated funding and financial risks.

2. Background

- 2.1 The Cabinet agreed to receive regular reports on the financial performance of the Health and Social Care Partnership. The Budget Monitoring report presented to the IJB on 11 February 2021 outlined the projected financial outturn for the financial year as at January 2021 and is attached as an appendix.

3. Proposals

- 3.1 It is proposed that the Committee note the report.

4. Implications

Financial:	The implications are outlined in the attached report.
Human Resources:	The implications are outlined in the attached report.

Legal:	The implications are outlined in the attached report.
Equality:	The implications are outlined in the attached report.
Environmental & Sustainability:	The implications are outlined in the attached report.
Key Priorities:	The implications are outlined in the attached report.
Community Benefits:	The implications are outlined in the attached report.

5. Consultation

5.1 The attached report outlines the consultation that has taken place.

For further information please contact **Caroline Cameron** on **07801 439900**.

Background Papers

None

Subject: **2020-21 – Month 9 Financial Performance**

Purpose: To provide an overview of the IJB's financial performance as at Period 9 including an update on the estimated financial impact of the Covid-19 response.

Recommendation: It is recommended that the IJB:

- (a) notes the overall integrated financial performance report for the financial year 2020-21 and the overall projected year-end underspend of £1.245m at period 9;
- (b) notes the updated estimated costs of the Covid mobilisation plan of £10.211m, including savings delays, and the associated funding received to date; and
- (c) note the financial risks for 2020-21, including the impact of Covid 19, and that there is no recommendation at this time to implement a formal Financial Recovery Plan for the IJB.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
MH	Mental Health
CAMHS	Child & Adolescent Mental Health Services
RAG	Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
NRAC	NHS Resource Allocation Committee
GAE	Grant Aided Expenditure
PAC	Performance and Audit Committee

1.	EXECUTIVE SUMMARY
1.1	The report provides an overview of the financial position for the partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments, these have been prepared in conjunction with relevant budget holders and services. It should be noted that although this report refers to the position at the December period end that further work is undertaken following the month end to finalise projections, therefore the projected outturn position is as current and up to date as can practicably be reported.
1.2	The projected outturn, before the impact of Covid-19, is a year-end underspend of £1.245m for 2020-21 which is a favourable movement of £0.114m. There is scope for this position to fluctuate due to in-year cost and demand pressures and assumptions in

	relation to funding and the achievement of savings. The position has been adjusted to reflect the potential impact of Lead Partnership services. In the absence of any alternative risk sharing agreement for lead partnership services an NRAC share of the projected position has been assumed as this would be in line with the allocation in previous years.
1.3	From the core projections, overall, the main areas of pressure are learning disability care packages, looked after children and adult in-patients within the lead partnership. However, there has been significant progress to reduce the pressures in these areas. The financial position demonstrates that the work started before the pandemic to ensure the IJB moved into the new financial year in a financially sustainable position has not been reversed by the Covid-19 response. If this position can be sustained until the financial year end, and assuming all Covid-19 costs are fully funded, the IJB will underspend and repay £1.5m of the debt to North Ayrshire Council as planned.
1.4	The most up to date position in terms of the mobilisation plan for Covid-19 based on the return to the Scottish Government in November projects £10.211m of a financial impact, which is split between additional costs of £8.7m and anticipated savings delays of £1.5m. The impact of savings delays has been built into the core financial projection above on the basis that there is less confidence that funding will be provided to compensate for this. There are financial risks associated with Covid-19 as the IJB has yet to receive confirmation of the full funding allocation. To date North Ayrshire have been allocated funding totalling £8.276m.
1.5	<p>Pending full funding for Covid-19 being confirmed there is a risk that there may be a shortfall to fully compensate the North Ayrshire IJB for the additional costs. Currently there is a balance of £0.468m of estimated costs (exc unachieved savings) for which funding has not yet been allocated. However, there is no recommendation at this time to implement a Financial Recovery Plan on the basis that:</p> <ul style="list-style-type: none"> • There is increasing confidence that additional costs will be funded based on the recently received and future expected funding allocations; • Offsetting reductions of £0.5m have not been included in the overall funding allocation and also have not been factored into the HSCP financial projections, therefore at this stage these would potentially remain available for North to re-direct to any funding shortfall; • The most significant area of additional Covid costs are the purchase of PPE for social care and sustainability payments for commissioned social care providers (£4.7m in total). Both areas have been implemented with an assurance that the actual costs will be fully reimbursed; • The period 9 position projects an underspend position (excluding Covid) and this does not include any assumption re the £1.5m held by the Council towards the IJB debt, this position assumes the debt repayment is made as planned, this position also incorporates estimated delays with savings delivery. <p>The financial position will continue to be reported to the IJB at each meeting, these reports will outline the monthly financial projections and the updated position in relation to estimates for Covid costs.</p>
2.	CURRENT POSITION
2.1	The report includes an overview of the financial position including commitments against the available resource, explanations for the main budget variances, an update on progress in terms of savings delivery and plans to work towards financial balance.

	The report also includes detail of the estimated costs and potential financial impact of the Covid-19 response.																																
	FINANCIAL PERFORMANCE – AT PERIOD 9																																
2.2	<p>The projected outturn position at period 9 reflects the cost of core service delivery and does not include the costs of the Covid 19 response as these costs are considered separately alongside the funding implications.</p> <p>Against the full-year budget of £259.787m there is a projected year-end underspend of £1.245m (0.5%). The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year. Following this approach, an integrated view of the financial position should be taken, however it is useful to note that this overall position consists of a projected underspend of £0.078m in social care services and a projected underspend of £1.167m in health services. The graph below illustrates the continued improvement in the financial projection for 2020-21.</p> <div><p>Movement in Projected Outturn</p><table><thead><tr><th>Month</th><th>Council</th><th>Health</th><th>Total</th></tr></thead><tbody><tr><td>June</td><td>750</td><td>-750</td><td>0</td></tr><tr><td>July</td><td>650</td><td>-600</td><td>100</td></tr><tr><td>Aug</td><td>750</td><td>-750</td><td>0</td></tr><tr><td>Sept</td><td>900</td><td>-1250</td><td>-500</td></tr><tr><td>Oct</td><td>400</td><td>-1150</td><td>-1000</td></tr><tr><td>Nov</td><td>100</td><td>-1150</td><td>-1200</td></tr><tr><td>Dec</td><td>0</td><td>-1100</td><td>-1250</td></tr></tbody></table></div> <p>As highlighted at the end of last year the payroll turnover target was to be centralised for future years as the approach in previous years left some service areas with unachievable targets whilst other areas were able to overachieve, it was agreed that a more transparent approach would be to manage the payroll turnover and vacancy savings centrally. This approach has been adopted for 2020-21, this has helped to de-clutter the financial report and to make it more transparent re the overall turnover target and the progress towards achieving this across the partnership. Section 2.6 highlights progress with the partnership vacancy target.</p> <p>Appendix A provides the financial overview of the partnership position. The sections that follow outline the significant variances in service expenditure compared to the approved budgets with detailed analysis provided in Appendix B.</p>	Month	Council	Health	Total	June	750	-750	0	July	650	-600	100	Aug	750	-750	0	Sept	900	-1250	-500	Oct	400	-1150	-1000	Nov	100	-1150	-1200	Dec	0	-1100	-1250
Month	Council	Health	Total																														
June	750	-750	0																														
July	650	-600	100																														
Aug	750	-750	0																														
Sept	900	-1250	-500																														
Oct	400	-1150	-1000																														
Nov	100	-1150	-1200																														
Dec	0	-1100	-1250																														
2.3	<p>Health and Community Care Services</p> <p>Against the full-year budget of £69.327m there is an underspend of £1.071m (1.5%) which is an adverse movement of £0.024m. The main variances are:</p> <p>a) Care home placements including respite placements (net position after service user contributions) – underspent by £0.859m (favourable movement of £0.110m). The care home budget moved into a sustainable position towards the end of 2019-20 and the opening position for the budget for 2020-21 was expected to be an underspend position as at that time we set the budget at a level to fund 810 places and we were funding 782. The occupancy in care homes has fallen further in the first half of 2020-21 and as at 31st December we were funding 754 placements.</p>																																

	<p>Therefore, there are significant vacancies in care homes, the projected underspend includes a steady net increase of 10 placements per month until the year-end.</p> <p>b) Independent Living Services are overspent by £0.244m (adverse movement £0.034m) which is due to an overspend on physical disability care packages within the community and direct payments. There will be further work undertaken with the implementation of the Adult Community Support framework which will present additional opportunities for reviews and will ensure payment only for the actual hours of care delivered. The roll out of the CM2000 system for Adult services was will assist the reviews.</p> <p>c) Care at home are reporting a balanced position, whilst there is a projected overspend on the budget due to additional capacity for Covid this remains below the costs included in the Covid funding plan and the additional monies received for winter capacity. Bank staff are being offered contracts, the service are recruiting additional staff for the in-house service and also engaging with new providers to bring them onto the framework for commissioned services. The cost of these plans remains in line with the level of Covid resources requested.</p> <p>d) Aids and adaptations projected underspend of £0.045m (£0.081m adverse movement). There have been significant delays with carrying out assessments and providing equipment and adaptations during lock down. The final outturn depends on the level of assessments that can be undertaken in the coming months however this cannot be determined at this stage in the year. The service are actively recruiting temporary staff to re-mobilise these services and address the waits for assessment and delivery of equipment and adaptations.</p> <p>e) Carers Act Funding is projected to underspend by £0.443m (no movement) based on the currently committed spend and delays with taking forward new developments to support carers. This projected position assumes there will be carers' support plans undertaken and a level of demand/services identified from these plans to be delivered later in the year. The service plan is to undertake positive promotion of the services available to carers and we are currently reviewing the process for a carers assessment to make this more accessible to individuals requiring support.</p>
2.4	<p>Mental Health Services</p>
	<p>Against the full-year budget of £78.036m there is a projected overspend of £0.900m (1.1%) which is an adverse movement of £0.429m. The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £1.651m (favourable movement of £0.010m), included within this is £0.830m (£0.100m adverse movement) community care packages and £0.336m for residential placements (£0.059m favourable movement) due to an allocation of contract inflation. 2020-21 savings relating to the implementation of the Adult Community Support Contract are delayed as the full implementation of the CM2000 system has been postponed as the focus for providers has been on the response to COVID-19. This has commenced in January 2021; the financial benefits of the system are included in the projection later in the year but at a reduced level. Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends. The current projection assumes the current level of commissioned support will continue for the year, there are opportunities to reduce this commitment as a significant number of these care packages were reduced or suspended during lock down, these will be reviewed when services are re-started to ensure support is re-started at the appropriate level, this may potentially reduce the year-end projected position</p>

and the opening projections for next year which are currently being collated to inform budget planning for 2021-22.

- b) Community Mental Health services are projected to underspend by £0.398m (£0.237m favourable movement) mainly due to slippage in planned transitions. There has been a reduction in the number of care packages since the start of the year and there have been some temporary reductions to care packages during lock-down, currently these are assumed to be temporary reductions, these will also be reviewed when brought back online.
- c) The Lead Partnership for Mental Health has an overall projected underspend of £0.946m (adverse movement of £0.080m) which consists of:
- A projected overspend in Adult Inpatients of £0.728m (£0.100m adverse movement). The overspend is partly due to the delay in closing the Lochranza ward on the Ailsa site. The ward closed during August 2020 but there remain staff to be re-deployed, the overspend may reduce if alternatives can be identified for displaced staff sooner. There is also a higher use of supplementary staffing due to enhance observations.
 - UNPACS is projected to overspend by £0.130m (£0.061m adverse movement) based on current placements. The adverse movement is due to a further new placement being made.
 - Learning Disabilities are projected to overspend by £0.100m which is an adverse movement of £0.070m due to continued increased use of supplementary staffing for enhanced observations.
 - A projected underspend of £0.100m (£0.050m favourable movement) in Elderly Inpatients due to the completion of the work to reconfigure the Elderly Mental wards, this represents the part-year saving with the full financial benefit being available in 2021-22. The part year reduction for 2020-21 has been reduced due to staffing levels for wards, the workforce tool for the wards is being run which will determine the final staffing.
 - A projected underspend in MH Pharmacy of £0.220m (no movement) due to continued lower substitute prescribing costs.
 - The target for turnover or vacancy savings for the Lead Partnership is held within the Lead Partnership as this is a Pan-Ayrshire target. There is a projected over-recovery of the vacancy savings target of £1.268m in 2020-21, further information is included in the table below:

Vacancy Savings Target	(£0.400m)
Projected to March 2021	£1.770m
Over/(Under) Achievement	£1.370m

The current projection to the year-end is informed by the recruitment plans and the confidence in recruitment success and realistic timescales for filling individual vacancies.

The main areas contributing to this position are noted below:

- Adult Community Health services £0.205m
- Addictions £0.020m
- CAMHS £0.295m
- Mental Health Admin £0.330m
- Psychiatry £0.410m
- Psychology £0.433m

	<ul style="list-style-type: none"> • Associate Nurse Director £0.077m
2.5	Children Services & Criminal Justice
	<p>Against the full-year budget of £35.895m there is a projected overspend of £0.366m (1%) which is an adverse movement of £0.150m. The main variances are:</p> <p>a) Looked After and Accommodated Children are projected to overspend by £0.662m (adverse movement of £0.134m). The main areas within this are noted below:</p> <ul style="list-style-type: none"> • Children's residential placements are projected to overspend by £0.736m (adverse movement of £0.123m due to a further child being placed and extended end dates of two placements and contract inflation above the budgeted level). At period 9 there are 17 placements including 1 secure placement with plans to reduce this by 2 by mid-January and an assumption that there will be no further placements during the year. Budget plans for 2020-21 were based on starting the year with 18, reducing to 14 by the end of Q1 and to 10 places by the end of Q2 and for the remainder of the year. Progress with plans to move children from residential placements have been impacted by Covid-19 as there has been an impact on Children's Hearings and this has limited the availability of tenancies. Children's services are working towards further improving the position as we move through the year as starting the 2021-22 financial year with 15 placements will impact on the savings planned for next year. • Fostering placements are projected to overspend by £0.055m (£0.014m adverse movement) based on the budget for 129 places and 130 actual placements since the start of the year. The fostering service is an area we are trying to grow, and a recruitment campaign was undertaken early in the new year to attract more in-house foster carers to limit the ongoing requirement for external foster placements. There are a number of additional fostering placements attributed to Covid-19 which are out with these numbers as the costs have been included on the Covid-19 mobilisation plan. Respite foster placements is projected to underspend by £0.075m (£0.001m favourable movement) as placements have not taken place due to Covid-19 restrictions. • Kinship placements are projected to underspend by £0.173m (adverse movement of £0.005m) based on the budget for 370 places and 336 actual placements since the start of the year. <p>b) Children with disabilities – residential placements are projected to overspend by £0.112m (£0.065m adverse movement due to a extending a placement that cannot secure a tenancy). Community packages (inc direct payments) are projected to underspend by £0.100m (£0.051m favourable movement) based on.</p> <p>c) Respite is projected to underspend by £0.097m (£0.006m adverse movement) due to respite not taking place due to COVID.</p> <p>d) Transport costs – projected underspend of £0.112m (adverse movement of £0.026m) due to reduced mileage costs.</p>
2.6	Turnover/Vacancy Savings

The payroll turnover target has been centralised for 2020-21. The turnover target for the North Lead Partnership for Mental Health services is detailed within the Lead Partnership information at section 2.4.

The turnover targets and projected achievement for the financial year for Health and Social Care services out with the Lead Partnership is noted below:

	Social Care	Health Services
Vacancy Savings Target	*(£1.957m)	(0.645m)
Projected to March 2021	£1.957m	1.079m
Over/(Under) Achievement	0	0.434m

(*the target for social care services has been increased on a non-recurring basis for 2020-21 only by £0.110m to offset the saving for the roll out of Multi-Disciplinary Teams, as no permanent reductions to the structure can be identified at this time but will be by the service from 2021-22 onwards)

The position in the table above reflects the assumption in the current financial projections. For social care there have been significant vacancy savings to period 9 due to delays with recruitment and a total of £1.560m has been achieved to date. It is not anticipated that the level of vacancies will continue at this rate to the financial year-end, the full annual target is expected to be achieved on the basis that there will vacancies sustained at around 76% of that level. We may potentially exceed the target, as was the case in previous years, but the likelihood of this will not be known with confidence until services and recruitment re-starts fully over the coming months.

The Health vacancy projection to the year-end is informed by the recruitment plans and confidence in recruitment to posts for the remainder of the year.

The main areas contributing to the health and social care vacancy savings are spread across a wide range of services with vacancy savings being achieved in most areas, the most notable in terms of value being social worker posts (across all services), the Community Mental Health Teams and Allied Health Professionals.

2.7 Savings Progress

a) The approved 2020-21 budget included £3.861m of savings.

RAG Status	Position at Budget Approval £m	Position at Period 9 £m
Red	-	0.274
Amber	2.801	1.801
Green	1.060	1.786
TOTAL	3.861	3.861

b) The main areas to note are:

- i) Red savings of £0.274m relating to reducing LD sleepovers and the review of Adoption Allowances, both of which have been impacted by Covid-19, the delays in these savings have been included in the overall projected outturn position;
- ii) Whilst all savings remain on the plan to be delivered there are delays with some savings with delays in implementation due to Covid-19, for example the implementation of the Adult Community Support Framework as the introduction of the CM2000 system was delayed as providers were focussing on COVID related service and staffing issues and further internal implementation work is required;
- iii) The confidence with some savings has increased since the budget was set due to the progress made towards the end of 2019-20, for example with freeing up additional capacity for Care at Home services by reducing care home placements.

Appendix C provides an overview of the savings plan, this highlights that during 2020-21 it is anticipated that a total of £2.394m of savings will be delivered in-year, with £1.467m of savings potentially delayed or reduced. The delays are mainly due to Covid-19 and have been included in the mobilisation plan return to the Scottish Government, but at this stage they have also been reflected in the overall projected outturn position as there is less confidence that the impact of savings delays will be compensated with additional funding.

The Transformation Board is in place to provide oversight and governance to the programme of service change. A focus of the Board is to ensure plans are in place to deliver savings and service change, with a solution focussed approach to bringing programmes back on track. Whilst some of our plans were put on hold due to Covid, the transformation plans are being re-mobilised at pace to ensure we taken any opportunities to join up the re-design services as they come back online. The Transformation Board re-started in July and there will be a concerted effort to ensure the maximum savings delivery can be achieved in-year, to assist with the current year position and to ensure there is no recurring impact moving into 2021-22.

2.8 Budget Changes

The Integration Scheme states that *“either party may increase it’s in year payment to the Integration Joint Board. Neither party may reduce the payment in-year to the Integration Joint Board nor Services managed on a Lead Partnership basis....without the express consent of the Integration Joint Board”*.

Appendix D highlights the movement in the overall budget position for the partnership following the initial approved budget.

Reductions Requiring Approval:

The specific reductions the IJB are required to approve are:

- SG Covid Prescribing Reclaim £0.540m*
- CRES removed from practice budget £0.756m*
- Training Grade Reduction for junior doctors £0.028m
- Reduce Medical discretionary point funding (consultants that have left) £0.033m

*Further detail to follow from the NHS Board

	<p>It is recommended that the IJB approve the budget reductions outlined above.</p> <p>Future Planned Changes:</p> <p>An area due to be transferred in the future are the Douglas Grant and Redburn rehab wards from acute services to the North HSCP. The operational management of these wards has already transferred to the partnership, but the due diligence undertaken on the budget has highlighted a funding shortfall. It has been agreed with NHS Ayrshire and Arran that the financial responsibility will not transfer until balance is found. In the meantime, we are managing services and plans are well progressed to reduce the projected overspend prior to any transfer.</p>
2.9	<p>NHS – Further Developments/Pan Ayrshire Services</p> <p><u>Lead Partnerships:</u></p> <p>The IJB outturn position is adjusted to reflect the impact of Lead Partnership services. During 2019-20 agreement was reached with the other two Ayrshire partnerships that in the absence of any service activity information and alternative agreed risk sharing arrangements that the outturn for all Lead Partnership services would be shared across the 3 partnerships on an NRAC basis. This position is currently the default for 2020-21 as the further work taken forward to develop a framework to report the financial position and risk sharing across the 3 partnerships in relation to hosted or lead service arrangements has been delayed by the requirement to focus efforts on the Covid response.</p> <p>The underspend in relation to North Lead Partnership services is not fully attributed to the North IJB as a share has been allocated to East and South partnerships, similarly the impact of the outturn on East and South led services will require to be shared with North. At month 9 the impact on NA IJB is a £0.336m underspend (£0.351m underspend for East and £0.015m overspend for South).</p> <p>East HSCP – projected underspend of £0.977m (£0.351m NRAC share for NA IJB). The main areas of variance are:</p> <ul style="list-style-type: none"> a) Primary Care and Out of Hours Services (Lead Partnership) - there is a projected underspend of £0.830m (favourable movement of £0.089m). This includes reduced projected costs on Dental Services where there have been a number of services cancelled for the year-to-date. These services are expected to restart in the final quarter of the 2020 calendar year, with an anticipated increase in staffing costs going forward. In addition, work has been undertaken to update cross charging against for Ayrshire Urgent Care Services (AUCS) costs related to the Covid-19 pandemic. It is anticipated that the current level of Covid-related GP activity will continue until the end of December at this stage. In addition, increased staff turnover savings are projected for AUCS, with posts to be recruited to in the final quarter of the financial year. It is anticipated at this stage that the Primary Care Improvement Fund will outturn on budget. b) Prison and Police Healthcare (Lead Partnership) - £0.140m projected underspend (adverse movement of £0.093m). This relates to vacancies and drugs costs which were previously charged to the prison have correctly now been charged against Covid-19 and additional staffing savings. <p>South HSCP – projected overspend of £0.047m (£0.015m NRAC share for NAHSCP). The overspend is mainly due to an overspend in the continence service.</p>

	<p><u>Set Aside:</u></p> <p>The budget for set aside resources for 2020-21 is assumed to be in line with the amount for 2019-20 (£30.094m) inflated by the 3% baseline uplift, this value was used in the absence of any updated information on the share of resources and is £30.997m.</p> <p>At the time of setting the IJB budget it was noted that this may require to be updated following the further work being undertaken by the Ayrshire Finance Leads to establish the baseline resources for each partnership and how this compares to the Fair Share of resources. It was anticipated that 2020-21 would be used as a shadow year for these arrangements, however this work has been delayed due to the Covid-19 response.</p> <p>The annual budget for Acute Services is £356m. The directorate is underspent by £5.7m following allocation of the COVID-19 funds received from Scottish Government.</p> <p>The year to date underspend of £5.7m is a result of:</p> <ul style="list-style-type: none"> • £9m of “offset savings”. These are the underspends resulting from low outpatient and elective activity in the year to date. • £3.3m of unachieved savings. <p>The IJBs and the Health Board have submitted a remobilisation plan outlining how activity will return to normal as far as is possible and are working together to ensure patients are looked after in the most suitable environment.</p>
	<p>COVID-19 – FINANCE MOBILISATION PLAN IMPACT</p>
2.10	<p>Summary of position</p>
	<p>From the outset of the pandemic the HSCP acted very swiftly to respond and developed a mobilisation plan detailing the additional activities to support our response, alongside the estimated financial impact. Financial returns have been submitted to the Scottish Government on a regular basis, on the premise that any additional costs aligned to mobilisation plans would be fully funded. There is a risk that if the full cost of the Covid-19 response is not funded that the IJB may require to recover any overspend in-year, but this is looking less likely given the funding levels to date.</p> <p>The IJB were updated in December outlining the cost estimates, the financial year-end projections and any potential funding gap based on scenarios re Covid-19 funding.</p>
2.11	<p>Mobilisation Plan Cost</p>
	<p>The most recent mobilisation plan cost submission submitted in January estimates the costs to be £10.211m to March 2021. The costs remain estimates as the situation continually evolves and there have been several iterations of the financial plan. The financial returns are submitted alongside the Health Board financial returns to the Scottish Government, this was to move to a quarterly basis but has been kept under review to ensure timely updates can be made to ensure funding allocations can be made.</p> <p>The majority of the additional costs for the HSCP relate to the provision of social care services and the most significant areas are PPE, additional staff costs for staff absence</p>

and student nurses, loss of income due to closed services, additional care home placements, payments to commissioned care providers to ensure future sustainability and the impact on our approved savings programme.

The local finance mobilisation plan submission is included as Appendix E. The main areas of cost together with the movement over the period are summarised below:

Service Area	August Return £m	October Return £m	November Return £m	January Return £m	Change £m
Payments to Providers	1.655	1.683	2.103	3.003	0.900
Personal Protective Equipment (PPE)	2.052	1.693	1.698	1.723	0.025
Savings Delays	1.115	1.132	1.132	1.467	0.335
Nursing – Students and Bank Staff	0.733	0.685	0.714	0.685	(0.029)
Care at Home Capacity	0.416	0.416	0.416	0.416	0.000
Loss of Income	0.442	0.531	0.576	0.853	0.277
Staff Cover	0.425	0.401	0.477	0.496	0.019
Care Home Beds – Delayed Discharges	0.396	0.396	0.396	0.396	0.000
Fostering Placements	0.196	0.196	0.285	0.286	0.001
Delayed Discharges - Other Measures	0.000	0.087	0.114	0.116	0.002
Other staff costs	0.000	0.615	0.685	0.767	0.082
Winter Planning	0.000	0.118	0.000	0.000	0.000
Other costs	0.311	0.233	0.442	0.533	0.091
Offsetting cost reductions	(0.530)	(0.530)	(0.530)	(0.530)	0.000
TOTAL	7.211	7.656	8.508	10.211	1.703

Further information on the elements of the plan are included in previous IJB reports. The most recent changes to estimated costs are in relation to:

- Increased sustainability payments to providers based on the extension of transitional arrangements for support to March 2021,
- Savings delays as the reduction to residential placements for children has been delayed as outlined in the report; and
- Further loss of income from charging for services as not all services have restarted.

2.12 Covid-19 Funding Position

At the outset of the pandemic there was an assurance that subject to any additional expenditure being fully aligned to local mobilisation plans, including the IJB responses, reasonable funding requirements will be supported. This was on the basis that a process would be developed for these to be accurately and immediately recorded and shared with the Scottish Government. The basis of this reporting was drawn up and agreed with COSLA and Health and Social Care Partnerships.

Previous finance reports to IJB have outlined the chronology of funding through the year. The social care allocations have been reviewed following the change to the support through provider sustainability payments and also to pick up any potential shortfalls.

The funding allocations to date are noted below:

	Social Care £000	Health £000	Total North £000
Total allocation by December 2020	5,244	1,022	6,266
Additional Funding January 2020	2,010	0	2,010
TOTAL FUNDING TO DATE	7,254	1,022	8,276

The Scottish Government are continuing to work with Health Boards and IJBs to review and further revise financial assessments and intend to make a further substantive funding allocation in January. This will allow identification of the necessary additional support required, and realignment of funding in line with actual spend incurred with an expectation that an allocation to bring funding up to 100% will be provided.

2.13 Covid – Financial Risk

Overall, at this time the financial risk to the IJB has been reduced significantly by the recent funding allocation.

The table below summarises the overall estimated Covid-19 costs for the North HSCP alongside the funding received to highlight the potential gap:

	£m
Mobilisation Plan Costs (at January 2021)	10.211
FUNDING TOTAL	(8.276)
Shortfall	1.935
Shortfall (excluding savings)	0.468

The estimated additional costs to March 2021 compared to the funding received to date leaves an estimated balance of £0.468m for which funding has not yet been received or allocated.

In terms of the overall risk of currently unfunded elements of the plan:

- There is increasing confidence that additional costs will be funded based on the recently received and future expected funding allocations;
- we have assumed through our core budget monitoring projections that the delays in savings will not be funded and these are included in financial projections, as noted in this report we are projecting breakeven on that basis;
- Offsetting reductions of £0.5m have not been included in the overall funding allocation and also have not been factored into the HSCP financial projections, therefore at this stage these would potentially remain available for North to re-direct to any funding shortfall;
- The most significant area of additional Covid costs are the purchase of PPE for social care and sustainability payments for commissioned social care providers (£3.8m in total). Both areas have been implemented with an assurance that the actual costs will be fully reimbursed;
- The period 9 position projects an underspend of £1.245m (excluding Covid) and this does not include any assumption re the £1.5m held by the Council towards the IJB debt, this position assumes the debt repayment is made as planned, this position also incorporates estimated delays with savings delivery.

	<p>The financial position will continue to be reported to the IJB at each meeting, these reports will outline the monthly financial projections and the updated position in relation to estimates for Covid costs. This will include the ongoing consideration of whether a Financial Recovery Plan may be required in the future, at this stage this is not recommended to be considered.</p>																				
2.14	<p>Provider Sustainability Payments and Care Home Occupancy Payments</p> <p>COSLA Leaders and Scottish Government have agreed an approach to supporting the social care sector to ensure that reasonable additional costs will be met.</p> <p>We have been making payments to commissioned social care providers in line with the agreed National principles for sustainability and remobilisation payments to social care providers during COVID 19.</p> <p>Care Home Occupancy Payments - we have engaged with older people’s care homes in relation to care home occupancy payments and make regular monthly payments to care home providers with emergency faster payments being made if required. Meetings are being held with each care home to discuss ongoing sustainability and to provide support.</p> <p>Sustainability payments - providers are responsible for submitting a claim for additional support to the Partnership for sustainability payments and this is assessed as to what support is required on a case by case basis based on the supporting evidence provided. Each case is assessed by the same group to ensure equity and consistency across providers.</p> <p>In general, all payment terms have been reduced and once any payment is agreed it is being paid quicker to assist the cash flow position of providers. The assessment of some claims has been difficult due to delays with additional information and supporting evidence being submitted to support claims, hence there are a number of claims that are in process.</p> <p>The sustainability payments are estimated to be a significant cost in our mobilisation plan and the timely submission and assessment of claims is key to ensuring we can accurately estimate the financial cost and ensure the costs are reclaimed from the Scottish Government.</p> <p>Providers in North Ayrshire are not all strictly adhering to these timescales and we are still receiving claims dating back to the start of the pandemic, the commissioning team are working with providers to support them to submit claims.</p> <p>The tables below show the support provided to date and the outstanding claims as at the end of December.</p> <table><tr><th>PROVIDER SUMMARY</th><th>NCHC Care Homes</th><th>Other</th><th>Total</th></tr><tr><td>Total Number of Providers</td><td>17</td><td>48</td><td>65</td></tr><tr><td>Number in contact for support</td><td>16</td><td>27</td><td>43</td></tr><tr><td>Providers Supported to date</td><td>11</td><td>21</td><td>32</td></tr></table> <table><tr><th>OUTSTANDING CLAIMS</th><th>NCHC Care Homes</th><th>Other</th><th>Total</th></tr></table>	PROVIDER SUMMARY	NCHC Care Homes	Other	Total	Total Number of Providers	17	48	65	Number in contact for support	16	27	43	Providers Supported to date	11	21	32	OUTSTANDING CLAIMS	NCHC Care Homes	Other	Total
PROVIDER SUMMARY	NCHC Care Homes	Other	Total																		
Total Number of Providers	17	48	65																		
Number in contact for support	16	27	43																		
Providers Supported to date	11	21	32																		
OUTSTANDING CLAIMS	NCHC Care Homes	Other	Total																		

Total Number of Claims	5	6	11
Value of Claims	£477,887	£95,853	£573,740

SUPPORT PROVIDED	NCHC Care Homes £	Other Services £	TOTAL £
Occupancy Payments *	£1,552,470	n/a	£1,552,470
Staffing	£61,769	£50,860	£112,629
PPE, Infection Control	£92,795	£31,390	£124,185
Other	£11,600	£273	£11,873
TOTAL	£1,718,634	£82,523	£1,801,157

* payments to end of December

A significant level of financial support has been provided to our commissioned providers, in particular older people's care homes.

Due to concerns re the sustainability of the social care sector the Scottish Government agreed to review transitional arrangements to provide more targeted support to the sector, this work was undertaken with stakeholders to consider the evidence for a new arrangement from December.

Arrangements for support have been agreed alongside guidance which sets out the criteria that need to be met for financial support, the approach for payment for care that cannot be delivered, the categories of additional costs which may be met, the approach to evidencing additional costs and key principles for requesting and making payments.

The key principles of this ongoing support include:

- Understanding the reasons why care cannot be delivered, only Covid related impacts can be funded through sustainability payments;
- The 'planned care' approach of continuing to pay for undelivered care has been removed and providers and HSCPs will be required to explore opportunities for creatively delivering services in a different way, temporarily re-deploy staff into other HSCP services (voluntarily), where this is not possible providers will be required to access national supports in the first place, including the potential to furlough staff;
- Where payment for undelivered care is agreed as the only option this will be at a reduced level depending on the type of service, for example for care homes subject to the NCHC occupancy payments will be made at 80% of the rate for all vacancies, this is dependent on care homes continuing to admit new residents where it is clinically safe to do so;
- The Social Care Staff Support Fund will remain in place to ensure all staff receive their full pay during a Covid related absence; and
- Additional reasonable costs that are incurred as a result of Covid which cannot be covered from other funding sources will be reimbursed, including for example PPE, infection prevention control and additional staffing costs.

3. PROPOSALS

3.1 Anticipated Outcomes

	<p>Continuing to closely monitor the financial position will allow the IJB to take corrective action where required to ensure the partnership can deliver services in 2020-21 from within the available resource, thereby limiting the financial risk the funding partners, i.e. NAC and NHS AA.</p> <p>The estimated costs and funding in relation to the Covid-19 response also require to be closely monitored to ensure that the IJB can plan for the impact of this and to ensure that the IJB is in the position to re-claim funding to compensate for the additional costs.</p>
3.2	<u>Measuring Impact</u>
	Ongoing updates to the financial position will be reported to the IJB throughout 2020-21.
4.	IMPLICATIONS
Financial:	<p>The financial implications are as outlined in the report.</p> <p>Against the full-year budget of £259.787m there is a projected underspend of £1.245m (0.5%). The report outlines the main variances for individual services.</p> <p>There are a number of assumptions underpinning the projections which could change as we progress through the year. We will continue to work with services to ensure the most accurate and reliable position is reported.</p> <p>One of the main areas of risk is the additional costs related to the Covid-19 response and these are detailed in the report together with an updated position in relation to funding.</p>
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People	None
Environmental & Sustainability:	None
Key Priorities:	None
Risk Implications:	Within the projected outturn there are various over and underspends including the non-achievement of savings. The greatest financial risk for 2020-21 is the additional costs in relation to Covid-19.
Community Benefits:	None

Direction Required to Council, Health Board or Both	Direction to: -	
	1. No Direction Required	
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	√

4.	CONSULTATION
----	---------------------

4.1	<p>This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.</p> <p>The IJB financial monitoring report is shared with the NHS Ayrshire and Arran Director of Finance and North Ayrshire Council's Head of Finance after the report has been finalised for the IJB.</p>
5.	CONCLUSION
5.1	<p>It is recommended that the IJB:</p> <p>(a) notes the overall integrated financial performance report for the financial year 2020-21 and the overall projected year-end underspend of £1.245m at period 9;</p> <p>(b) notes the updated estimated costs of the Covid mobilisation plan of £10.211m, including savings delays, and the associated funding received to date; and</p> <p>(c) note the financial risks for 2020-21, including the impact of Covid 19, and that there is no recommendation at this time to implement a formal Financial Recovery Plan for the IJB.</p>

For more information please contact:

Eleanor Currie, Interim S95 Officer on 01294 317814 or eleanorcurrie@north-ayrshire.gov.uk

2020-21 Budget Monitoring Report–Objective Summary as at 31st December

Appendix A

Partnership Budget - Objective Summary	2020/21 Budget									Over/ (Under) Spend Variance at Period 8 £'000	Movement in projected variance from Period 8 £'000
	Council			Health			TOTAL				
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
COMMUNITY CARE AND HEALTH	55,842	54,617	(1,225)	13,485	13,639	154	69,327	68,256	(1,071)	(1,095)	24
: Locality Services	23,418	22,781	(637)	4,744	4,814	70	28,162	27,595	(567)	(465)	(102)
: Community Care Service Delivery	27,326	27,073	(253)	0	0	0	27,326	27,073	(253)	(302)	49
: Rehabilitation and Reablement	1,940	1,922	(18)	1,528	1,511	(17)	3,468	3,433	(35)	(118)	83
: Long Term Conditions	1,753	1,365	(388)	5,098	5,199	101	6,851	6,564	(287)	(298)	11
: Integrated Island Services	1,405	1,476	71	2,115	2,115	0	3,520	3,591	71	88	(17)
MENTAL HEALTH SERVICES	25,287	26,596	1,309	53,162	50,833	(989)	78,449	77,429	320	471	(151)
: Learning Disabilities	18,877	20,528	1,651	446	446	0	19,323	20,974	1,651	1,661	(10)
: Community Mental Health	4,941	4,586	(355)	1,681	1,638	(43)	6,622	6,224	(398)	(176)	(222)
: Addictions	1,469	1,482	13	1,340	0	0	2,809	1,482	13	12	1
: Lead Partnership Mental Health NHS Area Wide	0	0	0	49,695	48,749	(946)	49,695	48,749	(946)	(1,026)	80
CHILDREN & JUSTICE SERVICES	32,144	32,510	366	3,751	3,751	0	35,895	36,261	366	216	150
: Irvine, Kilwinning and Three Towns	3,182	3,051	(131)	0	0	0	3,182	3,051	(131)	(147)	16
: Garnock Valley, North Coast and Arran	1,263	1,150	(113)	0	0	0	1,263	1,150	(113)	(112)	(1)
: Intervention Services	2,015	1,999	(16)	327	327	0	2,342	2,326	(16)	(17)	1
: Looked After and Accommodated Children	17,718	18,380	662	0	0	0	17,718	18,380	662	528	134
: Quality Improvement	4,354	4,321	(33)	0	0	0	4,354	4,321	(33)	(31)	(2)
: Public Protection	651	650	(1)	0	0	0	651	650	(1)	(3)	2
: Justice Services	2,508	2,508	0	0	0	0	2,508	2,508	0	0	0
: Universal Early Years	453	451	(2)	3,094	3,094	0	3,547	3,545	(2)	(2)	0
: Lead Partnership NHS Children's Services	0	0	0	330	330	0	330	330	0	0	0
PRIMARY CARE	0	0	0	49,728	49,728	0	49,728	49,728	0	0	0
ALLIED HEALTH PROFESSIONALS			0	5,625	5,550	(75)	5,625	5,550	(75)	(75)	0
MANAGEMENT AND SUPPORT COSTS	15,616	15,088	(528)	2,451	1,932	(519)	18,067	17,020	(1,047)	(958)	(89)
COVID - NHS				1,684	1,684	0	1,684	1,684	0	0	0
CHANGE PROGRAMME	1	1	0	1,011	1,011	0	1,012	1,012	0	0	0
OUTTURN ON A MANAGED BASIS	128,890	128,812	(78)	130,897	128,128	(1,429)	259,787	256,940	(1,507)	(1,441)	(66)
Return Hosted Over/Underspends East	0	0	0	0	307	307	0	307	307	332	(25)
Return Hosted Over/Underspends North	0	0	0	0	0	0	0	0	0	0	0
Return Hosted Over/Underspends South	0	0	0	0	291	291	0	291	291	316	(25)
Receive Hosted Over/Underspends South	0	0	0	0	15	15	0	15	15	15	0
Receive Hosted Over/Underspends East	0	0	0	0	(351)	(351)	0	(351)	(351)	(353)	2
Allocation of PCIF from East	0	0	0		0	0		0	0	0	0
Allocate the Action 15 underspend to East and South	0	0	0		0	0		0	0	0	0
OUTTURN ON AN IJB BASIS	128,890	128,812	(78)	130,897	128,390	(1,167)	259,787	257,202	(1,245)	(1,131)	(114)

2020-21 Budget Monitoring Report – Detailed Variance Analysis

Appendix B

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	69,327	68,256	(1,071)	
Locality Services	28,162	27,595	(567)	<p>Older People care homes inc respite - underspend of £0.859m based on 754 placements and including an under recovery of income from Charging Orders of £250k. [Favourable movement of £110k from P8 - Care Homes £96k ; Respite £14k].</p> <p>Independent Living Services :</p> <ul style="list-style-type: none"> * Direct Payment packages- overspend of £0.113m on 67 current packages. * Residential Packages - underspend of £0.010m based on 38 packages. * Community Packages (physical disability) - overspend of £0.141m based on 49 packages .
Community Care Service Delivery	27,326	27,073	(253)	<p>Care at Home (inhouse & purchased) - projected to overspend by £0.213m overall due to increased demand in Inhouse services - projected overspend Inhouse £296k, adverse movement £8k from P8. Projected underspend Purchased £131k an adverse movement of £17k from P8 and £48k under recovery in Service Credits from CM2000 - net projected overspend of £0.213m to be met via COVID [note £400k allocated in total to CAH].</p> <p>Direct Payments - underspend £0.204m to year end an adverse movement of £3k from P8 based on 33 packages.</p>
Rehabilitation and Reablement	3,468	3,433	(35)	<p>Aids and Adaptations - underspend of £0.018m an adverse movement of £81k from P8 due to expected future costs of Stairlift fees & allocation of underspend to recruit temporary staff to reduce backlog of assessments.</p>
Long Term Conditions	6,851	6,564	(287)	<p>Carers Centre - projected underspend of £0.443m</p> <p>Anam Cara - projected overspend in employee costs of £0.076m due to overtime & pilot of temporary post with a view to making longer term savings in bank & casual hours (saving 20/21 £22k).</p>
Integrated Island Services	3,520	3,591	71	<p>Employee Costs - Montrose House now reported under Arran Services with a projected overspend of £0.069m.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
MENTAL HEALTH SERVICES	78,449	77,429	320	
Learning Disabilities	19,323	20,974	1,651	Residential Packages- overspend of £0.336m based on 43 current packages. Community Packages (inc direct payments) - overspend of £0.830m based on 330 current packages.
Community Mental Health	6,622	6,224	(398)	Community Packages (inc direct payments) and Residential Packages - underspend of £0.439m based on 99 community packages, 13 Direct Payments and 29 residential placements.
Addictions	2,809	1,482	13	Outwith the threshold for reporting
Lead Partnership (MHS)	49,695	48,749	(946)	Adult Community - underspend of £0.225m due to vacancies. Adult Inpatients- overspend of £0.728m due to a delay in closing the Lochranza wards, revised assumptions on redeployed staff and an under recovery of bed sale income. UNPACs - overspend of £0.130m based on current placements and assumed service level agreement costs. Elderly Inpatients - underspend of £0.100m which includes the part year impact of thr £0.934m of unallocated funding following the elderly MH review. CAMHS - underspend of £0.305m due to vacancies. MH Admin - underspend of £0.390m due to vacancies. Psychiatry - underspend of £0.460m due to vacancies. MH Pharmacy - underspend of £0.220m mainly within substitute prescribing. Psychology- underspend of £0.500m due to vacancies.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
CHIDREN'S AND JUSTICE SERVICES	35,895	36,261	366	
Irvine, Kilwinning and Three Towns	3,182	3,051	(131)	<p>Transports costs - Projected underspend of £0.031m due a reduction in spend in Staff Mileage costs</p> <p>Cornerstone Respite - Projected underspend of £0.061m due to respite services not taking place due to COVID</p>
Garnock Valley, North Coast and Arran	1,263	1,150	(113)	<p>Employee Costs - Projecting £0.059m underspend due to a substantive post being vacant . This will be offsetting an overspend in employee Costs within Quality Improvement.</p> <p>Transports costs - Projected underspend of 0.011m due a reduction in spend in Staff Mileage costs.</p> <p>Cornerstone Respite - Projected underspend of £0.036m due to respite services not taking place due to COVID.</p>
Intervention Services	2,342	2,326	(16)	Outwith the threshold for reporting
Looked After and Accommodated Children	17,718	18,380	662	<p>Looked After Children placements - Projected underspend of £0.220m, Adverse movement of £0.44m which is made up of the following:-</p> <p>Kinship - projected underspend of £0.173m. Budget for 370 placements, currently 336 placements but projecting 337 placements by the year end.</p> <p>Adoption - projected overspend of £0.045m. Budget for 69 placements, currently 73 placements.</p> <p>Fostering - projected overspend of £0.055m. Budget for 129 placements, currently 130 placements and projecting 135 placements by the year end. -</p> <p>Fostering Xtra - projected online. Budget for 32 placements, currently 30 placements but projecting 30 placements by the year end.</p> <p>Fostering Respite - Projected underspend of £0.117m which is due to respite services not taking place due to COVID</p> <p>Private fostering - projected overspend of £0.003m. Budget for 10 placements, currently 10 placements.</p> <p>IMPACCT carers - projected online Budget for 2 placements, currently 2 placements.</p> <p>Residential School placements - Projected overspend £0.991m, current number of placements is 17 of which 1 of them is a Secure Placement, assumption that 2 ending in February and no further new admissions resulting in 15 placements at the year end.</p>
Quality Improvement	4,354	4,321	(33)	Outwith the threshold for reporting
Public Protection	651	650	(1)	Outwith the threshold for reporting
Justice Services	2,508	2,508	0	Outwith the threshold for reporting
Universal Early Years	3,547	3,545	(2)	Outwith the threshold for reporting
: Lead Partnership NHS Children's Services	330	330	0	Outwith the threshold for reporting
PRIMARY CARE	49,728	49,728	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	5,625	5,550	(75)	Projected underspend in supplies.
MANAGEMENT AND SUPPORT	18,067	17,020	(1,047)	Over recovery of payroll turnover on health services and the allocation of unscheduled care funding.
CHANGE PROGRAMME & CHALLENGE FUND	1,012	1,012	0	Outwith the threshold for reporting
TOTAL	258,103	255,256	(1,507)	

Threshold for reporting is + or - £50,000

2020-21 Savings Tracker

Appendix C

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 9	Saving Delivered @ Month 9 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
Children, Families & Criminal Justice								
1	Children and Young People - External Residential Placements	Amber	0.583	Amber	-	0.208	0.375	Currently projecting an overspend. Some plans to move children have been impacted by COVID. Expect to have 15 places at the year-end when the original plan was to have 10 places, will impact on savings for 2021-22.
2	Adoption Allowances	Amber	0.074	Red	-	-	0.074	Current projected overspend but outcome of the adoption review still to be implemented
3	Children's Services - Early Intervention and Prevention	Amber	0.050	Green	0.050	-	-	Fully achieved, met through efficiencies across Children's services
4	Fostering - Reduce external placements	Green	0.036	Green	0.036	-	-	An underspend is projected at month 9.
5	Community Support - Children's Care Packages	Amber	0.008	Green	0.008	-	-	Tender delayed, saving can be met through budget underspend for 2020-21. Tender due to be implemented February 2022.
Mental Health and LD Services								
6	LD - Reduction to Sleepover Provision	Amber	0.200	Red	-	-	0.200	Cluster sleepover models centred around core supported accommodation are being considered but will be delayed. The supported accommodation build timescales have slipped due to COVID.
7	Learning Disability Day Services	Amber	0.279	Amber	-	0.050	0.229	The provision of day care is being reviewed to ensure it can be delivered safely. This will include a review of the staffing, a new staffing structure has been planned which will deliver the full year saving in future years but will be delayed until 2021-22.
8	Trindlemoss	Green	0.150	Amber	0.150	-	-	Fully achieved but two tenancies still to take up their place and the final tenancy has to be decided.
9	Mental Health - Flexible Intervention Service	Green	0.008	Green	0.008	-	-	Fully achieved, slightly over-delivered (£10k)
Health and Community Care								
10	Roll out of multidisciplinary teams - Community Care and Health	Amber	0.110	Green	-	0.110	-	For 2020-21 only this saving has been added to the vacancy savings target to be met non-recurringly. There are a number of vacancies across Community Care and Health but at this stage the service can not identify posts to be removed on a permanent basis, will be formalised and removed from establishment from
11	Carers Act Funding - Respite in Care Homes	Green	0.273	Green	0.273	-	-	Fully achieved
12	Care at Home - Reablement Investment	Amber	0.300	Green	-	0.300	-	Expect to fully achieve but there is a projected overspend (prior to COVID funding) due to additional TUPE costs and an increased level of service.
13	Care at Home - Efficiency and Capacity Improvement	Amber	0.135	Green	-	0.135	-	Expect to fully achieve but there is a projected overspend (prior to COVID funding) due to additional TUPE costs and an increased level of service.
14	Day Centres - Older People	Amber	0.038	Amber	-	-	0.038	Day centres are currently closed and staff have been re-deployed, will look for opportunities to release savings when the services re-open.
15	Charging Policy - Montrose House	Amber	0.050	Green	0.025	0.025	-	New charging policy in place and additional income projected to be achieved.
Whole System								
16	Adults - New Supported Accommodation Models	Amber	0.063	Amber	-	0.025	0.038	Project has slipped. Expected completion date is February 2021. Saving was based on 5mths, Assume only 2mths are achieved
17	Adult Community Support - Commissioning of Services	Amber	0.638	Amber	-	0.150	0.488	Implementation of CM2000 was delayed due to Covid, but went live in January 2021.
18	Charging Policy - Inflationary Increase	Green	0.050	Amber	-	0.025	0.025	Charging was been suspended until October 2020 due to COVID 19, with the exception of care homes and community alarms.
TOTAL SOCIAL CARE SAVINGS			3.045		0.550	1.028	1.467	

Health:

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 9	Saving Delivered @ Month 9 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
19	Trindlemoss	Green	0.120	Green	0.120	-	-	Fully achieved
20	Packages of care	Green	0.100	Green	0.100	-	-	Fully achieved
21	Elderly Mental Health inpatients (lead partnership)	Green	0.216	Green	0.216	-	-	Fully achieved
22	MH Payroll Turnover (lead partnership)	Green	0.100	Green	0.100	-	-	Fully achieved
23	North Payroll Turnover	Green	0.280	Green	0.280	-	-	Fully achieved
TOTAL HEALTH SAVINGS			0.816		0.816	0.000	0	
TOTAL NORTH HSCP SAVINGS			3.861		1.366	1.028	1.467	

2020-21 Budget Reconciliation

Appendix D

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			96,963
Rounding error			4
Error in budget			1,299
Resource Transfer			22,769
WAN Circuits Budget Transfer - Kyle Road - New data Connection (Store Costs)	1	P	(1)
British Sign Language funding transferred to Democratic Services	3	P	(5)
Child Abuse Enquiry costs - Budget from Corporate	5	T	58
Corporate Procurement Posts 313490 & 313106	6	P	(76)
COVID funding - tranche 1	7	T	1,339
COVID funding - tranche 2	7	T	670
COVID funding - tranche 3	7	T	1,500
COVID funding - tranche 4	7	T	939
Unscheduled Care Allocation	7	T	500
Commercial Waste Virement	7	P	20
COVID funding - tranche 5	9	T	796
COVID funding - tranche 6	9	T	2,010
Winter Funding			100
Rounding			5
Budget Reported at Month 9			128,890
HEALTH	Period	Permanent or Temporary	£
Initial Approved Budget			149,830
Resource Transfer			(22,769)
Adjustment to base budget	1	P	(90)
2019/20 Month 10-12 budget adjustments	1	P	3,999
Non recurring Funding 19/20	3	T	(298)
Full Year effect of Part Year Reductions	3	P	(54)
Additional COVID funding	3	T	1,339
Additional living wage funding	3	P	186
V1P Funding 20/21	3	T	105
Primary Care Prescribing - Uplift	3	P	2,060
Primary Care Prescribing - CRES	3	P	(756)
Outcomes Framework - Breast Feeding	3	T	33
South HSCP V1P contribution	3	T	20
ANP Allocation - MIN	3	T	20
Training Grade Funding	3	P	49
Funding transfer to Acute (Medical Records)	3	T	(33)
Public Health Outcomes Bundle	3	T	235
Specialist Pharmacist in Substance Misuse	3	T	12
Prescribing Reduction - COVID	3	T	(540)
Lochransa Discharges to South HSCP	3	P	(170)

HEALTH	Period	Permanent or Temporary	£
Precribing Reduction	4	P	(1,497)
Training Grade Funding	4	T	36
TEC Contribution	4	T	(53)
Admin posts from South HSCP	4	P	54
Uplift Adjustment	4	P	21
Additional COVID funding	5	T	2,170
Training Grade Funding	5	P	6
Lochranza Discharges to South/East HSCP	5	P	(232)
Arrol Park Discharges to South HSCP	5	P	(107)
Trindlemoss resource transfer adjustment	5	P	(248)
Training Grade Funding	6	P	9
Diabetes Prevention Psychologist Post NR	6	T	11
Re-parent Parkinson Nurse Nth to Sth	6	P	(109)
Arrol Park Discharges to South HSCP	6	P	(24)
Medical Pay Award - Junior Doctors	6	P	31
COVID funding	7	T	(4,448)
Training Grade Funding	7	P	19
Tranche 4 Social Care Covid	7	T	939
ADP Funding 20/21	7	T	212
Trauma Network Funding	7	P	263
NMAHP Clinical Lead	7	T	16
Anticipated Action 15 increase	7	T	414
Perinatal Funding 20/21	7	T	196
Multiple Sclerosis Nrs fr Acute	7	P	123
Unscheduled care allocation	7	T	(500)
COVID funding - NHS	7	P	1,043
Training Grade Funding	8	P	22
HD413 Winter monies - North	8	T	100
SG Covid Prescribing Reclaim	8	P	(540)
Cres removed from Practice budget	8	P	(756)
Dean funding to Acute	9	P	(28)
Covid -Adult Social Care Winter Plan	9	T	2,010
HD607 Additional Covid Funding-Social Care	9	T	796
Additional District Nursing Funding	9	P	60
Diabetes Prevention Psychologist Further Funding	9	T	8
HD606 MH Remobilisation Plan	9	T	161
Reduce Medical Discretionary Point Funding	9	P	(33)
Covid Funding-NHS	9	T	480
Transfer to social care re winter funding and covid funding	9	T	(2,906)
Budget Reported at Month 9			130,897

COMBINED BUDGET	259,787
------------------------	----------------

Mobilisation Submission – January 2021

Consolidated HSCP costs	Revenue												Revenue	Capital
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	2020/21	2020/21
Additional Hospital Bed Capacity/Costs - Maintaining Surge Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delayed Discharge Reduction- Additional Care Home Beds	82,102	78,564	78,564	78,564	78,564	-	-	-	-	-	-	-	396,358	-
Delayed Discharge Reduction- Additional Care at Home Packages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delayed Discharge Reduction- Other measures	65,604	4,362	4,362	4,362	4,362	4,362	4,362	4,362	4,362	5,000	5,000	5,000	115,500	-
Personal protective equipment	185,330	185,330	199,650	173,716	204,565	188,626	97,704	95,389	100,976	97,255	97,255	97,255	1,723,052	-
Deep cleans	-	-	1,195	(1,195)	-	-	-	-	-	-	-	-	-	-
COVID-19 screening and testing for virus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estates & Facilities cost including impact of physical distancing measures	-	-	8,339	391	132	392	9,497	2,255	2,296	2,589	2,589	2,589	31,068	-
Additional staff Overtime and Enhancements	70,596	43,682	47,882	19,489	57,510	34,153	37,027	35,024	37,011	38,006	38,006	38,006	496,392	-
Additional temporary staff spend - Student Nurses & AHP	-	-	369,226	101,111	139,650	74,733	29,395	(6,468)	(23,171)	-	-	-	684,475	-
Additional temporary staff spend - Health and Support Care Workers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional temporary staff spend - All Other	-	-	41,206	45,673	253,332	35,198	59,693	58,758	68,331	68,331	68,331	68,331	767,185	-
Social Care Provider Sustainability Payments	-	-	265,254	223,934	314,525	313,608	288,857	247,300	112,500	412,367	412,367	412,367	3,003,080	-
Social Care Support Fund- Costs for Children & Families Services (where delegated to HSCP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other external provider costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional costs to support carers	-	-	-	-	12,602	(12,602)	-	-	-	-	-	-	-	-
Mental Health Services	-	-	-	-	-	-	-	-	26,530	44,823	44,823	44,823	161,000	-
Additional payments to FHS contractors	-	-	-	28,370	4,820	-	6,742	2,500	21,790	7,136	7,136	7,136	85,629	-
Additional FHS Prescribing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Hubs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other community care costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss of income	88,500	88,500	88,500	88,500	88,500	88,500	44,250	-	-	92,583	92,583	92,583	853,000	-
Staff Accommodation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Travel Costs	-	-	5,857	1,755	1,567	1,028	1,019	1,250	784	1,473	1,473	1,473	17,680	-
Digital, IT & Telephony Costs	-	-	937	(877)	16,810	6	6	6	6	6	6	6	16,914	-
Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment & Sundries	-	59,055	16,479	22,141	(10,294)	1,033	3,290	3,769	2,105	4,280	4,280	4,280	110,419	-
Homelessness and Criminal Justice Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Children and Family Services	6,952	12,166	20,856	34,760	34,760	34,760	29,546	29,546	29,546	17,626	17,626	17,626	285,771	-
Prison Healthcare Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospice - Loss of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staffing support, including training & staff wellbeing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resumption & redesign of primary care/contractor services to support access to urgent care in hours and OOH	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs associated with new ways of working- collaborative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Winter Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	38,845	38,845	38,845	38,845	38,845	31,649	31,649	31,649	31,649	31,649	31,649	31,649	415,768	-
Other - Please update narrative	-	13,555	7,673	7,673	7,673	7,673	-	-	-	-	-	-	44,247	-
Other - Please update narrative	-	-	-	-	-	-	-	6,600	6,600	6,600	6,600	6,600	33,000	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	10,933	10,933	10,933	32,800	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Offsetting cost reductions - HSCP	(108,007)	(108,007)	(108,007)	(68,583)	(68,583)	(68,583)	-	-	-	-	-	-	(529,770)	-
Total	429,922	416,052	1,086,819	798,627	1,179,340	734,536	643,038	511,940	421,317	840,659	840,659	840,659	8,743,569	-
													Subtotal	8,743,569
Expected underachievement of savings (HSCP)	141,500	141,500	141,500	141,500	141,500	141,500	47,167	47,167	47,167	158,833	158,833	158,833	1,467,000	-
Total	571,422	557,552	1,228,319	940,127	1,320,840	876,036	690,204	559,107	468,484	999,493	999,493	999,493	10,210,569	-
												Total		10,210,569