



**North Ayrshire Council**  
Comhairle Siorrachd Àir a Tuath

## **Cabinet**

A meeting of the **Cabinet** of North Ayrshire Council will be held via Microsoft Teams on **Tuesday, 08 September 2020 at 14:30** to consider the undernoted business.

### **Arrangements in Terms of COVID-19**

In light of the current COVID-19 pandemic, this meeting will be held remotely in accordance with the provisions of the Local Government (Scotland) Act 2003. A recording of the meeting will be available to view at <https://north-ayrshire.public-i.tv/core/portal/home>

#### **1 Declarations of Interest**

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

#### **2 Minutes**

The accuracy of the Minutes of the meeting of the Cabinet held on 30 June 2020 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

### **EDUCATION ITEMS FOR DECISION**

#### **3 Education Restart Update**

Receive a presentation on the resumption of Education Provision in North Ayrshire.

#### **4 SQA Exam Results Process**

Submit a report by the Executive Director (Communities) on the SQA exam results process (copy enclosed).

### **GENERAL BUSINESS FOR DECISION**

## **Reports by the Chief Executive**

### **5 Emergency Governance Decisions**

Submit a report by the Head of Democratic Services on decisions taken by the Chief Executive in terms of the Emergency Governance (COVID-19) arrangements (copy enclosed).

### **6 Council Plan Progress Update – Quarter Four 2019/20**

Submit a report by the Head of Democratic Services on the progress of performance against the Council Plan 2019-24 as at Quarter Four 2019/20 (copy enclosed).

### **7 Recovery and Renewal Strategy**

Submit a report by the Head of Recovery and Renewal on the proposed North Ayrshire Council Recovery & Renewal Strategy (copy enclosed).

### **8 COVID-19 Financial Recovery Plan 2020/21**

Submit a report by the Head of Financial and Customer Services on the projected financial impact of COVID-19 and to consider recovery options to return a balanced budget in 2020/21 (copy enclosed).

### **9 Revenue Budget 2020/21 : Financial Performance to 30 June 2020**

Submit a report by the Head of Financial and Customer Services on the financial performance for the Council at 30 June 2020 (copy enclosed).

### **10 Capital Programme Performance to 31 March 2021**

Submit a report by the Head of Financial and Customer Services on the progress in delivering the Capital Investment Programme for 2020/21 (copy enclosed).

## **Reports by the Executive Director (Place)**

### **11 Covid-19 Economic Recovery and Renewal Approach**

Submit a report by the Executive Director (Place) on the proposed approach to Covid-19 economic recovery in North Ayrshire (copy enclosed).

### **12 Better Off North Ayrshire Update**

Submit a report by the Executive Director (Place) on the latest performance and financial position of the Better Off North Ayrshire programme (copy enclosed).

### **13 Indicative Regional Spatial Strategy**

Submit a report by the Executive Director (Place) on the Indicative Regional Spatial Strategy for Ayrshire, prepared jointly by North, East and South Ayrshire Councils (copy enclosed).

**14 Millport Coastal Flood Protection Scheme: Preliminary Scheme Confirmation**

Submit a report by the Executive Director (Place) on the formal Scheme Notification consultation, objections received, and proposed next steps in terms of the Millport Flood Protection Scheme (copy enclosed).

**15 Affordable Housing Account Funding Request**

Submit a report by the Executive Director (Place) seeking approval to allocate funding to Cunninghame Housing Association from the Affordable Housing Account (copy enclosed).

**Reports by the Executive Director (Communities)**

**16 Community Investment Fund**

Submit a report by the Executive Director (Communities) seeking approval to apply flexibility to Community Investment Fund projects and timescales due to restrictions imposed on current activities by Covid-19 (copy enclosed).

**CONTRACTS**

**17 Award of Contract for a Repair and Maintenance of Heating, Ventilation and Air-conditioning Units Service**

Submit a report by the Head of Financial and Customer Services on the result of the tendering exercise for a Repair and Maintenance of Heating, Ventilation and Air-conditioning Units service (copy enclosed)

**Urgent Items**

Any other items which the Chair considers to be urgent.

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## Cabinet Sederunt

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### **Elected Members**

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

### **Church Representatives**

Mr Andrew Bruce  
Mr Ian Haining  
Ms Babs Mowat

### **Teaching Representative**

Jacqui MacKenzie

### **Youth Council Representatives**

Chair:

Apologies:

Attending:

**Virtual Meeting, 30 June 2020** - At a Special Meeting of the Cabinet (Education) of North Ayrshire Council at 2.30 p.m.

**Present**

Joe Cullinane, John Bell, Robert Foster, Alex Gallagher, Louise McPhater and Jim Montgomerie; and Jackie MacKenzie (Teaching Representative) and Babs Mowat and Ian Haining (Church Representatives) (Agenda Items 1-4).

**In Attendance**

C. Hatton, Chief Executive; M. Boyd, Head of Service (Financial & Customer Services); R. McCutcheon, Executive Director, C. McAuley, Head of Service (Economic Development and Regeneration), and J. McLachlan, Senior Manager (Economic Policy) (Place); A. Sutton, Executive Director (Interim), C. Amos (Head of Service (Education) and R. Arthur, Head of Service (Connected Communities) (Communities); T. Reaney, Head of Service (Recovery and Renewal); and A. Fraser, Head of Service, J. Hutcheson, Senior Communications Officer, M. Anderson, Senior Manager (Committee and Member Services) and H. Clancy, E. Gray, A. Little and D. McCaw, Committee Services Officers (Democratic Services).

**Also In Attendance**

C. McGill, Team Manager Customer Experience and A. Lindsay, Senior Technical Officer (People, Information Communication and Technology)

**Apologies for Absence**

Elizabeth Higton (Church Representative) and Aaran McDonald (Youth Representative).

**Chair**

Joe Cullinane in the Chair.

**1. Chair's Remarks**

The Chair agreed to adjourn the meeting prior to Agenda Item 1 being considered to allow an opportunity for technical difficulties to be resolved.

The meeting reconvened at 3.00 p.m. with the same Elected Members, Education Representatives and officers in attendance, with the exception of Ian Haining.

The Chair advised that, unfortunately, due to technical difficulties it would not be possible to record the meeting as set out in the Council's Protocol for Microsoft Teams Remote Committee Meetings.

## **2. 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.

## **3. Minutes**

The accuracy of the Minutes of the meeting of the Cabinet held on 17 March 2020 was confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

## **4. Local Education Phasing Delivery Plan**

Submitted a report by the Interim Executive Director (Communities) on the proposed North Ayrshire Local Education Phasing Delivery Plan. A statement by the First Minister on the plans for the reopening of schools was set out at Appendix 1 to the report, the Council's Education Delivery Board structure at Appendix 2 and the proposed Local Delivery Plan at Appendix 3.

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

- the possibility of schools returning using a blended model rather than reopening as normal and when a decision is likely to be taken on this; and
- whether non-teaching days will be used prior to the schools reopening and, if so, how many.

The Cabinet formally recorded its appreciation of the significant work undertaken by officers, both in terms of the preparation of the report and ensuring the delivery of services to the community in response to Covid-19.

The Cabinet unanimously agreed to (a) note the Scottish Government statement on Covid 19: Update on Educational Recovery of 23rd June 2020; (b) approve the North Ayrshire Local Education Phasing Delivery Plan; (c) note the additional budgetary requirements to implement full-time curriculum delivery from August 2020 post Covid-19 or alternatively, the Local Education Phasing Delivery Plan; and (d) agreed that representations continue to be made through COSLA to Scottish Government for the requisite additional funding.

## **5. Naming of the new ASN Campus in Stevenston**

Submitted a report by the Interim Executive Director (Communities) on the naming of the new ASN Campus which will amalgamate the four existing ASN schools in North Ayrshire.

The Executive Director (Communities) (Interim) highlighted to the Cabinet that the consultation exercise saw two variations of the same name suggested and that the wrong spelling had been included in the report. It was confirmed that the proposed name of 'Lockheart' should read 'Lockhart'.

The Cabinet unanimously agreed to name the new ASN campus 'Lockhart Campus'.

## **6. Emergency Governance (COVID-19): Decisions Under Emergency Delegated Powers**

Submitted a report by the Head of Democratic Services on the decisions taken by the Chief Executive in terms of the Emergency Governance (COVID-19) arrangements. The log of the decisions taken during the COVID-19 Outbreak – March 2020 to date was set out at Appendix 1 to the report.

The Head of Democratic Services clarified that in terms of the Ardrossan Hub decision Councillors Barr, McNicol and Murdoch had requested that their dissent to the decision be recorded. It was confirmed the relevant decision note had been updated accordingly.

The Cabinet unanimously agreed to note (a) the information on Emergency Governance decisions, as set out in Appendix 1 to the report subject to the update previously highlighted by the Head of Democratic Services; and (b) that information on any further decisions taken under emergency powers would be reported to the first available meeting of the Cabinet following the summer recess.

## **7. Revenue Budget 2019/20 : Financial Performance to 31 March 2020**

Submitted a report by the Head of Financial and Customer Services on the financial performance for the Council for 2019/20. Budget reports for each service and the Housing Revenue Account were set out at Appendices 1-7 of the report.

The Cabinet unanimously agreed to (a) note the information and financial performance outlined in the report; (b) approve the transfer of £0.500m to the Insurance Fund as noted at Section 2.7 of the report; (c) approve the earmarking of £2.743m identified at Section 2.9 of the report to meet future year commitments; (d) approve additional expenditure to KA Leisure in 2019/20 to meet the income shortfall to 31 March 2020 resulting from the impact of COVID-19, as detailed at Section 2.9 of the report; (e) note the revised General Fund Unearmarked Balance of £9.659m; (f) note the current financial performance of the Health and Social Care Partnership at Section 2.10 of the report; and (g) note the IJB cumulative deficit position of £5.293m at 31 March 2020.

## **8. Capital Programme Performance to 31 March 2020**

Submitted a report by the Head of Financial and Customer Services on the progress in delivering the Capital Investment Programme for 2019/20. The detailed Capital Investment Programme was set out at Appendix 1 to the report and the HRA Capital Statement at Appendix 2.

The Cabinet unanimously agreed to note (a) the revisions to budgets outlined in the report; and (b) the General Services and HRA expenditure to 31 March 2020.

## **9. COVID-19 Financial Impact 2019/20**

Submitted a report by the Head of Financial and Customer Services on the projected financial impact of COVID-19 in 2020/21. A Cost Impact Projection to 31 March 2021 was set out at Appendix 1 to the report.

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

- the level of financial support provided by the Scottish Government;
- whether the Council had made any savings in terms of contracts for work which could not be completed during lockdown; and
- the challenges around forecasting the financial position of the Council at such an uncertain time.

Councillor Cullinane, seconded by Councillor Montgomerie, moved that Cabinet:

- note the current projected cost impact of COVID-19 to March 2021 based on current assumptions;
- agree that the Leader of the Council write to both the UK and Scottish Government's setting out the projected cost impact on North Ayrshire Council and to demand additional central government support to address the financial gap;
- agree to continue supporting COSLA's own lobbying of both the UK and Scottish Governments for additional resources to mitigate the impact of COVID-19 upon local government;
- ask officers to bring back a further financial impact report to Cabinet after the summer recess with the latest projected cost impact, including the refined projected cost of education recovery, and to present financial recovery options for consideration, with a focus on financial recovery options that protect jobs and priority services to our communities;
- ask the HSCP to provide a report to Cabinet after the summer recess on the financial risks to the Partnership, and therefore the Council, and how they plan to mitigate those risks; and
- ask officers to bring a further paper to the first meeting of the Cabinet after summer recess on the Council's economic recovery plan, including options for accelerating projects in the capital programme, housing revenue account and the £8.8million investment to support the economic recovery, to be considered within the context of the wider financial impact of Covid on the Council's finances.

There being no amendment the motion was declared carried.

## **10. Food Support to Families in Response to the COVID-19 Pandemic**

Submitted a joint report by the Executive Director (Place) and the Interim Executive Director (Communities) on the food-related support provided by the Council to communities to date and to outline the recommended strategy through the summer period and beyond.

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

- families whose circumstances had changed since lockdown began and who now qualified for support, the Council's plan to support them and the estimated date when new applications for free school meals would start to be processed; and
- the fact that each child who qualified for free school meals would receive a weekly £20 food voucher rather than one per household.

The Cabinet unanimously agreed to (a) note (i) the success of the Council's response to date in providing essential food supplies to the most vulnerable people in our community; (ii) the current level of finance and resource impact to date; and (b) approve proposals for (i) delivering Free School Meals, effective from the end of June 2020; and (ii) developing a Community Wealth Building community food system in North Ayrshire.

#### **11. Final Report on the Citizens Basic Income Feasibility Study**

Submitted a report by the Executive Director (Place) on the Final Report of the Citizens' Basic Income (CBI) Feasibility Study.

The Cabinet unanimously agreed (a) to note and approve the findings and recommendations of the Final Feasibility Study Report which concluded the Feasibility Study; and (b) that officers participate in the promotion and dissemination of the findings of the Feasibility Study.

#### **12. Regeneration Capital Grant Fund 2021/22**

Submitted a report by the Executive Director (Place) on the submission of applications to the Scottish Government Regeneration Capital Grant Fund in support of local regeneration projects for 2021/22.

The Cabinet unanimously agreed to homologate the decision to submit funding applications for the projects at Millport Town Hall, Stevenston Beach Park and Geilsland, Beith in that order of priority.

#### **13. Urgent Item**

The Chair agreed to receive a verbal update on the outcome of the Best Value Audit of the Council.

##### **13.2 Best Value Audit**

The Chair noted that Audit Scotland's report on the Council's Best Value Audit had been published earlier in the day and asked the Chief Executive to provide a brief summary of the findings.

The Chief Executive advised that the report was a positive one which noted a significant improvement since the previous audit. He highlighted a number of areas including praise received for the Council's clear strategic planning, engagement with communities and innovation on projects such as community wealth building. One area which was raised as a likely challenge for the future was the savings agenda over the next two years.

The Meeting ended at 5.00 p.m.

## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

<b>Title:</b>	<b>Update report on SQA exam results process 2020</b>
<b>Purpose:</b>	To provide Cabinet with an initial report on SQA results in North Ayrshire in 2020 and to provide an update on current and future developments in relation to qualifications
<b>Recommendation:</b>	It is recommended that Cabinet: <ul style="list-style-type: none"> <li>(i) Notes the report; and</li> <li>(ii) Receives a further, more detailed attainment analysis later in the year, following the publication of Insight and LGBF benchmarking data.</li> </ul>

### 1. Executive Summary

- 1.1 The SQA examination timetable for 2020 was cancelled by the Scottish Government in March 2020 resulting in estimate grades which are provided every year by school becoming the sole means by which grades would be determined by SQA in 2020.
- 1.2 Results were initially published to all candidates on 4 August 2020. Following an intense representation of views as to the fairness and equity of the awarding process, the Deputy First Minister announced in Parliament on 11 August 2020 that SQA had been instructed to change the previously notified approach to certification this year and instead award candidate results based solely on the estimates provided by schools and colleges.
- 1.3 The second and final set of awards demonstrate an improved performance by young people in North Ayrshire Schools, higher than in previous years.
- 1.4 A revised appeals process has been introduced by the SQA.

### 2. Background

#### Process for arriving at SQA results in 2020

- 2.1 On 19 March 2020, it was announced in the Scottish Parliament that the SQA examination timetable would be unable to go ahead this year, as a direct consequence of COVID-19. This is the first time since they were introduced 132 years ago that Scotland's exam diet has been cancelled.

- 2.2 Schools closed across the country on 20 March 2020, following a directive from Scottish Government. Initially, the SQA maintained an expectation that candidates would still complete outstanding coursework due to be submitted in April, but this requirement was subsequently withdrawn by SQA on 24 March 2020.
- 2.3 On 2 April 2020, the SQA released information on how grades would be awarded this year in the absence of the normal exam diet. The estimate grades which are provided every year by schools became the sole means by which grades would be determined by SQA in 2020. Schools were asked to provide estimates, based not only on evidence held of actual performance but also on inferred attainment. A link to the SQA guidance issued to schools is provided [here](#).
- 2.4 North Ayrshire Council provided specific additional guidance to schools, based on the SQA documentation, to ensure that a consistent approach was adopted across all schools in the production and internal moderation of estimate grades.
- 2.5 Estimate grades were submitted by all schools to SQA by 29 May 2020, following which they were subject to a moderation process at SQA. This process was designed to ensure that there were no significant shifts in attainment levels in 2020 on a system-wide level. SQA did not initially publish details of this moderation process, but this information subsequently became available following the publication of candidate results on 4 August 2020 and is accessible [here](#).

#### Publication of SQA Results

- 2.6 Results were initially published to all candidates on 4 August 2020. This included over 15,000 results in North Ayrshire for over 4,200 senior phase candidates. At National 2-4, candidates received the results awarded by the school. At National 5, Higher and Advanced Higher, some candidates' results were moderated up or down by SQA.
- 2.7 Whilst at an authority-wide level, the overall attainment picture was generally positive in comparison to previous years, there were some examples of candidates receiving markedly different results from those submitted by the school. There was media interest in the perceived inequity in the awarding process, in that candidates from more deprived areas were more likely to have been disadvantaged as a result of the process. In response to this, an initial analysis of North Ayrshire's results was carried out. In total, in North Ayrshire, 3,990 grades were awarded that were below the school estimates. Overall, for learners living in the most deprived areas, 33% of the final grades of this group were lower than school estimates, compared with 32% of the final grades of all other learners (or 29% of the final grades of learners living in the most affluent areas of North Ayrshire). The difference was more pronounced at Higher than at other levels.
- 2.8 Following similar experiences being reported across the country, and intense representation of views as to the fairness and equity of the awarding process in 2020, the Deputy First Minister announced in Parliament on 11 August 2020 that SQA had been instructed to change the previous approach to certification this year and instead award candidate results based solely on the estimates provided by schools and colleges. Importantly, it was announced that the results of those learners who were awarded a higher grade originally would also be maintained.
- 2.9 Following this statement and the start of the school term on Wednesday 12 August 2020, North Ayrshire schools shared the updated results with all their learners individually. Updated certificates will be issued by SQA in the near future. The updated

national results summary was subsequently published by SQA on 31 August 2020 and is available [here](#).

- 2.10 Analysis of this year's SQA results is ongoing. Nevertheless, an initial overview of results for 2020 is outlined in the tables below.

Pass rates (A-C) as a percentage of entries:

Qualification	2018	2019	2020 (original)	2020 (updated)
National 5	70%	73%	76%	86%
Higher	70%	64%	72%	87%
Adv. Higher	74%	66%	78%	89%

In terms of breadth and depth, the following selected measures are highlighted for information. Please note this is cohort data based on the current attainment in that year, and not leavers' data:

Breadth and Depth as a percentage of pupils in each year group:

Stage	Qualification	2018	2019	2020 (original)	2020 (updated)
S4	At least 1 National 5	76%	78%	79%	81%
	At least 3 National 5s	49%	53%	56%	62%
	At least 5 National 5s	30%	32%	37%	45%
S5	At least 1 Higher	54%	50%	52%	57%
	At least 3 Highers	30%	26%	27%	34%
	At least 5 Highers	12%	11%	11%	14%
S6	At least 1 Adv. Higher	17%	16%	18%	20%
	At least 3 Adv. Highers	1%	1%	1%	2%

- 2.11 In 2020, 147 care experienced young people in North Ayrshire achieved over 650 qualifications., including: 128 National 3 awards; 198 National 4 awards; 267 National 5 awards; 66 Higher awards and 4 Advanced Higher awards. A further, more detailed analysis will be included in the subsequent report brought to Cabinet later in the year.
- 2.12 At this stage, we do not have access to the full analytical tools provided by the national Insight Benchmarking Tool. Our current data shows only raw results for National 2 – Advanced Higher qualifications and does not include the broad range of additional qualifications which have increasingly been offered in our schools tailored to individual need and interest. A full report will be brought to Cabinet, in line with our standard reporting timescales, following the publication of Insight data later in the year and analysis of the full attainment picture for North Ayrshire schools. It is important to note that, given the very unique circumstances of this year and the change to the normal awarding methodology, care will need to be taken if making direct comparisons of this year's attainment data with other years.

### Appeals Process and Next Steps

- 2.13 A revised SQA Appeals process is in place. Appeals will be submitted to the SQA following a school's review of each request against the criteria laid down by the examining body. It is expected that this will result in few appeals. SQA has devised a timetable for submission and their response.
- 2.14 At present, SQA have undertaken a consultation exercise designed to gauge views on the exam diet for 20/21 and the requirements for internal and exam arrangements. It is understood that they have received a number of responses and are working through these before publishing new arrangements.

## **3. Proposals**

- 3.1 It is recommended that Cabinet:

- (i) Notes the report; and
- (ii) Receives a further, more detailed attainment analysis later in the year, following the publication of Insight and LGBF benchmarking data.

## **4. Implications/Socio-economic Duty**

### **Financial**

- 4.1 None.

### **Human Resources**

- 4.2 None.

### **Legal**

- 4.3 None.

### **Equality/Socio-economic**

- 4.4 None.

### **Environmental and Sustainability**

- 4.5 None.

### **Key Priorities**

- 4.6 Children and young people have the best start in life.

### **Community Wealth Building**

- 4.7 None.

## **5. Consultation**

5.1 None.

Audrey Sutton  
**Interim Executive Director (Communities)**

For further information please contact **Andrew McClelland, Head of Service**, on **01294 324413**.

## **Background Papers**

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## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

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**Title:** **Emergency Governance (COVID-19): Decisions Under Emergency Delegated Powers**

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**Purpose:** To report to Cabinet on decisions taken by the Chief Executive in terms of the Emergency Governance (COVID-19) arrangements.

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**Recommendation:** That the Cabinet agrees to note the information on Emergency Governance decisions, as set out in Appendix 1 to this report.

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### 1. Executive Summary

- 1.1 Decisions taken by the Chief Executive under emergency governance arrangements have been published on the Council's website on a fortnightly basis.
- 1.2 The emergency governance arrangements require the Chief Executive to report on the decisions taken to the first available meeting of the Cabinet. The last such report was submitted to Cabinet on 30 June 2020. Appendix 1 provides information on further Emergency Governance decisions taken.

### 2. Background

- 2.1 The Council's Scheme of Delegation to Officers already allows the Chief Executive to consider and deal with any urgent issues, subject to reporting back to the Cabinet for information at the first available opportunity. This power is exercised in consultation with the relevant Chief Officer and the relevant portfolio holder.
- 2.2 During the Covid-19 pandemic, there have been enhanced levels of consultation and publicity, above those set out in Standing Orders. In particular, the Chief Executive has been undertaking the following consultation prior to making a decision:
  - Matters which would normally go to Council – consultation with 3 Group Leaders and Councillor Murdoch (previously Cllr McNicol) representing the Independents;
  - Matters which would normally go to Cabinet, or a Committee- as per the current scheme of delegation consultation with the Leader (for Cabinet), Committee Chair (other committees) and Portfolio Holder if different
  - Controversial Council matters - consultation with all Members to get a feel for whether there is likely to be support. 'Controversial' is as defined in the Scheme of Delegation.

- 2.3 In addition, to enhance the transparency of such decisions, decision notices in

respect of matters determined under the emergency governance arrangements are also published on the Council's website on a fortnightly basis, together with the relevant officer report at

<https://north-ayrshire.cmis.uk.com/north-ayrshire/CommitteesMeetings/AgendasandMinutes.aspx>

- 2.4 An initial report on decisions taken was submitted to the Cabinet on 30 June 2020. A summary of further decisions is now attached at Appendix 1 to this report.

### **3. Proposals**

- 3.1 The Cabinet is invited to note the information on Emergency Governance decisions, as set out in Appendix 1 to this report; and

### **4. Implications/Socio-economic Duty.**

#### **Financial**

- 4.1 None arising from the recommendations in this report.

#### **Human Resources**

- 4.2 None arising from the recommendations in this report.

#### **Legal**

- 4.3 In terms of standing orders, decisions taken under the Chief Executive's delegated authority are capable of immediate implementation and have been implemented. As such, the decisions are being reported to Cabinet for noting. It is competent for Cabinet (or Audit and Scrutiny or Council on a call-in from Cabinet) to reconsider or change any decision taken under delegated powers, but as officer delegated decisions are within the definition of 'Decisions of the Council' in terms of standing order 31, a two thirds majority is required to do so for any decision taken within the previous 6 months.

#### **Equality/Socio-economic**

- 4.4 None arising from the recommendations in this report.

#### **Environmental and Sustainability**

- 4.5 None arising from the recommendations in this report.

#### **Key Priorities**

- 4.6 None arising from the recommendations in this report.

#### **Community Wealth Building**

- 4.7 None arising from the recommendation in this report.

### **5. Consultation**

- 5.1 Appendix 1 includes information on the consultation undertaken by the Chief Executive in reaching decisions.

5.2 No consultation was required in preparing this report.

Andrew Fraser  
Head of Democratic Services

For further information please contact **Melanie Anderson, Senior Manager (Committee and Member Services)**, on [melanieanderson@north-ayrshire.gov.uk](mailto:melanieanderson@north-ayrshire.gov.uk).

### **Background Papers**

Consultation responses

## CHIEF EXECUTIVE DELEGATED POWERS

Ref	Date of Request	Details of Request	Requested by	Report Provided	Decision	Publication Date Reference
15.	08/06/20	Outside Body Appointment: Scotland Excel Executive Sub-Committee	A Fraser	25/06/20	<p>Approved - in consultation with Joe Cullinane (Group Leader: Labour), Marie Burns (Group Leader: SNP), Tom Marshall (Group Leader: Conservative and Unionist) and Ian Murdoch (Nominated Independent Member representative), the Chief Executive agreed:</p> <p>(a) to appoint Councillor Cullinane as the Council's main representative of the Scotland Excel Executive Sub-Committee; and</p> <p>(b) to note an outstanding vacancy for a named substitute representative on this outside body.</p>	26/06/20
16.	16/06/20	Elected Member Non-Attendance	A Fraser	17/06/20	<p>Approved - in consultation with Joe Cullinane (Group Leader: Labour), Marie Burns (Group Leader: SNP), Tom Marshall (Group Leader: Conservative and Unionist) and Ian Murdoch (Nominated Independent Member representative), the Chief Executive agreed:</p> <p>(a) to note:</p> <p>(i) the exceptional circumstances of the current COVID-19 pandemic, which has led to the cancellation of meetings of the Council and its committees since March 2020;</p> <p>(ii) that a restricted number of committee meetings with appointed membership will be held between 22<sup>nd</sup> June and 30<sup>th</sup> June 2020 on a wholly remote basis;</p> <p>(iii) that the next full Council meeting is scheduled for September 2020;</p> <p>(iv) the possibility that some Members may not be in a position to attend the first available meeting of the Council (or a committee of which they are a member)</p>	26/06/20

					<p>within 6 months of the last meeting they attended; and</p> <p>(v) the terms of Section 35 of the Local Government (Scotland) Act 1973 and Standing Orders state that if a Councillor fails throughout a period of six consecutive months to attend any meeting of the authority, that member shall cease to be a member of the authority unless the failure to attend was due to a reason approved by the Council; and</p> <p>(b) agree that, in terms of Standing Orders and section 35 of the Local Government (Scotland) Act 1973, a Member's failure to attend in the particular circumstances of the COVID-19 pandemic is a reason approved by the Council for non-attendance during the period from 5 March 2020 to 30 September 2020, and that non-attendance during this period does not count in calculation of the 6 month period.</p>	
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## NORTH AYRSHIRE COUNCIL

### Cabinet

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<b>Title:</b>	<b>Council Plan Progress Update – Year-End 2019-20</b>
<b>Purpose:</b>	To advise Cabinet on the progress of performance against the Council Plan 2019-24 as at Year-End 2019-20
<b>Recommendation:</b>	That Cabinet agrees to (a) approve the performance of the Council Plan as at 31 <sup>st</sup> March 2020: and (b) submit the report and appendices to Audit and Scrutiny Committee for consideration at the next available date.

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### 1. Executive Summary

- 1.1 The Council Plan 2019-24 Progress Update (Year End 2019-20) and accompanying appendices provide detailed information on the progress being made towards our strategic priority outcomes and includes key highlights, areas of focus, case studies and best in class examples. It provides an overview of performance up to 31<sup>st</sup> March 2020. Our response to the Covid-19 pandemic will be detailed in a separate report later this year.

### 2. Background

- 2.1 The Council Plan 2019-24 was approved by Council on 26 June 2019 and sets out our vision and priorities for the next five years.
- 2.2 The Council Plan 2019-24 Progress Update (End-Year 2019-20) (Appendix 1) provides details of our progress for each of the priorities – Aspiring Communities, Inspiring Place and a Council for the Future. The update also provides key highlights, areas of focus, case studies and best in class examples
- 2.3 The Council Plan 2019-24 Progress Update (End-Year 2019-20) forms part of series of regular and ongoing reports and presents a picture at a moment in time as at 31<sup>st</sup> March 2020, and therefore pre-dates the Covid-19 pandemic. Our response to the pandemic will be detailed in a separate performance report later in the year.

### 2.2. Performance Summary

- Preparations for our Best Value Audit by Audit Scotland were completed. Early indications are we are performing extremely well across all themes and have few recommendations.
- Our Chief Executive and Council Leader hosted a series of budget engagement sessions during November, giving communities a Fair Say on our Council budget as

well as an opportunity to generate ideas to ensure priority services are delivered as efficiently as possible.

- A recent analysis of the Community Investment Fund (CIF) showed the community projects it funds are meeting key priorities in each locality. To date we have agreed £1,034,045 of expenditure and £932,404 of external funding has been secured by CIF projects.
- The Circuit, our £8million first class sporting facility was officially opened by Scottish Women's Football National Team player Erin Cuthbert.
- We have completed our Trindlemoss facility, a multi-purpose facility providing day care, residential accommodation and a range of support services.
- We have completed 31 new build affordable homes at Montgomerie View, Seamill. The units were uniquely constructed off-site in a factory, a first for the Council.
- We recruited Scotland's first Library Open Data Development Officer in partnership with Scottish Government's Public Library Improvement Fund and the Scottish Library and Information Council, raising awareness of open data and finding what data communities need to drive forward open government.
- We have improved the processing times for Housing Benefit and Council Tax Reduction. New claims reducing by 9.5% since 2018/19 and change of circumstances reducing by 24.8%.





### 2.3. Areas of Focus

Our progress report sets out our ambitions to continue to progress our performance and make further improvements. Our key **Areas of Focus** for the next six months include:

- Progress our Community Wealth Building strategy including developing a new Community Wealth Building food system with partners to offer a variety of community-led food provision with a range of ownership and participation models.
- Capture experiences and learning from our response to the Covid-19 pandemic.
- Progress our new sector-leading Additional Support Needs (ASN) Campus which will provide a high-quality learning environment for over 200 ASN pupils who currently attend North Ayrshire's four ASN schools.
- Progress the proposals for the new Ardrossan Campus to provide a state of the art educational and community facility
- Implement our £5.9m roads, street lighting and structures maintenance investment plan for 2020/21.
- Progress the digital enablement of various Streetscene teams, including: Bereavement Services, Grounds Maintenance, Enforcement and Rapid Response, using Geographical Information System (GIS) field applications
- Continue to develop our strategic leadership activities to strengthen our leadership across the Council during 2020/21.

## 2.4. Performance Indicators

- 2.4.1 Appendix 2 details Performance Indicators from the Council Plan Performance Framework, showing (where available) targets and a traffic light (Red, Amber, Green) symbol to show whether the target level of performance has been achieved (Green), is slightly adrift of target (Amber) or is significantly adrift of target (Red).
- 2.4.2 Analysis of the indicators with latest available targets is outlined in Table 1 below. 80.7% of indicators where the status is known are on target or slightly adrift of target.

2019-20 Summary of Traffic Light Status	
Traffic Light	Indicators
 on target	18 (69.2%*)
 slightly adrift	3 (11.5%*)
 significantly adrift	5 (19.2%*)
 status unknown or data only	8 (22.2% of all Council Plan indicators)

*\*of the 26 indicators where status is known*

- 2.4.3 Of the eight indicators where status is unknown or data only, three measure data that is not available until later this year, four are Insight indicators that are currently being analysed so are pending. The reporting process for one indicator is being reviewed and is currently being reported as data only.

## 2.5. Actions

- 2.5.1 There are 116 actions associated with the Council Plan. There were previously 118 actions. Since the initial agreement of the actions, two have been merged as detailed below due to duplication. These have been agreed by the relevant services. Below are the names of the actions that have been deemed duplicates and removed, with the current action that will act as its replacement.

**“CP38a - We will deliver the Council’s Technology Strategy and Digital Strategy”**  
has been replaced by

**“CP38b - We will undertake a Council-wide review of business application software”.**

**“CP40b - The Transformation Think Tank will develop a pipeline of initiatives which will support integrated service delivery including opportunities with CPP partners”**

has been replaced by

**“CP37a – We will identify opportunities for more integrated service delivery through implementation of the Council’s Medium-Term Financial Planning Framework”.**

Appendix 3 lists the full set of actions aligned to the Council Plan 2019–24. There are 14 of the 116 actions (12%) slightly adrift of target.

### **3. Proposals**

- 3.1 Cabinet are requested to (a) note and approve the Council Plan 2019-24 Progress Update (Year-End 2019-20) and appendices and (b) agree to submit the report and appendices to the Audit and Scrutiny Committee.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 None. All commitments in the Council Plan are aligned with the Council's agreed budgets.

#### **Human Resources**

- 4.2 None.

#### **Legal**

- 4.3 None.

#### **Equality/Socio-economic**

- 4.4 The report outlines the Council's commitment to fulfilling its statutory duty in terms of Equalities and Socio-economic duties.

#### **Environmental and Sustainability**

- 4.5 The report highlights the Council's commitment to Environmental and Sustainability priorities as outlines in the Council Plan priorities.

#### **Key Priorities**

- 4.6 The report provides information on our performance progress against the key Council Plan priorities.

#### **Community Wealth Building**

- 4.7 None.

### **5. Consultation**

- 5.1 The Executive Leadership Team discussed and approved the Council Plan Progress Update Year-End 2019-20 report and appendices on 26<sup>th</sup> August 2020.

**Andrew Fraser**  
**Head of Democratic Services**

For further information please contact **Barry Tudhope, Senior Manager (Corporate Policy, Performance and Elections)** on **01294 324113**.

#### **Background Papers**

Council Plan 2019-24

Council Plan 2019-24  
Progress Update  
(Year-End 2019-20)

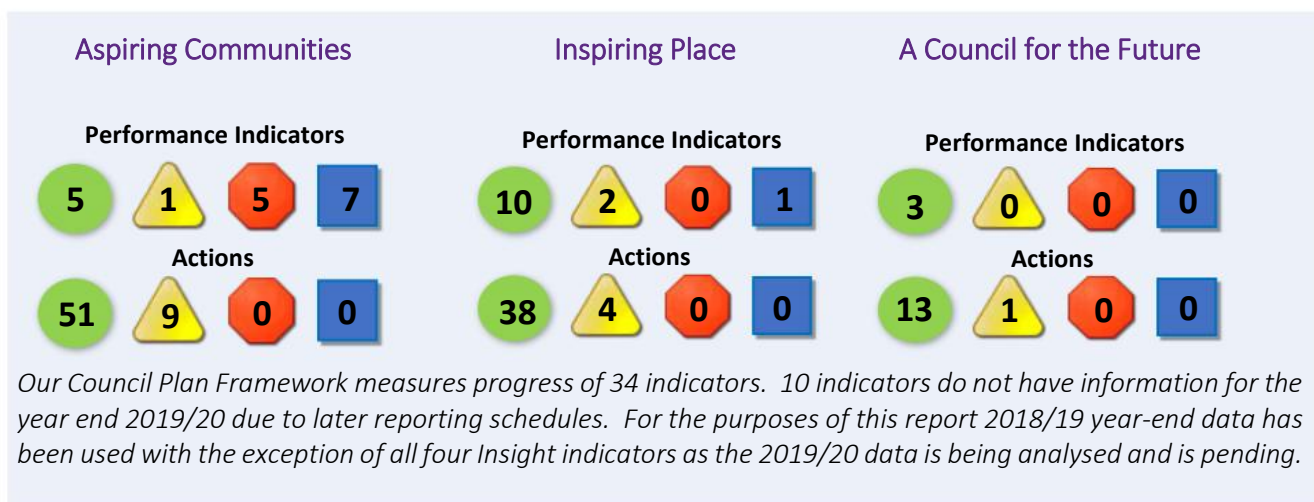
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**Welcome** to our second six monthly progress report on our **Council Plan 2019-24**.

This report details the performance of North Ayrshire Council during the second half of the financial year 2019-20. The information in this report demonstrates performance as at 31<sup>st</sup> March 2020. Our response to the Covid-19 pandemic during the final days of this period will be detailed in a separate report later this year.

**Since 1st October 2019 we have continued to make significant progress in delivering our Council Plan 2019-24.** A summary of the performance indicators and actions within the plan is below, with more detail in the appendices of this report.

Progress against our Council Plan Actions and Performance Measures is progressing well as demonstrated below:



**Working together with our communities and our partners is central to everything we achieve.** As well as our ongoing work with our Locality Partnerships, we launched our whole systems approach to diet and healthy weight in October. The “whole systems approach” is innovative as it recognises that no single partner, whether it is the Council, NHS or community, can fully understand a person or group’s particular issue and experiences. Instead, through working very closely together as a “whole system” with the people involved, they can untangle what can be very complex root causes and work out how to work differently to address them. As one of the first Scottish councils to adopt this method, we will initially address the issue of diet and healthy weight.

A recent analysis of the Community Investment Fund (CIF) showed the community projects it funds are meeting key priorities in each locality. To date we have agreed £1,034,045 of expenditure and £932,404 of external funding has been secured by CIF projects. Whereas the CIF aims to effect long term change, we’re pleased to announce a newly approved Small Grant Participatory Budgeting fund which widens the reach of funding available to those involved in projects that promote communities and networks.

Investment in the education estate will be a key focus over the coming years, with a £269 million programme of works planned by 2027/28 including the newly approved Ardrossan Campus. This will see the co-location of Ardrossan Academy, Winton Primary School and Early Years Centre, Ardrossan Library and leisure facilities alongside our Health and Social Care Partnership Children and Families Locality Team.

Our Early Years expansion programme has enabled us to deliver 1,140 hours of free care to over 1,200 children, enabling parents and carers to take up training and employment.

Following the success of our Employability programmes, such as the Employability Hubs which have seen 140 unemployed residents secure employment this year, we have launched “EQUAL” our Supported Employment Service. This will support our residents with a disability to find long term fulfilling employment. In addition, our Community Benefit Clauses within our procurement contracts have provided 1,301 weeks of employment for our residents.

Many of our own employees are North Ayrshire residents and we are very pleased to have paid the Real Living Wage five months early, rising from £9.00 to £9.30 in November 2019 instead of April 2020. This benefitted many of our colleagues and in turn, our communities.

To provide high quality, sustainable homes for our residents, we have completed 105 new homes, including the 20 unit supported accommodation refurbishment at Tarryholme, Irvine. At Montgomerie View, Seamill we have 31 new build homes where we embraced a new modular offsite construction method.

We are committed to engaging with digital technology to drive continuous improvement. In Streetscene, we have digitised grounds maintenance activities and rolled out tablet devices to the team so that jobs can be managed electronically. This increased productivity by improving workflow, allocation of resources, and prioritisation of grounds maintenance work, while also reducing our carbon footprint by using significantly less paper. In addition, the processing times for Housing Benefit and Council Tax Reduction have reduced and over 40% of transactions with us are now available online. The completion of the rollout of Microsoft Office 365 to employees has provided opportunities for many of our workforce to work remotely.

**Together we continue to improve our services so that we will deliver our vision, a North Ayrshire that is “Fair For All”.**

## Our Priorities

## Our Vision

A North Ayrshire  
that is 'Fair For All'

### Aspiring Communities

- ▶ Active and strong communities
- ▶ Children and young people experience the best start in life
- ▶ Inclusive, growing and enterprising local economy
- ▶ Residents and communities enjoy good life-long health and well-being
- ▶ Residents and communities are safe

## Our Mission

Working together to  
improve well-being,  
prosperity and  
equality in  
North Ayrshire

### Inspiring Place

- ▶ Well connected with effective infrastructure
- ▶ Homes that meet residents' needs
- ▶ Vibrant, welcoming and attractive environment
- ▶ A sustainable environment

### A Council for the Future

- ▶ An accessible Council that puts residents and communities at the heart of what we do
- ▶ An efficient Council that maximises resources and provides value for money
- ▶ A valued workforce that delivers high quality services
- ▶ A powerful and respected voice



Year-End  
Illustration  
2019-20

**105** affordable  
new  
homes  
built  
in  
2019/20

**7.77%**  
reduction  
in carbon  
emissions

New Real Living Wage  
rate implemented  
**5 months**  
early  
for employees

**£60,000** participatory  
budgeting funding allocated  
by young people

Number of children living  
in poverty reduced by  
**2.67%** (currently 26.59%)

**66.68%** of people  
aged 65 or over  
with long term care  
needs supported  
to stay at  
home

**Over 41.62%** of  
self-service transactions now  
online (40.09% in 2018/19)

**£932,404**  
external funding  
secured by  
Community  
Investment Fund  
projects

**56.3%** of household  
waste recycled  
an increase of 1.7% on last year

**771 jobs**  
created and / or  
safeguarded through  
our support for local  
businesses



### ► Active and strong communities

- We completed an extensive community engagement process to explore our network of community centres and libraries, in the context of the significant challenges in the Council's medium-term financial plan. The two programmes consisted of 28 meetings and attracted 1,601 responses, including 212 via the Council's online engagement platform, Consul.
- Following a drugs emergency motion being passed by Council in September a North Ayrshire Summit on Drug Related Deaths was held in January. Our Alcohol and Drug (ADP) Participatory Budgeting event was announced at the summit with a focus on prevention and community engagement to address drug deaths. It is due to take place in April and is now moving online enabling community groups and organisations to bid for grants of between £8k and £10k from a total fund of £60k.
- A Youth Participatory Budgeting event took place in November 2019 with £60,000 available. Young People aged 8 to 25 years had the opportunity to have a say on where the funding would be spent.
- Our Small Grant Participatory Budgeting approach was approved in January 2020, ensuring a dedicated annual participatory budgeting fund for our communities. This fund complements the Community Investment Fund (CIF) as it enables more community bids for projects that promotes joining up of communities and networks.
- In October an analysis of the use of the Community Investment Fund against key themes showed a wide range of initiatives have been approved to address key local issues such as isolation and mental health. To date £1,034,045 of our expenditure has been agreed and £932,404 of external funding has been secured by CIF projects.
- Working with partners we ensured free food was available for those in need over the Christmas period. This included hot takeaway meals for children, along with frozen meals and free breakfasts across our six localities; Arran, Garnock Valley, Irvine, Kilwinning, North Coast and Three Towns.
- The development and promotion of "Shaping North Ayrshire – Your Voice, Your View" online engagement and consultation forum has included a refresh of the website and fresh debates on community facilities, the Council budget and Community Wealth Building. A series of promotional events took place including within Locality Partnership meetings in January.
- We developed a new 'Respectful Funeral Package' for launch later in 2020 to tackle funeral poverty by delivering lower cost funerals and simplifying funeral arrangements for vulnerable bereaved families.

### ► Children and young people experience the best start in life

- Our Executive Youth Council worked in partnership with Carers Trust to consult with young carers on the barriers to participation experienced by many. Their report will be taken to the Scottish Youth Parliament.
- Since April 2019, there have been 143 referrals to our secondary school counselling service. Of these, 36 young people have finished their counselling sessions with over 90% of pupils reporting improvement following this support. Counselling is one of a range of mental health supports available.
- Kilwinning and Largs Academies established wellbeing hubs which provide support and resources to pupils. This includes peer to peer support from pupils trained in Scottish Mental Health First Aid as well as targeted programmes to combat low self-esteem and other aspects of mental health. The Wellbeing Model will be rolled out to all localities.



- The Early Years Expansion has enabled us to deliver 1,140 hours of free childcare to over 1,200 children. As a result, parents and carers have been able to take up training and employment. We have contracted 16 nurseries and 79 childminders to deliver services with us and we have enabled 14 Modern Apprentices to secure employment.
- Implementation of the “Devolved School Management Scheme” in North Ayrshire has given authority to our Head Teachers to decide how best to spend allocated amounts of their budget totalling £75.7m. Decision making is now led by school leadership teams in consultation with key partners including children and young people, in order to better support the learning and teaching of over 18,000 children and young people across North Ayrshire.
- 2,752 families have taken part in family learning support. An additional 32 families from Additional Support Needs (ASN) schools have also engaged with the Family Learning Team through the launch of the parent hub and family cooking sessions which were delivered in all four ASN schools.
- Our Professional Learning Academy delivered training to 325 members of our education team with over 900 pupils benefiting across our schools. The data and quality assurance strategy allows us to capture details of who is involved in the programme and the number of pupils who have benefited as a result.
- We were the first Council to introduce an innovative ‘Birth to Potty Scheme’ which can save families up to £1,300 per child on the cost of disposable nappies, whilst reducing the environmental impact by 40 per cent. Almost 100 families have taken up the offer to date (See case study - Birth to Potty).
- Our Health & Social Care Partnership (HSCP) Universal Early Years teams “Teams Around the Family” are now based within localities and aligned to GP practices to ensure children, young people and their families can easily access services.
- We have provided free period products to over 4,000 pupils in all our secondary schools in addition to the community provision.
- In March 2020, we approved our Capital Budget that will deliver a £269 million programme of works of investment in education by 2027/28. Investment in the education estate will continue to be a key focus for us over the coming years. At the heart of the programme is a commitment to ensure our children get the best possible start in life.
- The percentage of babies being exclusively breastfed at 6-8 weeks has increased from 18.1% in 2017/18 to 20.1% in 2018/19. This is the highest recorded rate in North Ayrshire since 2007.
- We successfully implemented the National Health Visiting Pathway fully and this pathway promotes the importance of prevention and early identification: getting the right support for families at the right time.
- We continued to refine processes in the Multi-Agency Assessment and Screening Hub (MAASH) to respond swiftly to domestic abuse and child welfare concerns. We continually seek to improve processes from screening to assessment to ensure contact and demand is appropriately classified and managed. This includes the continual review of recording content and appropriate personnel being in-situ within the hub in support of the multi-agency working of raised concerns.
- Construction began on the modern, fully accessible Additional Support Needs campus and Respite & Residential accommodation in Stevenston.
- We launched a fostering and adoption campaign in January. To date we have increased the number of new foster carers by 13. We will continue to advertise and recruit on an ongoing basis throughout the year.



### ► Inclusive, growing and enterprising economy

- Our Community Wealth Building Strategy was approved by the Community Wealth Building Commission in March. Community Wealth Building is a transformational approach to economic development to ensure fair and resilient local and regional economies. There is significant interest in the strategy from regional, national and international partners.
- Outline business cases have been prepared and submitted to UK/Scottish Governments and Growth Deal agencies for both elements of the digital infrastructure growth deal programme and feedback has been taken on board for the Ayrshire Growth Deal. The cases are currently awaiting sign-off through the conclusion of Ayrshire Growth Deal funding documents.
- We have worked hard to attract new investment to North Ayrshire and last year 145 jobs were created as a result of 18 new investment projects that the Council supported.
- We further supported local businesses to grow and develop, creating a further 492 jobs of which 304 were skilled jobs and our team provided support that safeguarded 279 local jobs.
- We supported 291 new start-up businesses last year.
- We have grown the number of businesses operating out of The Circuit (social enterprise/business incubation facility) from 10 to 12 which is now fully occupied with new businesses based there and accessing the on-hand support available.
- We officially launched our new Supported Employment Service “EQUAL” this year. This service supports North Ayrshire residents aged 16 or over with a disability to find long term, fulfilling employment and to provide all the support required for them and their future employers. So far, we have registered and supported 109 disabled residents, with 18 clients being supported in employment.
- We had a successful jobs fair that attracted 150 unemployed residents at the re-launch of the Kilwinning Employability Hub at Kilwinning Library.
- We supported 435 unemployed people into work this year.
- Our Skills For Life programme, supporting lone parents into work, has been completed by 15 residents with 11 securing permanent employment with us and two within the private sector. On average participants are £90 per week better off as a result.
- We have secured £200k additional grant income through No-One Left Behind, a Scottish Government employability support programme and £76k through the Parental Employability Fund, highlighting success of joint working with the Scottish Local Authority Economic Development Network (SLAED).
- Community Benefit Clauses within our procurement contracts have provided 1,301 week's employment for our residents, which is above our mid-year target of 750 weeks.
- Following the development of a business plan to support a bid for funding to Scottish Government in September 2019, we received confirmation of funding support of £1.55M towards a £3.6M community and leisure hub at Lochshore, Glengarnock.
- We secured around £4M of external funding in support of physical regeneration and active travel and transport projects, such as bus corridor improvements, Irvine cycle friendly town implementation, Irvine high street public realm and improvement to connections between transport modes as part of Ardrossan Harbour regeneration.
- We have completed a new commercial property, for lease to private business at Irvine Industrial Estate.



### ► Residents and communities enjoy good, life-long health and well-being

- Our national early adopter whole system approach to diet and healthy weight was launched in October with strong support from over 100 representatives of key partners including Leeds Beckett University and the NHS. The “whole systems approach” recognises that no single partner, whether it is the Council, NHS or community, can fully understand a person or group’s particular issue and experiences. Instead, through working very closely together as a “whole system” with the people involved, they can untangle what can be very complex root causes and discover how to work differently to address them. The initial focus will be on the public health priority of diet and healthy weight (for which we are one of three early adopter sites), community books, unintentional harm, health inequalities, self-assessment and health in all policies.
- The Circuit, our £8m facility based at Quarry Road, Irvine was officially opened by Scottish Women’s Football National Team player Erin Cuthbert. The new sport and business facilities will help increase town centre footfall and support improvements to sporting and health outcomes locally.
- In the last six months, as part of our resettlement programme, we have supported seven Syrian families to resettle into our local communities. Since the start of the programme we are proud to have welcomed 41 Syrian families to North Ayrshire.
- The contract for independent support has been awarded for the provision of a Pan Ayrshire information and advice service for independent living. The service offers one to one support to help guide our service users / carers decide what Self-Directed Support options suits them best and put their choices into place.
- The Community Link Worker service continued to provide a valuable service within our GP Surgeries with more than 2,000 appointments available. Mental health and well-being continued to be the leading reason for seeking support.
- Our community-based rehabilitation unit at Warrix Avenue supports individuals with severe, enduring mental health needs in an environment that is close to independent living. Since opening we have received 15 referrals, supported eight admissions, transferred three individuals back to acute in-patient service and discharged one person back to the community
- The Health and Wellbeing Service “Active North Ayrshire” delivered by KA Leisure received 773 new referrals and undertook 2,695 classes for a total of 42,132 attendances at supported physical activity sessions this year.



### ► Residents and communities are safe

- With our Community Planning Partners, we have successfully completed the 16 days of action to highlight the need to end violence against women and girls. Our focus was on sports, visiting 23 sports venues highlighting the issue which encouraged 1,586 men and boys to sign a pledge to never commit or condone violence against women and girls.
- We have implemented the new Environmental Health food law inspection regime and it is facilitating future inspection programming, using the new 'Food Law Rating System'. This combines the food safety and food standards programmes into one 'Food Law Inspection Programme' and will keep our residents safe through a more efficient process for our businesses.
- The Police Triage Pathway within the Crisis Resolution Team is now fully rolled out and demand is regularly monitored. This mental health service provides support to our police colleagues who are involved in assisting individuals who are experiencing mental health distress. It provides police officers with direct access to Community Psychiatric Nurses in the Crisis Team who can assist with risk assessment, general advice and if necessary, admission to hospital.
- Our Health and Social Care Partnership (HSCP) appointed a dedicated Desistance Officer to support people in the justice system to integrate meaningfully within local communities and provides bail supervision as a mean of addressing needs related to risk.

## Case Study – Birth to Potty Scheme

We launched our Birth to Potty Scheme in October 2019 to coincide with Challenge Poverty Week and Scottish Climate Week. This offered parents and carers an enhanced Real Nappy Incentive Scheme – becoming the first council in the UK to provide free “birth to potty” real nappy packs.

The new enhanced nappy scheme can save families up to £1,300 per child on the cost of disposable nappies, whilst reducing the environmental impact of nappies by 40 per cent.

We already offered a Real Nappy Incentive Scheme which provides a free trial pack, giving new parents the chance to see what suits their baby best. This trial pack consists of three free reusable nappies in various styles, two waterproof wraps, biodegradable liners and a handy laundry bag.

Parents or carers who use the trial pack are now able to request the full new 'Birth to Potty' pack, containing 20 birth to potty nappies, biodegradable liners and a laundry bag. This comprehensive kit is provided free of charge. Parents or carers who were already comfortable with the idea of using reusable nappies can also request this option without the need for a trial kit first.

Making the switch to reusable nappies can save a significant amount of money in the longer term - however the initial outlay can be costly. Our 'Birth to Potty' scheme removes this cost and the impact of disposable nappy waste.



In the **next six months** we will work towards progressing the actions that will deliver the priority outcomes falling under **Aspiring Communities**, a society where everyone has the same life chances to grow, prosper and have fulfilling and healthy lives.

### ► Active and strong communities

We will:

- Progress our Community Wealth Building strategy including developing a new Community Wealth Building food system with partners to offer a variety of community-led food provision with a range of ownership and participation models.
- Develop new ways of working through multi-agency Locality hubs and a network of partners to better support communities and partners in a whole systems approach.
- Lead the transition of childcare hubs into community facilities, supported by Connected Communities and the Family Learning Team.
- Continue to develop new digital services, including Virtual Community Centres and Community Leadership Collective.
- Extend participation in local democratic processes and participatory budgeting approaches, including the way we engage and work with young people.
- Further develop the Community Books and Draft Community Charters.

### ► Children and young people have the best start in life

We will:

- Progress the extensive property and facilities management support required to deliver the 1,140 hours of Early Learning and Childcare Expansion.
- Progress our new sector-leading Additional Support Needs (ASN) Campus which will provide a high-quality learning environment for over 200 ASN pupils who currently attend our four ASN schools.
- Implement the priorities of the Mental Health Strategy for North Ayrshire: work to develop confidence in our staff to support positive mental health and wellbeing; develop organisations that support positive mental health and wellbeing without stigma and discrimination; encourage confidence and resilience in our children and young people; and help parents and carers to support their children's positive mental health.
- Progress the Multi-Agency Assessment and Screening Hub (MAASH) to respond swiftly to domestic abuse and child welfare concerns.

### ► Inclusive, growing and enterprising local economy

We will:

- Launch our Community Wealth Building Strategy in May 2020, appoint our Expert Advisory Panel and bring forward our delivery programme and implementation plans.
- Support all school leavers to secure a positive post-school destination by working with a range of partners to promote training, further education and employment opportunities available within a challenging economic climate.
- Work towards securing major inward investment opportunities to bring new business to the area.



- Explore the opportunity to position us as a leader locality as part of the blue economy to sustain our ocean resources for economic growth.
- Finalise with partners the Citizens Basic Income Feasibility Study, submit to Scottish Government and disseminate its findings.
- Formally launch our Disability Employment Service to support our disabled residents into employment.
- Conclude funding commitments for Ayrshire Growth Deal (AGD) and progress our suite of AGD projects to deliver inclusive growth, innovation and support place-based regeneration activity.

### ► Residents and communities enjoy good, life-long health and well-being

We will:

- Monitor and implement the outcomes of the Building Standards Futures Board in relation to Compliance, Enforcement and Fire Safety.
- Explore funding sources for Mental Health Practitioners in GP Practices.
- Evaluate engagement findings from January 2020 to allow NHS Ayrshire & Arran to reform future chemotherapy services.
- As part of a new UK-wide programme for Syrian Resettlement, provide a safe-haven for a further six families by March 2021.
- Deliver the North Ayrshire Alcohol and Drugs Partnership online participatory budgeting event.

### ► Residents and communities are safe

We will:

- Complete a CCTV pilot with Commercial Services and Property Management & Investment to further improve existing building security.
- Further develop the wider 'Housing First' approach in our provision of homelessness services, providing mainstream, settled accommodation for our tenants as quickly as possible.



### ► Well connected with effective infrastructure

- We have completed our Trindlemoss facility, a multi-purpose facility providing day care, residential accommodation and a range of support services. In the last six months, service users, families and staff have used the 'day opportunities' facility to maximise health and wellbeing opportunities.
- Our Ardrossan Campus proposals for a state of the art educational and community facility was approved and will provide modern, fit for purpose surroundings to give young people the best start in life. It will see the co-location of Ardrossan Academy, Winton Primary School & Early Years Centre, Ardrossan Library and swimming / leisure facilities as well as provide access for the Health and Social Care Partnership (HSCP) Children and Families Locality Team.
- Our Local Development Plan was approved and adopted by Scottish Government in November 2019. This sets out how we aim to guide development and investment in the area over the next 20 years.
- Our Vacant and Derelict Land Funding (VDLF) has enabled the following:
  - Ardrossan North Shore: Approval to proceed to purchase the site in place early April 2020, and site masterplan options developed.
  - Leverage of £2.2m of Regeneration Capital Grants Fund (RCGF). A valuation has been undertaken to allow the purchase of land within i3 and the implementation of investment through the Ayrshire Growth Deal.
  - A new industrial unit at Kyle Road, Irvine Industrial Estate.
  - Lochshore: Site investigations and the development of a fresh masterplan for the site has been completed. This proposes a major placemaking investment to create an outdoor visitor destination, leisure / active travel attraction, play facilities and business opportunities, while creating the conditions for future housing development. A successful Regeneration Capital Grants Fund (RCGF) bid secured £1.55M as part of a £3.6m investment in to delivering phase one of the masterplan.
- To date we have secured £2.056m to improve the accessibility of our town centres and public places for active travel and transport through placemaking and public realm improvements such as completion of Irvine High Street Public Realm, Bus Corridor Improvements and Irvine Cycle Friendly Town implementation.
- The marketing of land at Montgomerie Park for private sale was launched on 13th January following the recent approval of a Simplified Planning Zone for the site.
- We have supported projects to bid for Scottish Government's Regeneration Capital Grant Fund (RCGF) in the delivery of the Saltcoats Training Station and the development of bids for future funding for Millport Town Hall.
- The Scottish Government awarded £1.417m Town Centre Funding in 2019/20. We agreed to focus £1m investment on Stevenston and Dalry with the balance being available to support proposals from other towns. Proposals include shop front, streetscape and buildings improvements amongst other projects nominated locally. Delivery of these projects will continue into this year.
- Flood Protection Schemes- the £17.5m Upper Garnock Scheme is now at contract award stage with a site start anticipated during summer 2020, and for the £27.5m Millport Flood Protection Scheme the statutory consultation has been completed following notification of the scheme in March 2020.
- We submitted early outline proposals for new flood protection schemes in Irvine, Fairlie and on Arran to the SEPA National Prioritisation process.

These projects, if approved, will form the next wave of flood protection schemes to help protect homes and businesses from the effects of climate change.

- We approved a new Road Asset Safety Inspection Policy which is designed to bring a further shift from reactive to planned maintenance to improve the condition of our network. We saw our Roads Condition Index improve from 38.1% to 37.3% this year which validates our prioritised approach to maintenance investment, and we expect to build on these improvements in the coming year.
- We submitted our application for Decriminalised Parking Enforcement powers to Scottish Ministers. This will transfer responsibility for parking violations from Police Scotland to the Council and allow us to take a more pro-active approach to dealing with parking issues.

### ► Homes that meet residents' needs

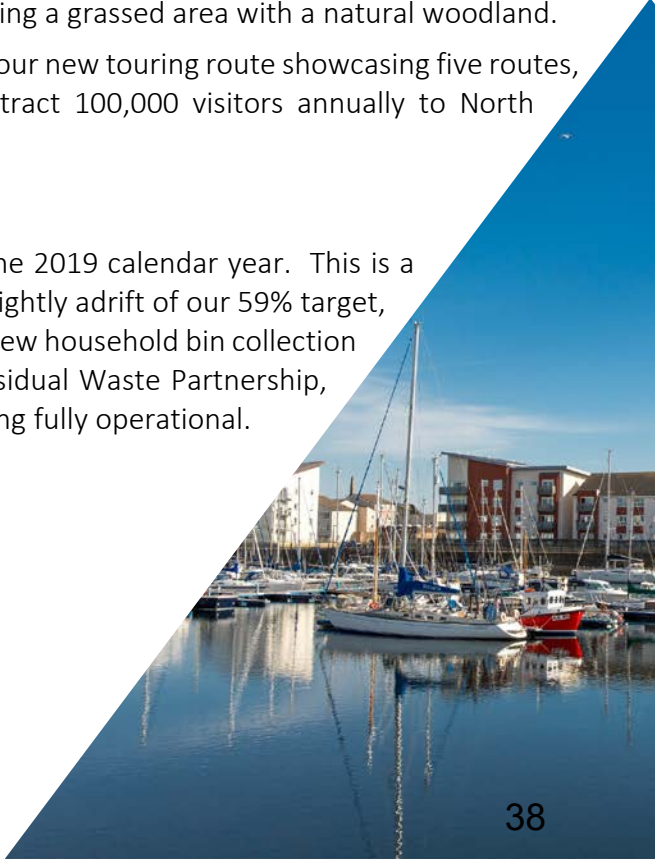
- We have completed 31 new build affordable homes at Montgomerie View, Seamill. The units were uniquely constructed off-site in a factory, a first for the council. This method reduced construction time and waste whilst retaining a high level of quality.
- We have completed our Meadowcroft facility providing support for looked-after / former looked-after children and young adults.

### ► Vibrant, welcoming and attractive environment

- Working in partnership with the local community in Castlepark, Irvine, a campaign was launched to highlight littering and other environmental crime to discourage those responsible. This four-week initiative involved increasing our enforcement patrols and saw a number of offenders issued with Fixed Penalty Notices for fly tipping and dog fouling. This model is being rolled out to hotspots in other communities across North Ayrshire. (see case study – Castlepark Spring Clean)
- We worked with a local community group, FRIENDS of Stevenston, to plant 2,000 new trees at Ardeer Quarry. These trees will help absorb carbon from the atmosphere, provide a valuable habitat for animal and plants and create an attractive environment for physical activity, health and wellbeing benefits. The 3.3-hectare area will also reduce our grounds maintenance costs by replacing a grassed area with a natural woodland.
- We launched the COIG.com website and mobile application of our new touring route showcasing five routes, one great adventure in November. We are expecting to attract 100,000 visitors annually to North Ayrshire.

### ► A sustainable environment

- Our household waste recycling performance was 56.3% for the 2019 calendar year. This is a rise of almost 2% from the previous year. While the figure is slightly adrift of our 59% target, we expect to reach our 60% target for the coming year as our new household bin collection service beds in further and as a result of our Clyde Valley Residual Waste Partnership, which involves recovering energy from our residual waste, being fully operational.



- The success of our Enterprise carpool scheme for staff continues, with a 33% increase in pool car mileage - over 275,000 miles travelled during 2019/20. This performance was facilitated by a further recruitment drive providing a 20% increase in membership taking us to 1,100 drivers reducing their grey fleet mileage (staff using their own vehicles). We also added a further three electric vehicles to the scheme taking the total to six fully electric vehicles which is reducing our carbon emissions further.
- As part of our Dickson Drive, Irvine, development, we completed two sustainable demonstrator units in March 2020. They showcase:
  - A renewable energy system incorporating a water heat pump
  - Solar (PV) roof panels
  - Thermal stores provide heating, hot water and electricity generation.
  - Smart heating lighting controls and home security
  - Upgraded insulation and triple glazing
  - Various water conservation measures.

## Case Study – Castlepark Spring Clean

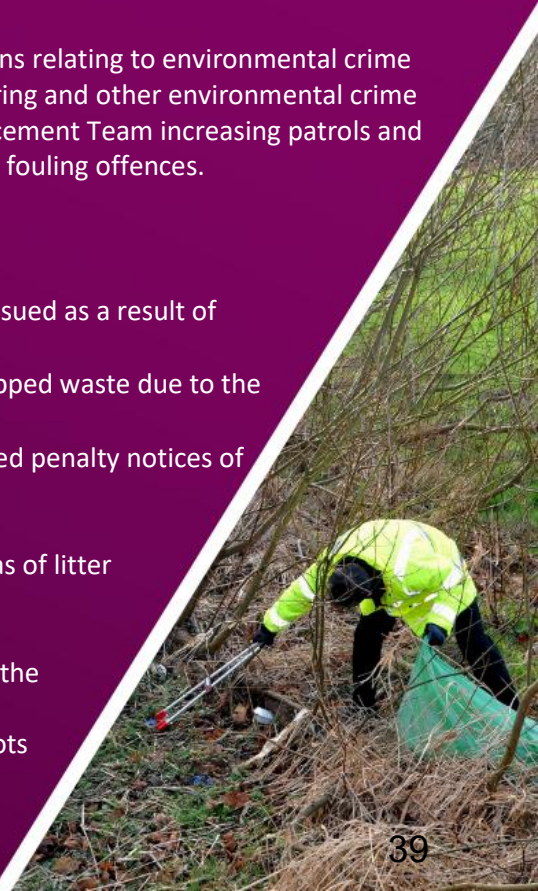
Streetscene worked in partnership with residents in Castlepark to tackle concerns relating to environmental crime in their community. A tailored public campaign was launched to highlight littering and other environmental crime in the area. This four-week initiative saw the Streetscene Environmental Enforcement Team increasing patrols and issuing a number of offenders with Fixed Penalty Notices for fly tipping and dog fouling offences.

During that time our Enforcement Team identified:

- 18 incidents of fly tipping - with 12 fixed penalty notices of £200 each issued as a result of subsequent investigations.
- Six offenders who were instructed to pay for the removal of some fly tipped waste due to the nature of the contents.
- Two owners failing to clean up after their dog who were issued with fixed penalty notices of £80 each.

Free dog fouling bags were provided to residents who requested them and areas of litter resulting from the recent storms were identified and cleared.

The 'Castlepark Spring Clean' was a huge success, improving the appearance of the area, increasing civic pride, and stimulating environmental volunteering opportunities. Officers are working on the roll-out of this model to other hotspots across North Ayrshire.



In the **next six months** we will work towards progressing the actions that will deliver the priority outcomes falling under **Inspiring Place**, an enterprising, vibrant and sustainable environment, appealing to investors, attractive for visitors and a place our residents are proud to live and work in.

### ▶ Well connected with effective infrastructure

We will:

- Progress the proposals for the new Ardrossan Campus to provide a state of the art educational and community facility.
- Implement our £5.9m roads, street lighting and structures maintenance investment plan for 2020/21.
- Implement our investment plans at i3 as a premier business location with first class accommodation and sites on offer.
- Implement our regeneration plans for town centres including the completion of public realm works in Irvine town centre, town centre investment proposals in Dalry and Stevenston.

### ▶ Homes that meet residents' needs

We will:

- Continue to deliver our housebuilding programme to build 1,575 new Council homes.
- Deliver major housing planning applications in Irvine, Three Towns, West Kilbride and Kilwinning to help tackle the decline in population forecasts and support community growth making housing more affordable to working age families.

### ▶ Vibrant, welcoming and attractive environment

We will:

- Support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit.
- Finalise our Volunteering Strategy to identify more opportunities for local people to get involved in caring for their environment.
- Finalise design proposals for stage two, of the Maritime Mile at Irvine Harbourside, commence community and partner consultation and conclude proof of commercial concept for Great Harbour proposals.
- Monitor progress of our application for Decriminalised Parking Enforcement (DPE) to the Scottish Government which would ensure implementation of traffic management within our Town Centres.
- Progress Ayrshire Growth Deal Marine Tourism development work including Ardrossan Marina extension business case, technical work and a partnership agreement with Clyde Marine Ltd.
- Seek approval for a new regeneration delivery framework to inform and guide on future approaches to investment and priorities.



- Progress the CARS (Conservation Area Regeneration Scheme) in Millport by providing financial assistance to protect the historic fabric of the conservation area within Millport. The project will run until March 2021.

### ► A sustainable environment

We will:

- Prepare for the start of construction of the Millport Coastal Flood Protection Scheme that is scheduled for August 2021, following the scheme being formally notified in March 2020.
- Commence work on the Upper Garnock Flood Protection Scheme in summer 2020.
- Conclude the studies and identification of potential projects for consideration as part of the next cycle of the Ayrshire Local Flood Risk Management Plan.
- Virtually showcase one of the sustainable demonstrator units at the Dickson Drive, Irvine, development in summer 2020.
- Prepare the next Environmental Sustainability and Climate Change Strategy, setting priorities to achieve net zero carbon emissions by 2030, through consultation with communities, exploring academic partnerships, investing in renewable solutions and delivering carbon emission reduction and removal projects.
- Improve household waste recycling rates further by resuming our 'right stuff in the right bin' campaign, focussing on improving the quality of recyclate in the blue bins.
- Prepare proposals for planting over 100,000 trees in North Ayrshire as part of the Council's £500k commitment to planting trees as part of our net-zero emission ambitions.



### ► An accessible Council that puts residents and communities at the heart of what we do

- Our Chief Executive and Council Leader hosted a series of budget engagement sessions during November, giving communities a Fair Say on our Council budget as well as an opportunity to generate ideas to ensure priority services are delivered as efficiently as possible.
- We have expanded our self-service delivery model providing local digital support and access to ensure people are able to carry out online transactions. Over 40% of our self-service transactions are now carried out online. Bin collection calendar reminders were downloaded 22,000 times.
- Our Digital Team alongside our Library Service hosted a free drop in event at the Active Travel Hub in Irvine Trinity Church, to help our residents get online safely and securely, save money through using online services and connect with friends. The Digidabble equipment and a gaming area were also available, giving many residents access to technology that would otherwise be out of reach while providing the basic digital skills necessarily for our residents to be confident and safe online.
- Our Coding the Future Project was successful in applying for an Education Scotland Science Technology Engineering and Maths (STEM) grant of £5,000 to support the project, including the set-up of a virtual STEM Hub and a STEM website.
- We provided 316,163 sessions of public Wi-Fi across 22 venues including libraries and the Harbour Arts Centre during 2019-20 before their closure due to Covid-19 on 19th March.
- We recruited Scotland's first Library Open Data Development Officer in partnership with Scottish Government's Public Library Improvement Fund and the Scottish Library and Information Council raising awareness of open data and finding what data communities need to drive forward open government.
- We were the first Council in Scotland to launch an on-line search facility for families to check the location and view an image of headstones in burial grounds.

### ► An efficient Council that maximises resources and provides value for money

- Preparations for our Best Value Audit by Audit Scotland were completed. Early indications are we are performing extremely well across all themes and have few recommendations.
- In March we agreed our Medium-Term Financial Plan to secure a balanced budget for 2020/21 plus indicative estimates for 2021/22 and 2022/23. The Council also agreed the General Services Capital Programme for the period to 2027/28.
- We have improved the processing times for Housing Benefit and Council Tax Reduction. New claims reduced by 9.5% since 2018/19 and change of circumstances reducing by 24.8%.
- We are the first council in Scotland to develop an on-line resource modelling schedule for grounds maintenance work, enabling teams to do their job more effectively while providing a better service to our communities. (See Case Study - Grounds Maintenance Mobilisation).
- We completed our capital investment funding £2m Infrastructure Strategic Review for telephony and networks. The new telephony contract has been awarded and contracts for the Council's networks are currently out to tender.
- We completed our migration to email and teams in Office 365.
- As part of our ongoing commitment to cyber security, we have again been certified by the UK government as compliant with their security standards. Beyond this, we have commissioned a programme of work which will ensure we remain secure from both known and emerging threats.

### ► A valued workforce that delivers high quality services

- We paid our employees the new Real Living Wage five months early. The new rate of £9.30 per hour was announced in November 2019, a rise of 30p per hour for our employees. The new Real Living Wage rate was not due to be adopted by businesses and organisations until April 2020.
- An Occupational Health SharePoint has been developed and launched together with Optima Online resource for employees and managers. This has a wealth of information and advice to support employees within the workplace on health matters.
- Employee Survey (Our Voice) was completed and analysed. The survey response rate was 46.2% - the highest to date for any survey. Our engagement level was 70.7%.
- Three groups of Senior Managers have successfully completed the Blue Wave of Change Strategic Leadership Programme as well as investment in wider leadership development programmes, ensuring our leaders are supported and equipped to lead through change.
- A range of leadership opportunities for education have been provided, improving employee skills in developing the leadership of others in their schools. This year, seven schools and 24 practitioners have been involved.
- We continued to focus on customer satisfaction with 81% of customers being delighted with the service they have received. This is better than our target of 77% and is consistent with our satisfaction rate for the previous year.

### ► A powerful and respected voice

- Our Interim Report on the Feasibility of Citizen's Basic Income Pilots in Scotland was submitted to the Scottish Government in October. Findings were shared with national stakeholders and Scottish Ministers at a meeting with the Cabinet Secretary for Communities and Local Government. The report was promoted during Challenge Poverty Week.
- In partnership with the Health and Social Care Partnership, we were identified by the Scottish Government as one of three national test sites for 'co-creating libraries for wellbeing'. This has led to the creation of a wellbeing hub in Kilwinning Library co-designed with our Mental Health Youth Ambassadors from Kilwinning Academy.

## Case Study – Grounds Maintenance Mobilisation

Our Streetscene Service is responsible for maintaining 2,410 hectares of public open space across North Ayrshire. This includes parks, pitches, schools, cemeteries, beaches and woodland. In the spirit of continuous improvement, opportunities to embrace the digital agenda to improve performance were explored.

Building on earlier work to make play park and memorial inspection paperwork electronic, a decision was made to digitise grounds maintenance activities and issue grounds maintenance colleagues with tablet devices.

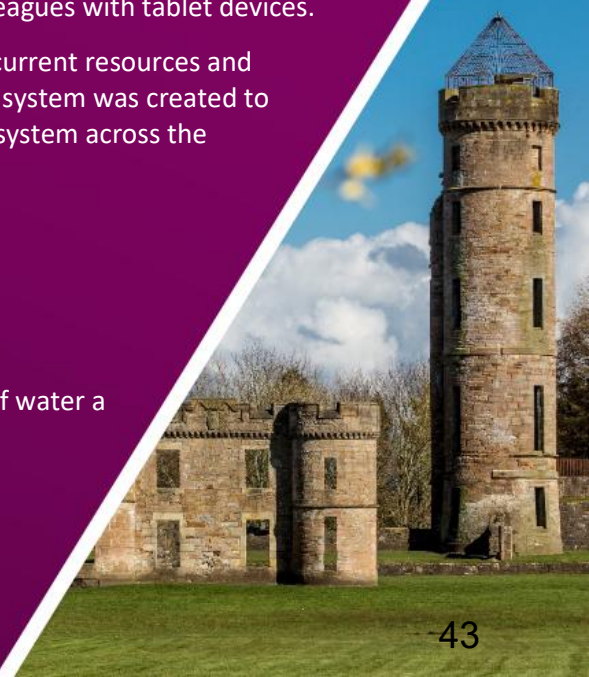
The process involves the analysis of working practices to fully understand the current resources and demands. This was used to identify areas for improvement. A bespoke online system was created to schedule grounds maintenance work. Following a pilot, we aim to extend the system across the service.

The benefits are:

- Accurate daily data enabling better allocation of resources.
- A flexible workforce ready to meet changing demands quickly.
- Teams can prioritise outstanding tasks based on their local knowledge.
- A better overview of grounds being maintained.
- An almost paper free system, equivalent to saving up to 42,000 litres of water a year.

Next Steps:

- Data will be analysed to inform next year's workforce planning.
- Customer enquiries will be passed to teams remotely.
- The technology can be used by other services to make improvements and efficiencies.



In the **next six months** we will work towards progressing the actions that will deliver the priority outcomes under a Council for the Future. These are:

► **An accessible Council that puts residents and communities at the heart of what we do**

We will:

- Continue to engage with our communities on our transformation themes and development of locality community charters.

► **An efficient Council that maximises resources and provides value for money**

We will:

- Action any areas for improvement highlighted during our Audit Scotland Best Value review.

► **A valued workforce that delivers high quality services**

We will:

- Capture experiences and learning from our response to the Covid-19 pandemic.
- Progress the 2020/21 Healthy Working Lives employee initiative.
- Launch our new Connected Leadership programme.

► **A powerful and respected voice**

We will:

- Explore additional external funding to support key priorities.

### Key



On target



Slightly adrift of target



Significantly adrift of target



Data only / Status Unknown

### Performance Indicators

## Aspiring Communities

- ▶ Active and strong communities
- ▶ Children and in life
- ▶ Inclusive, growing and enterprising local economy
- ▶ Residents enjoy good, life-long health and well-being
- ▶ Residents and communities are safe



### Actions



### Performance Indicators

## Inspiring Place

- ▶ Well connected with effective infrastructure
- ▶ Homes that meet residents' needs
- ▶ Vibrant, welcoming and attractive environment
- ▶ A sustainable environment



### Actions



### Performance Indicators

## A Council for the Future

- ▶ An accessible Council that puts residents and communities at the heart of what we do
- ▶ An efficient Council that maximises resources and provides value for money
- ▶ A valued workforce that delivers high quality services
- ▶ A powerful and respected voice



### Actions



## Transformation

- ▶ The transformation programme has been aligned to our Council Plan themes to deliver better outcomes for our Communities and help the Council secure financial sustainability.

### Projects Delivering Expected Financial Savings



*For the purposes of this report 2018/19 year-end data has been used with the exception of all four Insight indicators as the 2019/20 data is being analysed and is pending.*

## Amended Performance Indicators

### CP\_03 - % of residents who agree they have access to opportunities to participate in their local community

The baseline for 2018 and target for 2019/20 has been increased from 30% to 47%. This is to provide more accurate reporting but does not affect actual performance. The data for this indicator comes from responses to a question in the 2019-20 People's Panel survey where respondents can choose from multiple answers. The original baseline was taken from one of these options which incorrectly excluded other positive answers. This has now been resolved.

### CP\_24 - Number of empty homes brought back into use

We are currently developing a more robust reporting process for empty homes. This includes system and process changes to highlight errors and duplication, which may result in minor changes to historically reported figures. We are confident that Housing Services will exceed the target of 600 empty homes brought back into use by 2024.

## Performance Indicators Adrift of Target

Our Council Plan Framework measures progress of 34 indicators. 10 indicators do not have information for the year end 2019/20 due to later reporting schedules. For the purposes of this report 2018/19 year-end data has been used with the exception of all four Insight indicators as the 2019/20 data is being analysed and is pending.

Five indicators are showing significantly adrift of target and three indicators are slightly adrift of target.

### ► Aspiring Communities

#### ● CP\_01 - % of population who are involved in local decision making

For the purposes of creating as much rigour as possible, we specifically count the opportunities where democratic participation is directly with or through the Council. This does not therefore include the situations where the Council provides support to local organisations to engage with individuals and communities e.g. Ardrossan Development Trust, Stevenston Development Trust, Beith Development Trust, Cumbrae Development Trust, Community Council engagements and a variety of interest group engagements e.g. community associations, heritage and sports groups.

Where a group meets more than once during a year only one occurrence is counted. This is to minimise double counting where possible. This also means, towards the end of the year many regular events will have already been included in the figure earlier in the year. It should not be concluded that during quarter 4 fewer events took place. Due to the nature of this indicator it is not possible to record unique individuals, but it does give an indication of the involvement of our community in local decisions.

#### ● CP\_12 - Percentage of learning disability service users accessing employment support activities

The Learning Disability Job Coaches are a crucial resource with regard to employability that has, along with the rest of day services, been experiencing a period of considerable flux and development over the past year, as part of preparing for the closure of existing services and the move to a combined new site at Trindlemoss, in Irvine.

Recent work has focused on exploring the existing role of job coaches working within learning disability day services, with a view to ensuring that their activity reflects and benefits from the broader community change agenda being promoted in association with the development of Trindlemoss Day Opportunities Centre. Collaboration with a broad range of community partners is a key aspiration for Trindlemoss, and it is anticipated that the Job Coaches, as core practitioners within Trindlemoss, will play a role in creating new collaborations, and developing existing ones.

#### ● CP\_13 - Percentage of children with BMI centile >91 at 27 month review

Our Universal Early Years team continues to provide supports ensuring the health of young children. Health Visitors also carry out reviews of all children in North Ayrshire at 27 - 30 months, to make sure they are healthy and thriving.

 **CP\_14 – No of households in fuel poverty**

The Scottish House Condition Survey (SHCS) provides estimated annual fuel poverty figures. In July 2019 the fuel poverty definition changed with the introduction of the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act. SHCS reporting for this year incorporates some of the changes to the new fuel poverty definition resulting in more homes being identified as being in fuel poverty. This is a best estimate of fuel poverty under the new definition and cannot be compared to previous local authority analysis figures. We continue to focus efforts towards reducing fuel poverty through the development of our Local Heat and Energy Efficiency Strategy, the delivery of home insulation and solar PV installation programmes, and the referral mechanisms established through the Local Energy Advice Forum to maximise income and support residents with utility bill enquiries and switching suppliers.

 **CP\_15 - Number of attendances at indoor sports & leisure facilities (excluding pools)**

The number of attendances at indoor sports and leisure facilities excluding pools during quarter four in 2019/20 was 467,037. Annually the number of attendances (excluding pools) was 1,859,843. Although facilities and activities only closed from 23 March 2020 attendances were negatively impacted by the Covid-19 pandemic during the latter part of February and all of March. Despite introducing a customer awareness campaign and additional cleaning processes customer confidence reduced due to the pandemic, while a number of sports governing bodies made decisions to stop all activity leading to a reduction in attendances across all activities.

 **CP\_17 - Emergency Admissions (Number)**

Quarter Two Update: The Chief Executive of NHS Ayrshire and Arran is sponsoring an Exemplar Leadership Group with a remit of unscheduled care/emergency admissions. The membership of the group is made up of senior personnel from both acute sites and North and East Partnerships. The group have already begun to examine business intelligence relating to trend analysis within the acute sites. It is anticipated that this will assist in better understanding of where and when the pressures are and to then plan how to minimise those interventions. The topic of unscheduled/emergency admissions is discussed, currently for NHS Ayrshire and Arran sites, daily to ensure that wherever possible presentations at hospital sites are not converted into admissions.

 **Inspiring Place** **CP\_19 – Proportion of Operational Buildings that are suitable for their current use**

2019/20 result was 90.91% against a target of 93%. The Scottish Average for 2018/19 was 82.14% with the Council ranked 9/32 Scottish Local Authorities and remains in the 2nd quartile. Rationalisation of the Additional Support Needs school estate and integration of Health and Social Care Partnership locality teams within secondary schools will increase the figure over the next two years

 **CP\_31 - % of total household waste that is recycled (calendar year as per SEPA)**

The estimated Scottish Environment Protection Agency (SEPA) Household Waste Recycling performance for 2019 (calendar year) is 56.3% against a target of 59%, showing an increase of 1.7% compared to 2018 (54.6%). While performance is slightly adrift of target, we expect to meet the 60% target for the coming year as a result of our new household bin collection service bedding in further and full operation of our new Clyde Valley facility which recovers recycle and energy from our residual waste.

 **A Council for the Future**

All indicators are on target.

## Actions Adrift of Target

Our Council Plan delivery plan measures 116 actions, there are 14 slightly adrift of target.

### ▶ **Aspiring Communities**

#### ▲ **CP\_06b - We will improve the attainment and achievement of our children and young people through high quality learning and teaching in our schools.**

The Literacy Strategy is now complete following consultation with young people, staff and senior leaders. Work to support establishments in the full implementation of this strategy continues. The Professional Learning Academy (PLA) completed the professional learning menus for the new session and these were shared with Heads of Establishments.

#### ▲ **CP\_09a – We will work in partnership to develop an Ayrshire Regional Skills Investment Plan.**

Skills Development Scotland (SDS) are leading the preparation of the Regional Skills Investment Plan (RSIP). SDS are also actively contributing to the development of the Regional Economic Strategy, which will provide a long-term strategic approach to the Ayrshire economy. This is at an advanced stage and once completed the RSIP can be progressed.

#### ▲ **CP\_10b - We will work in partnership to design our Ayrshire Growth Deal £3m digital infrastructure project.**

Outline business cases have been prepared and submitted to UK / Scottish Governments and Growth Deal agencies for both elements of the digital infrastructure growth deal programme, and feedback from government policy leads has been taken on board to date for the Ayrshire Growth Deal, and the cases are currently awaiting sign-off through the conclusion of Ayrshire Growth Deal funding documents.

#### ▲ **CP\_14b - We will share learning from commissioned research, including interactions between basic income and social security, and modelling of the potential economic impacts of a basic income in Scotland.**

Due to a delay in feedback on the interim feasibility report from Scottish Government, there was a delay to the completion of the commissioned economic modelling. The economic modelling work was reported to the Steering Group in March 2020. An official report on the research will be published and shared by Fraser of Allander Institute alongside the release of the Final Report on the Feasibility Study.

#### ▲ **CP\_14c - We will produce and submit a full business case on the feasibility of Scottish Basic Income pilots to Scottish Government in March 2020**

The Final Report is complete and has been peer reviewed, receiving very positive feedback. The report was due to be submitted to a meeting of the national Confederation of Business Industry Councillor Group organised for the 26 March and was due to be launched at an event in early June. Due to the current social distancing measures as part of Covid-19 the approval route for the report has been disrupted. The Steering Group are working to virtually share the final report with the Councillor Group to receive their feedback and will then revisit a revised timeline for Council approval ahead of submission to Government Ministers.

#### ▲ **CP\_15b - We will help individuals to have better choice and control of their support at an early stage by reinvigorating Self-Directed Support and the HSCP charging policy**

The contract for the Pan Ayrshire Information and Advice Service has been awarded. Our audit of Self-Directed Support has been completed and the improvement actions will be taken forward with the support of our Transformation Team. We continue to progress our Self-Directed Support Action Plan. The Fairer Access to Community Care Services is now ready for consultation. Children with Disability and Services working group are reviewing the Direct Payment Policy and processes.

- ▲ **CP\_16f - We will place Mental Health Practitioners into GP practices to offer triage calls, urgent and routine face to face assessments as well as directing patients to the most appropriate support without unnecessary referrals to mental health services**

The roll out of Mental Health Practitioners into GP practices is ongoing and will continue when further funding is secured. Recruitment of qualified staff has taken longer than expected due to national shortages. The Occupational Therapist service is providing positive outcomes.

- ▲ **CP\_17d - We will roll-out the Child and Adult Mental Health Service (CAMHS) wellbeing model piloted in Kilwinning locality to all localities**

In light of the publication of a National Specification for Child & Adolescent Mental Health Services being published in February by the Scottish Government, the roll out of the model in its current format is being revised. Further updates will be forthcoming.

- ▲ **CP\_18b - We will further improve support to young people to enable them to sustain their tenancies.**

Pilot on hold. Support provision is limited to telephone only from Housing Support officer due to COVID 19 pandemic; all SQA/ CEIS courses suspended.

### ▶ Inspiring Place

- ▲ **CP\_19a - We will support the development of the Ayrshire Regional Transport Appraisal**

Transport Scotland has prepared a draft report on the Case for Change for the Ayrshire Region as part of the Strategic Transport Projects Review 2 (STPR2). This is currently subject to public consultation; the deadline has been extended because of the current pandemic. A revised programme will be developed for STPR2 and issued by Transport Scotland in due course. Discussions on the development of a regional appraisal will recommence thereafter.

- ▲ **CP\_20a - We will agree a package of funding with partners to ensure the long-term resilience of Ardrossan Harbour**

A preferred option for the reconfiguration of Ardrossan Harbour has been identified by the Ministerial Task Force. Exemplar designs are in place for both the marine and landside works at the harbour. An announcement on the funding package for the investment required will be made when an appropriate funding/legal agreement is in place between Peel Ports Group/North Ayrshire Council and Transport Scotland. This should allow construction works to commence in early 2021.

- ▲ **CP\_22b - We will implement a range of energy efficiency measures to non-domestic Council buildings, reducing carbon emissions and providing revenue savings**

All sites have completed their initial Measurement and Verification period and have been analysed by verification specialists, EEVS (Energy Efficient Verification Specialists). Various Energy Conservation Measures are reporting under-performance and are being investigated to identify possible solutions. Once remedial works have been completed, a further 3-month measurement and verification will be agreed to ensure energy savings are achieved.

- ▲ **CP\_26b - We will deliver an alternative affordable housing model – HOME – in one of our most pressured localities.**

We are currently considering a number of options for the HOME model in light of Scottish Water drainage restrictions which will significantly reduce the site capacity. The design team are working on ways to overcome this challenge.

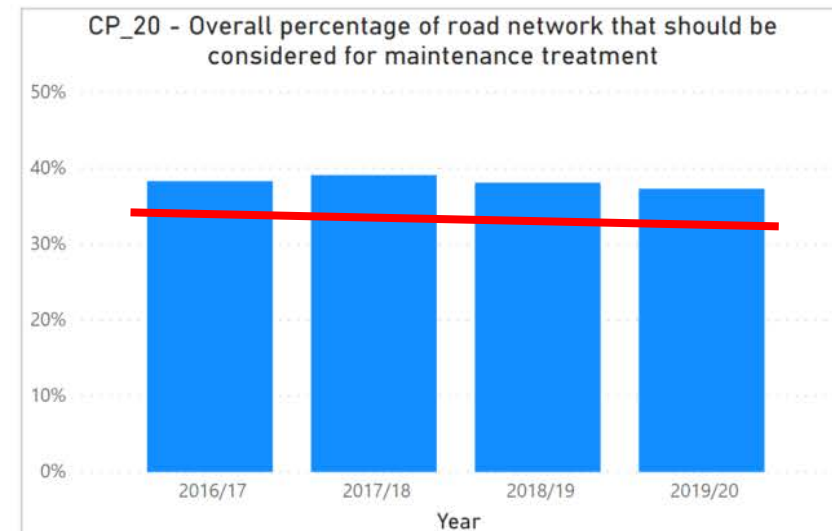
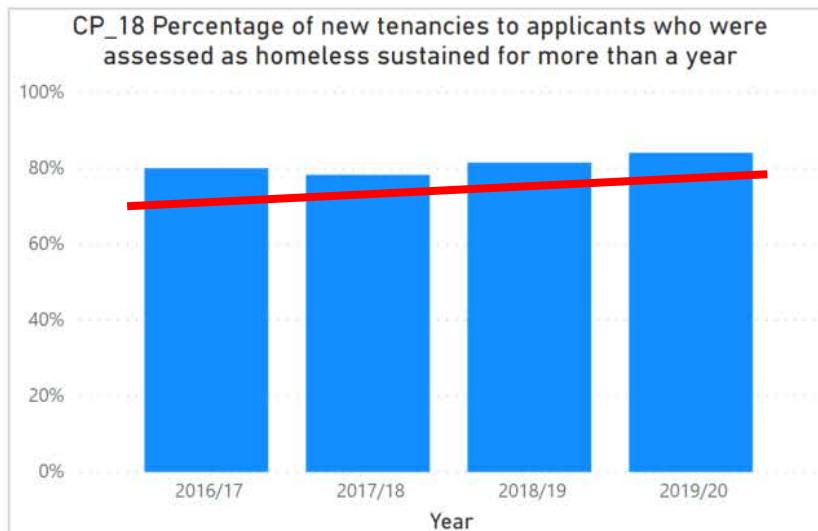
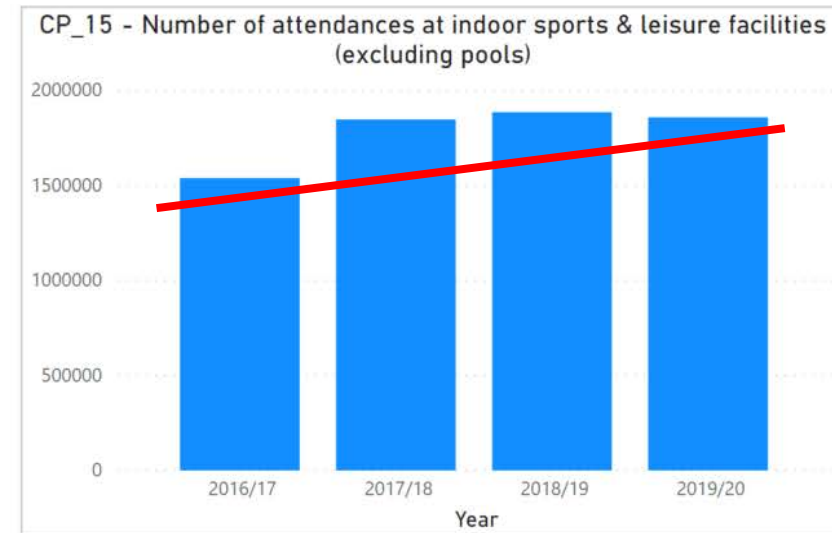
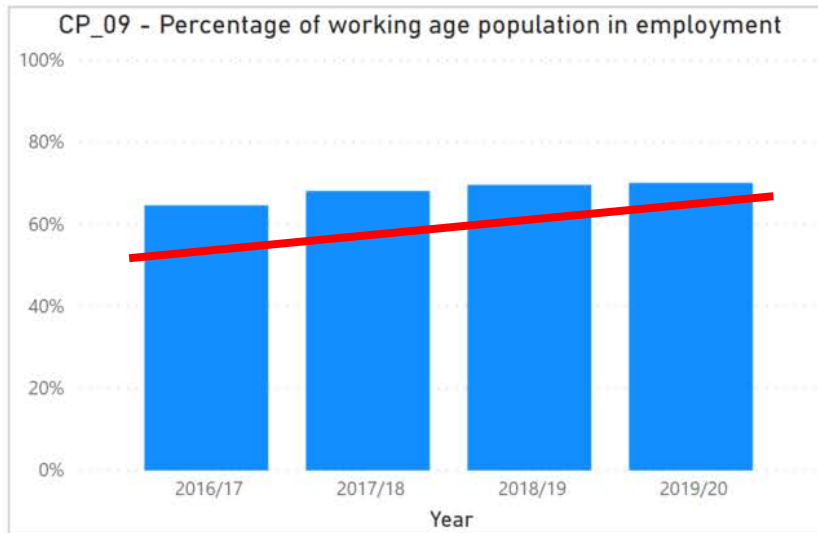
### ► A Council for the Future

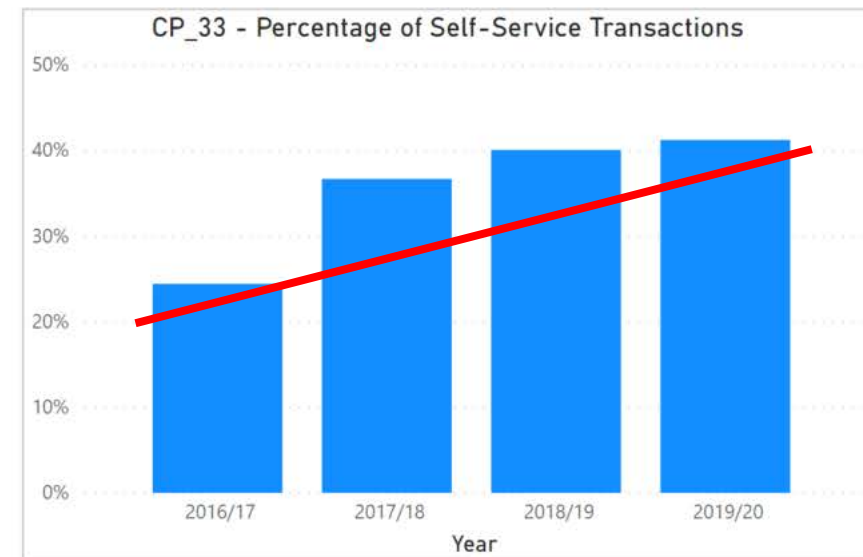
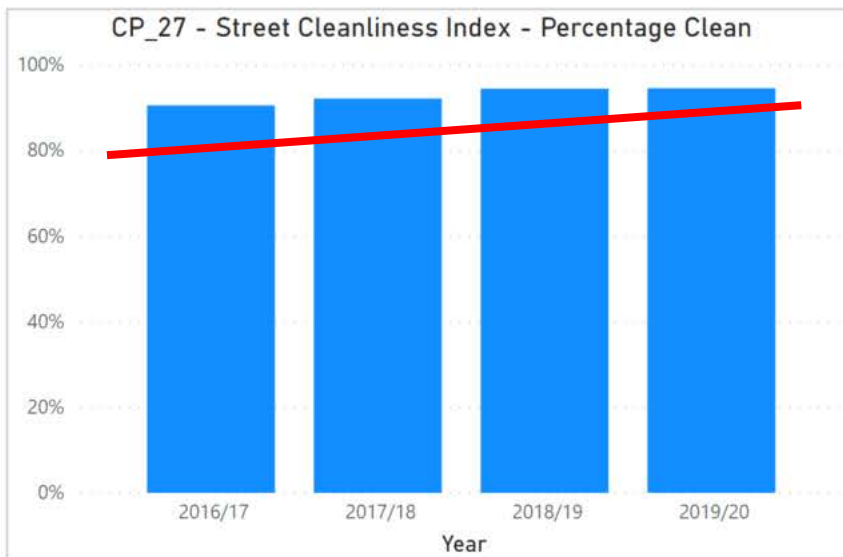
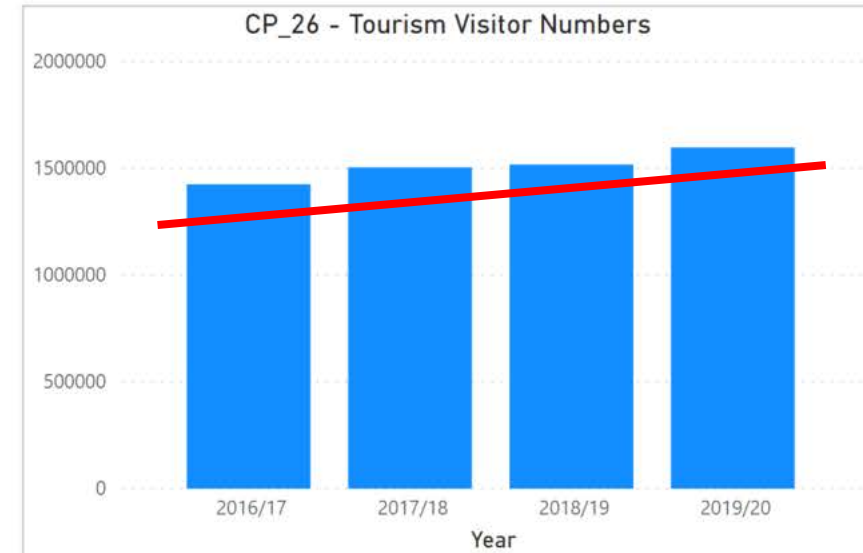
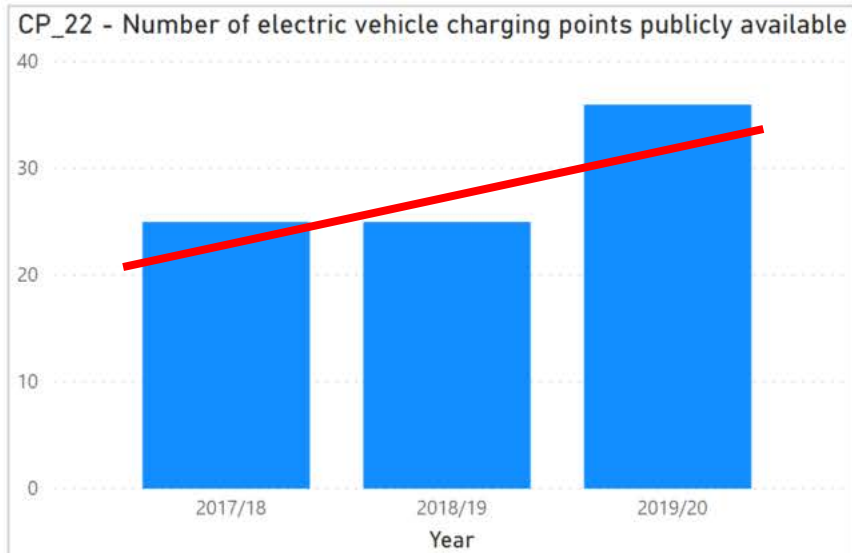
#### ▲ CP\_38c - We will deliver cloud-based solutions.

Supplier issues are now resolved. Design of our Customer Relationship Management (CRM) and Implementation of our IT Service Management will take place in 2020/21.

Trend Charts are shown below for Performance Indicators where data is available. Further trends can be found on our website under “North Ayrshire Performs”.

**Trendline** tracks performance as at Q4 each year.





Best in Class identifies what we do well and where we learn from others to continually improve our performance.

## ► Sharing Learning

- We were invited to present at a national conference on our approach to delivering an inclusive economy. Our Community Planning Partnership (CPP) published a report on 'How to do inclusive growth – a six step programme' which our Inclusive Growth Diagnostic as best practice.
- The Community Planning Partnership (CPP) have had the opportunity to learn from expert partners about the Community Wealth Building approach.
- The Interim Executive Director of Communities presented the keynote address at the Education Scotland and Scottish Government conference, "Collaborating for Improvement" in January 2020.
- The Interim Executive Director of Communities and Interim Head of Connected Communities and were invited to visit Barking and Dagenham with the Corra Foundation to discuss the Participatory Cities programme, which complements the community wealth building and asset-based approaches.
- A member of staff has completed their secondment from Police Scotland and provided a broader perspective. Another member of staff continues their secondment with the Scottish Fire and Rescue Service.
- Our Analytics Team were visited by Police Scotland, Renfrewshire Council and West Lothian Council to learn about our Power BI set up and how we use our datasets to inform decision making within projects.

## ► Areas Being Explored

- The Covid-19 pandemic will result in an increase in the amount of data being provided to the Scottish Government and external organisations. We will explore how we can access comparable data as close to real time as possible from neighbouring councils and ideally nationally, to share good practice.

## ► External Inspections and Self-Assessment Activity

- The latest Road Condition Index report is showing an improvement in Road Condition Index from 38.1% to 37.3%.
- Retained the Excellence Accreditation following an intense external audit process carried out by the Freight Transport Association.
- Ranked as best performer in Scotland in 2019/20 as a Planning Authority.
- Audit Scotland, under the Local Government (Scotland) Act 2003, audit each council to ensure compliance with the principles of Best Value. We were audited during February and March 2020. Findings of the Audit will be published on their website during 2020, after which we will develop improvement plans and actions.



## ► Accreditations

- Successfully retained the BSI certificate for quality management in the provision of catering and cleaning services (ISO 9001 – 2015) in November 2019.
- Following an audit by the Soil Association Scotland in December 2019, retained the Gold Food for Life Sold Here Standard for all primary schools, all early year's centres and Arran High School. We are the highest accredited authority in Scotland.
- We achieved reaccreditation for the 'Cycle Friendly Employer' Award for both Cunninghame and Bridgegate House.
- The Coding the Future Project made the list for EdTech 50, The EdTech 50 Awards celebrates the use of technology to improve education and learning in the UK education technology sector and the project made the top 50.
- Our Corporate Transport Hub retained their Excellence Accreditation following an intense external audit process carried out by the Freight Transport Association.
- North Ayrshire has had its Fairtrade Zone status renewed for another two years following commitment to the principles of the fair-trade movement. Fairtrade Zone status is awarded to an area which makes a commitment to support and use products with the Fairtrade mark.
- Reaccreditation for Tenant Participation Advisory Service (TPAS) awarded gold for 2019-2022.

## What Our Customers Say

This section captures four selected compliments and comments and one complaint and resolution from our residents and businesses who have contacted the us to highlight any issues they are facing.

"I would like to pass on my husband's and my thanks to the call handler. My husband's mother passed away recently, and we came to register her death. Unfortunately, there had been some errors on the death certificate made by the hospital but thanks to the team's perseverance they were able to resolve the problems. Not only were they extremely professional and efficient they showed sympathy and showed genuine care in what is an extremely difficult time, they went above and beyond what we would have expected, and we can't thank them enough."

*North Ayrshire Resident*

"I would like to take this opportunity to personally thank the staff employed at Bartonholm Recycling Centre. They are very courteous and helped both me and my disabled wife unload our waste materials from our cars. I am able bodied myself but the staff still were more than willing to help me. They are a credit to this public service in which they are employed. Thank-you once again for all your help."

*North Ayrshire Resident*

"To the good library of Saltcoats, Primary 5 would like to offer a heartfelt thank you for allowing us to use your library. Some children preferred the library to the sea. I can understand why, because your library was beautiful. My favourite bit was the children's area. I loved the reading places. They were very comfortable. I also liked how there were famous books hanging from the roof. The arts and crafts were fun as well. We would like to thank you one more time, just because you really made our trip possible."

*North Ayrshire School*

"I would like to give my compliments to North Ayrshire Council with regard to my recent allocation from the High Flats in Irvine, from start to finish we have been treated with respect and on the day of moving to our new address the young men who removed our belongings were very helpful and respectful. Thank you North Ayrshire Council."

*North Ayrshire Resident*

"When you emptied the bins, there was a spillage in the street. Can you please look into this?"

*North Ayrshire Resident*

"Thanks for letting us know. We have attended the spillage and have removed it. Going forward all waste collection crews will be issued with a brush and shovel to clear up any small spillages that occur and larger spillages will continue to be reported to Streetscene to remove."

*North Ayrshire Council Representative*

## Contact Us

For further information please contact:

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Website: [www.north-ayrshire.gov.uk/performance](http://www.north-ayrshire.gov.uk/performance)

























*Delivering our services with* **Focus. Passion. Inspiration.**



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath












































### Priority 1. Aspiring Communities

Code & Short Name	2016/17			2017/18			2018/19			2019/20		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_01 % of population who are involved in local decision making (see description)	New measure and baseline established for 2018-19						51%			45.53%	60%	
CP_02 % of Council budget directed via participatory methods	New measure and baseline established for 2018-19						0.62%			1.11%	0.89%	
CP_03 % of residents who agree they have access to opportunities to participate in their local community	New measure and baseline established for 2018-19						30%			47%	47%	
CP_04 - % of children achieving their developmental milestones at the time the child starts primary school	77%			77.2%			78%			Data not currently available	79%	-
CP_05 - Average total tariff score of pupils living in SIMD 30% most deprived areas	697.1	718		709.8	728		638.1	715		Data not currently available	718	-
CP_06 - Average tariff score: All Leavers	875.6	870		880.2	880		780.7	885		Data not currently available	895	-
CP_07 - % of school leavers entering positive destinations	93.4%	95.5%		95.6%	95.4%		94%	95.7%		Data not currently available	96%	-
CP_08 - Children living in Poverty (after housing costs)	NA			29.26%			26.59%			Data not currently available	26.5%	-
CP_09 - Percentage of working age population in employment	64.7%	64.7%		68.2%	64.7%		69.7%	64.7%		70.2%	70%	
CP_10 - % of procurement spent on local enterprises	16.62%			19.75%			17.43%			Data not currently available	23%	-
CP_11 - Percentage of people earning less than the living wage	27.1%			24.3%			24.3%			Data not currently available	24%	-













Code & Short Name	2016/17			2017/18			2018/19			2019/20		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_12 - Percentage of learning disability service users accessing employment support activities	24.3%	30%		24.25%	30%		23.88%	30%		23.84%	30%	
CP_13 - Percentage of children with BMI centile >91 at 27-month review	11%	10.5%		12.65%	10.5%		9.98%	10.5%		13.19%	10.5%	
CP_14 - Number of households in fuel poverty	New measure in 2017/18			30%			26%	26%		28%	25.5%	
CP_15 - Number of attendances at indoor sports & leisure facilities (excluding pools)	1,540,097			1,848,777			1,886,930			1,859,843	1,964,100	
CP_16 - % of people aged 65 and over with long-term care needs who receiving personal care at home	63.87%			65.8%			66.68%	65.6%		Data not currently available	66%	-
CP_17 - Emergency Admissions (Number)				20,724	20,639		20,933	20,257		Data not currently available	20,257	-
CP_18 - of new tenancies to applicants who were assessed as homeless sustained for more than a year	80%	80%		78.28%	81%		81.48%	82%		84.07%	82%	

## Priority 2. Inspiring Place

Code & Short Name	2016/17	2017/18	2018/19	2019/20
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	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_19 - Proportion of operational buildings that are suitable for their current use	91.6%	90%		89.9%	91%		91%	92%		90.91%	93%	
CP_20 - Overall percentage of road network that should be considered for maintenance treatment	38.3%	39.1%		39.1%	39.1%		38.1%	39.3%		37.3%	38.1%	
CP_21 - Proportion of properties receiving superfast broadband	88%			92.35%			93.7%			96.8	97%	
CP_22 - Number of electric vehicle charging points publicly available	New measure in 2017/18			25			25	25		36	30	
CP_23 - Number of new build Council housing units reaching completion (cumulative)	7			232	232		296	296		381	351	
CP_24 - Number of empty homes brought back into use	We are currently developing a more robust reporting process for empty homes. This includes system and process changes to highlight errors and duplication, which may result in minor changes to historically reported figures. We are confident that Housing Services will exceed the target of 600 empty homes brought back into use by 2024.									587		
CP_25 - % of Council dwellings that meet the Scottish Housing Quality Standard	98.67%	93%		99.14%	98.2%		99.19%	99.4%		99.18	99.4%	
CP_26 - Tourism Visitor Numbers	1,426,740			1,506,210			1,519,260			1,599,400	1,534,968	
CP_27 - Street Cleanliness Index - % Clean	90.6	96.5		92.2	94		94.5	94		94.6	94	
CP_28 - Hectares of vacant & derelict land in North Ayrshire	New measure in 2017/18			1,294			1,279	1,269		1,180	1,244	
CP_29 - Overall carbon emissions (tonnes)	47,076	54,283		43,756	50,198		40,666	45,137		37,508	39,320	
CP_30 - Total installed capacity of low carbon heat and electricity generation across the Council's estate	New measure in 2017/18			9,029	9,000		9,682	9,600		9,700	9,700	
CP_31 - % of total household waste that is recycled (calendar year as per SEPA)	55.31%	56%		55.8%	54.5%		54.6%	54.5%		56.3%	59%	

### Priority 3. A Council for the Future


















Code & Short Name	2016/17			2017/18			2018/19			2019/20		
	Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
CP_32 - Percentage of Customers delighted with the overall Customer Service	77%	77%		84%	77%		81%	77%		81%	77%	
CP_33 - % of Self-Service Transactions	24.43%	22%		36.7%	30%		40.09%	35%		41.26%	40%	
CP_34 - Staff Engagement Level - Council Wide	69.6%	65%		71.2%	70%		71.2%	70%		70.67%	70%	

## Council Plan 2019-24 Actions


### Quarter Four 2019-20


Priority 1. Aspiring Communities	Status
<b>Local Outcome 1. North Ayrshire will have active and strong communities</b>	
CP_01a We will establish an Engagement and Consultation Centre of Excellence for North Ayrshire to develop ways to explicitly involve communities in our work.	
CP_01b We will continue to lead and extend the locality planning approach within the CPP, focusing on inequalities.	
CP_01c We will refresh the Young People's Citizenship and Participation Strategy to deepen their relationship with and increase their influence on the work of the Council.	
CP_01d We will implement the Tenant Participation Strategy 2017-2022, building on our approach to involving under-represented groups and ensuring our tenants' views are used to shape future service delivery.	
CP_02a We will draft, consult on and finalise the Local Charter.	
CP_02b We will develop local agreements, linked to Locality Plans.	
CP_03a We will extend and mainstream our participatory approach to offer communities, including young people, more opportunities to lead in local decision-making.	
CP_03b We will pilot and implement the use of the Scottish Government Consul platform to increase participatory approaches across the Council and communities.	
CP_03c Implement the Health and Social Care Partnership (HSCP) Participation and Engagement Strategy.	
CP_04a We will identify and develop a network of community hubs, to provide timely and preventative local access to information and support.	
CP_04b We will create local community signposts and directories to enable and promote community opportunities and access to services.	
CP_04c HSCP Locality Planning Forums will be more active in listening to communities by holding public events and using websites and social media to share information.	
<b>Local Outcome 2. North Ayrshire children and young people experience the best start in life</b>	
CP_05a In 2019/20 we will create high quality indoor and outdoor learning environments that are fit for the purpose of delivering 1140, starting in Blacklands Primary School, St Luke's Primary School Castlepark Early Years Centre, Caledonia Primary School and Hayocks Primary School.	
CP_05b We will build strong, collaborative partnerships across all funded providers and child minders that support a "provider neutral," high-quality service for children and families.	
CP_06a We will continue to design and implement programmes to achieve excellence and equity for our learners, with a clear focus on reducing the poverty-related attainment gap.	
CP_06b We will improve the attainment and achievement of our children and young people through high quality learning and teaching in our schools.	
CP_06c We will ensure our children and young people are equipped with the right skills for learning, life and work and that high numbers of our school leavers are entering positive and sustained post-school destinations.	
CP_06d We will develop continuous professional learning pathways that build the capacity of our staff and create future leaders of service delivery and learning, that ensure high quality experiences and the best possible outcomes for children and their families.	
CP_07a We will implement a refreshed Parental Engagement Policy across the education service.	


CP_07b We will build on our well-established programmes to support families with their child's learning.	●
CP_07c We will ensure our children, young people, staff and communities are empowered to shape the education service in our schools.	●
CP_07d We will develop and build our Champions' Board to ensure young people with care experience have their voices heard.	●
CP_08a We will develop a coherent mental health strategy in partnership with other agencies.	●
CP_08b We will continue to extend our nurturing approaches and access to counselling in our schools.	●
CP_08c We will focus on promoting positive relationships within our school communities	●
CP_08d We will develop locality-based HSCP Early Years Leadership Teams to identify local early years priorities	●
<b>Local Outcome 3. North Ayrshire is an inclusive, growing and enterprising local economy</b>	
CP_09a We will work in partnership to develop an Ayrshire Regional Skills Investment Plan.	▲
CP_09b Based on the findings of the innovative Inclusive Growth Diagnostic, we will continue to deliver inclusive growth by designing and implementing Phase 2 of European Social Fund including a new supported employment service.	●
CP_09c We will deliver a new Foundation Apprenticeship programme alongside our existing Modern Apprenticeship programme.	●
CP_09d We will continue to deliver support through our Employability Hubs.	●
CP_09e Working in partnership, we will design Ayrshire Growth Deal regional skills and inclusion programmes.	●
CP_10a We will continue to offer digital access and support through libraries and community centres.	●
CP_10b We will work in partnership to design our Ayrshire Growth Deal £3m digital infrastructure project.	▲
CP_11a We will continue to deliver the innovative Team North Ayrshire Approach to business support.	●
CP_11b We will review how we can maximise our relationship with national and regional enterprise partners as part of the new Ayrshire Regional Economic Partnership.	●
CP_12a We will promote fair employment through Ayrshire Growth Deal inclusive growth action plan.	●
CP_12b We will promote our role as an accredited Living Wage Employer.	●
CP_13a We will work with the Centre for Local Economic Strategy (CLES), we will undertake a local wealth building diagnostic for North Ayrshire on the five pillars of CWB:	●
CP_13b We will work with East and South Ayrshire to co-design the £3m Ayrshire Growth Deal Community Wealth Building Fund with the Scottish Government, informed by North Ayrshire's work with CLES.	●
<b>Local Outcome 4. North Ayrshire residents and communities enjoy good life-long health and wellbeing</b>	
CP_14a We will submit an interim report on the feasibility of Scottish Basic Income pilots to Scottish Government in September 2019.	●
CP_14b We will share learning from commissioned research, including interactions between basic income and social security, and modelling of the potential economic impacts of a basic income in Scotland.	▲
CP_14c We will produce and submit a full business case on the feasibility of Scottish Basic Income pilots to Scottish Government in March 2020.	▲
CP_15a We will encourage communities to seek the correct health professional (dentist, GP, Pharmacist, optometrist) for their health concern advice.	●


CP_15b We will help individuals to have better choice and control of their support at an early stage by reinvigorating Self-Directed Support and the HSCP charging policy.	
CP_15c We will review the role of assistive technology in our new build Council housing and share our learning with Registered Social Landlord partners.	
CP_16a We will provide opportunities for people to be more active more often, through the Active Communities Strategy.	
CP_16b We will work with Scottish Government as a trailblazer site for the whole systems approach to diet and healthy weight (public health priority).	
CP_16c We will work with communities to provide opportunities for participation, volunteering and employment through physical activity and sport.	
CP_16d We will improve emotional and mental health and wellbeing through physical and social participation in community activities, including for young people.	
CP_16e We will provide more community link workers in GP practices to enable access to a wider range of local supports.	
CP_16f We will place Mental Health Practitioners into GP practices to offer triage calls, urgent and routine face to face assessments as well as directing patients to the most appropriate support without unnecessary referrals to mental health services.	
CP_16g We will facilitate access to an online CBT (Cognitive Behavioural therapy) model for those with low mood and anxiety and depression.	
<b>Local Outcome 5. North Ayrshire residents and communities are safe</b>	
CP_17a We will further roll out the 24hr, 7day per week, Police Triage Pathway within the Crisis Resolution Team (CRT) to help prevent hospital admission and timely access to the right person at the right time.	
CP_17b We will continue to provide a Mental Health practitioner in Ayrshire College campuses.	
CP_17c We will establish a Drug death prevention group.	
CP_17d We will roll-out the Child and Adult Mental Health Service (CAMHS) wellbeing model piloted in Kilwinning locality to all localities.	
CP_17e We will develop and implement the Community Safety Strategy 2019-2024 along with our Community Planning partners.	
CP_17f We will undertake a review of our CCTV service and identify opportunities to invest in new technology to improve community safety and increase crime prosecution rates.	
CP_18a We will implement a 'Housing First' approach in our provision of homelessness services, providing mainstream, settled accommodation for our tenants as quickly as possible.	
CP_18b We will further improve support to young people to enable them to sustain their tenancies.	

Nine actions are adrift of target within the **Aspiring Communities** priority. These are detailed below.

CP_06b We will improve the attainment and achievement of our children and young people through high quality learning and teaching in our schools.			
Exp Outcome	Progress	Latest Note	Due
	90%	<b>2019/20 - Quarter Four Update:</b> The Literacy Strategy is now complete following consultation with young people, staff and senior leaders. Work to support establishments in the full implementation of this strategy continues. The Professional Learning Academy (PLA) completed the professional learning menus for the new session and these were shared with Heads of Establishments.	31-Mar-2020


CP_09a We will work in partnership to develop an Ayrshire Regional Skills Investment Plan.			
Exp Outcome	Progress	Latest Note	Due
	20%	<b>2019/20 - Quarter Four Update:</b> Skills Development Scotland (SDS) are leading the preparation of the Regional Skills Investment Plan (RSIP). SDS are also actively contributing to the development of the Regional Economic Strategy, which will provide a long-term strategic approach to the Ayrshire economy. This is at an advanced stage and once completed the RSIP can be progressed.	31-Mar-2020

CP_10b We will work in partnership to design our Ayrshire Growth Deal £3m digital infrastructure project.			
Exp Outcome	Progress	Latest Note	Due
	90%	<b>2019/20 - Quarter Four Update:</b> Outline business cases have been prepared and submitted to UK / Scottish Governments and Growth Deal agencies for both elements of the digital infrastructure growth deal programme, and feedback from government policy leads has been taken on board to date for the Ayrshire Growth Deal, and the cases are currently awaiting sign-off through the conclusion of Ayrshire Growth Deal funding documents.	31-Mar-2020


CP_14b We will share learning from commissioned research, including interactions between basic income and social security, and modelling of the potential economic impacts of a basic income in Scotland.			
Exp Outcome	Progress	Latest Note	Due
	75%	<b>2019/20 - Quarter Four Update:</b> Due to a delay in feedback on the interim feasibility report from Scottish Government, there	31-Mar-2020

was a delay to the completion of the commissioned economic modelling. The economic modelling work was reported to the Steering Group in March 2020. An official report on the research will be published and shared by Fraser of Allander Institute alongside the release of the Final Report on the Feasibility Study.

CP\_14c We will produce and submit a full business case on the feasibility of Scottish Basic Income pilots to Scottish Government in March 2020.


Exp Outcome	Progress	Latest Note	Due
	75%	<b>2019/20 - Quarter Four Update:</b> The Final Report is complete and has been peer reviewed, receiving very positive feedback. The report was due to be submitted to a meeting of the national Confederation of Business Industry Councillor Group organised for the 26 March and was due to be launched at an event in early June. Due to the current social distancing measures as part of Covid-19 the approval route for the report has been disrupted. The Steering Group are working to virtually share the final report with the Councillor Group to receive their feedback and will then revisit a revised timeline for Council approval ahead of submission to Government Ministers.	31-Mar-2020

CP\_15b We will help individuals to have better choice and control of their support at an early stage by reinvigorating Self-Directed Support and the HSCP charging policy.


Exp Outcome	Progress	Latest Note	Due
	40%	<b>2019/20 - Quarter Four Update:</b> The contract for the Pan Ayrshire Information and Advice Service has been awarded. Our audit of Self-Directed Support has been completed and the improvement actions will be taken forward with the support of our Transformation Team. We continue to progress our Self-Directed Support Action Plan. The Fairer Access to Community Care Services is now ready for consultation. Children with Disability and Services working group are reviewing the Direct Payment Policy and processes.	31-Mar-2020

CP\_16f We will place Mental Health Practitioners into GP practices to offer triage calls, urgent and routine face to face assessments as well as directing patients to the most appropriate support without unnecessary referrals to mental health services.


Exp Outcome	Progress	Latest Note	Due
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	70%	<b>2019/20 - Quarter Four Update:</b> The roll out of Mental Health Practitioners into GP practices is ongoing and will continue when further funding is secured. Recruitment of qualified staff has taken longer than expected due to national shortages. The Occupational Therapist service is providing positive outcomes.	31-Mar-2020
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CP\_17d We will roll-out the Child and Adult Mental Health Service (CAMHS) wellbeing model piloted in Kilwinning locality to all localities.

Exp Outcome	Progress	Latest Note	Due
	75%	<b>2019/20 - Quarter Four Update:</b> In light of the publication of a National Specification for Child & Adolescent Mental Health Services being published in February by the Scottish Government, the roll out of the model in its current format is being revised. Further updates will be forthcoming	31-Mar-2020

CP\_18b We will further improve support to young people to enable them to sustain their tenancies.


Exp Outcome	Progress	Latest Note	Due
	75%	<b>2019/20 - Quarter Four Update:</b> Pilot on hold. Support provision is limited to telephone only from Housing Support officer due to COVID-19 pandemic; all SQA / CEIS courses suspended.	31-Mar-2020


Priority 2. Inspiring Place		Status
<b>Local Outcome 1. North Ayrshire is well-connected with effective infrastructure</b>		
CP_19a We will support the development of the Ayrshire Regional Transport Appraisal.		
CP_19b We will implement active travel and transport projects including the promotion of strategic active travel projects with partners including Sustrans and Strathclyde Partnership for Transport.		
CP_19c We will develop and implement an Electric Vehicle Strategy and work in partnership with government agencies to deliver further electric charging infrastructure throughout North Ayrshire.		
CP_19d We will further develop Sustainable Business Travel arrangements for our employees & reduce grey fleet business mileage.		
CP_20a We will agree a package of funding with partners to ensure the long-term resilience of Ardrossan Harbour.		
CP_20b We will promote the nationally significant infrastructure at Hunterston.		
CP_20c We will ensure the resilience of our road network and associated infrastructure through a robust Roads Asset Management Plan.		
CP_21a We will support the implementation of R100 to ensure super-fast broadband access to 100% of premises in North Ayrshire.		
CP_21b With partners we will support the development of proposals for an £11m investment for a subsea fibre optic cable with a landing point at Irvine.		
CP_22a We will manage our assets effectively by: maximising the efficiency of our property estate; rationalising surplus assets; increasing occupancy levels and income within the Council's commercial estate and; measuring and improving the condition.		
CP_22b We will implement a range of energy efficiency measures to non-domestic Council buildings, reducing carbon emissions and providing revenue savings.		
CP_23a With partners we will finalise Full Ayrshire Growth Deal agreements with UK and Scottish Government.		
CP_23b We will develop a new, ambitious NA Regeneration Plan.		
CP_23c We will progress and develop business cases for each of our AGD projects and key development sites and do this in collaboration with key stakeholders to maximise investment and outcomes.		
CP_23d We will develop major regeneration projects at our key development sites and maximise use of Vacant and Derelict Land Funds.		
CP_23e We will adopt and implement Local Development Plan Two.		
CP_24a We will work with communities and through Locality Partnerships to raise awareness of and support Community Asset Transfers.		
CP_24b We will engage with Locality Planning Partnerships to improve alignment of community planning and spatial planning.		
CP_24c We will look to encourage and support community regeneration projects linked to Regeneration Capital Grant Fund and Town Centre Fund.		
<b>Local Outcome 2. North Ayrshire residents have homes and houses that meet their needs</b>		
CP_25a We will build a total of 1,732 new homes by March 2024, with 384 Council homes completed by March 2020.		
CP_25b We will work with partners to ensure we develop, as far as possible, homes for life.		
CP_25c We will build two new 'sustainable demonstrator' homes to showcase our aspirations for sustainable living.		
CP_26a We will develop a strategy for the promotion of housing development on strategic regeneration sites, to stimulate development.		
CP_26b We will deliver an alternative affordable housing model – HOME – in one of our most pressured localities.		
CP_26c We will develop an initial pilot site for self-build, including the provision of infrastructure.		

CP_27a We will help private sector residents to improve the condition of their homes by implementing the actions within the North Ayrshire Scheme of Assistance.	●
CP_28a We will develop a White Label energy product.	●
<b>Local Outcome 3. North Ayrshire is a vibrant, welcoming and attractive environment</b>	
CP_29a We will seek opportunities to develop affordable housing in our town centres through our Strategic Housing Investment Plan.	●
CP_29b We will deliver the actions arising from the Open Space Strategy and the Litter, Fly Tipping and Dog Fouling Prevention Strategy.	●
CP_29c We will develop Decriminalised Parking Enforcement to manage town centre traffic.	●
CP_30a We will purchase empty homes through our Strategic Housing Investment Plan and bring them back into the affordable housing supply.	●
CP_31a We will engage with tenants and empower them to make decisions about improvement projects in their local neighbourhoods, through our Estate-based Regeneration Programme and Tenant-led Budgets.	●
CP_31b We will embed a participatory approach for grounds maintenance through locality partnerships.	●
CP_32a We will work with the local Millport community to help develop a proposal for a marina facility.	●
CP_32b We will work with partners to identify priorities to develop the tourist experience.	●
CP_32c We will work with partners to deliver a comprehensive programme of events for 2020 Year of Coasts and Waters.	●
CP_32d We will work with Clyde Islands to develop a major initiative to attract new significant investment to our islands.	●
<b>Local Outcome 4. North Ayrshire is a sustainable environment</b>	
CP_33a We will implement actions within the Zero Waste Strategy which will incorporate the implementation of enhanced waste and recycling services and move towards becoming a 'Plastic Free Council' by reducing use of single use plastic.	●
CP_34a We will develop two further district heating schemes in new housing developments as part of our Strategic Housing Investment Plan.	●
CP_34b We will develop the business case for a large-scale district heating scheme in Central Irvine.	●
CP_34c We will continue to implement a programme of retrofit solar panels on our Council housing.	●
CP_35a We will develop and deliver required flood protection schemes for the Upper Garnock Valley and Millport and complete studies of areas identified as potentially vulnerable to flooding in line with the approved Flood Risk Management Strategy and Action Plan.	●


Four actions are adrift of target within the **Inspiring Place** priority. These are detailed below.

CP_19a We will support the development of the Ayrshire Regional Transport Appraisal.			
Exp Outcome	Progress	Latest Note	Due
	40%	<b>2019/20 - Quarter Four Update:</b> Transport Scotland has prepared a draft report on the Case for Change for the Ayrshire Region as part of the Strategic Transport Projects Review 2 (STPR2). This is currently subject to public consultation; the deadline has been extended because of the current pandemic. A revised programme will be developed for STPR2 and issued by Transport Scotland in due course. Discussions on the development of a regional appraisal will recommence thereafter.	31-Mar-2020

CP_20a We will agree a package of funding with partners to ensure the long-term resilience of Ardrossan Harbour.			
Exp Outcome	Progress	Latest Note	Due
	90%	<b>2019/20 - Quarter Four Update:</b> A preferred option for the reconfiguration of Ardrossan Harbour has been identified by the Ministerial Task Force. Exemplar designs are in place for both the marine and landside works at the harbour. An announcement on the funding package for the investment required will be made when an appropriate funding/legal agreement is in place between Peel Ports Group/North Ayrshire Council and Transport Scotland. This should allow construction works to commence in early 2021.	31-Mar-2020

CP_22b We will implement a range of energy efficiency measures to non-domestic Council buildings, reducing carbon emissions and providing revenue savings.			
Exp Outcome	Progress	Latest Note	Due
	90%	<b>2019/20 - Quarter Four Update:</b> All sites have completed their initial Measurement and Verification period and have been analysed by verification specialists, EEVS (Energy Efficient Verification Specialists). Various Energy Conservation Measures are reporting under-performance and are being investigated to identify possible solutions. Once remedial works have been completed, a further 3-month measurement and verification will be agreed to ensure energy savings are achieved.	31-Mar-2020

CP\_26b We will deliver an alternative affordable housing model – HOME – in one of our most pressured localities.

Exp Outcome	Progress	Latest Note	Due
	60%	<b>2019/20 - Quarter Four Update:</b> We are currently considering a number of options for the HOME model in light of Scottish Water drainage restrictions which will significantly reduce the site capacity. The design team are working on ways to overcome this challenge.	31-Mar-2020

Priority 3. A Council for the Future			Status
Local Outcome 1. North Ayrshire puts residents and communities at the heart of what we do			
CP_36a	We will involve communities in the co-production of local services which suit their needs, including through debates on Consul to co-design partnerships.		
CP_36b	We will continue to work with CPP partners across the whole system to plan and design services which meet the needs of residents.		
CP_37a	We will identify opportunities for more integrated service delivery through implementation of the Council's Medium-Term Financial Planning Framework.		
CP_38b	We will undertake a Council-wide review of business application software.		
CP_38c	We will deliver cloud-based solutions.		
CP_38d	We will support service redesign through digital and technology workstreams such as Mobilisation.		
CP_38e	We will update the Council's technology infrastructure.		
CP_38f	We will ensure that access to digital services is available in communities through libraries and community facilities.		
CP_38g	We will mobilise our frontline services through the use of new digital technology in Roads, Streetscene and Waste.		
Local Outcome 2. A powerful and respected voice			
CP_39a	We will work with partners to develop an ambitious new regional economic strategy for Ayrshire.		
Local Outcome 3. North Ayrshire maximises resources and provides value for money			
CP_40a	Implement the current transformation programme and work with the Think Tank to develop a pipeline of initiative.		
Local Outcome 4. North Ayrshire has a valued workforce that delivers high quality services			
CP_41a	We will strengthen leadership across the Council.		
CP_41b	We will involve our workforce in transforming how we work.		
CP_41c	We will support our people to develop, perform and thrive.		

One action is adrift of target within the **Council for the Future** priority. This is detailed below.

CP_38c We will deliver cloud-based solutions.			
Exp Outcome	Progress	Latest Note	Due
	50%	<b>2019/20 - Quarter Four Update:</b> Supplier issues are now resolved. Design of our Customer Relationship Management (CRM) and Implementation of our IT Service Management will take place in 2020/21.	31-Mar-2020

## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

<b>Title:</b>	<b>Recovery &amp; Renewal Strategy</b>
<b>Purpose:</b>	To seek Cabinet approval for the proposed North Ayrshire Council Recovery & Renewal Strategy.
<b>Recommendation:</b>	That Cabinet: <ul style="list-style-type: none"> <li>(i) Notes the work done alongside our communities to respond to Covid 19.</li> <li>(ii) Notes that plans are in place to Recover services, where safe to do so, and in line with Government guidelines.</li> <li>(iii) Approves the Recovery &amp; Renewal Strategy to build back a better North Ayrshire.</li> </ul>

### 1. Executive Summary

- 1.1 The Covid 19 pandemic has created a set of circumstances unlike anything seen in this country in recent times. The impact across all aspects of life has been significant, changing the way services can be delivered, testing health systems and putting the global economy on hold.
- 1.2 The response to the pandemic was quickly mobilised to ensure the most vulnerable in society received the support required to get them through the pandemic. This was done through partnership working - the Council and Community working collaboratively and collectively to deal with issues arising from the virus.
- 1.3 The Recovery & Renewal Strategy sets out a series of key principles and themes to enable North Ayrshire Council to recover and renew its services in a prioritised way ensuring they meet resident needs. This includes building upon the outcomes of the North Ayrshire Council Plan – A Council that is Fair for All – and the commitment to build a better North Ayrshire through Community Wealth Building and a new Green Deal. This Strategy forms part of a suite of documents relating to Recovery & Renewal and should be read in conjunction with the Financial Recovery Plan and the Economic Recovery & Renewal Approach.
- 1.4 Key lessons learned during the pandemic, alongside the key principles and the good foundations already in place, will form a basis for future working arrangements ensuring community priorities are at the heart of the Recovery and Renewal of services.

## **2. Background**

- 2.1 Covid 19 is a global pandemic that reached the UK in late January 2020. As of 26 August 2020 there have been 328,846 confirmed cases across the UK and 41,465 deaths of confirmed cases. More than 90% of those who died had underlying health issues or were over the age of 60. In the most recent National Records of Scotland (NRS) data published on 12 August 2020, it was confirmed that 107 deaths of North Ayrshire residents were recorded where Covid was mentioned on the death certificate.
- 2.2 To deal with the emerging threat of Covid 19, schools and nurseries in Scotland closed on Friday 20 March 2020 and support was provided to pupils and their parents/guardians through regular communication and on-line learning.
- 2.3 On Monday 23 March 2020 it was announced that the UK would enter into a period of lockdown and with immediate effect, a normal way of life would change for many people. Citizens were not allowed to leave their house except to shop for necessities once per day; to take exercise once per day; for medical reasons or to care for a vulnerable person; and to travel for essential work if that cannot be done at home.
- 2.4 The Scottish Government legislated for this through The Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020 which was laid before the Scottish Parliament on 27 March 2020.
- 2.5 To deal with the pandemic and legislation the Council rapidly adapted its operating models in accordance with Government legislation with some staff redeployed to essential services to help support those most in need. Business Continuity Plans were invoked and an Emergency Management Team was formed and met on a daily basis.
- 2.6 A network of new Community Hubs was quickly established with North Ayrshire Council, North Ayrshire Health & Social Care partnership, local people and local community groups working together to support their neighbours and the wider population during the Coronavirus (COVID-19) pandemic. The community hubs operated in each of the six localities – North Coast & Cumbrae, Garnock Valley, Irvine, Kilwinning, Three Towns and Arran.
- 2.7 The purpose and objective of the hubs was to be a local point of contact for community need arising from COVID-19, responding with advice, signposting, referral and the co-ordination of local volunteers. This approach worked alongside other community initiatives specific to certain localities. The Hubs co-ordinated the delivery of prescriptions, hot food and food parcels to those in need, and provided support in relation to mental health and social isolation.
- 2.8 The speed and level of response in addressing the urgent food needs of vulnerable individuals and families in North Ayrshire was substantial. A range of support models were put in place including food packs delivered weekly to over 4,600 families, including children eligible for Free School Meals and their families, as well as vulnerable citizens including those shielding, self-isolating, lacking support or mobility and over 1.25m meals were provided. This model has been supplemented by locality-based community hubs offering emergency provision and food larder items, as well as hot food provision via a network of 3rd sector and community organisations. Through the summer a food voucher scheme of £20 per eligible child per week was put in place to support families in need and the Community hubs continue to support

vulnerable groups. Scottish Government funding to support the North Ayrshire food response totals £1.915m.

- 2.9 Childcare Hubs were also set up for families who needed additional support and to help essential workers with childcare arrangements. This ensured essential workers were free to attend work to help deal with the pandemic knowing their children were safe and being looked after. During this period over 13,000 hot meals were served to children attending the hubs.
- 2.10 The Community Hubs and Childcare Hubs was very successful and are a good example of how different groups can work together in an emergency situation to collectively put the needs of individuals first.
- 2.11 To help local businesses, government grants were paid efficiently to help business' cash flow and their survival during the pandemic and an estimated £25m in business grants has been disbursed.
- 2.12 Key services were prioritised and continued to operate during lockdown, helped in some cases by staff redeployments and services have been in dialogue with the Trade Unions on working arrangements. A high number of the office-based workforce are working from home and there has been regular communication with them including an offer to provide office furniture, if required. Remote and online learning was utilised to help children and young people whilst the schools were closed during lockdown.
- 2.13 The Council was in regular communication with island groups in relation to ferry travel and local resilience and we will continue to work with island groups in economic recovery and renewal.
- 2.14 As the pandemic started to peak and subsequently reduce, the Scottish Government published a 'Covid 19 Framework for Decision Making' which was supplemented by a route map with four phases indicating for each phase when certain activities could recommence. Council services have begun to recover in a phased approach but only when it is deemed safe to do so. It is important to note that services currently recovered could be potentially reduced in future in the event of a resurgence of the virus or if resources were affected through a local outbreak or through test and protect. Details of individual service functions and their recovery status is held on a database and this is regularly updated and reviewed.
- 2.15 As we move forward to the renewal of services many challenges lie ahead. The financial impact of Covid 19 remains uncertain in terms of the amount of funding the Council will receive from the Scottish Government as well as the challenging economic impact on local businesses and jobs. The Recovery & Renewal Strategy should therefore be read in conjunction with the Financial Recovery paper and North Ayrshire Economic Recovery & Renewal Approach documents. As of 31 July 2020, there are 17,600 North Ayrshire workers participating in the job retention (furlough) scheme, which equates to 21.5% of the working age population of North Ayrshire.
- 2.16 There are many important lessons learned from the pandemic which will help form the basis of the renewal of services. Good practice and behaviour evident during the emergency situation such as the rapid prioritisation of service delivery, the use of technology for working and learning, the benefits of working together to deliver solutions

to problems and community resilience/empowerment. These practices and behaviours should be harnessed and form the cornerstone of the renewal process.

2.17 In order to plan a renewal phase, it is important that the context is fully understood, the intended outcomes are identified, actions are clear and that the impacts are understood. To support this, we have identified a set of clear principles to guide our prioritisation. The principles are;

- Prioritise the health and wellbeing of our residents by protecting the most vulnerable in our society against the immediate threat of coronavirus and the consequences of changes to the way we live. Public Health guidance will be paramount in all the decisions we make.
- Work with our communities in the renewal of services to ensure they meet their needs and priorities.
- Build community capacity and resilience.
- Support the economic recovery of North Ayrshire, helping to create a strong, sustainable and inclusive economy for the future that supports local resilience using the Ayrshire Growth Deal and Community Wealth Building as a means of creating an inclusive economy.
- Learn lessons from the challenges of Covid 19, promoting a system that utilises the strengths of North Ayrshire to the benefit of all North Ayrshire's residents and businesses.
- Ensure our children and young people get the best start in life by creating opportunities for education and employment, including through Community Wealth Building and Renewal.
- Prioritise and help tackle poverty, including child poverty.
- Protect and prioritise the North Ayrshire environment and reinforce our work to mitigate and adapt to climate change.
- Pursue improvements in service delivery where they have been identified as part of the response and recovery phase, creating a more efficient and resilient system.
- Prioritise investment towards services that make a greater contribution to key outcomes. This will consider dis-investment from some areas to enable re-investment to support delivery.

2.18 These principles interrelate in many ways and it is likely that there may be conflicting priorities. In that case, the public health of residents takes priority.

2.19 Despite the uncertainties of Covid 19, one thing that is clear is that we cannot go back to how things were before Covid 19, we need to think differently and act differently. The strong relationships already in place with our communities need to be enhanced to meet the community needs to enable community capacity and resilience.

2.20 North Ayrshire has a strong track record of community engagement through locality partnerships, community councils, participatory budgeting, Joint Cabinet with young people, Council Plan engagement and bespoke Facebook live Q&As with the Leader and Chief Executive. The level and type of engagement need to be continually

reviewed to ensure it meets the needs of the communities and a range of engagement initiatives should be explored/trialled.

- 2.21 Throughout the Recovery & Renewal Strategy a key theme is that communities need to be at the heart of what we do. This is an opportunity to build on the strong partnership working already in place with our communities and to continue to actively involve them in the design of new service delivery models.
- 2.22 This can be achieved through an increase in the use of participatory approaches including Participatory Budgeting and through Design Experiments. Design Experiments provide an opportunity for Council services and communities to work together on new ideas. By joining up our thinking and ideas we can provide better services more in tune with the needs of community and, by testing them prior to implementation, stand a better chance of getting it right first time.
- 2.23 A further key theme is adopting a Community Wealth Building (CWB) approach to help the local economy. By embedding CWB in all that we do we increase the opportunities for local businesses to grow and for local job creation.
- 2.24 The Recovery and Renewal process will also include a re-evaluation of the Transformation programme, known at T3, to create a new Renewal Programme. The current programme will be evaluated taking account of the impact of Covid 19 and will be refreshed to include new opportunities identified during the pandemic. Opportunities identified will be prioritised and progressed at pace.
- 2.25 In summary, uncertain times lie ahead and no-one can forecast with any degree of certainty the medium to long term effect of Covid in terms of its impact of our health, our finances and the economy. However, North Ayrshire starts from a strong position in terms of its track record for performance and engagement. Having a clear strategy in place, including key principles, themes and priorities gives us the best opportunity available to build back a better North Ayrshire for our communities.

### **3. Proposals**

- 3.1 Cabinet notes the progress made to respond to, recover and renew Council services in light of Covid 19 and approves the Recovery and Renewal Strategy attached to build back an even better North Ayrshire.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 The recovery and renewal of services will be considered in line with the Budget process and supported by the Change and Service Re-Design Fund. As part of the 2019/20 year end closure this fund was supplemented by a total of £0.970m.

#### **Human Resources**

- 4.2 None.

## **Legal**

- 4.3 Legislation is in force in respect of The Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020.

## **Equality/Socio-economic**

- 4.4 An Equality Impact Assessment will be undertaken on the strategy.

## **Environmental and Sustainability**

- 4.5 Environmental benefits were achieved during the pandemic such as less use of vehicles and less use of buildings which helped reduce our carbon footprint.

## **Key Priorities**

- 4.6 The Recovery & Renewal Strategy meets the commitment of the Council Plan to create a North Ayrshire that is 'Fair for All'.

## **Community Wealth Building**

- 4.7 Renewal activities and projects will be implemented through a Community Wealth Building approach.

## **5. Consultation**

- 5.1 Engagement is one of the key principles of the Recovery & Renewal Strategy and will be vitally important in moving the strategy forward.

Thomas Reaney  
Head of Service (Recovery & Renewal)

For further information please contact **Thomas Reaney, Head of Service (Recovery & Renewal)**, on **01294 310000**.

## **Background Papers**

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# NORTH AYRSHIRE COUNCIL

## COVID 19 - RECOVERY & RENEWAL STRATEGY

**August 2020**

### Introduction

The Covid 19 pandemic has created a set of circumstances unlike anything seen in this country in recent times. The impact across all aspects of life has been significant, changing the way services can be delivered, testing health systems and putting the global economy on hold. As we begin thinking about the future, we do so with respect and sympathy for the victims, their families and friends, of a disease that does not discriminate.

Amongst the challenges, however, there have been many examples of North Ayrshire doing what it does best - our people rising to the challenge, pulling together and supporting each other. As we talk about recovery to a strong future for North Ayrshire, we do not forget the direct and deadly impact of coronavirus continues and our primary focus remains protecting the health of our residents as far as is possible. It is, however, only fitting as a legacy that we capture what has been positive in response and work together to shape a future North Ayrshire that even better supports the wellbeing of all our residents.

The recovery phase is different to that normally seen in response to an emergency, such as a severe weather incident. The timescales are not clear, with potential for changing restrictions on life reflecting fluctuating future peaks and outbreaks, the potential for services to be restarted then

stopped again over a prolonged period, with particular members of the communities (e.g. those with long term health conditions) having different restrictions to others.

This creates an extremely complex and challenging set of circumstances that require flexible and agile responses. The recovery is the process of rebuilding following this pandemic, to get back to “normal” functioning across our communities. However, in doing so, we must recognise that what was “normal” before may not be possible or desirable in the future and our area may be forever changed by what we have faced. There are many opportunities to use the learning of the response phase to improve the ways services are delivered and build upon the new arrangements put in place. Therefore, a sense of renewal within communities and services, representing opportunities to return to something better and make the most of future opportunities to create a positive future is critical.

As we respond our Council Plan - a Council that is ‘Fair for All’ - as well as other key priorities around Community Wealth Building, a Sustainable Environment and Participatory Democracy will influence our actions for recovery. By maintaining a focus on achieving the best possible outcomes for people, North Ayrshire will ensure that from the crisis comes a better future.

This will only be achieved through the collective working of North Ayrshire’s communities, businesses, partner organisations and public bodies. The Government’s recovery strategy and the process by which restrictions are implemented or eased will help shape both the approaches and timescales of the actions we can take locally. This is likely to change over time and we must recognise that there are trade-offs in all these decisions in the protection of public health, the future health and wellbeing of people, the economic and financial impacts, and the effects on our environment.

Most importantly, at the heart of all decisions, must be the health and wellbeing of our residents.

## National picture

The Scottish Government’s ‘Covid-19 – Framework for Decision-Making’ document sets out a way forward for Scotland in many important areas of national life, whilst recognising the ongoing challenges and uncertainties arising from this pandemic.

The Framework is clear that the threat of the virus will require an ongoing collective response from almost every corner of our society if we are to keep the country safe. Looking towards the future, whilst there is great uncertainty, the report notes that public services will have to change to help people recover from this shock and also to harness the kindness and compassion that has poured out from people across Scotland. Businesses will be supported to deal with the transition out of this crisis by changing their business models and practices, with a focus on the markets that will grow in the future.

The framework is intended to be a ‘living’ document and has already been supplemented by the Scottish Government’s Route Map, which as the rate of infection decreases, sets out how current restrictions will be ‘carefully and gradually’ lifted. Set out in four phases which will only be introduced as enough progress is made on keeping the virus under control, each phase and its associated measures will continue to be subject to physical distancing and hygiene measures.

It should always be noted that a resurgence of cases and the impact of ‘test and protect’ may mean that restrictions will have to be tightened again, potentially resulting in a return to lockdown. As was

the case when lockdown commenced on 23 March 2020 we will respond quickly to this situation taking account of the learning from lockdown. Our recovery and renewal will also take cognisance of emerging sector specific guidance from the Scottish Government.

There are also unknown factors to consider such as the financial impact on delivering services, particularly relating to funding received from the Scottish Government.

The long-term impact of the lockdown on our communities concerns us all. We know that things cannot simply go back to the way they were and we will have to take a careful and staged approach as we return to a 'better normal' and adapt to live with COVID-19 for some time to come.

A further issue to note is that recent studies on the impact of Covid 19 highlighted there is a higher risk of having Covid 19 if you live in poverty or are overweight/obese. There is also a higher risk of catching Covid 19 if you live in an urban area rather than a rural area.

It was recently estimated that around 730,000 jobs have been lost in the UK since the start of Covid 19. In North Ayrshire, as at 31 July 2020, there are 17,600 workers participating in the job retention (furlough) scheme.

## Role of the strategy

This strategy provides an overarching guide to the approach we will take to shape recovery and renewal in North Ayrshire over the next few years. It is intended to help us address the immediate challenges, capitalise on new approaches and opportunities based on learning from the pandemic, and to put in place the activities which are needed to support us returning to a better North Ayrshire.

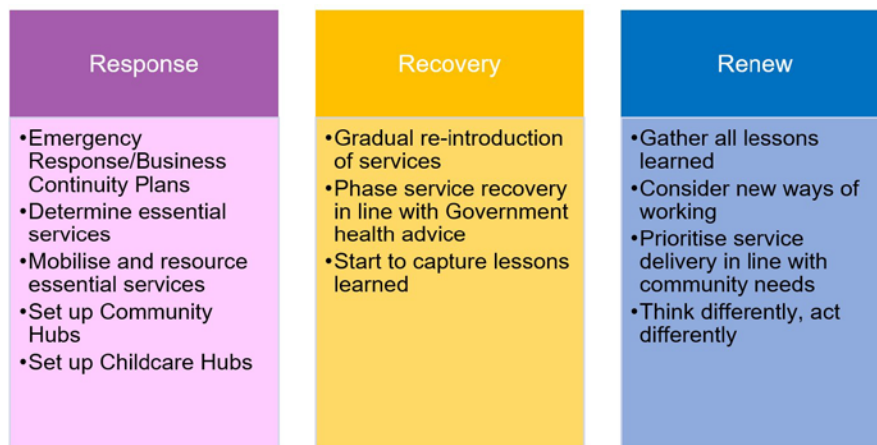
This will be a changing environment for the foreseeable future and there remain many interdependencies which cannot be accurately predicted at present. Clearly, the impacts of coronavirus may be felt for far longer than the next few years.

The strategy sets out how we will map our recovery and re-instatement of services against the route map phases and explains how service redesign and wider transformation objectives will be blended in to support our recovery and renewal plan.

Over the coming months, actions contained within the Council Plan 2019 – 2023 will be reviewed. The over-arching principles and aims of the Council Plan remain valid but individual actions require to be re-assessed in light of Covid 19.

## Phasing of the pandemic

A pandemic is generally dealt with in three distinct phases – Response, Recovery and Renewal. The approach taken for each of the phases is detailed below.



## Response to the pandemic

North Ayrshire Council along with its key partners and communities dealt with the response rapidly, efficiently, effectively and innovatively.

Prior to lockdown being announced on 23 March 2020, the Council was already developing ideas and initiatives to help those most in need such as assisting local foodbanks and planning for the opening of Local Community Hubs.

The Community Hubs went live on 24 March 2020 with North Ayrshire Council, local people and local community groups working together to support their neighbours and the wider population during the Coronavirus (COVID-19) pandemic. The community hubs operated in each of the six localities – North Coast & Cumbrae, Garnock Valley, Irvine, Kilwinning, Three Towns and Arran.

The purpose and objective of the hubs was to be a local point of contact for community need arising from COVID-19, responding with advice, signposting, referral and the co-ordination of local volunteers. This approach worked alongside other community initiatives specific to certain localities. The Hubs co-ordinated the delivery of prescriptions, hot food and food parcels to those in need.

The speed and level of response in addressing the urgent food needs of vulnerable individuals and families in North Ayrshire was substantial. A range of support models were put in place including food packs delivered weekly to over 4,600 families, including children eligible for Free School Meals and their families, as well as vulnerable citizens including those shielding, self-isolating, lacking support or mobility and over 1.25m meals were provided. This model has been strengthened by locality-based community hubs offering emergency provision and food larder items, as well as hot food provision via a network of 3rd sector and community organisations. Through the summer a food voucher scheme of £20 per eligible child per week was put in place to support families in need and the Community hubs continue to support vulnerable groups. Scottish Government funding to support the North Ayrshire food response currently totals £1.915m.

The hubs received a large volume of calls and this information is valuable in helping develop the renewal strategy. Having the data specific to each locality helps ensure future service provision is developed on a targeted basis.

Childcare Hubs were also set up for families who needed additional support and to help essential workers with childcare arrangements. This ensured essential workers were free to attend work to help deal with the pandemic knowing their children were safe and being looked after. During this period over 13,000 hot meals were served to children attending the hubs.

The Council also ensured government grants were disbursed efficiently to help business' cash flow and survival during the pandemic.

From the period from 24 March 2020 to 31 July 2020:



The Government's health advice to only provide essential services was also taken account of when determining service delivery during the lockdown period. Due to an increase in employee absence levels due long term health conditions, self-isolation due to Covid 19 symptoms, shielding or caring responsibilities some services either had to be stood down from the commencement of lockdown or had revised arrangements put in place such as day care centres.

### Recovery from the pandemic

Key services were prioritised and continued to operate during lockdown, helped in some cases by staff redeployments. Remote and online learning was utilised for children and young people whilst the schools were closed during lockdown.

Other services were stood down during the height of the pandemic due to either their 'non-essential' service status (based on the Scottish Government's definition/advice on essential workers) , a lack of resources due to staff being redeployed to support essential services/key priorities or services were unable to operate safely, are gradually recovering.

The timing of re-introducing services will be aligned to the Scottish Government's advice about progressing to future phases however there may be circumstances where services are not recovered in line with the indicative dates provided by the Scottish Government. This is due to a number of factors including the reproduction rate of the virus (the "r" number), the potential impact of the Government's 'Test and Protect' arrangements on the availability of our workforce and our ability to support or operate safely in line with guidance.

The possibility of returning to lockdown or earlier phases should there be a resurgence of the virus also needs to be factored into individual service recovery and renewal plans. This will require careful consideration and some flexibility will be needed in our workforce planning to respond to these potential scenarios.

### Renewal from the pandemic

The renewal phase is vitally important in moving forward to a 'better normal' to ensure we meets the needs of our communities and businesses.

Things simply cannot go back to the way they were. We need to reflect on where we have developed new and better ways of working and put in place a process which ensures that successful approaches can be continued. Where we have stopped services, we will also want to carefully consider if, when, and how, these should be introduced within the context of the Route Map and Scottish Government guidance and regulation, which is continuing to emerge on a regular basis.

In order to plan a renewal phase, it is important that the context is fully understood, the intended outcomes are identified, actions are clear and that the impacts are understood. To support this, we have identified a set of clear principles to guide our prioritisation.

Renewal activities will:

- Prioritise the health and wellbeing of our residents by protecting the most vulnerable in our society against the immediate threat of coronavirus and the consequences of changes to the way we live. Public Health guidance will be paramount in all the decisions we make.
- Work with our communities in the renewal of services to ensure they meet their needs and priorities.
- Build community capacity and resilience.
- Support the economic recovery of North Ayrshire, helping to create a strong, sustainable and inclusive economy for the future that supports local resilience using the Ayrshire Growth Deal and Community Wealth Building as a means of creating an inclusive economy.
- Learn lessons from the challenges of Covid 19, promoting a system that utilises the strengths of North Ayrshire to the benefit of all North Ayrshire's residents and businesses.
- Ensure our children and young people get the best start in life by creating opportunities for education and employment, including through Community Wealth Building and Renewal.
- Prioritise and help tackle poverty, including child poverty.
- Protect and prioritise the North Ayrshire environment and reinforce our work to mitigate and adapt to climate change.
- Pursue improvements in service delivery where they have been identified as part of the response and recovery phase, creating a more efficient and resilient system.
- Prioritise investment towards services that make a greater contribution to key outcomes. This will consider dis-investment from some areas to enable re-investment to support delivery.

These principles interrelate in many ways and it is likely that there may be conflict between them at times. In that case, the public health of residents takes priority.

In considering our approach to renewal, we inevitably focus on what we must do differently. However, our strength comes from what we already do well. Our overall approach should be to prioritise those things we already do well, seek to share the benefits of these strengths across all residents, to address any inequalities, and grow those aspects which have the potential to further enhance the quality of life for everyone.

There are also aspects within our communities where not everyone has shared in the positive experiences available to many. Inequalities in income, health outcomes, the poverty related attainment gap and opportunity are significant in some parts of North Ayrshire and for some communities. The impacts of coronavirus are likely to be felt most by those already in challenging situations so the reconsideration of how North Ayrshire can be more equal and inclusive is a necessary and intrinsic part of recovery. The council will continue to work with a variety of other organisations to ensure that those communities likely to experience inequality, including those in poverty, have access to targeted support. The Community Planning Partnerships (CPP) have an

important role to play in determining the issues each community has with regards to inequality and can assist in the co-ordination of targeted support to address this. A level of commitment and buy-in from CPP members is required to deliver renewal.

All council services have been impacted by coronavirus and an initial priority will continue to be the reinstatement of services that have had to close or reduce in scale at a point that it is safe to do so. This may be returning to the same ways of working as previously, but in most cases is likely to include some revisions to incorporate social distancing and build upon the lessons learned during the response to date, including a focus on the wellbeing of our children and young people as they return to school after a period of remote learning. This will constitute a significant programme of business change.

The council's staff are the biggest asset in making this change happen, so we will deliver an organisational development plan that supports our staff in delivering the services across the area through new or amended operating models, to embrace the more agile and flexible working arrangements and enhanced technology and support the staff to increase their skills and continual professional development.

## Early lessons learned from the pandemic

Despite the intense pressure and the emergency nature of the pandemic, services were mobilised extremely quickly to deal with the situation and protect the most vulnerable. A number of positive lessons are to be learned from this.

The main lessons learned are as follows:

- Positive attitude to change
- Prioritisation of service delivery
- Empowerment in decision making
- Attitude to risk
- Use of digital platforms to support remote and new ways of working, learning and communicating.
- Opportunities for remote and online learning for children, young people and adults.
- Valuable data gathered on community needs and priorities
- Partnership working between Council teams and with agencies and communities

Once lockdown was announced, individual service Business Continuity Plans were implemented. Very quickly services were adapted to meet the health advice of the pandemic in terms of working practices and to meet the needs of our children and communities.

Staff were redeployed to service functions delivering essential services, in terms of the Government definition of 'essential services', and to the protection of the most vulnerable in our society with the minimum of fuss. Staff were empowered to take decisions by taking a risk aware approach rather than risk averse and this should not be lost as we move forward through recovery and renewal.

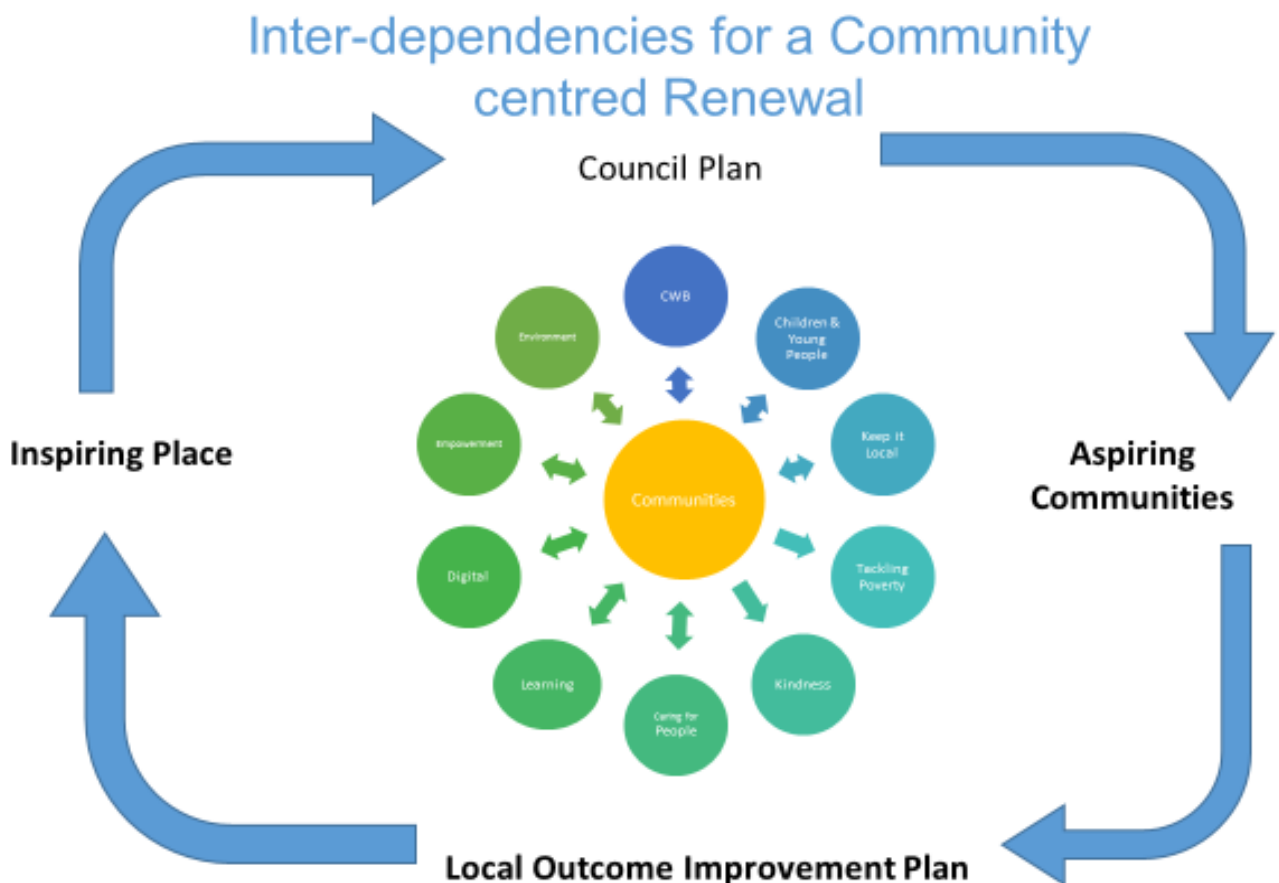
Examples include our approach to remote teaching and learning, effective multi agency working to support vulnerable children, providing childcare for vulnerable families and key workers and a virtual contact centre was set up immediately with staff working at home providing the customer contact service. This was done at a very fast pace and the pace of adapting to change needs to be maintained.

Data gathered from calls to the Community Hubs provides lots of important information, on a locality basis, on the effects of Covid 19 and the individual priorities for each of our communities. The data, trends in data and volume of enquiries should be analysed to ensure Council services are prioritised to meet the needs of each of our localities and to identify underlying issues and help design sustainable solutions.

### Inter-dependencies with existing polices, plans and strategies

North Ayrshire Council has a number of key strategies and plans linked to the Council Plan – ‘A Council that is Fair for All’ and the Local Outcomes Improvement Plan (LOIP) which sets out each of the locality partnership’s priorities.

This is illustrated in the diagram below:



## The heart of North Ayrshire - Our Communities

### Response to pandemic

The manner in which our communities responded to the pandemic, with the primary aim of supporting and helping the most vulnerable in our society, was quite outstanding and humbling. The community volunteers demonstrated a determination and resilience to look after each other. A number of new volunteers also stepped up and helped out during the crisis and helped deliver services such as :-

- Delivery of food
- Delivery of hot meals
- Delivery of prescriptions
- Grounds maintenance and litter collection

#### **Helping Vulnerable people, building community resilience**

Our statutory services will be prioritised to supporting the most vulnerable who need our support to remain safe and well. Statutory public health provision, and social care for children and adults remains a fundamental responsibility of the council. As corporate parent, we will ensure that those young people in our care are protected and supported, providing what they need to restart their lives after lockdown and through the recovery and renewal process. However, unfortunately the economic impact of the pandemic is likely to result in more people in need of help and support.

Through the response phase of the pandemic, we saw the commitment and drive of communities to remain resilient and to support one another. We will work to harness and build that capacity, building upon the successful community hubs established to support those in need of assistance, ensuring provision in each locality of North Ayrshire supporting the community empowerment agenda.

Increasing the range of resilience support available including the use of the Community Investment Fund (CIF) will help develop more sustainable, self-supporting, self-sufficient communities. Given the significant pressures faced by the community, voluntary and charitable sectors in North Ayrshire as a result of increased demand and reduced income, it is important to support our key partners and community organisations in these new ways of working to help build resilience and capacity.

For those in financial hardship, we will work to ensure there is available support to reduce its impact on individuals and families in partnership with other agencies through the poverty strategy.

A review of Social Care models to consider their ongoing effectiveness, impact on individuals and lessons learned from Covid is required.

## Engagement and Participation

It is imperative when developing a strategy for renewal to ensure it meets the needs of our communities.

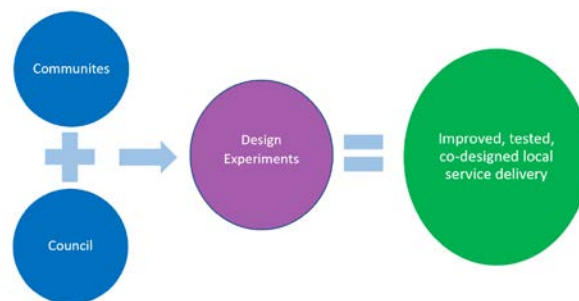
One way this can be achieved is by involving our communities in the shaping of strategies and projects and by subsequently testing them with the communities.

One of North Ayrshire's strengths is the partnership between the Council and Communities, including our young people, and this is an opportunity to build upon and strengthen this.

There are, among others, Community Councils, Locality Partnerships and a Youth Cabinet which provide opportunities for the community to engage with the Council. As well as this there are participatory budgeting events and live Q&A events with the Leader and Chief Executive.

A wider range of options and measures can also be considered as to how we engage with our communities going forward. Evidence has shown that engagement in Parent Council Chair Forum meetings increased during Covid 19 through the use of on-line meetings and a Facebook live Q&A with the Leader and Chief Executive was viewed by over 13,000 people. Community Councils and groups have been meeting online, with real success. This should be explored further as we move into the renewal phase given the reach of digital technology platforms.

## Design Experiments



Our Communities have to be at the heart of all that we do and the future direction of the Council must be driven by community needs and priorities. North Ayrshire already has very strong relationships in place between the Council and its communities, such as the extensive consultation on the development of the Council Plan, and this provides a real opportunity to build upon this.

The Council worked with communities in a Participatory Budget approach for its ground maintenance service, the first Local Authority in Scotland to do so for a front-line service. This provided the local communities with the opportunity to help shape the grounds maintenance service delivered and has resulted in many benefits such as more relaxed grass cutting to aid the environment, more fruit tree planting and more volunteers working in open space areas. However, the main benefit arising from this is the better working relationship between the Council and the community. This exercise involved the community helping to design the process, participating, in person and/or on -line, and voting for their priorities in the design and delivery of the service.

It is proposed that going forward, participatory budgeting, as well as a wider range of participatory democracy models, is considered and expanded to a wider range of services, including the use of education funds such as the Pupil Equity Fund (PEF) and that transformation/renewal projects are co-designed with the communities including design experiments as part of the process.

Design experiments provides an opportunity to test, review, refine and implement new ideas and ways of working. Participation could be through an open invitation and/or through the LPPs.

## Partnership Working – Whole Systems Approach

During the pandemic the rapid response to the crisis, to protect those most in need, wouldn't have been possible without partnership working between internal services and external partners.

This includes, but is not limited to, the National Health Service (NHS) Scotland, Police Scotland, Caledonian MacBrayne, Third Sector Organisations, community groups, volunteers and private sector businesses.

This approach needs to be maintained and enhanced as we map a route from response to recovery to renewal.

One way to achieve this is by using a 'Whole Systems Approach'.

This is commonly used where the need to fundamentally change or transform is evident. The thinking is based on analysis and decision making on the inter-relationships of the constituent part of a system rather than focus on the parts themselves.

It creates a system where people and organisations thrive by streamlining processes, creating shared meaning around work and accelerating and substantially increasing results.

This approach was evident during the set up and delivery of the Community Hubs and Childcare Hubs with partners from Communities, Health & Social Care Partnership, Customer Services and community volunteers working together to help those most in need.

## Financial Context

The financial context of the council will require a review of budgets to ensure available resource is directed towards priority services based on community need and ambition taking account of underlying drivers such as the economy.

This is balanced with the need to protect the financial stability of the local authority over the medium and long term. We will review and reprioritise spend appropriately to allow investment in the changes that need to be made to achieve the aims of recovery. This will take consideration of 'spend to save' initiatives to protect jobs and services and 'prevention rather than reaction' to deliver better outcomes for residents and communities.

The Council already has ambitious capital investment programmes for both the General Services and Housing Revenue Account as well as having an Investment Fund. Prioritising spend on projects using the Community Wealth Building and Green New Deal approach will help aid local economic recovery.

A North Ayrshire Council Financial Recovery Plan is in place for 2021/22 and its principles will help inform future budget setting exercises.

## Economic context

Public health guidance will drive the decisions taken in respect of the restart of economic activity. It must also be recognised that a strong economic recovery is necessary for the ongoing health and wellbeing of all residents, reflecting the wider benefits of health.

Much of the initial economic response has focussed on business support, with finance as the key support mechanism. The Government has provided a range of grant schemes and the scale and speed of the distribution of grants across North Ayrshire was a significant challenge, but North Ayrshire rose to the challenge and over £25m has been paid to businesses through this. Alongside partners, the Council has also kept businesses informed about what is available to help them.

In terms of the economy a further factor to consider is the impact of the UK leaving the European Union, commonly referred to as Brexit.

Further information and detail on economic factors is contained within the North Ayrshire Economic Recovery Approach which outlines key economic drivers such as Community Wealth Building and the Ayrshire Growth Deal.

## Risk Management and Business Continuity

Business Continuity Management plans (BCM) are in place across Service teams to deal with emergency situations to ensure service delivery is maintained as seamlessly as possible.

This plans 'kicked in' when the emergency was declared to ensure essential services could continue to operate during the pandemic. Many service teams were able to operate despite the lockdown arrangement due to the forward planning contained within the BCM plans.

It is recommended all services review their BCMs and reflect on the lessons learned from the emergency situation.

One of the early lessons learned from the pandemic was the attitude to risk during key decision making. Rather than taking a risk averse approach, services were taking a risk aware approach due to time constraints, the need for quick decision making and the scale of the emergency. This was done in a pragmatic, effective manner with risks assessed against the likelihood and impact of the risk occurring alongside appropriate mitigation measures. In many cases it wouldn't have been appropriate to 'play safe' in decision making due to the emergency situation and, in not doing so, we achieved better outcomes. The Council's culture of collaboration and empowerment was also to the fore during the pandemic.

Going forward, more support, learning and development needs to be provided for Council staff and community partners in effective risk management, business continuity and resilience.

## Transformation programme

The latest transformation project plan, known as T3, was approved as part of the Council Plan on 19 June 2019

The transformation plan is split into 5 themes:

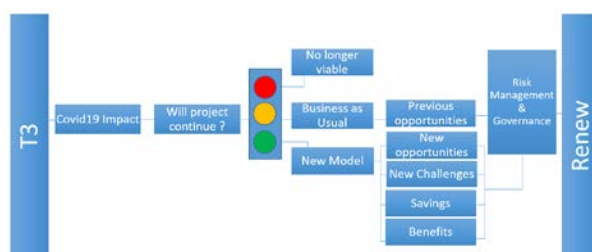


Similar to the Council Plan, whilst the themes remain more relevant than ever, there is a need to review each individual project within the themes in light of Covid 19 to assess its status, relevance and prioritisation. The focus of transformation will be 'spend to save' initiatives to protect jobs and services and 'prevention rather than reaction' to deliver better outcomes for residents and communities.

New projects identified due to the impact of Covid 19 will be added to the plan to create a new transformation project plan known as Renewal which will encapsulate how we will approach, change and plan the need to build back a better North Ayrshire.

There is significant financial pressure on the Council as a result of austerity, which has been further exacerbated by Covid 19, therefore the programme will have to move at a pace. As well as financial factors wellbeing indicators will also be considered in developing the Renewal programme.

Transformation Evaluation Matrix



## New Approaches

A number of new approaches have been identified during Covid 19 and require to be analysed/explored in more detail.

The opportunities are based around improved digital services, better use of property, economic recovery through Community Wealth Building, process improvements to improve efficiency, further use of Community Hubs and improvements to infrastructure to encourage active, healthy travel.

The new opportunities include, and are not limited to;

#### Digital

- Working at home/remotely
- Remote learning in education
- Remote and hybrid meetings
- Opportunities through 5G
- Affordability of broadband
- Digital skills and inclusion

#### Town Centres/Local Economy

- Further promotion and expansion of the 'Keep it Local' campaign
- Accelerate capital spend through a Community Wealth Building approach
- Regeneration Delivery Plan
- Ayrshire Growth Deal

#### Transport/Active Travel

- New paths/cycle paths/pedestrianised areas due to an increase in walking and cycling.
- Use and types of Council vehicles

#### Community Hubs

- Strengthening of the Community Hubs model
- Analysis of data gathered through the Community Hubs
- Empowerment and support for capacity building.

#### Property

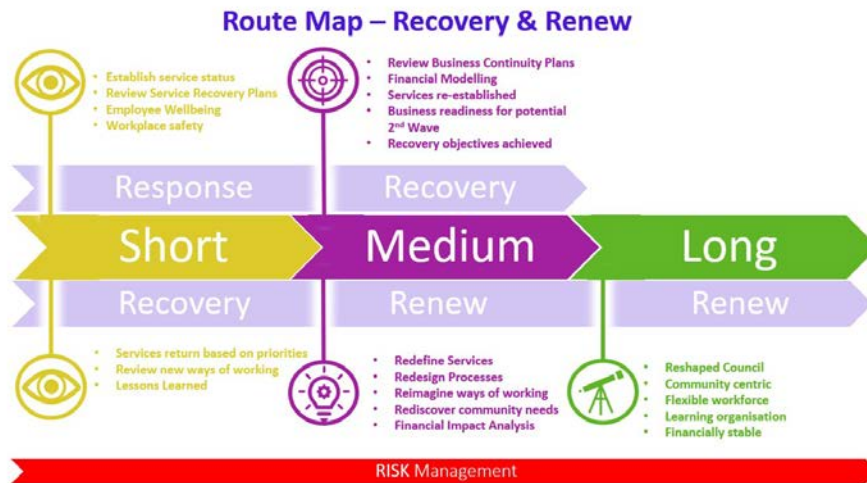
- Property utilisation
- Community Wealth Building Land and Assets pillar.
- Regeneration Delivery Plan

#### Process Improvements/Bureaucracy

- Process improvement principles.
- Improve collaboration
- Reduce bureaucracy
- Business Process Re-engineering

- Digital
- A focus on outcomes

## The Route Map



## Summary

The challenge faced by Covid 19 was unprecedented. Its impact in terms of health and wellbeing alongside the financial and economic impact was massive and we can't go back to how it used to be pre Covid 19.

We need to build on our strengths and work more in partnership to deliver the services our community need.

We need to change how we do things, change how we deliver public services, change how we think and change how we act to build back an even better North Ayrshire.

Action	Owner	Timescale
<b>Strategic Theme - Corporate Recovery</b>		
Review actions within the Council Plan.	Chief Executive	31 December 2020
Develop a Financial Recovery Plan on the impact of Covid 19 for 2020/21.	Head of Service (Finance)	8 September 2020
Develop the Medium Term Financial Plan for 2021/22 to 2023/24.	Head of Service (Finance)	26 February 2021
<b>Strategic Theme – Working with communities</b>		
Further develop our collaborative relationship with community organisations to ensure they are full partners in our work, learning from the Covid response.	Head of Service (Connected Communities)	31 March 2021
Consider new opportunities for Participatory Budgeting in the delivery of services.	Head of Service (Recovery & Renewal)	31 March 2021
Embed and extend our work in relation to Kindness and develop further through the Locality Partnerships.	Head of Service (Connected Communities)	31 March 2021
Work in collaboration with Locality Partnerships to ensure objectives from Local Outcome Improvement Plans (LOIP) are reflected in Renewal projects and plans.	Head of Service (Recovery & Renewal)	31 March 2021
Consider a Community Planting model.	Head of Service (Recovery & Renewal)/Head of Service (Commercial)	31 March 2021
To support mainland and island resilience groups and ensure there is regular communication with them.	Head of Service (Connected Communities)/ Head of Service (Economic Development & Regeneration)/	31 March 2021
<b>Strategic Theme – Supporting Children &amp; Young People</b>		
Improve outcomes for children and young people through effective child-centred multi-agency public and third and voluntary sector locality working.	Executive Director (Communities)	31 March 2021
Further develop digital approaches to learning and teaching across the curriculum.	Head of Service (Education)	30 June 2021
Create and identify leadership, volunteering and participation opportunities to help young people develop their skills and enhance their life skills and opportunities for finding employment.	Head of Service (Connected Communities)	31 March 2021

Improve employment opportunities and post-school destinations for young people by embracing and embedding a Community Wealth Building approach in North Ayrshire.	Head of Service (Economic Development & Regeneration)/ Head of Service (Education)	30 June 2021
<b>Strategic Theme - Caring for People</b>		
To consider ways of streamlining the process for applications for benefits/support.	Head of Service (Recovery & Renewal)/ Health and Social Care Partnership	30 June 2021
To re-assess community needs in terms of addictions, care at home and day care services in light of Covid 19.	Head of Service (Recovery & Renewal)/ Health and Social Care Partnership	30 June 2021
To work with key partners to ensure there is access to targeted support for those in need.	Health and Social Care Partnership	30 June 2021
<b>Strategic Theme – Supporting Residents</b>		
Develop the whole-systems approach of the Community Hubs to improve community resilience.	Executive Director (Communities)/Health & Social Care Partnership	30 June 2021
Ensure that individuals and communities are involved in service design to ensure their needs are met.	Executive Director (Communities)/Health & Social Care Partnership	30 June 2021
Build on the work of Fair for All and the Child Poverty Action Plan to develop actions which address the causes and mitigate the effects of poverty.	Executive Directors (Communities)/ Health & Social Care Partnership	31 March 2021
Monitor and evaluate the community benefit from adopting a Community Wealth Building approach.	Head of Service (Connected Communities)	30 June 2021

<b>Strategic Theme – Digital Services</b>		
Review the Digital Strategy.	Head of Service (Recovery & Renewal)/Head of Service (People & ICT)	31 March 2021
Review the Digital Learning and Teaching Strategy.	Head of Service (Education)	31 March 2021
Review the Technology Strategy to ensure it meets our future needs.	Head of Service (People & ICT)	31 March 2021
To evaluate the impact of remote and hybrid meetings.	Head of Democratic Services	31 March 2021
To use the Ayrshire Growth Deal to help secure investment opportunities in digital/technology.	Executive Director (Growth & Investment)	31 March 2021
<b>Strategic Theme – Learning and Skills</b>		
Develop a process to embed a Whole Systems Approach in the organisation.	Head of Service (Recovery & Renewal)	31 March 2021
Develop a process for Design Experiments on new ideas, new ways of working.	Head of Service (Recovery & Renewal)	30 November 2020
Enhance and develop our approach to adult learning through digital and partnerships with Further Education and other providers.	Executive Director (Communities)/Head of Service (Connected Communities)	31 March 2021
<b>Strategic Theme – Supporting the local economy</b>		
Investigate opportunities for capital spend using a Community Wealth Building approach to help local businesses and local employment.	Head of Service (Finance)	31 March 2021
Conduct an Economic Impact Assessment of the effects of Covid 19 on North Ayrshire.	Head of Service (Economic Development & Regeneration)	30 June 2021
To review the link, between volunteering, skills and employment and to develop an approach to assist with employment opportunities for volunteers.	Head of Service (Connected Communities)	30 June 2021

Develop a North Ayrshire Economic Recovery & Renewal Approach taking account of Community Wealth Building, Climate and New Green Deal.	Head of Service (Economic Development & Regeneration)	30 September 2020
Investigate opportunities for capital spend through a Review of the 10-Year Capital Programme 2021/22 to 2030/31 to be assessed through the lens of Community Wealth Building and the Green Economy	Head of Service (Finance)	26 February 2021
<b>Strategic Theme- Transformation</b>		
Re-evaluate the T3 Transformation programme and add new projects to create a Renewal Transformation Programme.	Head of Service (Recovery & Renewal)	31 October 2020
Review working at home arrangements and consider the long-term impact of this.	Head of Service (Recovery & Renewal)	31 March 2021
Target external funding opportunities and take a whole systems approach on the affordability and coverage of broadband across North Ayrshire.	Head of Service (Recovery & Renewal)	30 June 2021
<b>Strategic Theme - Land &amp; Property</b>		
Review property utilisation across the Council as part of the Renewal process.	Head of Service (Physical Environment)	31 March 2021
Review the demand and need for hostel accommodation across North Ayrshire.	Head of Service (Physical Environment)	30 June 2021
Deliver the Regeneration Delivery Plan.	Head of Service (Economic Development & Regeneration)	Ongoing
Use the Community Wealth Building pillars to maximum effect.	Head of Service (Economic Development & Regeneration)	Ongoing
To deliver the Construction programme and Strategic Housing Investment Programme (SHIP).	Head of Service (Physical Environment)	Ongoing
<b>Strategic Theme – Transport, Active Travel and Environment</b>		
Review usage and the type of Transport used to deliver environmental outcomes.	Head of Service (Commercial)	31 March 2021

Review paths, cycle paths and consider pedestrianizing areas to improve health and wellbeing through cycling and walking.	Head of Service (Economic Development & Regeneration)	31 March 2021
Target external funding opportunities for paths, cycle paths through Places for People funding.	Head of Service (Economic Development & Regeneration)	30 June 2021
<b>Strategic Theme – Continuous Improvement</b>		
Review the current arrangements for Risk Management and Business Continuity.	Head of Service (Recovery & Renewal)	31 December 2020
To review the Performance Management and Continuous Improvement Strategy.	Head of Democratic Services.	31 March 2021

## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

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**Title:** COVID-19 Financial Recovery Plan 2020/21

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**Purpose:** To provide Cabinet with an update on the projected financial impact of COVID-19 and to consider recovery options to return a balanced budget in 2020/21.

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**Recommendation:** That Cabinet:

- (a) Notes the cost impact of COVID-19 to March 2021 based on current projections and assumptions.
- (b) Notes the measures to address the cost impact as part of a Recovery Plan to return a balanced budget for 2020/21.
- (c) Approves additional cashflow management support to North Ayrshire Leisure Ltd (NALL) of up to £2.743m to ensure they continue to operate as a going concern and meet their cash liabilities.
- (d) Following Audit Scotland guidance, approves a charge from the General Fund to the Housing Revenue Account on a fair and reasonable basis for Building Services costs incurred through the period impacted by the lockdown. Based on current analysis the charge to the HRA is estimated up to £2.000m.
- (e) Notes the further areas of cost risk, including the financial projection of the HSCP.

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### 1. Executive Summary

- 1.1 The on-going impact of COVID-19 presents a significant financial risk to the Council. This report follows on from the report presented to Cabinet on 30 June 2020 and provides an update on the projected financial impact and outlines financial recovery options to return a balanced budget in 2020/21.
- 1.2 A further cost projection was carried out in July which totaled £23.440m to March 2021. After incorporating Scottish Government funding to date and accounting for costs incurred in March 2020 which were included as part of the year end closure, the net cost impact projected for 2020/21 is £15.475m. These costs include revenue and capital costs across both the General Fund and

Housing Revenue Account. The current landscape remains very fluid and projections include response, recovery and renewal activity in accordance with the Scottish Government Route Map through lockdown easing.

<b>Council Funding Area</b>	<b>Projected Net Cost Impact £m</b>
General Fund Revenue	£9.600m
General Fund Capital	£2.218m
Housing Revenue Account - Revenue	£0.661m
Housing Revenue Account - Capital	£2.996m
<b>Total</b>	<b>£15.475m</b>

- 1.3 The cost impact for the HSCP is being captured separately through Local Mobilisation Plans and submitted via the NHS. The return submitted in June indicated a projected additional cost pressure of £7.211m to 31 March, 2021. This includes £5.400m additional costs with the balance represented by the projected impact on savings during the year. To date the IJB has received £3.500m funding from Scottish Government. Based on a recent assessment of the worst-case scenario of any funding shortfall, this could be in the range of £1.3m to £1.9m. If this gap materialises the HSCP would require to mitigate this pressure later in the year as part of a recovery plan. It is recognised however, that the current financial pressure and funding to date presents a risk to the Council.
- 1.4 At the time of setting the 20/21 Budget the potential financial impact of COVID-19 was not known. Following the closure of the 2019/20 accounts, on 30 June 2020 Cabinet approved the transfer of underspend to reserves to help mitigate any cost impact, taking the level of unearmarked reserves to £9.659m, or 2.7% of budgeted expenditure. Any use of unearmarked reserves should be considered within the context of the impact on the 2021/22 Budget.
- 1.5 In order to address the projected cost impact for 2020/21 a Finance Recovery Plan has been developed which is aligned to the objectives of protecting jobs, protecting priority services and mitigating any impact on the 2021/22 Budget process. The plan includes;
  - In addition to Scottish Government funding to support the Education re-start and in accordance with Scottish Government guidance, flexible use of former ring-fenced Education funding.
  - Following Audit Scotland guidance, charging a reasonable cost to the Housing Revenue Account (HRA) for Building Services fixed costs incurred during the period impacted by the lockdown.
  - Each Directorate to manage the impact of savings targets not achieved for 2020/21 by identifying further areas of cost saving throughout the year.
  - Provide financial support to North Ayrshire Leisure Ltd (NALL) to ensure they continue to operate as a going concern, with officers continuing to work together to identify further areas of cost saving.
  - Additional General Fund capital costs will be considered as part of a major review of the 10-year capital programme during 2020/21 to ensure

plans are affordable, prudent and sustainable.

- Capital and revenue pressures for the HRA will be considered within the context of the of the projected in-year HRA underspend of £4.493m, rent levels and a review of the HRA Business Plan and capital plan.
- The General Fund revenue cost impact will require a potentially significant draw on unearmarked reserves of around £3.000m. Although not confirmed at this time, additional Scottish Government funding is anticipated which could help reduce this requirement and mitigate the further areas of cost risk, including the HSCP position and Council tax collection levels, and reduce the impact on the 2021/22 Budget.

## **2. Background**

- 2.1 The on-going impact of COVID-19 continues to present a significant financial risk to the Council. This report follows on from the report presented to Cabinet on 30 June 2020 and provides an update on the projected financial impact and outlines financial recovery options to return a balanced budget in 2020/21.
- 2.2 The projected gross financial impact outlined in June totaled £23.548m. A further projection was carried out in July which totaled £23.440m to March 2021, with an anticipated cost of £12.484m incurred at the end of July 2020. The current landscape remains very fluid and projections include response, recovery and renewal activity in accordance with the Scottish Government Route Map through lockdown easing.
- 2.3 The costs associated with the pandemic impact various funding areas of the Council and include both the General Fund (Revenue and Capital) and the Housing Revenue Account (Revenue and Capital).
- 2.4 Scottish Government funding to date to address the pandemic totals £7.358m. A total of £0.607m costs were incurred in March 2020 and were included as part of financial year end closure activity, leaving a net projected cost impact of £15.475m to 31 March 2021. This pressure is presented across the Council's funding areas in the table below;

<b>Council Funding Area</b>	<b>Projected Net Cost Impact £m</b>
General Fund Revenue	£9.600m
General Fund Capital	£2.218m
Housing Revenue Account - Revenue	£0.661m
Housing Revenue Account - Capital	£2.996m
<b>Total</b>	<b>£15.475m</b>

## **2.5 Cost Impact Breakdown and Cost Reductions**

The Cabinet report of 30 June 2020 included details of the areas of cost pressure. The cost breakdown has been updated during July 2020 and is included in Appendix 1. The main areas of additional cost projected to March 2021 are included below;

## 2.6 General Fund Revenue

Pressure Area	Gross Cost Impact £m
Food Provision / Support to children eligible for free school meals, their families and vulnerable citizens	£2.818m
Workforce, Building and PPE costs	£0.922m
Additional response and recovery costs for Education and Early Years	£4.423m
North Ayrshire Leisure Ltd (NALL) - KA Leisure) – Impact on Council Subsidy	£2.743m
Lost Income and Other Costs	£7.164m
Projected Savings not achieved	£0.503m
Cost Reductions through energy, transport etc.	-£1.615m
<b>Projected General Fund Gross Pressure</b>	<b>£16.958m</b>
Scottish Government Funding to Date	£7.358m
<b>Projected General Fund Net Pressure</b>	<b>£9.600m</b>

- 2.7 The cost pressure in the General Fund includes costs associated with Education and Early years, lost income to the Council and a recognition of the financial pressure facing North Ayrshire Leisure Ltd (NALL);

## 2.8 Education and Early Years

- 2.9 The cost projections included in the report to Cabinet on 30 June 2020 were based initially on a blended education model with additional costs estimated at £6.707m at that time. This included significant additional transport costs. With pupils returning 100% from August the revised projections include additional staffing costs for Education and Early Years, digital costs, community based childcare provision, cleaning, janitorial and PPE as well as under-recoveries in income associated with the service. The anticipated pressure to March 2021 totals £4.423m.
- 2.10 In May 2020 the Scottish Government provided guidance to local authorities to allow flexibility in the use of specific education revenue funding sources in response to the pandemic. This funding includes Pupil Equity Funding, Early Learning and Childcare funding to support delivery of 1,140 hours childcare provision and Attainment Challenge funding.
- 2.11 Further Scottish Government funding to support the re-start has also been recently announced, with some distributions still to determined, and include;

SG Funding	National Allocation £m	NAC Share 20/21 £m
Additional Teaching and Support Staff	£50.000m	£0.898m
Digital Inclusion (Including Chrome Books)	£25.000m	£0.551m

Upfront Re-start Funding for logistics (including cleaning, PPE, Transport etc.)	£20.000m	TBC
Addition Teaching and Support Staff – 2 <sup>nd</sup> Tranche	£30.000m	£0.540m
Further Expenditure Needs for Re-start (Based on Evidence)	£30.000m	TBC
School Transport – Capital Funding	£1.500m	TBC

- 2.12 Additional Scottish Government funding and flexibility around the use of existing Education budgets will help further mitigate the cost impact of the pandemic and, in terms of potential use of education budgets, this will be limited to unallocated revenue funds across Education and Early Years.
- 2.13 Lost Income
- 2.14 This is an area of significant impact and includes external income across a range of Council services including commercial waste, catering, school lets, building warrant income, licensing fees etc. The projected levels of income for 2020/21 have been assessed in accordance with the Scottish Government's Route Map, however it should be stressed that even within this context there remains a level of uncertainty around the timings of services being re-instated or indeed demand levels / behaviours returning to pre-COVID levels , therefore a prudent assessment has been made at this time.
- 2.15 A significant area of internal income generation to the Council's General Fund, impacted by the pandemic, is the Council's Building Services operation. Services, including housing maintenance and repairs, would normally be undertaken and the costs recovered from the Housing Revenue Account (HRA). The period of lockdown resulted in a cessation of normal business operations, with a significant number of Building Services employees temporarily redeployed to supporting the logistics around the Council's food response, delivering over 4,600 food packs each week. The financial consequence through lost income is projected at £3.914m under-recovery to March 2021. It should also be noted that a corresponding underspend is projected in the HRA for the same period.
- 2.16 Following discussion between local authority Directors of Finance, COSLA, Audit Scotland and the Association of Local Authority Chief Housing Officers (ALACHO), Audit Scotland issued a technical update stating that even though works have not actually taken place, costs could continue to be charged to the HRA on a fair and reasonable basis. Charging the costs wholly to the General Fund was not considered a fair and reasonable approach. As such, a proportion of actual fixed costs recharged to the HRA based on historic activity levels should be considered. Conversely, the impact to the HRA should be considered within the context of the projected underspend in 2020/21, the reserves position and the capital plans and commitments.

The total anticipated lost income including Building Services and other costs is

projected at £7.164m.

#### **2.17 North Ayrshire Leisure Ltd (NALL) – KA Leisure**

The Council supports KA Leisure through an annual subsidy contribution of around £3.500m per annum. The total annual operating income of KA Leisure is c£8.500m per annum. The closure of all leisure facilities took effect from the 18 March 2020. To partially mitigate the impact of what is a significant reduction in income, around 220 staff have been furloughed, with 80% of staff costs recovered via the UK Government Job Retention Scheme. The current assessment of net lost income projected to 31 March 2021, in accordance with the Scottish Government Route Map and guidelines and taking account of the phased release of staff back from the Job Retention scheme, amounts to £2.743m at this time. This continues to be a fluid situation; however, it is recognised that in order to ensure KA Leisure continue to operate as a going concern, financial support is required from the Council. Senior officers from KA Leisure and the Council continue to work together to progress planning around the re-opening of services and further cost mitigation measures, including a draw on KA Leisure reserves.

#### **2.18 General Fund Capital**

2.19 Additional costs attributable to delay of works, anticipated increases in contract inflation and additional costs linked to COVID related restrictions as part of the recovery phase will continue to be monitored throughout the year along with any contractor claims. Within the General Fund Capital programme the potential additional cost impact is currently assessed at £2.218m, however, this position is subject to change.

2.20 A major review of the 10 Year General Fund Capital programme is scheduled to take place during 2020/21. Additional costs and any project acceleration activity to support the economic recovery will be considered as part of this review to ensure plans are affordable, prudent and sustainable.

#### **2.21 HRA Capital and Revenue**

2.22 The suspension of works at the end of March will impact on budgets to support the house building programme. Estimated additional costs total £2.996m at this stage, however, the position will continue to be monitored throughout the year.

2.23 At the beginning of the lockdown period, in line with most Councils, steps were taken to suspend recovery of debt owed to the Council. The effect on household income has impacted on the level of Council house rent income generated in recent months. Whilst tenants continue to be supported with flexible repayment arrangements it is anticipated that the level of unpaid rent will exceed the non-recovery rate from previous years. At this stage the financial impact has been assessed at £0.661m for the year.

## 2.24 Cost Reductions

The period of lockdown has also generated reductions in costs across workforce, building and fleet related costs, including overtime, energy, supplies and fuel costs. The level of cost reduction to March 2021 is currently projected at £1.615m. Further savings are anticipated through the year across services and each Director will continue to review budgets and non-priority service levels as part of the recovery and renewal phase through the remainder of the year.

## 2.25 Scottish Government Funding

2.26 Funding from Scottish Government includes support to local authorities, citizens via welfare support, businesses through rates relief and business grants and the 3<sup>rd</sup> sector. Direct funding to local authorities to help mitigate the cost impact of the pandemic, to date totals £7.358m. Included in the report to Cabinet on 30 June 2020 was an indicative allocation of £0.450m in respect of summer free school meal funding. Due to a change to the basis of distribution from the original food fund allocation, the actual confirmed allocation was £0.379m.

2.27 North Ayrshire Council's share of a number of funding support allocations has yet to be confirmed, including recent Education funding announcements and a further share of consequentials. Discussions are also being progressed with COSLA and the Scottish Government around a potential income loss scheme.

Description	All Scotland	NAC 20/21
Barnett Consequentials	£155.000m	£4.104m
Hardship Fund	£50.000m	£1.324m
Food Fund	£30.000m	£1.038m
Additional FSM Funding for Summer	£12.600m	£0.379m
Additional Community Food Funding	£15.000m	£0.498m
Death Registration Services	£0.600m	£0.015m
<b>TOTAL</b>	<b>£263.200m</b>	<b>£7.358m</b>
<b>Other Funding:</b>		
Additional Scottish Welfare Funds	£45.000m	TBC
Council Tax Reduction	£50.000m	TBC
Further Consequentials to LA's	£49.000m	TBC
Income Loss Scheme Recovery	TBC	TBC
Education - Additional Teaching and Support Staff	£50.000m	£0.898m
Education - Digital Inclusion	£25.000m	£0.551m
Education - Re-start Funding for logistics	£20.000m	TBC
Education - Addition Teaching and Support Staff – 2 <sup>nd</sup> Tranche	£30.000m	£0.540m
Education - Further Expenditure Needs for Re-start (Based on Evidence)	£30.000m	TBC
Education - School Transport – Capital Funding	£1.500m	TBC
<b>TOTAL</b>	<b>£300.500m</b>	

## 2.28 Council Reserves

- 2.29 Unearmarked reserves ensure the Council can manage any reasonable level of unexpected financial demands without disrupting delivery of Council services. The level of unearmarked reserves reflects the current financial environment and degree of risk and uncertainty faced. At the time of setting the Budget the potential financial impact of COVID-19 was not known. Consistent with previous years, North Ayrshire Council approved a level of unearmarked reserves of 2% of budgeted expenditure. This equated to £7.159m. Following the closure of the 2019/20 accounts, on 30 June 2020 Cabinet approved the transfer of underspend to reserves to help mitigate the cost impact of the pandemic, taking the level of unearmarked reserves to £9.659m, or 2.7% of budgeted expenditure.
- 2.30 Earmarked reserves at 31 March 2021 total £24.701m. These funds have been set aside to meet future spend commitments.

## 2.31 Further Areas of Cost Risk and Mitigation

### 2.32 Council Tax Income and Sundry Accounts

Council Tax income is forecasting to under recover by £1.085m, primarily related to increased Council Tax Reduction expenditure resulting from the pandemic, and additional provision for debts due to the impact on the debt recovery position. It is anticipated that additional Scottish Government funding will be allocated in relation to the increased Council Tax Reduction expenditure to help mitigate this pressure, however, the amount of allocation is not known at this time.

### 2.33 HSCP

- 2.34 The cost impact on the HSCP is being captured through Local Mobilisation Plans and submitted via the NHS. The return submitted in June indicated a projected additional cost pressure of £7.211m to 31 March, 2021. This includes £5.400m additional costs with the balance represented by the projected impact on savings during the year. To date the IJB has received £3.500m funding from Scottish Government.
- 2.35 The quarter 1 Financial Performance report presented to the IJB on 27 August indicated that the non-delivery of savings during 2020/21 will be contained within the operating budget of the HSCP (excluding COVID costs). Based on a recent assessment of the worst-case scenario of any funding shortfall, this could be in the range of £1.3m to £1.9m. If this gap materialises the HSCP would require to mitigate this pressure later in the year as part of a recovery plan. It is recognised however, that the current financial pressures present a risk to the Council. Cabinet is asked to note this risk within the context of the debt currently owed to the Council, which totals £5.293m at 31 March 2020.

## 2.36 Contractor Claims

Work is ongoing to assess any potential impact from contractor claims associated with the lockdown. This will continue to be examined within the context of Procurement Policy Notes issued by the Cabinet Office as part of the COVID-19 guidance and contractual conditions / clauses. Any financial pressure arising from contractor claims will be considered as part of a review of the capital programme during 2020/21.

## 2.37 Test and Protect

To date any support requirements arising from Test and Protect have been minimal, however, it is recognised that North Ayrshire, along with all regions across the country, is vulnerable to localised outbreaks, following which the demand for support and any associated cost could quickly accelerate. The position will continue to be monitored throughout the year.

## 2.38 **Finance Recovery Plan**

The pandemic presents a significant financial risk to the Council. The level of impact remains fluid both in terms of the cost impact projection and the possibility or anticipation of further Scottish Government funding. The Cabinet report of 30 June 2020 set out a range options to address the financial impact.

## 2.39 **Recommended Recovery Plan Options**

2.40 The options to address the financial pressure have been considered within the context of three main objectives;

- Protect jobs
- Protect priority services
- Minimise any impact on the 2021/22 Budget process

2.41 The financial position will continue to be monitored throughout the year in accordance with the Scottish Government Route Map. It is recognised that further changes will likely occur, whether it is through changes to costs, lost income or funding from Scottish Government. It is therefore important to develop a suite of financial recovery measures which are prioritised and flexible within this context and importantly, are aligned to the three objectives noted above.

## 2.42 General Fund Revenue

2.43 The cost projections include additional staffing costs for Education and Early Years, digital costs, community based childcare provision, cleaning, janitorial and PPE as well as under-recoveries in income associated with the service. The anticipated pressure to March 2021 totals £4.423m, although this is subject to regular monitoring.

- 2.44 To date the Scottish Government has allocated £1.989m funding to support additional costs associated with Teaching and support staff and digital inclusion. Further allocations are anticipated to support additional cleaning, PPE and logistics costs as part of the schools re-start, with the potential for further evidenced based funding to meet specific additional expenditure needs.
- 2.45 Following the announcement from the Scottish Government in May which allows flexible use of specific education resources, an analysis of unallocated resources has been carried out and funding has been identified to help mitigate the additional cost impact. This includes up to £2.600m unallocated revenue funding to support early learning and childcare expansion. It should be stressed however, that the funding required to support delivery of the expansion programme remains in place. The level of drawdown requirement on specific education resources will likely reduce as further Scottish Government funding is allocated. Cabinet should note that this position is reflected in the Financial Performance Report to 30 June 2020.
- 2.46 The projected level of Building Services net lost income for 2020/21 totals £3.914m. This pressure is currently reflected in the Council's General Fund. A corresponding underspend is reflected in the HRA. Following Audit Scotland guidance, even though works have not actually taken place, costs could continue to be charged to the HRA on a fair and reasonable basis. It is recognised that charging the costs wholly to the General Fund is not considered a fair and reasonable approach. It is therefore recommended that a proportion of actual fixed costs incurred by Building Services through the period impacted by the lockdown be recharged to the HRA based on historic levels for housing maintenance activity. It should also be noted that the guidance does not extend to any activity related to the capital programme. Based on current analysis the charge to the HRA is estimated up to £2.000m. The impact to the HRA should be considered within the context of the projected underspend in 2020/21, the current reserves position of £10.898m (including earmarked reserves and contingency of £1.500m) at 31 March 2020 and the capital plans and commitments. Cabinet is asked to approve this approach.
- 2.47 The impact on the delivery of savings approved as part of the 2020/21 Budget process will be monitored and managed across each Directorate. At this time the anticipated financial impact is £0.503m. Each Director will continue to identify further areas of saving which include but are not limited to:
- Further energy / utility savings;
  - Travel expenses / transport;
  - Supplies and services;
  - Vacancy management for non-priority services;
  - Restrictions on non-essential spend; and
  - Review of non-priority operational budgets
- 2.48 Senior officers from North Ayrshire Leisure Ltd (NALL) and the Council continue to work together to progress planning around the re-opening of services and to identify further areas of cost mitigation. The Scottish Government announcement on 20 August 2020 stated that indoor sports facilities and gyms

can re-open from 31<sup>st</sup> August 2020. This announcement is welcome within the context of the financial pressures facing NALL and ultimately the Council. In light of the potential financial pressure of up to £2.743m in 2020/21 it is recognised that in order to ensure NALL continue to operate as a going concern, additional financial support is required from the Council. Cabinet is therefore asked to approve additional cashflow management support to NALL during 2020/21 of up to £2.743m to ensure the organisation can continue to meet their cash liabilities. Officers will continue to work together to identify further savings to mitigate this financial pressure.

- 2.49 North Ayrshire Council has approved unearmarked reserves of 2% of budgeted expenditure. Following the closure of the 2019/20 accounts, on 30 June 2020 Cabinet approved the transfer of underspend to reserves to help mitigate the cost impact of the pandemic, taking the level of unearmarked reserves to £9.659m, or 2.7% of budgeted expenditure at 31 March 2020. Recent financial projections could require a draw on unearmarked reserves of around £3.000m. Any draw on unearmarked reserves below the 2% threshold will require to be re-instated as part of the 2021/22 Budget process, therefore placing further pressure on Council finances. The level of unearmarked reserves required to address the cost impact of the pandemic could be reduced if further Scottish Government funding is made available through the expected share of £49.000m consequentials and potentially through any share of Income loss Recovery scheme. Both are subject to ongoing discussions between COSLA and the Scottish Government. Any funding received would help mitigate the further areas of cost risk noted above and reduce any impact on the 2021/22 Budget process.

2.50 General Fund Capital

Additional costs attributable to delay of works, anticipated increases in contract inflation and additional costs linked to COVID related restrictions as part of the recovery phase will continue to be monitored throughout the year. Cabinet should note that any additional costs will be considered as part of the major review of the 10 Year General Fund Capital programme during 2020/21 to ensure plans are affordable, prudent and sustainable. This review will also include project acceleration activity to support the economic recovery through a Community Wealth Building and green recovery approach.

2.51 HRA Revenue and Capital

Cabinet is asked to note that additional capital costs linked to work delays and contract inflation, revenue costs associated with a projected under-recovery of tenant rent income and through application of a reasonable level of charge from the General Fund in respect of Building Services fixed costs incurred through the lockdown, will be considered within the context of the projected in-year HRA underspend of £4.493m, rent levels and a review of the HRA Business Plan and capital plan.

At 31 March 2020 HRA reserves totaled £10.898m. From this £1.500m is retained as a contingency.

## **2.52 Funding Developments and Financial Flexibilities**

2.53 As outlined in section 2.11 of the report further funding distributions to support the Education re-start are expected to be confirmed by Scottish Government shortly. In terms of general funding support there are two key areas of ongoing discussion between COSLA and the Scottish Government;

- Share of further £49.000m national SG consequentials. It is estimated the NAC share could be around £1.300m and this funding is expected to be released to local authorities.
- Scottish Government Income Loss Recovery Scheme. Currently at discussion stage with no firm commitment from the Scottish Government at this time.

2.54 Running parallel with funding discussions, Directors of Finance and COSLA continue to engage with the Scottish Government around potential areas of financial flexibility in order to provide local authorities with levers to address the financial impact of the pandemic. The areas include;

- 1 Year deferral of principal and interest related to capital borrowing.
- Flexible use of capital grant.
- Recycle funding to local authorities from the underspend in business grants.
- Revenue borrowing powers.

From a NAC perspective any flexible use of capital resources or associated borrowing is unlikely to be considered as it is recognised that capital investment is a crucial element of the North Ayrshire economic recovery. Progress on discussions across these areas will continue to be monitored.

## **3. Proposals**

3.1 That Cabinet:

- (a) Notes the cost impact of COVID-19 to March 2021 based on current projections and assumptions.
- (b) Notes the measures to address the cost impact as part of a Recovery Plan to return a balanced budget for 2020/21.
- (c) Approves additional cashflow management support to North Ayrshire Leisure Ltd (NALL) of up to £2.743m to ensure they continue to operate as a going concern and meet their cash liabilities.
- (d) Following Audit Scotland guidance, approves a charge from the General Fund to the Housing Revenue Account on a fair and reasonable basis for Building Services costs incurred through the period impacted by the lockdown. Based on current analysis the charge to the HRA is estimated up to £2.000m.
- (e) Notes the further areas of cost risk, including the financial projection of the HSCP.

#### **4. Implications/Socio-economic Duty**

##### **Financial**

- 4.1 The projected net cost impact for 2020/21 is £15.475m. This includes revenue and capital costs across both the General Fund and Housing Revenue Account. Further funding support is anticipated from Scottish Government.

##### **Human Resources**

- 4.2 No impact is anticipated at this time. A key objective of the Recovery Plan is to protect jobs and priority services.

##### **Legal**

- 4.3 Council Tax legislation requires Local Authorities to set a tax that will provide sufficient money to meet total estimated expenses to be incurred by that authority during the financial year, together with such additional sums as is required to cover expenses previously incurred; to meet contingencies; and to meet any expense which may fail to be met before the money is received in respect of council tax for the next financial year. The level at which Council Tax is set is inevitably a best estimate based on expected levels of income and expenditure. The availability of unearmarked reserves provides a safeguard against the costs of dealing with an unexpected emergency. Based on the measures outlined in the Finance Recovery Plan, the level of unearmarked reserves is sufficient to meet the anticipated liabilities in 2020/21.

##### **Equality/Socio-economic**

- 4.4 Work within the response phase of the pandemic has sought to mitigate its impact up on our communities. The measures outlined within the Finance Recovery Plan do not impact on those with protected characteristics. There is no impact on socio-economic duty or islands.

##### **Environmental and Sustainability**

- 4.5 A large level of home working continues to have a positive impact on energy consumption across the Council's property estate. Fuel consumption for the Council's vehicle fleet is also significantly lower than a normal business operation.

##### **Key Priorities**

- 4.6 An efficient Council that maximises resources and provides value for money.

##### **Community Wealth Building**

- 4.7 No impact within this report. However, the principles of CWB have helped inform the Financial Recovery Plan.

## **5 Consultation**

- 5.1 Engagement with all Chief Officers in assessing the projected cost impact of COVID-19 and development of recovery options, including senior officers from the HSCP and KA Leisure.

**Mark Boyd**  
Head of Service (Finance)

For further information please contact Mark Boyd, Head of Service (Finance)

### **Background Papers**

None.

## Appendix 1 – COVID-19 Cost Impact Projection to 31 March 2021- July Projection

	Estimated Total Cost £'000	
	Recurring (this column will auto-sum the monthly costs)	One-off (only include here, do not add to monthly total as will result in double counting)
<b>LG Mobilisation Costs</b>	<b>4281</b>	<b>420</b>
<b>Social Care Costs Outwith Remit of IJBs</b>	<b>0</b>	<b>0</b>
Children's Services (non delegated) and ELC	0	0
Criminal Justice Social Care (non delegated)	0	0
Other (non delegated) Social Care costs	0	0
<b>Housing and Support to Vulnerable Communities</b>	<b>3260</b>	<b>0</b>
<b>Workforce Costs (excl IJB workforce)</b>	<b>652</b>	<b>102</b>
<b>Non-Workforce Costs</b>	<b>369</b>	<b>318</b>
<b>Lost Income &amp; Other Costs</b>	<b>4741</b>	<b>45</b>
Closures	2880	45
Fees and Charges	760	0
Other Costs and Lost Income	598	0
Savings not achieved	503	0
<b>Recovery Costs</b>	<b>5183</b>	
Education	1886	
Early Learning and Childcare	897	
Waste and Environment	338	
Culture and Leisure	2042	
Vulnerable Communities	0	
Non-delegated social care	0	
Office estate, etc.	20	
Test, protect & shielding	0	
<b>Overall Total Costs</b>	<b>14205</b>	<b>465</b>
<b>Reduced costs</b>	<b>-1593</b>	<b>-79</b>
<b>Other areas that are to be treated independently</b>		
<b>HRA</b>	7590	0
<b>General Fund Capital</b>	2852	0
<b>Total Projected Cost Impact</b>		<b>£23,440</b>

## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

<b>Title:</b>	<b>Revenue Budget 2020/21: Financial Performance to 30 June 2020</b>
<b>Purpose:</b>	To advise Cabinet of the financial performance for the Council at 30 June 2020.
<b>Recommendation:</b>	That Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) note the current financial projection for the Health and Social Care Partnership at 2.7; and (c) approve the virements detailed in Appendix 7.

### 1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2020/21 were approved by Council on 5 March 2020. The Housing Revenue Account (HRA) Revenue Budget for 2020/21 was approved by Council on 18 December 2019.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the first report for 2020/21 and covers the period to the end of June 2020 (Period 3). Projections to the year-end have been made.
- 1.3 At Period 3 the General Fund is forecasting a net in-year overspend of £4.726m (1.3%) after transferring resources to other funds. Although the majority of savings are on track for delivery by 31 March 2021, a number of services are reporting implementation delays due to the impact of the Covid-19 pandemic.
- 1.4 The Housing Revenue Account is forecasting a net in-year underspend of (£4.493m) (8.9%).

- 1.5 The Health and Social Care Partnership is forecasting an overspend of £0.027m at the end of June 2020. The Council services element of the projected overspend is £0.743m, partly offset by an underspend on the Health services element of (£0.716m). This position excludes any impact presented by Covid-19 which is being monitored in parallel through NHS and the Scottish Government. The return submitted in June indicated a projected additional cost pressure of £7.211m to 31 March, 2021. This includes £5.400m additional costs with the balance represented by the projected impact on savings during the year. To date the IJB has received £3.500m funding from Scottish Government. Based on a recent assessment of the worst-case scenario of any funding shortfall, this could be in the range of £1.3m to £1.9m. If this gap materialises the HSCP would require to mitigate this pressure later in the year as part of a recovery plan. It is recognised however, that the current financial pressure and funding to date presents a risk to the Council.
- 1.6 The major risk to the forecast position is the uncertainty around the progress of the Covid-19 pandemic. The position presented includes the projected impact of £19.2m of additional net service expenditure, offset by (£14.5m) of funding and other mitigations, which has been projected in line with the assumed timing of the Scottish Government's route map. Any resurgence of the virus over the remainder of 2020/21, resulting in further lockdown or shielding requirements, may result in additional costs or lost income.
- 1.7 A separate report on the proposed financial recovery plans, including details of the pressures, any offsetting savings and setting out recommendations for additional mitigations to achieve financial stability, has been prepared for consideration. The report identifies a number of mitigations in relation to the flexible utilisation of funding received in relation to Education specific grants, including Early Learning and Childcare and Attainment Challenge funding. The utilisation of these funds has been incorporated into the reported net in-year overspend and has been utilised to mitigate the Education related pressures, both within Communities and across other services. The impact of other proposed mitigations in relation further charges to the HRA or use of reserves has not been included in this report.

## **2. Background**

### **General Fund**

- 2.1 The Council has set a breakeven budget for 2020/21. In addition to the budget approved on 5 March 2020, earmarked funds of £8.968m have been carried forward from 2019/20 for service expenditure in 2020/21 and are reflected in the figures within the 2020/21 financial performance reports as they are drawn down.
- 2.2 Current financial projections indicate that an in-year overspend of £4.726m, net of transfers to reserves, is anticipated for the year to 31 March 2021. This represents 1.3% of the Council's total budget.

2.3 Details of the current financial projections are summarised in the following table:

	Appendix No	Annual Budget £000's	Projection to 31 March 2021 £000's	Projected Variance for year (Fav)/Adv £000's	Note
<b>Service Expenditure</b>					
Chief Executives	1	20,466	20,980	514	(i)
Communities	2	143,664	145,894	2,230	(ii)
Place	3	65,605	73,582	7,977	(iii)
Other Corporate Services	4	20,774	14,293	(6,481)	(iv)
Sub Total		250,509	254,749	4,240	
Health and Social Care Partnership	8	98,265	98,265	-	2.9
Balance for Services		348,774	353,014	4,240	
Financing Charges	5	13,493	13,493	-	
Contribution to Loans Fund Reserve	5	3,301	3,301	-	
Total Planned Expenditure		365,568	369,808	4,240	
<b>Planned Income</b>					
Aggregate External Finance	5	(304,701)	(304,701)	-	
Council Tax	5	(59,967)	(59,481)	486	(v)
Use of Earmarked Funds	5	(900)	(900)	-	
Total Planned Income		(365,568)	(365,082)	486	
Net Expenditure/ (Income)		-	4,726	4,726	

2.4 The major risk to the forecast position is the uncertainty around the progress of the Covid-19 pandemic. The position presented includes the projected impact of £19.2m of additional net service expenditure, offset by (£14.5m) of funding and other mitigations., A separate report on the financial recovery plans, including details of the pressures, any offsetting savings and setting out recommendations for additional mitigations to achieve financial stability, has been prepared for consideration. The projections within these reports have been based on recovery in line with the assumed timings set out in the Scottish Government's route map. Officers will continue to monitor the impact of these measures on the services. However, any further lockdown or shielding restrictions during 2020/21 may result in additional costs or lost income.

2.5 The reported Planned Income includes a number of adjustments to Scottish Government funding from that included within the budget approved on 5 March 2020, as detailed in the following table:

	Revenue Support Grant £000's	Non Domestic Rates £000's	Specific Grants £000's	TOTAL AEF £000's
<b>Planned Income</b>				
<b>Approved Budget 5 March 2020</b>	<b>(237,968)</b>	<b>(37,364)</b>	<b>(19,565)</b>	<b>(294,897)</b>
<b>Movements:</b>				
Budget Bill Adjustments	(14,863)	12,347		<b>(2,516)</b>
Criminal Justice Social Work			(22)	<b>(22)</b>
Hardship Fund	(1,324)			<b>(1,324)</b>
scottish Welfare Fund	(785)			<b>(785)</b>
Food Fund	(1,038)			<b>(1,038)</b>
Barnett Consequentials	(4,104)			<b>(4,104)</b>
Registration	(15)			<b>(15)</b>
<b>Revised Planned Income</b>	<b>(260,097)</b>	<b>(25,017)</b>	<b>(19,587)</b>	<b>(304,701)</b>

## 2.6 Commentary on Significant Movements from the Revised Budget

The Council's overall financial forecast against the revised budget is an overspend of £4.726m. A brief explanation of the significant movements from the revised budget is outlined below:

### (i) **Chief Executives – overspend of £0.514m**

The projected overspend is primarily related to centrally reported expenditure on Personal Protective Equipment in response to the Covid-19 pandemic, £0.375m, and an under recovery of Housing Benefit Overpayments and Licensing Income arising from the recent lockdown, £0.268m. This has been partly offset by vacancy management savings across services (£0.154m).

### (ii) **Communities – overspend of £2.230m**

The projected overspend is primarily related to net costs in relation to Covid-19. The report identifies a number of mitigations in relation to the flexible utilisation of funding received in relation to Education specific grants, including Early Learning and Childcare and Attainment Challenge funding, and additional Scottish Government funding in relation to additional staffing and digital support. These funds have been utilised to offset Education related Covid-19 pressures of £4.423m within Communities and across other Services.

The primary over and underspends across Communities' services include:

- Within Early Years underspends of (£1.823m) reflect the revised implementation plan for the delivery of 1140hrs, which is currently being developed. The Scottish Government has announced a relaxation of the normal ringfencing arrangements to allow these funds to be utilised to address the impact of Covid-19;
- Across the services, additional staffing pressures of £0.798m have been projected, after the application of additional Scottish Government specific grant funding;
- Reduced non staffing expenditure across schools of (£0.391m) is related to reduced expenditure on Supplies & Services and School Lets during lockdown, partly offset by reduced letting income;
- Within ASN an underspend have been projected in relation to reduced level of external day placements (£0.226m) and an over recovery of income from other local authorities placing children in North Ayrshire establishments (0.152m);
- The importance of cleaning is recognised and additional cleaning arrangements have been put in place across all establishments. Additional costs have been incurred and work is ongoing to capture further cleaning expenditure projected across the Council, noting that additional Scottish Government funding will help mitigate the costs;
- Additional expenditure has been incurred in relation to the provision of digital support and equipment for pupils, £0.725m, partly offset by additional Scottish Government funding of (£0.551m);
- In line with Scottish Government guidance on the flexible utilisation of ringfenced funding, (£0.200m) of Attainment Challenge funding has been identified to address Covid-19 pressures across the services;

- Additional payments to KA Leisure of £2.743m have been projected in relation to lost income as a result of the Covid-19 lockdown measures. Officers will continue to work with KA Leisure throughout 2020/21 to address and mitigate the ongoing financial impact; and
- Within Connected Communities a net overspend of £0.681m has been projected, primarily related to an under recovery of income from across the service as a result of the lockdown, £0.564m, and additional community childcare provision costs, £0.411m, partly offset by reduced expenditure on staffing across the service (£0.243m) and reduced expenditure on property costs related to the lockdown (£0.081m).

**(iii) Place – overspend of £7.977m**

The projected overspend is primarily related to net costs in relation to Covid-19 which have been partly offset by additional funding in relation to Other Housing. The primary over and underspends across services include:

- Building Services, the projected overspend of £3.914m reflects an under recovery of income from revenue and capital works as a result of lockdown requirements, £4.406m, partly offset by reduced expenditure on materials (£0.786m). It is noted that approximately £1.127m of this net overspend relates to HRA work which has been delayed until future years;
- Within Property Management and Investment and Housing Assets and Investment, the projected overspend, £0.710m, is primarily related to the under recovery of income related to significant slippage in the Capital Programme during the lockdown;
- Within Property Running Costs an overspend of £0.275m is projected in relation to the delayed achievement of property rationalisation savings and under recovery of commercial property income;
- Within Facilities Management the projected overspend is £2.556m. There have been delays in the achievement of savings in relation to the provision of 1140 hours in Early Years and the review of Facilities Management provision within schools as a result of the Covid-19 pandemic, £0.259m. In addition, the service has incurred additional net expenditure of £1.052m related to the provision of meals services, including Free School Meals and Community Meals, and the provision of additional cleaning and building security services. An under recovery of income, £1.245m, has been projected in relation to commercial and school meals charges;
- Within Other Housing an underspend of (£0.628m) is projected in relation to additional Mitigation Funding (£0.220m), vacancy management (£0.192m) and increased income in relation to additional temporary accommodation provision and CCTV recharges (£0.846m), partly offset by the costs of the increased provision, £0.631m;
- Within Roads a projected overspend, £0.155m, is primarily related to the purchase of hand sanitiser for all services across the Council, £0.092m, and the delay in achievement of Street Lighting savings, £0.038m;
- Within Streetscene, the costs of contingency bereavement services have been partly offset by reduced overtime during lockdown, with many staff redeployed to support the provision of waste collection services;
- An underspend of (£0.463m) has been projected within Internal Transport, primarily as a result of reduced expenditure on school transport and reduced fuel consumption during lockdown;

- Within Waste Services, the overspend of £1.414m is primarily related to the impact of Covid-19 and includes additional employee costs, £0.240m, vehicle hire costs, £0.130m, increased waste arisings, partly offset by savings from the temporary closure of the Household Waste Recycling Centres, £0.445m and reduced income from commercial waste collection, special uplifts and skip hire, £0.598m;
- Within Planning and Protective Services, the underspend of (£0.160m) is related to vacancy management across the service; and
- Within Economic Development an overspend of £0.121m is primarily related to costs arising from the agreed extension of modern apprentice and skills for life placements, £0.138m. A separate report to Cabinet details the ongoing work concerning the potential recovery of all outstanding funding in relation to the Better Off North Ayrshire Programme. Further income has not been assumed at this time, however the position will continue to be monitored.

(iv) **Other Corporate Items – underspend of £6.481m**

The underspend relates to additional Scottish Government general grant funding received in relation to the Covid-19 pandemic.

(v) **Council Tax – under recovery of £0.486m**

Council Tax income is forecasting to under recover by £1.085m, primarily related to increased Council Tax Reduction expenditure resulting from the Covid-19 pandemic, £0.598m, and additional provision for bad debts due to the impact on the debt recovery position, £0.441m. It is anticipated that additional Scottish Government funding will be allocated in relation to the increased Council Tax Reduction expenditure.

## **Health and Social Care Partnership**

- 2.7 A copy of the HSCP financial performance report as at the end of June 2020 is attached at Appendix 8. The report highlights the key challenges and variances for the Partnership.

The key points for Cabinet to note are summarised below:

- Projected overspend of £0.027m, £0.743m of which relates to services delegated to the Council, partly offset by an underspend on the Health services element of (£0.716m);
- 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;
- This position excludes any impact presented by Covid-19 which is being monitored in parallel through NHS and the Scottish Government. The report highlights additional projected costs in relation to Covid-19 of £7.211m. From recent analysis this position includes £5.400m additional costs with the balance represented by the projected impact on savings during the year. To date the IJB has received £3.500m funding from Scottish Government.

Continued progress towards financial balance together with confirmation of funding in relation to Covid-19 mobilisation costs is essential to minimise further financial risk to the Council within the context of the current debt of £5.293m. The current assessment of the worst-case scenario of any funding shortfall could be in the range of £1.3m to £1.9m. If this gap materialises the HSCP would require to mitigate this pressure later in the year as part of a recovery plan.

## **Savings Update**

2.8 The 2020/21 General Services Revenue Estimates included targets for savings of £4.439m across all services. At 30 June 2020 the majority of savings are on target for delivery by 31 March 2021 with the primary exceptions being those impacted by the Covid-19 pandemic. These include:

- Planned savings from the review of Facilities Management provision across Educational Establishments which are unlikely to be fully achieved due to the additional requirements arising from the Covid-19 pandemic and delays in the implementation of 1140 hours provision within Early Learning and Childcare;
- Planned savings linked to Property Rationalisation which have been delayed due to delays in the review of operational properties and additional service requirements linked to the Covid-19 pandemic;
- Delays in realising savings from the review external residential placements which will not be fully implemented during 2020/21; and
- Other minor shortfall in the delivery of planned savings linked to the revisions required by the Covid-19 pandemic in relation to reviews of the Additional Support Needs and Education Psychology services and the implementation of increased charging for Arran Waste Services and capital programme design work.

In support of the ongoing work to address the financial impact caused by the specific areas of savings unlikely to be achieved in the year, each service will continue to identify further areas of saving which include but are not limited to:

- a. Energy / utility savings;
- b. Travel expenses / transport;
- c. Supplies and services;
- d. Vacancy management for non-priority services;
- e. Restrictions on non-essential spend; and
- f. Review of non-priority operational budgets

## Housing Revenue Account

- 2.9 The Housing Revenue Account budgeted for a breakeven position in 2020/21 and an in-year underspend of (£4.493m) is currently anticipated for the year to 31 March 2021. This is summarised in the following table with further details provided in Appendix 6.

	Annual Budget	Projection to 31 March 2021	Projected Variance for year (Fav)/Adv	Note
	£000's	£000's	£000's	
Employee Costs	4,775	4,775	-	
Property Costs	18,970	15,108	(3,862)	(i)
Supplies and Services	269	276	7	
Transport and Plant Costs	27	37	10	
Administration Costs	1,855	2,044	189	(ii)
Third Party Payments	2,453	2,437	(16)	
Transfer Payments	390	50	(340)	(iii)
Other Expenditure	455	1,076	621	(iv)
Capital Financing	21,369	20,411	(958)	(v)
Gross Expenditure	50,563	46,214	(4,349)	
Income	(50,563)	(50,707)	(144)	(vi)
Net Expenditure	-	(4,493)	(4,493)	

## 2.10 Commentary Significant Movements from the Revised Budget

The projected underspend is primarily related to net costs in relation to Covid-19 which have been partly offset by additional income following an increase in tenanted properties. A brief explanation of the significant movements from the revised budget is outlined below.

### (i) Property Costs – underspend of (£3.862m)

The underspend is primarily related to reduced numbers of repairs, both Void and Responsive, reductions in Planned and Cyclical Maintenance and reductions in the requests for Aids and Adaptations, all resulting from the impact of Covid-19. In all categories and void repairs and electrical testing, partly offset by additional planned works. It is noted that (£0.449m) relates to work which has been delayed until future years;

### (ii) Administration Costs - overspend of £0.189m

The overspend reflects revised central support recharges additional recharges which were not available when the budget was approved.

### (iii) Transfer Payments – underspend of (£0.340m)

The underspend reflects reduced disturbance allowance payments linked to the reduction in repairs noted above. This expenditure has been delayed until future years;

### (iv) Other Expenditure - overspend of £0.621m

The overspend reflects increased provision for bad debts reflecting increased rent arrears in relation to the impact of Covid-19;

(v) **Capital Financing – underspend of (£0.958m)**

The underspend reflects reduced levels of expenditure in relation to the HRA Capital programme as a result of the Covid-19 lockdown measures;

(vi) **Income – over recovery of (£0.144m)**

The over recovery of income is primarily related to an increase in the number of tenanted properties.

### **3. Proposals**

- 3.1 It is proposed that Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) note the current financial projection for the Health and Social Care Partnership at 2.7; and (c) approve the virements detailed in Appendix 7.

### **4. Implications/Socio-economic Duty**

#### **Financial**

4.1 **General Services**

The net projection for the year as at 30 June 2020 is an overspend for the year of £4.726m.

**Housing Revenue Account**

The net projection for the year as at 30 June 2020 is an underspend for the year of £4.493m.

#### **Human Resources**

- 4.2 None.

#### **Legal**

- 4.3 None.

#### **Equality/Socio-economic**

- 4.4 None.

#### **Environmental and Sustainability**

- 4.5 None.

#### **Key Priorities**

- 4.6 This report directly supports the Council Plan 2019 to 2024 by maximising resources and providing value for money to support financially sustainable delivery models.

#### **Community Wealth Building**

- 4.7 None.

## 5. Consultation

- 5.1 Executive Directors have been consulted as part of the review of financial performance and have approved the projected variances contained in this report.

Mark Boyd  
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

### **Background Papers**

General Services Revenue Estimates 2020/21 to 2022/23 - Council 5 March 2020  
Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and Rent Levels for 2020/21 – Council 18 December 2019

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Financial &amp; Customer Services</b>					
FACS Directorate	36	46	10	28%	
Head of Service	133	133	-	0%	
Change Programme	61	61	-	0%	
Audit, Fraud, Safety & Insurance	552	552	-	0%	
Business Support	1,131	1,098	(33)	(3%)	
Corporate Procurement	707	1,082	375	53%	1
Customer Services	5,713	5,854	141	2%	1
Financial Services	1,162	1,176	14	1%	
Revenues	(572)	(572)	-	0%	
<b>Total for Financial &amp; Customer Services</b>	<b>8,923</b>	<b>9,430</b>	<b>507</b>	<b>6%</b>	
<b>People &amp; ICT</b>					
Head of Service	117	117	-	0%	
Employee Services	1,084	1,084	-	0%	
HR & Organisational Development	800	800	-	0%	
ICT	4,873	4,764	(109)	(2%)	2
<b>Total for People &amp; ICT</b>	<b>6,874</b>	<b>6,765</b>	<b>(109)</b>	<b>(2%)</b>	
<b>Recovery &amp; Renewal</b>					
Head of Service	53	53	-	0%	
Transformation	650	642	(8)	(1%)	
<b>Total for Recovery &amp; Renewal</b>	<b>703</b>	<b>695</b>	<b>(8)</b>	<b>(0)</b>	
<b>Democratic Services</b>					
Chief Executive	191	199	8	4%	
Head of Service	114	119	5	4%	
Legal & Licensing	496	645	149	30%	3
Policy, Performance & Elections	513	509	(4)	(1%)	
Communications	456	459	3	1%	
Civil Contingencies	61	61	-	0%	
Committee Services	598	599	1	0%	
Member Services	1,134	1,134	-	0%	
Information Governance	403	365	(38)	(9%)	
<b>Total for Democratic Services</b>	<b>3,966</b>	<b>4,090</b>	<b>124</b>	<b>3%</b>	
<b>Totals</b>	<b>20,466</b>	<b>20,980</b>	<b>514</b>	<b>3%</b>	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	16,008	15,854	(154)	(1%)
Property Costs	68	82	14	21%
Supplies and Services	2,882	3,260	378	13%
Transport and Plant Costs	44	33	(11)	(25%)
Administration Costs	1,483	1,483	-	0%
Other Agencies & Bodies	1,953	1,953	-	0%
Transfer Payments	49,167	49,169	2	0%
Other Expenditure	200	203	3	2%
Capital Financing	-	-	-	-
Gross Expenditure	71,805	72,037	232	0%
Income	(51,339)	(51,057)	282	(1%)
<b>Net Expenditure</b>	<b>20,466</b>	<b>20,980</b>	<b>514</b>	<b>3%</b>

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2020/21**

REPORT FOR THE 3 MONTHS TO 30 JUNE 2020

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Financial &amp; Customer Services - Corporate Procurement / Customer Services</b>
			There is a projected overspend of £0.514m mainly due to the purchase of PPE and the under recovery of Housing Benefit Overpayments
12	375	3125%	Supplies & Services - There is a projected overspend of £0.375m due to COVID-19, purchase of PPE and Working from Home expenses
(411)	139	-34%	Income - There is a projected underrecovery of £0.139m due to limited debt recovery activity in relation to Housing Benefit Overpayments
<b>514</b>			
<b>Note 2</b>			<b>People &amp; ICT - ICT</b>
			There is a projected underspend of £0.109m mainly due to vacancy management
2,910	(100)	-3%	Employee Costs - There is a projected underspend of £0.100m due to vacancy management
13	(9)	-69%	Transport Costs - There is a projected underspend of £0.009m due to staff fares/mileage
<b>(109)</b>			
<b>Note 3</b>			<b>Democratic Services - Legal &amp; Licensing</b>
			There is a projected overspend of £0.149m mainly due to reduced Licensing Income
1,126	21	2%	Employee Costs - There is a projected overspend of £0.021m due to turnover
(717)	129	-18%	Income - There is a projected under-recovery of £0.129m due to a reduction within Licensing Income
(1)			Other minor variances
<b>149</b>			

**COMMUNITIES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	21,700	19,877	(1,823)	-8.4%	1
Primary Education	36,845	37,095	250	0.7%	2
Secondary Education	49,865	49,705	(160)	-0.3%	3
Additional Support Needs	16,050	15,687	(363)	-2.3%	4
Education - Other	3,297	4,417	1,120	34.0%	5
Attainment Challenge	101	(99)	(200)	-198.0%	6
Pupil Equity Fund	4,314	4,314	-	0.0%	
Connected Communities	11,492	14,898	3,406	29.6%	7
<b>Net Total</b>	<b>143,664</b>	<b>145,894</b>	<b>2,230</b>	<b>1.6%</b>	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	115,483	116,064	581	1%
Property Costs	374	293	(81)	(22%)
Supplies and Services	17,789	16,845	(944)	(5%)
Transport and Plant Costs	174	173	(1)	(1%)
Administration Costs	736	647	(89)	(12%)
Other Agencies & Bodies	12,764	14,499	1,735	14%
Transfer Payments	580	580	-	0%
Other Expenditure	-	411	411	
Capital Financing	61	61	-	0%
Gross Expenditure	147,961	149,573	1,612	1%
Income	(4,297)	(3,679)	618	-14%
<b>Net Expenditure</b>	<b>143,664</b>	<b>145,894</b>	<b>2,230</b>	<b>2%</b>

**COMMUNITIES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Early Years Education</b>
1,702	(250)	-15%	Supplies and Services: A projected underspend in Educational supplies due to Covid-19
106	(50)	-47%	Admin costs: A projected underspend in staff training course fees due to Covid-19
4,519	(400)	-9%	Third Party Payments: A projected underspend in payment to private providers due to Covid-19. Private providers have been fully supported during the lockdown period.
	(1,123)		As yet unallocated budget: The Government has recently relaxed the ring fencing arrangements of this funding which allows it to be used to offset other unexpected costs within the service. Budgets that have been allocated are in place to allow the service to meet existing commitments. A revised implementation plan is under development.
<b>(1,823)</b>			
<b>Note 2</b>			<b>Primary Education</b>
34,738	414	1%	Employee Costs: an expected overspend of £0.414m based on recent projections of staff costs against available budgets.
1,482	(143)	-10%	Supplies and Services : a contribution from uncommitted funds of £0.115m towards the Covid-19 Education recovery plan. Also includes a £0.028m underspend in PPP costs due to reduced RPI and utility costs.
144	(77)	-53%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(56)	56	-100%	Income: due to the schools being closed there will be no school let income.
<b>250</b>			
<b>Note 3</b>			<b>Secondary Education</b>
37,230	67	0%	Employee Costs: an expected overspend of £0.067m based on recent projections of staff costs against available budgets.
11,971	(193)	-2%	Supplies and Services : a contribution from uncommitted funds of £0.035m towards the Covid-19 Education recovery plan. Also includes a £0.158m underspend in PPP costs due to reduced RPI and utility costs.
182	(97)	-53%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(65)	63	-97%	Income: due to the schools being closed there will be no school let income.
<b>(160)</b>			
<b>Note 4</b>			<b>ASN</b>
1,010	(226)	-22%	There is an underspend on external day placements as a result of the screening process currently in place. This enables the children to remain in mainstream establishments or in-authority ASN establishments.
(264)	(152)	58%	Other Local Authorities income - other Local Authorities that choose to place children in NAC establishments. The projections indicate an over recovery due to an increase in demand.
15			Other minor movements across various budget lines
<b>(363)</b>			
<b>Note 5</b>			<b>Education Other</b>
3,313	317	10%	Employee costs: Covid-19 Education recovery Plan requires additional teachers that are estimated to cost £0.313m after application of the Scottish Government grant. This includes an overspend of £0.035m in Music service due to unachieved savings
93	719	773%	Supplies and Services Costs : Anticipated level of overspend is currently projected at £0.719m, however this continues to be assessed and includes additional cleaning costs in relation to Covid19, additional sanitising products for schools and IT costs as part of the Education re-start and recovery plan. A further examination of school cleaning expenditure is underway. Costs could be further offset depending on the availability of funding from the Scottish Government
(312)	84	-27%	Income : PPP penalty deductions is estimated to exceed budget by £0.102m. Music charges are expected to under recover by £0.079m and the school let income in regard to PPP schools will under recover by £0.107m
<b>1,120</b>			

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 6</b>			<b>Attainment Challenge</b>
5,918	(200)	-3%	Expected contribution towards the Education Recovery Plan. Government flexibility allows uncommitted budgets to be used to offset other unexpected costs within the service.
	(200)		
<b>Note 7</b>			<b>Connected Communities</b>
7,009	-243	-3%	Employee Costs: projected overspends of £0.108m within Community Development for increased sessional staff to combat Covid-19, offset against projected underspends of £0.302m in Libraries/Community Facilities/Country Parks, which is mainly due to staff costs being reduced due to Covid-19. Projected underspends in CPP of £0.018m and £0.008m in Community Justice.
231	-81	-35%	Property Costs: projected underspends of £0.055m in Libraries, £0.018m in Country Parks and £0.008m in Community Facilities
967	46	5%	Supplies & Services: underspends across all lines of £0.290m, as expenditure has been reduced to partly offset Covid-19 related overspends across various budget lines of £0.336m, the bulk of which £0.307m is relating to supporting the Covid-19 community food hubs
4,495	2,725	61%	Third Party Payments: anticipated increase in subsidy support for NALL of £2.735m due to Covid-19
	411		Other Expenditure: projected costs of Education Recovery Plan for childcare provision due to Covid-19
	564		Income: under recovery in income of £0.564m of which £0.281m in Community Facilities, £0.171m in Arran Outdoor Centre, £0.054m in Libraries and £0.051m in Arts, all due to Covid-19
	(16)		Other minor movements across various budget lines
<b>3,406</b>			

**PLACE**  
**BUDGETARY CONTROL 2019/20**

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
<b>Directorate and Support</b>	£000 208	£000 217	£000 9	4%	
<b>Physical Environment</b>					
Head Of Physical Environment	114	114	-	0%	
Building Services	(2,510)	1,404	3,914	(156%)	1
Property Governance	(50)	(50)	-	0%	
Property Management & Investment	1,408	1,790	382	27%	2
Housing Assets & Investment	-	328	328	0%	3
Property Maintenance	3,616	3,652	36	1%	
Property Running Costs	5,146	5,421	275	5%	4
Energy and Sustainability	4,250	4,270	20	0%	
Facilities Management	13,990	16,546	2,556	18%	5
Other Housing	3,955	3,327	(628)	(16%)	6
<b>Total for Physical Environment</b>	<b>29,919</b>	<b>36,802</b>	<b>6,883</b>	<b>23%</b>	
<b>Commercial Services</b>					
Head Of Commercial Services	201	200	(1)	(0%)	
Roads	6,677	6,832	155	2%	7
Streetscene	4,644	4,661	17	0%	8
Internal Transport	9,816	9,353	(463)	(5%)	9
Waste Resources	7,871	9,285	1,414	18%	10
<b>Total for Commercial Services</b>	<b>29,209</b>	<b>30,331</b>	<b>1,122</b>	<b>4%</b>	
<b>Economic Growth and Regeneration</b>					
Management	253	255	2	0%	
Planning & Protective Services	1,572	1,412	(160)	(10%)	11
Economic Development	4,444	4,565	121	3%	12
<b>Total for Economic Growth and Regeneration</b>	<b>6,269</b>	<b>6,232</b>	<b>(37)</b>	<b>(1%)</b>	
<b>Net Total</b>	<b>65,605</b>	<b>73,582</b>	<b>7,977</b>	<b>12%</b>	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	54,402	54,802	400	1%
Property Costs	21,008	21,690	682	3%
Supplies and Services	12,802	12,892	90	1%
Transport and Plant Costs	7,327	7,224	(103)	(1%)
Administration Costs	1,274	1,295	21	2%
Other Agencies & Bodies	18,283	18,872	589	3%
Transfer Payments	966	966	-	0%
Other Expenditure	361	498	137	38%
Capital Financing	-	-	-	
<b>Gross Expenditure</b>	<b>116,423</b>	<b>118,239</b>	<b>1,816</b>	<b>2%</b>
<b>Income</b>	<b>(50,818)</b>	<b>(44,657)</b>	<b>6,161</b>	<b>(12%)</b>
<b>Net Expenditure</b>	<b>65,605</b>	<b>73,582</b>	<b>7,977</b>	<b>12%</b>

**PLACE**  
**FINANCIAL PERFORMANCE 2018/19**

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Building Services</b>
7,881	90	1%	Employee costs: A projected overspend due to additional labour required in the second half of the year
4,595	(786)	(17%)	Supplies & Services: A projected underspend of £0.786m in materials due to a reduced workload as a result of Covid-19. Of this total underspend it is expected that £0.540m is related to expenditure delayed until future years.
2,841	230	8%	Third Party Payments: A projected overspend in Agency costs of £0.439m partially offset by an underspend in payments to contractors of £0.209m due to Covid-19.
(19,048)	4,406	(23%)	Income: There is a projected under recovery of income across various income streams due to Covid-19. £1.667m of this is income delayed until future years.
	(26)		Other minor movements
	3,914		
<b>Note 2</b>			<b>Property Management and Investment</b>
61	30	49%	Supplies & Services: There is a projected overspend of £0.030m for additional IT equipment due to the Covid-19.
51	4	8%	Admin Costs: There is a projected overspend of £0.004m for additional mobile phones for staff due to the Covid-19.
(1,364)	348	(26%)	Income: There is a projected under-recovery of income totalling £0.348m consisting of a £0.295m reduction in normal staff activities due to the lockdown which will not now be recharged to capital. A further £0.048m under-achievement in factoring income is due to a delay in implementing the new charging policy.
	382		
<b>Note 3</b>			<b>Housing Assets and Investments</b>
1,951	300	15%	Income: due to Covid-19 there is an element of income that will be non recoverable from the HRA Capital budget
	28		Other minor movements
	328		
<b>Note 4</b>			<b>Property Running Costs</b>
6,706	168	3%	Net Property Costs - There is a projected overspend of £0.204m which is mainly due to under-achievement of previously approved savings of £0.166m in relation to rationalisation of properties. A further £0.010m relates to legal fees for the new ASN school due to Covid-19
(1,721)	107	(6%)	Income : There is a projected under-recovery of income totalling £0.107m due to a reduction in rental income from commercial properties (£0.084m) and service charges (£0.023m) due to Covid-19
	275		
<b>Note 5</b>			<b>Facilities Management</b>
			Within FM an underspend in the Early Years budget is likely as a result of the delayed rollout of 1140 hours. The FM budget includes a targeted saving of £0.259m which was to be achieved through a review of catering alongside the early years expansion. Projections will be provided in future reports following a review of the new service delivery models and related budgets.
12,084	704	6%	Employee Costs - £0.376m of the overspend is due to recharges from Building Services, HRA and Other Housing for the staff who helped with the Free School Meal Hubs and Communities Hub. £0.224m of the overspend is due to increased day cleaner presence when schools and other buildings start to re-open; this cost will be offset by additional income from Education and Housing. £0.067m is due to increased security at Trindlemoss and Kyle Road PPE store; this cost will be offset by additional income from HSCP. £0.033m of the overspend relates to the obligation to pay casual staff their historic average weekly hours during lock-down. All these overspends are offset against a £0.269m underspend due to the reduction in the requirement for overtime during lock-down.
4,868	607	12%	Supplies and services - £1.708m of the overspend relates to the increase in food due to the Covid-19 response through Free School Meal Hubs, Community Hubs and meals for Key Worker's children. This food overspend is offset by the saving of £1.278m in food from reduced commercial catering and school meals. £0.067m of the overspend relates to spend on equipment, primarily the purchase of touch screen pre order kiosks for all secondary schools and the purchase of plastic screens for till points in all schools. £0.059m of the overspend relates to vehicle charges for School Meal hub and Community Hub deliveries. £0.026m of the overspend relates to the cost of disposables and £0.025m of the overspend relates to supplies recharged from Building Services, primarily surgical masks.
-4,045	1,245	(31%)	Income - There is a £1.550m under-recovery in commercial and school catering income due to the closure of schools and other buildings. This is offset against additional income of £0.224m from Education and Housing for the increased day cleaner presence and £0.067m from the HSCP for increased security at Trindlemoss and Kyle Road PPE.
	2,556		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 6</b>			<b>Other Housing</b>
4,343	(412)	(9%)	Employee Costs – The projected underspend is mainly due to the Mitigation Funds of £0.220m, which as yet are uncommitted, as well as vacancies across the service
1,688	491	29%	Property Costs – Budgets were based on 170 temporary accommodation units, which has increased to 267 in response to Covid-19. The additional units increases rent charges, cleaning, maintenance, repair and void rent loss. This is offset by the additional rental income generated
125	44	35%	Supplies and Services – The projected overspend is in relation to supplies and PPE required in response to Covid-19 for the CCTV Service. This is offset by the additional income to CCTV
150	96	64%	Other Expenditure - The variance relates to Covid-19 expenditure, £0.090m of which is for costs such as furniture and fittings which were required to set up additional temporary accommodation units. This has been offset by the additional income generated from the units
(4,704)	(846)	18%	Income – The projected over recovery of income relates mainly to the increase in temporary accommodation units, and additional income projected for CCTV from the HRA. This is due to a review of charges to the HRA for the CCTV service, and PPE required in response to Covid-19
	(1)		Other minor movements
	(628)		
<b>Note 7</b>			<b>Roads</b>
4,059	(169)	(4%)	Employee Costs - due to Covid-19, recruitment of various posts has been delayed until later this year.
2,020	130	6%	Supplies and Services - Overspend all due to Covid-19. £0.092m for corporate supplies of hand sanitiser and £0.038m in Lighting as a previously agreed saving which has been delayed due to Covid-19.
1,526	160	10%	Third Party Payments - Overspend all due to Covid-19. £0.120m due to upgrade, patching and drainage work which would otherwise have been completed prior to 19/20 year-end. £0.040m gully cleaning work due for completion in March 2020 but also had to be delayed due to Covid-19.
(1,193)	34	(3%)	Income – Under-recovery of income £0.034m all due to Covid-19.
	155		
<b>Note 8</b>			<b>Streetscene</b>
6,446	(69)	(1%)	Employee Costs: Underspend all due to Covid-19. Reduced staff overtime during lock-down and a reduction in Streetscene activities e.g. reduced Garden Tidy Scheme, reduction in public events. As part of the response to the pandemic, a significant number of Streetscene colleagues were redeployed to Waste Services to ensure uninterrupted operation of our domestic kerbside waste collection service.
182	(46)	(25%)	Property Costs: £0.017m projected underspend in plants and planting due to reduced number of public events. £0.021m underspend in Ground Maintenance which relates to reactive works. £0.018m underspend in street furniture purchases and repairs. These are all Covid-19 related.
129	28	22%	Transport Costs: Overspend all due to Covid-19, including £0.024m in additional vehicle hire costs.
340	91	27%	Supplies and Services: Overspend primarily relates to the Covid-19 contingency arrangements within the Bereavements Service totalling £0.085m. £0.060m of this relates to investment in a joint Ayrshire temporary mortuary facility in Prestwick.
(2,638)	20	(1%)	Income: Under-recovery of income all due to Covid-19 – cancellation of public events, reduced Garden Tidy income etc.
	(7)		Other minor movements.
	17		
<b>Note 9</b>			<b>Internal Transport</b>
4,334	(332)	(8%)	Transport Provision Costs - Underspend all due to Covid-19 closure of schools. It was agreed that current contracts would be paid 75% from April until the end of term in June 2020, in line with the approach taken by most other local authorities.
1,700	(106)	(6%)	Fuel Costs — Underspend all due to Covid-19 and associated decrease in fuel usage during the lockdown.
	(25)		Other minor movements
	(463)		
<b>Note 10</b>			<b>Waste Services</b>
4,560	240	5%	Employee Costs - Overspend of £0.240m of which £0.091m is due to Covid-19. The remainder (i.e. £0.149m) is a reduction of £0.200m from the 2019/20 employee costs outturn position and further measures will be implemented to reduce the overspend during the recovery period of the pandemic.
185	130	70%	Transport Costs- Overspend primarily due to additional vehicles required to deal with the increased waste requirements during Covid-19 (£0.115m).
5,477	445	8%	Third Party Payments – Overspend primarily due to Covid-19 (£0.323m). Waste arisings increased significantly due to people staying at home during lockdown. This has been off-set to a degree by savings in disposal costs arising from HWRC closures (underspend of £0.151m). The remaining overspend is a result of an ongoing downturn (pre-Covid) in the recycle market, increasing our processing costs.
(2,912)	598	(21%)	Income - Overspend due to Covid-19. Under-recovery of income including– commercial waste £0.400m, Special Uplifts £0.105m as part of our strategy to suspend the uplift charge and increase capacity as a result of HWRC closures. A further £0.093m of lost income can be attributed to a reduction in skip hire and other general recycling sales.
545	1	0%	Other Minor Movements
	1,414		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 11</b>			<b>Planning and Protective Services</b>
2,433	(134)	(6%)	Employee Costs - underspends due to vacancy management in Planning £0.016m and Protective Services £0.118m
	(26)		Other Minor Movements
	(160)		
<b>Note 12</b>			<b>Economic Development</b>
876	138	16%	Employee costs - agreed extensions to Modern Apprentices and skill for life trainees due to Covid-19
	(17)		Other Minor Movements
	121		

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,300	2,300	-	0%	
SPT Concessionary Fares	294	294	-	0%	
Ayrshire Joint Valuation Board	824	824	-	0%	
<b>Other Corporate Costs</b>					
Pension Costs	1,895	1,895	-	0%	
Central Telephones	86	86	-	0%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	15,356	8,875	(6,481)	(42%)	1
Insurance Account	19	19	-	0%	
<b>Net Total</b>	<b>20,774</b>	<b>14,293</b>	<b>(6,481)</b>	<b>(31%)</b>	

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2020/21**

REPORT FOR THE 3 MONTHS TO 30 JUNE 2020

Budget £000	Projected Variance £000	Variance as % of budget	Section
	<b>Note 1</b>		<b>Other Corporate Items</b>
15,356	(6,481)	-42%	An underspend of £6.481m is projected in relation to additional Scottish Government non-specific Covid-19 funding which partially offsets the additional expenditure and reduced income reported across other services.
	<b>(6,481)</b>		

**MISCELLANEOUS ITEMS**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	13,493	13,493	-	-	
Contribution to Loans Fund Reserve	3,301	3,301	-	-	
Scottish Government Funding	(304,701)	(304,701)	-	-	
Council Tax	(59,967)	(59,481)	486	(1%)	
Use of Earmarked Funds	(900)	(900)	-	-	
Net Total	(348,774)	(348,288)	486	(0%)	

**Note 1 Council Tax**

Income from Council Tax is forecasting to under recover by £1.085m. This is primarily related to increased Council Tax Reduction expenditure resulting from the Covid-19 pandemic, £0.598m, and additional provision for bad debts due to the impact on the debt recovery position, £0.441m.

Although distribution has not yet been agreed, it is anticipated that additional Scottish Government funding will be allocated in relation to the increased Council Tax Reduction expenditure.

**HOUSING REVENUE ACCOUNT**  
**BUDGETARY CONTROL 2019/20**

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	4,775	4,775	-	0%	
Property Costs					
Responsive Repairs	4,829	3,817	(1,012)	(21%)	
Void Repairs	3,338	2,278	(1,060)	(32%)	
Planned and Cyclical Maintenance	5,905	4,434	(1,471)	(25%)	
Aids and Adaptions	1,571	1,198	(373)	(24%)	
Other property costs	3,327	3,381	54	2%	
Total for Property Costs	18,970	15,108	(3,862)		1
Supplies & Services	269	276	7	3%	
Transport Costs	27	37	10	37%	
Administration Costs	1,855	2,044	189	10%	2
Third Party Payments	2,453	2,437	(16)	(1%)	
Transfer Payments	390	50	(340)	(87%)	3
Other Expenditure	455	1,076	621	136%	4
Capital Financing Costs	21,369	20,411	(958)	(4%)	5
Gross Expenditure	50,563	46,214	(4,349)	(9%)	
Income					
Council House Rents	(49,600)	(49,727)	(127)	0%	
Other Rents	(315)	(309)	6	(2%)	
Recharges	(378)	(378)	-	0%	
Other Income	(270)	(293)	(23)	9%	
Transfer from HRA Reserves	-	-	-	0%	
Total Income	(50,563)	(50,707)	(144)	0%	6
Net Expenditure	-	(4,493)	(4,493)		

**HRA**  
**BUDGETARY CONTROL 2019/20**

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Property Costs</b>
18,970	(3,862)	-20%	There is a projected underspend of £3.862m which is primarily due to £1.012m in Responsive Repairs, £1.060m in Void Repairs and £1.470m in Planned and Cyclical Maintenance. A further underspend of £0.374m is expected for Aids & Adaptations - this is due to fewer requests from the HSCP for adaptations, further impacted by Covid-19. Of this total underspend it is expected that £0.449m is related to delayed expenditure and will be required in future years.
<b>(3,862)</b>			
<b>Note 3</b>			<b>Administration Costs</b>
1,855	189	10%	The projected overspend of £0.189m is primarily due to a change in the way Central Support costs are allocated. This change was agreed after the budget was set.
<b>189</b>			
<b>Note 4</b>			<b>Transfer Payments</b>
390	(340)	-87%	The underspend relates to the reduction in payment of disturbance allowances as a result of Covid-19. This is due to a reduction in the number of repairs which can be carried out this year. This is delayed expenditure and will be incurred in future years.
<b>(340)</b>			
<b>Note 5</b>			<b>Other Expenditure</b>
455	621	136%	The overspend of £0.621m relates to an increase in the provision of bad debts largely due to Covid-19.
<b>621</b>			
<b>Note 6</b>			<b>Capital Financing</b>
9,902	(958)	-10%	Loan Charges - There is an underspend in capital financing costs of £0.958m. This is due to the reduced levels of expenditure currently being experienced in the HRA Capital budget
<b>(958)</b>			
<b>Note 7</b>			<b>Income</b>
(49,600)	(127)	0%	There is an over recovery of Council House rents due to a higher number of tenanted properties than budgeted at the start of the year. It is anticipated that rent arrears will increase by £0.621m, this has been captured within the Bad Debt Provision.
(270)	(17)	6%	Other minor movements
<b>(144)</b>			

HRA reserves and balances	B/fwd from 2019/20	Transfer to / from Reserves	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Balance at 31/03/20
	£m	£m	£m	£m	£m	£m
Council House Building Fund	6.372	-	-	-	(1.227)	5.145
Welfare Reform	1.500	-	-	-	(1.000)	0.500
Contingency Balance	1.500	-	-	4.493	-	5.993
Infrastructure Improvements	0.305	-	-	-	-	0.305
Major Refurbishment Works	0.052	-	-	-	-	0.052
Aids and Adaptations	0.058	-	-	-	-	0.058
Sheltered Housing Works	0.110	-	(0.110)	-	-	-
Additional CFCR	1.000	-	-	-	-	1.000
	<b>10.897</b>	<b>-</b>	<b>(0.110)</b>	<b>4.493</b>	<b>(2.227)</b>	<b>13.053</b>

**Budget Management - 30 June 2020**  
**Virement/Budget Adjustment Requests**

	2020/21		
	Perm (P) / Temp(T)	Virement £m	Directorate Total £m
<b>1) Budget Virements</b>			
<b>Place</b>			
Energy & Sustainability - Carbon Allowances - 3rd Party Payment to Contractor costs	P	-0.349	
Energy & Sustainability - Electricity - Property costs	P	0.278	
Energy & Sustainability - Gas - Property costs	P	0.071	
Facilities Management - Summer Holidays School Meals Grant - Income	T	-0.379	
Facilities Management - Summer Holidays School Meals Grant - Supplies & Services	T	0.379	
			<b>0.000</b>
<b>Communities</b>			
Youth Music Initiative - Creative Scotland Grant - Income	T	-0.164	
Youth Music Initiative - Creative Scotland Grant - Employee Costs	T	0.164	
Sportscotland Grant for Active Schools	T	-0.372	
Active Schools Operational Budget	T	0.372	
Community Justice - South Ayrshire & East Ayrshire - Income	T	-0.100	
Community Justice - South Ayrshire & East Ayrshire - Employee & Project costs	T	0.100	
Communities- Supporting people with food insecurities and other essentials grant - Income	T	-0.498	
Communities - Supporting people with food insecurities and other essentials grant - Supplies and Services	T	0.250	
Communities - Supporting people with food insecurities and other essentials grant - Third Party Payments	T	0.248	
Education - SG grant for recruitment of addt tchr and support staff - Income	T	-0.900	
Education - SG grant for recruitment of addt tchr and support staff - Employee Costs	T	0.900	
			<b>0.000</b>

**Subject:** **2020-21 - Quarter 1 Finance Update**

**Purpose:** To provide an overview of the IJB's financial performance as at Period 3 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 overspend of £0.027m at period 3;
- (b) notes the estimated costs of the Covid mobilisation plan of £7.2m, including savings delays, and the associated funding received to date;
- (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;
- (d) approve the budget changes outlined at section 2.8.

<b>Glossary of Terms</b>	
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

<b>1.</b>	<b>EXECUTIVE SUMMARY</b>
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 June 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	<p>The projected outturn, before the impact of Covid-19, is a year-end overspend of £0.027m for 2020-21, it should be noted that this is the first monitoring period and at a point relatively early in the financial year. 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. The South and East partnerships have not reported a period 3 position therefore these recharges are not included in this report, at this point in time we are not aware of any significant issues.</p>
1.3	<p>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 projection of effectively a break-even position demonstrates the progress made towards financial balance as part of the 2019-20 recovery plan and other service transformation plans contributing to reduced costs. The position also 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 delayed or impacted by the Covid-19 response. If this position can be sustained as we move through the year, and assuming all Covid-19 costs are fully funded, the IJB will secure financial balance and repay £1.5m of the debt to North Ayrshire Council as planned.</p>
1.4	<p>The most up to date position in terms of the mobilisation plan for Covid-19 based on the return to the Scottish Government on 14 August projects £7.2m of a financial impact, which is split between additional costs of £6.1m and anticipated savings delays of £1.1m. 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 we have received a share of £75m nationally (£2m for North Ayrshire) to assist with pressures for social care services, we have not received any funding to date to fund any additional health costs. It is anticipated that further funding will be allocated in the coming weeks and by the end of September to NHS Boards for Health Services.</p>
1.5	<p>Until the funding for Covid-19 is confirmed there is a risk that there may be a shortfall in funding to fully compensate the North Ayrshire IJB for the additional costs. 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"> <li>• There is increasing confidence that additional costs will be funded based on the recently received and future expected funding allocations;</li> <li>• It is likely that any gap will be clearer towards the end of September when NHS Board funding allocations are expected to be confirmed;</li> <li>• The potential worst-case scenario in terms of any funding shortfall would be in the range of £1.3m and £2.7m, if this gap materialises there are areas we could explore to mitigate later in the year as part of a recovery plan if required;</li> <li>• The most significant area of additional Covid cost is the purchase of PPE for social care, the model for the purchase and supply is currently under review and any options to change from the current model are likely to reduce the future estimated costs;</li> </ul>

	<ul style="list-style-type: none"> <li>The period 3 position projects a balanced financial 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.</li> </ul> <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.</p>
<b>2.</b>	<b>CURRENT POSITION</b>
2.1	<p>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.</p> <p>The report also includes detail of the estimated costs and potential financial impact of the Covid-19 response.</p>
	<b>FINANCIAL PERFORMANCE – AT PERIOD 3</b>
2.2	<p>The projected outturn position at period 3 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 £254.208m there is a projected year-end overspend of £0.027m (0.01%). 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 overspend of £0.743m in social care services offset by a projected underspend of £0.716m in health services.</p> <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 also 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>
2.3	<b>Health and Community Care Services</b>
	<p>Against the full-year budget of £69.826m there is an underspend of £1.337m (1.9%). The main variances are:</p>

	<p>a) Care home placements including respite placements (net position after service user contributions) – underspent by £1.397m. 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 quarter of 2020-21 and 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 £0.300m which is due to an overspend on physical disability care packages within the community and direct payments. There is an expectation that there will be some recovery of funds from Direct Payments where services have ceased, this may improve the projected position. 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 postponed towards the year-end due to the Covid response and will be implemented early October.</p> <p>c) Care at home is projected to overspent by £0.016m. Significant progress was made during 2019-20 to reduce the overspend as part of the Financial Recovery Plan, the remaining overspend was considered and addressed as part of the budget approved for 2020-21 as part of the overall budget re-alignment, demand pressures and savings included in the budget. This left care at home with resources to grow the service during the year which has assisted with the response to Covid 19. The financial projections assume maintaining the service at the current level until the end of 2020-21 and also account for the increased costs of transferring work from two of the commissioned framework providers to the in-house service.</p> <p>d) Aids and adaptations projected underspend of £0.300m. There have been significant delays with carrying out assessments and also providing equipment and adaptations during lock down. The year to date spend at quarter 1 is less than £0.100m. It is expected that during the year there will be considerable delays with this spend, the level projected currently is in line with the underspend in 2019-20 and it is likely this underspend will be greater, however this cannot be determined at this stage in the year.</p> <p>e) Carers Act Funding is projected to underspend by £0.150m based on the currently committed spend and delays with taking forward developments to support carers. The total uncommitted budget is £0.267m so 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.</p>
2.4	<b>Mental Health Services</b>
	<p>Against the full-year budget of £77.542m there is a projected underspend of £0.356m (0.5%). The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £1.623m, included within this is £1.435m in relation to community care packages and £0.176m for residential placements. The 2020-21 budget for all adult care packages (LD, PD and MH) were realigned with any projected underspends in other areas being used to reduce the LD projected overspend. 2020-21 savings relating to the implementation of the</p>

Adult Community Support Contract are delayed as the full implementation of the CM2000 system has been postponed as the focus has been on the response to COVID-19, the financial benefits of the system are included in the projection later in the year. 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.

b) Community Mental Health services are projected to underspend by £0.208m mainly due to a reduction in care packages. 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 £1.796m which consists of:

- A projected overspend in Adult Inpatients of £0.271m mainly due to the delay in closing the Lochranza ward on the Ailsa site. This projected overspend has significantly reduced from the position in 2019-20 (£0.549m) as there are firm plans in place to discharge the remaining patients and close the ward during August 2020. Staff re-deployment costs have been included in the projection and the overspend may reduce if alternatives can be identified for displaced staff sooner.
- UNPACS is projected to underspend by £0.187m based on current placements, this is also an improved position from last year.
- A projected underspend of £0.350m 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 (est £0.934m). Staff re-deployment costs have been included in the projection and the underspend may increase if alternatives can be identified for displaced staff sooner.
- A projected underspend in MH Pharmacy of £0.190m 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 £1.4m in 2020-21, further information on this is included in the table below:

Vacancy Savings Target	(£0.400m)
Projected to March 2021	£1.608m
Over/(Under) Achievement	£1.208m

There were significant vacancy savings delivered during 2019-20 from lead partnership services and these were brought into the financial position during the year as it became clear that services were not going to be able to recruit to all vacancies. 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.

	<p>The main areas contributing to this position are noted below:</p> <ul style="list-style-type: none"> <li>• Adult Community Health services £0.143m</li> <li>• Addictions £0.041m</li> <li>• CAMHS £0.160m</li> <li>• Mental Health Admin £0.266m</li> <li>• Psychiatry £0.508m</li> <li>• Psychology £0.447m</li> <li>• Associate Nurse Director £0.043m</li> </ul>
2.5	<b>Children Services &amp; Criminal Justice</b>
	<p>Against the full-year budget of £36.001m there is an overspend of £0.559m (1.6%). The main variances are:</p> <p>a) Looked After and Accommodated Children are projected to overspend by £0.699m. The main areas within this are noted below:</p> <ul style="list-style-type: none"> <li>• Children's residential placements are projected to overspend by £0.721m, as at period 3 there are 18 placements with plans to reduce this by 4 by the end of October and an assumption that there will be no further placements during the year, therefore ending the year with 14 placements. 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 also this has limited the availability of tenancies. However, despite these delays it is positive that there were no children placed into external residential placement during lock down and the numbers did not increase. Children's services are hopeful to further improve the position as we move through the year as starting the 2021-22 financial year with 14 placements will impact on the savings planned for next year.</li> <li>• Fostering placements are projected to overspend by £0.093m based on the budget for 129 places and 133 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.</li> </ul>
2.6	<b>Turnover/Vacancy Savings</b>
	<p>The payroll turnover target has been centralised for 2020-21 as it was noted last year that some service areas have historic targets which cannot be achieved whilst others overachieve, the financial monitoring report was cluttered with over and underspends as a result and a more transparent way to report on progress with the overall achievement of payroll turnover is to manage it centrally. The turnover target for the North Lead Partnership for Mental Health services is detailed within the Lead Partnership information at section 2.4.</p>

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	0.869m
Over/(Under) Achievement	0	0.224m

(\*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 vacancies there have been significant vacancy savings to period 3 due to delays with recruitment and a total of £0.643m 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 65% 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 3 £m
Red	-	0.274
Amber	2.801	1.887
Green	1.060	1.700
<b>TOTAL</b>	<b>3.861</b>	<b>3.861</b>

- 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

	<p>as the introduction of the CM2000 system is on hold as providers are focussing on COVID related service and staffing issues;</p> <p>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.</p> <p>Appendix C provides an overview of the savings plan, this highlights that during 2020-21 it is anticipated that a total of £2.746m of savings will be delivered in-year, with £1.115m of savings potentially delayed or reduced. The delays are 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.</p> <p>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 will be 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 has 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 budget gap rolled forward into 2021-22.</p>
2.8	<p><b>Budget Changes</b></p> <p>The Integration Scheme states that <i>“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”</i>.</p> <p>Appendix D highlights the movement in the overall budget position for the partnership following the initial approved budget.</p> <p><b><i>Reductions Requiring Approval:</i></b></p> <p>The specific reductions the IJB are required to approve are:</p> <ul style="list-style-type: none"> <li>• WAN Circuits Budget Transfer to IT £0.001m</li> <li>• British Sign Language funding to Democratic Services £0.005m</li> <li>• Non-recurring Funding 19/20 £0.388m</li> <li>• Full Year effect of Part Year Reductions £0.054m</li> <li>• Primary Care Prescribing - CRES £0.756m</li> <li>• Funding transfer to Acute (Medical Records) £0.033m</li> <li>• Prescribing Reduction £0.540m</li> <li>• Lochranza Discharges to South HSCP £0.170m</li> </ul> <p>It is recommended that the IJB approve the budget reductions outlined above, some of which relate to changes made and approved during 2019-20.</p>

	<p><b>Future Planned Changes:</b></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><b>NHS – Further Developments/Pan Ayrshire Services</b></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 will be the default position at the start of 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. Neither the East or South partnerships have reported a period 3 position therefore there is no impact or information on the position at period 3 including the impact on the North partnership. At this point in time we are not aware of any significant issues which would impact on the North position.</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. 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. A further update will be provided to IJBs as this work progresses.</p>
	<p><b>COVID-19 – FINANCE MOBILISATION PLAN IMPACT</b></p>
2.10	<p><b>Summary of position</b></p> <p>The IJB were provided with a report on 16 July 2020 which highlighted the potential financial impact of the Covid-19 response and the significant financial risk to the IJB. 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</p>

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. In July the IJB agreed that a follow up report would be presented to the IJB in August outlining the updated cost estimates, the financial year-end projections and any potential funding gap based on scenarios re Covid-19 funding. The IJB also need to consider any action required to recover the financial position in-year.

## 2.11 Mobilisation Plan Costs

The cost return for North Ayrshire HSCP submitted on 22 June 2020 estimated additional costs of £7.255m for the duration of 2020-21. The costs remain estimates as the situation continually evolves and there have been several iterations of the financial plan. The most recent mobilisation plan cost submission submitted on 14 August 2020 estimates the costs to be £7.211m to March 2021.

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 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 mobilisation plan submission is included as Appendix E. The main areas of cost together with the change in estimates from June are summarised below:

Service Area	Previous (22 June 2020) £m	Latest (14 Aug 2020) £m	Increase/ Decrease) £m
Payments to Providers	1.648	1.655	0.007
Personal Protective Equipment (PPE)	1.628	2.052	0.424
Savings Delays	1.508	1.115	-0.393
Nursing – Students and Bank Staff	0.848	0.733	-0.115
Care at Home Capacity	0.669	0.416	-0.253
Loss of Income	0.442	0.442	0.000
Staff Cover	0.425	0.425	0.000
Care Home Beds – Delayed Discharges	0.396	0.396	0.000
Fostering Placements	0.000	0.196	0.196
Other costs	0.221	0.311	0.090
Offsetting cost reductions	-0.530	-0.530	0.000
<b>TOTAL</b>	<b>7.255</b>	<b>7.211</b>	<b>-0.044</b>

Further information on the elements of the plan are included in the IJB report from 16 July 2020. There is little movement in the overall estimated cost but there are some significant movements for individual cost elements, the main areas where estimates have been updated are noted below:

- Payments to providers have been re-phased to reflect the extension of the principles to the end of September and the cessation of support thereafter, this

	<p>is currently being reviewed by COSLA and the Scottish Government to determine the best approach to taper down support and also the model of support for ongoing increases in costs beyond the end of September;</p> <ul style="list-style-type: none"> <li>• PPE returns have been updated to include the continuation of the current purchasing arrangements that are currently in place for social care PPE, i.e. being that social care providers (including the HSCP) primarily source and procure their own supplies and use the cluster PPE hubs as a top up and emergency stock. A business case is being developed by the Scottish Government for approval at the end of August, this will determine the future supply of PPE, a change in approach, for example with SG centrally sourced and supplied PPE will change the estimated future costs;</li> <li>• Savings delays have been re-visited based on the P3 position with a more optimistic view of deliverable savings in the year;</li> <li>• Nursing – Students and Bank staff have been reduced in line with updated cost estimated supplied by NHS finance, the previous estimate was based on limited information provided by NES on the posts, the position has been clarified in relation to the individual students;</li> <li>• Care at Home Capacity has been reduced following analysis of the period 3 position, the original estimate was a 5% increase in capacity, in reality the increase has been less as the 2020-21 budget already allowed for an element of growth within the service, the current estimates include maintaining the current capacity levels until March 2021 and for an additional 20 planned posts;</li> <li>• Fostering placements have been added to the updated plan, there are 20 additional short term placements which have been necessary due to Covid-19, these have been facilitated by the Scottish Government permitting foster carers to look after 3 or more children and it has been difficult to reduce these placements with the impact on Children's Hearings. The updated estimates assume half of these placements will remain at the end of September and all will be removed by December.</li> </ul>
2.12	<p><b>Covid-19 Funding Position</b></p> <p>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.</p> <p>On 12 May 2020 we received confirmation of initial funding of £50 million, particularly to support immediate challenges in the social care sector. This interim funding was released to support sustainability across the sector and the ongoing provision of social care, while further work is undertaken to provide the necessary assurance for further allocations of funding to support additional costs.</p> <p>The share of this allocation is £1.339m for North Ayrshire.</p> <p>Following on from this on 3 August it was confirmed that in recognition of challenges for Local Authorities, IJBs and social care providers, and commensurate with data submitted through the local mobilisation plan financial returns, the Scottish Government would provide an additional tranche of funding up to £50 million to meet costs. The full funding will be provided on the basis of appropriate evidence and assurance in respect of actual expenditure and will continue to be considered within the context of the overall package of financial support. On 10 August it was advised</p>

	<p>that £25m of this funding would be released immediately, the North Ayrshire share is £0.669m and has been allocated on an NRAC/GAE basis in line with the original £50m. The remaining up to £25million as not yet been allocated and the distribution of this funding will be reliant on additional information being provided to the Scottish Government to evidence the funding requirement.</p> <p>To date this is the total funding received to date, i.e. £2.008m towards the social care response. No funding has been allocated for the Health delivered services, the NHS Boards were required to submit detailed quarter 1 returns to the Scottish Government on 14 August and these will inform an allocation towards the end of September, this will include the allocation to IJBs for health services.</p> <p>Whilst the allocations of funding for social care are welcomed to support cash flow for Local Government and provides some assurance that funding will be released, this is clearly not sufficient to fund all of our highlighted pressures and there remains a significant gap.</p>
2.13	<p><b>Covid – Financial Risk</b></p>
	<p>There are a number of financial risks related to the Covid-19 response for North Ayrshire IJB, risks include:</p> <ul style="list-style-type: none"> <li>• Delays in funding being confirmed result in the IJB considering balancing the budget based on funding assumptions in the absence of a confirmed funding allocation;</li> <li>• Scottish Government funding is not sufficient to fully fund the response and there is a shortfall in funding when allocated;</li> <li>• Risk that financial position cannot be recovered in-year and the IJB overspend and add to the debt owed to North Ayrshire Council;</li> <li>• If insufficient funding is provided an exercise will be required at a later stage to re-allocate costs and funding to the 3 IJB areas for Lead Partnership services, this could lead to greater costs being aligned to the North IJB particularly for any shortfall in funding for Primary Care including Covid Assessment Hubs;</li> <li>• Further uncertainty of funding for pressures which may continue beyond 2020-21, including for example PPE;</li> <li>• Currently provider Sustainability Payment Principles are due to cease at the end of September with tapering down of support, some elements may be extended beyond that time, there is an ongoing responsibility for HSCPs to ensure the sustainability of the social care sector;</li> <li>• Financial position from 2021-22 onwards and the impact on public sector funding and the future funding of Health and Social Care services.</li> </ul> <p>The table below summarises the overall estimated Covid-19 costs for the North HSCP alongside the funding received to date to highlight the potential gap:</p>

<b>ESTIMATED COVID COSTS</b>	<b>Social Care £m</b>	<b>Health £m</b>	<b>Total £m</b>
Additional Spend	5.414	0.682	6.096
Delayed Savings	1.115	0	1.115
<b>Total Costs</b>	<b>6.529</b>	<b>0.682</b>	<b>7.211</b>
Covid Funding - to date - £75m social care	(2.008)	0	(2.008)
Up to additional £25m	tbc	0	tbc
<b>Estimated Net Spend (Exc Savings)</b>	<b>3.406</b>	<b>0.682</b>	<b>4.088</b>
Actual Spend to 14 August (exc savings delay)	2.937	0.457	3.394
<b>YTD Net Spend (Exc Savings)</b>	<b>0.929</b>	<b>0.457</b>	<b>1.386</b>

- The savings delays impact estimated at £1.115m has been removed from the above net position as these delays have already been factored into the period 3 position, this is a prudent approach on the basis that despite this financial impact being highlighted on mobilisation plan returns there is no agreement in principle re savings delays being financially compensated for;
- The estimated additional costs to March 2021 compared to the funding received to date leaves an estimated balance of £4.088m for which funding has not yet been received or allocated;
- The year to date spend to 14 August is noted in the table and compared to the funding received to date leaves a gap of £1.386m, this reflects the amount of spend to date which has not yet been funded, cash flow information has been provided to the Scottish Government to inform the further allocation of funding for Social Care.

The funding received to date is not the final allocation of funding for IJBs for the Health and Social Care response to Covid-19, we fully expect to receive an allocation for Health services towards the end of September and the initial allocation of up to £100m for social care services has been allocated in response to cash flow issues faced by some Local Authorities and also to provide confidence that funding will flow through the system to allow for sustainability payments to be made to commissioned social care providers.

To two scenarios below illustrate the estimated worst case scenarios where funding may not be sufficient to cover the estimated costs:

	<b>Total Potential Gap £m</b>
<u>Scenario 1</u>	
£100m NRAC/GAE Social Care & Health Fully Funded	<b>2.737</b>
or:	
<u>Scenario 2</u>	
Policy Areas Fully Funded*	<b>1.311</b>

\*policy areas/decisions including PPE, Sustainability Payments, delayed discharge care home beds, Student Nurses

The estimated worst-case scenario funding shortfall is estimated to be between £1.3m and £2.7m based on the two scenarios above. The below illustrates the ways in which this financial risk can be mitigated:



Given the scale of the financial risk at this stage in the year it is not recommended that the IJB consider a formal financial recovery plan at this time.

This recommendation is on the basis that:

- There is increasing confidence that additional costs will be funded based on the recently received and future expected funding allocations;
- It is likely that any gap will be clearer towards the end of September when NHS Board funding allocations are expected to be confirmed;
- The potential worst-case scenario in terms of any funding shortfall would be in the range of £1.3m and £2.7m, if this gap materialises there are areas we could explore to mitigate later in the year as part of a recovery plan if required;
- The most significant area of additional Covid cost is the purchase of PPE for social care, the model for the purchase and supply is currently under review and any options to change from the current model are likely to reduce the future estimated costs;
- The period 3 position projects a balanced financial 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.

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.

<b>3.</b>	<b>PROPOSALS</b>
<b>3.1</b>	<b><u>Anticipated Outcomes</u></b>
	<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 also to ensure that the IJB is in the position to re-claim funding to compensate for the additional costs.</p>
<b>3.2</b>	<b><u>Measuring Impact</u></b>
	Ongoing updates to the financial position will be reported to the IJB throughout 2020-21.
<b>4.</b>	<b>IMPLICATIONS</b>
<b>Financial:</b>	<p>The financial implications are as outlined in the report.</p> <p>Against the full-year budget of £254.208m there is a projected overspend of £0.027m (0.01%). The report outlines the main variances for individual services.</p> <p>This is an early indication of the projected outturn at the first quarter of the financial year, 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>
<b>Human Resources:</b>	None
<b>Legal:</b>	None
<b>Equality:</b>	None
<b>Children and Young People</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	None
<b>Risk Implications:</b>	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.
<b>Community Benefits:</b>	None

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

<b>4.</b>	<b>CONSULTATION</b>
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 and North Ayrshire Council Head of Finance after the report has been finalised for the IJB.</p>
<b>5.</b>	<b>CONCLUSION</b>
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 overspend of £0.027m at period 3;</p> <p>(b) notes the estimated costs of the Covid mobilisation plan of £7.3m, including savings delays, and the associated funding received to date;</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> <p>(d) approve the budget changes outlined at section 2.8.</p>

**For more information please contact:**

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## 2020-21 Budget Monitoring Report–Objective Summary as at 30 June 2020

## Appendix A

Partnership Budget - Objective Summary	2020/21 Budget								
	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
<b>COMMUNITY CARE AND HEALTH</b>	<b>56,074</b>	<b>54,590</b>	<b>(1,484)</b>	<b>13,752</b>	<b>13,899</b>	<b>147</b>	<b>69,826</b>	<b>68,489</b>	<b>(1,337)</b>
: Locality Services	23,630	22,532	(1,098)	4,799	4,799	0	28,429	27,331	(1,098)
: Community Care Service Delivery	28,608	28,622	14	0	0	0	28,608	28,622	14
: Rehabilitation and Reablement	1,985	1,695	(290)	1,902	1,910	8	3,887	3,605	(282)
: Long Term Conditions	1,487	1,363	(124)	4,941	5,100	159	6,428	6,463	35
: Integrated Island Services	364	378	14	2,110	2,090	(20)	2,474	2,468	(6)
<b>MENTAL HEALTH SERVICES</b>	<b>24,794</b>	<b>26,234</b>	<b>1,440</b>	<b>52,748</b>	<b>50,952</b>	<b>(1,796)</b>	<b>77,542</b>	<b>77,186</b>	<b>(356)</b>
: Learning Disabilities	18,572	20,195	1,623	448	448	0	19,020	20,643	1,623
: Community Mental Health	4,739	4,531	(208)	1,635	1,635	0	6,374	6,166	(208)
: Addictions	1,483	1,508	25	1,340	1,340	0	2,823	2,848	25
: Lead Partnership Mental Health NHS Area Wide	0	0	0	49,325	47,529	(1,796)	49,325	47,529	(1,796)
<b>CHILDREN &amp; JUSTICE SERVICES</b>	<b>32,186</b>	<b>32,745</b>	<b>559</b>	<b>3,815</b>	<b>3,815</b>	<b>0</b>	<b>36,001</b>	<b>36,560</b>	<b>559</b>
Irvine, Kilwinning and Three Towns	3,281	3,236	(45)	0	0	0	3,281	3,236	(45)
Garnock Valley, North Coast and Arran	1,256	1,180	(76)	0	0	0	1,256	1,180	(76)
Intervention Services	2,104	2,094	(10)	315	315	0	2,419	2,409	(10)
Looked After and Accommodated Children	17,626	18,325	699	0	0	0	17,626	18,325	699
Quality Improvement	4,310	4,304	(6)	0	0	0	4,310	4,304	(6)
Public Protection	636	634	(2)	0	0	0	636	634	(2)
Justice Services	2,506	2,504	(2)	0	0	0	2,506	2,504	(2)
Universal Early Years	467	468	1	3,090	3,090	0	3,557	3,558	1
: Lead Partnership NHS Children's Services	0	0	0	410	410	0	410	410	0
<b>PRIMARY CARE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,521</b>	<b>52,521</b>	<b>0</b>	<b>52,521</b>	<b>52,521</b>	<b>0</b>
<b>ALLIED HEALTH PROFESSIONALS</b>				<b>5,443</b>	<b>5,443</b>	<b>0</b>	<b>5,443</b>	<b>5,443</b>	<b>0</b>
<b>MANAGEMENT AND SUPPORT COSTS</b>	<b>7,975</b>	<b>8,186</b>	<b>211</b>	<b>3,888</b>	<b>3,686</b>	<b>(202)</b>	<b>11,863</b>	<b>11,872</b>	<b>9</b>
<b>CHANGE PROGRAMME</b>	<b>1</b>	<b>18</b>	<b>17</b>	<b>1,011</b>	<b>1,011</b>	<b>0</b>	<b>1,012</b>	<b>1,029</b>	<b>17</b>
<b>OUTTURN ON A MANAGED BASIS</b>	<b>121,030</b>	<b>121,773</b>	<b>743</b>	<b>133,178</b>	<b>131,327</b>	<b>(1,851)</b>	<b>254,208</b>	<b>253,100</b>	<b>(1,108)</b>
Return Hosted Over/Underspends East	0	0	0	0	582	582	0	582	582
Return Hosted Over/Underspends South	0	0	0	0	553	553	0	553	553
<b>OUTTURN ON AN IJB BASIS</b>	<b>121,030</b>	<b>121,773</b>	<b>743</b>	<b>133,178</b>	<b>132,462</b>	<b>(716)</b>	<b>254,208</b>	<b>254,235</b>	<b>27</b>

## 2020-21 Budget Monitoring Report – Detailed Variance Analysis

## Appendix B

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>COMMUNITY CARE AND HEALTH</b>	<b>69,826</b>	<b>68,489</b>	<b>(1,337)</b>	
Locality Services	28,429	27,331	(1,098)	<b>Older People care homes inc respite</b> - underspend of £1.475m based on 707 placements. Income from Charging Orders - under recovery of £0.078m <b>Independent Living Services :</b> * Direct Payment packages- overspend of £0.115m on 62 packages. * Residential Packages - overspend of £0.055m based on 33 packages. * Community Packages (physical disability) - overspend of £0.130m based on 48 packages
Community Care Service Delivery	28,608	28,622	14	Outwith the threshold for reporting
Rehabilitation and Reablement	3,887	3,605	(282)	<b>Aids and Adaptations</b> - underspend of £0.290m related to the reduced number of OT assessments taking place during COVID 19.
Long Term Conditions	6,428	6,463	35	Outwith the threshold for reporting
Integrated Island Services	2,474	2,468	(6)	Outwith the threshold for reporting

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>MENTAL HEALTH SERVICES</b>	<b>77,542</b>	<b>77,186</b>	<b>(357)</b>	
Learning Disabilities	19,020	20,643	1,623	<b>Residential Packages-</b> overspend of £0.176m based on 37 current packages. <b>Community Packages (inc direct payments)</b> - overspend of £1.77m based on 334 current packages. The direct payments projection is based on 41 current packages. Covid 19 community service reductions were approx. £154k for first qtr and a further £97k reduction for Day services not delivered
Community Mental Health	6,374	6,166	(209)	<b>Employee costs</b> - on line with budget <b>Community and Residential Packages</b> - underspend of £0.093m based on 94 community packages and 28 residential placements.
Addictions	2,823	2,848	25	Outwith the threshold for reporting
Lead Partnership (MHS)	49,325	47,529	(1,796)	<b>Adult Community</b> - underspend of £0.143m due to vacancies. <b>Adult Inpatients-</b> overspend of £0.271m due to a delay in closing the Lochranza wards. <b>UNPACs</b> - underspend of £0.187m based on current placements and assumed service level agreement costs. <b>Elderly Inpatients</b> - projected underspend of £0.350m which includes the £0.934m of unallocated funding following the elderly MH review. <b>CAMHS</b> - underspend of £0.160m due to vacancies. <b>MH Admin</b> - underspend of £0.266m due to vacancies.. <b>Psychiatry</b> - underspend of £0.508m due to vacancies. <b>MH Pharmacy</b> - underspend of £0.190m mainly within substitute prescribing. <b>Psychology-</b> underspend of £0.447m due to vacancies.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>CHIDREN'S AND JUSTICE SERVICES</b>	<b>36,001</b>	<b>36,560</b>	<b>559</b>	
Irvine, Kilwinning and Three Towns	3,281	3,236	(45)	Outwith the threshold for reporting
Garnock Valley, North Coast and Arran	1,256	1,180	(76)	<p><b>Employee Costs</b> - Projecting £0.054m underspend due to a substantive post being vacant . This will be offsetting an overspend in employee Costs within Quality Improvement.</p> <p><b>Transports costs</b> - Projected underspend of 0.009m due a reduction in spend in Staff Mileage costs, assumes a 70% spend of all mileage budgets across the service.</p> <p><b>Cornerstone Respite</b> - Projected underspend of £0.013m due to respite services not taking place due to COVID.</p>
Intervention Services	2,419	2,409	(10)	Outwith the threshold for reporting
Looked After and Accommodated Children	17,626	18,325	699	<p><b>Employee Costs</b> - Projected overspend of £0.058m which is due to additional hours/overtime hours being worked within the Children's Houses</p> <p><b><u>Looked After Children placements - projected overspend of £0.090m based on the following:-</u></b></p> <p><b>Kinship</b> - projected underspend of £0.076m. Budget for 359 placements, currently 344 placement but projecting 352 placements by the year end.</p> <p><b>Adoption</b> - projected overspend of £0.026m. Budget for 69 placements, currently 71 placements.</p> <p><b>Fostering</b> - projected overspend of £0.93m. Budget for 129 placements, currently 133 placements and projecting 133 placements by the year end.</p> <p><b>Fostering Xtra</b> - projected underspend of £0.050m. Budget for 32 placements, currently 34 placements but projecting 34 placements by the year end.</p> <p><b>Private fostering</b> - projected overspend of £0.003m. Budget for 10 placements, currently 10 placements.</p> <p><b>IMPACCT carers</b> - projected online Budget for 2 placements, currently 2 placements.</p> <p><b>Residential School placements</b> - Projected overspend £0.721m, current number of placements is 18,, assumption that 2 will end in September and 2 ending in October and no further new admissions resulting in 14 placements at the year end. No secure placements.</p>
Quality Improvement	4,310	4,304	(6)	Outwith the threshold for reporting
Public Protection	636	634	(2)	Outwith the threshold for reporting
Justice Services	2,506	2,504	(2)	Outwith the threshold for reporting
Universal Early Years	3,557	3,558	1	Outwith the threshold for reporting
: Lead Partnership NHS Children's Services	410	410	0	Outwith the threshold for reporting
PRIMARY CARE	52,521	52,521	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	5,443	5,443	0	Outwith the threshold for reporting
MANAGEMENT AND SUPPORT	11,863	11,873	10	Outwith the threshold for reporting
CHANGE PROGRAMME & CHALLENGE FUND	1,012	1,029	17	Outwith the threshold for reporting
<b>TOTAL</b>	<b>254,208</b>	<b>253,101</b>	<b>(1,108)</b>	

## 2020-21 Savings Tracker

## Appendix C

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 3	Saving Delivered @ Month 3 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
<b>Children, Families &amp; Criminal Justice</b>								
1	Children and Young People - External Residential Placements	Amber	0.583	Amber	-	0.284	0.299	Currently projecting an overspend. Some plans to move children have been impacted by COVID. Expect to have 14 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 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	Amber	-	-	0.036	Not been able to reduce placements, may progress later in the year.
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.
<b>Mental Health and LD Services</b>								
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 but will be delayed until January 2021.
8	Trindlemoss	Green	0.150	Amber	0.150	-	-	Fully achieved
9	Mental Health - Flexible Intervention Service	Green	0.008	Green	0.008	-	-	Fully achieved, slightly over-delivered (£10k)
<b>Health and Community Care</b>								
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 2021-22.
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, level of service activity within budget.
13	Care at Home - Efficiency and Capacity Improvement	Amber	0.135	Green	-	0.135	-	Expect to fully achieve, level of service activity within budget.
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	Amber	-	-	0.050	New charging policy in place, achieving the saving has been impacted by movement in care home placements.

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 3	Saving Delivered @ Month 3 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
<b>Whole System</b>								
16	Adults - New Supported Accommodation Models	Amber	0.063	Amber	-	0.025	0.038	Project has slipped. Expected completion date is early 2021. Saving was based on 5mths, Assume only 2mths are achieved
17	Adult Community Support - Commissioning of Services	Amber	0.638	Amber	-	0.512	0.126	Implementation of CM2000 was delayed due to Covid, expect to bring system on line for Adult providers from the start of October.
18	Charging Policy - Inflationary Increase	Green	0.050	Amber	-	0.025	0.025	Charging has been suspended during COVID 19, with the exception of care homes and community alarms, expect to bring back on line in September.

<b>TOTAL SOCIAL CARE SAVINGS</b>	<b>3.045</b>	<b>0.489</b>	<b>1.441</b>	<b>1.115</b>
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**Health:**

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 3	Saving Delivered @ Month 3 £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

<b>TOTAL HEALTH SAVINGS</b>	<b>0.816</b>	<b>0.816</b>	<b>0.000</b>	<b>0</b>
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<b>TOTAL NORTH HSCP SAVINGS</b>	<b>3.861</b>	<b>1.305</b>	<b>1.441</b>	<b>1.115</b>
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## 2020-21 Budget Reconciliation

## Appendix D

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			96,963
Rounding error			5
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)
<b>Budget Reported at Month 3</b>			<b>121,030</b>
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)
Lochranza Discharges to South HSCP	3	P	(170)
<b>Budget Reported at Month 3</b>			<b>133,178</b>
<b>COMBINED BUDGET</b>			<b>254,208</b>

## Appendix E

### COVID-19 Local Mobilisation Plan- Financial Plan- H&SCP

Name of Body	North Ayrshire HSCP
Finance Contact:	Caroline Cameron, Chief
Date of last update	11/08/2020

Delayed Discharge Reduction- Assumptions	Supporting Narrative
Delayed Discharge Reduction- Additional Care Home Beds	32 placements from March to date where funding accelerated or agreed to reduce DD in hospital and expediate discharge, further DD in hospital but not all will require care home placement
Delayed Discharge Reduction- other measures	Anam Cara Respite in-house respite facility being used temporarily for step down

H&SCP Costs	Revenue												Revenue	Capital	Body incurring cost (NHS or LA)	Supporting Narrative
	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		
Delayed Discharge Reduction- Additional Care Home Beds	82,102	78,564	78,564	78,564	78,564								396,358		LA	Only requested funding to August on the basis that interim funding is to facilitate discharge and HSCP would have to fund placements in the longer term. This is to fund 32 specific placements, not assuming there will be additional funding for any new discharges to maintain DD performance.
Delayed Discharge Reduction- other measures	5,453	4,362	4,362	4,362	4,362	4,362							27,263		LA	Anam Cara Respite facility being used temporarily for step down - cost is only in relation to lost income from respite charging, existing staff group delivering care
Delayed Discharge Reduction- other measures	60,151												60,151		LA	Adaptations and equipment purchased to get social care surge sites ready for use, would likely to be further costs if sites are required to be brought into use in the future.
Personal protection equipment	259,469	263,477	249,157	142,248	142,248	142,248	142,248	142,248	142,248	142,248	142,248	142,248	2,052,335		NHS/LA	Sourcing majority of PPE for social care locally. Currently sourcing about 85%-95% (range depending on items) of social care PPE supply by HSCP with the rest coming from NSS top up supply. Orders placed totalling £912k as at 18th June. Assumption that from October onwards (linked to MoU for PPE Hub) NSS supply will potentially increase to provide 50% of requirement, however there remains a risk that costs will continue to rise and this depends on arrangement for national distribution.
Deep cleans		224	971										1,195		NHS	
Estates & Facilities cost		4,790	3,549										8,339		NHS	
Additional staff Overtime and Enhancements	70,596	43,682	47,882	50,000	50,000	50,000	25,000	25,000	25,000	12,500	12,500	12,500	424,660		LA	Cost of additional staff hours to cover absence, mainly in Care at Home Services and residential Children's Houses
Additional temporary staff spend - Student Nurses & AHP		227,159	142,067	142,067	142,067	79,704							733,063		NHS	Actual spend to June for student nurses and other nursing and AHP additional hours, from July onwards based on student costs plus £50k estimate of ongoing additional bank hours.
Additional temporary staff spend - Health and Support Care Workers			40,958										40,958		NHS	
Additional costs for externally provided services	220,798	278,694	314,548	264,036	264,036	188,268	25,000	25,000	25,000	25,000	25,000	-	1,655,380			Provision per month for additional payments to providers primarily for PPE and sickness absence, position statement shared with providers in line with COSLA commissioning guidance. Additional provision for occupancy payments to care homes from April to September and assuming tapered reduction in Sept. Included provision for 5% increase in costs for community support services (care at home and adults) from April to September, not included at 25% as not seen requests at that level, this may increase as sickness policy is implemented. Included small provision for support after Sept with PPE and infection control costs. Additional GP sessions for Arran for the hospital and to support local team in co-ordinating planning and response
Additional FHS Payments- GP Practices	13,527	6,203	7,000	7,000	7,000								40,730		NHS	
Loss of income	88,500	88,500	88,500	88,500	88,500								442,500		LA	Ceased provision of day services and respite, also suspended charges for community supports on basis of rapid changes to care, capacity to ensure accurate financially assessed charges and also financial hardship.
Additional Travel Costs		1,304	4,553										5,857			
IT & Telephony Costs		937											937			
Equipment & Sundries		75,584											75,584		NHS/LA	Thermometers moved here from PPE
Children and Family Services	6,952	12,166	20,856	34,760	34,760	34,760	17,380	17,380	17,380				196,394			Additional Fostering Placements, 20 increased placements from April to now which are Covid related temporary placements, delay in children's hearings and housing has led to a delay in moving children on from foster care. Cost of 20 placements as they came on line from April, assume 10 will leave care by Sept and a further 10 between October and December.
Other- Security Costs PPE Store	8,000	8,000	8,000	8,000	8,000	8,000							48,000		LA	
Other- Additional Care at Home Capacity	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		LA	Additional costs for in-house service to ensure service can facilitate hospital discharge and put in place care packages despite operating at high absence levels. Demands for this service have increased with more individuals and families choosing to be cared for at home.
Offsetting cost reductions - HSCP	(108,007)	(108,007)	(108,007)	(68,583)	(68,583)	(68,583)							(529,770)		NHS/LA	
<b>Total</b>	<b>746,386</b>	<b>1,024,484</b>	<b>941,805</b>	<b>789,799</b>	<b>789,799</b>	<b>470,408</b>	<b>241,277</b>	<b>241,277</b>	<b>241,277</b>	<b>211,397</b>	<b>211,397</b>	<b>196,397</b>	<b>6,095,703</b>	<b>-</b>		
<b>Subtotal</b>														<b>6,095,703</b>		
Expected underachievement of savings (HSCP)	139,375	139,375	139,375	139,375	139,375	139,375	46,458	46,458	46,458	46,458	46,458	46,458	1,115,000		NHS/LA	
<b>Total</b>	<b>885,761</b>	<b>1,163,859</b>	<b>1,081,180</b>	<b>929,174</b>	<b>929,174</b>	<b>609,783</b>	<b>287,735</b>	<b>287,735</b>	<b>287,735</b>	<b>257,855</b>	<b>257,855</b>	<b>232,855</b>	<b>7,210,703</b>	<b>-</b>		
<b>Total</b>														<b>7,210,703</b>		

Cash Flow Analysis	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Local Authority- Actual Spend	535,748	831,861	1,050,255	858,028	358,372							
Local Authority- Accrual	904,830	970,158	928,998	787,599	787,599	537,571	287,735	287,735	287,735	257,855	257,855	232,855

## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

<b>Title:</b>	<b>Capital Programme Performance to 31 March 2021</b>
<b>Purpose:</b>	To advise Cabinet of progress in delivering the Capital Investment Programme for 2020/21.
<b>Recommendation:</b>	That Cabinet agrees to (a) approve the revisions to budgets outlined in the report; and (b) note (i) the General Services and HRA revised budgets at 30 June 2020; and (ii) the forecast expenditure to 31 March 2021.

### 1. Executive Summary

- 1.1 The General Services Capital Investment Programme 2020/21 to 2027/28 was approved by Council on 5 March 2020. The Housing Revenue Account (HRA) Capital Investment Programme 2020/21 sits within the updated HRA Business Plan and was approved by Council on 18 December 2020.
- 1.2 This report identifies the current programme for 2020/21, taking account of adjustments made to the initial budgets. The report presents the revised budgets at 30 June 2020 and forecast expenditure to 31 March 2021.
- 1.3 At Period 3 the General Fund is forecasting a projected outturn of £54.924m against a revised budget of £53.709m, an overspend of £1.215m. The HRA is forecasting a projected outturn of £41.798m, a net breakeven position against the revised budget.
- 1.4 Within the General Fund, £21.340m of slippage in the delivery of 2020/21 projects has been reported as a result of the Covid-19 lockdown requirements and a review of the delivery timescales across all projects. This has been partly offset by the previously reported re-profiling of £7.787m from 2019/20 to 2020/21.
- 1.5 Within the HRA, net slippage of £36.129m has been reported as a result of the Covid-19 lockdown requirements and a review of the delivery timescales across all projects. This has been partly offset by the previously reported re-profiling of £9.221m from 2019/20 to 2020/21.

- 1.6 The major risk to the forecast position is the uncertainty around the progress of the Covid-19 pandemic. The position presented includes the revised completion timescales for projects based on the assumed timing of the Scottish Government's route map. Any resurgence of the virus over the remainder of 2020/21, resulting in further delays, may result in additional costs or further slippage. It is recognised that the current projections will be subject to change as the cost impact of the pandemic continues to be assessed throughout the year.

## 2. Background

### General Fund

- 2.1 The following table outlines the movements in the 2020/21 General Services budget:

	2020/21 £m
Budget approved as at 5 March 2020	65.388
a) Changes to Funding	1.874
b) Alterations to phasing of projects:-	
2019/20 to 2020/21	7.787
2020/21 to 2021/22	(21.340)
Budget as at 30 June 2020	53.709

### 2.2 (a) Changes to Funding

The capital programme has been updated to reflect the following changes to funding:

Funding Body	Amount	Comments
Scottish Government	£1.550m	Additional Scottish Government Grant in relation to Lochshore
Sustrans	£0.198m	Additional Grant in relation to the Access Paths Network
Scottish Government	£0.142m	Additional Scottish Government Grant in relation to the Training Station
CSGN	(£0.016m)	Reduced Central Scotland Green Network funding for Lochshore
<b>Total</b>	<b>(£0.228m)</b>	

### 2.3 (b) Alterations to the Phasing of Projects

The reprofiling of £7.787m from 2019/20 to 2020/21 reflects projects not completed within the year and incorporated within the 2020/21 capital programme. This was previously reported within the 2019/20 Capital Programme performance reports.

In addition, the impact of the Covid-19 lockdown measures has required a review of the timescale for delivery of capital projects which has resulted in significant delays in the completion of most projects and a requirement to re-profile a further £21.340m of works for delivery in 2021/22 and beyond, including:

<b>Service</b>	<b>Amount</b>	<b>Project / Comments</b>
<b>Communities</b>	(£2.990m)	Early Learning and Childcare Programme
	(£2.667m)	Moorpark Primary
	(£2.015m)	ASN New Build
	(£1.036m)	Montgomerie Park Primary
	(£0.620m)	Kilwinning Learning Environment
	(£0.137m)	Other minor adjustments
	<b>(£9.465m)</b>	
<b>F&amp;CS</b>	(£1.436m)	ICT Programmes
	<b>(£1.436m)</b>	
<b>HSCP</b>	(£0.249m)	Young Persons Residential and Respite Unit
	(£0.150m)	Carefirst Replacement
	<b>(£0.399m)</b>	
<b>Place</b>	(£2.132m)	Lochshore
	(£1.299m)	VDLF Projects
	(£0.972m)	Largs Promenade Seawall
	(£0.846m)	Montgomerie Park Masterplan
	(£0.450m)	Kilwinning Cemetery
	(£0.431m)	Industrial Portfolio
	(£0.219m)	Other minor adjustments
	<b>(£6.349m)</b>	
<b>Growth and Investment</b>	(£3.691m)	Ardrossan Harbour Interchange
	<b>(£3.691m)</b>	
<b>Total</b>	<b>(£18.084m)</b>	

2.4 This has resulted in a revised 2020/21 budget at 31 March 2020 of £53.709m.

2.5 The impact on budgeted funding, elements of which are related to the profile of expenditure reported above, is a reduction of £11.679m from the approved budget, including:

<b>Category</b>	<b>Amount</b>	<b>Comments</b>
Capital Grants	£0.029m	VDLF, Lochshore and Early Years Grants reprofiled, offset by the new funding noted at 2.2 above
Reserves	(£0.066m)	Reprofiled draws on Capital and Change Funds
CFCR	(£0.600m)	Ardrossan Harbour reprofiled
Other Grants	(£1.219m)	Various Grants reprofiled from 2019/20
Receipts	£0.905m	Reprofiling of Montgomerie Park receipts to future years
Borrowing	£12.630m	Reduced requirement aligned to project slippage
<b>Total</b>	<b>£11.679m</b>	

## 2.6 Capital Expenditure to 31 March 2021

The projections are summarised by service in the following table:

	Budget 2020/21	Carry Forwards and Adjustments	Revised Budget 2020/21	Projected Expenditure / Income to 31 March 2021	Projected Variance Over / (Under)
	£000's	£000's	£000's	£000's	£000's
<u>Expenditure</u>					
Communities	29,664	(9,195)	<b>20,469</b>	21,225	756
Finance and Corporate Support	2,583	(919)	<b>1,664</b>	1,664	-
Health and Social Care Partnership	4,101	1,069	<b>5,170</b>	5,323	153
Place	29,040	(2,879)	<b>26,161</b>	26,467	306
Other including Flexibility	-	245	<b>245</b>	245	-
Total Expenditure	65,388	(11,679)	<b>53,709</b>	54,924	1,215
<u>Income</u>					
General Capital Grant	(27,565)	44	<b>(27,521)</b>	(27,521)	-
Specific Capital Grant	(7,725)	(15)	<b>(7,740)</b>	(7,740)	-
Use of Reserve Funds	(1,374)	(66)	<b>(1,440)</b>	(1,440)	-
Capital Funded from Current Revenue	-	(600)	<b>(600)</b>	(600)	-
Capital Receipts	(3,288)	905	<b>(2,383)</b>	(2,383)	-
Other Grants & Contributions	(100)	(1,219)	<b>(1,319)</b>	(1,319)	-
Prudential Borrowing	(25,336)	12,630	<b>(12,706)</b>	(13,921)	(1,215)
Total Income	(65,388)	11,679	<b>(53,709)</b>	(54,924)	(1,215)

Information on the progress of all projects can be found in Appendix 1.

- 2.7 Additional expenditure of £1.245m related to the Covid-19 lockdown requirements have been identified across a number of projects at this time, including the New Build ASN School, £0.731m, the new Residential Respite Unit, £0.183m, arising from additional contractor costs, and the Upper Garnock Flood Protection Scheme, £0.300m, related to accelerated expenditure. These have been partly offset by a reported underspend of (£0.030m) on the Warrix Avenue project. Further cost risk of £0.973m associated with works delays and contractor inflation across a range of projects continues to be assessed. The additional costs will be addressed as part of the review of the 10 year capital investment programme being undertaken during 2020/21.

## Housing Revenue Account

2.8 The following table outlines the movements in the 2020/21 HRA Capital budget:

	2020/21 £m
Budget approved as at 18 December 2019	68.448
a) Alterations to phasing of projects:-	
2019/20 to 2020/21	9.221
2020/21 to 2021/22	(38.554)
2021/22 to 2020/21	2.683
Budget as at 30 June 2020	41.798

### 2.9 (a) Alterations to the Phasing of Projects

The reprofiling of £9.221m from 2019/20 to 2020/21 reflects projects not completed within the year and incorporated within the 2020/21 capital programme. This was previously reported within the 2019/20 Capital Programme performance reports.

In addition, the impact of the Covid-19 lockdown measures has required a review of the timescale for delivery of capital projects which has resulted in significant delays in the completion of most projects and a requirement to re-profile a further £38.554m of works for delivery in 2021/22 and beyond, including:

Category	Amount	Project / Comments
<b>New Builds</b>	(£4.826m)	St Michael's Wynd
	(£4.196m)	Towerlands
	(£3.322m)	St Colms
	(£2.411m)	Harbourside, Irvine
	(£2.023m)	Braithwic Terrace
	(£1.580m)	Caley Court
	(£1.542m)	House Building General
	(£1.520m)	Garnock Academy Site
	(£1.329m)	Springvale, Saltcoats
	(£2.308m)	Other minor adjustments
	<b>(£24.757m)</b>	
<b>Refurbishments</b>	(£3.031m)	High Flats, Irvine
	(£1.475m)	Other minor adjustments
	<b>(£4.506m)</b>	
<b>Improvements</b>	(£1.507m)	Central Heating
	(£1.160m)	Window Replacement – High Flats, Saltcoats
	(£2.205m)	Other minor adjustments
	<b>(£4.872m)</b>	
<b>Other Capital</b>	(£2.433m)	Detection Equipment
	(£1.986m)	Other minor adjustments
	<b>(£4.419m)</b>	
<b>Total</b>	<b>(£38.554m)</b>	

This has been partly offset by the acceleration of £2.683m of projects for delivery during 2020/21, including:

Category	Amount	Project / Comments
<b>New Builds</b>	£0.876m	Other minor adjustments
	<b>£0.876m</b>	
<b>Refurbishments</b>	£1.376m	Garrier Court
	£0.115m	Other minor adjustments
	<b>£1.491m</b>	
<b>Other Capital</b>	£0.316m	Professional Management Charges
	<b>£0.316m</b>	
<b>Total</b>	<b>£2.683m</b>	

2.10 This has resulted in a revised 2020/21 budget at 30 June 2020 of £41.798m.

2.11 The impact on budgeted funding is a reduction of £26.650m from the approved budget, including:

Category	Amount	Comments
Capital Grants	£3.730m	Reduced contribution from the House Building Fund
Borrowing	£22.920m	Reduced requirement aligned to project slippage
<b>Total</b>	<b>£26.650m</b>	

2.12 Capital Expenditure to 31 March 2021

The projections are summarised in the following table:

	Budget 2020/21	Carry Forwards and Adjustments	Revised Budget 2020/21	Projected Expenditure / Income to 31 March 2021	Projected Variance Over / (Under)
	£000's	£000's	£000's	£000's	£000's
<u>Service</u>					
Expenditure					
Housing Revenue Account	68,448	(26,650)	<b>41,798</b>	41,798	-
Total Expenditure	68,448	(26,650)	<b>41,798</b>	41,798	-
<u>Income</u>					
CFCR	(11,467)	-	<b>(11,467)</b>	(11,467)	-
Capital Grants	(22,905)	3,730	<b>(19,175)</b>	(19,175)	-
Use of Reserves	(2,227)	-	<b>(2,227)</b>	(2,227)	-
Affordable Housing Contribution	(1,290)	-	<b>(1,290)</b>	(1,290)	-
Prudential Borrowing	(30,559)	22,920	<b>(7,639)</b>	(7,639)	-
Total Income	(68,448)	26,650	<b>(41,798)</b>	(41,798)	-

Additional cost risk caused by the impact of COVID-19 through work delays and contract inflation has been estimated at £2.996m at this stage. The situation will continue to be monitored and a review of the Business plan and Capital plan will be undertaken during 2020/21 to address the additional cost pressures. Further Information on the progress of all projects can be found in Appendix 2.

### **3. Proposals**

- 3.1 That Cabinet agrees to (a) approve the revisions to budgets outlined in the report; and (b) note (i) the General Services and HRA revised budgets at 30 June 2020; and (ii) the forecast expenditure to 31 March 2021.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 The financial implications are as outlined in the report. Expenditure will continue to be closely monitored to ensure early action is taken regarding any projected underspends or overspends.

#### **Human Resources**

- 4.2 None.

#### **Legal**

- 4.3 None.

#### **Equality/Socio-economic**

- 4.4 None.

#### **Environmental and Sustainability**

- 4.5 None.

#### **Key Priorities**

- 4.6 This report directly supports the Council Plan 2019 to 2024 by maximising resources and providing value for money to support financially sustainable delivery models.

#### **Community Wealth Building**

- 4.7 None.

## **5. Consultation**

5.1 Progress as outlined in this report has been approved by Executive Directors.

Mark Boyd  
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

### **Background Papers**

Capital Investment Programme 2020/21 to 2027/28 - Council 5 March 2020

Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and Rent Levels for 2020/21 – Council 18 December 2019

Period 3

Project Description	TOTAL PROJECT				CURRENT YEAR 2020/21								
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Revised Base Budget 2020/21	Brought / Carry Forward to 2021/22	Total Revised Budget 2020/21	Year to Date Budget 2020/21	Actual Expenditure to 30 June 2020	Year to date Variance 2020/21	Projected Expenditure to 31st March 2021	Actual Over/ (Under) Spend for 2020/21	True Over/ (Under) Spend
	£	£	£	£	£	£	£	£	£	£	£	£	£
EXPENDITURE													
Communities													
Nursery Education	14,867,067	6,314,619	14,892,067	25,000	7,167,742	(2,990,195)	4,177,547	159	152,140	151,981	4,202,547	25,000	25,000
Primary Schools	19,564,934	396,194	19,564,934	0	4,393,152	(3,702,631)	690,521	0	18,248	18,248	690,521	0	0
Secondary Schools	34,595,435	1,392,890	34,595,435	0	2,172,219	(619,583)	1,552,636	0	21,087	21,087	1,552,636	0	0
Special Education	25,603,692	8,535,465	25,603,692	0	15,974,872	(2,015,417)	13,959,455	553,488	194,160	(359,328)	14,690,655	731,200	731,200
Information & Culture	146,758	7,763	146,758	0	140,195	(137,586)	2,609	0	1,201	1,201	2,609	0	0
Completed Projects	87,877,714	87,477,571	87,877,714	0	85,906	0	85,906	0	(314,237)	(314,237)	85,906	0	0
SUB TOTAL	182,655,599	104,124,502	182,680,599	25,000	29,934,086	(9,465,412)	20,468,674	553,647	72,599	(481,048)	21,224,874	756,200	756,200
Finance & Corporate Support													
Information Technology	412,007	432,533	412,007	0	0	0	0	0	70,526	70,526	0	0	0
Council IT Strategy	6,323,244	1,411,085	6,323,244	0	3,099,832	(1,435,860)	1,663,972	50,000	104,404	54,404	1,663,972	0	0
SUB TOTAL	6,735,250	1,843,618	6,735,250	0	3,099,832	(1,435,860)	1,663,972	50,000	174,930	124,930	1,663,972	0	0
Health & Social Care													
Management & Support	1,054,596	475,749	1,054,596	0	328,847	(150,000)	178,847	0	0	0	178,847	0	0
Housing Non HRA	607,518	22,108	607,518	0	607,518	0	607,518	0	22,108	22,108	607,518	0	0
Adults	5,608,880	5,297,660	5,578,487	(30,393)	260,481	0	260,481	0	(50,739)	(50,739)	230,088	(30,393)	(30,393)
Young People	5,720,000	1,280,821	5,902,800	182,800	4,372,270	(248,938)	4,123,332	120,645	36,254	(84,391)	4,306,132	182,800	182,800
SUB TOTAL	12,990,995	7,076,338	13,143,402	152,407	5,569,116	(398,938)	5,170,178	120,645	7,623	(113,022)	5,322,585	152,407	152,407
Place													
Roads	54,350,542	7,693,984	54,650,542	300,000	13,574,084	(1,134,619)	12,439,465	64,000	250,726	186,726	12,739,465	300,000	300,000
Streetscene	2,820,221	900,336	2,820,221	0	1,463,968	(449,552)	1,014,416	0	(6,365)	(6,365)	1,014,416	0	0
Transport	2,316,866	144,678	2,316,866	0	2,316,866	0	2,316,866	144,678	144,678	0	2,316,866	0	0
Waste Services	14,737,871	14,539,343	14,737,871	0	48,528	0	48,528	0	0	0	48,528	0	0
Renewable Energy	1,120,001	852,536	1,120,001	0	142,744	0	142,744	0	(124,721)	(124,721)	142,744	0	0
Office Accommodation	1,251,191	(1,888)	1,257,191	6,000	1,251,191	0	1,251,191	5,700	(1,888)	(7,588)	1,257,191	6,000	6,000
Other Property	570,871	27,359	570,871	0	548,250	(398,668)	149,582	0	4,738	4,738	149,582	0	0
Regeneration	29,653,984	12,174,248	29,653,984	0	13,795,064	(7,968,504)	5,826,560	87,212	915,328	828,116	5,826,560	0	0
Ayrshire Growth Deal	50,000,000	219,773	50,000,000	0	936,268	0	936,268	0	56,041	56,041	936,268	0	0
Strategic Planning & Infrastructure	2,421,853	6,756,351	2,421,853	0	1,871,846	0	1,871,846	23,758	64,790	41,032	1,871,846	0	0
Completed Projects	30,095,839	19,138,746	30,095,839	0	251,415	(87,579)	163,836	0	(112,685)	(112,685)	163,836	0	0
SUB TOTAL	189,339,238	62,445,465	189,645,238	306,000	36,200,224	(10,038,922)	26,161,302	325,348	1,190,643	865,295	26,467,302	306,000	306,000
Other													
Other	245,018	0	245,018	0	245,018	0	245,018	0	0	0	245,018	0	0
SUB TOTAL	245,018	0	245,018	0	245,018	0	245,018	0	0	0	245,018	0	0
Total Project Expenditure	391,966,100	175,489,924	392,449,507	483,407	75,048,276	(21,339,132)	53,709,144	1,049,640	1,445,795	396,155	54,923,751	1,214,607	1,214,607
Total Project Income					(75,048,276)	21,339,132	(53,709,144)	(14,430,633)	(14,430,633)	0	(54,923,751)	(1,214,607)	(1,214,607)
Total Net Expenditure					0	0	0	(13,380,993)	(12,984,838)	396,155	0	0	0

The following classifications have been used to highlight financial performance against budget



On Target (+0.5% of budget)



Slightly off target (+ 0.5% to 2% of budget, or £0.125m, whichever is less)



Significantly off target (+2% or more of budget, or £0.500m, whichever is less)

The following classifications have been used to highlight delivery performance against original timescales set



On Target (up to 5% delay of original timescales)



Slightly off target (+ 5% to 10% of original timescales)



Significantly off target (+10% or more of original timescales)

**Capital Programme Funding 2020/21**

Funding Description	20/21 Budget at Capital Refresh Mar 2020	Carry Forward from 2019/20	Changes after Capital Refresh Mar 2020	Approved budget at Period 1 used as revised starting point 2020/21	Changes in Year	Revised Budget 20/21	Actual Income to 30 June 2020	Projected Income to 31st March 2021	Variance
	£	£	£	£	£	£	£	£	£
<b>CAPITAL BORROWING</b>									
Prudential Borrowing	25,336,158	2,401,774	-607,234	27,130,698		27,130,698	0	13,920,755	-13,209,943
<b>SUB TOTAL</b>	<b>25,336,158</b>	<b>2,401,774</b>	<b>-607,234</b>	<b>27,130,698</b>	<b>0</b>	<b>27,130,698</b>	<b>0</b>	<b>13,920,755</b>	<b>-13,209,943</b>
<b>SCOTTISH GOVERNMENT FUNDING</b>									
<b>Specific Capital Grants</b>									
Early Learning & Childcare	5,175,610	359,280		5,534,890		5,534,890	3,954,249	2,544,695	
Cycling / Walking /Safer Streets	595,000	44,966	172,000	811,966		811,966	-50,000	811,966	
Vacant & Derelict Land Funding	1,954,070	1,093,196	915,028	3,962,294		3,962,294	2,640,868	2,436,092	
Lochshore - Garnock Community Visitor Hub					1,550,000	1,550,000	0	590,000	
Town Centre Regeneration		220,233	968,000	1,188,233		1,188,233	1,188,233	1,188,233	
Training Station				0	142,150	142,150	0	142,150	
Gaelic Unit Whitehirst Park Primary School		26,872		26,872		26,872	26,872	26,872	
<b>Capital Grants</b>									
Flooding	17,554,000			17,554,000		17,554,000	0	17,554,000	
General Capital Grant	10,011,000		-44,000	9,967,000		9,967,000	6,880,251	9,967,000	
<b>SUB TOTAL</b>	<b>35,289,680</b>	<b>1,744,547</b>	<b>2,011,028</b>	<b>39,045,255</b>	<b>1,692,150</b>	<b>40,737,405</b>	<b>14,640,473</b>	<b>35,261,008</b>	<b>-5,476,397</b>
<b>OTHER INCOME TO PROGRAMME</b>									
<b>Use of Funds :-</b>									
Capital Fund	1,374,000	(12,888)	0	1,361,112	0	1,361,112	0	1,361,112	0
Change & Service Redesign Fund	0	52,789	26,058	78,847	0	78,847	0	78,847	0
CFCR	0	0	600,000	600,000	0	600,000	0	600,000	0
Grants & Contributions	100,599	221,042	903,751	1,225,392	181,216	1,406,608	-209,840	1,319,029	-87,579
Capital Receipts	3,287,851	370,755	75,000	3,733,606	0	3,733,606	0	2,383,000	-1,350,606
<b>SUB TOTAL</b>	<b>4,762,450</b>	<b>631,698</b>	<b>1,604,809</b>	<b>6,998,957</b>	<b>181,216</b>	<b>7,180,173</b>	<b>-209,840</b>	<b>5,741,988</b>	<b>-1,438,185</b>
<b>TOTAL CAPITAL PROGRAMME FUNDING</b>	<b>65,388,288</b>	<b>4,778,019</b>	<b>3,008,603</b>	<b>73,174,910</b>	<b>1,873,366</b>	<b>75,048,276</b>	<b>14,430,633</b>	<b>54,923,751</b>	<b>-20,124,525</b>

COMMUNITIES

CAPITAL MONITORING 2020/21

Project Description	TOTAL PROJECT				2020/21 BUDGETS								DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2020/21	Year to Date Budget 2020/21	Actual Expenditure to 30 June 2020	Year to date Variance 2020/21	Projected Expenditure to 31 March 2021	Actual Over/ (Under) Spend for 20/21	True Over/(Under) Spend	Brought / Carry Forward to 2021/22	Delivery Status Financial	Delivery Status Physical	
	£	£	£	£	£	£	£	£	£	£	£	£			
<a href="#">Nursery Education</a>															
<a href="#">Early Years Programme</a>															
EARLY LEARNING & CHILDCARE FUTURE PROJECTS	457,285	4,073	553,038	95,753	453,212	0	0	0	66,402	(386,810)	95,753	(482,563)	✔	●	Budget to be moved to individual projects once costed and approved. Anticipated that the overall funding will be required to deliver all ELC Projects
ST BRIDGETS EARLY YEARS	851,685	40,015	851,685	0	612,009	0	12,348	12,348	19,042	(592,967)		(592,967)	✔	●	
SPRINGSIDE EARLY YEARS	348,000	50,144	348,000	0	315,711	0	17,854	17,854	315,711	0		0	✔	●	
KILMORY EARLY YEARS	46,290	26,290	46,290	0	20,000	0	0	0	0	(20,000)		(20,000)	✔	●	
ST PETERS EARLY YEARS	1,198,660	492,847	1,222,660	24,000	723,345	0	17,532	17,532	747,345	24,000	24,000	0	✔	●	Securing site for lockdown & regular security visits
ST JOHN OGILVIE EARLY YEARS	150,847	3,814	150,847	0	149,227	0	2,194	2,194	149,227	0		0	✔	●	
MAYFIELD PS EARLY YEARS	147,574	8,860	147,574	0	139,728	0	1,014	1,014	11,014	(128,714)		(128,714)	✔	●	
BEITH PS EARLY YEARS	321,169	13,073	321,169	0	313,497	0	5,402	5,402	18,878	(294,619)		(294,619)	✔	●	
SKELMORLIE PS EARLY YEARS	306,087	8,473	306,087	0	300,288	0	2,674	2,674	15,000	(285,288)		(285,288)	✔	●	
WEST KILBRIDE EARLY EARLY YEARS	185,731	10,455	185,731	0	178,369	0	3,093	3,093	178,369	0		0	✔	●	
GATESIDE EARLY YEARS	417,944	23,907	417,944	0	394,037	0	0	0	394,037	0		0	✔	●	
GARNOCK CAMPUS EARLY YEARS	63,164	340	63,164	0	62,824	0	0	0	62,824	0		0	✔	●	
FAIRLIE EARLY YEARS	163,008	0	163,008	0	163,008	0	0	0	0	(163,008)		(163,008)	✔	●	
DREGHORN EARLY YEARS	117,545	0	117,545	0	117,545	0	0	0	0	(117,545)		(117,545)	✔	●	
CUMBRAE EARLY YEARS	60,864	0	60,864	0	60,864	0	0	0	60,864	0		0	✔	●	
LARGS CAMPUS EARLY YEARS	38,000	0	38,000	0	38,000	0	0	0	38,000	0		0	✔	●	
MOORPARK EARLY YEARS	5,000	0	5,000	0	5,000	0	0	0	5,000	0		0	✔	●	
WINTON EARLY YEARS	20,000	0	20,000	0	20,000	0	0	0	20,000	0		0	✔	●	
PIRNMILL EARLY YEARS	51,755	0	51,755	0	51,755	0	0	0	0	(51,755)		(51,755)	✔	●	
SHISKINE EARLY YEARS	53,420	0	53,420	0	53,420	0	0	0	0	(53,420)		(53,420)	✔	●	
CORRIE EARLY YEARS	25,700	0	25,700	0	25,700	0	0	0	0	(25,700)		(25,700)	✔	●	
LAMLASH EARLY YEARS	300,000	0	300,000	0	0	0	0	0	0	0		0	✔	●	
MARRESS HOUSE	2,503,155	350,852	2,503,155	0	1,143,036	0	15,570	15,570	368,420	(774,616)		(774,616)	✔	●	
<a href="#">Completed Nursery Education</a>															
GLENCAIRN / LOUDON MONTGOMERY EARLY YEARS	170,414	170,414	170,414	0	31	31	31	0	31	0		0	Complete	Complete	
ARDEER EARLY YEARS	222,321	206,592	222,321	0	11,099	0	(4,630)	(4,630)	11,099	0		0	Complete	Complete	
ST JOHNS EARLY YEARS	283,277	283,130	283,277	0	147	0	0	0	147	0		0	Complete	Complete	
KILWINNING (PENNYBURN SCHOOL) EARLY YEARS	645,138	641,374	645,138	0	4,003	0	239	239	4,003	0		0	Complete	Complete	
SPRINGVALE EARLY YEARS	104,401	104,401	104,401	0	97	97	97	(0)	97	0		0	Complete	Complete	
ABBAY / ST LUKES PRIMARY SCHOOL EARLY YEARS	64,614	64,615	64,614	0	31	31	31	0	31	0		0	Complete	Complete	
ST LUKES EARLY YEARS	1,477	1,896	1,477	0	(166)	0	253	253	(166)	0		0	Complete	Complete	
CASTLEPARK EARLY YEARS	244,249	213,556	218,331	(25,918)	25,918	0	(4,776)	(4,776)	0	(25,918)	(25,918)	0	Complete	Complete	Final cost known. Underspend to be returned to the ELC Fund
LAWTHORN EARLY YEARS	198,800	199,250	186,761	(12,039)	23,724	0	24,175	24,175	11,685	(12,039)	(12,039)	0	Complete	Complete	Final cost known. Underspend to be returned to the ELC Fund
HAYOCKS EARLY YEARS	251,774	242,626	242,626	(9,148)	9,148	0	0	0	0	(9,148)	(9,148)	0	Complete	Complete	Final cost known. Underspend to be returned to the ELC Fund
WOODLANDS EARLY YEARS	194,904	176,437	184,348	(10,556)	18,467	0	0	0	7,911	(10,556)	(10,556)	0	Complete	Complete	Final cost known. Underspend to be returned to the ELC Fund
CORSEHILL EARLY YEARS	537,810	506,368	515,789	(22,021)	23,055	0	(8,387)	(8,387)	1,034	(22,021)	(22,021)	0	Complete	Complete	Final cost known. Underspend to be returned to the ELC Fund
CALEDONIA EARLY YEARS	265,927	245,071	260,931	(4,996)	15,566	0	(5,290)	(5,290)	10,570	(4,996)	(4,996)	0	Complete	Complete	Final cost known. Underspend to be returned to the ELC Fund
BLACKLANDS EARLY YEARS	213,440	194,193	202,365	(11,075)	15,062	0	(4,185)	(4,185)	3,987	(11,075)	(11,075)	0	Complete	Complete	Final cost known. Underspend to be returned to the ELC Fund
ST MARKS EARLY YEARS	349,789	345,035	349,789	0	(2,640)	0	(7,394)	(7,394)	(2,640)	0		0	Complete	Complete	
<a href="#">Other Nursery Education</a>															
ANNICK PRIMARY EXT - EARLY YRS PROVISION	3,201,415	1,602,083	3,202,415	1,000	1,683,625	0	84,293	84,293	1,684,625	1,000	1,000	0	✔	●	Antifungicidal wash of walls due to construction stopping before rendering can be complete
<a href="#">Total Nursery Education</a>	14,867,067	6,314,619	14,892,067	25,000	7,167,742	159	152,140	151,981	4,202,547	(2,965,195)	25,000	(2,990,195)			

COMMUNITIES

CAPITAL MONITORING 2020/21

Project Description	TOTAL PROJECT				2020/21 BUDGETS								DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2020/21	Year to Date Budget 2020/21	Actual Expenditure to 30 June 2020	Year to date Variance 2020/21	Projected Expenditure to 31 March 2021	Actual Over/ (Under) Spend for 20/21	True Over/(Under) Spend	Brought / Carry Forward to 2021/22	Delivery Status Financial	Delivery Status Physical	
Primary Schools															
MOORPARK PRIMARY	9,871,465	383,761	9,871,465	0	3,305,262	0	12,443	12,443	638,649	(2,666,613)		(2,666,613)			
MONTGOMERIE PARK SCHOOL	9,659,968	0	9,659,968	0	1,061,018	0	0	0	25,000	(1,036,018)		(1,036,018)			
GAELIC UNIT WHITEHIRST PARK PRIMARY SCHOOL	33,500	12,433	33,500	0	26,872	0	5,805	5,805	26,872	0		0			
Total Primary Education	19,564,934	396,194	19,564,934	0	4,393,152	0	18,248	18,248	690,521	(3,702,631)	0	(3,702,631)			
Secondary Schools															
KILWINNING LEARNING ENVIRONMENT	2,805,435	1,341,539	2,805,435	0	1,165,609	0	4,118	4,118	546,026	(619,583)		(619,583)			
AYRSHIRE COLLEGE PARTNERSHIP DEVELOPMENT	200,000	0	200,000	0	200,000	0	0	0	200,000	0		0			
ARDROSSAN NEW BUILD	31,590,000	51,350	31,590,000	0	806,610	0	16,970	16,970	806,610	0		0			
Total Secondary Education	34,595,435	1,392,890	34,595,435	0	2,172,219	0	21,087	21,087	1,552,636	(619,583)	0	(619,583)			
Special Education															
NEW BUILD ASN SCHOOL	25,603,692	8,535,465	25,603,692	0	15,974,872	553,488	194,160	(359,328)	14,690,655	(1,284,217)	731,200	(2,015,417)			Mainly contractual claim from HubSW and MCS for Covid related issues and additional staff fees
Total Special Education	25,603,692	8,535,465	25,603,692	0	15,974,872	553,488	194,160	(359,328)	14,690,655	(1,284,217)	731,200	(2,015,417)			
Information & Culture															
CASTLES & HISTORIC MONUMENTS	61,758	1,201	61,758	0	61,758	0	1,201	1,201	2,609	(59,149)		(59,149)	Holding Code	Holding Code	
ABBAY TOWER	85,000	6,563	85,000	0	78,437	0	0	0	0	(78,437)		(78,437)	On Hold	OnHold	
Total Information & Cultural	146,758	7,763	146,758	0	140,195	0	1,201	1,201	2,609	(137,586)	0	(137,586)			
Completed Projects															
LARGS ACADEMY	4,030,447	4,019,435	4,030,447	0	12,027	0	1,015	1,015	12,027	0		0	Complete	Complete	
GARNOCK CAMPUS	40,307,259	40,277,925	40,307,259	0	8,632	0	(20,702)	(20,702)	8,632	0		0	Complete	Complete	
AUCHENHARVIE SECONDARY ESTATE LEARNING ENVT	3,131,934	3,041,722	3,131,934	0	34,959	0	(55,253)	(55,253)	34,959	0		0	Complete	Complete	
AUCHENHARVIE PE WORKS	2,249,644	2,183,113	2,249,644	0	30,288	0	(36,243)	(36,243)	30,288	0		0	Complete	Complete	
IRVINE LEISURE CENTRE	22,190,977	21,987,922	22,190,977	0	0	0	(203,054)	(203,054)	0	0		0	Complete	Complete	
Total Completed Projects	87,877,714	87,477,571	87,877,714	0	85,906	0	(314,237)	(314,237)	85,906	0	0	0			
Total Communities	182,655,599	104,124,502	182,680,599	25,000	29,934,086	553,647	72,599	(481,048)	21,224,874	(8,709,212)	756,200	(9,465,412)			

Project Description	TOTAL PROJECT				2020/21 BUDGETS								DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2020/21	Year to Date Budget 2020/21	Actual Expenditure to 30 June 2020	Year to Date Variance 2020/21	Projected Expenditure to 31 March 2021	Actual Over/ (Under) Spend for 20/21	True Over/(Under) Spend	Brought / Carry Forward to 2021/22	Delivery Status Financial	Delivery Status Physical	
	£	£	£	£	£	£	£	£	£	£	£	£			
<a href="#">Information Technology</a>															
PC REPLACEMENT/VIRTUAL DESKTOP *	0	70,526	0	0	0	0	70,526	70,526	0	0		0	✔	✔	
<a href="#">Total Information Technology</a>	412,007	432,533	412,007	0	0	0	70,526	70,526	0	0	0	0			
<a href="#">Council IT Strategy</a>															
SCHOOLS ICT INVESTMENT *	364,414	43,646	364,414	0	364,414	50,000	43,646	(6,354)	364,414	0		0	✔	✔	
TECHNOLOGY INFRASTRUCTURE	93,550	88,038	93,550	0	0	0	(5,513)	(5,513)	0	0		0	✔	✔	
ICT INVESTMENT FUND	2,625,355	66,270	2,625,355	0	1,013,012	0	66,270	66,270	455,370	(557,642)		(557,642)	✔	✔	
WAN	357,100	0	357,100	0	290,680	0	0	0	230,690	(59,990)		(59,990)	✔	✔	
LAN/WiFi	1,173,000	0	1,173,000	0	977,500	0	0	0	258,498	(719,002)		(719,002)	✔	✔	
TELEPHONY	496,693	0	496,693	0	454,226	0	0	0	355,000	(99,226)		(99,226)	✔	✔	
<a href="#">Total IT Strategy</a>	6,323,244	1,411,085	6,323,244	0	3,099,832	50,000	104,404	54,404	1,663,972	(1,435,860)	0	(1,435,860)			
<a href="#">Total Finance &amp; Corporate Support</a>	6,735,250	1,843,618	6,735,250	0	3,099,832	50,000	174,930	124,930	1,663,972	(1,435,860)	0	(1,435,860)			

CAPITAL MONITORING 2020/21

HEALTH & SOCIAL CARE

Project Description	TOTAL PROJECT				2020/21 BUDGETS								DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2020/21	Year to Date Budget 2020/21	Actual Expenditure to 30 June 2020	Year to Date Variance 2020/21	Projected Expenditure to 31 March 2021	Actual Over/ (Under) Spend for 20/21	True Over/(Under) Spend	Brought / Carry Forward to 2021/22	Delivery Status Financial	Delivery Status Physical	
	£	£	£	£	£	£	£	£	£	£	£	£			
Management & Support															
HOME CARE SYSTEM	433,918	391,129	433,918	0	42,789	0	0	0	42,789	0		0	✓	✓	
CAREFIRST IT SYSTEM	120,678	84,620	120,678	0	36,058	0	0	0	36,058	0		0	✓	✓	
CAREFIRST REPLACEMENT	500,000	0	500,000	0	250,000	0	0	0	100,000	(150,000)		(150,000)	✓	✓	
Total Management & Support	1,054,596	475,749	1,054,596	0	328,847	0	0	0	178,847	(150,000)	0	(150,000)			
Housing Non HRA															
IMPROVEMENT GRANTS *	607,518	22,108	607,518	0	607,518	0	22,108	22,108	607,518	0		0	✓	✓	
Total Housing Non HRA	607,518	22,108	607,518	0	607,518	0	22,108	22,108	607,518	0	0	0			
Adults															
TRINDLEMOSS	4,708,607	4,427,780	4,708,607	0	230,088	0	(50,739)	(50,739)	230,088	0	0	0	✓	●	
WARRIX AVENUE	900,273	869,880	869,880	(30,393)	30,393	0	0	0	0	(30,393)	(30,393)	0	✓	✓	
Total Older People	5,608,880	5,297,660	5,578,487	(30,393)	260,481	0	(50,739)	(50,739)	230,088	(30,393)	(30,393)	0			
Young People															
RESIDENTIAL & RESPITE UNIT	5,720,000	1,280,821	5,902,800	182,800	4,372,270	120,645	36,254	(84,391)	4,306,132	(66,138)	182,800	(248,938)	✓	●	Mainly contractual claim from HubSW and MCS for Covid related issues and additional staff fees
Total Young People	5,720,000	1,280,821	5,902,800	182,800	4,372,270	120,645	36,254	(84,391)	4,306,132	(66,138)	182,800	(248,938)			
Total Health & Social Care	12,990,995	7,076,338	13,143,402	152,407	5,569,116	120,645	7,623	(113,022)	5,322,585	(246,531)	152,407	(398,938)			

Place

Project Description	TOTAL PROJECT				2020/21 BUDGETS								DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2020/21	Year to Date Budget 2020/21	Actual Expenditure to 30 June 2020	Year to Date Variance 2020/21	Projected Expenditure to 31 March 2021	Actual Over/ (Under) Spend for 20/21	True Over/ (Under) Spend	Brought / Carry Forward to 2021/22	Delivery Status Financial	Delivery Status Physical	
	£	£	£	£	£	£	£	£	£	£	£	£			
PHYSICAL ENVIRONMENT															
Roads															
ROADS IMPROVE/RECONSTRUCTION *	3,791,852	3,791,852	3,791,852	0	3,791,852	0	(29,388)	(29,388)	3,791,852	0		0	✓	✓	Contractor highlighted increased cost due to restrictions on working practices as a result of Covid. This is best estimate at this stage
LIGHTING *	988,367	62,037	988,367	0	988,367	0	62,037	62,037	988,367	0		0	✓	✓	
UPPER GARNOCK FPS	17,400,000	2,681,936	17,700,000	300,000	6,867,366	10,000	181,193	171,193	7,167,366	300,000	300,000	0	✓	✓	
MILLPORT COASTAL FPS	27,598,000	794,538	27,598,000	0	206,963	10,000	13,610	3,610	206,963	0		0	✓	✓	
MILLBURN FPS	1,100,000	108,800	1,100,000	0	24,917	4,000	0	(4,000)	24,917	0		0	✓	✓	
MILLPORT PIER	500,000	150,080	500,000	0	0	0	0	0	0	0		0	✓	✓	
BRIDGES INFRASTRUCTURE PROG *	400,000	20,274	400,000	0	400,000	40,000	20,274	(19,726)	400,000	0		0	✓	✓	
LARGS PROMENADE SEAWALL	2,171,914	84,468	2,171,914	0	1,091,914	0	3,000	3,000	100,000	(991,914)		(991,914)	✓	●	
PARKING CHARGES & DPE	400,410	0	400,410	0	202,705	0	0	0	60,000	(142,705)		(142,705)	✓	✓	
Total Roads	54,350,542	7,693,984	54,650,542	300,000	13,574,084	64,000	250,726	186,726	12,739,465	(834,619)	300,000	(1,134,619)			
Streetscene															
CEMETERY EXTNS, WALLS & INFRA *	276,412	0	276,412	0	276,412	0	0	0	276,412	0		0	Holding Code	Holding Code	
LAMLASH CEMETERY EXTENSION	706,165	539,115	706,165	0	167,050	0	0	0	167,050	0		0	✓	●	
ARDROSSAN CEMETERY PLOTS AND WALLS	164,319	143,630	164,319	0	14,324	0	(6,365)	(6,365)	14,324	0		0	✓	●	
KILBIRNIE CEMETERY	23,230	23,230	23,230	0	0	0	0	0	0	0		0	✓	✓	
KILWINNING CEMETERY NEW	1,058,552	9,448	1,058,552	0	599,552	0	0	0	150,000	(449,552)		(449,552)	✓	●	
KNADGERHILL CEMETERY EXTENSION	454,122	92,384	454,122	0	361,738	0	0	0	361,738	0		0	✓	●	
DALRY CEMETERY EXTENSION	38,623	36,217	38,623	0	2,406	0	0	0	2,406	0		0	✓	✓	
BEITH CEMETERY ROADS	62,330	52,540	62,330	0	9,790	0	0	0	9,790	0		0	✓	✓	
KILBIRNIE CEMETERY ROADS	36,469	3,773	36,469	0	32,696	0	0	0	32,696	0		0	✓	●	
Total Streetscene	2,820,221	900,336	2,820,221	0	1,463,968	0	(6,365)	(6,365)	1,014,416	(449,552)	0	(449,552)			
Transport															
VEHICLES *	2,316,866	144,678	2,316,866	0	2,316,866	144,678	144,678	0	2,316,866	0		0	✓	✓	
Total Transport	2,316,866	144,678	2,316,866	0	2,316,866	144,678	144,678	0	2,316,866	0	0	0			
Waste Services															
SHEWALTON LANDFILL	13,422,542	13,272,542	13,422,542	0	0	0	0	0	0	0		0	✓	✓	
WASTE COLLECTION REVIEW	1,315,329	1,266,801	1,315,329	0	48,528	0	0	0	48,528	0		0	✓	✓	
Total Waste Services	14,737,871	14,539,343	14,737,871	0	48,528	0	0	0	48,528	0	0	0			
Renewable Energy															
SOLAR PV RETROFIT EXTENSION	120,000	40,845	120,000	0	79,155	0	0	0	79,155	0		0	✓	✓	
NON DOMESTIC ENERGY EFFICIENCY PROGRAMME	1,000,000	811,691	1,000,000	0	63,589	0	(124,721)	(124,721)	63,589	0		0	✓	✓	
Total Renewable Energy	1,120,001	852,536	1,120,001	0	142,744	0	(124,721)	(124,721)	142,744	0	0	0			
Office Accommodation															
PROPERTY LIFECYCLE INVESTMENT *	471,763	1,818	471,763	0	471,763	0	1,818	1,818	471,763	0	0	0	✓	✓	
PLI CENTRAL AVE STREETSCENE DEPOT*	96,000	0	96,000	0	96,000	0	0	0	96,000	0	0	0	✓	✓	
PLI PORTLAND PLACE*	0	0	0	0	0	0	0	0	0	0	0	0	✓	✓	
PLI BLACKLANDS PRIMARY SCHOOL*	3,000	2,726	3,000	0	3,000	0	2,726	2,726	3,000	0		0	✓	✓	
PLI DYKESMAINS PRIMARY SCHOOL*	14,227	(19,773)	14,227	0	14,227	0	(19,773)	(19,773)	14,227	0		0	✓	✓	
PLI ST LUKE'S PRIMARY SCHOOL*	45,779	0	45,779	0	45,779	0	0	0	45,779	0		0	✓	✓	
PLI WEST KILBRIDE PRIMARY*	4,000	3,832	4,000	0	4,000	0	3,832	3,832	4,000	0	0	0	✓	✓	
PLI WHITEHIRST PARK PRIMARY SCHOOL*	72,000	0	72,000	0	72,000	0	0	0	72,000	0		0	✓	✓	
PLI AUCHENHARVIE ACADEMY*	0	2,708	0	0	0	0	2,708	2,708	0	0		0	✓	✓	
PLI IRVINE ROYAL ACADEMY*	150,000	0	150,000	0	150,000	0	0	0	150,000	0		0	✓	✓	
PLI KILWINNING ACADEMY*	2,000	451	2,000	0	2,000	0	451	451	2,000	0		0	✓	✓	
PLI 6A KILWINNING ROAD*	0	116	0	0	0	0	116	116	0	0		0	✓	✓	
PLI GREENWOOD CONFERENCE CTR*	42,158	150	42,158	0	42,158	0	150	150	42,158	0		0	✓	✓	
PLI REDBURN CC*	345,264	5,700	351,264	6,000	345,264	5,700	5,700	0	351,264	6,000	6,000	0	✓	✓	Securing site for lockdown
PLI AUCHENHARVIE GOLF COURSE*	5,000	384	5,000	0	5,000	0	384	384	5,000	0		0	✓	✓	
Total Office Accommodation	1,251,191	(1,888)	1,257,191	6,000	1,251,191	5,700	(1,888)	(7,588)	1,257,191	6,000	6,000	0			

Place

Project Description	TOTAL PROJECT				2020/21 BUDGETS								DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2020/21	Year to Date Budget 2020/21	Actual Expenditure to 30 June 2020	Year to Date Variance 2020/21	Projected Expenditure to 31 March 2021	Actual Over/ (Under) Spend for 20/21	True Over/ (Under) Spend	Brought / Carry Forward to 2021/22	Delivery Status Financial	Delivery Status Physical	
Other Property															
INDUSTRIAL PORTFOLIO *	430,713	0	430,713	0	430,713	0	0	0	0	(430,713)		(430,713)	✓	●	
HOME	7,693	13,854	7,693	0	(6,161)	0	0	0	10,344	16,505		16,505			
BUILD	465	10,730	465	0	(6,727)	0	3,538	3,538	8,813	15,540		15,540			
WOODLANDS PRIMARY PLAYINGFIELD DRAINAGE	132,000	2,775	132,000	0	130,425	0	1,200	1,200	130,425	0		0	✓	●	
Total Property	570,871	27,359	570,871	0	548,250	0	4,738	4,738	149,582	(398,668)	0	(398,668)			
Regeneration															
TOWN CENTRE REGENERATION	1,381,247	217,016	1,381,247	0	1,188,233	27,997	24,002	(3,995)	1,188,233	0		0	✓	✓	
IRVINE HIGH STREET	3,034,498	2,618,081	3,034,498	0	380,423	0	(35,994)	(35,994)	380,423	0		0	✓	✓	
IRVINE HIGH STREET - SHOP FRONTS	150,000	0	150,000	0	150,000	0	0	0	150,000	0		0	✓	✓	
IRVINE HIGH STREET - PHASE 2	359,429	0	359,429	0	359,429	0	0	0	359,429	0		0	✓	✓	
MILLPORT CARS	317,581	0	317,581	0	317,581	0	0	0	317,581	0		0	✓	✓	
MONTGOMERIE PARK MASTERPLAN	6,274,684	1,678,597	6,274,684	0	996,087	0	0	0	150,000	(846,087)		(846,087)	✓	●	
LOCHSHORE, KILBIRNIE	4,407,571	109,300	4,407,571	0	3,344,719	47,348	46,448	(900)	1,212,348	(2,132,371)		(2,132,371)	✓	●	
VDLF 20-21 FUNDS	0	0	0	0	0	0	0	0	0	0		0			
VDLF - IRVINE KYLE ROAD SITE PREP*	1,353,202	1,145,725	1,353,202	0	207,208	0	(269)	(269)	207,208	0		0	✓	✓	
VDLF - ARDROSSAN NORTH SHORE*	1,782,099	1,063,516	1,782,099	0	1,653,631	0	935,048	935,048	1,010,000	(643,631)		(643,631)	✓	●	
VDLF - ANNICKBANK PH 3*	331,000	800	331,000	0	330,200	0	0	0	80,000	(250,200)		(250,200)	✓	●	
VDLF - I3 IRVINE ENTERPRISE*	641,981	0	641,981	0	641,981	0	0	0	236,981	(405,000)		(405,000)	✓	●	
VDLF - DEVELOPMENT WORK*	100,000	0	100,000	0	100,000			0	100,000	0		0	✓	✓	
VDLF - HARBOUR MASTERS OFFICE*	50,000	0	50,000	0	50,000	0		0	50,000	0		0	✓	✓	
VDLF - MAIN ST KILBIRNIE*	28,000	0	28,000	0	28,000			0	28,000	0		0	✓	✓	
VDLF - DALRY RD SALTCOATS*	15,000	0	15,000	0	15,000			0	15,000	0		0	✓	✓	
ARDROSSAN HARBOUR INTERCHANGE	3,922,044	237,142	3,922,044	0	3,691,215	0	6,313	6,313	0	(3,691,215)		(3,691,215)	✓	●	
QUARRY ROAD PHASE 2	5,209,497	5,066,033	5,209,497	0	71,031	0	(72,433)	(72,433)	71,031	0		0	✓	✓	
TRAINING STATION	142,150	11,867	142,150	0	142,150	11,867	11,867	0	142,150	0		0	✓	✓	
VDLF - GAS WORKS (DALRY)*	135,962	12,786	135,962	0	123,176	0	0	0	123,176	0		0	✓	✓	
VDLF - MCDOWALL PLACE, ARDROSSAN*	18,039	13,384	18,039	0	5,000	0	345	345	5,000	0		0	✓	✓	
Total Regeneration	29,653,984	12,174,248	29,653,984	0	13,795,064	87,212	915,328	828,116	5,826,560	(7,968,504)	0	(7,968,504)			

Place

Project Description	TOTAL PROJECT				2020/21 BUDGETS								DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2020/21	Year to Date Budget 2020/21	Actual Expenditure to 30 June 2020	Year to Date Variance 2020/21	Projected Expenditure to 31 March 2021	Actual Over/ (Under) Spend for 20/21	True Over/ (Under) Spend	Brought / Carry Forward to 2021/22	Delivery Status Financial	Delivery Status Physical	
<a href="#">AYRSHIRE GROWTH DEAL</a>															
AYRSHIRE GROWTH DEAL	(0)	219,773	(0)	0	(163,732)	0	56,041	56,041	-163,732	0		0	✓	✓	
AGD - I3 DIGITAL AUTOMATION & TESTING CENTRE (DIFILAB)	4,500,000	0	4,500,000	0	500,000	0	0	0	500,000	0			✓	✓	
AGD - I3 FLEXIBLE BUISNESS SPACE	11,750,000	0	11,750,000	0	250,000	0	0	0	250,000	0			✓	✓	
AGD - HUNTERSTON - CENTRE OF LOW CARBON ENERGY & CIRCULAR	11,500,000	0	11,500,000	0	100,000	0	0	0	100,000	0			✓	✓	
AGD - IRVINE HARBOURSIDE ARDEER (THE GREAT HARBOUR)	14,000,000	0	14,000,000	0	250,000	0	0	0	250,000	0			✓	✓	
AGD - ARDROSSAN (IMSE)	2,000,000		2,000,000	0	0	0	0	0	0	0			✓	✓	
AGD - MARINE TOURISM	6,250,000		6,250,000	0	0	0	0	0	0	0			✓	✓	
Total Ayrshire Growth Deal	50,000,000	219,773	50,000,000	0	936,268	0	56,041	56,041	936,268	0	0	0			
<a href="#">Strategic Planning &amp; Infrastructure</a>				0											
CYCLING/WALKING/SAFER STREETS *	811,966	83,796	811,966	0	811,966	0	0	0	811,966	0		0	✓	✓	
ACCESS PATH NETWORK PROGRAMME *	849,880	6,122,548	849,880	0	849,880	23,758	64,790	41,032	849,880	0		0	✓	✓	
ELECTRIC VEHICLES INFRASTRUCTURE	442,828	232,828	442,828	0	210,000	0	0	0	210,000	0		0	✓	✓	
Total Strategic Planning & Infrasturture	2,421,853	6,756,351	2,421,853	0	1,871,846	23,758	64,790	41,032	1,871,846	0	0	0			
<a href="#">Completed Projects</a>															
SALTCOATS PUBLIC REALM	891,219	841,219	891,219	0	50,000	0	0	0	50,000	0		0	Complete	Complete	
CCTV GENERAL	389,694	386,061	389,694	0	0	0	(3,634)	(3,634)	0	0		0	Complete	Complete	
BIOMASS RETROFIT PROGRAMME	3,378,163	3,340,486	3,378,163	0	0	0	(37,678)	(37,678)	0	0		0	Complete	Complete	
QUARRY ROAD PHASE 1	2,977,098	2,898,460	2,977,098	0	42,595	0	(36,043)	(36,043)	42,595	0		0	Complete	Complete	
IRVINE ENTERPRISE AREA *	10,750,572	4,500	10,750,572	0	157,579	0	4,500	4,500	70,000	(87,579)		(87,579)		🔴	
VDLF - MOORPARK ROAD WEST	465,424	464,183	465,424	0	1,241	0	0	0	1,241	0		0	Complete	Complete	
BUS ROUTE CONGESTION MEASURES	99,956	56,376	99,956	0	0	0	(43,580)	(43,580)	0	0		0	Complete	Complete	
CUMBRAE FERRY & BUS STOP	18,965	22,715	18,965	0	0	0	3,750	3,750	0	0		0	Complete	Complete	
Total Completed Projects	30,095,839	19,138,746	30,095,839	0	251,415	0	(112,685)	(112,685)	163,836	(87,579)	0	(87,579)			
Total Place	189,339,238	62,445,465	189,645,238	306,000	36,200,224	325,348	1,190,643	865,295	26,467,302	(9,732,922)	306,000	(10,038,922)			

OTHER BUDGETS

Project Description	TOTAL PROJECT				2020/21 BUDGETS						Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2020/21	Year to Date Budget 2020/21	Actual Expenditure to 30 June 2020	Year to Date Variance 2020/21	Projected Expenditure to 31 March 2021	Over/ (Under) Spend for 20/21	
	£	£	£	£	£	£	£	£	£	£	
FLEXIBILITY / IMPROVEMENT FUND	245,018	0	245,018	0	245,018	0	0	0	245,018	0	
<a href="#">Total Other Budgets</a>	245,018	0	245,018	0	245,018	0	0	0	245,018	0	

HRA Capital Statement											APPENDIX 2
For Year Ended 31 March 2021											
Description	Approved budget 18 December 2019	Current budget including carry forwards	Approved Revisions to programme	Carry forward (to)/from future years	Revised Budget 2020/21	Actual Spend to 31/03/2020	Year End Projection	True Over / (Under)spend	Delivery Status Financial	Delivery Status Physical	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
<b>Council House Build Programme</b>											
Council House Building General	-	1,542		(1,542)	-	(6)	(6)	-	✓	▲	
Acquisition Of Houses On Open Market	456	808		(1)	807	(50)	807	-	✓	▲	
New Build Dickson Drive Phase 2	-	-		-	-	(48)	-	-	▲	✓	Complete (retention only)
New Build Watt Court	20	691		(111)	580	31	580	-	▲	●	
New Build Corsehillhead	388	379		(79)	300	-	300	-	▲	▲	Due for completion 22/23 - Delayed Expenditure- Covid Related
New Build Brathwic Terrace	4,193	3,780		(2,023)	1,757	2	1,757	-	▲	●	Due for completion 21/22 - Delayed Expenditure Covid related
New Build Flatt Road Phase 1	6,048	6,477		(622)	5,855	23	5,855	-	✓	●	Due for completion 21/22 - Delayed Expenditure Covid related
New Build Towerlands	6,375	5,944		(4,196)	1,748	2	1,748	-	●	●	Due for completion 21/22 - Delayed Expenditure Covid related
New Build Tarryholme	-	-		-	-	(25)	-	-	▲	✓	Complete (retention only)
New Build Kinnier Road	-	168		(118)	50	-	50	-	✓	▲	Due for completion 21/22 - Delayed Expenditure Covid related
New Build St Colms	3,590	3,572		(3,322)	250	-	250	-	✓	●	Due for completion 22/23 - Delayed Expenditure Covid related
New Build St Michaels Wynd	8,836	9,167		(4,526)	4,641	22	4,641	-	▲	▲	went to financial close - 22/23 251k covid costs - stage 2 submission,
New Build Harbourside Irvine	6,496	6,496		(2,411)	4,085	-	4,085	-	●	●	Due for completion 22/23 - Delayed Expenditure Covid related,
New Build Afton Court	-	26		(16)	10	3	10	-	✓	▲	Due for completion 22/23 - Delayed Expenditure Covid related
New Build Caley Court	2,210	2,180		(1,580)	600	10	600	-	✓	▲	Due for completion 21/22 - Delayed Expenditure Covid related
New Build Springvale Saltcoats	1,906	2,079		(1,329)	750	-	750	-	●	●	21/22 vacant possession - oct demolition 2020
New Build Dalrymple Place	2,269	2,830		370	3,200	2	3,200	-	▲	●	Due for completion 21/22
New Build St Beya Millport	2,135	2,016		(519)	1,497	1	1,496	-	●	●	Due for completion 21/22 - Delayed Expenditure Covid related
Garnock Academy Site	2,020	2,020		(1,520)	500	1	500	-	✓	▲	Due for completion 23/24 - Delayed Expenditure Covid related
Largs police Station	-	(180)		181	1	-	1	-	✓	✓	22/23 completion- No delay to programme currently reported
Ayrshire Central Site	200	175		325	500	-	500	-	✓	▲	Spend in relation to acquisition
BoutreeHill Village	891	891		(841)	50	-	50	-	✓	▲	Due for completion 23/24 - Delayed Expenditure Covid related
James McFarlane ASN Site	-	-		-	-	3	-	-	✓	▲	
James Reid ASN school	-	-		-	-	3	-	-	✓	▲	
<b>Total For Council House Build Programme</b>	<b>48,033</b>	<b>51,061</b>	<b>-</b>	<b>(23,880)</b>	<b>27,177</b>	<b>(26)</b>	<b>27,174</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Improvement to Existing Homes - Building Services</b>											
Window Replacement	155	155		(155)	-	-	-	-	✓	▲	Delayed expenditure due to Covid-19
Bathroom Programme	1,243	1,164		(821)	343	(70)	343	-	✓	▲	Delayed expenditure due to Covid-19
Kitchen Programme	1,504	1,533		(750)	783	(127)	783	-	✓	▲	Delayed expenditure due to Covid-19
Window Replacement - High Flats - Saltcoats	2,170	3,560		(1,160)	2,400	-	2,400	-	✓	▲	Delayed expenditure due to Covid-19
<b>Total For Improvements to Existing Homes - Building Services</b>	<b>5,072</b>	<b>6,412</b>	<b>-</b>	<b>(2,886)</b>	<b>3,526</b>	<b>(197)</b>	<b>3,526</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Improvement to Existing Homes - External Contractors</b>											
Central Heating	2,025	2,234		(1,507)	727	54	726	-	✓	▲	Delayed expenditure due to Covid-19
Insulated Re-Rendering	715	1,001		-	1,001	39	1,001	-	✓	▲	
Electrical Rewiring	539	599		(479)	120	2	120	-	✓	▲	CF - rewiring only happening in void properties, Delayed Expenditure Covid related
<b>Total For Improvements to Existing Homes - External Contractors</b>	<b>3,279</b>	<b>3,834</b>	<b>-</b>	<b>(1,986)</b>	<b>1,848</b>	<b>95</b>	<b>1,847</b>	<b>-</b>	<b>-</b>	<b>-</b>	

HRA Capital Statement											APPENDIX 2
For Year Ended 31 March 2021											
Description	Approved budget 18 December 2019	Current budget including carry forwards	Approved Revisions to programme	Carry forward (to)/from future years	Revised Budget 2020/21	Actual Spend to 31/03/2020	Year End Projection	True Over / (Under)spend	Delivery Status Financial	Delivery Status Physical	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
<b>Refurbishment Schemes</b>											
Roofing & Rendering	2,598	3,303		(991)	2,312	(97)	2,312	-	✓	⚠	covid restrictions - potentially use for external works elsewhere - regal - 300 for roofing 200 for render
Refurb - Dickson Court	-	-		-	-	(1)	-	-	✓	⚠	
Kilwinning Housing Office	-	-		-	-	(1)	-	-	✓	⚠	
Kilbirnie Housing Office	-	-		-	-	(31)	-	-	✗	⚠	
High Flats Irvine	2,400	3,046		(3,031)	15	14	15	-	✗	✗	Contract delay to covid
Garrier Court	204	396		1,376	1,772	-	1,772	-	⚠	⚠	21/22 completion - Delayed Expenditure Covid related
Connel Court	-	98		115	213	(1)	213	-	✓	⚠	
Refurb Maress House	237	250		(250)	-	-	-	-	✓	⚠	
Refurb Friars Lawn	954	1,452		(234)	1,218	13	1,218	-	✓	⚠	Due for completion 21/22 - Delayed Expenditure Covid related
<b>Total For Refurbishment Schemes</b>	<b>6,393</b>	<b>8,545</b>	<b>-</b>	<b>(3,015)</b>	<b>5,530</b>	<b>(104)</b>	<b>5,530</b>	<b>-</b>			
<b>Other Capital Works</b>											
Energy Efficiency Standard	31	173		(0)	173	(97)	173	-	✓	⚠	
Other Capital Works	459	642		(592)	50	-	50	-	✓	⚠	
Health And Safety Works	-	207		(207)	-	-	-	-	✓	⚠	
Major Improvements	-	6		(6)	0	(12)	-	-	✓	✓	
Detection Equipment	1,943	3,559		(2,434)	1,125	(10)	1,125	-	✓	✓	Works complete this financial year
Solar Panels	714	706		(706)	0	-	-	-	✓	⚠	
Professional Management Charges	944	944		316	1,260	316	1,260	-	✓	✓	
Estate Based Regeneration	1,020	1,020		(114)	906	-	906	-	✓	⚠	Part of programme into next year - glass fronted screens
Nelson Street Regeneration	306	306		(306)	-	-	-	-	✓	⚠	
Sheltered Housing Capital Works	255	255		(55)	200	-	200	-	✓	⚠	External works at regal court - CF
<b>Total For Other Capital Works</b>	<b>5,672</b>	<b>7,818</b>	<b>-</b>	<b>(4,104)</b>	<b>3,715</b>	<b>197</b>	<b>3,714</b>	<b>-</b>			
<b>TOTAL EXPENDITURE</b>	<b>68,446</b>	<b>77,669</b>	<b>-</b>	<b>(35,871)</b>	<b>41,798</b>	<b>110</b>	<b>41,798</b>	<b>-</b>			
Sale Of Assets	-	-	-	-	-	-	-	-			
CFCR	(11,467)	(11,467)	-	-	(11,467)	-	(11,467)	-			
Other Income - House Building	-	-	-	-	-	-	-	-			
Capital Grants	(22,905)	(22,905)	-	3,730	(19,175)	-	(19,175)	-			
Capital Grants - Energy Funding	-	-	-	-	-	-	-	-			
Affordable Housing Contribution	(1,290)	(1,290)	-	-	(1,290)	-	(1,290)	-			
Funding from Reserves	(1,227)	(1,227)	-	-	(1,227)	-	(1,227)	-			
Commuted Sums	-	-	-	-	-	-	-	-			
Prudential Borrowing	(30,557)	(39,780)	-	32,141	(7,639)	-	(7,639)	-			
Welfare Reform Reserve	(1,000)	(1,000)	-	-	(1,000)	-	(1,000)	-			
Council House Build Fund	-	-	-	-	-	-	-	-			
<b>TOTAL INCOME</b>	<b>(68,446)</b>	<b>(77,669)</b>	<b>-</b>	<b>35,871</b>	<b>(41,798)</b>	<b>-</b>	<b>(41,798)</b>	<b>-</b>			
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>	<b>110</b>	<b>-</b>	<b>-</b>			

## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

<b>Title:</b>	<b>Covid-19 Economic Recovery and Renewal Approach</b>
<b>Purpose:</b>	To seek Cabinet approval of the proposed approach to Covid-19 economic recovery and renewal in North Ayrshire.
<b>Recommendation:</b>	<p>That Cabinet:</p> <ul style="list-style-type: none"> <li>a) Notes the Council's response already underway to support the local economy;</li> <li>b) Notes the alignment between Covid-19 economic recovery and renewal planning, the Financial Recovery Plan, Capital Programme refresh and Construction Programme impact; and</li> <li>c) Agrees the proposed local economic recovery and renewal approach attached at Appendix 1.</li> </ul>

## 1. Executive Summary

- 1.1 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 sustainability for our communities. To build on this framework, a local economic recovery and renewal plan has been developed and is included within Appendix 1. This sets out the Council's approach to working with partners, including our local businesses and communities, to build back our economy better, fairer and greener.

## 2. Background

- 2.1 The short-term economic impact of the Covid-19 health emergency is severe for North Ayrshire, Scotland and the UK as a whole. As a Council we are committed to supporting our business base to rebuild and to supporting communities into work following this economic shock. The health emergency and economic crisis has highlighted the importance of creating a new economic model, focused on wellbeing and inclusion. A report by the Fraser of Allander Institute at the University of Strathclyde on the North Ayrshire economy has outlined the importance of a focus on creating a more resilient

economy, making our economic priority of Community Wealth Building all the more important if we are to fare better from future economic shocks.

- 2.2 The Council launched Scotland's first Community Wealth Building strategy in May 2020 which sets out the strategic framework for local economic recovery and the 55 actions detailed within the strategy all contribute to ensuring a fairer local economy. The strategy has received significant regional, national and international interest, with the virtual launch of the strategy being viewed over 10,000 times.
- 2.3 A CWB Expert Advisory Panel has been created to support the work of the CWB Commission, challenge the implementation of the strategy and to ensure we are developing an ambitious and leading approach. The Panel is chaired by Sarah Deas, Wellbeing Economy Alliance (Scotland), and includes representation from the Centre for Local Economic Strategies (CLES), The Democracy Collaborative, Common Wealth, Scottish Trade Union Congress (STUC), University College London's Institute for Innovation and Public Purpose and Open Democracy, Community Enterprise in Scotland (CEIS) and Cooperatives UK.
- 2.4 At its meeting in June 2020, Cabinet asked officers to bring a further paper to the first meeting of the Cabinet after summer recess on our economic recovery plan, including options for accelerating projects in the capital programme, housing revenue account and the £8.8million investment fund to support the economic recovery, to be considered within the context of the wider financial impact of Covid-19 on the Council's finances.
- 2.5 The proposed approach to an inclusive and green economic recovery and renewal is set out within Appendix 1. Our approach to economic recovery and renewal is framed within the wider strategic framework for the Council including the Council Plan – focusing on our priorities of Community Wealth Building and climate change, and within these the need to create an inclusive local and regional economy. Our approach will see a re-framing of our capital investments through a Community Wealth Building lens.
- 2.6 It is clear that as we emerge from the Covid-19 health and economic crisis, we cannot return to business as usual, and that is particularly the case with our economy where we must build back better, fairer and greener. We will use our economic levers across the Council and our new economic model of Community Wealth Building to develop a Green New Deal for North Ayrshire. We will use our capital investment to accelerate our recovery and wider regeneration of our area, at the same time as tackling climate change. We will support our existing businesses and social enterprises to rebuild, diversify and become more resilient, green and inclusive. We will support our communities who have lost their jobs or are in insecure work, and encourage community entrepreneurship.
- 2.7 The twin priorities of a North Ayrshire Green New Deal to build back better, fairer and greener as set out within Appendix 1 are to:
  - Ensure an inclusive economic recovery and renewal by delivering our Community Wealth Building mission; and
  - Ensure a green economic recovery and renewal focused on achieving our net zero carbon ambitions through the creation of sustainable infrastructure and regeneration projects and creating fair jobs.

- 2.8 At the heart of the approach to economic recovery and renewal is the £8.8m Investment Fund which will support an inclusive and green economic recovery by:
- Maximising renewable energy generation, using the Council's existing land and assets;
  - Green Jobs Fund to support just transition and green adaptation;
  - Investing in our commercial estate including improving the sustainability of assets;
  - Tackling vacant and derelict land and building in our town centres by investing in town centre living;
  - Implementing Community Wealth Building town centre priorities identified through Place Plans for our major town centres;
  - Supporting our carbon absorption work by investing in tree planting in recognition of the Council's overall approach to becoming net zero; and
  - Specifically supporting asset-based community economic development as part of Community Wealth Building.
- 2.9 The proposed approach to economic recovery and renewal is aligned to the Financial Recovery Plan also being considered by Cabinet. The Financial Recovery Plan notes that an exercise is currently underway to review and refresh the General Services 10 year Capital Programme with the revised General Services 10 year Capital Programme 2021/22 to 2030/31 to be considered by Council in early 2021. The new programme will ensure that the Council's long-term capital investment plans are affordable, prudent and sustainable and are aligned to the strategic priorities as set out in the Council Plan. The Capital Programme refresh will be undertaken with a focus on Community Wealth building opportunities and will also consider wider opportunities for the acceleration of capital projects to assist in stimulating and contributing to the required economic recovery and renewal. Major programmes of planned investment include:
- Social Housing build programme - £239m
  - Ardrossan regeneration including harbour redevelopment and the new education and community campus – £120m
  - Ayrshire Growth Deal – £251m
  - Flood protection works – £47m
  - Lochshore regeneration - £3.5m
  - Primary and early years education estate - £24m
- 2.10 In the shorter term, Council Services are currently reviewing the 2020/21 Capital Programme to identify any adjustments to the scope and timing of individual projects as a result of the Council's Recovery and Renewal programme. Further to this, the Council's current Construction Programme is also being reviewed due to Covid-19 and any delays and potential opportunities for acceleration are being considered. This will be the subject of a report to a future Cabinet.
- 2.11 From our ongoing analyses of impact on our local communities and residents, it is evident that young persons have been particularly impacted by the economic fall out from the Covid19 pandemic. A comprehensive suite of measures and actions have been designed and are incorporated into the proposed Economic Recovery approach to assist young people into fair work. A partnership approach will be taken to ensure their effective implementation.

2.12 The Council has recently become the first Local Authority in Scotland to join the Wellbeing Economy Alliance – strengthening our commitment to an economic model focused on wellbeing and inclusion.

2.13 A comprehensive action plan is incorporated within the Economic Recovery and Renewal approach which will allow progress with key projects to be monitored and will facilitate ongoing progress updates to future Cabinet meetings when appropriate.

### **3. Proposals**

3.1 That Cabinet:

- a) Notes the Council's response already underway to support the local economy;
- b) Notes the alignment between Covid-19 economic recovery and renewal planning, the Financial Recovery Plan, Capital Programme refresh and Construction Programme impact; and
- c) Agrees the proposed local economic recovery and renewal approach attached at Appendix 1.

### **4. Implications/Socio-economic Duty**

#### **Financial**

4.1 The approach to economic recovery and renewal is aligned to the Financial Recovery Plan.

#### **Human Resources**

4.2 None.

#### **Legal**

4.3 None.

#### **Equality/Socio-economic**

4.4 The approach to economic recovery and renewal prioritises wellbeing and inclusion. Labour market actions are specifically focused on excluded groups in North Ayrshire. An Impact Assessment has been undertaken for the attached plan as well as the CWB strategy.

#### **Environmental and Sustainability**

4.5 Tackling climate change is a key priority of the approach to economic recovery. Proposals are aligned to the refresh of the Environmental Sustainability & Climate Change Strategy.

#### **Key Priorities**

4.6 The report covers information relevant to the following priorities:

- North Ayrshire has an inclusive, growing and enterprising economy;

- North Ayrshire's residents and communities enjoy good life-long health and well-being;
- North Ayrshire has active and strong communities;
- North Ayrshire's children and young people experience the best start in life;
- North Ayrshire is well-connected with effective infrastructure;
- North Ayrshire has homes that meet our residents needs;
- North Ayrshire is a sustainable environment; and
- North Ayrshire is a vibrant, welcoming and attractive environment.

### **Community Wealth Building**

4.7 The approach to economic recovery is based on the framework set out by the Council's Community Wealth Building strategy 2020-2025. Actions are set out within the five pillars of CWB, as well as an additional pillar of the Environment.

## **5. Consultation**

5.1 Consultation has taken place across Council Services including with the Executive Leadership Team. Consultation has also taken place with the Community Wealth Building Expert Advisory Panel. The Council is working collaboratively with regional and national partners as part of the Ayrshire Regional Economic Partnership to ensure regional economic recovery including via the Ayrshire Growth Deal of which Community Wealth Building is a key theme. The Council has been working proactively with the local business base since the start of Covid-19 restrictions. The work builds on the engagement undertaken online and with locality partnerships in the development of the Community Wealth Building strategy and also the first 'Climate Convention' held in March at Saltcoats Town Hall.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Julie McLachlan, Senior Manager – Economic Policy**, on **07971332909**.

### **Background Papers**

Attachments:

Appendix 1 – Local Economic Recovery and Renewal Approach (Final Draft)

# North Ayrshire Economic Recovery and Renewal Approach

*Building back better, fairer and greener*



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## Executive Summary

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We are clear that as we emerge from this health and economic crisis, we cannot return to business as usual, and that is particularly the case with our economy where we must build back better, fairer and greener.

We are currently facing an unprecedented national economic shock and we know that local businesses and communities have already been negatively impacted by Covid-19. We will feel this economic shock for some time and North Ayrshire Council is committed to supporting our business base to rebuild, support communities into jobs and enhance local wellbeing. The North Ayrshire economy – despite some strengths – was fragile even before the current crisis, with levels of unemployment, poverty and inequality well above the Scottish average.

Our aim is to build back our local economy through an inclusive and green economic recovery. The Council has shown real economic leadership with the launch of our Community Wealth Building strategy in May – the first of its kind in Scotland. The strategy sets out a new economic model focused on wellbeing and inclusion.

Covid-19 has exposed the high levels of inequality that exist in our society and economy, and our approach to recovery and renewal must be inclusive and tackle these inequalities. We also need to create an economy that is more resilient and sustainable, and ensure North Ayrshire is ready to deal with future challenges, including the Climate Emergency.

The Council declared a Climate Emergency in 2019 and we are committed to taking action now to achieve net zero carbon emissions by 2030.

Our approach to economic recovery and renewal sets out how we will build back better, fairer and greener by using our economic levers across the Council to develop a Green New Deal for North Ayrshire. We will use our capital investment to accelerate our recovery and wider regeneration of our area, at the same time as tackling climate change. We will support our existing businesses and social enterprises to rebuild, diversify and become more resilient, green and inclusive. We will support our communities who have lost their jobs or are in insecure work, support our young people, and encourage community entrepreneurship.

We are committed to working in partnership with our local communities and businesses to ensure a better future for North Ayrshire, and we will also work with partners across Ayrshire to unlock our potential as a region including through the Ayrshire Growth Deal. It is clear that if we are going to have a more inclusive economy, we will also need more national investment and we look forward to discussing the asks within this document with Governments and national partners.

## Context

We are Scotland's first Community Wealth Building Council.

Community Wealth Building is about working in partnership with communities and businesses to build a strong local economy which supports fair work, encourages local spend and uses the land and property we own for the common good.

Community Wealth Building seeks to use the economic levers available to local authorities and other 'Anchor Institutions' such as the NHS, further and higher education institutions, and larger local organisations, to support their local economies.

It means more local employment and a larger and more diverse business base, also ensuring that wealth is locally owned and benefits local people. It is about how we work as an organisation and with partners; from the goods that we buy, the people that we employ, the assets we own and the powers that we have that can bring about change to maximise local economic opportunities.

Community Wealth Building has five pillars focused on making sure that wealth is locally owned and benefits local communities: Procurement, Fair Employment, Land and Assets, Financial Power, Plural Ownership.

Our Community Wealth Building strategy, launched earlier this year, provides the strategic framework for our economic recovery and renewal. At the heart of the strategy is our Community Wealth Building mission:

**To support the achievement of the Council Plan's vision of a North Ayrshire that is 'Fair for All' by:**

**Enhancing local wealth and the creation of fair jobs, and maximising the potential of all our places through working in partnership with our communities and businesses.**

The five-year strategy sets out our ambitious and bold new economic model which we will deliver in partnership with our communities and businesses to create a fair local economy, reducing poverty and inequality. The strategy's actions will be delivered as part of our economic recovery and renewal, focusing on our six Community Wealth Building objectives:



**COMMUNITY WEALTH BUILDING COUNCIL**  
We will work across all our services and wider local and regional partners to implement Scotland's first approach to Community Wealth Building



**PROCUREMENT**  
We will use our spend to actively encourage and support a growing, diverse and resilient local business base, and to support our net zero carbon ambitions.



**FAIR EMPLOYMENT**  
We will encourage the creation of fair and meaningful jobs with progression opportunities to unlock the potential of our residents.



**LAND AND ASSETS**  
We will support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit.



**FINANCIAL POWER**  
We will invest locally and encourage regional and national institutions to invest in our communities.



**PLURAL OWNERSHIP OF THE ECONOMY**  
We will support the creation and sustainability of a range of business models including SMEs, social enterprise, employee ownership, cooperatives, municipal activity and community enterprises.

The strategy sets out a range of ambitious actions for embedding our Community Wealth Building approach, including: co-producing Community Wealth Building activities with our communities and businesses; encouraging local businesses to explore more local supply chains; ensure all Anchor Institutions adopt a Fair Work approach; review our land and assets to explore alternative community uses, commercial opportunities to grow local wealth, develop low carbon energy schemes, and to remove carbon gases from the atmosphere; explore the feasibility of a community bank; and promote the cooperative model.

To support the delivery of this model, we have established a Community Wealth Building Commission of local and regional Anchor Institutions to embed Community Wealth Building principles. We will soon launch an Anchor Charter setting out joint commitments across the five pillars of Community Wealth Building including through encouraging local spend and recruitment, and a new sixth pillar of 'Environment' which runs through our Community Wealth Building approach.

We will use our Community Wealth Building objectives to support the recovery and renewal of North Ayrshire by creating an economy that works for people, place and planet.

The current health and economic crisis has highlighted the importance of creating a new economic model, focused on wellbeing and inclusion. A focus solely on enhancing Gross Domestic Product (GDP) as an output at a national level is not sufficient to recognise the wider levels of economic, social and environmental wellbeing across our communities. Nor will it provide the basis to tackle climate change.

North Ayrshire Council has declared a state of Climate Emergency. This means we have committed to take action now to reduce carbon emissions across North Ayrshire. We already have a range of measures in place and ultimately our ambition is to become carbon-neutral. The Council has achieved almost 40% emission reduction since the 2005 baseline year, but we are committed to going further and faster. We are currently refreshing our Environmental Sustainability & Climate Change Strategy which will set out how we will achieve net zero by 2030. Meeting this ambitious target will require behavioural change across all of North Ayrshire and earlier this year we held North Ayrshire's first Climate Change Convention.

We must ensure a just transition to a green economy, so that existing inequalities are not exacerbated and we learn the lessons from previous industrial change, making sure no place or community is left behind. Accelerating action to tackle climate change is a critical part of our economic recovery by positioning a Green New Deal for North Ayrshire, so that the economy, environment and fairness are mutually reinforcing and not competing priorities – our economy should work for people, place and planet.

At the heart of our new economic model is a focus on wellbeing and inclusion. North Ayrshire Council is the first Scottish Local Authority to join the Wellbeing Economy Alliance – a global collaboration of organisations, networks, movements and individuals, working together to change the economic system by promoting a wellbeing economy.

## The economic impact of Covid-19

### Impact of Covid-19\*<sup>1</sup>

Covid-19 has had an unprecedented impact on the UK economy. The latest Office for National Statistics (ONS) estimates show that the UK economy is now 17.2% smaller than it was in February - the recession brought on by the Covid-19 pandemic has led to the biggest fall in quarterly GDP on record. (Source: ONS GDP (Gross Domestic Product) monthly estimate)<sup>2</sup>. It is

\*<sup>1</sup> Please note that the data on the economic impact of Covid-19 are subject to margins of error (this is especially true for more localised estimates) and some of the data is deemed 'experimental' in nature.

\*<sup>2</sup> North Ayrshire Council believes a focus solely on enhancing Gross Domestic Product (GDP) as an output at a national level is not sufficient to recognise the wider levels of economic, social and environmental wellbeing across our communities.

worth noting that this recession is different from other major economic downturns – the economy has contracted due to parts of the economy deliberately being shut down for public health purposes.

Modelling by the Fraser of Allander Institute shows that the economy is not expected to follow a 'V-shaped' recovery path with a quick 'bounce-back' in economic activity and predicts a more gradual path of economic recovery. It is anticipated that the economy will not recover to pre-Covid-19 levels until between January 2022 (an optimistic scenario) and July 2024 (if there is a 'second wave' of Covid-19 which would clearly slow the recovery prospects) (Source: Fraser of Allander Institute).

There has been a clear differential impact across the various sectors of the economy given that some sectors were deliberately closed or reduced for the purposes of public health. Some sectors of local importance such as Accommodation and food services, Manufacturing, Construction and some aspects of Retail have experienced drastic declines in output.

The local economic impact on North Ayrshire is severe. The North Ayrshire economy was already fragile before Covid-19 – with high rates of unemployment, poverty and inequality. Recent statistics provide a snapshot of the current impact of Covid-19 on North Ayrshire's economy:

- **17,600** people furloughed in North Ayrshire through the Coronavirus Job Retention Scheme – so 21.5% of the working age population are furloughed (at 31 July) (Source: HMRC CJRS and PAYE Real Time Information)
- **64.2%** increase in the unemployment benefit claimant count from January to July 2020 – meaning that 8.9% of the working age population are currently claiming unemployment benefits. This is the highest rate in Scotland (Source: ONS Claimant Count)
- **12.1%** of the total youth population (16-24 year olds) are claiming unemployment benefits, a 89.5% increase since February (as at July 2020) (Source: ONS Claimant Count)

In some ways this snapshot shows only the initial economic impact. As Government support packages begin to taper or end – in particular the Coronavirus Job Retention Scheme ('furlough') - the true labour market impact will be revealed and we will see a clearer picture of the impact on livelihoods. We do know that some groups that are already disadvantaged may be disproportionately impacted.

Commentators such as IPPR Scotland have noted that young people will be entering 'the worst labour market in living memory'. Education leavers will be entering a labour market with extremely low vacancy levels and economic opportunities (Source: IPPR Scotland). Avoiding unemployment for young people is of significant importance – even a short period of unemployment can have longer term 'scarring effects' with implications for economic, health and social outcomes (Source: Fraser of Allander Institute).

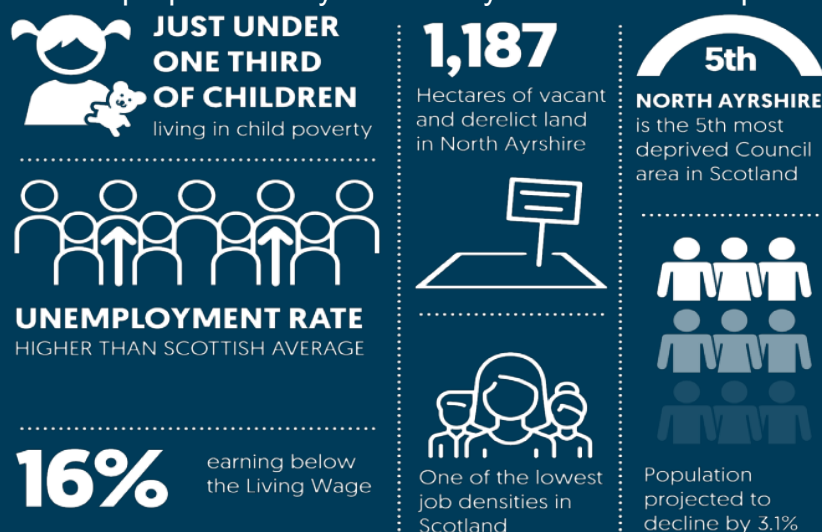
## **Economic baseline**

North Ayrshire's economic baseline is weak, despite some sectoral strengths. We know that North Ayrshire's economy takes longer to recover from economic shocks than other areas, with the 2008 financial crash a prime example of this, and that levels of regional inequality are stark in Scotland. The Fraser of Allander Institute (2018) have previously highlighted this in their economic commentary: GVA per head in Edinburgh was nearly 2.5 times higher than in East and North Ayrshire. In the past 20 years this gap has widened – GVA per head in Edinburgh has nearly doubled, with growth in East and North Ayrshire around half that rate.

In recent analysis conducted by the Scottish Government and highlighted by the Advisory Group

on Economic Recovery (AGER), North Ayrshire ranked as the least resilient local authority in Scotland (Source: Scottish Government).

We consistently have some of the highest rates of poverty, inequality and unemployment, and one of the lowest job densities in Scotland. It is clear that places and communities that are already fragile are likely to be more disproportionately affected by the economic impact of Covid-19.



In 2019 North Ayrshire had 3,260 businesses. In terms of sectoral breakdown, the industries employing the most people in North Ayrshire are Health (6,000 people employed), Manufacturing (4,500), Retail (4,500), Accommodation & food services (3,500) and Education (3,500). Manufacturing is by far North Ayrshire's most important industry in economic output terms at 22% of GVA (Gross Value Added). Relative to the Scottish level, North Ayrshire has an above average number of employees manufacturing (157%), construction (138%) and retail (125%) (Source: Skills Development Scotland Data Matrix). The economic impact of Covid-19 could of course have impacts on this sectoral picture with North Ayrshire, and it is crucial we support our local business base – the lifeblood of our economy – with the immediate impacts, adaptation and to build back better, fairer and greener.

Whilst the health of our residents and employees is of paramount importance, it is important that we set out the type of recovery we want for North Ayrshire. The path to recovery and renewal will be fragile and our ability to achieve our aims could be impacted by a range of factors including the potential of a rise in Covid-19 infections, a second wave of pandemic, the decision to exit the European Union, and the consequences of the Climate Emergency we are facing.

We will build back better, fairer and greener by using our economic levers across the Council and our new economic model of Community Wealth Building to develop a Green New Deal for North Ayrshire.

### What is a Green New Deal and green recovery?

A Green New Deal (GND) is an ambitious framework to tackle climate change and its consequences in a way which builds a fairer, more democratic society and economy. It is a form of radical transformation which recognises that environmental and economic challenges must be addressed together to build back better.

A local GND presents an opportunity to develop a place-based approach for decarbonisation and the achievement of net zero emissions targets in a way which builds upon the principles of Community Wealth Building. It is about using climate and capital investments to support an economic recovery that tackles climate change and create fair green jobs, whilst tackling inequality and creating a fairer economy.

The environment cuts across all of our Community Wealth Building objectives. For example, we will focus on more local and sustainable supply chains to meet net zero; we will use our land and assets as part of our effort to tackle climate change; we are encouraging business models which consider their social, economic and environmental impact; and in exploring the feasibility of a Community Bank we will look at how this can be used to support green investments.

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## Priorities and Investment

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Our approach to economic recovery is framed within the wider strategic framework for the Council – focusing on our priorities of Community Wealth Building and climate change, and within these the need to create an inclusive local and regional economy.

The twin priorities of a North Ayrshire Green New Deal to build back better, fairer and greener are to:

- **Ensure an inclusive economic recovery by delivering our Community Wealth Building mission; and**
- **Ensure a green economic recovery focused on achieving our net zero carbon ambitions through the creation of sustainable infrastructure and regeneration projects and creating fair jobs.**

Following review of national evidence and local economic and business intelligence, we have identified key themes to focus our economic recovery on (concentrated on business, people and place).

### Themes



Support businesses in immediate distress and refocus our business support package to best support business recovery, diversification and new business opportunities aligned with Community Wealth Building and a green, digital recovery.



Support communities, and in particular young people and other groups disproportionately impacted, into or to sustain fair employment.



Using our capital investment and physical regeneration to support sustainable economic activity, tackle climate change, build local supply chains, and create local jobs.



Repurposing of town centres that have been negatively impacted and encouraging activity to 'Keep it Local'.



Build resilience for future challenges, ensuring economic, social and environmental justice for our communities.

Our approach to recovery sets out detailed actions and areas for further work across these themes.

We have already created nine new 'Community Wealth Building' jobs, launched an £8.8m Investment Fund and are changing other roles within the Council to support the delivery of the new strategy and our ambitions to become a CWB Council and embed this truly transformative approach to support our economic recovery. Our investment in nine CWB roles will support our economic recovery by:

- Working with our wider Anchor Institutions to implement an Anchor Charter, ensuring the public pound in North Ayrshire, and the wider Ayrshire, benefits local businesses and communities.
- Working within our localities to support business and community-led activities around supply chain development, business start-up and sustainability. This includes social enterprises, cooperative development and community enterprises, to understand where we can make best use of locality buildings and assets, and promote fair employment and entrepreneurship.
- Enhancing our support to businesses to access public sector contracts and wider supply chain opportunities.
- Supporting communities to develop their community regeneration ambitions, including within our town centres.
- Exploring municipalisation opportunities for the Council's land and buildings to meet our economic, social and environmental priorities.
- Maximising our approach to community benefits.

The refresh of our Environmental Sustainability & Climate Change Strategy (ESCCS) is currently underway and will contain actions across seven workstreams to meet net zero by the Council's 2030 target date. These workstreams will be intrinsically linked to our economic recovery through their alignment to our Community Wealth Building approach and Green New Deal aspirations. The Council's recently approved **£8.8m Investment Fund** will underpin these workstreams and will see significant work and further investment opportunities as we progress activities in the following areas:

- **Affordable Warmth** (access to clean, affordable renewable energy)
- **A Green Economy** (a low carbon economy working towards net zero)
- **Transport & Travel** (decarbonisation of the transport system and active travel)
- **Natural & Built Environment** (a sustainable environment that protects biodiversity)
- **Sustainable Operations** (ensuring our Council services are sustainable)
- **Emission Absorption** (absorbing carbon emissions)
- **Climate Change Adaptation** (adapting to the impacts of climate change)

Our ambitious capital programme will be delivered through a Community Wealth Building and Green New Deal lens. The Council has a current capital programme of £269 million over the period 2020/21 to 2027/28 representing investments including in schools, housing, roads, infrastructure and flood protection. Community Wealth Building underpins the approach to deploying this investment across North Ayrshire to ensure that we maximise the local opportunities and benefits that this spend can generate for business, people and place.

An exercise is currently underway to review and refresh the General Services 10 year Capital Programme with the revised General Services 10 year Capital Programme 2021/22 to 2030/31 to be considered by Council in early 2021. The new programme will ensure that the Council's long term capital investment plans are affordable, prudent and sustainable and are aligned to the strategic priorities as set out in the Council Plan including alignment to Community Wealth Building and the achievement of net zero.

In the shorter term, Services are currently reviewing the 2020/21 Capital Programme to identify any adjustments to the scope and timing of individual projects as a result of the Council's wider Recovery and Renewal programme.



## A Green New Deal for North Ayrshire

We will use our capital investment to accelerate our recovery and wider regeneration of our area, at the same time as tackling climate change. We will support our existing businesses and social enterprises to rebuild, diversify and become more resilient, green and inclusive. We will support our communities who have lost their jobs or are in insecure work, support our young people, and encourage community entrepreneurship.

We are prioritising capital and climate investment projects that will create fair and green jobs, as well as supporting a local supply chain.

At the heart of this is the **£8.8m Investment Fund** which will support an inclusive and green economic recovery by:

- Maximising renewable energy generation, using the Council's existing land assets;
- Investing in our commercial estate including improving the sustainability of assets;
- Tackling vacant and derelict land and building in our town centres by investing in town centre living;
- Supporting community economic developing through community regeneration and ownership;
- Implementing Community Wealth Building town centre priorities identified through Place Plans for our major town centres; and
- The creation of a Green Jobs Fund.

We will bring forward proposals for a new £500,000 Green Jobs Fund that will support a just transition in North Ayrshire by:

- Working with community groups and businesses 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.

The Investment Fund will also support our carbon absorption work by investing £500,000 in tree planting in recognition of the Council's overall approach to becoming net zero.

It will also offer specific support for asset-based community economic development as part of Community Wealth Building through an investment of £250,000. Existing capacity building and empowerment support for community groups and businesses will be enhanced by additional investment in officer support and funding specifically for community economic development. This will include support to identify community needs and aspirations, to develop community business opportunities and plans, to create networks and opportunities for cooperative approaches, including for the local community food system, and to identify and support resource and property requirements, including support for community asset transfer.

Our communities are at the heart of our Community Wealth Building journey and we will continue to work alongside them as key partners to co-create places which are resilient and successful. This will build on the innovative £2.6 million Community Investment Fund (CIF) launched in 2017 to enable communities to address the priorities they have identified through Locality Partnerships.



Beyond the Investment Fund, we are working to urgently review our capital programme and projects to support economic recovery. A number of capital projects focused on the wider social, economic and environmental regeneration of North Ayrshire that are due to commence will have a key role to play in supporting an inclusive and green recovery:

**Upper Garnock Valley Flood Protection Scheme:** The construction of vital flood defences in Kilbirnie, Glengarnock and Dalry as part of a £18.5 million investment with a £13 million construction phase beginning in August 2020. As well as having significant environmental benefits, the scheme will contribute to Community Wealth Building with the main contractor expected to utilise local businesses as subcontractors for various elements of the project. 10 local jobs are to be created during the project and a work placement will be provided for a young person attending a local school. An SME workshop and community project support are also planned.

**Ardrossan Harbour and North Shore Regeneration:** Ardrossan is set to see the implementation of over £150 million through a capital investment programme over a period of 5-10 years, with works commencing at both Ardrossan Harbour and North Shore in 2021. The works to Ardrossan Harbour will see a £35 million redevelopment of the facilities. Ardrossan North Shore will see the development of a new £71 million community campus from 2022-24, but with an advance works package brought forward to 2021 to enable site preparation works including to the sea wall, coastal path, access roads and services. The wider site will eventually see the development of an International Marine Sciences and Environment centre, housing, and the development of a marina adjacent to the site. Collectively the works in Ardrossan represent a national scale regeneration project and the implementation of significant capital investment from 2021 will support the construction industry, and growth of the tourism industry on and blue economy, aiding economic recovery.

**Lochshore:** Lochshore is a significant placemaking and Community Wealth Building project for the Garnock Valley, which will see construction works commencing in 2021 and will deliver economic, health, community and placemaking benefits. The project proposes the development of a tourism and leisure destination centred around Kilbirnie Loch with a community and leisure hub, changing facilities for local sports clubs, path networks and outdoor play facilities. Funding from the Scottish Governments Regeneration Capital Grant Fund was secured in Spring 2020 to allow the development of the community and leisure hub from early 2021 with opening in Spring 2022. The initial investment will eventually see the implementation of works on a wider masterplan and the opportunity for housing development in the long term once the placemaking investment has been implemented. The site also provides the opportunity to contribute to climate change objectives by providing capacity for new woodland planting.

**i3 Digital Hub:** The i3 Digital Manufacturing and Demonstrator Hub (Digital Hub) is an Ayrshire Growth Deal (AGD) project that aims to provide a centre of excellence for digital automation and processing in Irvine's Enterprise Area. It is being supported by £6 million from the AGD coupled with investment and support from a wide range of partners. It will offer companies access to modern digital manufacturing technologies that will help them improve their productivity and be more innovative and competitive, whilst ensuring resilience for future economic opportunities. It will specifically look to train our youth and existing workers on digital technologies, with the importance of digital being even more significant during Covid-19. It is expected to have a number of components including a digital laboratory, training and education areas, research and innovation areas, events and meeting space and incubator space for companies. Partners are working to collaboratively develop an outline business case for the project include the National Manufacturing Institute for Scotland, University of Strathclyde, Ayrshire College, Scottish Enterprise, MMIC (Medicines Manufacturing and Innovation Centre) and industry. A pilot is being considered, that,

subject to securing funding, would provide services to businesses at an earlier stage (from Spring 2021), supporting economic recovery particularly aligned to digital and green opportunities. The Digital Hub will have significant benefits for North Ayrshire, Ayrshire and beyond, helping transform North Ayrshire's business and skills base, to take advantage of emerging technologies that will reduce waste and energy consumption during production processes.

**Spaces for People:** The Council will deliver £400,000 of projects to facilitate temporary measures for social distancing in our open spaces in partnership with Sustrans. The funding will see a number of temporary infrastructure projects carried out to help people practice safe physical distancing and use active travel methods such as walking, cycling and wheeling for travel and exercise during Covid-19. This builds on our current active travel approach including the Trinity Active Travel Hub which opened in 2019.

**Strategic Housing Investment Plan 2020-2025:** The Council is investing £239 million over the next five years in the construction of new social housing and the redevelopment of existing stock. As well as creating opportunities for local construction companies, sub-contractors and suppliers, the programme includes significant investment in sustainability initiatives such as district heating schemes and solar panel installation. Our Housing Revenue Account capital programme has an increasing weighting towards investment in sustainability measures, and we are committed to exploring further sustainability initiatives including retrofitting existing Council houses. This builds on our unique 'Sustainable Demonstrator Homes' which showcase the latest design and technology, and sets a benchmark for building sustainable properties at a local and national level, meeting the highest sustainability ratings.

**Primary and early years estate:** Building on significant investment in the school estate in recent years, the capital plan includes a further £24 million to support the delivery of two new primary schools and the expansion of early years provision over the next three years. As well as providing employment and procurement capacity during the construction period, the new facilities will create ongoing employment opportunities in the education and facilities management sectors.

**General Services 10 year Capital Programme 2021/22 to 2030/31:** will be developed during 2020 with a view to being considered by Council in early 2021. This will see significant investment into the local economy through our Community Wealth Building principles and particularly will see significant investment in local infrastructure, land and assets which will aid and stimulate an inclusive economy. The programme refresh will seek to identify projects and investments that can be prioritised and accelerated to act as a local economic stimulus.

The Ayrshire Growth Deal (AGD) is a pan-Ayrshire programme of investment that will unlock our potential as a region. Subject to the prompt signing of the Full Deal for the AGD, the AGD will be used to support regional economic and sectoral recovery through a bold and ambitious investment programme to create and secure jobs at a time when investment has never been more needed. In supporting the renewal process it will be vital to utilise the AGD investment as a launchpad to leveraging regional, national public and private sector support, expertise and funding to maximise the impact of initial AGD activity. Our investment programme is establishing a broad strategic outlook to be able to capture, and build into initial investment proposals, the ability to reposition key sectors like life sciences, and identify renewal opportunities for new markets, such as the blue economy, to support the long-term resilience of Ayrshire by ensuring our key sectors are not just surviving, but thriving, and that we thereby multiply the impact of AGD investment.

Attracting further external funding to our region is a key pillar of our Council Plan and we will explore how we can raise further funds to support additional capital investment. As part of this work we have signed a Memorandum of Understanding with Crown Estate Scotland to identify, develop and ultimately realise socially, environmentally and economically regenerative projects associated with North Ayrshire's coastal communities in line with Community Wealth Building.

## Ayrshire Growth Deal

The Ayrshire Growth Deal is jointly funded by the three Ayrshire Councils and the UK and Scottish Governments to bring over £250 million of investment to Ayrshire; of which £84 million will be delivered within North Ayrshire. The Ayrshire Growth Deal places Community Wealth Building at its heart and the scale and nature of investment is a core delivery route for our Community Wealth Building aspirations.

The Ayrshire Growth Deal investment was founded on identifying a series of interventions that would have the greatest impact on achieving an inclusive and fair economy by using our assets as a platform for investment. Those interventions are even more critical to the future economy because as the recovery process advances, they will embed sector resilience and diversity, which, in turn, will support an inclusive and green economy.

In addition to supporting recovery, it is crucial to take a long-term view towards recovery by building on our assets and developing a programme approach to maximising the benefit of the investment to support key sectors and ensure that North Ayrshire is optimally positioned to place those sectors renewal process by:

- Delivering strategic infrastructure to support our key sectors recover and transition to be resilient and diverse.
- Identifying opportunities in emerging sectors, such as blue economy, life sciences, digital and low carbon by developing partnerships with key stakeholders, developing strategic investment opportunities, and working to enhance academic institution presence and anchor activity in North Ayrshire to support research and development, reshoring and supply chain opportunities.
- Developing strategic partnerships to lever funding and activity from regional and national stakeholders into North Ayrshire, based on established investment through Ayrshire Growth Deal.
- Using our land and assets, including coastal assets, infrastructure and location-based sector strengths and clusters, to draw investment and stakeholder activity to create opportunities for our local business base to participate in those sectors and increase access to good jobs and fair employment opportunities.
- Employing innovative approaches to skills development and procurement to maximise the retention of any investment in our communities.
- Supporting a destination development approach to major place-based regeneration and visitor economy activity by co-producing and delivering outcomes with our communities to ensure interventions make the best places to live, work in and visit.
- Place digital innovation and the green economy at the heart of Ayrshire Growth Deal and related investment so that North Ayrshire does not lag further behind and our economy is sustainable and resilient.

Specifically for North Ayrshire the investments include:<sup>\*3</sup>

## £21 million

for i3 Irvine to develop digital innovation and advanced manufacturing through the delivery of digital laboratory/hub and flexible advanced manufacturing space

## £14 million investment

for Great Harbour, Irvine Harbourside to develop the area's tourism potential including through the development of the Maritime Mile and the visitor economy

## £10.5 million

for a new International Marine Science and Environment Centre based at Ardrossan aligned to the wider package of regeneration activity in Ardrossan

## £18 million investment

to develop a low carbon and energy economy at the Hunterston site by unlocking strategic assets in partnership with wider public and private sector partners

## £11 million

for a subsea fibre optic cable to have its landing point in Irvine

## £9.5 million

in Marine Tourism, which will focus on securing infrastructure that supports key components such as sailing and boating, marine leisure and recreation at Ardrossan, Arran and Cumbrae

This capital investment in North Ayrshire will be complemented by regional programmes including an £8.5 million Regional Skills and Investment Fund, a £3 million Community Wealth Building fund, and a £3 million Digital Infrastructure programme.



<sup>\*3</sup> The project investment totals here are the direct AGD contribution, as part of our programme approach we expect there to be significant further investment leveraged.

## Regeneration Delivery Plan

Our Community Wealth Building strategy sets out our objective to support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit. Key to achieving this ambition will be our new Regeneration Delivery Plan to accelerate the delivery of physical regeneration in North Ayrshire.

The Regeneration Delivery Plan will embed the Community Wealth Building approach to build on the £8.8 million Investment Fund for Community Wealth Building and Climate Change, the Council's Capital Programme and external funding sources, to set out a strategic approach to prioritising and progressing place-based regeneration activity as part of our economic recovery and renewal, as well as creating a great place to live and addressing long standing issues such as depopulation.

Our regeneration activity will be focussed on areas where local issues, problems and challenges, including regeneration issues that have been exacerbated by Covid-19, that require us to step-in and support local communities and support the creation of successful places. This reflects a lack of private sector investment, including within our town centres and existing large scale vacant and derelict land sites, and as a major landowner in the area the Council will take a direct role in the promotion and development of some key sites.

The physical project priorities for our Regeneration Delivery Plan are centred around:

- Strengthening Communities
- Developing Place
- Promoting an Inclusive and Green Economy
- Enabling Infrastructure

The Regeneration Delivery Plan also includes proposals for five strategic regeneration sites – i3 Irvine Enterprise Area, Ardrossan North Shore, Irvine Harbourside, Hunterston and Lochshore. The successful development of these will make a significant impact, addressing many of the strategic aims of the plan including the development of derelict land, a municipalisation approach to our assets, the provision of new housing product, investing in our commercial estate and support for town centres. The strategic nature of the sites has been recognised within Local Development Plan 2, identifying them as priorities for development.

Our ambitious regeneration approach will deliver benefits to our communities, local businesses and the environment. Partnership working across the Council, with our wider Anchor Institutions and partners, including through the Ayrshire Growth Deal, and co-produced with our communities including through community-led regeneration projects, will be key to achieving this.



For our wider Council spend, we have committed through our Community Wealth Building strategy to using our spend to actively encourage and support a growing, diverse and resilient local business base, and to support our net zero carbon ambitions. Where we can, we will spend locally to support our economic recovery. This will be supported through the new Community Wealth Building roles outlined above, and also through collaboration with our wider local and regional Anchor Institutions as part of the Community Wealth Building Commission.

We are also encouraging our wider business base and communities to buy local to support local businesses, supply chains and town centres through our 'Keep it Local' campaign.

Municipalisation is a key strand of our Community Wealth Building approach. Municipalisation is about safeguarding and enhancing public services for residents through new, innovative approaches. The approach will have best value and financial sustainability at its heart and we will use this as a tool to grow local wealth.

## Keep it Local

We have launched a 'Keep it Local' campaign as part of our wider Community Wealth Building approach. The need for local people, businesses and Anchor Institutions to spend locally is an essential pillar of that strategy and we are supporting that need by urging people and businesses to 'Keep it Local'. The campaign's focus is on encouraging local spend and use of local supply chains. This will support local businesses and the livelihoods and families that depend on them, as well as supporting town centres and visitor economy.

But it is not just about people shopping local. It's also about businesses harnessing local suppliers and tapping into the skills and experience of the area's workforce by employing local. Larger 'anchor' organisations – large private, public and third sector bodies in the region – are also encouraged to play their part and invest, buy and employ locally too.

Buying local food and produce also has clear sustainability and environmental benefits and will help North Ayrshire tackle climate change.

—LOOK AT—  
WHAT'S AVAILABLE  
IN YOUR TOWN CENTRE

EXPLORE  
—YOUR LOCAL—  
AREA

BUY LOCAL  
FOOD AND PRODUCE  
VISIT LOCAL SHOPS

PROUD TO  
KEEP IT  
LOCAL

WHERE YOU CAN, SPEND LOCALLY AND  
SUPPORT NORTH AYRSHIRE BUSINESSES

CWB  
COMMUNITY WEALTH BUILDING

North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

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## A Community Wealth Building recovery and renewal

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It is now more critical than ever that we take a Community Wealth Building approach to supporting our local businesses and communities. We are committed to working in partnership to create a fairer local economy, reducing poverty and inequality, as well as becoming more resilient and sustainable so we are prepared for future economic and environmental challenges.

### Supporting local businesses

North Ayrshire is home to around 3,260 diverse businesses and we will support businesses, including social enterprises, in immediate distress and refocus our business support package to best support business recovery, diversification and new business opportunities aligned with Community Wealth Building and a green, digital recovery.

What we have done so far:

- Since the pandemic started the Business Development Team have been proactively engaging businesses and social enterprises to understand their challenges and helping them navigate the support mechanisms released by the UK and Scottish Governments. We have supported 1,443 businesses with over 12,000 different interventions and are currently working with 200 businesses on recovery plans.
- We have delivered support to businesses via the Non Domestic Rates Grants and the Newly Self Employed Hardship Fund which has delivered more than £23.5 million to North Ayrshire businesses.
- As crisis support became available the team have worked with business looking at detailed financial impact of lockdown on cashflow and providing advice on minimising expenditure, protecting jobs and helping to secure what funding was available.
- The traditional models of face to face support have for the time being become ineffective and as such we have used technology to deliver online support in the form of collaborative webinars, with 90 being delivered and 75 more planned. The webinars have been developed based on our intelligence from business, including a focus on the following areas: funding, adaptation, digital engagement and marketing.
- We have helped support over 100 Social Enterprises and Third Sector businesses through the pandemic. 34 North Ayrshire Third Sector Enterprises received awards from the Third Sector Resilience fund totalling £386,000.
- As transition from lockdown to restart emerges, our work with business has identified areas of support required including understanding social distancing requirements as part of re-opening; support with digital operations including producing, marketing and online trading; new products and innovation; financial support covering a range of restart and recovery areas; and consultancy support to understand the 'new normal' and developing new products and services.

Next steps:

We are developing our current provision and being responsive to the needs of local businesses, our business intelligence will allow us to develop support mechanisms that are relevant to the North Ayrshire business base. We are also using this intelligence to influence national conversations on the future of support through SLAED (Scottish Local Authorities Economic Development Group) and COSLA (Convention of Scottish Local Authorities).

Our approach to business recovery is through Community Wealth Building. Through the

recruitment of additional Community Wealth Building resource, we are moving to a place-based approach to business support and aligning resource to localities to work in partnership with current Locality Partnership teams. As well as continuing to gather intelligence from business and social enterprises to develop bespoke tools and a digital delivery mechanism, we will work in partnership to deliver place-based Community Wealth Building locality plans.

This place-based recovery activity will be supported by a new **£660,000 Community Wealth Building Business Fund**. The Community Wealth Building Business Fund will allow for the provision of grant and specialist support to embed a Community Wealth Building recovery and retain local wealth. The £3 million Ayrshire Growth Deal Community Wealth Building Fund will build on this approach and deliver Scotland's first regional approach to Community Wealth Building.

As we progress beyond restart and build business (and wider enterprise) resilience, the Community Wealth Building principles will drive our activities and focus in the following ways:

**Local supply chains:** A positive lesson learned from the pandemic is the negative impact seen by international supply chains. The opportunity exists to build local supply chains which will create more local economic opportunities and innovation, as well as reducing environmental impact. Specific support will be offered to business to enhance their capabilities and build their tender knowledge to allow for greater strength in bidding. The locality approach under Community Wealth Building will have a focus on business to business transactions and promotion of what each locality has. Experience of the pandemic will drive more businesses to look locally and we will support business on this, including through our Keep it Local campaign.

**Plural Ownership:** The fragility of some of our businesses and social enterprises and our reliance on family owned businesses will allow for greater consideration on cooperative models of business ownership.

**Fair Employment:** Specific support will be provided to embed a fair work approach including to help businesses map a strategy to allow for the payment of the Real Living Wage, develop flexible working practices, offer staff development and create mechanisms where the staff voice can be heard.

**Digital Adoption:** To create a resilient economy, digital adoption will be key. We have upskilled our advisers to support identification of digital opportunities. Support will be given from the basic digital skills through to digital automation and the principles of Industry 4.0. This will also support our ambitions around a green economy.

**Green Economy:** North Ayrshire has challenging targets regarding carbon footprints and we will offer support and specialist expertise to businesses to adopt a green action plan to support industrial decarbonisation and reduce carbon footprints, including through circular economy approaches.

**Sector Support:** We are working through the Ayrshire Regional Economic Partnership to develop sector specific recovery plans with a focus on the visitor economy, food and drink, aerospace/space sector, clean growth, digital and skills, aligned to the Ayrshire Growth Deal and the emerging Regional Economic Partnership workstreams.

## Supporting the labour market and young people

We will support our communities, and in particular young people and other groups disproportionately impacted, into or to sustain fair employment. At the heart of this is a focus on wellbeing.

What we have done so far:

- Since the pandemic started the Employability and Skills Team and our contracted providers have been proactively engaging current and newly unemployed residents to understand their positions and develop action plans to support them back into employment or training/education, using technology to deliver online support in the form of video chats and online training. We are supporting over 2,000 residents, with over 60 being supported back into work at an extremely challenging time for the labour market.
- Given the massive reduction in job opportunities, employability services have been providing wellbeing support – for some residents, contact with our staff may be the only contact they have and we have often been able to direct them to other supports on offer such as mental health support.
- National and local evidence suggests that priority groups for support should be young people, disabled/those with health issues, females and parents – this will guide our responses and targeting and aligns with our Community Wealth Building Fair Employment actions to support excluded groups and delivery of our EQUAL Supported Employment service. This builds on the work of our pioneering North Ayrshire Inclusive Growth Diagnostic which highlighted the key barriers to achieving inclusive growth (job density, health and wellbeing, skills) as well as identifying excluded groups.
- We will continue to support those groups who were disadvantaged in the labour market pre-Covid-19 as part of No One Left Behind, through our EU funded programmes. Our providers have continued to deliver services since March, with a move to virtual services initially, now transitioning to a blended model of virtual and some face to face delivery.
- We will endeavour to deliver our target to recruit 50 Modern Apprentices this year. While many authorities paused programmes, we pressed ahead and remain on target to reach our target by focusing on opportunities less impacted by Covid-19 restrictions. The Council also extended contracts of some apprentices who had their final months of their placements disrupted by Covid-19. This not only provided them with financial security but allowed them to complete qualifications and plan for their future. To support young people into employment within the construction sector, we have increased the number of apprenticeship opportunities within our Building Services teams.
- We are working through the Local Employability Partnership to develop partnership responses, with an initial focus on young people over the summer months.
- In the interim, significant work has already taken place to identify young people most at risk, with Education, Skills Development Scotland, and Economic Development and Regeneration collaborating on engaging young people in support. A new Ambition Agreements programme has been launched as part of recovery for those young people with the most complex and multiple barriers to economic activity.

## Ensuring the wellbeing and success of our young people

As set out in our Council Plan, we are committed to ensuring our children and young people have the best start in life. It is clear that young people and school leavers across the country will be entering a very challenging labour market with fewer economic opportunities, and we will do everything we can to prevent unemployment and a negative impact on wellbeing of our young people.

Young people have been engaged in the development of the two key strategies framing this recovery approach: the Community Wealth Building strategy and the next Environmental Sustainability & Climate Change Strategy. Through North Ayrshire's first Climate Convention in March and the 'Climate Change: Just Cool It' consultation we have engaged the opinions of young people and schools, empowering them to share their views on tackling climate change within North Ayrshire. The visibility and importance of the range of children and young people's rights and the linkage to the realisation of those rights ensures that children and young people have access to pathways that are person centred and where the whole systems approach is evident.

Recognising the long-term impacts recessions can have on young people, the Council and its partners have acted quickly to:

- Understand who is most at risk
- Engage those most in need of support
- Develop new routeways to positive outcomes

To understand those who are most at risk there has been extensive work by schools to identify this year's senior phase leavers with a gathering of intelligence that will assist agencies to support the young people as they move on. We have worked in close partnership with Skills Development Scotland to engage with school leavers that most need support, building on work by the Local Employability Partnership who have worked to segment young people into groups that can be prioritised and will need different kinds of support. Engagement has taken place through promoting helpline numbers across social media including promoting the national Skills Development Scotland helpline ensuring that there has been swift support and advice.

Further to this, Skills Development Scotland, supported by Education and schools, has undertaken to contact every leaver this year, even if they had already secured a positive destination. This provides helpful support and appropriate sign-posting for those who may be impacted by this year's qualifications' situation and also for young people who have had offers of employment withdrawn/postponed.



Guidance/pastoral teams in schools have been asked to pay particular attention to leavers in vulnerable groups such as looked after or those with mental health issues. This includes being aware of young people who, in normal circumstances, would have made a successful transition but whose resilience has been impacted by the current situation.

A key part of our activity to support young people is a new Ambition Agreements programme that has been launched as part of recovery for those young people with the most complex and multiple barriers to economic activity. Ambition Agreements will offer a dedicated training and learning programme for 16-19 year olds not in education, employment or training. This will support young people by:

- Providing key worker support to help them get the support they need;
- A programme based on personal development, employability skills, training and work experience;
- Support to progress into a college course, further training, work placement or a job; and
- Support to access educational maintenance allowance if eligible.

We will accelerate services so that everyone leaving education is guaranteed support to find work or a place in education or training. In addition to this, Developing the Young Workforce (DYW) have launched an online Skills Academy to support school leavers and job seekers, this further enhances online support including Skills Development Scotland's My World of Work.

The Council's Supported Employment service (EQUAL) are providing extensive support to leavers from Stanecastle School (Wellbeing and Employability support) and other young clients to ensure an inclusive approach.

And as outlined above we have extended our Modern Apprenticeship programme, increasing the employment opportunities available to young people.

To develop new routeways for young people, the Local Employability Partnership has met in July and August to discuss the impacts of Covid-19 and the partnership responses required. At the August meeting, partners were challenged to develop a series of ideas that could be viable if additional funding becomes available and will report back in September on further support for young people – preparing a one page update to our Youth Employment Strategy as part of this. The Council is committed to working in partnership to delivering and supporting national programmes including the Youth Guarantee, Kickstart and increased apprenticeships.

#### Next steps:

Whilst the labour market situation is fluid, we will work in partnership across Employability and Skills, the Local Employability Partnership, Education services and regional partners across the following areas, with a priority on supporting young people:

- Provide rapid response 'back to work' support for those newly unemployed. To get people back to work as quickly as possible, using a programme centred approach to enable those to quickly re-enter work. This will complement the PACE redundancy process.
- More focus on wellbeing and support to improve progression with emphasis on personalised support alongside access to training, wellbeing support and other complementary holistic services to ensure engagement and progression.
- A particular focus on young people leaving education and their wellbeing.
- An enhanced focus on parents through upskilling and preparation to enter work.
- Working in partnership with Business Development on fair employment and upskilling to focus on upskilling low paid employed through workforce development.

- Proactively target retraining support with a greater focus on accredited and nonaccredited training, upskilling and personal development as well as building for the future; linking closer to Business Development through our employer engagement creating targeted Sector Routeways with new opportunities. We will also consider where Covid-19 may create new employment opportunities for example within the foundational economy.
- We are developing plans for a new financial advice demonstrator project which will see traditional financial inclusion services delivered more holistically, with a hub approach bringing a number of services together that reflect the barriers residents face.
- We will work with national governments to deliver national programmes effectively as possible in North Ayrshire. We believe it is important that through our networks such as SLAED and COSLA that we strongly make the point that it is demand for labour that has changed and therefore interventions that assume deficiencies in the supply of labour will be misplaced somewhat.
- We will progress the Ayrshire Growth Deal £8.5 million Regional Skills and Inclusion Fund.



## Supporting the visitor economy

North Ayrshire is fortunate to have a stunning coastline and islands and our tourism industry is connected closely to the attractive environment and natural capital of the area. In 2017, our Making Waves Action Plan 2018-22 set out how we will work in partnership to deliver brilliant visitor and resident experiences and on the journey strengthen local businesses, improve the wellbeing, and employment prospects of all our communities. Along with many of our sectors, the local tourism industry has been hit negatively by Covid-19. We are committed to supporting forward thinking strategic opportunities for the area by:

- Participating in the Ayrshire sector recovery group for visitor economy, chaired by VisitScotland, as part of the Ayrshire Regional Economic Partnership, and influencing national response mechanisms to Covid-19.
- Encouraging industry digital adoption and marketing, including contributing to the development and launch of the Destination Management Organisation to enhance the destination and future sustainable competitiveness in line with Ayrshire Growth Deal ambitions.
- Reviewing the existing Making Waves Action plan to include a greater focus on marine tourism and the blue economy, and opportunities to advance Community Wealth Building approaches, for example exploring options for community enterprises to support marine provision.

## Supporting our islands

We recognise that our islands' communities of Arran and Cumbrae need specific support to recover from the economic and social impact of Covid-19.

We have been working closely with our island communities and partners to bring forward urgent and targeted support measures, recognising that island communities are likely to face a disproportionate impact due to their reliance on reduced capacity ferries for the transportation of goods and visitors, and accessing essential services.

Central to our approach to supporting our islands to recover will be Community Wealth Building and a place-based approach to ensure a more inclusive economy going forward, aligned to the Islands Act and National Islands Plan.



In July, the Council put forward four areas of support required from the Scottish Government to support our islands to recover:

- That Calmac explore creative solutions to implement an increase in ferry capacity, whilst aligning with necessary public health measures, to ensure an economic recovery for the island in a safe and sustainable way.
- Ticketing systems for ferry journeys should prioritise journeys that will contribute to the economic and social recovery of the islands.
- Financial interventions to support island businesses.
- The creation of a bespoke Island Fund aligned to Community Wealth Building.

We have commissioned research from the Fraser of Allander Institute on the disproportionate economic impact of Covid-19 on the Arran economy.

The Council will also bring forward proposals to resource a dedicated Senior Manager for the Islands to support our islands to recover, working closely with island communities, Scottish Government, Highlands and Islands Enterprise and other partners to develop plans through a Community Wealth Building lens.

### **Planning as a tool for economic recovery**

To support place-based economic recovery, the Planning Service will co-ordinate inclusive and green development with placemaking at its heart. We will engage with developments and support the delivering of new housing in both the private and social sectors, as part of our work to tackle depopulation. We are currently working with East Ayrshire Council and South Ayrshire Council on a Regional Spatial Strategy. To support community involvement in planning, we will invest and support the expansion of our digital platform to enhance our community engagement throughout North Ayrshire.

Planning has a key role to play in supporting Community Wealth Building and economic recovery through encouraging the use of vacant and derelict land and promoting the Town Centre First principle but also encouraging developers to embed Community Wealth Building pillars including local supply chains and fair employment. Planning will support the green economy and our response to the climate change emergency, by developing guidance in support of the Council's refreshed Environmental Sustainability & Climate Change Strategy, promoting opportunities for low and zero carbon technologies within new development, and repositioning our Forestry and Open Space Strategies.

### **Protecting our communities and supporting re-opening**

It is important to build consumer confidence in returning from the pandemic lockdown in a safe manner. We are supporting businesses to adapt to current and emerging sectoral guidance and implement safe practices and processes to maximise capacity and minimise risk of the spread of Covid-19, whilst ensuring legitimate businesses are not disadvantaged by other non-compliant areas of the market taking advantage of the pandemic and the associated customer demands. In addition to this, to protect the most vulnerable in our community we are working with partners to ensure that the public are not at risk of financial harm.

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## Delivering an inclusive and green economic recovery

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An inclusive recovery should ensure that the stark levels of regional inequality, and wider socio-economic inequalities, in Scotland are not exacerbated.

We know that fragile regions like North Ayrshire and Ayrshire are hit hardest by economic shocks and so we must be prioritised for investment moving forward if we are serious about achieving an inclusive economy in Scotland.

The health emergency has called into question current economic practice and highlights the importance of creating a new economic model, focused on wellbeing and inclusion. A focus solely on enhancing Gross Domestic Product (GDP) as an output at a national level is not sufficient to recognise the wider levels of economic, social and environmental wellbeing across our communities.

We will seek the commitment of the Scottish Government to supporting a place-based inclusive and green economic recovery by:

- Showing a commitment to an inclusive economy and reducing regional inequalities by ensuring investment decisions are made on the basis of need, supporting longer term objectives like the reduction of poverty and inequality, the creation of fair jobs and tackling climate change.
- Ensuring that the Scottish National Investment Bank (SNIB) is used to support place-based Community Wealth Building initiatives in areas with most need with an explicit focus on an inclusive and green economic recovery to ensure the achievement of its mission-based approach.
- Exploring how national body and agency spend can be used to support local economies, particularly fragile regions, through more local spend and the creation of local supply chains. Businesses supplying the public sector should be given a 'social license to operate' and show commitment to fair work, net zero, place and building local supply chains.
- Supporting and promoting the development of local production and shorter supply chains as a tool to aid recovery across sectors, support local and regional inclusive economies, and to help achieve greater environmental sustainability.
- Supporting local areas in a just transition to net zero and ensure no place is left behind. As part of this, to support the development of local Green New Deals, funding is required to develop green employment opportunities and green adaptation, innovation and industrial decarbonisation support for local businesses.
- Lobbying the UK Government to provide urgent meaningful consultation on the development of the UK Shared Prosperity Fund (the replacement for European Structural and Investments Funds) and ensure this replacement fund is allocated on the basis of need, with an explicit focus on reducing regional inequality, enhancing local wealth and tackling climate change.
- Signing the Ayrshire Growth Deal to unlock a £251 million investment in the region focusing on an inclusive economy and Community Wealth Building to aid recovery.
- Support work to explore the feasibility of a West of Scotland Community Bank as part of Community Wealth Building.

We will seek the commitment of the UK Government to supporting a place-based inclusive and green economic recovery by:

- Signing the Ayrshire Growth Deal to unlock a £251 million investment in the region focusing on an inclusive economy and Community Wealth Building to aid recovery.
- Providing urgent meaningful consultation on the development of the UK Shared Prosperity Fund and ensure this replacement fund is allocated on the basis of need, with an explicit focus on reducing regional inequality, enhancing local wealth and tackling climate change.

As a Community Wealth Building Council, we will:

- Place Community Wealth Building and the Climate Emergency at the heart of decision making.
- Work with the Community Wealth Building Commission to launch an Anchor Charter agreement to embed Community Wealth Building principles across Anchor Institutions in the region to support economic recovery. This will include a sixth pillar of 'Environment' to ensure commitment and action to achieving net zero across the region. North Ayrshire have joined a network of innovative places focused on Anchor Institution Just Energy Transition, convened by our partners at the Centre for Local Economic Strategies (CLES).
- Develop an Inclusive Economy Dashboard to track our inclusive and green economic recovery and our new economic model, learning from the Doughnut Economics tool which proposes an economy with a social foundation we cannot fall below and environmental limits that should not be exceeded.\*4
- We will continue our sector leading approach to an inclusive and wellbeing economy embedding global and UK best practice through our membership of the Centre for Local Economic Strategic Community Wealth Building Community of Practice; the Centre for Progressive Policy Inclusive Growth KnowHow Network; and the Wellbeing Economy Alliance.
- Commit to supporting our local businesses and communities, including our islands, through a new Community Wealth Building place-based approach across our localities and co-produce solutions to build back better, fairer and greener.
- Work in partnership and collaborate with local, regional and national partners who share our Community Wealth Building and net zero ambitions, including the Community Wealth Building Commission, Community Planning Partnerships and Locality Partnerships, the Ayrshire Regional Economic Partnership, national agencies and governments, and guided by the advice of our Community Wealth Building Expert Advisory Panel to pioneer a new economic model.



Appendix 1 includes a summary of the actions detailed within our recovery approach. We would be delighted to discuss any aspect of our approach further with local and national partners. We are working hard to create a local economy that delivers economic, social and environmental justice for the citizens of North Ayrshire.

**Join us on our journey to build back better, fairer and greener.**

\*4 Doughnut Economics is a model proposed by economist Kate Raworth. It sets out a safe space between the social foundation (identified by the Sustainable Development Goals) and the ecological ceiling in which it is possible to meet the needs of all people within the means of the living planet – 'an ecologically safe and socially just space in which humanity can thrive'.

Appendix 1: Economic Recovery and Renewal Actions	Lead	Timescale Ongoing/already underway Short term – Sept to Dec 2020 Medium term – Sept 2020 to end 2021 Long term – Sept 2020 to end 2025
Develop and implement proposals for £8.8m Investment Fund: <ul style="list-style-type: none"> <li>- Renewable energy generation</li> <li>- Commercial estate</li> <li>- Town centre repurposing</li> <li>- Green Jobs Fund to support just transition and green adaptation</li> <li>- Community economic development</li> <li>- Tree planting</li> </ul>	Physical Environment Economic Development and Regeneration Commercial Services Connected Communities	Ongoing-Medium term
Progress Wider Capital Investment Recovery Projects: <ul style="list-style-type: none"> <li>- Upper Garnock Valley Flood Protection Scheme</li> <li>- Ardrossan Harbour and North Shore Regeneration</li> <li>- Lochshore</li> <li>- Spaces for People</li> <li>- Strategic Housing Investment Plan 2020-2025</li> <li>- Primary and early years estate</li> <li>- i3 Digital Hub</li> <li>- General Services 10 year Capital Programme 2021/22 to 2030/31</li> <li>- Ayrshire Growth Deal</li> </ul>	Physical Environment Economic Development and Regeneration Commercial Services Growth and Investment	Ongoing-Long term
Explore opportunities for further Capital Programme Acceleration in line with Financial Recovery Plan and reframe our capital investment through Community Wealth Building (CWB) and Green New Deal lens	Finance Physical Environment Economic Development and Regeneration	Ongoing-Medium term
Explore how we can raise further funds to support additional capital investment	Finance Physical Environment Economic Development and Regeneration Growth and Investment	Ongoing-Long term

Secure and deliver the Ayrshire Growth Deal through a CWB lens to support economic recovery and renewal	Growth and Investment	Ongoing
Use Ayrshire Growth Deal as a catalyst to secure further public and private sector investment in line with CWB to support the resilience and future proofing of the North Ayrshire economy	Growth and Investment	Ongoing-Long term
Implement Regeneration Delivery Plan	Economic Development and Regeneration	Short-Long term
<p>Publish Environmental Sustainability and Climate Change strategy refresh setting out how the Council will reach net zero carbon by 2030, outlining wider actions across:</p> <ul style="list-style-type: none"> <li>- Affordable Warmth</li> <li>- A Green Economy</li> <li>- Transport &amp; Travel</li> <li>- Natural &amp; Built Environment</li> <li>- Sustainable Operations</li> <li>- Emission Absorption</li> <li>- Climate Change Adaptation</li> </ul>	Physical Environment	Short-Long term
Progress Memorandum of Understanding with Crown Estate Scotland to identify, develop and ultimately realise socially, environmentally and economically regenerative projects associated with North Ayrshire's coastal communities in line with Community Wealth Building	Growth and Investment	Ongoing-Short term
Delivery of 55 actions within CWB strategy including, where we can, spending locally to support economic recovery and supporting local supply chains	Economic Development and Regeneration	Ongoing-Long term
Continue to promote 'Keep it Local' campaign as part of CWB strategy	Economic Development and Regeneration	Ongoing
Deliver business recovery actions through Community Wealth Building including alignment of place-based locality resource and CWB Business Fund, supporting local supply chains, fair employment, plural ownership, green adaptation and digital adoption	Economic Development and Regeneration	Ongoing

Support regional economic recovery including sectoral recovery via the Ayrshire Regional Economic Partnership	Growth and Investment Economic Development and Regeneration	Ongoing
Influence national discussions on further business and employability support	Economic Development and Regeneration	Ongoing
Deliver labour market support actions, with a priority on inclusion and excluded groups including young people and promoting wellbeing	Economic Development and Regeneration Education	Ongoing
Review Making Waves Action Plan to future proof local and regional visitor economy through a focus on marine tourism, blue economy and CWB	Growth and Investment	Short-Medium term
Support island recovery through a focus on Community Wealth Building and a place-based approach aligned to the Islands Act and National Islands Plan	Economic Development and Regeneration	Ongoing-Short term
Bring forward proposals to resource a dedicated Senior Manager for the Islands, working in partnership with Scottish Government and Highlands and Islands Enterprise	Economic Development and Regeneration	Short term
Publish research from the Fraser of Allander Institute exploring the disproportionate economic impact of Covid-19 on the Arran economy	Economic Development and Regeneration	Short term
Using Planning as a tool for economic recovery through co-ordinating placemaking, support CWB and the achievement of net zero	Economic Development and Regeneration	Ongoing
Protecting our communities and supporting safe re-opening	Economic Development and Regeneration	Ongoing
Explore further Municipalisation opportunities to support economic recovery	Commercial Services	Short term
Engage Scottish and UK Governments on economic recovery and renewal priorities and needs	Chief Executive	Short term

Place Community Wealth Building and the Climate Emergency at the heart of decision making	Chief Executive	Short term
Work with the Community Wealth Building Commission to launch an Anchor Charter agreement to embed Community Wealth Building principles across Anchor Institutions in the region to support economic recovery, including sixth pillar of 'Environment' to ensure commitment and action to achieving net zero across the region	Economic Development and Regeneration	Ongoing-Short term
Participation in Anchor Institution Just Energy Transition convened by CLES	Physical Environment Economic Development and Regeneration	Ongoing-Short term
Develop an Inclusive Economy Dashboard to track our inclusive and green economic recovery and our new economic model, learning from the Doughnut Economics tool which proposes an economy with a social foundation we cannot fall below and environmental limits that should not be exceeded	Economic Development and Regeneration	Short term
Continue our sector leading approach to an inclusive and wellbeing economy embedding global and UK best practice through our membership of the Centre for Local Economic Strategic Community Wealth Building Community of Practice; the Centre for Progressive Policy Inclusive Growth KnowHow Network; and the Wellbeing Economy Alliance	Economic Development and Regeneration	Ongoing
Commit to supporting our local businesses and communities, including our islands, and co-produce solutions as we build back better, fairer and greener	Economic Development and Regeneration Connected Communities	Ongoing
Work in partnership and collaborate with local, regional and national partners including the Community Wealth Building Commission who share our Community Wealth Building and net zero ambitions	Economic Development and Regeneration Connected Communities Growth and Investment	Ongoing

## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

<b>Title:</b>	<b>Better Off North Ayrshire update</b>
<b>Purpose:</b>	To update members on the latest performance and financial position of the Better Off North Ayrshire programme and seek approval for the final financial settlement agreed with the funders.
<b>Recommendation:</b>	<p>Cabinet is invited to –</p> <ul style="list-style-type: none"> <li>(a) Note the end of the Better Off North Ayrshire programme and its achievements.</li> <li>(b) Note the progress made in the past year to increase income from claims</li> <li>(c) Note the remaining anticipated funding gap from the conclusion of the claims process which is almost complete.</li> <li>(d) Note and approve the agreed position with the NLCF, whereby remaining funding gap of circa £706,200 will be fully re-imbursed by NLCF.</li> </ul>

### 1. Executive Summary

- 1.1 This report sets out the background to the Better Off North Ayrshire service, which is a financial inclusion service funded through a 3-year contract with the National Lottery Community Fund (NLCF).
- 1.2 Since launch of the programme in March 2017, the programme has experienced difficulties in securing income through the funders to reimburse costs. This situation has been mirrored with the other lead contractors across Scotland. These challenges have been reported to Cabinet previously and the Council successfully made the case for changes to the funding model during 2018. New Key Performance Indicators (KPIs) and payment triggers were agreed and formalised at the end of 2018. Despite these refreshed payment triggers, the Council has still not received a satisfactory income to cover our costs.
- 1.3 Through regular communications and agreed recovery actions with NLCF, required income has increased in recent months, however a funding gap remains. Recent positive communications with NLCF have now resulted in recognition that the outstanding income is in fact due to be paid to the Council and agreement has been reached which will see NLCF fully re-imburse the Council for agreed outstanding costs.

## **2. Background**

- 2.1 The Better Off North Ayrshire service was launched in March 2017, through a 3-year contract with the Big Lottery Fund (now rebranded as the National Lottery Community Fund – NLCF). The contract had a total potential value of £3M, including programme management costs. North Ayrshire Council is one of five lead contractors in Scotland, with similar programmes operating in Argyll and Bute, Dundee, Inverclyde and Glasgow. The programme value across Scotland is circa £18M. The funding was provided to deliver innovative financial inclusion services.
- 2.2 North Ayrshire Council led a partnership of local 3<sup>rd</sup> sector partners to develop and deliver on the contract. The partnership included – Community Housing Advocacy Project (CHAP), Citrus Energy – a subsidiary of Cunninghame Housing Association, ANCHO and 1<sup>st</sup> Alliance Credit Union. North Ayrshire Citizens Advice and CLASP were involved in Year 1.
- 2.3 NLCF match funded the programme with European Social Funds (ESF), meaning that all activity is bound by compliance rules around ESF. The contract operates on a payment by results model, which incorporates compliance with ESF rules and NLCF contract stipulations.
- 2.4 Cabinet has received previous reports highlighting the difficulties experienced across the programme since its inception. These difficulties had led to very few contract payments being made by NLCF in the first 18 months of the programme. As a result, all five lead contractors became very concerned about the viability of the programme.
- 2.5 In November 2018, Cabinet approved the continuation of the programme based on a new agreement with NLCF, which substantially reduced contractual KPIs and provided a new payments model. The new arrangements were welcomed; however, it was recognised that risks remained which needed to be managed effectively.
- 2.6 **Claims and income**
  - 2.6.1 NLCF make standard regular payments each quarter to cover NAC programme management costs, with original expectations that income would be sufficient to cover these costs. However, as the claims process ran for several months longer than expected, spend projections have increased and an overspend of £45,486 is now projected in the management costs
  - 2.6.2 As part of the new funding model agreed in late 2018, NLCF made a one-off payment in January 2019 as a proportion of costs incurred to date. This provided income of £748,525, for the North Ayrshire programme. The remaining payments required NLCF to approve each case file we submitted. For every case file approved, a unit cost payment was received.
  - 2.6.3 The projected funding gap is now circa £706,200. This amount could change as the final claim value is still being assessed by the funder but is unlikely to change materially.

## **2.7 Mitigating risk**

- 2.7.1 The approach to mitigating risk has fallen into two main categories – increasing income and reducing costs.

### Increasing Income

- 2.7.2 Since the last progress update to Cabinet in June 2019, the Better Off programme has been the subject of a review by North Ayrshire Council's internal audit team and received assurance "good practice in project management and risk management had been demonstrated" No actions to improve the management of the programme were identified.
- 2.7.3 North Ayrshire Council also commissioned an independent risk assurance auditor, with experience of ESF compliance regimes. This risk assurance company was recommended as a support measure by the NLCF. A selection of case files were examined and the independent expert did not express any major concerns with the quality of files in relation to ESF compliance.
- 2.7.4 North Ayrshire Council officers believe both the above audit exercises provide additional evidence that the programme has been managed and delivered to a good standard and have allowed us to present a strong case to the funders that any financial shortfall through the claims process, should be mitigated by the funders.
- 2.7.6 In early 2020, NLCF made a commitment to take a contingency plan proposal to their funding board in April 2020. This sought board approval to utilise uncommitted Lottery match funding to underwrite any funding gap. The board approved this in principle and delegated officers to agree a final arrangement.

### Reducing costs

- 2.7.7 The report to Cabinet in June 2019 set out a plan to mitigate risk by reducing our projected spend by £300,000. This plan was implemented in the final year of the programme, with the co-operation of local partners.

## **2.8 Performance**

- 2.8.1 The contractual financial performance, in relation to Programme costs and income generated, has been noted above but outwith this the service has been extremely successful and has achieved the following –
- 2911 people in total benefitted from Better Off services
  - £2,332,933 in personal financial gains for residents have been recorded, through debts written off, energy savings, income maximisation, reduced outgoings and savings built.
- 2.8.2 In addition to these outcomes, both the providers and programme management team regularly receive feedback from residents supported through the scheme. Customer satisfaction sits at 97% scoring the service as 'very good' or 'excellent', supported by positive comments on exit and feedback forms. As all programmes across Scotland have struggled with the funding arrangements, we believe the issues are systemic to

the programme and not reflective of a service which has supported many people and through which there is strong evidence of an excellent service having been received.

*“None of this would have been possible without the help of my case worker, I am now debt free, I now have a savings with 1<sup>st</sup> Alliance. I do not need to sit and worry about anything as I know they are there to help and assist me”*

*“I’m very happy with the service I received, I now know what my next steps are and how to better manage my finances in the future”*

*“I am so grateful for everything you have done for me, I can’t believe all my debt has gotten written off and I now have money left over each month. Thanks”*

*“Without the help, advice and comfort I received from [case worker] and the team at Better Off, I am convinced I would now be either homeless or hospitalised. They were and are my wee bit of light and hope when others wouldn’t help”*

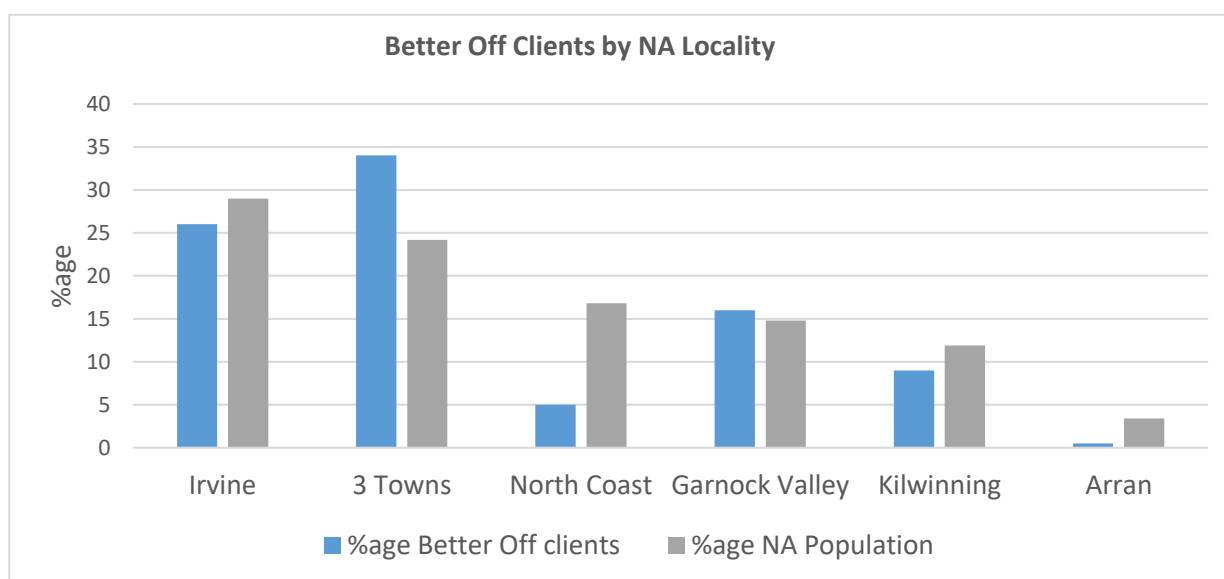
2.8.3 The number of clients who achieved positive outcomes from the range of services offered is detailed below (please note that most clients had multiple outcomes)

Advice and Support Provided	No of Clients
Energy advice, support with energy debts, reduced outgoings	1626
Digital support to improve financial capability	1298
Budgeting Advice & Support to reduce outgoings	1229
Benefits advice and support to maximise income	1191
Affordable Loans	299
Debt Advice and Support	294

2.8.4 Better Off succeeded in reaching many of the most disadvantaged residents across the North Ayrshire localities:

- 65% of all clients were unemployed, with 42% unemployed 12 months +
- 63% were low-skilled
- 36% had a (self-declared) disability
- 20% had long-term illness

Geographic reach is illustrated below:



2.8.4 Early in the programme an ambitious quality target was set, for first appointments to be within one week of receiving the referral. This was achieved in 79% of cases, with another 16% of appointments within 2 weeks.

## Exit strategy

2.9.1 Delivery ceased completely on 19<sup>th</sup> February 2020, as this is when the contract with the funders ended. The service stopped taking new registrations at the end of September 2019 and the remaining delivery staff worked intensively with the existing caseload to ensure that residents' financial situations improved and that cases are closed to the satisfaction of customers and the funders before the end date.

2.9.2 It should be noted that although contracted delivery ceased in February 2020, the programme allowed for several months after this point for the submission of financial claims. The programme management team have been contracted until the end of October 2020 to allow time to undertake any required corrective work associated with the final claim (submitted at the end of July), to complete and agree the final programme report with the funders and complete archiving of case files and other key documents.

2.9.3 Officers are considering how financial inclusion and advice services can best be delivered in the future and have reviewed the most vital elements of Better Off North Ayrshire provision, and assessed how existing council provision could be developed to respond to any gaps that exist. There is a pressing need for more debt advice provision in the area. Economic Development and Regeneration Services have successfully bid for £25k of funding from the Improvement Service to fund a debt advice worker, who is integrated with employability services as a "test of change" to develop new ways of working. In addition, a demonstrator project has been scoped out and will be considered shortly for implementation as a test of concept for a fully integrated money advice service, and provide evidence on the best way to deliver advice services in the future.

### **3. Proposals**

#### **3.1 The Cabinet is invited to –**

- (a) Note the end of the Better Off North Ayrshire programme and its achievements.
- (b) Note the progress made in the past year to increase income from claims.
- (c) Note the remaining anticipated funding gap from the conclusion of the claims process which is almost complete.
- (d) Note and approve the agreed position with the NLCF, whereby the remaining anticipated funding gap of circa £706,200 will be fully re-imbursed by NLCF.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 Programme Delivery and Management costs are projected at £2,583,695 and the objective is to achieve full income to cover this. It is anticipated the claims process will recover £1,877,495, with the final claim currently being assessed. The funder has indicated a commitment to fund the remaining amount through a final one-off payment, anticipated to be circa £706,200. The effect in the 2020/21 accounts following receipt of the £706,200 and after adjusting for prior year reported General Fund deficits and available earmarked reserves is a balance of £405,000.

#### **Human Resources**

- 4.2 The Council employs 2 staff directly to manage the programme. These staff are contracted to end of October 2020. Plans are being taken forward to re-deploy these staff within Employability and Skills team.

#### **Legal**

- 4.3 The Council signed a contract with Big Lottery Fund in 2017 and a variation to that contract to reflect new arrangements was signed in January 2019. Officers in Legal services have been involved in examining the contract to protect the Council's position.

#### **Equality/Socio-economic**

- 4.4 At the heart of the Better Off North Ayrshire programme are issues of equality, with a focus on providing support to those financially excluded.

#### **Environmental and Sustainability**

- 4.5 Sustainability is a key horizontal theme which applies to all EU programmes and the programme has required to regularly report on how sustainability has been addressed.

## **Key Priorities**

4.6 There is significant evidence that individual and family financial situations impact on many areas of their life. The Better Off Programme directly responded to the following priorities in the draft council plan –

- North Ayrshire has an inclusive, growing and enterprising economy.
- North Ayrshire's residents and communities enjoy good life-long health and well-being.

## **Community Wealth Building**

4.7 The project itself delivers extensive benefits to the wider community and particularly those experiencing financial hardship. Performance detail is set out at paragraph 2.9 of the report.

## **5. Consultation**

- 5.1 Officers have continued to discuss the programme on a regular basis with the local contracted providers. Colleagues in Financial Services have also been consulted regularly.
- 5.2 Colleagues in the Money Matters Service and the Council's Welfare Reform Team have been informed of the exit strategy of the programme.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Greig Robson, Senior Manager (Employability & Skills)**, on **01294 324951**

## **Background Papers**

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## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

<b>Title:</b>	<b>Indicative Regional Spatial Strategy</b>
<b>Purpose:</b>	To seek approval of the Indicative Regional Spatial Strategy for Ayrshire, prepared jointly by North, East and South Ayrshire Councils.
<b>Recommendation:</b>	That Cabinet: <ul style="list-style-type: none"> <li>a) Approves the Indicative Regional Spatial Strategy for Ayrshire; and</li> <li>b) Delegates authority to the Executive Director for Place to make any final changes ahead of submission to the Scottish Government.</li> </ul>

### 1. Executive Summary

- 1.1 In November 2019, Cabinet agreed that the Council would work collaboratively with East and South Ayrshire Councils to prepare an Indicative Regional Spatial Strategy.
- 1.2 The purpose of an Indicative Regional Spatial Strategy is, primarily, to inform the Scottish Government in its preparation of National Planning Framework 4 (NPF4); highlighting Ayrshire's regional strategic development priorities. This is in addition to North Ayrshire Council's response to the Scottish Government's NPF4 'Call for Ideas' consultation, approved by the Chief Executive under the emergency governance procedures and submitted in April 2020.
- 1.3 The indicative strategy precedes the preparation of a fully-fledged spatial strategy for the region that reflects and develops on existing partnerships and the spatial themes and issues identified as important for Ayrshire. The indicative strategy proposes a future vision; outcomes related to five main themes: people, place, connectivity, economy and climate change; and strategic development priorities that will help deliver these outcomes.
- 1.4 The Indicative Regional Spatial Strategy is not a strategy in its own right and will have no status in decision making, beyond informing NPF4. Once the relevant section of the Planning (Scotland) Act 2019 comes into force (expected to be summer 2022), we must adopt a Regional Spatial Strategy "as soon as reasonably practicable". Scottish Ministers and the planning authority subsequently must have regard to the adopted Regional Spatial Strategy when preparing, revising or amending the National Planning Framework and Local Development Plan respectively.

## **2. Background**

- 2.1 The Planning (Scotland) Act 2019, establishes a new duty for a planning authority, or authorities acting jointly, to prepare and adopt a Regional Spatial Strategy (RSS). RSS replace Strategic Development Plans, which were prepared for city regions only. RSS are to be long-term spatial strategies which specify the area(s) to which they relate and identify:
- the need for strategic development;
  - the outcomes to which strategic development will contribute;
  - priorities for the delivery of strategic development;
  - proposed locations for strategic development, shown in the form of a map or diagram.
- 2.2 Strategic development is defined in the Act as “development that is likely to have a significant impact on future development within the area of more than one planning authority”.
- 2.3 The statutory duty to produce RSS will not be enacted until spring/summer 2022 and it is recognised that it may take some time after this for fully finalised RSS to emerge. The Scottish Government has, however, identified the current review of National Planning Framework (NPF) - a long term plan for Scotland to 2050 that sets out where development and infrastructure is needed to support sustainable and inclusive growth – as an opportunity for early thinking on RSS to be developed and to help inform NPF4. Accordingly, planning authorities were invited to prepare Indicative Regional Spatial Strategies (iRSS) to inform the regional priorities to be built into NPF4 and to make early progress ahead of the statutory duty to prepare RSS coming into force. In November 2019, Cabinet agreed that officers will work collaboratively with colleagues in East and South Ayrshire Councils to prepare an iRSS.
- 2.4 Authorities have been given considerable leeway to decide for themselves the form, content and how best to develop their iRSS to allow them to ensure their regional priorities can be reflected in NPF4.
- 2.5 Several meetings with officers from the three Councils; an internal workshop with selected NAC service leads and a meeting with the Scottish Government Chief Planner were held prior to ‘lockdown’ in mid-March. During the COVID-19 crisis, the lead officers from the three authorities have been working to develop the draft iRSS now presented for approval in Appendix 1 to this report. Opportunities for further engagement have been limited by the pandemic.
- 2.6 The iRSS that has been prepared proposes a future vision; outcomes related to five main themes: people, place, connectivity, economy and climate change; and strategic development priorities that will help deliver these outcomes. The iRSS reflects the aspirations and projects of the Ayrshire Growth Deal and the workstreams under development by the Ayrshire Regional Economic Partnership. It also reflects the physical planning priorities as set out in the recently approved LDP2 and similarly for respective Local Development Plans in East and South Ayrshire. Consideration has also been given to the impact of COVID-19 on the regional economy, already the least resilient economy in Scotland and how new approaches to building back better, addressing the challenges of climate change, inequality, the importance of health and

well-being and how we channel Community Wealth Building approaches into the development of the RSS.

### **3. Proposals**

- 3.1 Cabinet is asked to approve the iRSS and its submission to the Scottish Government ahead of the mid-September deadline. Delegated authority for the Executive Director is also sought to make any changes required ahead of submission of iRSS to the Scottish Government once approval has been given by all three authorities.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 Scottish Government provided £5000 of funding support to assist with the preparation of NPF4 and iRSS.

#### **Human Resources**

- 4.2 There are no implications from this report.

#### **Legal**

- 4.3 The legal duty to prepare RSS is expected to come into force in summer 2022.

#### **Equality/Socio-economic**

- 4.4 The iRSS proposes that a regional spatial strategy for Ayrshire should put its communities and people, at its heart. The RSS will be developed in accordance with the Council's inclusive economic approaches and seek Scottish Government support for proposals that address regional inequality.

#### **Environmental and Sustainability**

- 4.5 RSS will support regional policy and projects that address climate change to create a low-carbon, resilient region.

#### **Key Priorities**

- 4.6 The RSS will align with wider national priorities, programmes and strategies and the Council's key priorities, including a sustainable environment; affordable, modern and well-designed homes; and effective infrastructure.

#### **Community Wealth Building**

- 4.7 The iRSS highlights that community wealth building lies at the heart of a shared ambition to tackle inequalities and enhance the wellbeing of our people and our communities. As the RSS (and next Local Development Plan) are developed, we will explore spatial planning's role in community wealth building.

## 5. Consultation

- 5.1 As this is an indicative strategy, there are no external consultation requirements or expectations from Scottish Government. NHS Ayrshire & Arran have been consulted regarding the 'Caring for Ayrshire' Programme and it is proposed that the report will be presented at the Regional Economic Partnership for information and comment.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Alistair Gemmell, Strategic Planning Manager**, on **01294 324021**.

### **Background Papers**

Indicative Regional Spatial Strategy

# INDICATIVE REGIONAL SPATIAL STRATEGY FOR AYRSHIRE

AUGUST 2020



# PREFACE AND CONTEXT

- The Planning (Scotland) Act 2019, establishes a duty for a planning authority, or authorities acting jointly, to prepare and adopt a regional spatial strategy. Regional Spatial Strategies are long-term spatial strategies which specify the area(s) to which they relate and identify:
  - the need for strategic development
  - the outcomes to which strategic development will contribute
  - priorities for the delivery of strategic development
  - proposed locations for strategic development, shown in the form of a map or diagram
- Strategic development is “development that is likely to have a significant impact on future development within the area of more than one planning authority”.
- This document is an indicative Regional Spatial Strategy (iRSS) for Ayrshire, the first step in preparing a fully-fledged spatial strategy for the region that reflects and develops on existing partnerships and the spatial themes and issues identified as important for Ayrshire.

- The Scottish Government are undertaking a review of the National Planning Framework (NPF); this represents an opportunity for early thinking on regional spatial strategies which in-turn will help inform NPF4.
- This indicative RSS for Ayrshire will contribute to the discussion about Ayrshire’s future over the next 10 to 30 years and beyond. It examines the need for major development, where it can be best located and how it can be delivered to support Ayrshire's aspirations and those of its communities.
- It offers the opportunity for the three Ayrshire Councils to have their strategic development priorities recognised as embedded in NPF4, thereby giving them enhanced status in planning and investment decision-making.
- Reflecting the geography of the Ayrshire Growth Deal, the Ayrshire Regional Economic Partnership and East, North and South Ayrshire Councils’ previous experience of working together on strategic, land-use planning matters, the preparation of an RSS for Ayrshire provides a unique opportunity for Ayrshire to set out in one, concise document a clear spatial strategy for its future development.

# AYRSHIRE

Ayrshire has a population of 370,000.

A region in its own right, strong cultural and economic links with the Glasgow city region make Ayrshire part of Scotland’s largest economy and a larger region of Scotland which is home to over 2 million people.

While Scotland has experienced consistent population growth over the last 10 years, Ayrshire’s population has remained largely unchanged.

60% of the population lives in our largest urban areas (settlements with a population over 10,000) while around 7% live in rural areas or places where less than 1,000 people live, including the islands of Arran and Great Cumbrae.

This indicative spatial strategy comes at a time when the COVID-19 pandemic is predicted to give rise to one of the deepest recessions of modern times with profound effects on the local, regional, national and global economy.

Evidence is already emerging that the impact of the pandemic will not be equal across Scotland; but is likely to have a disproportionately negative impact on regions, like Ayrshire, with lower economic resilience and stubborn levels of unemployment, poverty and inequality.



# VISION

Ayrshire is a well-connected, low carbon place, with a thriving, inclusive economy, founded on the area’s high quality built and natural environment and vibrant, inclusive, just and healthy communities.

A regional spatial strategy should put Ayrshire’s communities, its **people**, at its heart.

It should be about **place**, acknowledging that successful places are those that are built, first and foremost, around people.

The **connectivity** between people, places and services, physical and digital, will be vital to our strategy.

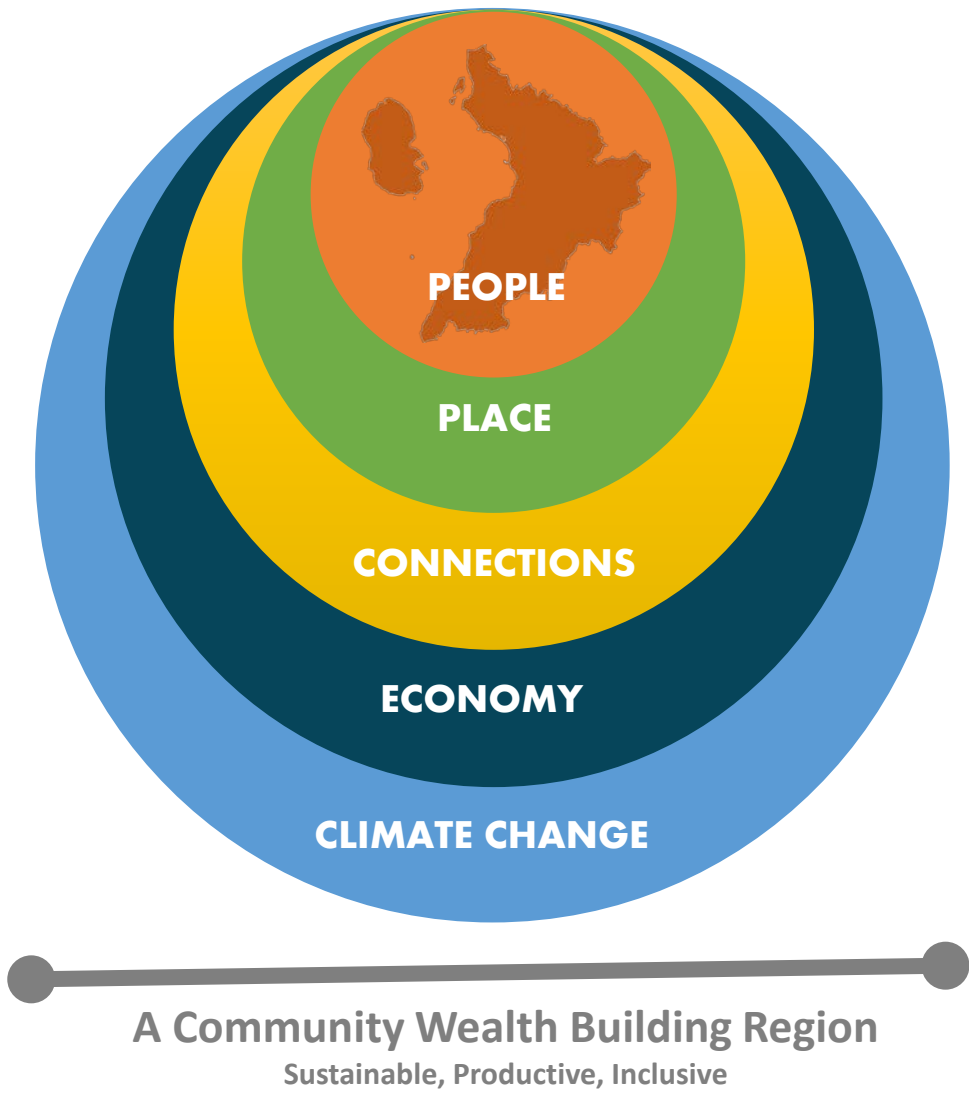
Recent events underline the need for a more inclusive **economy**; we must build back better, fairer and greener.

Economic challenges and opportunities are matched in their magnitude by **climate change** and the immediate need to respond to a climate emergency.

These five themes are all inextricably linked together.

**This Indicative Regional Spatial Strategy identifies 17 spatial development priorities that are complementary and will help deliver on the vision and outcomes for Ayrshire.**

OUTCOMES



**PEOPLE**

A healthier, happier, more active Ayrshire

**PLACE**

A thriving network of high-quality places

**CONNECTIONS**

An Ayrshire with enhanced accessibility

**ECONOMY**

A transformed, inclusive economy

**CLIMATE CHANGE**

A low-carbon, resilient region

# PEOPLE

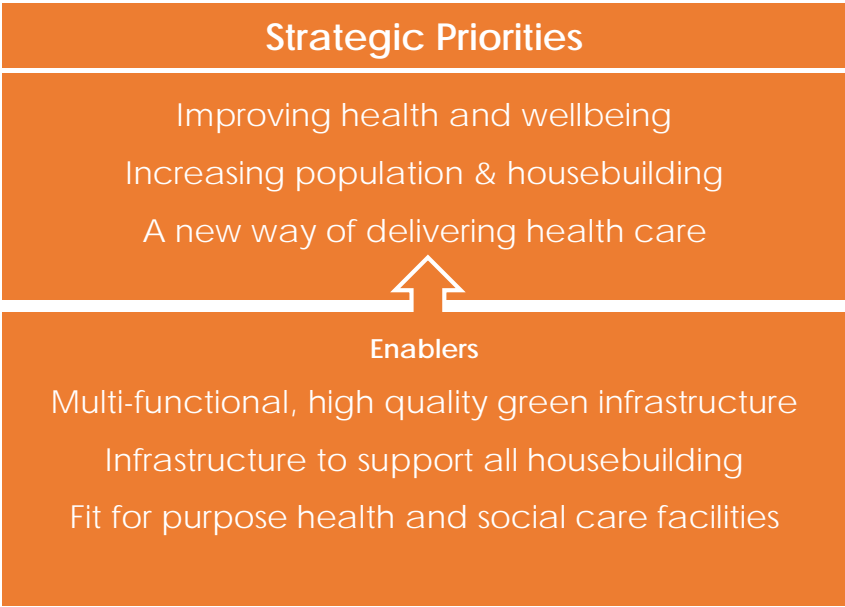
**We are placing people at the heart of regional planning in Ayrshire.** Planning has a key role to play in improving the health and wellbeing of our residents, in terms of both physical and mental health.

**Well located and designed places, with access to good quality green space** are essential to improving health and wellbeing and will be the core principles in developing new places and supporting new housing. The Central Scotland Green Network will be consolidated and expanded. Focus will be on those areas that suffer the most from health inequalities.

**Health and social care provision in Ayrshire is changing** and we will, in collaboration with others, support the ‘Caring for Ayrshire’ programme by ensuring that new services are in the right locations to serve those that need them.

**Good quality housing, in the right location** is a key contributor to health and wellbeing. The housing market in Ayrshire is characterised by its contrasts; high demand areas with considerable pressure for developments, sit close to areas where rates of house building are extremely limited.

The Regional Spatial Strategy will support a proactive approach to stimulating growth in low demand areas, to increase Ayrshire’s population but on a national scale, rebalancing the housing market is required. This can be supported through the distribution of infrastructure spending to increase the attractiveness and de-risking sites in the west and enabling the benefits of the delivery of new homes, for example through regeneration, to be shared more equitably.



# PLACE

Ayrshire is a unique region with special places. The RSS, in full, will support **a place based approach to development, regeneration and service delivery**, with focus on collaborative working across sectors to support and enhance places.

The impacts of the COVID-19 pandemic have starkly re-emphasised the need to focus on **planning and service delivery at the local level**. People should be able to access goods and services, walk and cycle and enjoy green spaces, all within their own communities. Whilst the RSS will set out Ayrshire’s spatial priorities for strategic development and supports the regeneration of Ayrshire’s three biggest towns, this is in parallel to supporting local development in smaller communities to increase local self sufficiency.

**Town centres will continue to be at the heart of our communities.** The economic impact of the pandemic will hit our town centres hard; imaginative, bold interventions will be explored to aid the recovery of town centres.

**Vacant and derelict land** blights many of our communities and its redevelopment will contribute hugely to achieving better places.

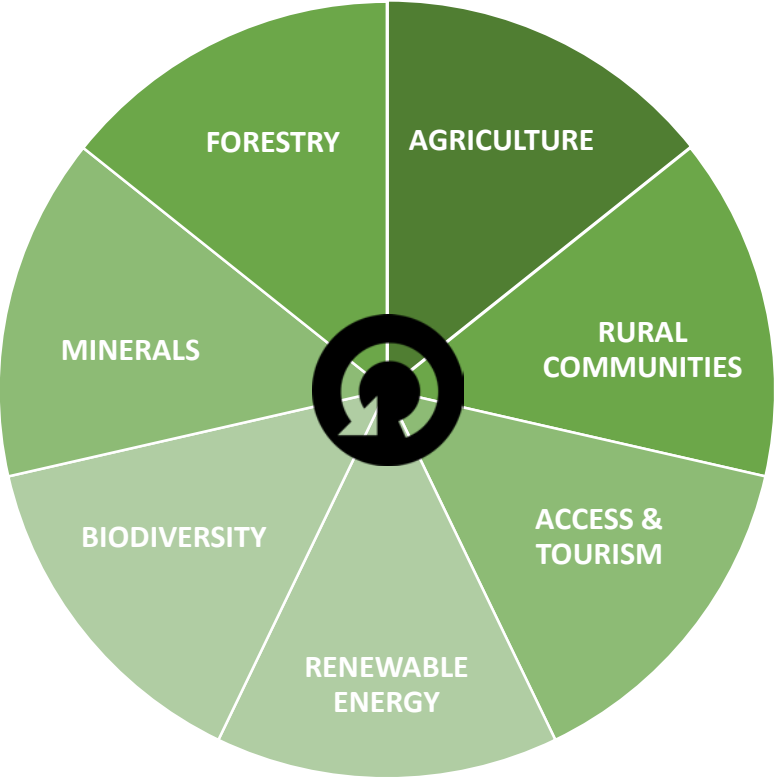
Our **rural area and natural landscape** is intrinsic to Ayrshire’s sense of place and economy.



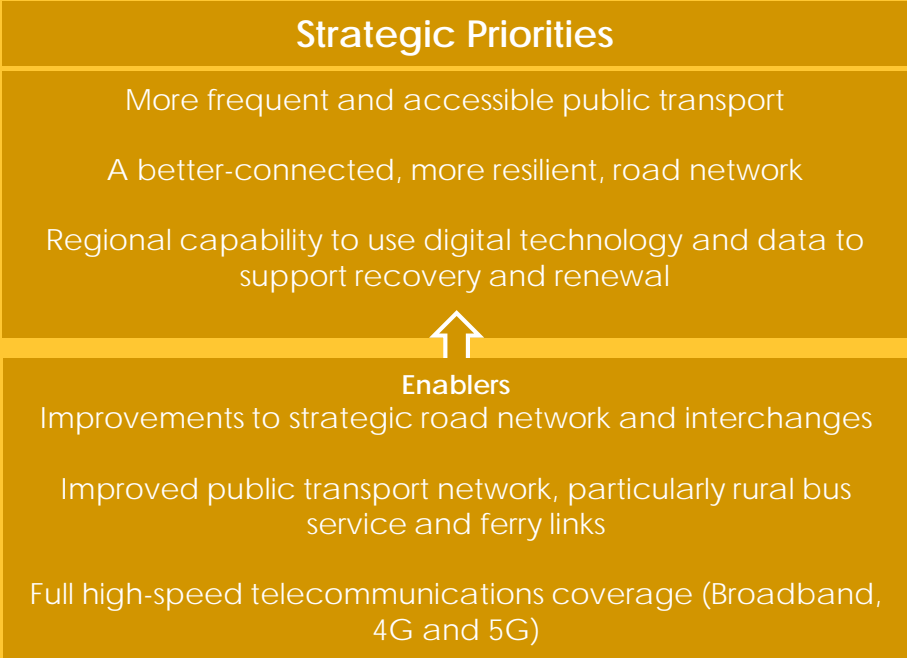
RURAL AYRSHIRE and the ISLANDS

Ayrshire’s rural areas, including its islands, are places of huge value and potential. They can be home to a number of competing demands and the social and economic challenges faced by communities are sometimes exacerbated by geographic remoteness.

Protecting and regenerating our important landscapes; encouraging economic activity and housebuilding in sustainable locations are critical to ensuring a sustainable future for rural Ayrshire. Economic growth in the region should be truly inclusive and extend to all areas and communities. Improved connectivity, such as enhanced public transport services, is vital for our rural areas and islands.



CONNECTIONS



Transport and connectivity are both vital to Ayrshire’s communities and economy. Key transport routes are critical to social and economic inclusion: getting people to services, training and employment opportunities and getting goods to market. There is a need for investment in terms of rail and road infrastructure and public transport connectivity to support the Ayrshire Growth Deal and we are working with Transport Scotland on Strategic Transport Appraisal to assess and prioritise investment. Six key projects are shown in the strategic development priorities map and described in more detail later in the document.

The need for a robust and reliable **digital infrastructure** has never been clearer in light of the impact of COVID-19 on everyday work and life in Scotland. Developing Ayrshire’s digital infrastructure is essential to ensure resilience and to embracing emerging data heavy technologies that will form part of a progressive and outward facing digital economy

# ECONOMY

A shared ambition to tackle inequalities and enhance the wellbeing of our people and our communities lies at the heart of Ayrshire’s economic vision. Taking an approach that is based on community wealth building, we will make the most of our assets, land and employment opportunities, future investment plans and partnerships to reposition our new economy as more sustainable, more inclusive and more productive.

The impact of the COVID-19 pandemic has shifted the economic baseline and for the foreseeable future the Ayrshire economy will be operating within a global scale recession, predicted to hit Ayrshire, and sectors important to the Ayrshire economy, disproportionately.

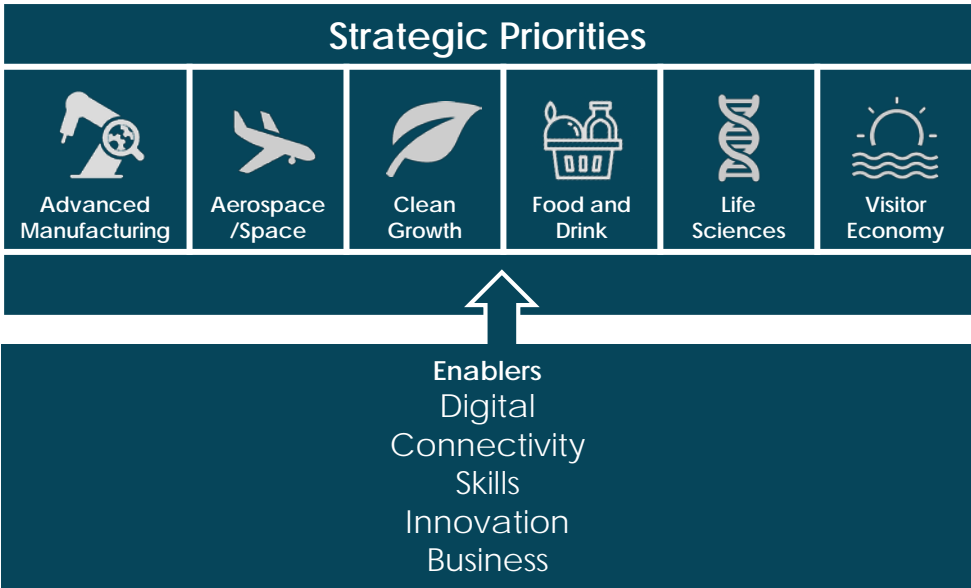
Catalysts and enablers initially identified as having the greatest potential to support inclusive and transformational growth remain vital to the fortunes of the Ayrshire economy. We will prioritise regional collaboration and resources being directed towards supporting the recovery of sectors that are either in crisis, could be critically damaged during the economic fallout from the pandemic or which provide greatest leverage to support the recovery process to move into renewal.

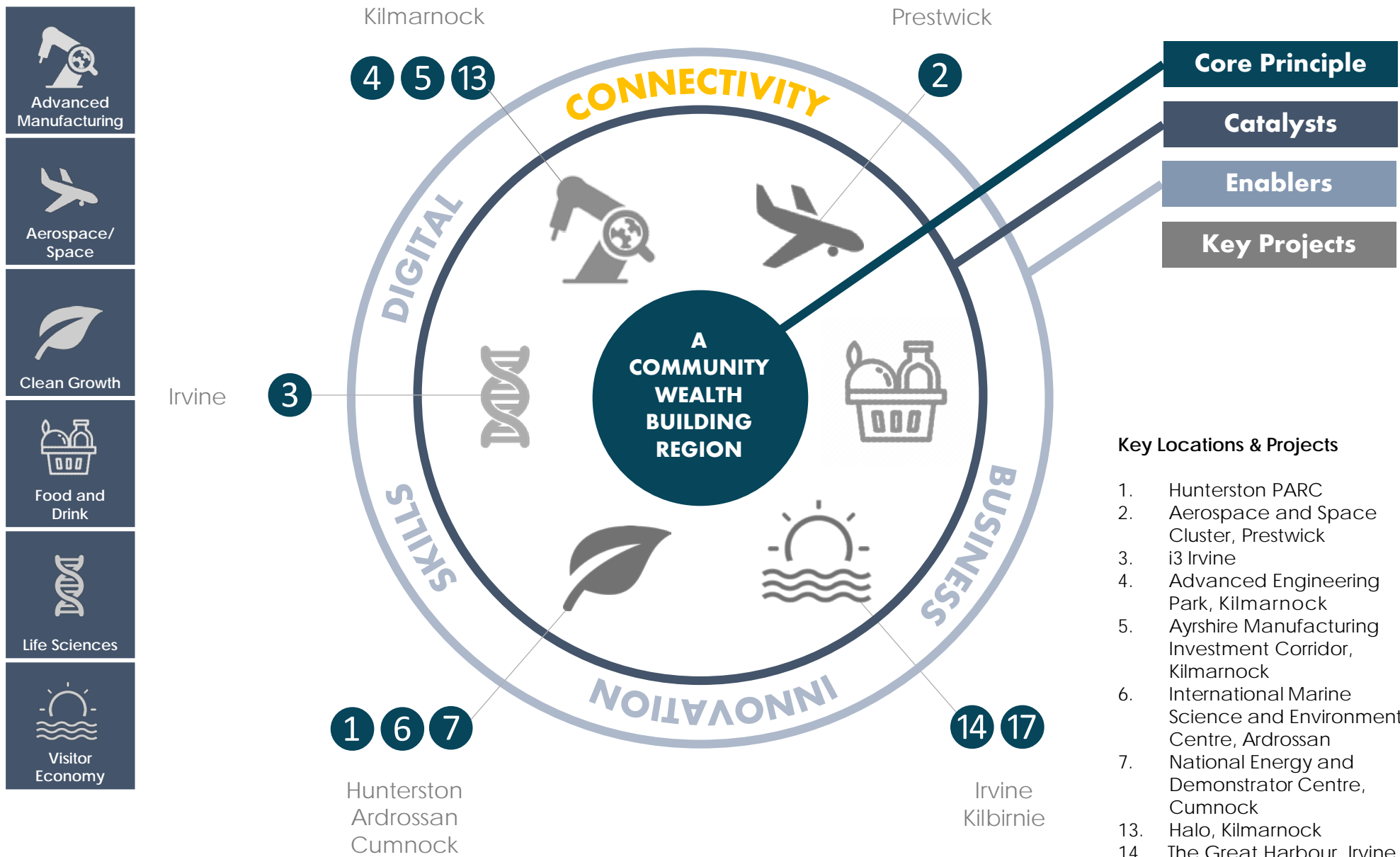
The following page indicates the relationship between these catalysts, enablers and our strategic development priorities.



The **AYRSHIRE GROWTH DEAL** will target coordinated investment across Ayrshire, acting as a powerful catalyst to stimulate growth, increase job opportunities and prosperity for Ayrshire, Scotland and the UK as a whole.

The AGD investment, to be delivered over the next 15 years, will unlock around £300m of private investment and 7,000 new jobs across a wide range of sectors, and, in doing so, transforming the local economy for the benefit of all our people and places. The Regional Spatial Strategy, alongside the work of the Regional Economic Partnership, will form a framework to maximise the impact of that investment.





# CLIMATE CHANGE



Action to **mitigate against** and **adapt to Climate change** is embedded in all aspects of what the RSS will aim to achieve. Each strategic priority must be taken forward with the need to tackle the climate emergency as a fundamental requirement.

The **energy market is changing** and will continue to change over the lifetime of the RSS. Ayrshire will be at the forefront of this transition, with Growth Deal projects that focus on decarbonising energy and moving to a locally based energy system.

The preparation of an Ayrshire Energy Masterplan is being explored, with the purpose of ensuring a joined up approach to energy generation and usage across the region.

**Flood risk is one of the most visible effects of climate change**, with huge implications for communities and the economy across Ayrshire. The RSS will support a proactive approach to tackling flood risk, which will require collaborative working with a range of partners to explore ways of developing sites and mitigating flood risk.

Investment in clean, green **renewable energy generation**, in particular wind energy, is a key means by which Ayrshire is contributing to national carbon reduction goals. Supporting renewable energy development, in a managed, proportionate and balanced manner, is a critical part of Ayrshire’s response to climate change.

The climate emergency calls for a renewed focus on the way we develop and build. **Brownfield land** must be prioritised and bold and more ambitious approaches to developing **zero carbon buildings** will be sought.

To deliver our outcomes for Ayrshire, 17 strategic development priorities have been identified.

The delivery of these inter-linked developments will be key to meeting the vision and outcome proposed by this indicative strategy, to be developed through the Regional Spatial Strategy

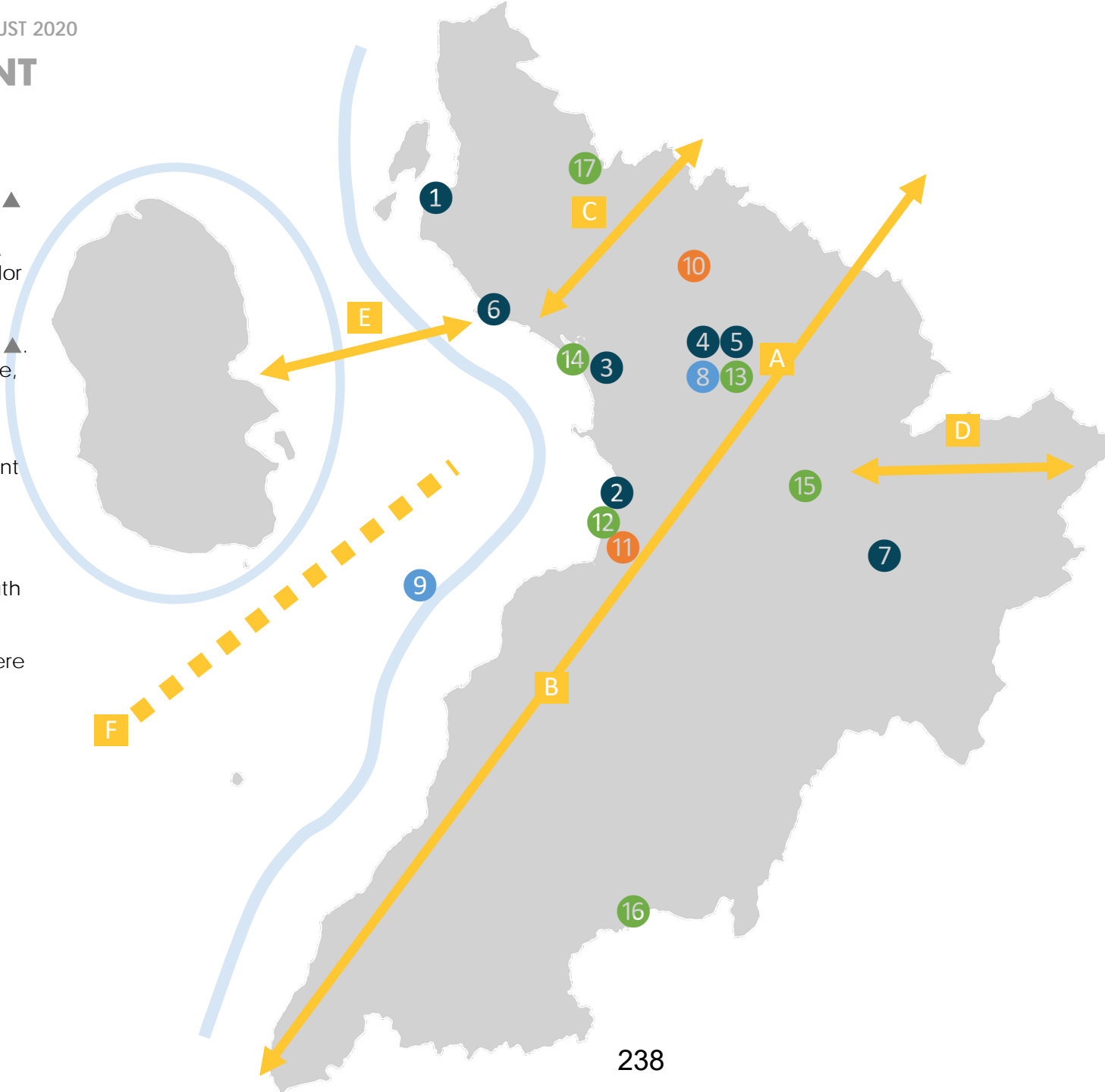
Essential to the delivery of the 16 strategic development priorities will be 6 connectivity improvements identified.

These are shown spatially on the strategic development priorities map and are each described in more detail below.



- A. Bellfield Interchange
- B. A77/M77 Corridor
- C. A737 Corridor
- D. Connections to M74
- E. Ferry Services
- F. Digital Subsea Connectivity▲
- G. Central Scotland Green Network

13



## 1 HUNTERSTON PARC

### What?

A deep-water port and innovation, energy and blue economy hub and a national asset which is part of Scotland’s infrastructure to create a modal shift in decarbonising our economy and support Ayrshire’s clean growth aspirations.

The complete redevelopment of the 130ha deep-water port and marine yard offers a number of opportunities to support advances in renewable energy, the blue economy and the circular economy, including as a focal point for research and innovation. New power generation from renewable and transitional technologies will provide load stabilisation solutions and the potential to create an eco-system of power generators with new energy-intensive industry.

**Why?** Hunterston’s scale, deep water access, dry dock facility and logistic support make it a unique proposition within Scotland to support our response to climate change.

## 2 PRESTWICK AEROSPACE & SPACE CLUSTER

### What?

Establish Prestwick as the Centre of Excellence for Aerospace and Space Development in Scotland and the UK. The proposed interventions encompass improvements to enabling infrastructure, provision of new commercial and industrial build, hangars, the establishment of a Spaceport, including launch operation facilities, Aerospace and Space Innovation Centre (ASIC) and National Flight Centre (NFC), encompassing innovation in design and development and skills development across Maintenance Repair and Overhaul (MRO), aerospace, flight, launch and in-space capability.

### Why?

This will build on the established aerospace cluster around Prestwick Airport and facilitate investment in a new aerospace lifecycle, as well consolidating and facilitating the growth of the commercial space sector, providing growth in gross value add (GVA) and the creation and safeguarding of high value add jobs.

## 3 i3 CAMPUS

### What?

Digital Manufacturing and Demonstrator Hub that will provide a centre of excellence in digital automation in process industries, in partnership with the National Manufacturing Institute of Scotland and University of Strathclyde. It will position Ayrshire as a leader in digital technology application. In addition, flexible advanced manufacturing space will be provided in phases at the Campus to complement the Hub. These developments will facilitate start up, spin out, and growth of Life Science businesses and other advanced manufacturing opportunities.

### Why?

The Campus is at the heart of proposals – to be delivered by the Ayrshire Growth Deal at i3 – aimed at creating a more innovative, productive and inclusive economy by developing Ayrshire’s core strengths and providing opportunities for companies and communities to thrive and prosper. The Hub will provide expert guidance and access to Industry 4.0 digital manufacturing technologies for process industry businesses to help them improve their productivity and be more innovative and competitive. The provision of modern, flexible advanced manufacturing space has been identified as a key demand for businesses in an area where market failure is affecting its development.

**4 ADVANCED ENGINEERING  
PARK, MOORFIELD, KILMARNOCK**

**What?**

The project will provide the expansion of Moorfield Industrial Park in Kilmarnock. It will create up to 11,000 sqm of serviced and high quality business space, with a range of units and sizes

The current Moorfield Park has been developed by East Ayrshire council for industrial use and is now nearing capacity.

**Why?**

Within Ayrshire there is a lack of high quality sites and premises that support the growth ambitions of companies in Ayrshire and beyond. The provision of high quality business space at a strategically accessible location will meet a clear need and enable investment in Ayrshire that will bring new economic activity and high quality jobs contributing to the overall vision of the iRSS.

**5 AYRSHIRE MANUFACTURING  
INVESTMENT CORRIDOR (AMIC)**

**What?**

The AMIC project will establish a food and drink centre of excellence which, combined with on-site support and start-up units, will allow Advanced Manufacturing sector businesses to start-up and grow, as well as enabling the growth of existing businesses.

The centre will provide opportunities for product development innovation, production pilot plant facilities as well as technical and business support.

**Why?**

Food and Drink, including agriculture, is an important sector across Ayrshire and is a key workstream of the Regional Economic Partnership. AMIC will enable further growth and expansion of this sector and support agriculture, helping to transform the Ayrshire economy as set out in the iRSS outcomes.

**6 ARDROSSAN REGENERATION &  
INTERNATIONAL MARINE SCIENCE &  
ENVIRONMENT CENTRE (IMSE)**

**What?**

The regeneration of Ardrossan over the next 10 years is a national-scale project which will deliver the redevelopment of Ardrossan Harbour and transport hub, the reuse of a major brownfield site and bring wider benefits to the town. A new Education and Community Campus, housing, expanded marina facility and Centre for International Marine Science & Environment (IMSE) will be delivered as part of the plans.

IMSE will allow industry and academia to develop and capture innovation in marine sciences; marine technology; and marine education and training, ensuring that the Firth of Clyde is recognised as an exemplar in the Blue Economy and marine sustainability.

**Why?**

Ardrossan is one of Scotland’s largest and busiest ferry terminals and benefits communities and businesses across Ayrshire. This regeneration will transform a brownfield site, enhance the harbour and improve opportunities for active travel. Links with the town and wider community will support wider town centre improvements. A community wealth building approach will maximise the benefit the investment delivers to local people and organisations.

**7 NATIONAL ENERGY RESEARCH AND DEMONSTRATOR (NERD)**

**What?**

The aim of the NERD is to act as a catalyst for the Cumnock area and beyond to transition to a low carbon society, transforming energy production, distribution and storage. A centre of excellence for energy research will be built and a suite of demonstrator projects undertaken to find ways to transform the local energy system, with the community at its heart.

NERD will act as an important stimulus to the local economy and jobs market, attracting inward investment and supporting existing local businesses

**Why?**

Through its focus on climate change, the iRSS recognises that a major shift is required in the way we produce, distribute and store energy. This project will put the Cumnock area and Ayrshire as a whole, with its long history of energy generation, at the forefront of this transition and will establish the area as an exemplar for energy research and demonstrator.

**8 IRVINE VALLEY & KILMARNOCK FLOOD PROTECTION SCHEME**

**What?**

The Irvine Valley flood study responds to severe flood events in Kilmarnock. The study sets out proposals to reduce the risk of existing property flooding in the Irvine Valley, while further work will address how to enable new, resilient development in tandem with flood defense work and will explore opportunities for natural flood management techniques.

**Why?**

Flood risk is having a significant impact on the development potential of large parts of Kilmarnock and the wider Irvine Valley, both upstream and downstream. In particular, flood risk is proving a barrier to the redevelopment of long term vacant and derelict land, a key outcome prioritised in this iRSS. To contribute to a sustainable approach to development and to enable other iRSS outcomes, solutions to developing such sites need to be found.

**9 AYRSHIRE COAST AND SHORELINE MANAGEMENT PLAN**

**What?**

Implementation of the long term plan to manage the shoreline of Ayrshire to mitigate the impacts of climate change, coastal erosion and rising sea levels. Specific, discrete projects affecting the coastlines of North and South Ayrshire will be identified through a number of specialist studies. The Ayrshire Growth Deal will support the development of our coastal and island economies through new marine tourism infrastructure supporting growth in sailing, marine leisure and recreation.

**Why?**

Scientific evidence has demonstrated that, worldwide, climatic events are becoming more extreme and sea water levels are rising and will continue to rise in the long term. The approved Ayrshire Local Flood Risk Management Plan identified the need to prepare a Shoreline Management Plan (SMP) covering the full extent of the coastlines of North and South Ayrshire, to help manage the risks to people, as well as the built and natural environment, arising from coastal processes. The Ayrshire coast, islands and surrounding waters provide opportunities to develop the blue economy within a sustainable framework that will protect environmental and ecological priorities.

**10 A DEVELOPMENT FRAMEWORK FOR STEWARTON**

**What?**  
A long term development framework is required to manage the growth of Stewarton. Based on collaborate working, it will map out the long term development priorities and timescales, to allow the town to grow in a sustainable manner with the needs of the existing community at its heart.

**Why?**  
Stewarton has seen accelerated growth and high rates of house building over the last 10 years, based on its proximity to the Glasgow conurbation and good commuting links. Investment in infrastructure has not kept pace; the roads network, sewage and water infrastructure, education provision and health and social care facilities need upgraded and need to be planned for in a fully comprehensive approach. The need for a development framework for Stewarton is linked to a wider regional priority, set out in this iRSS, to balance the housing market, by stimulating growth in low demand areas and managing development in high demand areas.

**11 SOUTH EAST AYR**

**What?**  
A phased, masterplanned, urban expansion area, occupying 224 hectares of land, on the south-east side of the settlement of Ayr, to the east of the A77(T), enclosed by it, the A713 Ayr -Dalmellington Road and the C39 Doonfoot to Sessionfield Road. The development will comprise 2700 houses, forming a sustainable community, with a new primary school, neighbourhood shopping centre, community facilities, business units and consequential improvements to the A77(T), including a new roundabout and sustainable travel overbridge.

**Why?**  
The proposal is identified in the adopted South Ayrshire Local Development Plan (LDP1) and the proposed replacement South Ayrshire Local Development Plan (PLDP2), originally to meet a need for housing. The Corton phase of the development has the benefit of planning permission. The scale of the development is such that it will have a significant impact on the trunk road network.

**12 AYR TOWN CENTRE**

**What?**  
Implementation of various projects to restore to beneficial use vacant buildings and land in Ayr Town Centre, improve its appearance, vibrancy and vitality, re-purpose it and render it more accessible by active travel.

**Why?**  
Changes in retail trends towards out of town and on-line shopping have eroded Ayr's previous role as a prime retail destination, resulting in a number of large, vacant and derelict buildings and sites within, or close to, the Town Centre, which are exerting an adverse impact on its character and appearance, particularly within the Central Conservation Area. Together with the rationalization of South Ayrshire Council's office estate and the closure of Ayr Station Hotel, these buildings and sites provide an opportunity to re-purpose the Town Centre as both a focus for events. Heritage and leisure and a place in which to live, with an integrated transport hub and sustainable travel linkages to north Ayr and the University of West of Scotland and Ayr College.

## 13 HALO, KILMARNOCK TOWN CENTRE AND SOUTH

### What?

Kilmarnock is a growing town with continual demand for new house building; a sustainable approach to development requires a thriving, accessible and multi-functional town centre to serve the growing population. A community-led approach to the regeneration of Kilmarnock town centre is being taken forward, which will deliver physical interventions to the fabric of the town. At the same time, the area south of the town centre, which has long been blighted by areas of vacant and derelict land is a priority for redevelopment, whilst the HALO project will be a driver to regenerate the area to the north of the town.

### Why?

A contracting retail sector, leaving behind significant vacancies and voids means the need to bring new life, uses and activity into the town centre is critical to ensuring the town retains its role as a strategic centre for Ayrshire, able to meet the needs of its surrounding communities and bring new investment to the region.

## 14 IRVINE AND THE GREAT HARBOUR

### What

The long term plan to maximise the development potential of Irvine will continue to progress with plans to develop new housing and support infrastructure at Montgomerie Park and other sites, continued improvements to the fabric of the town centre and the transformation of Irvine Harbourside and the Ardeer peninsula into a major Scottish visitor destination.

A 'Maritime Mile', from Irvine train station to the beach will re-invigorate the area by creating a unique coastal experience for visitors and opening up access to the waterfront setting and revitalised harbour. Opportunities for leisure, tourism and housing development will be part of those plans.

### Why?

Supporting new housing growth, investing in our town centres and creating opportunities for economic development will support ambitions to grow our population and ensure that we create great places for people to live, work, shop and visit.

The bold and imaginative plans for Irvine Harbourside will attract new visitors to Ayrshire, making it a destination of choice for leisure activities, businesses and families to live, to work and bring economic, social and cultural benefits to both the harbour area, Irvine and Ayrshire as a whole.

## 15 THE COALFIELD COMMUNITIES

### What?

The regeneration and renewal of the communities and landscape of the former coalfields, around Cumnock and the Doon Valley requires a joined up, place based approach. The delivery of the coalfield communities landscape partnership, implementation of the Minerals Plan and continued development and delivery of community-led action plans, requires collaboration from communities, public organisations and the development industry.

### Why?

The long term demise of the coal industry has taken away the economic driver of the coalfields and has left a legacy of damaged landscapes and disconnected communities. A path to a sustainable, post-coal future is needed to allow this part of Ayrshire to achieve the iRSS vision of a region with healthy and inclusive communities, supported by a high quality environment.

**16 THE GALLOWAY & SOUTHERN  
AYRSHIRE BIOSPHERE and  
PROPOSED NATIONAL PARK**

**What?**

The Galloway and Southern Ayrshire Biosphere is a unique and valuable designation, which aims to promote the area as an exemplar for achieving a sustainable approach to the economy and environment. There is an ambition to expand the work of the Biosphere and increase its role and prominence within Ayrshire.

Alongside this, there is a movement to establish a Galloway National Park, which could include the southern part of Ayrshire.

**Why?**

These are significant cross-boundary projects that are supported to help advance economic activity and tourism, whilst safeguarding the environmental qualities of the area. They are clearly linked to the vision of the iRSS, which strives for an inclusive economy in tandem with a high quality environment.

**17 LOCHSHORE, KILBIRNIE**

**What?**

A region-wide tourism and leisure destination centred around Kilbirnie Loch. A community and leisure hub will support a range of opportunities for activity and recreation within Lochshore, including watersports, outdoor play and active travel alongside woodland creation and biodiversity enhancements.

Further to the placemaking investment, housing development at Lochshore is a long-term aspiration.

**Why?**

The development of Lochshore as a regional destination will deliver economic, health, community and placemaking benefits to the Garnock Valley and beyond.

**A. BELLFIELD INTERCHANGE**

**What?**

The Bellfield interchange to the east of Kilmarnock is a strategic road interchange, where the M77, A76 and A71 meet. The capacity of the interchange needs expanded and a series of interventions of varying scales are being explored.

**Why?**

The interchange is operating at capacity and represents both a congestion hotspot and safety risk. More so, it is limiting new development on a regional scale, with implication for the delivery of the Ayrshire Growth Deal, the allocation of new industrial and business sites and the identification of new housing land releases. The upgrading of the interchange is critical to achieving some key outcomes of the iRSS and its vision in relation to delivering a thriving and inclusive economy.

**B. A77/M77 CORRIDOR**

**What?**

The M77/A77 is a strategic route connecting Ayrshire to the Glasgow conurbation and beyond. There is potential to release further development sites within the corridor for a variety of uses, including business and industrial use to stimulate economic activity and to advance some of the objectives of the Ayrshire economic strategy. This will require, however, actions to address some of the limitations of the road network itself; in particular the am peak time traffic congestion travelling north into Glasgow and the barriers to public transport.

**Why?**

This key route linking Ayrshire to Glasgow is of regional importance to economic investment and stimulating the development industry in Ayrshire. It also gives an opportunity to think strategically about modes of travel and supporting a shift away from car use, linking to both the economic and climate change priorities of the iRSS.

**C. A737 CORRIDOR**

**What?**

Further upgrades to the A737 corridor, including between Beith and Johnstone, the Beith bypass and the B714, linking the Dalry bypass to the A78 to improve connections to and from Glasgow and the Central Belt.

**Why?** Upgrading the A737 would bring major social and economic benefits to Ayrshire, promoting the regeneration of Hunterston and the Three Towns; reducing the impact of traffic in Kilwinning; improving accessibility to and from Ayrshire, including Arran and enhancing the resilience of the network for both public and private transport.

**D. CONNECTIONS TO M74**

**What?**

As the main trunk route connecting Scotland to England, the M74 is a significant route for business, haulage and tourism. The strengthening of links between the M74 and Ayrshire would make Ayrshire a more accessible location to do business and to visit and would see Ayrshire communities benefit from greater accessibility.

**Why?**

One of the greatest economic challenges for parts of Ayrshire is relative isolation from markets. Improved road networks would help to address this and bring Ayrshire closer to the major areas of population and transport hubs.

**E. FERRY CONNECTIONS TO OUR ISLANDS**

**What?**

Improvements to the accessibility, quality and reliability of ferry services supported by excellent multi-modal transport interchanges that offer travel choice for all users.

**Why?**

The people and economies of Ayshire’s island communities of Arran and Cumbrae rely on these services. It is important that we improve the resilience of the ferry and transport services to and from these islands so that they remain well connected and that the islands sustainability as a place to live and work is assured.

**F. DIGITAL SUBSEA CONNECTIVITY**

**What?**

A new sub-sea fibre optic cable, linking Ayrshire with Ireland and, ultimately, North America.

**Why?**

Part of a wider, Ayrshire Growth Deal project to provide Ayrshire with world class, agile, digital infrastructure, which also includes Key Sites Upgrade, 4G Infill, Business Uptake, Digital Skills Plan, Regional Digital Hubs and Centres of Digital Excellence. The project aims to reduce digital connectivity disadvantage, in rural areas particularly, and enhance the competitiveness of the Ayrshire economy.

**G. CENTRAL SCOTLAND GREEN CORRIDOR**

**What?**

The CSGN is a national development within the National Planning Framework which aims to make a significant contribution to Scotland's sustainable economic development. It aims that by 2050, Central Scotland has been transformed into a place where the environment adds value to the economy and where people’s lives are enriched by its quality. The Ayrshire Councils as partners are committed to embedding the CSGN in all relevant policies, strategies and plans and developing and enhancing their partnership work to realise the CSGN.

**Why?**

Green infrastructure can provide a host of benefits including building healthier communities. Working together will allow cross-boundary needs and opportunities to be identified which will help with climate resilience, habitats and in promoting active, healthy behaviours across the region.

## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

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<b>Title:</b>	<b>Millport Coastal Flood Protection Scheme: Preliminary Scheme Confirmation</b>
<b>Purpose:</b>	To update Cabinet on the formal Scheme Notification consultation, objections received, and proposed next steps.
<b>Recommendation:</b>	<p>It is proposed that Cabinet: -</p> <ul style="list-style-type: none"> <li>a) considers the objections received during the formal Scheme Notification stage as detailed within Appendix 1; and</li> <li>b) makes a preliminary decision to confirm the proposed Millport Coastal Flood Protection Scheme without modification.</li> </ul>

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### 1. Executive Summary

- 1.1 The requirement for a coastal flood protection scheme for Millport was included within the Ayrshire Local Flood Risk Management Strategy and Plan produced in 2015 and 2016 respectively. Since then work has been progressing to develop an acceptable design solution for the flood protection scheme.
- 1.2 Three design solutions were presented to Cabinet in December 2018. The preferred solution was the provision of offshore breakwaters connecting the small islands in Millport Bay, plus onshore flood walls along the Millport shoreline as shown in the diagram at paragraph 2.1. The preferred option will not only provide the required flood protection, but it will also create an area of sheltered water which could allow the future development of a community marina supporting the potential for step ashore facilities under the auspices of the Ayrshire Growth Deal.
- 1.3 To date, four non-statutory community consultation events have been held with stakeholders. In addition, targeted community consultation was carried out in July 2019 for the Clyde Street, Cross House and Crichton Street residents. A forum was also established involving stakeholders, elected members and officers to discuss issues relating to the impact of the proposed flood protection scheme. This has afforded opportunities for extensive consideration of the views of the local community and reflection of these views within the design.
- 1.4 On 26 November 2019 Cabinet agreed that the outline design be finalised and that officers submit the Scheme Notification to Scottish Government to allow statutory public consultation on the proposals to take place in early 2020.



- 2.2 A non-statutory community consultation event was held in Millport in February 2019 followed by further targeted consultation with the Clyde Street, Cross House and Crichton Street residents. Further comments and queries were addressed with another non-statutory community consultation event in August 2019, which showed strong community support for the scheme.
- 2.3 This feedback was reported to the Cabinet on 26 November 2019 and it was agreed that the outline design be finalised and that officers submit the Scheme Notification to Scottish Government to allow statutory public consultation on the proposals.
- 2.4 The Scheme Notification was submitted to Scottish Government on the 6 March 2020 and a 28-day statutory public consultation on the proposals started as planned. Following the COVID-19 outbreak it was agreed to extend the consultation to allow both the public and statutory bodies additional time to consider and respond to the scheme proposal. The statutory consultation closed on 11 May 2020.
- 2.5 It is further evidence of the strong community support for the preferred option that only five objections were received, none of which were from residents owning properties or living in the flood risk area. The contents of the five objections received are provided at Appendix 1, but can be summarised as follows:
- changing the navigation channel which affects the ability of larger vessels to moor in Millport and the related economic loss;
  - questioning whether the scheme provide value for money;
  - lack of Council funded amenities available in the island; and
  - a desire to have Millport Pier restored.

One of the objections received was from the P.S. Waverley. It is acknowledged that the Waverley historically moored at the timber pier but has not done so since 2014 as the condition of the timber pier does not allow it. Instead, the Waverley used Keppel Pier, just north of Millport. The timber pier refurbishment is not part of the Flood Protection Scheme, but the proposed breakwater and changing navigational channel would prevent this vessel from using the pier even if the pier was returned to good working order.

- 2.6 All of these issues were dealt with during the four non-statutory consultations held prior to the scheme notification stage and the following summarises the position reached:
- Whilst there is an impact on larger vessels from closing off the current navigational channel, it unlocks the opportunity for the local community to develop a marina proposal at a future date. The Waverly can continue to dock at Keppel Pier;
  - With regard to the value for money of the scheme, the estimate of the benefits provided by the scheme outweigh the cost by a ratio of 2.37 as reported to Cabinet in November 2019, and the value for money of the scheme has been separately assessed by the Scottish Government;
  - The investment for flood protection is funded 80/20 by the Scottish Government/ North Ayrshire Council respectively. The Scottish Government confirmed that they would only fund investment relating to flood protection. Other investment in the island is outwith the scope of the flood protection scheme so this point is not a relevant objection to the scheme;

- Cabinet made a decision not to invest in Millport timber pier in 2014 and the option remains for community asset transfer and subsequent refurbishment of the pier.
- 2.7 Despite the further detailed responses to the objections provided by officers, in an effort to resolve the objections (see Appendix 1), two of the objectors confirmed they wish to continue their objections. No responses were received from the other three, however legislation requires that they are still considered.
- 2.8 None of the objections have raised any new points which have not been considered and responded to as part of our extensive prior consultation efforts. It is therefore considered that no modification should be made to the scheme and it is recommended that Cabinet makes a preliminary decision to confirm the scheme in terms of the Paragraph 5 of Schedule 2 of the Flood Risk Management (Scotland) Act 2009. The objections summarised above and set out in detail at Appendix 1 must be considered prior to making that decision and thereafter notice of that decision must be made to the objectors.
- 2.9 As there have been no objections from any statutory consultee, or anyone directly affected by flooding or upon whose ground the works will be undertaken, there is no requirement under the legislation to notify the Scottish Ministers nor hold a public local inquiry or public hearing prior to the preliminary confirmation.
- 2.10 Following preliminary notification the objectors will be notified of the decision and will have a further opportunity to consider their objections. The intention is to come back to Cabinet in November 2020 to seek final confirmation of the scheme which will allow the Council to seek deemed planning permission. After final confirmation the design details will be finalised and the necessary licences will be applied for, which will be followed by a tender process leading to construction work on site.
- 2.11 An indicative timescale for the next phases of the project, subject to Cabinet approval to proceed to the preliminary confirmation stage, is detailed below. The key milestones remain broadly in-line with the November 2019 Cabinet Report:
- September 2020 - preliminary decision
  - November 2020 Cabinet to make final decision following preliminary decision and approve that the detailed design be progressed
  - Late 2020 to autumn 2021 - Detailed design undertaken
  - Late 2021 – Contractor procurement, Marine Licence application
  - Early 2022 - Construction commences
  - Late 2023 - Scheme completed and operational

### **3. Proposals**

- 3.1 That Cabinet considers the outstanding objections, summarised at paragraphs 2.5 and 2.6 and detailed in full at Appendix 1, and agrees to make a preliminary decision to confirm the proposed Scheme without modification, which will trigger the notification to the objectors of the decision. As there are no objections from those with an interest in the land affected by flooding; or land affected by the works; or statutory consultees, there is no need to refer the matter to Scottish Ministers following the decision.
- 3.2 That Cabinet notes the indicative project timescale as detailed in paragraph 2.11.

## **4. Implications/Socio-economic Duty**

### **Financial**

- 4.1 The costs associated with the delivery of the proposed Millport Coastal Flood Protection Scheme are estimated at £27.5m and will attract 80% funding from Scottish Government with the remaining 20% funding being the responsibility of the local authority. The required funding is allocated in NAC's approved Capital Investment Plan.

There is no financial allocation to secure the local community's aspirations to retain the existing timber pier structure, which will only be possible should the community be able to secure funds.

### **Human Resources**

- 4.2 None.

### **Legal**

- 4.3 The objectors must be notified of the preliminary decision in terms of Paragraph 5(3) of Schedule 2 of the Flood Risk Management (Scotland) Act 2009 following which they may withdraw or affirm their objections. As there are no objections from those with an interest in the land affected by flooding, or land affected by the works, or from any statutory consultees, there is no requirement to refer the matter to Scottish Ministers following the preliminary decision. In addition, no objectors have raised any issues not already considered and responded to during the previous consultation stages. It is therefore anticipated that, following notification to the objectors of the preliminary decision, that a recommendation will be brought back to Cabinet later this year to proceed to final confirmation of the scheme.

### **Equality/Socio-economic**

- 4.4 An Equality Rights Impact Assessment will be carried out during the detailed design stage of the project.

### **Environmental and Sustainability**

- 4.5 The flood protection scheme will protect the environment and fabric of Millport against flooding in the long term. An Environmental Statement was submitted with the FPS notification, with reference to the FRM Act and the Environmental Impact Assessment (Scotland) Regulations 2017. If required, an updated EIA would accompany the application for the Marine Licence which will be required for the scheme.

### **Key Priorities**

- 4.6 The flood protection scheme will protect the safety of residents and property in the affected areas and will also help develop the economy of Millport which aligns to the Council Plan 2019 – 2024. The scheme will contribute to keeping people and

communities safe, make Millport a vibrant, welcoming and attractive place and create a sustainable environment.

### **Community Wealth Building**

- 4.7 A package of community wealth building measures will be incorporated into the construction project and this will be considered further at the tender preparation stage.

## **5. Consultation**

- 5.1 To date, four informal community consultation events have been held with stakeholders, including the event which took place on 19 and 20 August 2019. The consultation events have significantly influenced the development of the proposed flood protection scheme.
- 5.2 In addition to the above, targeted community consultation was carried out in July 2019 for the Clyde Street, Cross House and Crichton Street residents.
- 5.3 A forum was established involving stakeholders, elected members and officers to discuss issues relating to the impact of the proposed flood protection scheme. This has afforded the opportunity to consider the views of the local community and this is reflected within the design proposals.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **David Hammond , Interim Head of Commercial Services**, on **01294 324570**.

### **Background Papers**

Appendix 1 - Objection responses

## Appendix 1 – Millport Coastal FPS - Objection Responses

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North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

Your Ref: [redacted] Our Ref: MCFPS/2020/015

If telephoning please call: [redacted]

29 May 2020

Objector No1 –

1st correspondence

### Millport Coastal FPS - Response to objection from [redacted]

Thank you for your correspondence regarding the Millport Coastal Flood Protection Scheme (FPS), I can confirm that your formal objection letter dated 1st April 2020 has been received. I address the points you made in your objection letter and I ask you to consider my response.

#### The first point regarding the cost of the breakwaters as follows:

*"My overriding concern is the proportion of the overall costs that are required to achieve a certain aspect of the scheme, and the debatable cost benefit that is potentially being incurred.*

*Using the figures presented some months ago by Royal Haskoning DHV, the proposed offshore breakwater accounts for nearly 60% of the total scheme costs (i.e. £15.1m of the total £25.6m). If we consider the proposed breakwater to be in two sections, one between the Leug and the Spoig, and one between the Spoig and the Outer Eileann, the section of breakwater between the Spoig and the Outer Eileann which will (unnecessarily) close-off the main navigable channel into the pier accounts for close to 40% of the total 'scheme costs (i.e. £10.5m of the total £25.6m). By their own figures, this additional section of breakwater between the Spoig and the Outer Eileann will only further mitigate the predicted overtopping wave height at Stuart Street by 0.4m (i.e. 15 inches), over that which would be achieved by a breakwater between the Leug and the Spoig. As these figures are based on a (rolling) 1-in-200 year storm scenario, that is a considerable gamble with £10.8m of taxpayer's money to achieve a mere 15 inch improvement. I'm certain that the same protection could be afforded to Stuart Street, by a slight increase in the Height of the proposed sea wall at a fraction of the cost."*

The current cost estimate for the proposed scheme has been updated from the values provided in the 2018 Scheme Recommendation Report and consultation event display materials which are quoted by [redacted]. Further work to develop the outline design has included a review of the alignment, foundation level and height of the structures. Offshore geotechnical investigations have changed the cost estimate and improved our understanding of design requirements and expected costs. To clarify based on the updated cost estimate, the total initial capital cost for the scheme stated in the Description of Operations for the notified Flood Protection Scheme is £25.4 million. The current cost estimate for the offshore breakwaters is £11.5 million, i.e. 45% of the total initial capital cost. The cost of the section of breakwater between the Leug and the Spoig is £8.3 million, or 33% of the total cost.

## Appendix 1 – Millport Coastal FPS - Objection Responses

### Protection provided by the breakwater between the Spoig and the Outer Eilean

We have reviewed the results of the wave modelling against the values that you have stated. These results show that without the offshore breakwater wave heights are between 1.0m and 1.6m at the Stuart Street sea wall for a 1 in 200-year return period event. With a breakwater between the Leug, the Spoig and the Outer Eilean, wave heights at the wall are reduced to 0.8m. The wave overtopping analysis is based on the wave height about 200m from the sea wall – for this distance offshore the breakwater reduces the wave height from 2.0m to 0.8m.

The expected performance of the offshore breakwater is assessed based on the reduction in wave overtopping (and associated flood risk) that results from this reduction in nearshore wave height. Overtopping rate depends on water level as well as wave height and the structural form of the coast protection structure. The offshore breakwater reduces the average overtopping rate along the length of the Stuart Street sea wall from 16 l/s/m to 1 l/s/m.

Alternative solutions for protection of properties on Stuart Street were considered by the 2015 Options Appraisal and reviewed as part of the development of the Scheme Recommendation Report.

**Increasing the height of the Stuart Street sea wall** was considered as an option to reduce overtopping rates in this area. Numerical modelling undertaken in 2015, and reviewed for the Scheme Recommendation Report, determined that the sea wall would need to be raised by up to 0.7m to reduce overtopping to safe levels for a 1 in 200 year return period storm, or by up to 1.0m to achieve the same standard of protection as the offshore breakwater. This would exceed the maximum wall height of 1.2m which was set as a design criterion for the scheme, based on feedback from the community, to minimise visual impact – the existing crest wall to Stuart Street is 1m high (above pavement level). With this option, whilst pavement levels adjacent to the wall could be raised to allow a view out to sea, but the outlook from the properties on Stuart Street would be significantly altered.

Another alternative considered was a rock armour revetment, about 4m high and 15-20m wide in front of the Stuart Street sea wall. This would protect the wall from direct wave attack and reduce the volume of overtopping. However, a rock revetment alone would not fully address overtopping risks to Stuart Street, and the sea wall would also need to be raised by up to 0.5m – a revetment provides limited additional benefit when compared to raising the sea wall, at significant additional cost. As well as the visual impact of the increased wall height, the appearance of the rock armour revetment itself would have a direct visual impact on the Millport seafront.

These alternative options were not taken forward because of the visual impact for residents and visitors, and the related impacts on tourism and the local economy, were considered to be unacceptable.

### The second point regarding the marina development as follows:

*"Latterly, there has also been considerable discussion around the possibility of a Marina forming part of a potential later development (as a result of the lee that would be created by the proposed offshore breakwater), and to an extent it appears that this may have influenced some of the thinking behind the final proposed solution for the offshore breakwater. This aspect was heavily promoted at the later consultation displays on the island, and erroneously represented what would be possible at the pier.*

*There was even a representation of PS Waverley at the pier, which led people to believe that the pier would still be able to function as a traditional pier (a key factor in a number of people's minds), and this was a completely false representation given the navigational constraints that would be imposed by the proposed breakwater, let alone any potential marina development."*

## Appendix 1 – Millport Coastal FPS - Objection Responses

*"There have been a number of studies that appear to support the economic benefits of a Marina Development, however there is no funding in place for this, and none of the aesthetic downsides appear to have been considered."*

The Environmental Statement and the Scheme Recommendation Report acknowledge that there is the potential for a marina to be constructed in the future in the sheltered area that would be created due to the construction of an offshore breakwater. The potential economic benefits that might be associated with a marina are not included in the economic justification for the flood protection scheme, because the development of a marina does not form part of the proposed scheme, and this statement was made in the February 2019 Consultation report. The Scheme Recommendation Report and the Environmental Statement recognised (qualitatively) the potential future socio-economic benefits that could be associated with a marina. The Environmental Statement does not assess the potential environmental impacts associated with a marina development, because this does not form part of the current proposed scheme.

A plan drawing showing the Waverley at Millport Pier was included in the display materials produced by the NAC Tourism and Coastal Economy team for the February 2019 consultation event. The Flooding team was not able to review these materials prior to the consultation event. The drawing showing the Waverley was recognised as potentially misleading, and during the consultation event the Flood Protection Scheme project team used best efforts to clarify this issue. There has subsequently been clear communication, during meetings with the Millport Harbour Users Group and in the Environmental Statement, that Millport Pier will no longer be accessible to the P.S. Waverley.

The third point regarding the breakwater between the Leug and Spoig as follows:

*"The next option saw the introduction of an offshore breakwater between the Leug and the Spoig, which at the time, appeared to meet all of the stated criteria, and whilst it increased the total cost of the scheme, (from approx.: £12M to approx. £15M), it was nowhere near the costs that are now being proposed (£25.5M). As I've already stated this does nothing more than mitigate potential overtopping at Stuart Street by a mere 15 inches, at the cost of an additional £10.8M?"*

An offshore breakwater between only the Leug and the Spoig has not been assessed, nor presented during public consultation, as a viable option for providing flood protection to Millport. This would not provide sufficient protection to Millport seafront against waves from south to south easterly directions.

You may be referring to the option that was presented at the March 2017 consultation which included a breakwater between the Leug and the Spoig plus two offshore breakwater arms extending from the Spoig and form the Outer Eilean. This option would enable vessels to continue to navigate between the Spoig and the Eileans, but the navigation channel width would be reduced to about 40m, compared to an existing channel width of >100m. The navigation route between the breakwaters would be changed from the existing leading line.

With a gap in the breakwater, the wave height inshore is not reduced as much. The wave height at the Stuart Street Sea wall would be between 1.0m and 1.2m, compared to 0.8m with the continuous breakwater. Therefore, the residual risk of flooding to Stuart Street is greater than for the proposed breakwater. For Glasgow Street, inshore wave heights and associated wave overtopping is higher with this option when compared to the proposed scheme, requiring higher onshore flood walls.

## Appendix 1 – Millport Coastal FPS - Objection Responses

The costs associated with this breakwater option are equivalent to the estimated costs for the proposed breakwater between the Leug and the Outer Eilean. Although the length of the breakwater arms is less than for the continuous breakwaters, the separate breakwater arms would need to be constructed in deeper water. Costs for onshore works to Glasgow Street would be slightly higher due to the higher flood walls.

This option was rejected by NAC due to the lower standard of protection provided to Stuart Street and Glasgow Street, and the potential safety risks associated with the reduction in navigation channel width.

It should be noted that the cost estimates presented in March 2017 (such as the value of £15M quoted) are no longer applicable. Cost estimates increased for all potential options due to changes in scheme costs resulting from the findings of offshore geotechnical investigations, which identified lower bedrock levels and greater sediment depth than had been expected. These changes were presented during the February 2019 consultation, and in the Scheme Recommendation Report.

The fourth point regarding the small craft moorings and viability of Millport Pier as follows:

*"It is also worth remembering that a breakwater between the Leug and the Spoig, (leaving the navigable channel between the Spoig and the Outer Eileann open), would still provide a considerable area of lee for the development of additional small craft moorings, that would bring much of the economic benefits of any marina development, and still leave the navigable channel open for larger craft, ferries, pleasure steamers etc., which also bring economic benefits of their own. Also, Caledonian MacBrayne have stated in the past, that it is of concern that the island has only one viable landing point (whilst the pier remains closed), and this proposed development would effectively spell the end of Millport Pier as a usable entity. "*

*"Millport needs a working pier, as it's unlikely the use of the privately-owned pier at Keppel will continue for long given its light construction, and deteriorating condition, therefore closing off the navigable channel with an expensive and unnecessary section of breakwater (i.e. between the Spoig and the Outer Eileann), does not seem like a value-for-money proposition by any reasonable measure. It must be stressed, that whilst the proposals will leave the West Channel open, this will render the pier unusable by anything other than small craft as there will be insufficient manoeuvring room for any other vessels. Royal HaskoningDHV state in Chapter 23 (Tourism and Recreation) of their Environmental Statement that:*

*"The P.S. Waverley is the world's last sea-going paddle steamer and frequently operates on the Clyde between June and September. During the summer of 2013, the P.S. Waverley made 18 visits to Millport. Due to the unsafe condition of the timber pier the P.S. Waverley is currently unable to berth at Millport Pier and now stops at Keppel Pier (the Field Studies Centre). Visitors are transported to Millport town by bus. Visitors travelling into Millport from the P.S. Waverley support the local tourism economy, but with the vessel unable to berth within the own itself, a detrimental economic impact has been reported."*

*Whilst the report goes on to mention the MV Hebridean Princess, and it's potential to manoeuvre behind the proposed breakwater, this is entirely misleading, as the vessel's draught precludes it's use of Millport Pier, and the vessels calls to Millport are infrequent at best. It appears to have been used to promote the misconception that the pier will still be usable to vessels of this size on completion of the proposed works."*

For the alternative option which maintains a navigation channel between the Spoig and the Eileans, the area available for small craft moorings would be limited by the requirement to provide clearance to either side of the navigation channel. The existing small vessel anchorage located in the lee of the Leug and the Spoig would need to be relocated into the lee of the breakwater, reducing the area available for any additional moorings.

## Appendix 1 – Millport Coastal FPS - Objection Responses

The Commercial and Recreational Navigation chapter of the Environmental Statement (Chapter 13) for the scheme is supported by a desk-based navigation assessment (Appendix 13.1) which considers the changes to navigation due to the proposed offshore breakwater. The navigation assessment determined that the western channel and manoeuvring area inshore of the breakwater is feasible for vessels comparable to the Hebridean Princess, and for smaller fishing and recreational vessels typically visiting Millport.

Consultation with navigation and sailing organisations including the Northern Lighthouse Board, Clydeport and RYA Scotland has not identified significant concerns regarding the change in navigation route into Millport Bay, although it was recognised that Millport Pier would no longer be accessible to the P.S. Waverley. Ongoing consultation with Millport Harbour Users Group has also included discussion of navigation issues.

The navigation assessment recognises that the Hebridean Princess did not previously berth at Millport Pier when it was open, due to draught constraints. The Hebridean Princess has a draught of 3m, so a water depth of at least 4m is required. Bathymetric data shows that water depths on the seaward face of Millport Pier are between 1.9m and 3.4m at mean low water on a spring tide (MLWS), or between 4.9m and 6.4m at mean high water on a spring tide (MHWS).

The scheme proposals do not prevent future development of Millport Pier, which could include measures to improve access and allow larger vessels such as the Hebridean Princess to berth. Water depths at the pier indicate that it could be possible for the Hebridean Princess (and similar sized vessels) to temporarily berth for a short period at high tide. Limited dredging could extend the tidal window during which the pier would be accessible, with the offshore breakwater providing shelter to the seaward face of the pier.

The P.S. Waverley has recently undergone major refurbishment and was due to return to service in 2020. Consultation with the vessel operators indicated that it has always been difficult to berth the P.S. Waverley at Millport Pier, being strongly dependent on weather conditions. With concerns over the condition of the vessel and its ongoing economic viability, it could not be guaranteed that the P.S. Waverley would return to Millport Pier even if the pier was fully accessible.

Whilst the proposed scheme does not provide an additional landing point for CalMac ferries, the proposed breakwaters could provide shelter to vessels during storms.

The fifth point regarding value for money as follows:

*"This scheme needs to provide a value for money level of flood protection and should be a balance of needs and benefits. Under the current proposals, it is neither, particularly from a cost perspective, as the addition of one section of breakwater between the Spoig and the Eileanns almost doubles the cost of the scheme, from that which was originally proposed. Simply put, the substantial additional cost of one section of breakwater (between the Spoig and the Outer Eileann), and it's questionable benefits, surely cannot be justified at time when budgets are under so much pressure."*

An economic appraisal has been completed for the scheme based on guidance from the Scottish Government and current industry best practice. This considers the full cost of the whole scheme, and the flood protection benefits to the nation of protecting Millport against flooding. Local economic benefits of providing flood protection are also recognised. It is not appropriate to compare the cost of the breakwater between the Spoig and the Eileans to the previous cost estimates presented at an early stage of scheme development. The cost

## Appendix 1 – Millport Coastal FPS - Objection Responses

estimates for all potential scheme options have changed due to the information that is now known about constraints such as offshore geotechnical conditions. Removal of the breakwater between the Spoig and the Eileans is not a viable option in terms of flood protection and has never been presented as such.

In summary the Flood Protection Scheme is a significant one-off investment which can be a catalyst for future investments and regeneration projects.

I hope that the above information has helped to provide clarity on the issues you raised and allows you to reconsider your position in this matter, and to either withdraw your objection in writing or firming it up by the 22 June 2020.

The enclosed information will outline the process of dealing with objections if you strongly feel that your position remains unchanged.

Yours Sincerely



Team Leader - Flood Risk Management

Enc

Millport Coastal FPS Objection Procedure

## Appendix 1 – Millport Coastal FPS - Objection Responses

COMMERCIAL SERVICES  
Head of Service: David Hammond  
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North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

Your Ref: [redacted] Our Ref: MCFPS/2020/019

If telephoning please call: [redacted]

29 June 2020

Objector No1 –  
2<sup>nd</sup> correspondence

### Millport Coastal FPS - Response to objection from [redacted]

Thank you for your correspondence regarding the Millport Coastal Flood Protection Scheme (FPS). I can confirm that your objection confirmation letter dated 15<sup>th</sup> June 2020 has been received. I address the points you made in your objection letter and I ask you to consider my response.

#### The first point regarding the scheme benefit as follows:

*"... what I am opposed to is the cost of a solution that mitigates a scenario with extremely long odds"  
"the island is crying out for investment, but not what would perhaps mitigate a weather scenario with odds of 1 in 200, or only benefit a limited number of harbour users and boat owners."  
"... all of these figures are based on a (rolling) 1 in 200 year storm scenario..."*

We would like to clarify that the proposed scheme will be designed to provide protection against flooding due to storm events with return periods of up to 1 in 200 years, or a probability of occurrence of 0.5% or more in any year. The proposed scheme would protect against the frequent flooding that occurs to parts of the Old Town and Stuart Street in most years, as well as the less frequent but more extreme weather events that could affect a much greater number of homes and businesses throughout the town, as well as causing damage to the seafront area and disruption to the local roads.

The table below, taken from the 2017 Flood Risk Assessment Update, shows the number of properties at risk of flooding for return period events from 1 in 1 year to 1 in 1000 years. This demonstrates that the proposed scheme would protect 650 properties if a 1 in 200 year return period event was to occur, and would also protect 91 properties from flooding that could occur every year.

The appraisal of the economic benefits of the proposed scheme follows best practice guidance and is based on the flood damages that would occur without the scheme due to all storm events that might be expected to occur in a 100-year period, not just the flood damages due to a 1 in 200 year event.

The flood protection scheme would also provide protection for events with return periods greater than 1 in 200 years, or an annual probability of occurrence of less than 0.5%. For these more extreme events, some flooding might still occur, but would be much less severe than if the scheme was not in place. The economic appraisal also accounts for the risk of these 'exceedance' events.

In terms of the number of people benefitting from the scheme, the table below shows that flood risk will be reduced to 650 properties. The provision of flood protection will also reduce the risk of damage to the seafront infrastructure, including the coastal road, to the benefit of the community and visitors. The economic benefit of the scheme is valued at £68m, with additional local economic benefits (e.g. for tourism)

Executive Director (Place): Russell McCulcheon

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of £48m. The significant government investment in flood risk infrastructure for Millport will open up the potential for future regeneration investment in the town.

Table 3 (2017 FRA Update): Summary of properties at risk of flooding

Location	Flood Risk Area	Properties at risk of flooding by return period (years / AEP)									TOTAL
		1	2	5	10	25	50	100	200	1000	
		100%	50%	20%	10%	4%	2%	1%	0.5%	0.1%	
West Bay Road	4B	0	0	12	12	12	12	12	12	12	12
Milburn Street	4A	59	94	157	163	163	163	163	163	163	163
Crichton Street											
Clyde Street											
Stuart Street	3B	0	0	56	70	134	142	157	184	185	186
Guildford Street	3A	0	0	12	13	16	28	38	40	41	41
Guildford Street											
Glasgow Street (Clifton St to College St)	2B	7	11	29	39	47	59	62	65	65	65
Glasgow Street (College St to Crocodile)											
Glasgow Street (Crocodile to Kelburn St)	2A	54	57	67	76	76	76	76	76	76	78
Kelburn Street & Kames Bay	1B	3	5	8	49	83	83	83	83	83	83
Marine Parade	1A	19	29	58	58	58	58	58	58	58	63
<b>TOTAL</b>	<b>All</b>	<b>91</b>	<b>383</b>	<b>394</b>	<b>443</b>	<b>688</b>	<b>802</b>	<b>847</b>	<b>860</b>	<b>860</b>	<b>860</b>

The second point regarding the maintenance of Millport Pier is as follows:

*"The Council have not seen fit to properly maintain Millport Pier over the years, yet now appear to have approx. £5m to contribute to this scheme? That sum would build a new pier that if correctly designed, would mitigate the majority of the flood protection issues to the areas that need it most (i.e. Stuart Street and Guildford Street)".*

Major repair work was carried out to the masonry section of Millport Pier last year and this was funded entirely by the Council, unlike major flood protection work which is funded on a 20/80 split between the Council and the Scottish Government respectively.

With regard to the timber pier, the decision not to make the major investment necessary to refurbish it was taken by the Council in 2014 following a study of the economic benefits of the pier that demonstrated that the return on the investment simply could not be justified. Following the campaign by local people to save the pier there was a suggestion that the community might step in to preserve the pier and the Council would support a viable community asset transfer.

The Council currently have no plans to demolish the pier.

You suggest that a new pier would mitigate the majority of the flood protection issues but there are some issues with that suggestion. Refurbishment of the existing timber pier would not provide flood protection and would not be supported by the Scottish Government. They were asked about supporting a refurbishment of the timber pier and have been specific in stating that they would not do so because it cannot be justified on flood protection grounds.

During the development of the scheme the designers did look at alternative pier options but the scale of these would have rendered the harbour virtually unusable and they also would have been unaffordable.

Executive Director (Place): Russell McCutcheon

## Appendix 1 – Millport Coastal FPS - Objection Responses

They would also have been very different in construction from the current timber pier and so did not fit with the aspirations of local people in this regard.

The £5 million pound investment that the Council is intending to make to this scheme is a major undertaking from the Council's perspective and it is only because of the demonstrable benefits of the flood protection scheme, in terms of the prevention of damages to homes and businesses; the improvement of safety to those affected by flooding; and the opportunities for future development that the scheme might permit; that has allowed the Council to justify that investment.

The third point regarding the cost of Option 2 as follows:

*"With regard to Option 2 ... What is unclear however, is the costs attributed to this option?"*

We confirm that for the proposed scheme, £8.3m of the offshore breakwater costs relates to the section between the Spoig and the Outer Eilean, and £2.9m to the section between the Leug and the Spoig.

As stated in our previous response, the costs associated with the previously considered Option 2 are equivalent to the costs for the proposed scheme. The total length of the two breakwater arms that would be required for Option 2 is slightly less than the length of the continuous breakwater from the Spoig to the Outer Eilean. However, the alignment of the breakwater arms would be different to the continuous breakwater, to maximise the flood protection provided. Consequently, one of the breakwater arms would need to be constructed in deeper water, increasing costs.

The figure of £10.5m in relation to Option 2 was provided at the March 2017 consultation. This includes costs for the section of breakwater between the Leug and the Spoig and for the two breakwater arms between the Spoig and the Outer Eilean. It should be noted that the basis for the 2017 cost estimate for Option 2 is slightly different to the basis for the current cost estimate for the proposed scheme. The difference between these two values is about £1m, and not the £7m stated in your letter.

The fourth point on P.S. Waverley as follows:

*"Also whilst you correctly state that no potential cost benefits of a marina development have been included in the recommendation report..."*

*"Again, whilst the marina proposals were not presented by NAC personnel at the consultations, the representation of PS Waverley at the pier, which led many people to believe that the pier would still be able to function as a traditional pier (a key factor in many people's minds), was presented by an individual who has a vested interest in designing marinas, and it is debatable as to whether this should even have been allowed as part of the consultations?"*

*"The fact remains however, that the majority of people left these events with the impression that the island would still have a pier that could be used in the traditional sense."*

In addition to the consultation specific to the flood protection scheme, the February 2019 consultation event was attended by [REDACTED] (NAC Regeneration) and a modern apprentice placed with the Regeneration Team at that time. The consultants involved in the assessment of a potential marina were not invited to present at the consultation. If they were present at the event at any time then it would have been in an individual capacity and not on behalf of North Ayrshire Council.

The consultation materials published in August 2019, including the display boards and the accompanying Q&A sheet, stated that navigation routes in Millport Bay will be changed and the P.S. Waverley would no longer be able to berth in Millport Bay. This was also stated in the Environmental Statement accompanying the notified scheme.

Whilst improvements to the timber part of Millport Pier cannot be funded as part of the flood protection scheme, the proposed scheme does not prevent future improvements to the pier to enable its ongoing use by modern vessels. However, as already stated, this is unlikely to be funded by the Council because previous economic assessments have indicated that the costs could not be justified. However, the Council has recently invested in substantial repairs to the masonry part of the pier.

## Appendix 1 – Millport Coastal FPS - Objection Responses

### The fifth point on MV Hebridean Princess as follows:

*"I would also like to point out that the assertions made about the MV Hebridean Princess (and vessels of that ilk), are wholly inaccurate."*

As stated in our response to your original objection letter, the Commercial and Recreational Navigation chapter of the Environmental Statement (Chapter 13) for the scheme is supported by a desk based navigation assessment (Appendix 13.1) which considers the changes to navigation due to the proposed offshore breakwater. The navigation assessment was prepared by marine engineers based on industry standard guidance and considered the requirements for a range of vessel sizes. We have consulted with various navigation and sailing organisations and with other harbour users, who have not identified concerns about navigation access for the range of vessels identified in the assessment (vessels of equivalent size to the Hebridean Princess or smaller).

### The sixth point on Scheme cost compared to the 2017 Option 3 cost estimate as follows:

*"The irony in all of this, is that the original proposal for the scheme (Option 1), at 'just' £15.6m, provides the same level of protection as Option 3 at £25.4m, so it's hard to see the justification in the proposed spend, if the sole aim is indeed flood protection."*

Once again, the comparison between the 2017 cost estimate of £15.6m for Option 1 (nearshore breakwater) and the 2020 cost estimate of £25.4m for the proposed scheme is not appropriate because the basis for these cost estimates is different.

As explained in the previous response, the current cost estimate for the proposed scheme takes into account the findings of offshore geotechnical investigations and review of design requirements such as the alignment, foundation level and height of the offshore breakwaters. As set out in the 2018 Scheme Recommendation Report, following the offshore geotechnical investigations the cost estimate for Option 1 (nearshore breakwater) was revised to £33.5m, 20% higher than the cost estimate for the preferred offshore breakwater solution. Significant construction and environmental risks were also identified.

Other issues influencing the selection of the preferred option rather than Option 1 included feedback received during community consultation in relation to the visual impact of the scheme, associated tourism and economic impacts, and inshore navigation constraints.

### The seventh point on visualisation as follows:

*"At no point in any of the presentations or consultations has a model /visual representation been presented to show the visual impact of the Breakwater (or the proposed marina), from Millport Promenade."*

A video visualisation of the proposed scheme was presented at the February 2019 consultation, and updated for the August 2019 consultation. The videos were made available via the North Ayrshire Council website and can still be accessed in the following weblink. <https://www.north-ayrshire.gov.uk/community-safety/flooding/millport-coastal-fps.aspx>

This video includes the proposed breakwater structures, viewed from both onshore (Stuart Street) and offshore. The video visualisation was well received by the community, with many positive comments.

### The eighth point on mooring opportunities while leaving the navigational channel open as follows:

*"It is also worth remembering that a breakwater between the Leug and the Spoig (leaving the navigable channel between the Spoig and the Outer Eileann open), would still provide a considerable area of lee for the development of additional small craft moorings, that would bring much of the economic benefits of any marina development"*

## Appendix 1 – Millport Coastal FPS - Objection Responses

As stated in our previous response, additional small craft moorings are unlikely to be possible for the alternative option which maintains a navigation channel between the Spoig and the Eileann. This area in the lee of the breakwaters would be taken up by the existing moorings and small vessel anchorage, as well as providing suitable clearance to either side of the navigation channel.

The final point on value of money as follows:

*"This scheme needs to provide a value for money level of flood-protection and should be a balance of needs and benefits."*

The economic appraisal for the proposed flood protection scheme is based on set, industry standard criteria on how to assess benefits and costs for money for flood protection schemes. This consistent, objective and evidence-based process enables the Scottish Government to consider the value for money of the scheme against other similar schemes and other infrastructure investment. Based on this assessment, the Scottish Government and their advisors have confirmed that the proposed scheme meets the value-for-money criteria necessary to obtain grant funding.

I hope that the above information has helped to provide clarity on the issues you raised and allows you to reconsider your position in this matter, and to either withdraw your objection in writing or firming it up by the 20 July 2020.

Yours Sincerely



Team Leader - Flood Risk Management

## Appendix 1 – Millport Coastal FPS - Objection Responses

COMMERCIAL SERVICES  
Head of Service: David Hammond  
Cunninghame House, Irvine KA12 3EE  
Tel: 01284 310000  
www.north-ayrshire.gov.uk

Your Ref: [REDACTED] Our Ref: MCFPS/2020/016

If telephoning please call: [REDACTED]

29 May 2020



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

Objectors No2&3

Identical objection  
letter & response

Millport Coastal FPS - Response to objection from [REDACTED]

Thank you for your correspondence regarding the Millport Coastal Flood Protection Scheme (FPS), I can confirm that your formal objection letter dated 6<sup>th</sup> April 2020 has been received. I address the points you made in your objection letter as follows.

The first point regarding the navigation channel:

*"The proposal seems to have completely overlooked the fact that building a breakwater between the Spoig and the south Eilan would BLOCK the MAIN NAVIGATION CHANNEL for larger vessels approaching Millport pier."*

On the 11<sup>th</sup> December 2018, North Ayrshire Council Cabinet approved the recommended Preferred Option for the Millport Coastal Flood Protection Scheme, which comprises a 120m rock armour breakwater connecting The Leug and The Spoig islands and a 210m rock armour breakwater is constructed between The Spoig and the southern Eilean. The option also includes onshore flood walls and drainage improvements to minimise residual flood risks.

Consultation with navigation and sailing organisations including the Northern Lighthouse Board, Clydeport and RYA Scotland has not identified significant concerns regarding the change in navigation route into Millport Bay, although it was recognised that Millport Pier would no longer be accessible to the P.S. Waverley. Consultation with Millport Harbour Users Group has also included discussion of navigation issues.

The purpose of the February 2019 community engagement events was to gauge the public opinion on the Council's Preferred Option. The consultation events were very successful, there were between 170 and 200 visits made to the design workshops. A large proportion of local residents took an active role and provided their feedback during those discussions.

The above demonstrates that the Council consulted on the preferred option with not just the local residents and above listed Organisations but the Harbour Users Group too, which had a representation from the local boat owners, Council Elected Members, the Cumbrae Community Development Company and Local Community Council.

Executive Director (Place): Russell McCutcheon

## Appendix 1 – Millport Coastal FPS - Objection Responses

The Council also submitted a copy of the Scheme Recommendation Report to Scottish Government in 2018, which detailed all developed mitigation options and the reason why the preferred option is the best solution based on technical, environmental and financial considerations.

The Scheme Notification process requires the Council to produce and make available the Environmental Impact Assessment Document, during the consultation period, which is accessible from the following link from the North Ayrshire Council website:

<https://www.north-ayrshire.gov.uk/community-safety/flooding/millport-coastal-fps.aspx>

The Commercial and Recreational Navigation chapter of the Environmental Statement (Chapter 13) for the scheme is supported by a desk-based navigation assessment (Appendix 13.1) which considers the changes to navigation due to the proposed offshore breakwater. The navigation assessment determined that the western channel and manoeuvring area inshore of the breakwater is feasible for vessels comparable in size to the Hebridean Princess, and for smaller fishing and recreational vessels typically visiting Millport.

The scheme proposals do not prevent future development of Millport Pier, which could include measures to improve access and allow larger vessels such as the Hebridean Princess (or similar) to berth. Water depths at the pier indicate that it could be possible for the Hebridean Princess (and similar sized vessels) to temporarily berth for a short period at high tide. Limited dredging could extend the tidal window during which the pier would be accessible, with the offshore breakwater providing shelter to the seaward face of the pier.

The P.S. Waverley has recently undergone major refurbishment and was due to return to service in 2020. Consultation with the vessel operators indicated that it has always been difficult to berth the P.S. Waverley at Millport Pier, being strongly dependent on weather conditions. With concerns over the condition of the vessel and its ongoing economic viability, it could not be guaranteed that the P.S. Waverley would return to Millport Pier even if the pier was fully accessible.

Whilst the proposed scheme does not provide an additional landing point for CalMac ferries, the proposed breakwaters could provide shelter to vessels during storms.

### The second point regarding the economic impact as follows:

*"But blocking the main navigation channel to the pier would inevitably seriously damage tourism, which in turn would have a huge impact on the economic development and regeneration of Millport.*

*Larger vessels, such as The Waverley Paddle Steamer would NOT be able to navigate into the pier under the "preferred" option stated."*

I would like to address two important points here.

1. Step ashore facilities by the Waverley and similar size of vessels
2. Wider economic and regeneration aspects

## Appendix 1 – Millport Coastal FPS - Objection Responses

1. The Council recognises that the P.S. Waverley is an aging but iconic boat, and its short visits to Millport, which are restricted to the Summer season (between May and October) has a small but positive benefit to the local economy. The local economy could benefit from a maximum of 15 visits (1224 passengers) spending an estimated maximum of £40,000 annually. This equates to about £32 per person, which is a generous estimate.

Since 2014 the Waverley has had to dock at Keppel Pier (situated to the north east of the town) and the disembarked passengers were bussed into Millport town due to and the poor condition of the timber section of Millport Pier. In 2019 the Waverley was not in operation at all due to refurbishment.

The Waverley vessel has a relatively large turning circle. Although the overall dimensions of the P.S. Waverley (73m length) are similar to the Hebridean Princess, the Hebridean Princess is fitted with a bow thruster and twin stern propellers and is therefore more manoeuvrable than the paddle steamer, so would be able to dock at the Millport pier, if the pier was in a suitable condition.

The Waverley is able to visit Millport by docking at Keppel Pier and the Millport Coastal Flood Protection Scheme (FPS) will not affect that.

The reason that the Millport Coastal FPS could not include the refurbishment of the timber section of the Millport Pier is due to the rules of the Government Grant Funding. Funding is strictly for flood protection measures and the refurbishment of the timber pier is not such. The Scheme does not negatively impact on the Pier and there might be an opportunity to refurbish the pier from the auspices of the Ayrshire Growth Deal.

2. Wider economic and regeneration aspects

The Council recognises that tourism and regeneration is very important for the local community. The development of options for the proposed scheme were influenced by the local community during the many consultation events and design workshops. It was the Community who suggested to the Council to explore closing the existing navigational channel and while providing the required level of flood protection, create a sheltered harbour area which has the potential to be developed into a small marina in later years. The wider community feels that this would be a robust opportunity which could generate income for the town, not just for the small shops but hotels, restaurants etc and encourage visitors to stay overnight and spend more and use the local services.

Millport's economic success is also based on businesses being protected from flooding, and that citizens who own/rent properties in the flood risk areas are able to insure their home and avoid the continuous damages and related cost caused by the wave overtopping from the sea.

The Council's preferred option had positive community support, which was confirmed during the community engagement days, which included positive feedback on the option facilitating potential future regeneration opportunities. There is also still a strong desire within the community for preserving the Millport timber pier if the community can secure funds.

## Appendix 1 – Millport Coastal FPS - Objection Responses

The third point regarding the breakwater as follows:

*"The earlier proposal for a shorter breakwater between the Leug and the Spoig (without the extended breakwater between the Spoig and Eilans) would offer a much cheaper alternative, with only a slightly lower flood prevention benefits, whilst allowing the main navigation channel (to the pier) to remain open and accessible to larger tourist vessels."*

An offshore breakwater between only the Leug and the Spoig has not been assessed, nor presented during public consultation, as a viable option for providing flood protection to Millport. This would not provide sufficient protection to Millport seafront against waves from south to south easterly directions.

You may be referring to the option that was presented at the March 2017 consultation which included a breakwater between the Leug and the Spoig plus two offshore breakwater arms extending from the Spoig and form the Outer Eilean. This option would enable vessels to continue to navigate between the Spoig and the Eileans, but the navigation channel width would be reduced to about 40m, compared to an existing channel width of >100m. The navigation route between the breakwaters would be changed from the existing leading line.

With a gap in the breakwater, the wave height inshore is not reduced as much. The wave height at the Stuart Street Sea wall would be between 1.0m and 1.2m, compared to 0.8m with the continuous breakwater. Therefore, the residual risk of flooding to Stuart Street is greater than for the proposed breakwater. For Glasgow Street, inshore wave heights and associated wave overtopping is higher with this option when compared to the proposed scheme, requiring higher onshore flood walls.

The costs associated with this breakwater option are equivalent to the estimated costs for the proposed breakwater between the Leug and the Outer Eilean. Although the length of the breakwater arms is less than for the continuous breakwaters, the separate breakwater arms would need to be constructed in deeper water. Costs for onshore works to Glasgow Street would be slightly higher due to the higher flood walls.

This option was rejected by the Council due to the lower standard of protection provided to Stuart Street and Glasgow Street, and the potential safety risks associated with the reduction in navigation channel width.

It should be noted that the cost estimates presented in March 2017 are no longer applicable. Cost estimates increased for all potential options due to changes in scheme costs resulting from the findings of offshore geotechnical investigations. These changes were presented during the February 2019 consultation, and in the Scheme Recommendation Report.

In summary the Council wants to build the best possible Flood Protection Scheme for the residents and visitors of Millport and has considered the values of the past and present whilst aiming to open up new opportunities for the future. We would like to see that Millport will become a stronger and more resilient community, with the flood protection scheme aiding this vision.

The Millport community is very engaged in the scheme development and understands just how they have influenced the scheme development so far. The community is prepared to continue working with the Council to help shaping the Flood Protection Scheme in the coming months throughout the detail design phase.

The Flood Protection Scheme is a significant one-off investment which can be a catalyst for future investments and regeneration projects.

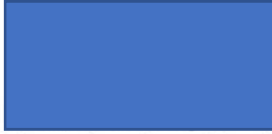
I hope that the above information has helped to provide clarity on the issues you raised and allows you to reconsider your position in this matter, and to either withdraw your objection in writing or firming it up by the 22 June 2020.

Executive Director (Place): Russell McCutcheon

## Appendix 1 – Millport Coastal FPS - Objection Responses

The enclosed information will outline the process of dealing with objections if you strongly feel that your position remains unchanged.

Yours Sincerely



Team Leader - Flood Risk Management

Enc

Millport Coastal FPS Objection Procedure

Executive Director (Place): Russell McCutcheon

## Appendix 1 – Millport Coastal FPS - Objection Responses

COMMERCIAL SERVICES  
Head of Service: David Hammond  
Cunninghame House, Irvine KA12 8EE  
Tel: 01294 310000  
www.north-ayrshire.gov.uk

Your Ref: [REDACTED] Our Ref: MCFPS/2020/018

If telephoning please call: [REDACTED]

29 May 2020



[REDACTED]  
Director  
Waverley Excursions Ltd.  
36 Lancefield Quay  
Glasgow,  
G3 8HA

### Millport Coastal FPS - Response to objection from Waverley Excursions Ltd.

Thank you for your correspondence regarding to the Millport Coastal Flood Protection Scheme (FPS), I can confirm that your formal objection letter dated 11<sup>th</sup> May 2020 has been received.

#### Previous consultation with Waverley Excursions

As recorded in Chapter 13 of the Environmental Statement (Commercial and Recreational Navigation), Amy Savage had a telephone discussion with Captain [REDACTED], a pilot of the PS Waverley, on 3rd May 2018. Captain [REDACTED] said that the turning circle of the PS Waverley is "about half a mile", and that if offshore breakwaters were to be constructed, the PS Waverley would not have sufficient space to be able to turn inshore of the breakwaters, so the PS Waverley could not return to Millport Pier. Captain [REDACTED] also commented that berthing at Millport Pier has always been difficult (not noted in the Environmental Statement). Captain [REDACTED] also gave his personal opinion that the potential benefits of providing additional shelter in Millport Bay (from offshore breakwaters) would outweigh the impact of the Waverley not being able to return to the pier.

Since that conversation, North Ayrshire Council were contacted by [REDACTED] of Waverley Excursions on 10th September 2019 regarding the scheme proposals, based upon Waverley Excursion's review of the August 2019 public consultation materials. A response was provided, dated 17 September 2019, explaining the scheme proposals in the context of the impact on the future ability of the PS Waverley to berth at Millport. This stated that with the proposed scheme there would not be sufficient space for the P.S. Waverley to turn inshore of the breakwaters, unless bow thrusters were fitted.

The response recognised that there were a few local residents who have raised concerns about the proposed changes to navigation, including the impact on the P.S. Waverley, but that public opinion on the preferred option was otherwise positive, recognising the potential wider benefits of the scheme, in addition to the provision of flood protection.

The response also noted that the Flood Protection Scheme proposals did not include works to refurbish or replace Millport Pier, but would not restrict such works being undertaken in the future.

Executive Director (Place): Russell McCutcheon

## Appendix 1 – Millport Coastal FPS - Objection Responses

On the 18 September 2019 [REDACTED] replied as follows:

*"Thank you for coming back to me and for the additional details. I would agree that with the breakwater being built it would prevent future calls by Waverley if the pier was able to be used. Hopefully we will be able to use Keppel for a number of years to come when we return to service next summer."*

Waverley Excursions was offered the opportunity to discuss the scheme further but did not contact the project team again. Therefore, we had considered that sufficient information had been provided.

Below I will address the points you made in your objection letter and I ask you to consider my response.

### The first point regarding the Millport Pier and the cost of the breakwaters as follows:

*"While we do recognise that repairs to the pier are not included in the Coastal Flood Protection Scheme, the closure of the navigation channel would remove any future possibility of Waverley being able to berth at Millport Old Pier. Moreover, we question the cost of the proposed breakwater as a percentage of the whole scheme against the added extra protection it will provide. Considering the breakwater in two sections, the smaller section (120m) between The Leug and The Spoig will have no impact on navigation unlike the larger section (210m) proposed between The Spoig and the South Eilean."*

*Waverley's normal berthing procedure when using Millport Old Pier is an approach via the navigation channel between The Spoig and the South Eilean, berth on the seaward side of the pier on the timber section and depart by canting on the corner of the wooden pier and sail out between the main island and The Leug. She has on a rare occasion ran astern through the navigation channel between The Spoig and South Eilean after berthing on the smaller face of the wooden section."*

### **Millport Pier**

Millport Pier remains out of use at present because of the poor condition of the timber section. As noted in the initial comment from Waverley Excursions, funding for the Flood Protection Scheme does not cover the costs of refurbishing Millport Pier, as this cannot be justified as flood protection works. North Ayrshire Council has completed various assessments of the economic benefits associated with Millport Pier, including consideration of the economic benefits of enabling the PS Waverley to return to Millport. These assessments have all shown that it is not economically viable to replace the timber part of the pier or to undertake substantial refurbishment. Therefore, even if the proposed offshore breakwaters were not constructed, it is very unlikely that the P.S. Waverley would be able to return to Millport Pier in the near future. This issue was highlighted in the response provided to Waverley Excursions in September 2019.

### **Proposed offshore breakwaters and closure of the existing navigation channel**

An offshore breakwater between only the Leug and the Spoig would not provide sufficient flood protection to the Stuart Street part of Millport, where the majority of local businesses are located, against waves from the south and south-east. Therefore, this has not been presented as a possible solution, and it is not appropriate to compare the scheme costs to the costs if the breakwater from the Spoig to the outer Eilean was not part of the scheme.

## Appendix 1 – Millport Coastal FPS - Objection Responses

An option that was presented at the March 2017 consultation included a breakwater between the Leug and the Spoig plus two offshore breakwater arms extending from the Spoig and from the Outer Eilean. Whilst this option would maintain a channel between the Spoig and the Eileans, the channel width would be reduced to about 40m, compared to an existing navigation channel width of >100m. The navigation route between the breakwaters would be changed from the existing leading line.

With a gap in the breakwater, the wave height inshore is not reduced as much as with the continuous breakwater, so the residual risk of flooding to Stuart Street and Glasgow Street is greater. Higher onshore flood walls to Glasgow Street would be needed with this option.

The costs associated with this breakwater option are equivalent to the estimated costs for the proposed breakwater between the Leug and the Outer Eilean. Although the length of the breakwater arms is less than for the continuous breakwaters, the separate breakwater arms would need to be constructed in deeper water. Costs for onshore works to Glasgow Street would be slightly higher due to the higher flood walls.

This option was rejected by NAC due to the lower standard of protection provided to Stuart Street and Glasgow Street, and the potential safety risks associated with the reduction in navigation channel width.

Other alternative solutions to protect Stuart Street, such as replacing the sea wall or a rock revetment, have been considered but were shown to be non-viable due to the visual impact associated with raising the height of the sea wall.

The second point regarding the Consultation information showing the PS Waverley berthed at Millport Pier as follows:

*"On previous information published in relation to the Millport Coastal Flood Protection Scheme, Waverley was shown to be berthed at Millport Old Pier with the breakwater in place between The Spoig and the South Eilean. This representation could have misled locals since Waverley will not be able to berth at the pier should the navigation channel be blocked with a breakwater. Some may have supported Option 2 in the scheme having been given the impression that Waverley would still be able to berth at Millport Old Pier subject to it being repaired."*

We acknowledge that a plan drawing showing the PS Waverley at Millport Pier was included in the display materials presented by the NAC Tourism and Coastal Economy team at the March 2019 consultation event. Unfortunately, the Flooding team was not shown these materials prior to the event and so was not able to correct the error. The plan showing the PS Waverley was recognised as being potentially misleading, and during the consultation event the Flood Protection Scheme project team used best efforts to clarify this issue. There has subsequently been clear communication, during meetings with the Millport Harbour Users Group and in the Environmental Statement, that Millport Pier will no longer be accessible to the PS Waverley.

Executive Director (Place): Russell McCutcheon

## Appendix 1 – Millport Coastal FPS - Objection Responses

### The third point regarding the Viability of Keppel Pier and the PS Waverley as follows:

*"Waverley used Millport Old Pier until it was closed in June 2014 due to the condition of the timber section. She has since used Keppel pier although passenger numbers have fallen given the distance between Keppel and the town of Millport. We are concerned that Keppel pier will not be able to accommodate Waverley in the longer term and therefore the Island of Cumbrae will eventually be lost from Waverley's programme unless access to Millport Old Pier can once again be re-established."*

Subject to the agreement of the owners of Keppel Pier, this is currently still available for use by the PS Waverley. Whilst the future viability of Keppel Pier may be uncertain, this is also the case for the PS Waverley itself, given the recent issues with its condition and financial viability. Previous consultation with the vessel operators indicated that it has always been difficult to berth the P.S. Waverley at Millport Pier, being strongly dependent on weather conditions. Climate change is expected to increase sea levels and the frequency of severe storms. Considering these issues, it could not be guaranteed that the PS Waverley would be able to return to Millport even if the pier was fully accessible.

*"Waverley was withdrawn from service in 2019 subject to a public appeal which raised £2.3 million to allow works to be carried out to reboiler the vessel, The appeal was supported by the Scottish Government which contributed £1 million. This boiler refit work is currently underway and is expected to be completed by June 2020. Replacing the boilers will allow Waverley to remain in service for many years to come with the new boilers expected to last at least a 20-year period. During the Boiler Refit Appeal, a local 4-year old boy (Ethan Pringle) was pushed round Cumbrae in his wheelchair to raise funds for Waverley. This act of fundraising drew attention from locals on the island and beyond with Ethan being front page news in the local paper. This demonstrated the nature of the community spirit on the island and the affection that so many hold for Waverley. Indeed, on many of Waverley's calls at Millport Old Pier the local pipe band would gather to play for Waverley's arrival and departure creating a great sense of occasion and community spirit at the pier."*

We recognise that the PS Waverley is an iconic vessel and that its visits to Millport have a great cultural and social importance to locals and visitors. The potential impacts of the scheme on the PS Waverley were taken into account in the development of the proposed solution, including in the economic appraisal of the scheme. Unfortunately, it has not been possible to identify a technically and economically viable scheme that maintains access for the PS Waverley. Whilst this is disappointing, we note that Millport is not the only calling point on the PS Waverley's Clyde cruises, and visits to Cumbrae can still currently be made via Keppel Pier.

The Flood Protection Scheme proposals do not prevent future development of Millport Pier, which could include measures to improve access and allow larger vessels to berth in the future, potentially including the PS Waverley if future modifications improved her manoeuvrability to enable access to more piers and harbours. The increased shelter provided by the proposed offshore breakwaters is expected to enable local moorings provision for small vessels to be increased. These long-term benefits were also an important consideration in the development of the scheme proposals.

In conclusion, the project team has undertaken extensive investigations to assess the impact of the proposed scheme on the PS Waverley and to try to identify solutions which maintained access to Millport Pier. Unfortunately, this has not been possible, and the negative impacts of this have been recognised in the Environmental Statement. The proposed Millport Flood Protection Scheme will provide significant economic benefit to the town through the reduction in flood risk to

## Appendix 1 – Millport Coastal FPS - Objection Responses

residents and businesses, enabling economic regeneration and improvement of the local tourism offer because the seafront area is better protected.

The Millport Coastal Flood Protection Scheme is a significant one-off investment which can be a catalyst for future investments and regeneration projects.

I hope that the above information has helped to provide clarity on the issues you raised and allows you to reconsider your position in this matter, and to either withdraw your objection in writing or firming it up by the 22 June 2020.

The enclosed information will outline the process of dealing with objections if you strongly feel that your position remains unchanged.

Yours Sincerely



Team Leader - Flood Risk Management

Enc

Millport Coastal FPS Objection Procedure

## Appendix 1 – Millport Coastal FPS - Objection Responses

COMMERCIAL SERVICES  
Head of Service: David Hammond  
Cunninghame House, Irvine KA12 8EE  
Tel: 01294 310000  
www.north-ayrshire.gov.uk



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

Your Ref: [redacted] Our Ref: MCFPS/2020/020

If telephoning please call: [redacted]

29 June 2020

Objector No5

KA280EZ

Dear [redacted]

**Millport Coastal FPS - Response to objection from [redacted]**

Thank you for your correspondence regarding the Millport Coastal Flood Protection Scheme (FPS), I can confirm that your objection letter dated 18<sup>th</sup> June 2020 has been received. I address the points you made in your objection letter as follows.

### The first point regarding the closure of the existing navigation channel:

*"My principle objection is to the closing of the deep-water channel or 333 approach to Millport pier. It seems short sighted to exclude the opportunity of a larger vessel to visit Cumbrae. The island now is serviced by one only access being Cumbrae Slip. There is no resilience should this become unavailable for any unforeseen circumstance. The Pier at Millport would well benefit form a Summer only passenger service from Hunterton or Fairlie with a park and ride to the town of Millport. This needs to be considered as the holiday traffic is not sustainable."*

The Commercial and Recreational Navigation chapter of the Environmental Statement (Chapter 13) for the scheme is supported by a desk-based navigation assessment (Appendix 13.1) which considers the changes to navigation due to the proposed offshore breakwater. The navigation assessment determined that the alternative channel to the west of the Leug and the manoeuvring area inshore of the offshore breakwaters is feasible for vessels of comparable size to the Hebridean Princess (length 72m, beam 13m, draught 3m), and for smaller fishing and recreational vessels typically visiting Millport. It was confirmed that Millport Pier would no longer be accessible to the P.S. Waverley, unless modifications were made to improve the vessel's manoeuvrability. The Environmental Statement is accessible via the North Ayrshire Council website:

<https://www.north-ayrshire.gov.uk/community-safety/flooding/millport-coastal-fps.aspx>

The alternative channel to the west of the Leug is wider than the existing navigation channel between the Spoig and the outer Eilean, based on the 2mCD depth contour. The minimum depth of the western channel is also greater than the minimum depth between the Spoig and the Eileans.

Executive Director (Place): Russell McCutcheon

## Appendix 1 – Millport Coastal FPS - Objection Responses

Consultation with navigation and sailing organisations including the Northern Lighthouse Board, Clydeport and RYA Scotland has not identified significant concerns regarding the change in navigation route into Millport Bay, other than the recognition of the impact on the P.S. Waverley. Ongoing consultation with Millport Harbour Users Group has also included discussion of navigation issues.

With the closure of the existing navigation channel by the offshore breakwaters, navigation aids would be provided as part of the proposed scheme to enable safe use of the new channel to the west of the Leug. The requirements for these would be agreed with the relevant navigation authorities, including Clydeport and the Northern Lighthouse Board.

The navigation assessment recognises that the Hebridean Princess did not previously berth at Millport Pier when it was open, due to draught constraints. The Hebridean Princess has a draught of 3m, so a water depth of at least 4m is required. Bathymetric data shows that water depths on the seaward face of Millport Pier are between 1.9m and 3.4m at mean low water on a spring tide (MLWS), or between 4.9m and 6.4m at mean high water on a spring tide (MHWS).

Whilst the scheme proposals do not include any works to Millport Pier, they do not prevent the pier's future development, which could include measures to improve access and allow larger vessels such as the Hebridean Princess to berth. Water depths at the pier indicate that it could be possible for the Hebridean Princess (and similar sized modern vessels) to temporarily berth for a short period at high tide. Limited dredging could extend the tidal window during which the pier would be accessible, with the offshore breakwater providing improved shelter to the pier. Sufficient clearance would need to be maintained between the pier and any moorings to enable large vessels to turn in the lee of the offshore breakwaters.

Whilst the proposed scheme does not provide an additional landing point for CalMac ferries, the proposed breakwaters could provide shelter to vessels during storms.

The second point regarding risk of water being trapped behind flood walls as follows:

*"Crichton Street the installation of the wall could well make I worse trapping water behind."*

The detailed design of the scheme will include addressing the requirements for drainage of spray or residual overtopping water past the proposed flood walls in all locations. At Crichton Street, the flood wall includes access points which will be designed to allow surface water drainage past the flood wall.

The third point regarding design wave conditions as follows:

*"Wave height I believe the base line height used is exaggerated thus making the modelling much greater than required."*

The design conditions for the proposed flood protection scheme consider the potential combined water level and wave conditions that result in a 1 in 200 year return period flood event, i.e. flooding that might be expected to occur on average once every 200 years, or 0.5% probability in any year. This is the best practice design standard for coastal flood protection schemes. The input data is based on the UK Met Office wave model, informed by the national network of wave buoys. Offshore waves are transformed to nearshore using industry standard numerical modelling methods. The modelling report for the scheme (including the process followed and the results) has been reviewed and accepted by SEPA technical staff who are familiar with the local conditions.

## Appendix 1 – Millport Coastal FPS - Objection Responses

At Millport, the worst-case conditions for flooding due to wave overtopping are more dependent on the water level than on the nearshore wave height, which is typically limited by the water depth. Therefore, the offshore wave conditions have much less influence on the modelling results than the projected future water levels, allowing for sea level rise and increased frequency of storm events.

The final point regarding budget cost for the proposed scheme can be achieved as follows:

*"Cost I do not believe the council will deliver the scheme on budget and the proposed protection would be out weight by the loss of natural ascetics of the Island."*

An economic appraisal has been completed for the scheme based on guidance from the Scottish Government and current industry best practice. This considers the full cost of the whole scheme, and the flood protection benefits to the nation of protecting Millport against flooding. Local economic benefits of providing flood protection are also recognised.

The cost estimate for the scheme includes a significant risk allowance to account for potential unforeseen issues that may arise during the detailed design and construction phases. The cost estimate will also be kept under review throughout the detailed design phase with the aim of achieving savings. Overall it is considered that the current cost estimate for the scheme is robust and the budget can be met.

In summary the Council wants to build the best possible Flood Protection Scheme for the residents and visitors of Millport and has considered the values of the past and present whilst aiming to open up new opportunities for the future. We would like to see that Millport will become a stronger and more resilient community, with the flood protection scheme aiding this vision.

The Millport community is very engaged in the scheme development and understands just how they have influenced the scheme development so far. We expect the community to continue working with the Council to help shape the Flood Protection Scheme in the coming months throughout the detail design phase.

The Flood Protection Scheme is a significant one-off investment which can be a catalyst for future investments and regeneration projects.

I hope that the above information has helped to provide clarity on the issues you raised and allows you to reconsider your position in this matter, and to either withdraw your objection in writing or firming it up by the 20 July 2020.

The enclosed information will outline the process of dealing with objections if you strongly feel that your position remains unchanged.

Yours Sincerely



Team Leader - Flood Risk Management

Enc  
Millport Coastal FPS Objection Procedure

Executive Director (Place): Russell McCutcheon

## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

<b>Title:</b>	<b>Affordable Housing Account Funding Request</b>
<b>Purpose:</b>	To seek Cabinet approval to allocate funding to Cunninghame Housing Association from the Affordable Housing Account.
<b>Recommendation:</b>	That Cabinet approves the allocation of £0.175m funding from the Affordable Housing Account to Cunninghame Housing Association to assist with the provision of new social housing at Balnagowan, Skelmorlie and Glebe Place, Saltcoats.

### 1. Executive Summary

- 1.1 The Affordable Housing Account comprises Council Tax income generated from the reduction in the discount for second and long-term empty homes. The Council can disburse the funds to other organisations, including Registered Social Landlords (RSLs), to support affordable housing activity.
- 1.2 The Affordable Housing Account has a balance of £3.080m and receives income of circa. £1m per annum.
- 1.3 Cunninghame Housing Association (CHA) has approached the Council requesting £0.175m from the Affordable Housing Account for their projects at Balnagowan, Skelmorlie and Glebe Place, Saltcoats.
- 1.4 CHA requires £0.075m for a Deed of Servitude to access a drainage connection at Balnagowan, Skelmorlie and a further £0.100m to develop two wheelchair liveable homes at Glebe Place, Saltcoats. If approved, Cunninghame Housing Association (CHA) will be required to grant a Standard Security linked to a Minute of Agreement setting out the terms and conditions of the Grant.
- 1.5 This report seeks Cabinet approval for the allocation of £0.175m from the Affordable Housing Account to CHA to assist with the provision of new social housing at Balnagowan, Skelmorlie and Glebe Place, Saltcoats.

### 2. Background

- 2.1 The Affordable Housing Account comprises Council Tax income generated from the reduction in the discount for second and long-term empty homes. Prior to 2005 these homes were entitled to a 50% discount in the Council Tax charge. The Council Tax (Discount for Unoccupied Dwellings) (Scotland) Regulations 2005 allows Local

Authorities discretion to retain or reduce the discount to between 10% and 50%. North Ayrshire Council reduced the discount to 10% following the introduction of these regulations. Any monies raised from the additional 40% Council Tax collected is ring-fenced for affordable housing. In addition to accessing the Fund to support its own housing development, the Council has the flexibility to disburse payments to other local organisations, including Registered Social Landlords (RSLs), to support affordable housing activity.

- 2.2 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013, as amended in 2016, allows Local Authorities discretion to remove the discount from second homes and long-term empty homes. In addition, authorities can impose an increase in liability of up to 100% to long-term empty properties. If the discount is removed or an additional levy is imposed, additional monies collected for this part is not ring-fenced and can be spent as Local Authorities determine. North Ayrshire Council do not award a discount for second homes and once a long-term empty property is empty for more than 12 months (or 24 months if it was being marketed for sale or rent) the discount is removed and an additional levy of 100% imposed.
- 2.3 Scottish Government guidance advises that, before agreeing to make a contribution to any project, the local authority should assess its financial viability and consider issues related to security of tenure and affordability. Councils may use the additional income to fund or support discrete projects or top up funding from other sources and ensure that expenditure complies with European Commission State Aid rules.
- 2.4 The Affordable Housing Account has generated funding of £14.108m in the 15 years from 1 April 2005 to 31 March 2020. It currently receives income of circa. £1m per annum and has a balance of £3.080m.
- 2.5 The account has historically been utilised to contribute to the funding for Council projects delivered through the Strategic Housing Investment Plan (SHIP), including new build housing, refurbishment projects, and the acquisition of second hand and empty homes. It has also provided funding to RSLs for off the shelf purchases, island development, regeneration projects and development in high demand areas.

#### Cunninghame Housing Association

- 2.6 Cunninghame Housing Association has approached the Council for financial support from the Affordable Housing Account for their projects at Balnagowan, Skelmorlie and Glebe Place, Saltcoats.

#### *Balnagowan, Skelmorlie*

- 2.7 The development of new homes at Balnagowan, Skelmorlie was approved in the SHIP 2018-2023. Skelmorlie is a high demand area and the 27 new affordable homes for North Ayrshire residents provide a mix of general needs, amenity and wheelchair accessible homes. The £4.298m project is supported by £2.428m Scottish Government grant through the SHIP.
- 2.8 It was initially understood by CHA that the drainage connection for the site would be from the adjacent land, however upon further investigation it was confirmed that the condition of the existing sewer prohibited this from happening. In order to resolve this issue and enable the development to progress, CHA require a Deed of Servitude to

access a separate connection on adjacent land. The £0.075m cost was unforeseen and is not included in the project budget. CHA has therefore approached the Council for assistance.

#### *Glebe Place, Saltcoats*

- 2.9 The development of two new wheelchair liveable homes at Glebe Place, Saltcoats was noted as 'Confidential Site 5' in the SHIP 2020, pending planning consent for a change of use.
- 2.10 In September 2019 the Scottish Government advised that they could support this project through their Charitable Bond programme, which is available exclusively to Scottish Housing Associations.
- 2.11 Utilising the Charitable Bond Programme for this site, and the CHA site at Corrie Crescent, Saltcoats, released £1.233m of committed SHIP funding for other North Ayrshire projects.
- 2.12 Addressing residents' particular needs is a priority within the SHIP, which specifies that at least 7% of all new build stock should be fully wheelchair accessible. The SHIP further notes that the majority of demand for wheelchair user housing comes from those under 60 years old. The provision of two fully wheelchair liveable homes will assist to meet this specialist housing need.
- 2.13 The cost to develop a site of two units is significantly higher than developing a larger scale site, as there are less opportunities for economies of scale. In addition, the cost to develop wheelchair liveable housing is higher as the house footprint and roof are larger. Wheelchair liveable housing also requires the addition of car ports, accessible kitchens and specialist features such as hoists and bathroom equipment.
- 2.14 If Cabinet approves the allocation of £0.175m from the Affordable Housing Account to Cunninghame Housing Association (CHA), CHA will be required to grant a Standard Security linked to a Minute of Agreement setting out the terms and conditions of the Grant. The Standard Security will be recorded against the title to the site and will ensure that if the properties developed utilising the Affordable Housing Account funding are sold or developed for purposes other than social rent within a period of 20 years, that CHA will be due to repay the grant, or a proportion of the grant to the Council.

#### Arran Development Trust

- 2.15 The Council has recently had a request for a £0.146m up front loan or grant from the Affordable Housing Account for their project at Rowarden. Officers are currently undertaking due diligence in relation to this request and will report to Cabinet on the outcome of this assessment, if required.

### **3. Proposals**

- 3.1 It is proposed that Cabinet approves the allocation of £0.175m funding from the Affordable Housing Account to Cunninghame Housing Association to assist with the provision of new social housing at Balnagowan, Skelmorlie and Glebe Place, Saltcoats.
- 3.2 Cabinet is also asked to note the further request from the Arran Development Trust for an up-front loan or grant of £0.146m from the Affordable Housing Account for their project at Rowarden.

#### **4. Implications/Socio-economic Duty**

##### **Financial**

- 4.1 The Council has identified funding of £0.175m from the Affordable Housing Account to fund the projects at Balnagowan, Skelmorlie and Glebe Place, Saltcoats.

##### **Human Resources**

- 4.2 None.

##### **Legal**

- 4.3 Cunninghame Housing Association will be asked to grant a Standard Security and enter into an associated Minute of Agreement to secure that the funding required for each site is only used for the purposes of affordable housing

##### **Equality/Socio-economic**

- 4.4 The provision of new social housing will have a positive impact on those who require specialist accommodation, older people, those who are homeless, or at risk of homelessness, and those for whom purchasing a home is not an affordable option. The benefits of new build housing in relation to health, wellbeing and educational attainment, are well documented.

##### **Environmental and Sustainability**

- 4.5 New homes should have a low environmental impact, with the aim of reducing fuel use and associated fuel costs. The projects will be delivered in accordance with Building Standards regulations for energy efficiency. New housing is more energy efficient, better ventilated, and has higher levels of thermal comfort, which can result in alleviation of the symptoms in a number of medical conditions, for example respiratory and rheumatoid illnesses.

##### **Key Priorities**

- 4.6 The provision of new affordable housing supports the Council Plan priority to provide affordable, modern and well-designed homes that meet residents' needs. There is an evidential link between the quality of housing and educational attainment. New affordable housing therefore has a positive impact on children and young people and supports the Council Plan priority that children and young people experience the best start in life. Furthermore, the provision of wheelchair liveable and amenity standard

homes contributes to the Council Plan priorities that people enjoy good life-long health and well-being and people and communities are safe.

### **Community Wealth Building**

- 4.7 The Glebe Place development will be delivered by North Ayrshire based company 'RDK Construction' who train and directly employ local people. The Balnagowan, Skelmorlie site is being developed by Ashleigh who employ a number of local apprentices. The contractor also undertook initiatives with Skelmorlie Primary School and Largs Academy.

### **5. Consultation**

- 5.1 Cunninghame Housing Association and Council Officers from Housing Services, Legal Services, Finance and Property Management and Investment have been consulted in the preparation of this report.

RUSSELL McCUTCHEON  
Executive Director (Place)

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

### **Background Papers**

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## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

<b>Title:</b>	<b>Community Investment Fund</b>
<b>Purpose:</b>	To seek Cabinet approval to apply flexibility to Community Investment Fund projects and timescales due to restrictions imposed on current activities by Covid-19.
<b>Recommendation:</b>	<p>That Cabinet:</p> <ul style="list-style-type: none"> <li>• Notes the current awards;</li> <li>• Agrees to extend the deadline of the conditional award to Millport Town Hall until August 2021; and</li> <li>• Remits Locality Officers to work with organisations in receipt of CIF funding to agree revised timescales and delivery models, with updates provided to Locality Partnerships and to Cabinet.</li> </ul>

### 1. Executive Summary

- 1.1 Locality Partnerships have been considering applications to the Community Investment Fund since 2018, with a total of 21 awards being made after approval by Cabinet.
- 1.2 A number of the initiatives have been able to use their allocation as planned but others have been impacted by the COVID-19 pandemic. This report provides a brief update on progress of funding use.

### 2. Background

- 2.1 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. The funding was allocated to each of the Locality Partnerships on a population basis and a number of awards have been approved by Cabinet.
- 2.2 The COVID-19 pandemic has had a significant impact on project delivery. High level impacts are outlined below.

Locality	Date agreed	Initiative	Amount	Update
Irvine	04.09.18	Digital Officer	£84 604	Partial spend to date. Funding being used to employ member of staff. Face to face delivery on hold due to Covid-19. Innovative online developments being progressed.
Irvine	14.05.19	Vineburgh & Fullarton Com Enablers	£100 000	Fullarton Enabler in post since October 2019, spend on track. Delay in recruitment of Vineburgh postholder due to Covid-19.
Irvine	29.10.19	Irvine Newtown Men's Shed	£10 000	Progress delayed due to due to Covid-19.
Irvine	21.01.20	Harbourside Men's Shed	£10 000	Progress delayed due to due to Covid-19.
Kilwinning	02.10.18	Kilwinning McGavin Park	£35 000	Procurement has taken place for the equipment. Installation delayed due to Covid-19.
Kilwinning	18.02.20	Kilwinning Rangers Juniors and Kilwinning Rangers Youth Club	£41 190	Building work commenced, some delays in sourcing materials due to Covid-19.
Three Towns	04.09.18	Ardrossan Community Development Trust	£25 000	Undertaking community consultation. Associated regeneration work on hold due to Covid-19.
Three Towns	01.04.19	Three Towns Growers	£100 000	Deed of dedication agreed, can be progressed after lockdown. Delayed 1 year
Three Towns	11.06.19	Training Station	£50 000	Contractor has been awarded tender. Waiting to start construction.
Three Towns	17.03.20	Raise Your Voice for Ardeer	£100 000	Recently awarded CIF funding. Currently applying for match funding, including RCGF.
Three Towns	18.02.20	Ardrossan Castle	£17 912	Delayed due to Covid-19.
Garnock Valley	04.09.18	Men's Shed	£28 000	Majority of funding spent. Any further spend on hold due to Covid-19.
Garnock Valley	01.12.19	Travel Needs Analysis	£25 000	Analysis on hold until after lockdown.
Garnock Valley	14.05.19	Beith CDT - Geilsland Hall Volunteering	£45k over 3 years	Partial spend, on track. Funding an employee.

Locality	Date agreed	Initiative	Amount	Update
		& Employability Project		
Garnock Valley	29.10.19	Garnock Valley 2020 Vision	£15 000	Developmental work delayed due to Covid-19.
Garnock Valley	18.02.20	Beith Community Development Trust - YOUTH Lead	£43.5k over 3 years	Only recently funded. Beyond self-funded pilot, no further progress has been made due to Covid-19.
North Coast	02.10.18	Organic Growers of Fairlie – Cycle Without Age	£22 800	Bikes purchased and were in operation last summer. Project was going well. Use currently on hold due to Covid-19.
North Coast	01.02.19	Clearer Minds – Largs Academy	£30 200	Funding fully used to support delivery. Money spent procuring Headstrong to deliver sessions. Further funding being explored.
North Coast	27.08.19	Millport Town Hall	£200 000	Award previously set aside for 12 months with £30k released to date. Progress in securing matched funding delayed.
North Coast	27.08.19	Sing Your Song (West Kilbride)	£14 892 over 2 years	Spend underway with delivery model changed to on-line provision due to Covid-19.
North Coast	18.02.20	Community Development Worker	£35 947	Recruitment process delayed due to Covid-19.

- 2.3 There is a significantly changed context in which funded initiatives are operating. As can be seen in the table above many are experiencing delays in relation to areas such as sourcing materials/contractors or recruitment. Others are no longer able to interact directly with their client group or public.
- 2.4 In order to achieve the anticipated outcomes of the initiatives there requires to be flexibility in terms of timescales and methods of delivery. This approach is consistent with other funders, such as Ayrshire Leader.
- 2.5 It is recommended that Locality Officers continue to work with these organisations, discuss any delays or issues with them, and take a flexible approach. When the Locality Partnerships meet again in September an update report can be provided.
- 2.6 The Millport Town Hall CIF Award of £200,000 was previously set aside for 12 months with £30k released to date. The date for review is August 2020 and progress in securing matched funding has been delayed. The realistic timescale for securing the project funding is August 2021. This is an ambitious Community Wealth Building project and

the CIF Award is an important element for attracting other funding. An extension of CIF funding availability is therefore requested.

### **3. Proposals**

#### **3.1 That Cabinet:**

- Notes the current awards;
- Agrees to extend the deadline of the conditional award to Millport Town Hall until August 2021; and
- Remits Locality Officers to work with organisations in receipt of CIF funding to agree revised timescales and delivery models, with updates provided to Locality Partnerships and to Cabinet.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 CIF funding is allocated within existing resources totalling £2.6m. £1 034 045 has been awarded and, to date, £932,404 of external funding has been secured by CIF projects.

#### **Human Resources**

- 4.2 Employment updates are detailed in para. 2.2. The work of the Digital Officer for Irvine Locality Partnership with Irvine's CIF funding has been adapted, as is that of the Sing Your Song project tutor in West Kilbride. The recruitment to posts at Irvine Fullarton and Vineburgh, the Three Towns Growers, and the North Coast and Cumbraes Locality Partnership have been delayed.

#### **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.

#### **Environmental and Sustainability**

- 4.5 Improving the Environment is a key theme in the Three Town's Growers' CIF-funded Environmental Worker and Kilwinning Locality Partnership's McGavin Park CIF project. The Training Station in the Three Towns and the North Coast and Cumbraes Locality Partnership's Millport Town Hall regeneration provide opportunities to improve the built environment and ensure that buildings adhere to modern sustainability requirements. The Travel Needs Analysis for the Garnock Valley is intended to lead to environmental and sustainability benefits.

## **Key Priorities**

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

- Active and strong communities
- Inclusive, growing and enterprising local economy
- People enjoy good life-long health and wellbeing.

## **Community Wealth Building**

4.7 The applications support the following pillars of community wealth building:

- Advancing community enterprises;
- Increasing employment and supporting skills development;
- Advancing local ownership of underused land and buildings; 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 Locality Partnerships, through consultation with local people, including young people.

Audrey Sutton  
Interim Executive Director (Communities)

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

## **Background Papers**

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## **NORTH AYRSHIRE COUNCIL**

**8 September 2020**

### **Cabinet**

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**Title:** **Award of contract for a Repair and Maintenance of Heating, Ventilation and Air-conditioning Units service**

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**Purpose:** To advise Cabinet of the result of the tendering exercise for a Repair and Maintenance of Heating, Ventilation and Air-conditioning Units service.

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**Recommendation:** Agree to approve the award of the contract to BAM (Facilities Management) Limited.

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### **1. Executive Summary**

- 1.1 North Ayrshire Council require to establish a replacement contract for a repair and maintenance of heating, ventilation and air-conditioning units service. The purpose of this is to ensure the environment is suitably controlled within approximately 300 non-domestic buildings (including Schools, Leisure Centres, Sheltered Housing Units, Museums and Civic Halls) across North Ayrshire. The provision of service will also ensure that the heating, ventilation and air-conditioning units within these buildings are maintained to an acceptable and safe standard.
- 1.2 In order to comply with the Council's Standing Orders Relating to Contracts a formal tendering exercise was undertaken.
- 1.3 The contract term is for 3 years with the option to extend by 2 x 1-year extensions.

### **2. Background**

- 2.1 A formal contract notice was advertised on 8 April 2020 under the open procedure on Public Contracts Scotland and the procurement exercise was carried out via the PCS-Tender System. The return date for the tender was 12 noon on 4 June 2020.
- 2.2 The contract notice attracted 24 expressions of interest of which 5 submitted a tender response.
- 2.3 The contract notice did not attract any expressions of interest from local bidders and attracted 1 expression of interest from a Pan Ayrshire bidder.

- 2.4 The tender responses received were evaluated against the stated evaluation criteria of 60% price and 40% quality to determine the most economically advantageous tender.

### **3. Proposals**

- 3.1 It is proposed that the contract is awarded to BAM (Facilities Management) Limited.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 The total value of the overall contract is £1,190,000. A budget of £1,750,000 is available for this requirement which includes £560,000 provision for reactive maintenance works on ventilation and air-conditioning units throughout the duration of the contract.

#### **Human Resources**

- 4.2 None.

#### **Legal**

- 4.3 The contract will ensure that the Council's property portfolio fully complies with the following Legislation and Regulations;

- Buildings (Scotland) Regulations 2004 and all current amendments
- The Construction (Design and Management) Regulations 2015
- The Workplace (Health, Safety & Welfare) Regulations 1992
- F-Gas Regulation (EU) No 517/2014
- Environmental Act 1995

#### **Equality/Socio-economic**

- 4.4 None.

#### **Environmental and Sustainability**

- 4.5 Regular maintenance and repair of the heating, ventilation and air-conditioning systems will ensure Council assets are delivering best value in terms of running costs and maintenance as well as reducing their environmental impact.

#### **Key Priorities**

- 4.6 This contract supports the Council's priority outcomes:

North Ayrshire is well-connected with effective infrastructure.

- We will manage an appropriately sized, fit-for purpose, energy-efficient and digitally-enabled property portfolio, including our schools.

## **Community Wealth Building**

4.7 **Procurement** – Community Benefits was a minimum condition of this tender and the successful tenderer will deliver the following Community Benefits over the duration of the contract:

- Employability Requirements – 455 weeks.
- Work experience for a young person facing challenges or barriers completed over a 6-week period (1 day per week).
- Support for a community project agreed in conjunction with NAC Communities department involving local people and reflecting local priorities.

**Employment** – BAM (Facilities Management) Limited pays the living wage

**Land and Assets** – Not applicable

**Financial Power** – Not applicable

**Democratic Ownership** – Not applicable

## **5. Consultation**

5.1 Throughout the tender process there was direct involvement with the Property, Management and Investment Team within Physical Environment.

Mark Boyd  
Head of Service (Finance)

For further information please contact **Suzanne Quinn, Category Manager – Supplies, Services and Works**, on **01294 324039**.

## **Background Papers**

Tender Outcome Report (NAC/5021)