



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

## **North Ayrshire Council**

A Meeting of North Ayrshire Council will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Wednesday, 21 June 2023** at **14:00** to consider the undernoted business.

### **Meeting Arrangements - Hybrid Meetings**

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

#### **1 Apologies**

#### **2 Declarations of Interest**

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

#### **3 Previous Minutes**

The accuracy of the Minutes of the Meeting of the Council held on 17 May 2023 will be confirmed and the Minutes signed in accordance with Paragraph 7(1) of Schedule 7 of the Local Government (Scotland) Act 1973.

#### **4 Provost's Report**

Submit report by the Provost for the period covering 8 May - 11 June 2023 (copy enclosed).

#### **5 Leader's Report**

Submit report by the Leader of the Council for the period covering 8 May - 11 June 2023 (copy enclosed).

- 6 Minute Volume (issued under separate cover)**  
Submit, for noting and for approval of any recommendations contained therein, the Minutes of Meeting of committees of the Council held in the period 2 December 2022 - 7 June 2023.
- 7 Outside Body Appointment**  
Council is invited to (a) note the resignation of Councillor Scott Davidson as the Council's representative on the COSLA Environment and Economy Board, effective from 13 June 2023; (b) consider a nomination, duly proposed and seconded, for Councillor Gurney to fill this vacancy; and (c) consider any further nominations intimated prior to 12 noon on 21 June 2023, in terms of Standing Order 8.4.
- 8 North Ayrshire Council Plan 2023-28**  
Submit report by the Chief Executive on the Council Plan 2023-28 (copy enclosed)
- 9 Boundaries Scotland: 2023 Review of Scottish Parliament Boundaries**  
Submit report by the Head of Service (Democratic) on the Boundaries Scotland's 2023 Review of Scottish Parliament Constituency Boundaries (copy enclosed),
- 10 Review of North Ayrshire IJB Scheme of Integration**  
Submit report by the Chief Executive on the requirement to review the Scheme of Integration between North Ayrshire Council and NHS Ayrshire and Arran (copy enclosed).
- 11 North Ayrshire Council Unaudited Annual Accounts 2022/23**  
Submit report by the Head of Service (Finance) on the unaudited Annual Accounts for the year to 31 March 2023 (copy enclosed).
- 12 North Ayrshire Council Charitable Trusts: Unaudited Trustees' Annual Report 2022/23**  
Submit report by the Head of Service (Finance) on the unaudited Trustees' Annual Report for the year to March 2023, for approval by the Council as trustees (copy enclosed).
- 13 Treasury Management and Investment Annual Report 2022/23**  
Submit report by the Head of Service (Finance) on the Treasury Management and Investment Annual Report and Prudential Indicators for 2022/23 (copy enclosed).
- 14 School Meal Debt**  
Submit report by the Executive Director (Communities and Education) on options in response to the Council motion of 17 May 2023 to "scrap all school meal debt by the start of the 2023/24 school year" (copy enclosed).

**Questions**

In terms of Standing Order 14, submit:-

**(1) a question by Councillor Marshall to the Cabinet Member for Education in the following terms:**

"According to the Corporate Health and Safety Group Meeting dated 25 May 2023, Appendix 1 records Aggression and Violence Incidents in NAC Secondary Schools in Quarter 3 as 52 compared to 31 last year a rise of almost 70% in a comparable quarter. How many of these incidents involve teaching staff and what steps are being taken to address this problem?"

**(2) a question by Councillor Montgomerie to the Cabinet Member for Green Environment and Economy in the following terms:**

"The Cabinet Member for Green Environment and Economy made a strong and robust argument in favour of Town Centre parking charges back in February, despite the campaign waged against them by local businesses and residents. Given his and the SNP Administrations unequivocal vote to impose parking charges on people shopping in North Ayrshire Towns, does the Cabinet Member believe it is fair that he has claimed parking costs on his Council expenses?"

**(3) a question by Councillor McClung to the Cabinet Member for Health and Social Care in the following terms:**

"According to recently released Public Health Scotland statistics, between 2017 and 2021 there were 111 deaths by suicide in North Ayrshire. Can the Cabinet Member for Health and Social Care please give an update on what work has been undertaken by NAC to reduce the number of deaths by suicide?"

**(4) a question by Councillor Inglis to the Cabinet Member for Education in the following terms:**

"Pre-Inspection bully surveys have highlighted issues with bullying in Greenwood Academy and the lack of confidence parents and carers have in the school to handle any problems that have been raised by a child. What can the Cabinet Member do to reassure all parents in North Ayrshire that all schools and staff are equipped to deal with bullying in schools?"

**(5) a question by Councillor Foster to the Leader of the Council in the following terms:**

"NHS Ayrshire and Arran has not set a balanced budget for 2023/24. As the Council's representative on the local health board, what assurances can the Council Leader give that the health board has a plan to sustain and indeed improve health services for the people of North Ayrshire?"

**(6) a question by Councillor McLean to the Cabinet Member for Green Environment and Economy in the following terms:**

"What has made the Member change their mind regarding investment zones?"

**(7) a question by Councillor Kerr to the Leader of the Council in the following terms:**

“With the resignation of the sixth Transport Minister to have held the position since the reformation of the Ardrossan task force in 2017, does the Council Leader believe the appointment of a seventh will have any impact on the Ardrossan Harbour project?”

**(8) a question by Councillor Inglis to the Cabinet Member for Green Environment and Economy in the following terms:**

“To ask the Cabinet Member for Green Environment and Economy if the Council has been in contact with the owners of Rankins pub in Stevenston to ask what their intentions with the building are as it is a blight on Stevenson town centre?”

**(9) a question by Councillor Kerr to the Cabinet Member for Health and Social Care in the following terms:**

To ask the Cabinet Member for Health and Social Care what impact the NHS Ayrshire and Arran budget deficit will have on the IJB?”

**(10) a question by Councillor Billings to the Leader of the Council in the following terms:**

“In May 2023, the Accounts Commission published the report ‘Local Government in Scotland – Overview 2023. The report contained some dire warnings about the fragility of local services in Scotland and made a number of very challenging recommendation on how to mitigate the effects of under-funding of local authority services and the staffing difficulties we are currently experiencing. What approach does North Ayrshire Council’s Administration intend to take to implements the Account Commission’s recommendations?”

**(11) a question by Councillor Billings to the Cabinet Member for Health and Social Care in the following terms:**

“In 2022, it was agreed to pilot on Arran the use of self-employed carers for people choosing self-directed care. Please could the Cabinet Member provide an update on this pilot, including the number of self-employed carers that the service makes payment to and the number of residents making use of this service?”

**(12) a question by Councillor McLean to the Cabinet Member for Green Environment and Economy in the following terms:**

“Does the Cabinet Member believe that the current funding allocated the roads budget is sustainable, considering the recent report the Irvine Locality Partnership showing that there is a backlog of carriageway maintenance that is currently 7 times the annual roads budget allocated in 23/24?”

**(13) a question by Councillor Marshall to the Cabinet Member for Green Environment and Economy in the following terms:**

“To ask the Portfolio holder for Green Environment and Economy to:



- a. Visit and sit for 30 minutes on the newly installed black seating benches either on the Seafront in Largs or in Ardrossan and rate their comfort on a scale of 1 to 10, with 1 being uncomfortable and 10 being comfortable.
- b. State the cost of one bench.
- c. State who placed the order for such and what other options were considered.
- d. Confirm that the benches meet relevant safety standards."

**(14) a question by Councillor Gallacher to the Cabinet Member for Green Environment and Economy in the following terms:**

"To ask the Cabinet Member how many cases of Japanese knotweed have been reported in Irvine in the past 2 years?"

**16 Motions**

In terms of Standing Order 15, submit:-

**(1) a motion by Councillor Kerr, seconded by Councillor Foster, in the following terms:**

"Council:

1. Notes the use of zero-hour contracts has risen over the last decade, meaning there is an increasing number of workers who do not have a guaranteed number of working hours each week
2. Does not accept the rhetoric that zero-hour contracts provide 'flexibility' both for the worker and the employer, and instead notes that such contracts nearly always provide one-sided flexibility in favour of the employer.
3. Notes workers on zero-hour contracts face financial insecurity as a result of:
  - a. the insecurity of not knowing how many hours they are working from week-to-week and, sometimes, from day-to-day
  - b. getting too few hours to financially make ends meet spending money to be able to work and then being out-of-pocket when hours are cancelled (travel costs, childcare costs etc.);
  - c. getting hours at the last minute and having to make urgent arrangements for childcare or other caring responsibilities, or cancel social plans
  - d. the fear of refusing hours lest it results in fewer hours being offered or bullying and harassment from the employer.
4. Recognises any one of these issues can result in the interference and employer control of the worker's life outside of working time. This can result in debt, health issues because of household poverty and

mental anguish and anxiety. This can not only affect the worker themselves, but the whole family unit.

5. Further notes:

- a. that despite the government promising on numerous occasion new legislation to provide better security for workers on zero-hour contracts, it has failed to do so.
  - b. Zero-hour contracts are not only used in the private sector and some local authorities directly employ workers on such contracts.
6. Is proud to be a local authority that does not and will not use zero-hour contracts
7. Supports the work of Zero Hours Justice, an organisation which seeks to end exploitative zero-hours contracts by providing help for workers on such contracts, and supporting businesses and other organisations that either do not use zero-hours contracts or only do so in accordance to minimal criteria

This Council resolves to lead by example, and to reaffirm our commitment to providing security to our workers by applying to the Zero Hours Justice Accreditation Scheme, and thus to become an employer that does not both directly employ our workers on zero-hour contracts, and indirectly employ workers on zero-hour contracts via agency or any third-party contractor.”

## 17 Urgent Items

Any other items which the Provost considers to be urgent.

### Webcasting

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

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Generally, the press and public seating areas will not be filmed. However, by entering the Council Chambers, using the press or public seating area or (by invitation) participating remotely in this meeting, you are consenting to being filmed and consenting to the use and storage of those images and sound recordings and any information pertaining to you contained in them for webcasting or training purposes and for the

purpose of keeping historical records and making those records available to the public. If you do not wish to participate in a recording, you should leave the meeting. This will constitute your revocation of consent.

If you have any queries regarding this and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact [dataprotectionofficer@north-ayrshire.gov.uk](mailto:dataprotectionofficer@north-ayrshire.gov.uk).

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## North Ayrshire Council Sederunt

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John Bell  
Timothy Billings  
Marie Burns  
Eleanor Collier  
Joe Cullinane  
Scott Davidson  
Anthea Dickson  
Stewart Ferguson  
Todd Ferguson  
Robert Foster  
Scott Gallacher  
John Glover  
Tony Gurney  
Alan Hill  
Cameron Inglis  
Margaret Johnson  
Amanda Kerr  
Christina Larsen  
Shaun Macaulay  
Jean McClung  
Nairn McDonald  
Matthew McLean  
Louise McPhater  
Davina McTiernan  
Tom Marshall  
Jim Montgomerie  
Ian Murdoch  
Donald Reid  
Donald L Reid  
Chloe Robertson  
Ronnie Stalker  
Angela Stephen  
John Sweeney

Chair:

Apologies:

Attending:

North Ayrshire Council  
17 May 2023

At a Meeting of North Ayrshire Council at 2.00 p.m. involving a combination of participation by remote electronic means and physical attendance within the Council Chambers, Irvine

**Present (Physical Participation)**

John Bell, Timothy Billings, Marie Burns, Eleanor Collier, Scott Davidson, Anthea Dickson, Stewart Ferguson, Robert Foster, Scott Gallacher, John Glover, Tony Gurney, Cameron Inglis, Margaret Johnson, Christina Larsen, Shaun Macaulay, Tom Marshall, Jean McClung, Nairn McDonald, Matthew McLean, Louise McPhater, Davina McTiernan, Ian Murdoch, Donald Reid, Donald L. Reid, Chloé Robertson, Ronnie Stalker, Angela Stephen and John Sweeney.

**Present (Remote Electronic Participation)**

Joe Cullinane and Jim Montgomerie.

**In Attendance**

C. Hatton, Chief Executive; C. Cameron, Director (Health and Social Care Partnership); R. McCutcheon, Executive Director (Place); A. McClelland, Head of Service (Education) (Communities and Education); M. Boyd, Head of Service (Finance); F. Walker, Head of Service (People and ICT); and A. Craig, Head of Service, R. Lynch, Senior Manager (Legal Services), M. Anderson, Senior Manager (Committee and Member Services); L. Jolly, Communications Officer, and C. Stewart and S. Wilson, Committee Services Officers (Democratic Services).

**Chair**

Provost Dickson in the Chair.

**Apologies**

Alan Hill, Todd Ferguson and Amanda Kerr.

**1. Provost's Remarks**

The Provost welcomed those present to the meeting and dealt with preliminary matters, including intimation that the meeting, which was taking place on a hybrid basis, would be live streamed to the internet.

**2. Apologies**

The Provost invited intimation of apologies for absence, which were recorded.

### **3. Declarations of Interest**

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

There were no declarations of the Party Whip.

Councillor Robertson joined the meeting at this point.

### **4. Previous Minutes**

The accuracy of the Minutes of the Meeting held on 29 March 2023 was confirmed and the Minutes signed in accordance with Paragraph 7(1) of Schedule 7 of the Local Government (Scotland) Act 1973.

### **5. Provost's Report**

Submitted and noted report by the Provost for the period from 20 March – 7 May 2023.

The Provost expressed her sadness at the recent passing of former Provost, Councillor Ian Clarkson, paying tribute to his work as Provost and his 27 years of dedicated service to his community. On behalf of the Council as a whole, the Provost recorded her sincere condolences to Councillor Clarkson's family and loved ones on their recent loss.

Thereafter, at the invitation of the Provost, representatives of the three political groups of the Council and, on behalf of the Independent Members, Councillor Donald L. Reid, took the opportunity to pay tribute both to the late Ian Clarkson and to former Elected Member, Stewart Dewar, who had recently passed away. The hard work of the two former Members was recorded and sincere condolences expressed to the family, friends and communities of both.

### **6. Leader's Report**

Submitted report by the Leader of the Council for the period from 20 March – 7 May 2023.

Noted.

### **7. Council Minute Volume**

Submitted for noting and for approval of recommendations contained therein, the Minutes of meetings of committees of the Council held in the period 27 January – 2 May 2023.

Noted.

## **8. Appointments to Committee**

The Council was invited, in terms of Standing Order 8.5, to note changes in the membership of the North Ayrshire Integration Joint Board and the Police and Fire and Rescue Committee.

The Council agreed as follows:

- (a) in respect of the North Ayrshire Integration Joint Board, to note (i) the resignation of Councillor McPhater effective from 5 May 2023 and (ii) in terms of Standing Order 8.5, the appointment of Councillor Foster to fill this vacancy, effective from 17 May 2023; and
- (b) in respect of the Police and Fire and Rescue Committee, to note (i) the resignation of Councillor Gallacher effective from 5 May 2023 and (ii) in terms of Standing Order 8.5, the appointment of Councillor S. Ferguson to fill this vacancy, effective from 20 May 2023.

## **9. Appointment to Outside Body**

The Council was invited, in respect of the Corporate Equality Group, to note the resignation of Councillor Foster and consider a nomination to fill the vacancy.

Councillor McPhater, having been duly proposed and seconded, was nominated to fill this vacancy. There being no other nominations, Councillor McPhater was duly appointed.

The Council agreed as follows:

- (a) to note the resignation of Councillor Foster from the Corporate Equality Group, effective from 5 May 2023; and
- (b) to approve the appointment of Councillor McPhater to fill this vacancy with immediate effect.

## **10. Annual Review of Governance Documents**

The Council was invited to consider the following reports in terms of the annual review of the Council's suite of Governance documents regulating the operation of Council, its committees and officers.

### **10.1 Scheme of Administration**

Submitted report by the Chief Executive on the Council's Scheme of Administration. The draft revised Scheme of Administration was set out in Appendix 1 to the report.

Councillor Burns, seconded by Councillor Macaulay, moved approval of the revised Scheme of Administration set out in Appendix 1 to the report, subject to the following further change, namely that in Section 3, page 6 of the Scheme of Administration, relating to membership of the Cabinet, point (c) should be amended from “five Members nominated by the Administration” to “four Members nominated by the Administration”.

A proposed amendment by Councillor McLean was withdrawn on the basis that it would have the same effect as the motion in terms of reducing the overall membership of Cabinet by one. Clarification was provided that the terms of the motion would result in a Cabinet comprising six, rather than seven, Members of the Council.

There being no amendment, the motion was declared carried.

Accordingly, the Council agreed to approve, with immediate effect, the revised Scheme of Administration set out at Appendix 1 to the report, subject to a reduction in the Cabinet from seven to six Members of the Council, namely (a) the Leader of the Council, (b) the Deputy Leader of the Council and (c) four Members nominated by the Administration.

## **10.2 Standing Orders Relating to Meetings and Proceedings of the Council and Committees**

Submitted report by the Chief Executive on the review of the Standing Orders relating to Meetings and Proceedings of the Council and Committees, one of the key governance documents regulating the operation of the Council, its committees and officers. The draft revised Standing Orders incorporating changes agreed upon with the Elected Members on the Member Officer Working Group on Standing Orders, were set out in Appendix 1 to the report. Further proposals upon which there was no unanimous agreement were not included at Appendix 1, but instead detailed within Section 2.4 of the report for consideration by Council.

Members asked questions in respect of the officer’s report and received clarification in respect of the following:

- the status of working groups and whether Standing Orders relating to Meetings and Proceedings of the Council and its Committees applied equally to the operation of working groups;
- the applicable call-in period following publication of Minutes of the Cabinet;
- whether further changes to Standing Orders could be proposed, in addition to those matters referred to in the report; and
- the proposal to treat as incompetent any motion/amendment which would result in reserves dropping below the minimum level set by Council, and any unintended consequences there may be in terms of the ability to use unearmarked reserves in an emergency.



The Chief Executive provided clarification in respect of the status of working groups, confirming that they did not have any decision-making powers and that the recommendations made were reported to Council or committee on the basis of consensus being general agreement.

Councillor Gurney, seconded by Councillor Burns, moved approval of recommendation (a) in the officer's report, subject to a further change to Appendix 1, to increase the number of Members required to call a Special Meeting from 9 to 17.

Members asked questions of clarification of the mover of the motion on whether the provision on the calling of Special Meetings also related committees.

As an amendment, Councillor Marshall, seconded by Councillor McLean, moved that the Council accept the report, subject to the following amendments:

- "1. That in relation to Standing Order 3.1 entitled "Special meetings of the Council shall be convened under the following circumstances", paragraph 3.1(v) will be amended as follows: the word "nine" where it occurs on the first line thereof is deleted and the word "seventeen" is substituted therefor;
2. That where clauses in Standing Orders refer to "two thirds of members present and voting" and including clauses 6.5, 19.5, 23.1 and 25.1(i), all such references shall be amended as follows:- the words "two thirds of the Members present and voting" where they occur within said clauses shall be deleted and the words "17 Members of Council" substituted therefor. Where any motion is made to suspend Standing Orders at any Committee of the Council, other than the Local Development Plan Committee, the number of Members required to approve such suspension shall be not fewer than four and a clause specifying that provision shall be included in standing orders;
3. That the last sentence of clause 33.1 (x) of Standing Orders is amended as follows: the words "Voice access by" shall be inserted before the words "Telephone is not part of the accepted method of joining a remote meeting" where they occur on the penultimate and last lines thereof."

As a further amendment, Councillor Foster, seconded by Councillor McDonald, moved the Council accept the report, subject to the following amendments:

"That clauses 6.5, 19.5, 23.1 and 25.1(i) of Standing Orders be amended as follows:- the words "two thirds" where they occur within said clauses shall be deleted and the words "a majority" substituted therefor."

In terms of Standing Order 16.5, Councillor Gurney, with the agreement of his seconder, intimated a willingness to alter his motion to incorporate the terms of the amendment proposed by Councillor Marshall, seconded by Councillor McLean. On that basis, Councillor Marshall, with the agreement of his seconder, agreed to withdraw his amendment in favour of the amended motion.

Thereafter, on a division and a roll call vote, there voted for the remaining amendment, Councillors Bell, Cullinane, Foster, McDonald, McPhater, Montgomerie, Donald Reid and Sweeney (8), and for the motion, Councillors Billings, Burns, Collier, Davidson, Dickson, S. Ferguson, Gallacher, Glover, Gurney, Inglis, Johnson, Larsen, Macaulay, Marshall, McClung, McLean, McTiernan, Murdoch, Donald L. Reid, Robertson, Stalker and Stephen (22), and the motion was declared carried.

Accordingly, the Council agreed to approve, with effect from 22 May 2023, the revised Standing Orders for Meetings and Proceedings of the Council and Committees, set out at Appendix 1 to the report, subject to the following amendments:

1. That in relation to Standing Order 3.1 entitled “Special meetings of the Council shall be convened under the following circumstances”, paragraph 3.1(v) will be amended as follows: the word “nine” where it occurs on the first line thereof is deleted and the word “seventeen” is substituted therefor;
2. That where clauses in Standing Orders refer to “two thirds of members present and voting” and including clauses 6.5, 19.5, 23.1 and 25.1(i), all such references shall be amended as follows:- the words “two thirds of the Members present and voting” where they occur within said clauses shall be deleted and the words “17 Members of Council” substituted therefor. Where any motion is made to suspend Standing Orders at any Committee of the Council, other than the Local Development Plan Committee, the number of Members required to approve such suspension shall be not fewer than four and a clause specifying that provision shall be included in standing orders;
3. That the last sentence of clause 33.1 (x) of Standing Orders is amended as follows: the words “Voice access by” shall be inserted before the words “Telephone is not part of the accepted method of joining a remote meeting” where they occur on the penultimate and last lines thereof.

### **10.3 Scheme of Delegation to Officers**

Submitted report by the Chief Executive on the Council’s Scheme of Delegation to Officers. The draft revised Scheme of Delegation to Officers was set out at Appendix 1 to the report.

Councillor Larsen, seconded by Councillor Burns, moved approval of the recommendations set out in the officer’s report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed as follows:

- (a) to approve, with immediate effect, the revised Scheme of Delegation to Officers attached at Appendix 1 to the report; and

- (b) to note (i) the existing Statutory Officers and (ii) the appointment of the Chief Education Officer.

#### **10.4 Other Key Governance Documents**

Submitted report by the Chief Executive on other key governance documents regulating the operation of the Council, its committees and officers. The Guidelines on Member/Officer Relations, revised Standing Orders for Contracts and the updated Financial Regulations and Codes of Financial Practice were set out in Appendices 1-3 to the report, respectively.

Councillor Larsen, seconded by Councillor Burns, moved approval of the recommendations set out in the officer's report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed to approve, with immediate effect, (i) the Guidelines on Member/Officer Relations, attached at Appendix 1 to the report; (ii) the Standing Orders for Contracts, attached at Appendix 2 to the report; and (iii) the Financial Regulations and Codes of Financial Practice, attached at Appendices 3a and 3b to the report, respectively.

#### **11. Questions**

The Provost made reference to the period of 45 minutes allocated for consideration of questions in terms of Standing Order 14.2 and to the procedure for consideration of questions.

In terms of Standing Order 14, submitted:

- (1) a question by Councillor Marshall to the Cabinet Member for Finance in the following terms:

“Noting that the Scottish Government is consulting on a proposal to permit Councils to double Council Tax on second homes from 2024 and to apply larger multipliers in subsequent years, does the Member support this proposal and can she outline both the benefits and disbenefits of such a policy?”

Councillor Larsen thanked the Member for his question and responded in the following terms:

“Yes, I do agree with it in principle. Any policy that allows for financial flexibility at a local level should be welcomed.

Currently with long-term empty homes, there is a 100% levy applied on top of full Council Tax after 12 months, so technically this new policy would essentially bring second homes ownership into line with that.

As Elected Members will be aware, there was a Policy Advisory Panel meeting scheduled for tomorrow on this very topic. However, due to unforeseen circumstances, that will now have to be rescheduled. So, when that new meeting date is set up, we would certainly welcome feedback from all Elected Members on this subject.”

As a supplementary question, Councillor Marshall asked whether there was any proof that doubling tax on second homes would increase access to affordable housing by encouraging people to sell their houses, or if instead owners would be financially aware and just move to the Airbnb model, thereby incurring no Council Tax.

Councillor Larsen responded by referencing the lack of affordable housing on Arran and the benefits to the island’s economy and employment which would arise from prompting a change to the ownership model to provide more private rental accommodation. The Cabinet Member indicated a willingness to discuss the matter further the Policy Advisory Panel once the meeting had been rescheduled.

(2) a question by Councillor Sweeney to the Cabinet Member for the Economy and Climate Change in the following terms:

“The Administration failed to secure the purchase of the former Lonsdale pub site in Stevenston, with the site being sold to a new private owner. Months later and following a promise from the Cabinet Member that the Council would approach the new owners to discuss their plans for the site, the “sold” sign is still up and the site remains in a state of disrepair. Can the Cabinet Member provide an update on plans for the site?”

Councillor Gurney thanked the Member for his question and responded in the following terms:

“Ownership of the site was identified by Officers in early April 2023 when a Planning application (reference 23/00260/PP) was received proposing the redevelopment of the site as a car wash facility. The application is pending consideration.

Officers will continue to monitor the condition and status of the site and contact the new owner, if appropriate, to establish their intentions for the site.”

(3) a question by Councillor Murdoch to the Leader of the Council in the following terms:

“I asked the following question at the Full Council Meeting held on Wednesday 8 September 2021:

*“Can the Leader of the Council please provide any examples of a North Ayrshire Sole Trader winning a tender for work with NAC through the Community Wealth Building Initiative and can you please provide details of how many North Ayrshire Sole Traders or small businesses with one or two employees are on the tendering list?”*

Can the Leader of the Council please inform me what the current answer to this question is and what has changed in the Community Wealth Building process since 8 September 2021?”

Councillor Burns thanked the Member for his question and made reference to the following written response:

“In the period from 9 September 2021 to present, there were 28 micro enterprises awarded a contract under the tender and Quick Quote processes. This included 17 sole traders, 3 businesses with up to 4 employees and 8 businesses with between 5 and 10 employees. The contracts awarded included:

- Early learning and childcare;
- School transport;
- Graphic design services;
- Multi reactive trades framework;
- Roof repair works;
- Building refurbishment works;
- Printing services;
- Community services;
- Cabling works;
- Signage; and
- Roads Winter Assistance

Sole Traders and small businesses are actively encouraged through the Community Wealth Building (CWB) approach to bid for lower value procurements such as Quick Quotes and inclusion on frameworks for larger value contracts. CWB aims to build capacity within the small business base and saw the Business Development team support 134 business during 2022 to enhance their procurement capabilities.

The Council does not operate a tendering list. Procurements are either open to all suppliers registered on Public Contracts Scotland (Tenders) or are by invitation via the quick quote process depending on the value of works or services. When instigating the Quick Quote process, Service Teams, Procurement and Business Growth identify local suppliers to invite to quote. This includes consideration of small businesses and sole traders where applicable.

The Quick Quote process is less onerous than a tender process and should encourage local bids.

The following changes were made to the CWB Quick Quote (QQ) process in April 2022 to support local businesses to bid for work:

- The ‘works’ Quick Quote limit was increased from £100K to £500K increasing the level of quick quote procurement.
- A local suppliers only Quick Quote process was introduced where there are 4 local suppliers (3 suppliers for the islands). Previously this process required 5 suppliers. Clearly suppliers need to have capability and capacity to deliver the contract.
- An open Quick Quote process was introduced between £500K and £1M where 2 or 3 local suppliers are interested in bidding.

The procurement changes and support provided by Business Development has resulted in significant success for local suppliers. This is illustrated in the value of local QQ awards which in 21/22 was £663,270.80 and in 22/23 rose to £2,723,228.87. This equates to over 4 times the level of awards to local suppliers.

An annual Procurement Activity report was presented to Cabinet on the 29 November 2022. This covered all procurement activity for the financial year 21/22. The report shows that North Ayrshire Council spent a total of £223.7m with 3,564 suppliers. Further analysis shows £51.2m (or 22.93%) of this total expenditure was spent locally with 735 North Ayrshire suppliers, which is an increase of £6m from the previous year. This spend is vital in supporting the procurement pillar of the Community Wealth Building Strategy. A further report covering the financial year 22/23 will be produced later in the year to assess any further progress.”

The Leader concluded her response by offering to meet with the Member separately to discuss any specific concerns he may have on this important issue.

As a supplementary question, Councillor Murdoch expressed his delight at the improvement which had taken place since 2021 and asked if the Leader would continue to support further improvement and seek to increase in the number of small businesses taking part in the tendering process.

Councillor Burns responded in the affirmative, expressing the view that small businesses were the backbone of the area’s economy and that supporting their resilience was an important component of Community Wealth Building.

(4) a question by Councillor Marshall to the Cabinet Member for Finance in the following terms:

“For the period from April 2021, can the Cabinet Member please list the names of Consultants employed by the Council the value of contract awarded, the specification or purpose of contract, name of the authorising Service and source of the budget?”

In terms of Standing Order 14.4, the question and the following written response by Councillor Larsen were taken as read:

“Analysis of consultancy contracts live from the period from 1 April 2021 has been provided in response to this question (circulated and published separately). This includes contracts awarded through the Council’s Procurement team and call-off contracts against consulting lots within the Council’s professional services framework.”

As a supplementary question, Councillor Marshall expressed disappointment at not having had more time to consider the detailed information circulated as part of the response to this question, and asked for clarification on the acronym “CPU”.

With the permission of the Provost, the Chief Executive advised that the acronym stood for “Corporate Procurement Unit.”

(5) a question by Councillor Foster to the Cabinet Member in the following terms:

“At the budget meeting on 1 March, the SNP Administration voted against raising the amount the Council give in holiday meal entitlement to £4 per day, yet two weeks later raised the amount by a paltry 5p per day.

Can the Cabinet Member advise Council how they managed to do this given Standing order 15.4 which states “A notice of motion or amendment shall not be deemed competent for inclusion or consideration on the agenda if, in the opinion of the Solicitor to the Council the motion or amendment is: the same or similar to a motion determined at Council in the previous 6 months”?”

Councillor Macaulay thanked the Member for his question and responded in the following terms, in his capacity as the Cabinet Member for Education:

“At Cabinet on 21 March 2023, a report was presented which dealt with the method of delivery of free holiday meal provision which had up until then been by way of a voucher scheme. The report recommended a change in delivery approach, taking into account the recommendations from poverty organisations which reflect that cash payments are the most compassionate and dignified way to provide support to those who need help. Cabinet agreed to move from the voucher system to a cash payment system which resulted consequentially in a small saving on the administrative costs of the voucher system which could in turn be redistributed to recipients as it fell within the agreed financial envelope allocated at the budget meeting in March.”

As a supplementary question, Councillor Foster asked whether the Cabinet Member considered this was fair, given that, on the advice of the Section 95 Officer, the Labour group had not been permitted to bring a similar motion to Council on the basis that it was within the same financial envelope as a decision taken at a meeting of Council within the last six months.

Councillor Macaulay responded by declining to comment on administrative matters and expressing the view that the focus should be on ensuring that families continued to receive the help they needed in the dignified way they deserved.

On a point of order in terms of Standing Order 17.10 and in respect of the Protocol for Member/Officer Relations, the Leader asserted that any implication that one political group of the Council was treated differently to another was disrespectful to officers.

The Provost accepted the point of order which had been made and invited the Member to apologise to the Section 95 Officer for any insinuation which had been made in this regard. Councillor Foster duly apologised.

(6) a question by Councillor McDonald to the Cabinet Member for Education in the following terms:

“The SNP Administration’s budget made cuts to school meals which would remove the Council’s Food for Life accreditation. Can the Cabinet Member tell us the impact on the nutritional standards of school meals?”

Councillor Macaulay thanked the Member for her question and made reference to the following written response:

“The move away from the Food for Life Accreditation will not impact the future compliance with the Nutritional Requirements for Food and Drink in Schools (Scotland) Regulations and we will continue to offer freshly prepared food and a diverse range of menu options which will be informed in part by pupil feedback. Two inspections have taken place in 2023 at a primary school and a secondary school. These were positive and no areas of concern were identified.”

As a supplementary question, Councillor McDonald referenced positive comments by the Soil Association with regard to the Council’s membership of the Food for Life scheme and its partnership with Woodside Arran Farm CIC, and asked whether the Cabinet Member would intervene to reinstate the community interest company’s contract, or else admit that the Administration had no interest in Community Wealth Building or growing the local economy.

Councillor Macaulay declined to engage in discussion about a single contract and instead explained the rationale for moving away from the Food for Life accreditation, which related to the time required to apply when resources were already stretched. Confirming that the principles of the scheme were already embedded in what the Council did, the Cabinet Member said that the Council aimed to support local business and, most importantly, ensure young people received nutritious and balanced meals.



- (7) a question by Councillor McPhater to the Cabinet Member for the Economy and Climate Change in the following terms:

“Can I ask can the Cabinet Member how much more rent did a tenant at Redburn Grove pay to the Council 22/23 in comparison to Housing Revenue Account tenants?”

Councillor Gurney thanked the Member for her question and responded in the following terms:

“Redburn Grove tenants’ weekly rent charge for 2023/24 is £99.86, before award of any benefits for housing costs. The rent charged to the sixteen tenants at Redburn Grove reflects the cost of dedicated on-site support provided by a member of staff as well as maintenance of common outdoor and indoor areas, including the residents’ community room. Rental income funds approximately 50% of the cost of operating the site, with the remaining 50% financed from the Council’s wider General Fund.

The average rent for a Council house (HRA) tenancy is £82.75.”

As a supplementary question, Councillor McPhater referred to a previous request that consideration be given to moving these tenants over to the Housing Revenue Account and asked if there was any further update on progress in relation to this.

Councillor Gurney responded by confirming that Redburn Grove was part of the General Services Account and, as such, the rent had been subject to a lower increase than that applicable to the Housing Revenue Account (HRA). The Cabinet Member confirmed that work was ongoing on the business case for moving Redburn Grove to the HRA and provided an assurance that the findings would be made available to Members as soon as possible.

- (8) a question by Councillor Cullinane to the Cabinet Member for Education in the following terms:

“The new First Minister has announced a £4.5million capital fund to support Councils in providing after school and holiday clubs. Can the Cabinet Member advise us whether the Administration intends to submit a funding bid that could improve access to out of school services in North Ayrshire?”

Councillor Macaulay thanked the Member for his question and responded in the following terms:

“Details of the fund have just been announced (10 May 2023). Officers are currently engaging with Scottish Futures Trust to determine the most appropriate focus of an application from North Ayrshire Council.”

As a supplementary question, Councillor Cullinane, referring to the impact on working families of patchy out-of-school service provision in areas such as Kilwinning, asked what was being done to explore the gaps in provision and whether this was a factor in scoping out any potential bid.

Councillor Macaulay responded by referring to a new out-of-school service due to open in Kilwinning in August. In terms of the longer-term approach, the Cabinet Member made reference to a forthcoming mini enquiry on child-care which was being undertaken by the Poverty Board, relevant partners and parents. Councillor Macaulay also referred to the use of monies from the Covid Economic Recovery Fund to appoint an officer to oversee this work and maximise the opportunities for child-care provision in North Ayrshire.

(9) a question by Councillor Montgomerie to the Cabinet Member for the Economy and Climate Change in the following terms:

“The toilets at the Melbourne Park have been closed to approaching two years now. Can the Cabinet Member tell me when this toilet block will be repaired and opened back up for public use?”

Councillor Gurney thanked the Member for his question and responded in the following terms:

“We are committed to reinstating the service but are currently using the opportunity to explore options to maximise community impact. Local members will be invited to a meeting to discuss proposals shortly.”

As a supplementary question, Councillor Montgomerie referred to a previous commitment to keep local Members updated on developments and asked if the Cabinet Member could now advise the people of Saltcoats and himself on some of the options being considered.

Councillor Gurney responded in the affirmative, confirming that the toilets would be reinstated. The Cabinet Member advised that the delay was due to ongoing engagement with Link Up Saltcoats on the potential for combining the toilet provision with changing facilities for the proposed outdoor pool project.

(10) a question by Councillor Kerr to the Cabinet Member for the Economy and Climate Change in the following terms:

“In September 2020, the Fraser of Allander Institute published ‘The impact of Covid-19 on the Arran Economy’, a report commissioned by the last Administration. Included in the report was an assessment that the ferry is worth around £170,000 per day to the island’s economy. Can the Cabinet Member tell us how much the Arran economy has lost due to cancelled ferry services since the report was published?”

In terms of Standing Order 14.4 and in the absence of Councillor Kerr, the question and the following written response by Councillor Gurney were taken as read.

“It is not possible to determine the precise extent of economic loss to the Arran economy due to cancelled ferry services. Within the Fraser of Allander Institute study published in September 2020 referred to, it was estimated that between August and December 2019 a single ferry journey on average contributed circa £13,200 to Arran’s economy.”

(11) a question by Councillor Foster to the Provost in the following terms:

“Given the role of the Provost as civic head of the Council and the supposed role as impartial chair of Council meetings, does the Provost regret amplifying views on her social media account stating that Anas Sarwar is a “hypocrite for celebrating Pakistan’s separation from India”, that “the SNP came out just fine after the Salmond fiasco”, that “it’s a witch hunt for Peter Murrell and Nicola Sturgeon”, that “we trust the SNP to get us there, whatever way the money is spent is good as far as I’m concerned” and that “Police leaks are behind the press being given information about the investigation into the SNP”?”

The Provost thanked the Member for his question and responded in the following terms:

“I have the greatest respect for the office of Provost and for the non-political nature of the role. I have never confused my role as Provost and the responsibilities that go with it with that of being an Elected Member and I don’t intend to deviate from that today by answering a political question.”

Councillor Foster requested the opportunity to ask a supplementary question. In terms of Standing Order 14.4, the Provost declined to exercise her discretion to allow a supplementary question.

(12) a question by Councillor McDonald to the Cabinet Member for Education in the following terms:

“Can the Cabinet Member tell me how many breakfast clubs there are in our schools and early years centres?”

In terms of Standing Order 14.4, the question and the following written response by Councillor Macaulay were taken as read:

“Running total: 36 schools (31 primaries and 5 secondaries) have formal arrangements in place for breakfast clubs. Some are funded through targeted funding from the Devolved School Management Scheme (14) and the rest are funded either through PEF, school funds, the local church or community groups, parents/carers or a combination of these.

The remaining schools do not have a formal breakfast club but these schools have all confirmed that they have informal arrangements in place to ensure that no child arrives at school hungry and would receive something to eat on arrival.”

(13) a question by Councillor McPhater to the Cabinet Member for Finance in the following terms:

“The SNP Administration has now launched its job cuts fund. Can the Cabinet Member now advise us (a) what roles the Administration aim to cut and (b) the annual savings they expect to achieve?”

Councillor Larsen thanked the Member for her question and responded in the following terms:

“There is no such thing as a job cuts fund.”

As a supplementary question, Councillor McPhater referred to the Workforce Planning Fund and, in terms of this, asked what roles the Administration aimed to cut and the annual savings they expected to achieve.

Councillor Larsen responded by advising that the Council had launched a Voluntary Early Release programme which provided an opportunity for eligible employees to apply to voluntarily leave the Council with a severance payment. The Cabinet Member emphasised both the rigorous assessment process associated with this and the voluntary nature of the programme, and expressed the view that using the term ‘job cuts fund’ was disrespectful to Elected Members and officers.

In terms of Standing Order 6.8, the Provost agreed that the meeting be adjourned at 3.25 p.m. for a comfort break. The meeting reconvened at 3.40 p.m. with the same Members and officers present and in attendance.

On a point of order in terms of Standing Order 14.11, Councillor Montgomerie challenged the accuracy of the earlier response provided by the Cabinet Member for the Economy and Climate Change in respect of the supplementary question asked in relation to question (9).

On the advice of the Chief Executive, the point of order was noted; however, any issue with the answer given to the supplementary question would require to be addressed outwith the meeting.

## 12. Motions

In terms of Standing Order 15, submitted:

- (1) a motion proposed by Councillor Marshall and seconded by Councillor Murdoch in the following terms:

"Cal Mac is to introduce a new e-ticketing system (At Turas) which will result in the removal of the season ticket scheme for those who commute daily from Cumbrae to the mainland. This will result in a 70% increase in fares for commuters including care workers, teachers, nurses, doctors and all those who travel daily from or to the island to perform services for the community. The cost of a typical season ticket of £463 will be replaced by an equivalent cost for a day return over 220 days of £792.

We move that the Council instruct the Chief Executive to write to Kevin Stewart the Transport Minister and Robbie Drummond as Cal Mac Chief Executive, requesting that the season ticket is reinstated, acknowledging that the increase in costs is unacceptable in the present climate for a fragile community and does not align with the government's objectives for Islands to make them sustainable in the long term."

There being no amendment, the motion was declared carried.

- (2) a motion proposed by Councillor McDonald and seconded by Councillor Bell in the following terms:

"Council notes that some areas currently don't have an active Community Council. Council further notes that Community Councils as the first tier of Local Government are an important and vital part of local democracy. Council therefore agrees to instruct officers to bring to a special Council meeting a report outlining the current operation of Community Councils in our area and highlighting which areas do not have an active Community Council. Officers are also requested to advise Council of the process for the review of the Scheme of Establishment of Community Councils and its implications in the event that Council decides at a Special Meeting to review the Scheme."

As an amendment, Councillor Billings, seconded by Councillor McLean, moved as follows:

"Community Councils are the most local form of statutory representation in Scotland and have an important role in helping public bodies gather opinions from local communities. In addition, community councils have a statutory consultation role in planning. With the introduction of the new planning act in Scotland there is the potential for this role to increase.

/Across North Ayrshire there are community councils in many areas who work with their local Elected Members to discuss and help address a range of local issues. However, there are some areas that don't have a community council and are, therefore, missing out on this important local tier of representation.

It is also noted that with the advent of Locality Partnerships and the significant numbers of local resident groups there can be some confusion about exactly does what. This can detract from the importance of having an active community council.

Therefore, the Council agrees to:

1. establish a Members' short-term working group that will explore how local representation operates in each of North Ayrshire's localities. The purposes of this working group will be to:
  - b) establish how local representation currently operates;
  - c) clearly define the representative roles of existing groups;
  - d) identify where there are gaps in local representation; and
  - e) establish a plan that helps ensure equality of local representation across all areas of North Ayrshire, which will include the establishment of new community councils, clarification on the different representative roles of Locality Partnerships and community councils and how non-statutory community groups fit into local representation; and
2. consider, review and potentially agree to implement the recommendations of the short-term working group at a Special Meeting of North Ayrshire Council."

In terms of Standing Order 16.5, Councillor McDonald, with the agreement of his seconder, agreed to alter his motion to incorporate the terms of the amendment, as follows:

"Council notes that Community Councils are operating in some areas of North Ayrshire and are working hard in partnership with local Elected Members to give their communities a voice; however, some areas currently don't have an active Community Council.

Council further notes that Community Councils as the first tier of Local Government are an important and vital part of local democracy especially when it comes to their role as a statutory consultee under Planning Legislation.

Council therefore agrees to instruct officers to bring to a Special Council meeting a report outlining the current operation of Community Councils in our area and highlighting which areas do not have an active Community Council.

Officers are also requested to advise Council of the process for the review of the Scheme of Establishment of Community Councils and its implications in the event that Council decides at a Special Meeting to review the Scheme.

Furthermore, the Council agrees to:

1. establish a Members' short-term working group that will explore how local representation operates in each of North Ayrshire's localities. The purposes of this working group will be to:
  - a. establish how local representation currently operates;
  - b. clearly define the representative roles of existing groups;
  - c. identify where there are gaps in local representation; and
  - d. establish a plan that helps ensure equality of local representation across all areas of North Ayrshire, which will include clarification on the different representative roles of Locality Partnerships and communities councils and how non-statutory community groups fit into local representation; and
2. consider, review and potentially agree to implement the recommendations of the short-term working group at the proposed Special Meeting of North Ayrshire Council along with the report on the review on the Scheme of Establishment."

On that basis and in terms of Standing Order 16.5, Councillor Billings, with the agreement of his seconder, agreed to withdraw his amendment in favour of the amended motion.

Members asked a question of the mover of the motion and received clarification on the proposed reporting arrangements for the two elements of the amended motion.

There being no further amendments, the amended motion was declared carried.

- (3) a motion proposed by Councillor Foster and seconded by Councillor Cullinane in the following terms:

"North Ayrshire Council agrees in principle to scrap all school meal debt by the start of the 2023/24 school year and asks that a report is brought to the June meeting outlining options including financial implications on how to achieve this aim."

As an amendment, Councillor McLean, seconded by Councillor Inglis, moved as follows:

“Council asks that a report is brought to the June meeting outlining options to scrap school meal debt by the start of the 2023/24 school year, including financial implications on how to achieve this aim. However, Council delays making a decision on this matter until after it has received the report so that Council is best informed before deciding and to prevent a hypothetical situation where council has agreed in principle but is unhappy with, or is unable to come to consensus on, the funding options presented.”

Members asked a question of the mover of the motion and received clarification on the intention in terms of “outlining the options” around school debt.

There followed debate and summing up.

On a point of order in terms of Standing Order 15.4, Councillor Billings queried the competence of the motion given that the write-off of school meals debt had been the subject of consideration at a meeting of the Council within the last six months, meaning that consideration would require suspension of Standing Orders.

On the advice of the Chief Executive and Section 95 Officer, the Provost agreed that suspension of Standing Orders was not required as both the motion and amendment related to a report being brought to the next meeting of the Council for consideration. With the permission of the Provost, Councillor Cullinane further clarified that, in any event, a motion on this matter was not ultimately considered at the Special Meeting of the Council for the budget.

On a division and a roll call vote, there voted for the amendment Councillors Billings, S. Ferguson, Gallacher, Glover, Inglis, Marshall, McLean, Donald L. Reid, Stalker and Stephen (10), and for the motion, Councillors Bell, Burns, Collier, Cullinane, Davidson, Dickson, Foster, Gurney, Johnson, Larsen, Macaulay, McClung, McDonald, McPhater, McTiernan, Montgomerie, Donald Reid, Robertson and Sweeney (19), Councillor Murdoch abstaining, and the motion was declared carried.

Accordingly, the Council agreed as follows:

- (a) in principle to scrap all school meal debt by the start of the 2023/24 school year; and
- (b) that a report be brought to the June 2023 meeting of the Council outlining options including financial implications on how to achieve this aim.”



- (4) a motion proposed by Councillor Foster and seconded by Councillor McPhater in the following terms:

“Council asks that a report is tabled to the first meeting of Council following the summer recess outlining the ownership position and options for bringing the old Forum building, old Ruby Tuesdays building and subsequent surrounding buildings that have fallen into disrepair back into a usable state.”

As an amendment, Councillor Macaulay, seconded by Councillor Robertson, moved as follows:

“Council asks that a working group is arranged of local Members and relevant officers to discuss and evaluate options outlining the ownership position and options for bringing the old Forum building, old Ruby Tuesdays building and subsequent surrounding buildings that have fallen into disrepair back into a usable state.”

In terms of Standing Order 16.5, Councillor Foster, with the agreement of his seconder, agreed to alter his motion to incorporate the terms of the amendment. On this basis, Councillor Macaulay, with the agreement of his seconder, withdrew his amendment in favour of the amended motion.

There being no further amendment, the motion, as amended, was declared carried.

Accordingly, the Council agreed as follows:

- (a) that a working group of local Members and relevant Officers be established to discuss and evaluate options outlining the ownership position and options for bringing the old Forum building, old Ruby Tuesdays building and subsequent surrounding buildings that have fallen into disrepair back into a usable state; and
- (b) that a report on the outcome be submitted to the first meeting of the Council following the summer recess.

### **13. Urgent Items**

There were no urgent items.

The Meeting ended at 4.20 p.m.





# PROVOST'S REPORT

For the period covering: 8 May – 11 June 2023

The attached report gives a summary and brief details to Council, of meetings and events attended by the Provost of North Ayrshire Council, Councillor Anthea Dickson.

# PROVOST'S REPORT

For the period covering: 8 May – 11 June 2023

Since the last meeting of the Council, I have taken part in many events, including:

## ***Completion Ceremony, St. Michael's Wynd, Kilwinning, 9 May***

On 9 May, I was in Kilwinning to officially mark the completion of the incredible St Michael's Wynd development. This project follows on from the first phase development which saw 40 new homes created for tenants in 2012.

This second phase provides 79 modern, energy efficient homes, including the homes within the new sheltered housing unit. Both phases have contributed towards the Council's target of building 1,625 new homes across North Ayrshire by 2028 which is one of the biggest and most ambitious house building programmes in the country.

## ***Provost's Visit, Farm Basket, Towerlands Farm Community Centre, Irvine, 10 May***

On 10 May, I visited the Farm Basket at Towerlands Farm Community Centre, in Irvine. Volunteers from Broomlands and Bourtreehill Community Association have worked hard to establish the larder to assist local families, by tackling food poverty with a dignified approach. The work carried out by these volunteers is inspiring and I was only too happy to visit and show our appreciation for all the excellent work that they do.

## ***Provost's Visit, 'Side Larder, Community Centre, Springside, 12 May***

On 1 May, I visited another excellent food project this time at Springside Community Centre. The 'Side Larder' provides great support to those in the local community facing difficulties. It was great to meet up with those involved with the project and hear not only about how the larder operates and the benefits it brings to families living in the local area but also of the activities and social events in the Community Centre.

### ***Irvine Incorporated Trades, Annual Burgh Ball, Riverside Lodge Hotel, Irvine, 13 May***

The Depute Provost attended the Annual Burgh Ball, hosted by Irvine Incorporated Trades on 13 May. This event has been running since 1975 and celebrates the ancient and Royal Burgh of Irvine. The Depute Provost proposed the toast to the Royal Burgh and acknowledged the voluntary work carried by the Incorporated Trades.

### ***Cunninghame Choir Spring Concert, Community Centre, Beith, 14 May***

On 14 May, I attended, Cunninghame Choir's Spring Concert, in Beith Community Centre. For over 40 years the Choir has been performing and producing outstanding concerts. The Spring Concert was fantastic and well put together and was a joy for music lovers from the Garnock Valley and beyond. It also marked the end of Tiffany Vong's 6 years as Musical Director, and the choir members, and the community, wished to thank her and wish her every success in the future.

### ***Opening of the General Assembly of the Church of Scotland, Edinburgh, 20 May***

On 20 May, the Depute Provost attended opening of the General Assembly of the Church of Scotland in Edinburgh. Many other local authorities were represented at this annual event. The Depute Provost took part in the procession to the Assembly Hall which was followed by the Official Opening Session and ended with a reception hosted by the Lord Provost of Edinburgh.

### ***Scottish Young Solo Performer of the Year, Royal Conservatoire of Scotland, Glasgow, 21 May***

On 21 May, I attended the Scottish Young Solo Performer of the Year in the Royal Conservatoire in Glasgow. 31 young people from throughout Scotland took part in this prestigious event. The winner of our own Singer of the Year Competition, Macy from St Matthew's Academy, represented North Ayrshire. Each performance was exceptional, and all were worthy winners.

### ***Provost's Visit, Friends of Redburn- Community Cafe, Irvine, 22 May***

On 22 May, I was delighted to visit the Redburn Centre in Irvine. The Friends of Redburn operated a warm hub over the winter, providing free community lunches, adult arts and craft activities and an afterschool family arts and craft club. The Group have been working in partnership with a community interest company "Lets Learn Outside the Classroom" and have gained further funding to continue to provide these services this up until the summer holidays.

This is an example of good partnership working directly benefiting the local community. The work of the volunteers involved in this project is inspiring.

### ***Ground-breaking Ceremony, New Early Years and Primary School, Montgomerie Park, Irvine, 24 May***

I carried out the official ground-breaking duties on 24 May, for the new Early Years and Primary School at Montgomerie Park, Irvine. We already have a portfolio of wonderful schools and this new one will add to the many fantastic facilities. The fact that it will be our first Passivhaus school makes it extra interesting and exciting, and I very much look forward to the school being ready for our young people.

### ***Summer Show, Lockhart Campus, Stevenston, 24 May***

Also on 24 May, I attended “Sunshine on Leith”, the summer show by the pupils at Lockhart Campus. The show was excellent, and the hard work put in by both staff and pupils in the run up to the event was evident. Like the many people who attended I had a thoroughly entertaining evening and was inspired by all the performers.

### ***Provost's Visit, Irvine Youth Legacy Hub, Irvine, 25 May***

On 25 May, I visited the Youth Legacy Hub in Irvine. I heard about all the excellent work that is carried out by Irvine Youth Forum, the activities that they are involved in and the role they play in tackling and reducing anti-social behaviour in the town centre. The Hub is a great venue for our young people to share their views and opinions and have a voice in the way we shape the services we provide for the youth of North Ayrshire.

### ***Provost's Visit, Irvine Clean Up Crew, Irvine, 29 May***

On 29 May, I took part in in Irvine Clean Up Crew's Litter Pick and Scavenger Hunt. The volunteers involved do a fantastic job in keeping Irvine Beach and the surrounding area clean, attractive and welcoming. They work tirelessly behind the scenes clearing up after others to ensure visitors get the best possible experience when visiting Irvine beach. With the fine weather this year, this has been even more challenging. I would encourage everyone to spread the message to keep North Ayrshire beautiful by disposing of rubbish responsibly.

### ***Provost's Visit, Coastwatch, Irvine, 29 May***

Also on 29 May, I visited Coastwatch in Irvine. The Coastwatch station is staffed by volunteers who keep watch around the Ayrshire coast from Troon to Ardrossan. This excellent service provides a staffed watch room, a beach patrol and trained first aiders. Coastwatch volunteers also provide a vital link with the emergency services and are generally a great community resource.

### ***Arran Pride, Brodick, Isle of Arran, 3 June***

On 3 June, I attended Arran Pride, which is now in its second year. Many groups and organisations both locally and nationally took part in this wonderful event celebrating diversity and inclusion. There was an excellent representation from our Youth Services with over 20 young people over the six localities attending.

### ***Provost's Visit, Language Cafe, Irvine 7 June***

I visited the Language Café on 7 June held in the Temple of Art Café in Irvine. A weekly meeting was set up after members of the New Scots community asked for an opportunity to boost their language skills in an informal and relaxed setting. The Group now meet every Wednesday afternoon where they can find out about what is happening in the local area, get help from volunteers to fill in paperwork, improve their English-speaking skills and find out more about Council services and support. This is a great resource helping people integrate into the community, make friends and communicate better.

### ***Auchenharvie Academy Celebrating Success Ceremony, Stevenston, 7 June***

On 7 June, I attended Auchenharvie Academy's Celebrating Success Ceremony. I was delighted to attend this event which highlighted the skills and talents of our young people and their achievements at school. It is important to recognise these successes and encourage our young people as best we can.

### ***Keep Scotland Beautiful, Beach Award, Irvine, 8 June***

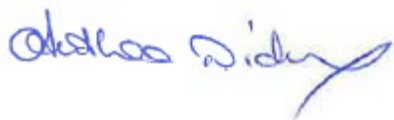
On 8 June, I joined volunteers from Irvine's Clean Up Crew as a flag was raised to acknowledge that Irvine Beach received the Keep Scotland Beautiful Beach Award. This is down in no small measure to the volunteers who continually arrange litter pick-ups and support all the clean-up services that are already in place.

***Young Rock & Pop Musicians of the Year Competition, Town Hall, Saltcoats, 8 June***

On 8 June, I attended the Young Rock & Pop Musician of the Year Competition in Saltcoats Town Hall. The event was sponsored by Ardrossan Music Experience and featured performances by our young people from schools throughout North Ayrshire. The standard was extremely high and each of the finalists had the opportunity to work with singer/songwriter, JJ Gilmour in a one-to-one mentoring session. A great night of musical entertainment ensued highlighting the talents and ability of the young people and the excellent support and encouragement they receive from staff.

***DYW/HSCP Project Launch, Trindlemoss Day Opportunities, Irvine, 9 June***

On the 9 June, I along with the Lord Lieutenant officially launched two excellent projects at Trindlemoss Day Opportunities in Irvine. These innovative community projects are funded via NAHSCP and Developing Young Workforce. The projects are Baristamoss, a mobile Barista and The Glam Hideaway, a beauty room providing nail, hair and make-up treatments. Similar projects have been an enormous success and give those participating new skills and employment opportunities.



Councillor Anthea Dickson  
**Provost North Ayrshire Council**





North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

# LEADER'S REPORT

For the period covering: 8 May – 11 June 2023

The attached report gives a summary and brief details to Council, of meetings and events attended by the Leader of North Ayrshire Council, Councillor Marie Burns.

## LEADER'S REPORT



# LEADER'S REPORT

For the period covering: 8 May – 11 June 2023

## ***NHS AYRSHIRE AND ARRAN AUDIT AND RISK COMMITTEE, 9 May***

On 9 May, I attended an NHS Audit and Risk Committee meeting where attendees discussed various audit and governance papers. The Committee also received progress updates on actions taken within Recruitment and Organisational Culture within NHS Ayrshire and Arran.

The Committee also approved the Audit and Risk Committee Annual report 2022 – 23 and this will now be forwarded to the NHS Board for their approval.

## ***MEETING WITH MINISTER FOR LOCAL GOVERNMENT, EMPOWERMENT AND PLANNING, 11 May***

On 10 May, together with North Ayrshire Council Chief Executive Craig Hatton, I had an introductory meeting with the new Scottish Government Minister for Local Government Empowerment and Planning Joe Fitzpatrick MSP. The meeting provided the opportunity to outline to the Minister, North Ayrshire Council's three key priorities and to discuss how these fit in with the work of the Scottish Government.

## ***JOINT YOUTH CABINET, 16 May***

Together with North Ayrshire Council Cabinet members and senior officers, I attended a meeting of Joint Youth Cabinet on 16 May at the Volunteer Rooms in Irvine. It was a hugely successful event with pupils from all of our secondary schools taking part in productive discussions on a range of topics including:

- Climate Change and Sustainability
- Tackling Inequalities
- UNCRC
- Opportunities for Young People in the Community
- Health and Wellbeing

The event also provided pupils the opportunity to express what issues they are most worried about at the present time, especially in relation to the cost of living.

## LEADER'S REPORT



I would like to thank all the pupils that took part in the joint meeting and express how much it is appreciated to hear directly from them on the issues that matter most. This helps North Ayrshire Council define its strategies and ensure work is being done to address any concerns our young people may have.

### ***AYRSHIRE ECONOMIC JOINT COMMITTEE, 22 May***

On 22 May, I attended a meeting of the Ayrshire Economic Joint Committee where attendees received updates on the progress of the Ayrshire Growth Deal and the progression of its component projects as of the end of April.

### ***NHS AYRSHIRE AND ARRAN BOARD MEETING, 23 May***

On 23 May, I attended an NHS Ayrshire and Arran Board meeting to discuss a packed agenda.

Attendees then received updates on the following:

- Overview report of quality improvement in Acute services
- Audit and Risk Committee annual report
- Healthcare Governance Committee annual report
- Information Governance Committee annual report
- Integrated Governance Committee annual report
- Performance Governance Committee annual report
- Staff Governance Committee annual report
- Pharmacy Practices annual report
- Corporate Equalities annual report

Board members were also asked to approve the minutes from East, South and North Ayrshire Council Integration Joint Boards.

### ***MONTGOMERIE PARK PRIMARY SCHOOL GROUND BREAKING, 24 May***

I was delighted to attend the official groundbreaking ceremony at the site of the new Montgomerie Park Primary school in Irvine on 24 May.

The new school is a £23.5 million education project that will see the creation of a new primary and early years facility within the east Irvine area of North Ayrshire.

## LEADER'S REPORT



The design will form a new urban edge with a civic quality that responds to the development of the wider Montgomerie Park masterplan, with accommodation such as student and staff breakout spaces located along the building frontage that will bring animation and movement to the façade and will be visible from the main approach.

The building design facilitates a variety of learning settings in both early years and primary school levels. The overarching design drivers for the classroom areas are based on openness, accessibility, flexibility and pupil interaction, formal and informal learning.

I look forward to seeing the school upon completion of the works.

### ***TACKLING CHILD POVERTY BOARD MEETING, 24 May***

Late on 24 May, I chaired a meeting of the North Ayrshire Council Tackling Child Poverty Board where attendees discussed the draft Child Poverty Strategy and Action Plan 2023-24

There was also a useful discussion on the Child Poverty and Cost of Living Fund and the potential approaches to allocation on the use of Funding agreed as part of the Council budget on 1st of March 2023.

Attendees also received an update on the Child Poverty & Cost of Living data pathfinder project on the work to establish key performance indicators for this work and on-going engagement with the Improvement Service on a pathfinder project.

There was also an update on the “No wrong door” pledge and the proposed approach to taking forward a North Ayrshire wide ‘no wrong door’ commitment across partner agencies.

### ***CHILDCARE MINI ENQUIRY, 25 May***

On 25 May, I attended a Childcare mini enquiry held at Ardeer Community centre. The event was part of the Tackling child poverty Board strategy and saw a range of partners, third sector, individuals involved in childcare, teaching staff and officers come together to discuss the barriers associated with childcare that prevent parents entering the workforce.

Attendees received useful presentations outlining the current position with existing childcare providers and also, around the work being done by North Ayrshire Council Employability team and the Lennox Partnership with the “We Work for Families” course which are helping parents re-enter the labour market.

## LEADER'S REPORT



There were also table discussions about what are the main problems with childcare and suggestions of what could be done to overcome these. It is clear that one of the main problems is the lack of childcare providers with availability suiting parents looking for employment.

My thanks to all those who took time to attend the Mini enquiry and for their invaluable input which will be used in our strategy going forward.

### ***1<sup>st</sup> TIER JOINT CONSULTATIVE COMMITTEE AND CORPORATE HEALTH AND SAFETY GROUP MEETING, 25 May***

On 25 May, I chaired a meeting of the 1<sup>st</sup> Tier Joint Consultative Committee immediately followed by a meeting of the Corporate Health and Safety Group. Attendees received a Health and Safety Overview followed by Health and Safety reports from various Directorates. There was also an update on the work of The LiveWell Group which continues to promote wellbeing activities and campaigns via a range of communication channels including email, News in Brief, SharePoint and Social Media platforms.

The LiveWell programme is split into key themes which are: PlayWell, BeWell, WorkWell and EatWell. During September 2022, a fifth theme called SaveWell was added to the LiveWell programme and provides a range of information on debt, food and advice to help with the cost of living.

Upcoming activities as part of the LiveWell programme will be promoted in partnership with KA Leisure. This includes health checks for teaching staff in schools and employees within Building Services and access to three-month KA Memberships and seven-day family passes will also be promoted, along with the 'Change Ahead' menopause programme.

### ***COSLA LEADERS', 26 May***

COSLA Leaders met again on 26 May to discuss a packed agenda including the following:

- Partnership Agreement Between Scottish and Local Government
- Scottish Government Policy Prospectus
- Local Governance Review
- SOLACE/Improvement Service Transformation work
- Local Government Finance
- Climate Intelligence Service
- Non-Domestic Rates Incentivisation Scheme
- Fiscal Framework for Local Government

## LEADER'S REPORT



- Flood Risk Management
- Learning Estate Investment Programme
- Councillor Remuneration: SLARC Review Update
- Local Government Digital Office – Annual Update
- Digital Boost and Digital Business Support
- National Care Service Negotiations
- Covid Inquiry Update
- Prescribing Minimum Learning Hours – Consultation Response
- Mental Health and Wellbeing Strategy
- myjobscotland Contract Extension
- Changes to Strategic Scrutiny and Best Value Arrangements

The Scottish Government prospectus, “Equality, opportunity, community: New leadership - A fresh start” published on 18th April, sets out three ‘missions’ of ‘Equality’, ‘Opportunity’ and ‘Community’. Though not as detailed as the Scottish Government’s annual Programme for Government, each Cabinet Secretary has outlined key policy commitments to achieve by the end of this parliamentary term (2026). COSLA officers have made an initial assessment of how the commitments within the scope of COSLA align with their key Areas some of which include:

- Tackling poverty
- A ‘New Deal for Local Government’
- National Care Service.
- Commitments relating to early learning and school-aged childcare
- Investment in sport and active travel

COSLA Officers will continue to develop a more detailed understanding of the Scottish Government policy commitments and their implications for local government. Leaders will be kept advised of any potential risks or opportunities.

### ***NHS AYRSHIRE AND ARRAN HEALTHCARE GOVERNANCE COMMITTEE MEETING, 5 June***

On 5 June, I attended a meeting of the NHS Ayrshire and Arran Healthcare Governance meeting. Attendees received reports in relation to Quality Improvement in various areas of health care. There was also discussion on the Healthcare Associated Infection (HCAI) report and the Board’s current position against the HCAI Standards. This was followed by discussion on the Infection Prevention and Control Standards (IPCS) Improvement Action Plan to ensure full compliance.

## LEADER'S REPORT



### ***AYRSHIRE SHARED SERVICES COMMITTEE MEETING, 9 June***

On 9 June, I attended a pan Ayrshire Shared Services Committee meeting. The Committee were given an update on the latest Civil Contingencies Plan for Ayrshire and agreed suggested actions for the new plan.

### ***AYRSHIRE ECONOMIC PARTNERSHIP BOARD MEETING, 9 June***

Later on 9 June, I attended an Ayrshire Economic Partnership Board meeting where attendees received an update on the Implementation and Financial Plan, Benefit Realisation Plan and Programme Risk Register.

A handwritten signature in blue ink that reads "Marie Burns".

Councillor Marie Burns  
Leader of North Ayrshire Council





## NORTH AYRSHIRE COUNCIL

21 June 2023

### North Ayrshire Council

<b>Title:</b>	<b>North Ayrshire Council Plan 2023-28</b>
<b>Purpose:</b>	To consider and agree the Council Plan 2023 - 2028.
<b>Recommendation:</b>	Council agrees: (i) to approve the Council Plan 2023-28 attached at Appendix 1; (ii) that the Performance Management frameworks including delivery plans will be approved by Cabinet and thereafter considered by the Audit and Scrutiny Committee; and (iii) that progress reports on the delivery of the Council Plan are submitted twice per year to Cabinet and thereafter considered by the Audit and Scrutiny Committee.

## 1. Executive Summary

- 1.1. The Council Plan is the overarching strategy of the Council. It details the Council's strategic priorities. The current Council Plan, 2019-24, is nearing the end of its life cycle and Council requires to review and set its priorities for the next five years. The draft Council Plan for 2023-28 is attached at Appendix 1 and was prepared through working closely with our communities across North Ayrshire.
- 1.2. This report asks Council to consider and approve the draft Council Plan 2023-28.

## 2. Background

- 2.1. The Council Plan is the Council's most important strategic document setting out our vision for North Ayrshire and key priorities to support achievement. In turn these priorities inform how we allocate and target resources. The current Council Plan 2019 – 2024 was approved in March 2019 and set out the Council's Mission, Vision and Strategic Priorities. As it is nearing the end of its life cycle, the Council's priorities for the next five years now require to be determined.
- 2.2. Many of the challenges North Ayrshire experiences are complex and longer-term solutions are required to address them sustainably. As a result, each Council Plan is designed to build on the progress of the previous plan and a degree of continuity can be identified in each.

2.3. As a result, our aim remains to achieve 'A North Ayrshire that is fair for all'.

## **2.4. Consultation and Data Analysis**

2.4.1. A collaborative approach has been taken to develop the new Council Plan. Internal consultation has included Chief Officer Development Workshops, the wider staff Leadership Conference, and the Executive Leadership Team.

2.4.2. In January 2023 the Leader of the Council, the Chief Executive and Chief Officers held in-depth discussions with community group representatives across all six localities to ensure our Council Plan reflected the priorities of local residents. We also invited views through a survey, attracting 1,400 responses. We worked with the Customer Contact Centre, the Community Learning and Development Team, the Education Service, Library Service and specialist Engagement Officers within the Council to ensure as many of our residents as possible had the opportunity to have their say. We offered British Sign Language interpreters on request at events, induction hearing loops and information in alternative languages.

2.4.3. Since October 2022 we have held a series of mini-enquiries directed by our Child Poverty and Cost of Living Board to discuss and inform our approach to addressing Child Poverty. These events have included public, private and third sector partners, alongside representatives from our communities, enabling honest conversations about challenges and how they could be addressed. These have directly informed both our recent Child Poverty Action Plan and the draft Council Plan, particularly within the Wellbeing and Communities and Local Democracy priorities. At time of writing this has included the following themes:

- No Wrong Door
- Employability
- Food
- Islands – Arran
- Islands – Cumbrae
- Childcare

2.4.4. Formulation of the draft Plan has been informed by use of data including that relating to population decrease and demographic change, child poverty, the Scottish Index of Multiple Deprivation as well as data on climate change. The financial sustainability of the Council is essential to the future delivery of services and due regard is therefore paid to that as a priority in the draft Plan so that we can continue to work in partnership to meet the needs of our communities.

2.4.5. Details of our engagement/consultation approach and responses to engagement, are included at Appendix 2 along with the key outcomes of the engagement. This engagement was added to earlier consultations that took place for the Community Plan (Local Outcomes Improvement Plan), Health and Social Care Partnership Strategic Plan, Locality Partnership Plans and Island Plans. It was considered alongside the Strategic Needs Assessment undertaken

for the Health and Social Care Partnership Strategic Plan and the People's Panel Survey 2022. This ensured we gathered as wide a range of views as possible while minimising duplication.

- 2.4.6. The views from the consultation exercises were used to shape our draft priorities which were thereafter shared with our Modern Apprentices (aged 16 to 24 years) in April 2023 for their comments. They confirmed that the draft priorities are “the most important and crucial” to them and were satisfied that the language and layout of the plan is clear, straightforward and easy to read. They provided very helpful guidance on providing effective and relevant feedback on progress and we will continue to work with them.

## **2.5. The Council Plan 2023-2028**

- 2.5.1. The draft Council Plan is attached at Appendix 1 and details the proposed strategic priorities and aims along with the key activities we will undertake to achieve those. The Council's Vision and Mission, as proposed in Plan are:

- **Vision** – A North Ayrshire that is 'Fair For All'.
- **Mission** – Working together to improve the lives of our people in North Ayrshire.

- 2.5.2. The draft Plan is constructed around four strategic priorities and aims:

- **Wellbeing** – To transition to a wellbeing economy, delivering prosperity, wellbeing and resilience for local people.
- **Communities and Local Democracy** – We will have active and inclusive communities
- **Climate Change** – To achieve net-zero by 2030
- **A Sustainable Council** – A Community Wealth Building Council that is efficient and accessible, maximising investment and focusing resources towards our priorities.

- 2.5.3. Our four priorities are interlinked and interdependent as the progress of each priority directly impacts the other three areas. This encourages a joined-up approach to policy and delivery within the Council and alongside our partners.

- 2.5.4. Wellbeing, Communities and Local Democracy and Climate Change focus on frontline delivery of our services. The fourth priority A Sustainable Council enables effective delivery through effective governance and management of resources. In addition, some key activities are so large in scale that they are woven throughout all four of our priorities such as Community Wealth Building, as detailed in the Council Plan.

## 2.6. Policy Landscape

2.6.1. The draft Plan has been prepared taking cognisance of the wider national and local policy landscape including:

- The Best Value Assurance Audit and continuous improvement
- National Performance Framework (NPF)
- Human Rights Based Approach
- United Nations Convention on the Rights of the Child (UNCRC)
- Scottish Government Programme for Government
- Accounts Commission Strategy 2021-26
- COSLA Plan 2022-27
- Scottish Government Community Wealth Building Consultation
- Wellbeing Economy Toolkit

2.6.2. The policy landscape is summarised below:

National Themes / Policies	Local Strategies
<ul style="list-style-type: none"> <li>• Best Value and continuous improvement</li> <li>• Community Empowerment (Scotland) Act 2015</li> <li>• Best Start Bright Futures Tackling Child Poverty Plan 2022-26</li> <li>• The United Nations Convention on the Rights of the Child (UNCRC)</li> <li>• The Promise</li> <li>• Getting it Right for Every Child (GIRFEC)</li> <li>• Islands (Scotland) Act 2018</li> <li>• Human Rights Based Approach</li> <li>• Fairer Scotland Duty</li> <li>• Equality Act 2010</li> <li>• Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 – Net Zero Scotland by 2045</li> <li>• Placemaking Approach</li> <li>• National Strategy for Economic Transformation (NSET)</li> <li>• Green recovery and renewal</li> </ul>	<ul style="list-style-type: none"> <li>• Community Wealth Building Strategy</li> <li>• The Regional Economic Strategy</li> <li>• Community Plan (LOIP)</li> <li>• Health and Social Care Partnership Strategic Plan</li> <li>• Education Service Improvement Plan</li> <li>• Child Poverty Action Plan</li> <li>• Children's Services Plan</li> <li>• Children's Rights Report</li> <li>• Youth Participation and Citizenship Strategy</li> <li>• Island Plans</li> <li>• Regeneration Delivery Plan</li> <li>• Local Housing Strategy</li> <li>• Strategic Housing Investment Plan (SHIP)</li> <li>• Local Development Plan</li> <li>• Environmental Sustainability and Climate Change Strategy</li> <li>• KA Leisure (North Ayrshire Leisure Limited) Business Plan</li> </ul>

## 2.7. The Performance Framework

2.7.1. Actively managing performance through the collection of accurate and relevant information and setting informed targets is crucial to the successful delivery of our Council Plan and demonstrating Best Value. The Direction 2021 states local authorities must publish information that compares with previous years as well as with other local authorities in order to demonstrate Best Value. Information must be presented in an accessible style for all of our citizens and communities.

- 2.7.2. The Performance Management Framework aligned to the Local Government Benchmarking Framework and other local performance indicators to support delivery, implementation and performance measurement of the Council Plan will be presented to Cabinet for approval. Performance will thereafter be measured through regular reporting to Cabinet and the Audit and Scrutiny Committee. In setting the indicators and in measuring our performance, we recognise that for some outcomes, the input of government and other agencies will be required. This will be recognised in the performance measures set which will assess our contribution to those wider priorities and outcomes.
- 2.7.3. The key principles underlying the framework which will be presented to Cabinet to deliver and report on the Council Plan are as follows:
- A clear golden thread of policy cognisant of the National Performance Framework and Community Plan (LOIP) leading through to the Council Plan, its Delivery Strategies and Action Plans and performance management;
  - It must monitor performance against the Council Plan priorities and use that information to drive improvement;
  - A transparent framework to ensure that Members retain control of the strategic direction of Council and have adequate information to scrutinise performance against agreed priorities.
- 2.7.4. We will continue to prepare an annual Delivery Plan approved by Cabinet setting out how the priorities of the Council Plan will be delivered. Once approved this will be remitted to the Audit and Scrutiny Committee for further scrutiny. It is proposed to report on the Delivery Plan every six months to Cabinet, and thereafter to the Audit and Scrutiny Committee for further scrutiny. As an integral part of that reporting process, our residents and communities will be actively encouraged to scrutinise our performance through our six monthly 'magazine style' accessible reports which will be published on our website.
- 2.7.5. Once the Council Plan has been approved, Delivery Strategies and Action Plans will be prepared to ensure cross Council delivery of the strategic aims and outcomes. This approach will support a cross-council working and therefore maximise best outcomes for communities. Performance will be reported to the Executive Leadership Team (ELT) on a quarterly basis using a traffic light system.
- 2.7.6. We will review our Performance Framework regularly to ensure the information continues to be relevant and takes account of external changes. Our Performance Framework is not developed in isolation. Every plan, strategy and policy within our Council aligns with our Council Plan and is listed on our website.
- 2.7.7. Our Performance Strategy will be updated following the publication of our Council Plan 2023-28 and published on our website.

- 2.7.8. Cabinet and Audit and Scrutiny Committee will continue to receive other performance information in the wider performance landscape. As at present, reports will continue to be submitted on national benchmarking information relating to key performance indicators, the Local Government Benchmarking Framework, the Scottish Index of Multiple Deprivation (SIMD) and Education data. Audit and Scrutiny Committee also retain the ability to review and investigate in depth any aspect of the Council's performance.
- 2.7.9. In considering the Council's overall performance framework, the role of internal and external audit and of statutory regulators will also form an integral part of the delivery process.
- 2.7.10. In summary, the aim has been to produce a Council Plan which is strategic, is clear and accessible to employees and communities alike, and which has buy-in from communities evidenced by consultation responses.

### **3. Proposals**

- 3.1. It is recommended that Council agrees: (i) to approve the Council Plan 2023-28 attached at Appendix 1; (ii) that the Performance Management Framework including delivery plans will be approved by Cabinet and thereafter considered by the Audit and Scrutiny Committee; and (iii) that progress reports on the delivery of the Council Plan will be submitted twice per year to Cabinet and thereafter considered by the Audit and Scrutiny Committee.

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

#### **Financial**

- 4.1. The Council Plan will set the priorities for investment and allocation of resources for the next five years.

#### **Human Resources**

- 4.2. The Council Plan recognises the importance of effective workforce planning to support delivery of our priorities.

#### **Legal**

- 4.3. There are no legal implications arising from this report.

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

- 4.4. The Council Plan 2023-2028 has been subject to an equalities impact assessment which includes a Children's Rights Impact Assessment, an assessment against the socio-economic or Fairer Scotland Duty and an Islands' Communities Assessment in relation to the Islands' Duty. On the basis that the priorities in turn inform how we allocate and target resources, the Plan is expected to have positive impacts for both those with protected characteristics

and in terms of the socio-economic and islands' duties. As Children and Young People are a key focus within the Plan, there should be overall benefits for children and young people. The Council Plan's impact on islands and the extent to which any of its priorities has a disproportionate impact on Arran or the Cumbraes, either positive or negative has also been assessed and no concerns have been identified. Islands impacts will continue to be considered in the development of specific actions, Delivery and Action Plans. All plans that are developed to sit underneath the Council Plan will undertake appropriate equalities impact assessments to ensure that no adverse impacts are identified. The assessments undertaken can be viewed via the link below:

<https://www.north-ayrshire.gov.uk/council/strategies-plans-and-policies/equality-policy-and-performance.aspx>

### **Climate Change and Carbon**

- 4.4. The Council Plan priorities include 'Climate Change' and will directly focus resources to mitigating the impact of climate change on our residents and reduce our emissions.

### **Key Priorities**

- 4.5. The Council Plan sets our strategic priorities for the next five years.

### **Community Wealth Building**

- 4.6. Community Wealth Building is central to the successful delivery of our Council Plan and is specifically outlined within the Council Plan 2023-28.

### **Consultation**

- 4.7. Consultation was undertaken Chief Officers, Council staff, and communities. Our communities helped design our priorities. This was in addition to previous consultation undertaken for other Council and HSCP strategies which link into the new Council Plan.

Craig Hatton  
Chief Executive of North Ayrshire Council

For further information please contact **Isla Hardy, Team Manager (Policy and Performance)**, on 01294 324035 or email [IslaHardy@north-ayrshire.gov.uk](mailto:IslaHardy@north-ayrshire.gov.uk).



## Our Council Plan **2023-28**



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath



# About us



Population:  
**134,220**  
**(2021)**

**33**

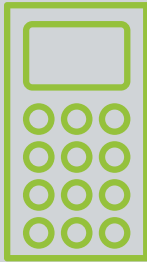


**ELECTED MEMBERS**

- 12** Scottish National Party (SNP)
- 10** Scottish Conservative and Unionist
- 6** Scottish Labour Party
- 3** Labour and Co-operative Party
- 2** Independent



# OUR BUDGET 2023-24



Revenue Budget: **£406.064m**

General Fund Capital Budget: **£115.931m**

Housing Revenue Account (HRA) Revenue Budget: **£57.967m**

Housing Revenue Account (HRA) Capital Budget: **£172.316m**

## Estimated Budget Gaps:

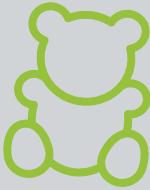
2024/25: **£16.773m**

2025/26: **£10.382m**

**(£27.155m cumulative)**

29%

of children in North Ayrshire live in poverty (after housing costs)



19,669

children and young people attend our schools and early years centres (including partner early years centres)



40.9%

of our residents live in the most deprived Scottish Index of Multiple Deprivation areas



22.7%

of children are looked after by our Council (14% at Scotland level)



71.2%

of residents are in employment



## Our schools:

- 42 Local Authority Early Years Provisions
- 14 Partner Early Years Provisions
- 48 Primary Schools
- 8 Secondary Schools
- 1 Additional Support Needs School
- 1 Through School (Early Learning Centre, Primary & Secondary School combined)



13,135 Council Homes

1,044km carriageways

1,020km footpaths

23,735 streetlights

16 beaches (including 3 Sites of Special Scientific Interest (SSSI))

275 Hectares of woodland

11,680kW Total installed capacity of low carbon heat and electricity generation across our Council's estate

28% of households are in fuel poverty

5.43 tonnes of CO2 emissions area wide per head of population (4.62 at Scotland level)

- ✓ Pioneers of Community Wealth Building
- ✓ 10 Year Island Plans established
- ✓ We have Scotland's first Young People's Commission

- ✓ Language Café for people where English is not their first language
- ✓ Over 100,000 trees to be planted to achieve net zero

# Welcome to our Council Plan

We have developed our Council Plan 2023-28 together. This plan is not simply a document, it is our living contract with our communities in North Ayrshire. It is the most important plan for our Council as it contains the priorities of our residents, it is our joint plan, “our Council Plan”.

Our Council Plan explains how we will meet our communities’ needs and expectations over the next five years. It helps steer resources to the areas that can make the greatest difference to the lives of our people in North Ayrshire both now and in the future.



**Craig Hatton**  
Chief Executive,  
North Ayrshire  
Council



**Marie Burns**  
Leader,  
North Ayrshire  
Council

We are aware that many of the issues we face in North Ayrshire are extremely complex and will take longer than a five-year Council Plan to fully resolve.

With this in mind, each Council Plan should be viewed as a substantial step towards addressing significant challenges such as child poverty in our communities and the impact of climate change.

By building on each plan, we can drive immediate and longer-term sustainable improvements to the lives of our residents.

Our communities are at the heart of everything we do and as we move to deliver our Council Plan we would like you to hold us to account.

Are we delivering well? Could we improve and how? We publish Council Plan Progress Reports on our website every six months and always welcome your thoughts and any feedback you may have.

We strive to make our Council as accessible as possible and appreciate opportunities to discuss how this can be achieved. Together we will build a North Ayrshire that is fair for all.

## Our Vision

A North Ayrshire that is fair for all

## Our Mission

Working together to improve the lives of our people in North Ayrshire

# Our Priorities in More Detail

Our four priorities are interlinked and interdependent - they do not sit in isolation as the progress of each priority directly impacts the other three areas.

This is intentional as it encourages a joined-up approach to policy and delivery within our Council and alongside our partners. Wellbeing, Communities and Local Democracy and Climate Change focus on our frontline delivery of our services.

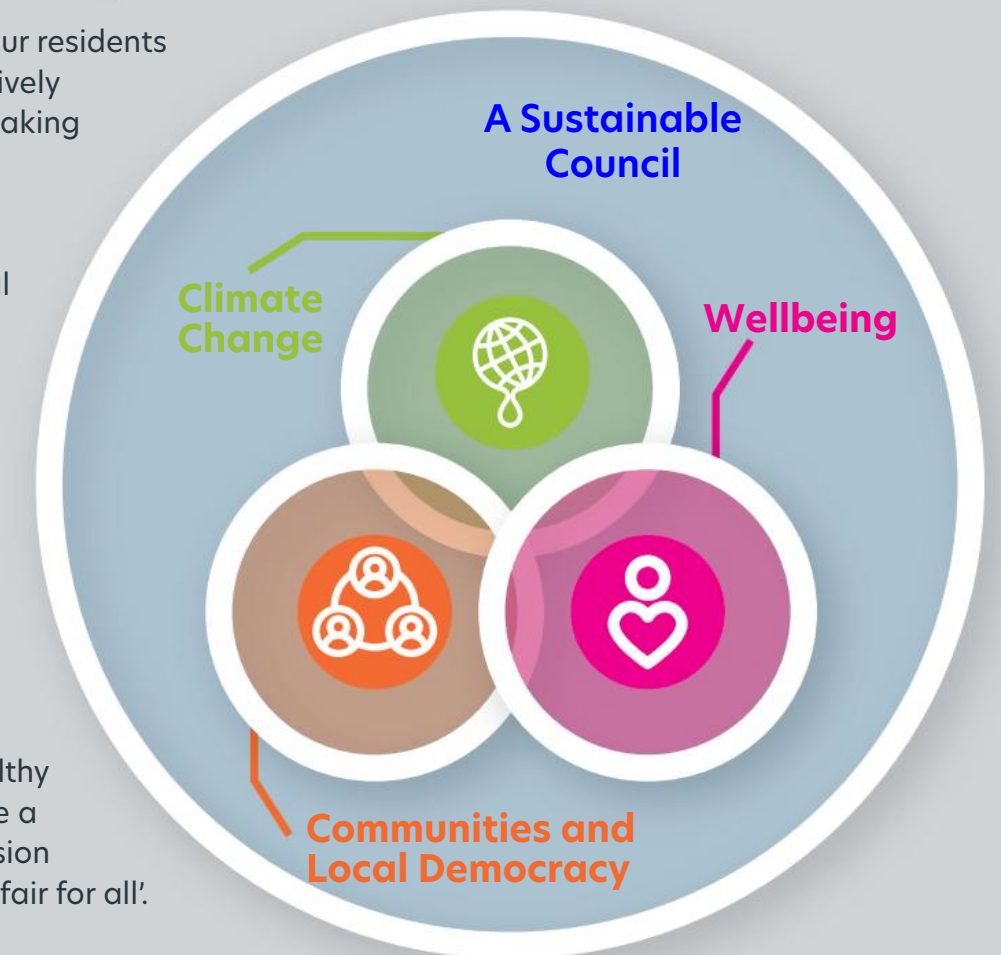
The fourth priority A Sustainable Council enables effective delivery through effective governance and management of resources. In addition, some key activities are so large in scale that they are woven throughout all four of our priorities. For example, we are pioneers in Scotland for Community Wealth Building.

Community Wealth Building aims to increase wealth within our area and create a healthier and more resilient North Ayrshire. This is achieved by encouraging organisations to use their economic power, to work closely with communities and invest within North, South and East Ayrshire.

It also encourages better use of land and assets to bring more social and economic benefits for our residents, while supporting and promoting fair employment throughout the region.

As well as organisations, our residents have key roles through actively participating in decision making (such as participatory budgeting), ensuring skills meet the needs of existing and new good quality local jobs, volunteering within our community and spending locally where possible.

All these areas are key to supporting what is known as a 'wellbeing economy' - an economy that delivers fair distribution of wealth and opportunities within a healthy environment. It is therefore a direct contributor to our vision of 'A North Ayrshire that is fair for all'.







# Wellbeing

## Key Activities

Ensuring that wellbeing is at the heart of local life and opportunities, with a focus on tackling inequalities.

Developing a Community Wealth Building approach to a wellbeing economy:

- Ensuring the best possible labour market outcomes for residents.
- Support pathways to employment for residents.
- Promoting a Fair Work economy.
- Developing appropriate skills for the local and regional economy.
- Supporting local businesses and economic opportunities.
- Using our assets to support wellbeing in local communities.

Improving educational attainment and achievement and closing the attainment gap.

Improving outcomes for care-experienced young people including implementation of The Promise.

Developing the Young Workforce and ensuring positive destinations for school leavers.

Providing lifelong learning opportunities for individuals and organisations, including digital literacy.

Maximising access to and uptake of benefits, entitlements and financial advice.

# Wellbeing

## Key Activities Continued

Ensuring that supports are available in communities to alleviate cost-of-living pressures through community hubs and networks.

Through our housebuilding programme and wider Housing Investment provide homes for life that meet the needs of our residents.

Increase the number of homes in the area through a mix of private and social developments and bringing empty buildings back in to use.

Exploration of models and the development of pilot schemes to increase access to and use of public/community transport.

Ensure our places and spaces where we live, work and visit are well maintained and accessible.

Developing infrastructure to support business growth.

Support KA Leisure's leadership of North Ayrshire's Health and Wellbeing Alliance.

Through the Health and Social Care Partnership Strategic Plan we will protect and provide care and support for those in need.



## We will know we're making progress when:

There is a sustained decrease in the percentage of children living in poverty.

More of our residents actively participate in a wide range of opportunities such as education, social and democratic participation, mental health supports and physical activity.

Community Wealth Building is embedded as an approach and is contributing to the delivery of a wellbeing economy.

The specific needs of our island communities continue to be addressed.

Attainment and achievement continue to improve. More of our young people enter sustained positive destinations such as further study or employment after leaving school.

Good quality affordable 'homes for life' are developed and available to rent in North Ayrshire.

More people are employed in good quality jobs, through having the necessary skills and qualifications.

We have a growing and sustainable business base.

Places and public spaces across North Ayrshire are well maintained and accessible.







# Communities and Local Democracy

## Key Activities

Developing strong relationships with communities and partners based on trust and shared aspirations using their experiences to inform service provision.

Providing support for community organisations in achieving their goals, including as Community Wealth Building anchor organisations.

Creating a participation and engagement framework which ensures opportunities and support for all residents to take part in influencing local democracy and Council and partner strategies.

Supporting participatory budgeting.

**STRATEGIC AIM -**  
We will have active,  
inclusive and resilient  
communities.



# Communities and Local Democracy

## Key Activities Continued

Supporting community asset transfer and community owned and operated/managed assets.

Supporting the Community Planning Partnership and the Community Plan (LOIP).

Developing partnerships with the third and voluntary sector.

Placemaking, including creation of locality action plans based on the Community Plan (LOIP) priorities and support the delivery of Islands Plans.

Ensuring an inclusive, fair, rights-based and asset-based approach in our work.

Accessible public services, both digitally and locally, ensuring a 'No Wrong Door' approach.



## We will know we're making progress when:

More residents are actively involved in their communities. Strong, relevant social support networks are established that value diversity.

Communities are directly managing and operating more assets and are allocating community funding to initiatives that are local priorities.

Our residents, including our children and young people, are confident in exercising their rights and actively do so.

Our places encourage strong inclusive communities and respect the local environment and cultural heritage.

Our approach to Community Wealth Building is further embedded across partners.







**STRATEGIC AIM -**  
To achieve net-zero  
by 2030.

# Climate Change

## Key Activities

Embedding our net-zero ambition in all democratic decision-making.

Reducing the carbon footprint of our estate through rationalisation utilising a locality-based approach, and taking a fabric first and low carbon energy generation approach to homes and buildings.

Improving resilience and reducing carbon by developing and supporting supply chains where materials and goods are sourced locally.

Promoting new woodland creation and protecting our green spaces to provide a natural resource for carbon sequestration.

Supporting local businesses as they meet their climate change obligations.

Promoting a circular economy in North Ayrshire to reduce consumption of raw materials and promote reuse, repair and recycling, and generating energy from residual waste.

Developing local Low Carbon energy generation schemes and networks.



# Climate Change

## Key Activities Continued

Unlocking the potential of community owned energy generation to bring new income streams into communities and help them take direct action to combat climate change.

Learning for Sustainability, and work with communities to adopt low carbon behaviour change and encourage climate-based volunteering activities.

Improving communities' preparedness to deal with the impacts of climate change already locked-in.

Working with communities to adopt low carbon behaviour change and encourage climate-based volunteering activities.

Taking a nature-based approach to protect our habitats and species.

Developing and promoting active travel infrastructure.

Transitioning to low and zero carbon travel.

## We will know we're making progress when:

Carbon emissions are reducing with a clear pathway to net zero

We are generating, clean, renewable municipal and community-owned electricity.

Our local businesses and communities recognise how they can mitigate the impacts of climate change and adopt changes to help reduce their carbon footprint.

Our homes and buildings are well-insulated and energy efficient, making them cheaper to heat and reducing their emissions.

The amount of waste generated is reducing, whilst levels of reuse and recycling increase.

Our transport infrastructure enables people to make active travel choices and switch to low and zero carbon vehicles.

The carbon emissions within our supply chain are reduced and community benefits contribute to the mitigation of climate change where possible.

Our woodlands and green spaces are expanding and are providing a natural resource for carbon sequestration.

Our natural resources are flourishing, with improvements to the extent and quality of our habitats.







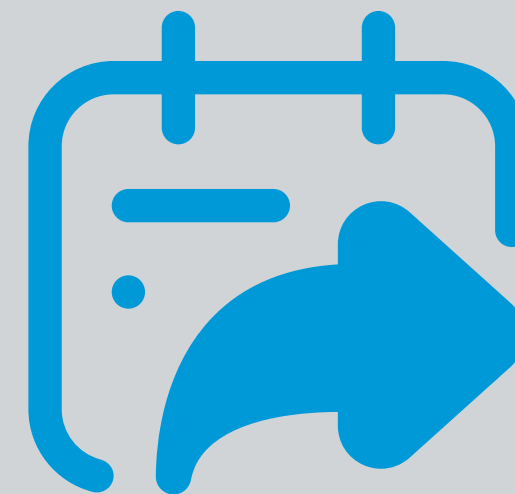
# A Sustainable Council

## Key Activities

Ensuring robust governance arrangements are in place to fulfil the Council's statutory duties, manage risk and support delivery of key priorities.

Using dynamic data and lived experiences to inform decision-making.

Working with partners nationally, regionally and locally to secure investment and target resources towards our priorities.



**STRATEGIC AIM –  
A Community Wealth  
Building Council that is  
efficient and accessible,  
maximising investment and  
focusing resources towards  
our priorities.**

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# A Sustainable Council

## Key Activities Continued

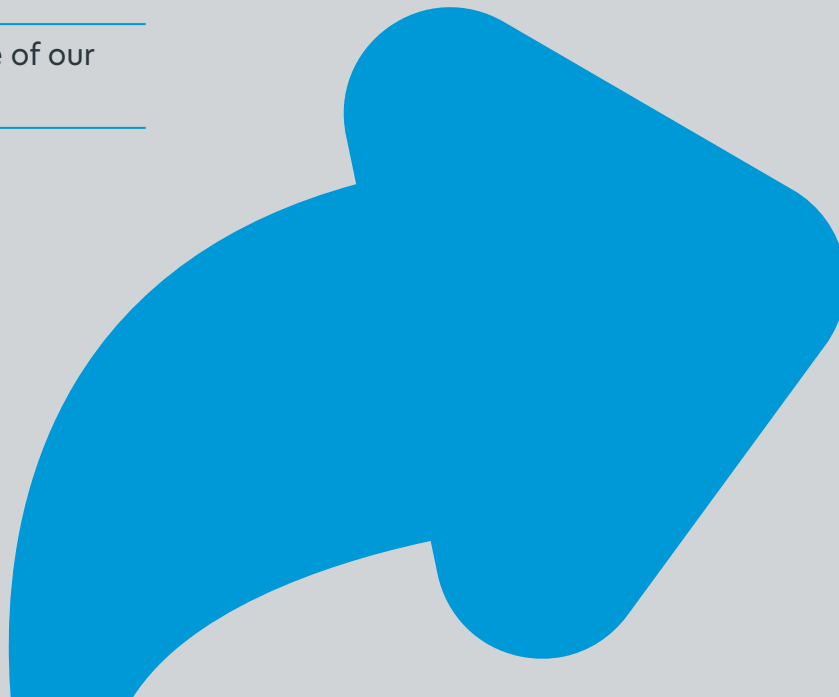
Driving change and transformation, using technology where appropriate, to deliver efficient and effective services and support delivery of priorities.

Maximising financial flexibilities to help support delivery of priorities.

Maximising value from the use of our assets.

Focusing our investment on priorities.

Effective workforce planning ensuring that we have the right skills/resources to deliver priorities.



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## We will know we're making progress when:

Lived experience is central in our approach to improving services and developing policy.

We use the data we hold to target resources effectively in line with Data Protection legislation.

We welcome innovation that improves the lives of our residents either directly, or indirectly through more efficient working, while ensuring none of our residents are digitally excluded.

The shape of our workforce is planned and resourced to deliver our priorities, ensuring our employees are supported to develop, perform and thrive.

Effective financial plans are in place to support priorities.







# How we will know we're making progress

Our Council Plan 2023-28 is a new contract with our communities that we need to deliver on. We have a legal duty to demonstrate “Best Value”, this has continuous improvement for the benefit of our residents at its core.

Actively managing performance through the collection of accurate and relevant information and setting informed targets is crucial to the successful delivery of our Council Plan and demonstrating Best Value. This is achieved through our Performance Framework – a list of indicators (numerical data) and activities (detailed above) that reflect our work.

We combine these with information on the wider impact we are having in six monthly ‘magazine style’ reports to our North Ayrshire Council Cabinet. They are then published on our website [www.north-ayrshire.gov.uk/performance](http://www.north-ayrshire.gov.uk/performance) and scrutinised at our Audit and Scrutiny Committee.

We identify measures from the Local Government Benchmarking Framework (LGBF) that align to our priorities to compare our performance with other local authorities Scotland-wide, so we

can learn from each other and improve. These are embedded directly within our Performance Framework.

Additionally, we utilise the North Ayrshire Inclusive Economy Dashboard which provides comparisons between local and national trends in areas relating to achieving a wellbeing economy. This provides important context on the environment in which we are operating.



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## We review our Performance Framework regularly to ensure the information we are managing continues to be relevant to our delivery and takes account of any external changes.

This keeps our performance management “fit for purpose”, enables our Council to be as agile as possible to embrace opportunities and makes sure we are basing decisions on the most up to date and useful information possible.

Our Performance Framework is not developed in isolation. Every plan, strategy and policy within our Council aligns with our Council Plan 2023-28 and is listed on our website. As a result, the performance of areas across our Council feeds into our Council Plan progress reporting and management.

Our Performance Strategy will be updated following the publication of our Council Plan 2023-28 and published on our website.

We create our progress reports for our residents and actively encourage our communities to scrutinise our performance. We are always keen to hear the best ways to support this – we were pleased when positive feedback on our reporting was received as part of our Council Plan engagement meetings with community representatives.





# Our Strategic Environment - 'The Golden Thread'

Our Council Plan operates in an environment of national and local policies as well as linking to the HSCP Strategic Plan and KA Leisure (North Ayrshire Leisure Limited). This is shown in the diagram opposite:



# How we link to the National Outcomes

As a local authority, we contribute to the delivery of Scotland’s 11 National Outcomes under the Community Empowerment (Scotland) Act 2015. These are published within the National Performance Framework which aims to create a more successful country with more opportunities and better wellbeing for the people of Scotland.

It looks to create sustainable and inclusive growth and reduce inequalities by giving equal importance to economic, environmental and social progress and aligns to the United Nations’ Sustainable Development Goals.

The National Performance Framework and the National Outcomes within it, were fully considered during the development of our Council Plan. This ensures that our priorities are in line with Scotland-wide priorities, yet fundamentally our priorities are formed on the needs of our residents and have our communities at their heart.

The National Performance Framework is currently under review (as at June 2023). Should any changes be made to the framework, we will publish a revised list of links to the National Outcomes within our six-monthly performance reporting.





### Our Community Plan (Local Outcome Improvement Plan)

Our Community Plan is administered by the North Ayrshire Community Planning Partnership which is Chaired by the Leader of North Ayrshire Council. The North Ayrshire Community Planning Partnership consists of public, private and third sector organisations, working together to deliver better outcomes for our residents.

Our Council Plan priorities and outcomes align to the three priorities within the LOIP. These are:

- **Wellbeing** – Health and Wellbeing: “We will reduce inequalities by targeted support to improve individual, family and community health and wellbeing.”
- **Work** – Economy and Skills: “We will address the causes and effects of poverty through a strong local economy and skills base.”
- **World** – Climate Change: “We will work more closely and effectively together to reduce carbon emissions and mitigate the impacts of climate change.”

### Health and Social Care Partnership (HSCP) Strategic Plan

The Health and Social Care Partnership have their own specific governance structure through the North Ayrshire Integrated Joint Board, a joint board of North Ayrshire Council and NHS Ayrshire and Arran. As such, their performance is not directly reported through our Council Plan reporting.

### KA Leisure (North Ayrshire Leisure Limited) Plan

KA Leisure is the Council's arms length organisation, commissioned to work with the community to deliver health and wellbeing and physical activity opportunities in North Ayrshire. KA Leisure operates our leisure centres such as the Portal, Irvine, KA Leisure Campuses and golf courses such as Routenburn and Auchendarvie. KA is providing leadership and coordination of North Ayrshire's Health and Wellbeing Alliance to develop a collaborative approach to wellbeing with local partners. KA Leisure is governed by a board of directors and reports on their performance to North Ayrshire Cabinet. Key highlights are reported within our Council Plan.







### Inviting your thoughts

We would welcome your thoughts on our Council Plan and our progress as we deliver it.

Please contact us on **01294 310000** or via email at **[NorthAyrshirePerforms@north-ayrshire.gov.uk](mailto:NorthAyrshirePerforms@north-ayrshire.gov.uk)**.

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



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North Ayrshire Council



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# Council Plan Engagement

We value real lived experience as the most important way to inform our decisions. Meaningful engagement is crucial to ensure we truly are working to improve the lives of our people in North Ayrshire. Lived experience, data, the learning we have gained from our previous Council Plans and other key strategies as well as our response to the pandemic has informed our approach to our Council Plan 2023-28.

## Mini Enquiries

Since October 2022 we have held a series of mini-enquiries directed by our Child Poverty and Cost of Living Board to discuss and inform our approach to addressing Child Poverty. These events have included public, private and third sector partners, alongside representatives from our communities, enabling honest conversations about challenges and how they could be addressed. These have directly informed our recent Child Poverty Action Plan and Council Plan, particularly within the **Wellbeing** and **Communities and Local Democracy** priorities. At time of writing (June 2023) this has included the following themes:

- **No Wrong Door** (5<sup>th</sup> October 2022)
- **Employability** (28<sup>th</sup> November 2022, following an internal session on 15<sup>th</sup> November 2022)
- **Food** (11<sup>th</sup> January 2023)
- **Islands – Arran** (13<sup>th</sup> February 2023)
- **Islands – Cumbrae** (20<sup>th</sup> February 2023)
- **Childcare** (25<sup>th</sup> May 2023)

## Council Plan and Budget Engagement

During January 2023 we conducted an engagement exercise for our Council Plan 2023-28 alongside our Budget for 2023-24. This included six in person Locality Sessions hosted by our Leader of the Council, Depute Leader, Chief Executive and Chief Officers, and an online survey. Discussions were facilitated by specialist Engagement Officers at each event, ensuring everyone had the opportunity to state their points of view. We offered British Sign Language interpreters on request at events, induction hearing loops and information in alternative languages.

The Locality Sessions included participation from 37 community organisations, while the survey attracted 1,400 responses. We worked with our Customer Contact Centre, the Community Learning and Development Team, our Education Service and Library Service to ensure as many of our residents as possible had the opportunity to have their say and avoid digital exclusion.

Feedback from this engagement exercise was considered alongside recent engagement exercises, such as the Community Plan (Locality Outcomes Improvement Plan (LOIP)), Locality Partnership Plans, Island Plans, Child Poverty Action Plan and Children's Services Plan.

Once created, our priorities were shared with our Modern Apprentices (aged 16 to 24 years) in April 2023 for their comments. They confirmed the priorities are "the most important and crucial" to them. They have provided very helpful guidance on providing effective and relevant feedback on progress and we will continue to work with them. Specifically, during summer 2023 our young people will co-develop a Young Person's Edit of our Council Plan.

## Locality Sessions Feedback

This section summarises the key feedback from each Locality Session that took place in January 2023.

### Arran Locality

#### *What is impacting on your locality?*

- Affordable all year-round housing.
- Demographics, ageing population, young people leaving and not coming back.
- Lack of Community Transport exacerbating social isolation.
- Cost-of-living crisis, fuel / energy costs, food dignity.
- Tourism, holiday lets, 2nd & 3rd homes add to housing issues.
- Access to halls and centres for social events and activities.
- Importance of Arran Outdoor Centre: employment, opportunities for experiences and income for local businesses.

#### *Priorities for next year and beyond*

- Holistic approach to health and social care, consider local community solutions, such as eco wellbeing cafes.
- Encourage holistic support for tourism by introducing local tax increase for second homes.
- Education, skills and training to retain young people including intergenerational skills being passed on.
- Facilities that help children and young people such as Arran Outdoor Education Centre.
- Affordable housing.
- Roads maintenance.
- Community transport.
- Local island office / library to maintain a balance of face-to-face and digital contact.
- Social and community spaces important.

#### *Preparations for Council Plan: What differences do you want to see?*

- Joined up grant funding applications to maximise financial benefits – coordinated community activity.
- Better access to external agencies, improved co-ordinated joint working.
- Additional tax payments on holiday homes.
- Affordable housing fund for Arran.
- Holistic approach to community, health well-being and safety.
- Community Solutions to island issues.
- Transport improvements and improved connectivity.
- Better use of technology for Arran.
- Commitment and actions from Island Plan.
- Less bureaucratic systems and quicker decision-making.

Three Most Important Services	Three Least Important Services
<ol style="list-style-type: none"><li>1. Affordable housing</li><li>2. Education / Community Services</li><li>3. Health and Social Care</li><li>4. Additional comments included:<ol style="list-style-type: none"><li>a. Empowering Communities to access grant funding</li><li>b. Having an Island Officer</li></ol></li></ol>	<p>All services are important but need to be future proofed.</p>

## Garnock Valley Locality

### *What is impacting on your locality?*

- Cost of living in general.
- Transport and fuel costs, especially for the elderly.
- Lack of roads investment, flood prevention.
- Lack of public transport, need for community transport.

### *Priorities for next year and beyond*

- Food dignity provision for children and young people.
- Health education for children and young people.
- Community organisations should target activities for young people.
- Huge potential for green energy.
- Improved infrastructure and connectivity.
- High street / town centre rethink needed. Regeneration ideas needed.
- Repurpose derelict buildings.
- Business start-up help – create an entrepreneurial community.
- Attract industry to create jobs.
- Health wellbeing and fitness.

### *Preparations for Council Plan: What differences do you want to see?*

- Better road condition.
- More community-wide discussions.
- Attracting more quality employment / employers.
- Regeneration for Garnock Valley Towns.
- Invest more in solar panels / green energy.
- Growth in the North Ayrshire economy – in more modern and new ways – digital industries.
- Circular economy – more jobs and the knock-on effect this has for the community.
- Focus on alleviating poverty.

<i>Three Most Important Services</i>	<i>Three Least Important Services</i>
<ol style="list-style-type: none"><li>1. Waste services / bin collections.</li><li>2. Education and Youth services.</li><li>3. Social care / Care at Home.</li><li>4. Additional comments included:<ol style="list-style-type: none"><li>a. Roads / pothole repairs.</li><li>b. Regeneration of main streets and B737 upgrade at Beith.</li><li>c. Attracting more employers, big employers, to the area.</li><li>d. Improved mix of social rented housing stock.</li><li>e. Climate change.</li></ol></li></ol>	<ol style="list-style-type: none"><li>1. All services are important it is about being efficient.</li><li>2. Climate Change (until cost of living crisis has passed).</li><li>3. Investment in digital services (due to it being good already).</li></ol>



## Irvine Locality

### *What is impacting on your locality?*

- Rising fuel costs and the cost of living crisis.
- Lack of reliable public transport, particularly in evenings and in isolated communities.
- Council tax – current system is not fit for purpose and some residents feel they do not get value for money.
- Roads – current condition is seen as poor.
- Empty town shops – are rates and rents too high?
- Re-evaluate Town Centre First policy. If a company wants to create a new business out with the town centre and bring new jobs, Council should encourage development.

### *Priorities for next year and beyond*

- Ensure public spaces like community centres / libraries are open as long as possible for warmth and socialising.
- Transform derelict parcels of land into allotments to allow people to plant vegetables. Involve schools in the project to stimulate community involvement.
- Invest in renewable energy, such as solar farms and introducing measures which help the environment and support people with rising energy bills.
- Invest in electric vehicle charging infrastructure.
- Lacks facilities for young people.
- Must continue to invest in school music programmes.
- Must continue to provide support to older people and those accessing Care at Home services or living in nursing homes.
- Must engage with more rural communities who do not feel the investment put into more populated communities.
- Encourage more Community Asset Transfers to give local communities a chance to take responsibility for a vital local resources.
- Council should be looking closely at its land assets – these should be used for the common good (solar farms / community allotments etc).

### *Preparations for Council Plan: What differences do you want to see?*

- Better transport links.
- More investment in care homes / care at home services.
- More electric car chargers.
- More community food investment.
- Better use of rural / unused land.

<i>Three Most Important Services</i>	<i>Three Least Important Services</i>
<ol style="list-style-type: none"><li>1. Housing with a range to suit all ages.</li><li>2. Roads.</li><li>3. Improve people's skills for employment.</li><li>4. Additional comments included:<ol style="list-style-type: none"><li>a. Community Services</li></ol></li></ol>	<p>"All services are important."</p>

## Kilwinning Locality

### *What is impacting on your locality?*

- Cost of living impacting health, dignified access to food social isolation, businesses (premises shutting).
- Environmental improvements needed as many shops and buildings are derelict and need repurposed.
- Town centre investment required to encourage people to spend.
- Kilwinning attracts shoppers from surrounding towns and we want this to continue and grow – parking is an element of this. There are consequences to charging for parking and knock-on effect for businesses and community.
- Community transport needed.

### *Priorities for next year and beyond*

- Access to health and GP services – look at other services that could help, which might prevent you needing to access a doctor.
- Need better signposting to services.
- Care within your own home – there isn't a good enough package of care.
- Solar Farms / solar panel powering energy efficient homes. Ensure community reaps rewards for profits generated.
- Encourage planning for sea-based power generation – capitalise of our coastal assets.
- Improvement to transport plans and parking.
- Music services are important as are many vocational studies should be a mix between academic and vocational.
- Transport to schools and parents' approaches to parking.
- Kilwinning library is a fantastic service a central hub and local for so many different community events and activities.
- Employment, spend and investment.
- Encourage small business start-ups.
- Worries expressed about the sustainability of community-based services run by volunteers.

### *Preparations for Council Plan: What differences do you want to see?*

- Regeneration of town centres.
- Transport and plans, improvements to transport.
- Sensible solutions to parking issues in town centre and surrounding areas.

<i>Three Most Important Services</i>	<i>Three Least Important Services</i>
<ol style="list-style-type: none"><li>1. Free Parking</li><li>2. Regeneration</li><li>3. Health / Social Care</li><li>4. Additional comments included:<ol style="list-style-type: none"><li>a. Education / Communities</li><li>b. Waste Removal</li></ol></li></ol>	<p>"Not necessarily least important but..."</p> <ol style="list-style-type: none"><li>1. Close / repurpose Cunninghame House, if not being used by staff.</li><li>2. No Christmas lights to save money.</li></ol>

## North Coast and Cumbrae Locality

### *What is impacting on your locality?*

- Cost of living, transport and fuel costs, especially for the elderly.
- No community centre in Largs, with no focal hub there is a fragmented community.
- Environmental improvements needed.
- Support local economy.
- Provide opportunities for the community.
- Improve social connections.

### *Priorities for next year and beyond*

- Community Asset transfer process is complex and bureaucratic.
- No community centre in Largs, which has resulted in the community being fragmented. Centre could be a focal hub for many Council and community services.
- There needs to be better connections within and across the Council – no wrong door approach.
- Many teams offer similar services e.g., Money Matters, Welfare Rights, Better off North Ayrshire. Could these services be amalgamated or could the Council purchase these services from the Third Sector?
- Planting flowers in glen or vast open areas to save grass cutting.
- With proposed industrial developments at Hunterston Road, infrastructure needs improved.
- The Council's website and digital services need to be better, not up-to-date and needs simplified.

### *Preparations for Council Plan: What differences do you want to see?*

- There should be a Citizens Advice Bureau in Largs.
- Need for better information to enable people to contact the correct support services for vulnerable people.
- Need to improve the routes to get people into employment.
- Greater use of social media to recruit staff for example local care home is struggling to fill posts e.g. Use of Facebook and TikTok.

<i>Three Most Important Services</i>	<i>Three Least Important Services</i>
<ol style="list-style-type: none"><li>1. Waste Management</li><li>2. Community Development</li><li>3. Health Services</li><li>4. Additional comments included:<ol style="list-style-type: none"><li>a. Roads &amp; Infrastructure</li><li>b. Children &amp; Youth Services</li></ol></li></ol>	<p>"All services are important."</p>



## Three Towns Locality

### *What is impacting on your locality?*

- Improve the Environment, dilapidated buildings make the place look poor which discourages investment and tourism.
- Mental Health and wellbeing support, social isolation.
- Tackling poverty.
- Provide opportunities for the community.
- Being in a commuter belt for Glasgow means money leaks out of the areas – impacts on Community Wealth Building (CWB).
- Poor transport links make attracting visitors more difficult.

### *Priorities for next year and beyond*

- Health and wellbeing, poverty and the cost of living crises need tackled.
- Education, schools and providing opportunities for children and young people and extended support around mental health and wellbeing.
- Community Asset Transfers (CATs) require a more strategic community development model to empower local people to use CATs and form constituted organisations to enable local people to apply for additional funding and bridge local authority funding gap (raise awareness of external national funding etc).
- Infrastructure limitations negatively impact the Three Towns and tourism, narrow roads, poor links, poor road surfaces, dilapidated buildings.

### *Preparations for Council Plan: What differences do you want to see?*

- Town centre regeneration and proper town centre investment to encourage CWB.
- Repurpose shops and encourage pop-up shops.
- Use buildings differently – close Cunninghame House.
- Green well-kept spaces - encourage partnerships between community and Streetscene.
- Regenerate the coast and make the area more appealing and increase tourism.
- Proper maintenance and repair of buildings.
- Need for more long-term planning as opposed to short term fixing.
- Simpler language on community asset transfers.
- Procurement should be open to community and local groups.
- Taking a longer term, strategic view of community capacity building (work with an asset building model). Allow constituted groups to apply for external funding and create additional skills.
- More volunteering including senior years at school – encouraging social responsibility factor in Duke of Edinburgh Awards involvement.
- Greater investment in mental health and wellbeing in both schools and the wider community. Look at the causes (prevention as opposed to cure).
- Encourage younger people on Community Councils.
- Make more use of council transport for community transport needs.

<i>Three Most Important Services</i>	<i>Three Least Important Services</i>
<ol style="list-style-type: none"><li>1. Connected Communities and Education</li><li>2. Streetscene</li><li>3. Regeneration</li></ol>	<p>“Not necessarily least important but...”</p> <ol style="list-style-type: none"><li>1. More efficient smarter working</li><li>2. Better Communication</li><li>3. Close / repurpose Cunninghame House</li></ol>



## NORTH AYRSHIRE COUNCIL

21 June 2023

### North Ayrshire Council

<b>Title:</b>	<b>Boundaries Scotland: 2023 Review of Scottish Parliament Boundaries</b>
<b>Purpose:</b>	To advise Council of the Boundaries Scotland's 2023 Review of Scottish Parliament Constituency Boundaries.
<b>Recommendation:</b>	That Council a) notes the Boundaries Scotland's 2023 Review of Scottish Parliament Constituencies and that the proposals for the alteration of the constituency boundary for Cunninghame South; (b) considers and agrees the proposed consultation response and c) agrees to receive further updates as the Review progresses.

### 1. Executive Summary

- 1.1 Boundaries Scotland began its 2022 Review of Scottish Parliament Constituencies in September 2022 and has now published proposals. There are 73 constituencies in Scotland, each of which returns a single MSP. In addition, there are eight regions for Scotland, each region returning seven MSPs from the list. The review does not affect the number of constituencies, regions or the number of MSPs.
- 1.2 To ensure electoral fairness as far as possible, each constituency in Scotland should have an electorate as near as possible to the "electoral quota", which has been set at 59,902 electors. This provision does not apply to the "protected" constituencies of Na h-Eileanan an Iar (the Western Isles), Orkney Islands and Shetland Islands.
- 1.3 The Commission published its initial proposals for a 4-week consultation on 17 May 2023. There are changes proposed to the existing Cunninghame South boundary. There are no changes proposed to Cunninghame North. The proposals for Cunninghame South would result in the incorporation of part of Kilmarnock and Irvine Valley constituency into the Cunninghame South constituency.
- 1.4 Council is invited to consider the draft response to the consultation contained in Appendix 1. Thereafter, it is likely that a local inquiry will be held and final proposals will thereafter be produced for further consultation. Boundaries Scotland will submit final recommendations to the Scottish Parliament by 1 May 2025.

## **2. Background**

- 2.1 Boundaries Scotland (formerly the Local Government Boundary Commission for Scotland) is an independent advisory non-departmental public body which is responsible for reviewing and making recommendations for constituencies and regions of the Scottish Parliament; the number of Councillors on each Council in a local government area; the number of wards for local government elections and their boundaries; and the extent of Council areas.
- 2.2 The current consultation relates to the boundaries of constituencies of the Scottish Parliament. A further consultation will be issued later this year in relation to the boundaries of the regions in respect of which “list” MSPs are returned to the Scottish Parliament.
- 2.3 The boundary extent of Scottish Parliamentary constituencies have been unchanged since 2011 and have been used in the 2011, 2016 and 2021 Scottish Parliament elections. This review is required by the Scotland Act 1998 to ensure that there is fairness in electoral representation across all constituencies in Scotland, through having a similar electoral number, with the exception of the constituencies of Na h-Eileanan an Iar (the Western Isles), Orkney Islands and Shetland Islands which have special status. The Review requires to take account of changes in population size and distribution.
- 2.4 There are 73 constituencies in Scotland, each of which returns a single MSP. In addition, there are eight regions for Scotland, each region returning seven MSPs from the list. The review does not affect the number of constituencies or regions or the number of MSPs.
- 2.5 The review is based on the electorate in the electoral register on 1 September 2022. The average electorate quota of each Scottish constituency has been set at 59,902 – “the electorate quota”. This is calculated by dividing the total electorate of Scotland (less those in the protected constituencies) and dividing that number by 70 (the number of constituencies) which results in the average electorate of 59,902.
- 2.6 It is proposed that 21 constituencies will remain unchanged, 26 will retain their name but have their boundaries changed and which include Cunninghame South and Kilmarnock and Irvine Valley and there will be 25 new constituencies with a new name and boundary extent.
- 2.7 Boundaries Scotland considers several factors when determining constituencies incorporating geographical considerations, which include the size, shape, and accessibility of a constituency; boundaries of council areas and electoral wards; electoral quota; and any local ties which would be broken by changes in constituencies.
- 2.8 The Commission published its initial proposals for a 4-week consultation on 17 May 2023. There are changes proposed to the existing Cunninghame South boundary. There are no changes proposed to Cunninghame North. The proposals for Cunninghame South would result in the incorporation of part of Kilmarnock and Irvine Valley constituency into the Cunninghame South constituency. The Council has been given an extension for submission of a consultation response to enable consideration of the response by full Council at its meeting on 21<sup>st</sup> June.

- 2.9 The Council has supported Boundaries Scotland in publicising their initial proposals via Press Releases to the local media and by sharing these via our Corporate and Communities social media channels.
- 2.10 It is proposed that the boundaries of Cunninghame South and Kilmarnock and Irvine Valley will change to the effect that the boundary of Cunninghame South will extend into East Ayrshire as shown on the map annexed at Appendix 2. The existing boundary of Cunninghame South is shown on the map annexed at Appendix 3. This would result in Cunninghame South having an electorate of 62,113 (+3.7% variation) and Kilmarnock and Irvine Valley having an electorate of 54,297 (-8.3% variation). The current position is that Cunninghame South contains 51,298 (-14% variation from electoral quota) and Kilmarnock and Irvine Valley 65,742 (+10% variation).
- 2.12 The Council has been invited to comment on the proposed changes and the draft response is contained at Appendix 1. The response covers the following points:
- The proposal will result in the constituencies of Cunninghame South and Kilmarnock and Irvine Valley not being fully aligned to local and well established community boundaries.
  - The proposal is out of step with the localities approach. The areas of the Kilmarnock and Irvine Valley constituency which are proposed for inclusion within Cunninghame South have generally no natural ties with Cunninghame South, having been part of the administrative area of Kilmarnock for some time. They are served by East Ayrshire Councillors and use East Ayrshire services. The proposal breaks existing ties between East Ayrshire Communities.
  - When a whole constituency sits within North Ayrshire this facilitates the seamless running of elections. It provides clarity to North Ayrshire voters that both candidates and ultimately the elected constituency MSP are focused on serving the population of North Ayrshire. Boundaries also fit with Locality Planning areas.
  - The Scottish Parliamentary election in East Ayrshire would be organised by different Councils. This could be of particular concern where a Polling Place serves two constituencies.
  - The proposal would increase the administrative burden on North Ayrshire Council of running the election. Election office staff would need to become acquainted with polling districts and polling places in East Ayrshire and have the necessary arrangements put in place. We would require to augment our staffing levels to facilitate this process which would increase the cost burden on running the election.
  - There could be voter confusion and a lower voter turnout from Kilmarnock and Irvine Valley voters due to concerns about the rationale for the change, receiving communications from another local authority and concern about whether their interests will be fully represented by an MSP whose constituents are, in the main, from another local authority area.

- That whilst we would prefer the constituency boundary of Cunninghame South to remain as it is, taking into account the legislative provision for equality of electorate numbers, it is suggested that the polling districts of Kilmaurs and Fenwick and Waterside are retained within the Kilmarnock and Irvine Valley constituency to bring the number of electors in Cunninghame South more in line with the quota. This would mean that the electorate would be 59,691 in Cunninghame South and 57,349 Kilmarnock and Irvine Valley, meaning a more equitable split of the electorate.
- Comment on the application of the legislative rules.

2.13 In terms of next steps, Boundaries Scotland will consider responses and if required, hold local inquiries. Thereafter, subsequent proposals will be published for further consultation. A final report on proposals will be submitted to Scottish Ministers by 1<sup>st</sup> May 2025.

### **3. Proposals**

3.1 That Council a) notes Boundaries Scotland's 2023 Review of Scottish Parliament Constituencies and the proposals for the alteration of the constituency boundary for Cunninghame South; (b) considers and agrees the proposed consultation response and c) agrees to receive further updates as the Review progresses.

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

#### **Financial**

4.1 There are no financial implications arising from this report.

#### **Human Resources**

4.2 There are no human resource implications arising from this report.

#### **Legal**

4.3 There are no legal implications arising directly from this report.

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

4.4 There are no equality/socio-economic implications arising directly from this report.

#### **Environmental and Sustainability**

4.5 There are no environmental/sustainability implications arising directly from this report.

#### **Key Priorities**

4.6 There are no implications for key priorities arising directly from this report.

## **Community Wealth Building**

4.7 There are no community wealth building implications arising directly from this report.

### **5. Consultation**

5.1 Consultation has taken place with the Electoral Registration Officer for Ayrshire and East Ayrshire Council.

**Aileen Craig**  
**Head of Service (Democratic)**

For further information please contact **Aileen Craig, Head of Service (Democratic)**, on **(01294) 324125**.

### **Background Papers**

Boundaries Scotland's full initial proposals are available at [Second Review of Scottish Parliament Boundaries | Scottish Boundary Commission](#)

Thank you for the opportunity of responding to Boundaries Scotland's initial proposals for amending Scottish Parliamentary Boundaries. The Council's response relates to the impact of the current proposals on the organisation of elections for the Scottish Parliament in relation to the Cunninghame South and Kilmarnock and Irvine Valley constituencies and the possible impacts for voters and candidates.

The current position is that there are two constituencies in North Ayrshire fully aligned to the Council and locality areas. The proposals, would result in there being:

- one constituency fully aligned to local and well-established community boundaries and
- one constituency covering areas of both North and East Ayrshire Councils and therefore not tied to traditional and establish locality boundaries.

Whilst noting the provisions on electoral quota, the alignment of these existing constituencies to their respective Council areas is advantageous for both elected representatives and the electorate alike. The current provision pays due regard to locality boundaries, local ties and identity. Locality Planning areas are key in delivery of services to the diverse communities of North and East Ayrshire and the proposal to split off part of the Kilmarnock and Irvine Valley constituency from those areas albeit for representation in the Scottish Parliament is out of step with the localities approach. The areas of the Kilmarnock and Irvine Valley constituency you propose to amalgamate within Cunninghame South have no natural ties with Cunninghame South, having generally been part of the administrative area of Kilmarnock. They are served by East Ayrshire Councillors and use East Ayrshire services. The proposal breaks existing ties between East Ayrshire Communities.

When a whole constituency sits within North Ayrshire, this facilitates the seamless running of elections. It provides clarity to North Ayrshire voters that both candidates and ultimately the elected constituency MSP are focused on serving the population of North Ayrshire. Boundaries also fit with Locality Planning areas.

In terms of management of the election the following further points are pertinent:

- The Scottish Parliamentary elections for East Ayrshire would be organised by different Councils. This could be of particular concern where a designated Polling Place serves two constituencies.
- There is more likelihood of creating confusion for voters by splitting off part of Kilmarnock and Irvine Valley into Cunninghame South. Postal votes are more likely to go astray if there is a separately administered constituency in an area e.g. handing in postal votes to a polling station in a different constituency albeit within the generally established locality.



- The proposal would increase the administrative burden on North Ayrshire Council of running the election by extending the boundary of Cunninghame South into East Ayrshire. This would necessitate acquainting North Ayrshire Council election office staff with polling districts and polling places in East Ayrshire and having the necessary arrangements put in place. We would require to augment our staffing levels to facilitate this process which would increase the cost burden in running the election.
- Initially, the change in constituency may result in a lower voter turnout from current Kilmarnock and Irvine Valley voters due to confusion on the rationale for the change, receiving communications from another local authority and possible concern about whether their interests will be fully represented by an MSP whose constituents are in the main from another local authority area.

The Council acknowledges the current disparity in voter numbers in Cunninghame South relative to the quota of 59,902. The current proposal would result in the quota for Cunninghame South being exceeded by 3.7% with an electorate of 62,113.

Whilst it is the Council's view that for the reasons mentioned above the boundaries should remain as they are, if Boundaries Scotland is not so minded, the Council would propose the following alterations to the proposal:

- Polling District E108, Kilmaurs, currently consisting of 2422 voters is retained within Kilmarnock and Irvine Valley.
- All of Polling District E109, Fenwick and Waterside, is retained within Kilmarnock and Irvine Valley. This would avoid splitting a polling district between two constituencies.

This would result in less divergence from the quota in both affected constituencies and bring the number of electors in Cunninghame South closer to the quota. This would mean that the electorate would be 59,691 in Cunninghame South and 57,349 Kilmarnock and Irvine Valley.

In conclusion, the Council notes the rules which Boundaries Scotland requires to apply. In relation to those rules the following comments are made:

- "Take account of council area boundaries" – the review proposes a divergence from council area boundaries.
- "Create constituencies with broadly the same number of electors" – the review has failed to fully address this and will still have the net result of one constituency exceeding the quota and one being under quota.
- "Take account of special geographical considerations, including size and accessibility" – whilst in adjacent administrative areas, the settlements affected by the change are not generally regarded as being connected to Cunninghame South
- "Take account of local ties....caused by the change" – the points made above address these matters. Local ties may be adversely affected by the proposals.

Boundaries Scotland is invited to take full account of the issues raised in this consultation response prior to setting the final boundary proposals for further consultation.

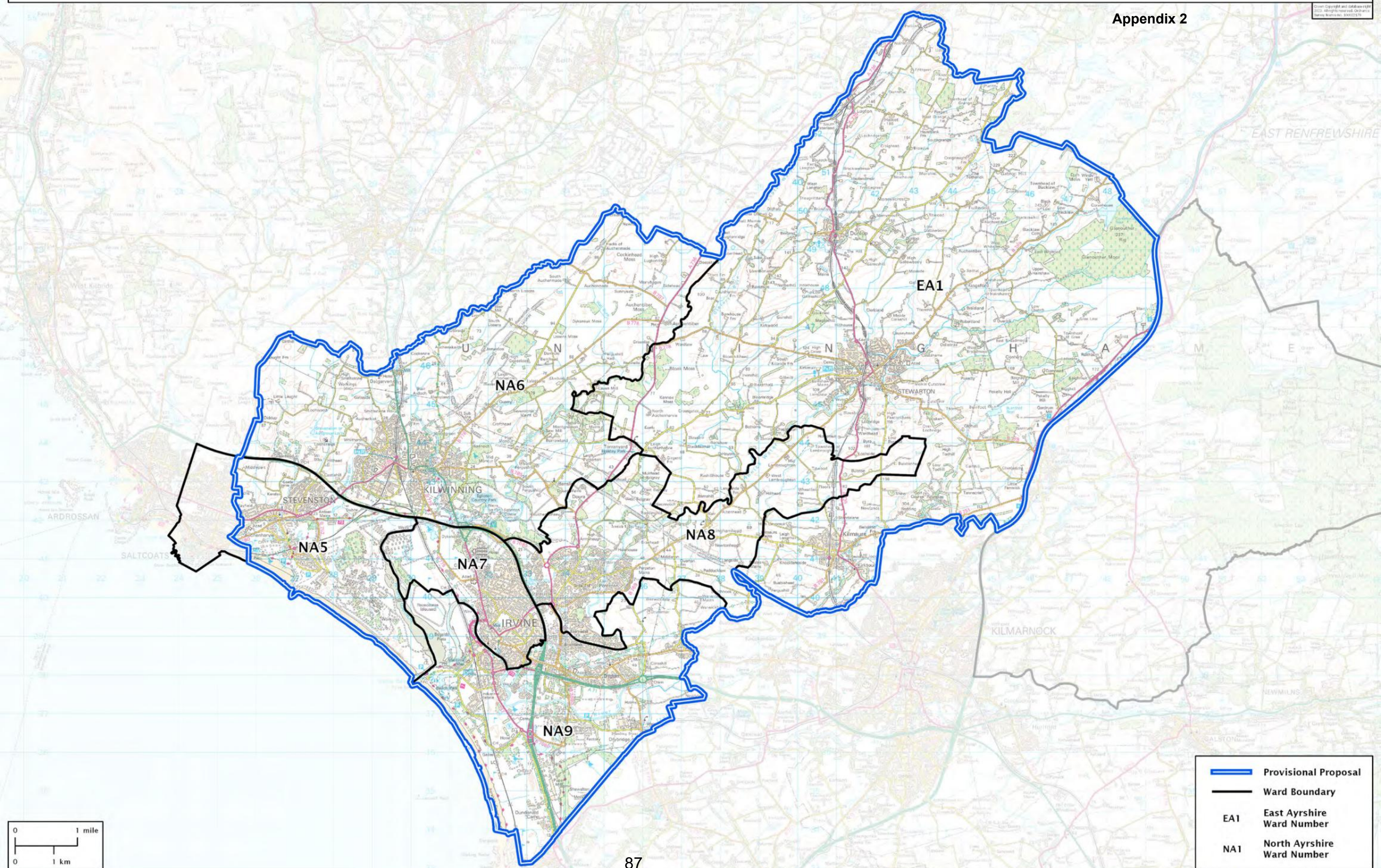


# Second Review of Scottish Parliament Boundaries - Provisional Proposals

## Cunninghame South County Constituency - Electorate 62,113

Appendix 2

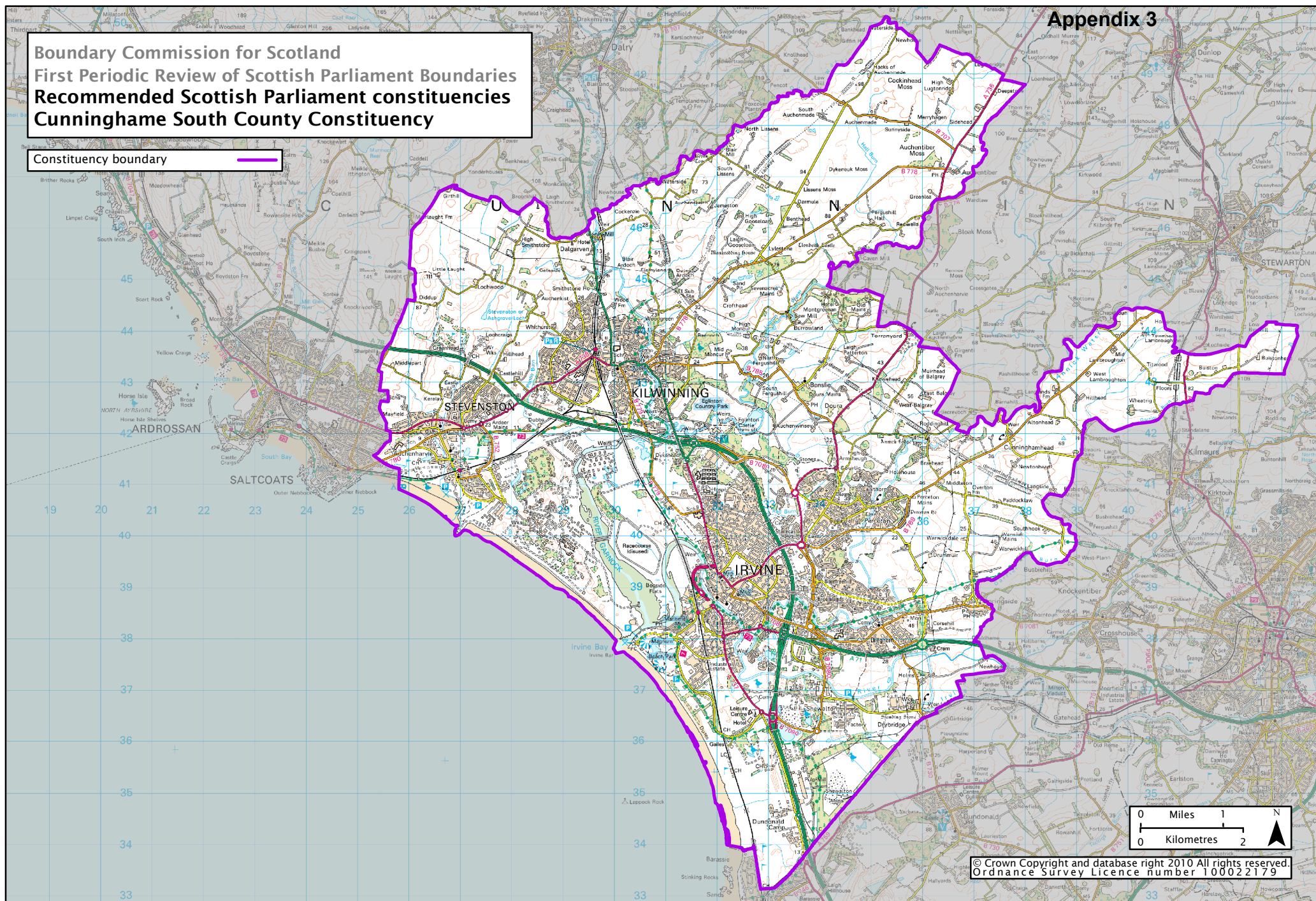
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## Appendix 3

Constituency boundary



## NORTH AYRSHIRE COUNCIL

21 June 2023

### North Ayrshire Council

<b>Title:</b>	<b>Review of North Ayrshire IJB Scheme of Integration</b>
<b>Purpose:</b>	To highlight to Council the requirement to review the Scheme of Integration between North Ayrshire Council and NHS Ayrshire and Arran.
<b>Recommendation:</b>	It is recommended that Council (a) notes the requirement to review the Scheme of Integration and (b) agrees to receive further updates as the review progresses.

## 1. Executive Summary

- 1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 is intended to deliver adult social care and social work services and adult community health services in a joined-up way.
- 1.2 The Integration Scheme is the legal agreement between North Ayrshire Council and NHS Ayrshire and Arran which sets out the arrangements for integration of health and social care, in North Ayrshire currently this is achieved through an Integration Joint Board (IJB) with services delivered by the Health and Social Care Partnership (HSCP)
- 1.3 There is a legal duty on the Council and Health Board (not the IJB) to review the Integration Scheme at least every five years to identify whether any changes are necessary or desirable.

## 2. Background

### Integration Scheme

- 2.1 The Public Bodies (Joint Working) (Scotland) Act 2014 is intended to deliver adult social care and social work services and adult community health services in a joined-up way. The vision for the integration of health and social care is to produce better outcomes for people through services that are planned and delivered seamlessly from the perspective of the patient, service user or carer.

- 2.2 The Integration Scheme is the legal agreement between North Ayrshire Council and NHS Ayrshire and Arran which sets out the arrangements for integration of health and social care, including the governance and financial arrangements and the functions which are delegated to the IJB. It is intended to achieve the National Health and Wellbeing Outcomes prescribed by Scottish Ministers.
- 2.3 North Ayrshire Council and NHS Ayrshire and Arran, as the 'constituent authorities', may decide to delegate other functions to the Integration Joint Board and, in North Ayrshire, Children and Families health and social work and Criminal Justice social work services are delegated to the IJB in addition to the statutory minimum.
- 2.4 The Integration Scheme content is legally prescribed and includes for example:
- Local governance arrangements for the IJB, including membership.
  - Local delivery arrangements including Strategic Plan, Support Services, Performance Management Framework.
  - Clinical and Care Governance arrangements.
  - Chief Officer role including appointment.
  - Financial management arrangements, including budget setting and monitoring and risk sharing.
  - The use of capital assets.
  - Participation and engagement.
  - Information sharing and data handling.
  - Complaints handling.
  - Risk management
  - Dispute resolution.

#### Requirement to Review the Scheme

- 2.5 There is a legal duty on the Council and Health Board (not the IJB) to review the Integration Scheme at least every five years to identify whether any changes are necessary or desirable. The current Integration Scheme was reviewed in 2018 so is required again in 2023, regardless of any future changes to service delivery for example possible changes that may be driven by the introduction of the National Care Service. In reviewing the scheme, the constituent authorities must have regard to the integration planning principles and the national health and wellbeing outcomes.
- 2.6 In identifying whether any review is necessary, the constituent authorities must jointly consult with a range of interested parties and then, taking account of any views, must decide whether a full review is required. These parties include health and social professionals and service users as well as commercial and non-commercial providers of services.
- 2.7 Both North Ayrshire Council and NHS Ayrshire and Arran, taking account of the views of the persons consulted, must then decide whether changes to the Scheme are necessary. If so, they must work together to prepare an updated Scheme.

- 2.8 Any changes proposed to the Scheme will require to be fully resourced so if, for example, an additional function was to be delegated to the IJB then it is essential that due diligence be carried out on the accompanying resources to ensure that the function could operate as intended without placing an additional burden on the IJB and the partner bodies.
- 2.9 In any review of the Scheme, it is important that this is carried out in close liaison with East Ayrshire and South Ayrshire to ensure that the 3 documents remain consistent to support the Health Board to work with all the IJBs. It is the intention at this time for East, South and North Ayrshire Integration Schemes to be reviewed concurrently.

#### Consultation and Review

- 2.10 The initial phase of the consultation is ongoing at present and this focusses on the need to review the Scheme. Consultation has taken place through the Health and Social Care Partnership Senior Management Team, the Strategic Planning Group (SPG) and the Integration Joint Board, as well as with service users and through care provider forums.

#### Next Steps

- 2.11 An updated Integration Scheme will require to be approved by both North Ayrshire Council and NHS Ayrshire and Arran, as well as endorsed by the IJB, prior to submission to Scottish Ministers. Before submitting the revised Scheme for approval, the constituent authorities must consult again with the interested parties and undertake consultation on any proposed changes. It is anticipated that the review will conclude by December 2023.
- 2.12 Officers are working closely with colleagues at East and South Ayrshire and NHS Ayrshire and Arran to carry out the Scheme review.

### **3. Proposals**

- 3.1 It is recommended that Council (a) notes the requirement to review the Scheme of Integration between North Ayrshire Council and NHS Ayrshire and Arran and (b) agrees to receive further updates as the review progresses.

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

#### **Financial**

- 4.1 The delegation of any additional functions to the IJB must be accompanied by appropriate financial due diligence to ensure they are properly resourced. Appropriate risk sharing arrangements must be put in place.

#### **Human Resources**

- 4.2 None.

## **Legal**

- 4.3 Reviewing the Integration Scheme is required to ensure ongoing compliance with the Public Bodies (Joint Working) (Scotland) Act 2014.

## **Equality/Socio-economic**

- 4.4 The Scheme of Integration is intended to achieve the National Health and Wellbeing Outcomes prescribed by Scottish Ministers.

## **Climate Change and Carbon**

- 4.5 None.

## **Key Priorities**

- 4.6 The Scheme of Integration supports the delivery of the strategic priorities of the Health and Social Care Partnership.

## **Community Wealth Building**

- 4.7 None.

## **5. Consultation**

- 5.1 Consultation has taken place through the Health and Social Care Partnership Senior Management Team, the Strategic Planning Group (SPG) and the Integration Joint Board, as well as with service users and through care provider forums. Ongoing engagement is in place with East and South Ayrshire Council's and NHS Ayrshire and Arran.

**Craig Hatton**  
**Chief Executive**

For further information please contact **Aileen Craig, Head of Democratic Services**, on **01294-324125**.

## **Background Papers**



## **NORTH AYRSHIRE COUNCIL**

**21 June 2023**

### **North Ayrshire Council**

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<b>Title:</b>	<b>North Ayrshire Council Unaudited Annual Accounts 2022/23</b>
<b>Purpose:</b>	To submit the unaudited Annual Accounts for the year to 31 March 2023 to the Council for approval.
<b>Recommendation:</b>	<p>That Council:</p> <ul style="list-style-type: none"><li>(a) Approves the Annual Accounts for 2022/23, subject to audit;</li><li>(b) Notes that Audit Scotland plan to complete their audit of the Accounts by mid-September 2023 and will present their annual audit report to the Council's Audit and Scrutiny Committee on 26 September 2023;</li><li>(c) Authorises the Audit and Scrutiny Committee to consider, and approve for signature, the audited annual accounts within the required timeframe.</li></ul>

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### **1. Executive Summary**

- 1.1 The Council prepares its Accounts on an annual basis to 31 March and is required by the Local Authority Accounts (Scotland) Regulations 2014 to submit these Accounts to the appointed auditor by 30 June each year. Audit Scotland plan to complete their audit of the Accounts by mid-September 2023 and will present their annual audit report to the Council's Audit and Scrutiny Committee on 26 September 2023. A copy of the Council's unaudited accounts, containing the key financial statements, for the year to 31 March 2023 has been issued directly for Members' approval prior to their submission to the appointed auditor. A copy of the full set of accounts can be found by following the attached link:

<https://www.north-ayrshire.gov.uk/council/performance-and-spending/budgets-and-finance.aspx>

- 1.2 The 2022/23 Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (ACOP) and the requirements of the International Financial Reporting Standards (IFRS).

- 1.3 The Annual Accounts provide an overview of the financial performance of the various funds managed by the Council. The Management Commentary summarises the key messages in relation to the Council's financial and service performance for 2022/23 and outlines the financial plans, challenges and risks which the Council faces.
- 1.4 The detailed financial performance for both Revenue and Capital are reported to Cabinet throughout the financial year and the final Revenue Budget and Capital Programme Financial Performance reports were submitted to Cabinet on 30 May 2023.
- 1.5 At 31 March 2023 the General Fund reported a net in-year underspend of £1.524m after the earmarking of underspends to support service delivery in 2023/24 and beyond. As approved by Council on 1 March 2023, the underspend has been earmarked to support the Roads Maintenance budget and the Council's Energy Smart Scheme, resulting in a net breakeven position being reported in the Annual Accounts.
- 1.6 In support of the General Services Revenue Estimates for 2023/24 to 2025/26, Council agreed to reduce the level of unearmarked balances to 2% of budgeted expenditure. As a result, following the reported net in-year breakeven position, the General Fund Unearmarked Balance at 31 March 2023 is confirmed as £8.053m. This is at the lowest level of the recommended range of 2% - 4% for general reserves. The balance of earmarked funds of £102.062m is detailed in paragraph 2.9.
- 1.7 At 31 March 2023 the Housing Revenue Account closed with an in-year breakeven position, after the utilisation of earmarked reserves. The HRA earmarked funds of £12.904m are detailed in paragraph 2.21 with an uncommitted balance at 31 March 2023 of £0.781m.
- 1.8 Capital Expenditure for the year was £36.194m for the General Fund and £30.478m for the HRA, representing significant ongoing investment in the Council's assets.
- 1.9 The Common Good Funds closed with a balance of £2.139m and the Trust Funds closed with a balance of £0.385m. The Annual Trustees' Report and Financial statements for the charitable trusts are subject to a separate report to Council.
- 1.10 The Health and Social Care Partnership reported an in-year breakeven position after accounting for earmarked reserves. The Integration Joint Board will carry these reserves forward to support service delivery in future years.

## **2. Background**

- 2.1 The Annual Accounts provide an overview of the financial performance of the various funds managed by the Council, including:
  - North Ayrshire Council General Fund (capital and revenue);
  - Housing Revenue Account (capital and revenue);
  - Six Common Good Funds; and
  - Charitable Trusts Funds.

- 2.2 The accounts also include “Group” accounts which recognise the material interest the Council has in other organisations, including:
- North Ayrshire Ventures Trust Ltd;
  - North Ayrshire Leisure Ltd;
  - Strathclyde Partnership for Transport;
  - Ayrshire Valuation Joint Board; and
  - North Ayrshire Integration Joint Board.
- 2.3 The financial position of the Council and its Group is presented in the core financial statements, including:
- Comprehensive Income and Expenditure Statement (CIES) on page 41;
  - Movement in Reserves Statement (MiRS) on page 42;
  - Balance Sheet on page 43; and
  - Cash Flow Statement on page 44.
- 2.4 The Local Authority Accounts (Scotland) Regulations 2014 require various disclosures of the remuneration and pensions benefits of senior councillors and employees. These are detailed in the Remuneration Report which can be found on page 22 of the Annual Accounts.
- 2.5 The Council is legally required to make its draft accounts available for public inspection for a three-week period during the audit. A notice was published on the Council website and an advert placed in local newspapers during week beginning 5 June 2023 advising that the unaudited accounts would be available for inspection by appointment and on the Council’s website between 30 June 2023 and 21 July 2023.
- 2.6 Under the Local Authority Accounts (Scotland) Regulations 2014 the Council, or a committee of the Council with a remit including audit or governance, must meet to approve the audited annual accounts for signature. Following confirmation of the completion of the audit by Audit Scotland, a meeting of the Audit and Scrutiny Committee has been arranged for 26 September 2023 to consider the audited annual accounts and approve them for signature.

## **General Fund Revenue**

- 2.7 The final position for the General Fund Revenue Account at 31 March 23 was a net breakeven position after the earmarking of underspends to support service delivery in 2023/24 and beyond. The earmarking includes the transfer of £1.000m to support the Roads Maintenance budget and £0.524m to supplement the Energy Smart Scheme as approved at the Council meeting of 1 March 2023, being the balance of underspend for the year. The following table details the final position on a service by service basis:

	Annual Budget	Actual Outturn to 31/3/23	Variance for year (Fav)/Adv	Carry Forwards	Variance After Carry Forward (Fav)/Adv
	£000's	£000's	£000's	£000's	£000's
<b>Service Expenditure</b>					
Chief Executive's	26,560	25,702	(858)	560	(298)
Communities Place	176,746	171,407	(5,339)	3,603	(1,736)
Other Corporate Services	54,524	55,423	899	931	1,830
Sub Total	18,441	15,407	(3,034)	3,616	582
Health and Social Care Partnership	276,271	267,939	(8,332)	8,710	378
Balance for Services	120,549	120,549	-	-	-
Financing Charges	396,820	388,488	(8,332)	8,710	378
Contribution to Loans Fund Reserve	19,621	19,621	-	-	-
Total Planned Expenditure	7,581	7,581	-	-	-
	424,022	415,690	(8,332)	8,710	378
<b>Planned Income</b>					
Aggregate External Finance	(348,966)	(348,950)	16	-	16
Council Tax	(61,595)	(61,989)	(394)	-	(394)
Contribution from Earmarked Funds	(13,461)	(13,461)	-	-	-
Total Planned Income	(424,022)	(424,400)	(378)	-	(378)
Net Expenditure/ (Income)	-	(8,710)	(8,710)	8,710	-

2.8 The Council's contribution to the Health and Social Care Partnership reported an in-year breakeven position after accounting for the earmarking of £5.065m by the IJB to support future service delivery .

2.9 The following table summarises the movements on each of the Council's General Fund reserves during the year:

	Balance as at 31/3/2022	Income	(Expenditure)	Balance as at 31/3/2023	Anticipated Expenditure	Estimated Available Balance
	£000's	£000's	£000's	£000's	£000's	£000's
<b>General Fund - Unearmarked</b>	<b>11,315</b>	-	<b>(3,262)</b>	<b>8,053</b>	-	<b>8,053</b>
<b>Earmarked:</b>						
Affordable Housing	1,964	617	(542)	2,039	(2,039)	-
Change & Service Redesign	2,637	-	(144)	2,493	(2,493)	-
Loans Fund Reserve	10,860	8,093	(49)	18,904	(18,904)	-
Investment Fund	13,223	-	(4,824)	8,399	(8,399)	-
Renewal Fund	13,517	-	(578)	12,939	(12,939)	-
Energy Smart	500	2,250	(30)	2,720	(2,720)	-
Earmarked Funds	31,882	32,482	(9,796)	54,568	(54,568)	-
<b>Total Earmarked</b>	<b>74,583</b>	<b>43,442</b>	<b>(15,963)</b>	<b>102,062</b>	<b>(102,062)</b>	-
<b>Other Reserves:</b>						
Insurance Fund	3,140	51	(193)	2,998	(2,998)	-
Capital Fund	8,587	295	-	8,882	(8,882)	-
<b>Total General Fund</b>	<b>97,625</b>	<b>43,788</b>	<b>(19,418)</b>	<b>121,995</b>	<b>(113,942)</b>	<b>8,053</b>

- 2.10 General Fund (Unearmarked) – After recognising the earmarking of funds to support the Roads Maintenance budget and the Energy Smart Scheme, a net breakeven position has been reported. Following agreement by Council, the level of unearmarked balances has been reduced to 2% of budgeted expenditure. As a result, the uncommitted balance at 31 March 2023 was £8.053m. This is equivalent to 2.0% of the Council annual budgeted expenditure, compared to the recommended level of between 2% and 4%.
- 2.11 Affordable Housing – 40% of Council Tax income on properties which are not a sole or main residence is earmarked for the provision of new build affordable housing.
- 2.12 Change & Service Redesign Fund – £0.144m expenditure was incurred during the year to support the delivery of the Sustainable Change programme.
- 2.13 Loans Fund Reserve – funds arising from the Council's Treasury Management and Investment Strategy, combined with additional allocations to address rising cost pressures, have been earmarked to support the Councils' Capital Investment Strategy.
- 2.14 Investment Fund – funds set aside to support investment in environmental projects, infrastructure investment and Community Wealth Building activity. £4.824m expenditure was incurred during the year.
- 2.15 Renewal Fund – funds earmarked to support the delivery of the Councils' Recovery and Renewal Strategy through prioritised investment. £0.578m expenditure was incurred during 2022/23.
- 2.16 Energy Smart – funds earmarked to support the reduction of fuel poverty and increased affordable warmth. Additional investment of £2.250m was approved during 2022/23.
- 2.17 Earmarked Funds – these funds relate to specific projects for which monies have been identified prior to 31 March 2023, but for which spending plans exist in 2023/24 and beyond. Earmarked funds include a one-off retrospective adjustment of £21.546m following the adoption of revised service concession accounting arrangements. These funds have been earmarked to support Workforce Planning, Child Poverty and Cost of Living activities and Future Budget Planning over the medium term.
- 2.18 Insurance Fund – these funds represent the amount required to deal with potential uninsured claims and Municipal Mutual Insurance (MMI) underwriting costs.
- 2.19 Capital Fund – Capital receipts and funds allocated by Council in support of the General Fund Capital Investment Programme 2023 to 2031.

### **General Fund Capital**

- 2.20 General Fund Capital Expenditure amounted to £36.194m, in line with the revised annual budget for 2022/23.

## HRA Revenue

2.21 The final position for the Housing Revenue Account at 31 March 2023 was an in-year breakeven position following the utilisation of earmarked reserves. A full analysis of HRA Revenue financial performance was presented to Cabinet on 30 May 2023. The following table details the movements on the Council's HRA Reserves for the year:

<b>HRA Reserves</b>	Balance as at 31/3/2022 £000's	Income £000's	(Expenditure) £000's	Balance as at 31/3/2023 £000's	Anticipated Expenditure £000's	Estimated Available Balance £000's
Council House Building Fund	5,280	-	(571)	4,709	(4,709)	-
Welfare Reform	1,500	-	-	1,500	(1,500)	-
Sustainability Fund	5,000	-	-	5,000	(5,000)	-
Voids - non-programmed works	1,558	-	(1,360)	198	(198)	-
Software Licences	123	-	-	123	(123)	-
Infrastructure Improvements	416	-	-	416	(416)	-
Major Refurbishment Works	52	-	-	52	(52)	-
Tenant led budget	636	-	-	636	(636)	-
Electrical Testing	270	-	-	270	(270)	-
Uncommitted Balance	781	-	-	781	-	781
<b>Total HRA Reserves</b>	<b>15,616</b>	<b>-</b>	<b>(1,931)</b>	<b>13,685</b>	<b>(12,904)</b>	<b>781</b>

## HRA Capital

2.22 HRA Capital Expenditure amounted to £30.478m, an underspend of £6.399m compared to the revised annual budget for 2022/23 of £36.877m.

## Common Good Funds

2.23 A summary of the revenue and capital balances on the Common Good Funds is provided below with further details provided on page 47 of the unaudited annual accounts:

Common Good Fund	Balance at 1 April 2022 £000s	Movement in Year Increase / (Decrease) £000s	Balance at 31 March 2023 £000s
Ardrossan	305	20	325
Irvine	1,102	14	1,116
Largs	436	(5)	431
Millport	67	-	67
Saltcoats	16	(1)	15
Stevenston	174	11	185
<b>Total</b>	<b>2,100</b>	<b>39</b>	<b>2,139</b>

## Trusts

- 2.24 A summary of the revenue and capital balances on the charitable trusts administered by the Council is provided below with further details provided on page 48 of the unaudited annual accounts. Charitable trusts, where the Council is the sole trustee, are required to prepare their own Accounts and Trustees' annual report. These are subject to a separate external audit and a separate report to Council.

Trusts	Balance at	Movement in Year	Balance at
	1 April 2022	Increase / (Decrease)	31 March 2023
	£000s	£000s	£000s
North Ayrshire Charitable Trust	95	6	101
Town Trusts	45	-	45
Douglas Sellers Trust	1	-	1
Anderson Trust	1	-	1
Margaret Archibald Trust	192	5	197
Other Bequests	42	(2)	40
<b>Total</b>	<b>376</b>	<b>9</b>	<b>385</b>

## 3. Proposals

- 3.1 It is proposed that Council:

- (a) Approves the Annual Accounts for 2022/23, subject to audit;
- (b) Notes that Audit Scotland plan to complete their audit of the Accounts by mid-September 2023 and will present their annual audit report to the Council's Audit and Scrutiny Committee on 26 September 2023;
- (c) Authorises the Audit and Scrutiny Committee to consider, and approve for signature, the audited annual accounts within the required timeframe.

## 4. Implications/Socio-economic Duty

### Financial

- 4.1 The financial implications are as outlined in the report.

### Human Resources

- 4.2 None.

### Legal

- 4.3 Under the Local Authority Accounts (Scotland) Regulations 2014 the Council is required to submit its Unaudited Annual Accounts for external audit by 30 June each year.

### Equality/Socio-economic

- 4.4 None.

### **Climate Change and Carbon**

4.5 None.

### **Key Priorities**

4.6 This report and the annual accounts directly support 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 Legal Services were consulted during the preparation of the Trustees' Annual Report 2022/23.

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

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

### **Background Papers**

N/A



## **NORTH AYRSHIRE COUNCIL**

**21 June 2023**

### **North Ayrshire Council**

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<b>Title:</b>	<b>North Ayrshire Charitable Trusts: Unaudited Trustees' Annual Report 2022/23</b>
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<b>Purpose:</b>	To present the unaudited Trustees' Annual Report for the year to 31 March 2023 to the Council, as trustees, for approval.
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<b>Recommendation:</b>	That Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2022/23, subject to audit.
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### **1. Executive Summary**

- 1.1 The Council administers a number of charitable trusts including a number of Town Trusts, which amalgamate various bequests made in relation to specific localities; the North Ayrshire Charitable Trust, which collates bequests which are not specific to any particular location within North Ayrshire; and three specific trusts, including the Anderson Park Trust, the Douglas Sellers Trust and the Margaret Archibald Trust. All of these trusts are charities registered with the Office of the Scottish Charity Regulator (OSCR).
- 1.2 During 2022/23 Hugh Watt Bursary, Sir James Dyer Simpson Bequest and John Hugh Watt Scholarship, held within North Ayrshire Council Charitable Trust, exhausted their capital through the disbursement of grants and, with the agreement of OSCR, have been wound up.
- 1.3 The financial statements within this report have been prepared in accordance with the Charities Accounts (Scotland) Regulations 2006. The statements are subject to audit by the appointed auditor, Audit Scotland, and a report on the outcome of the audit will be presented to the Audit and Scrutiny Committee on completion.
- 1.4 During 2022/23, the level of grant disbursement activity has continued to be low and has not yet returned to pre pandemic levels.

## **2. Background**

- 2.1 All charitable trusts registered with the Office of the Scottish Charity Regulator at 31 March 2023 are required to prepare Trustees' Reports for 2022/23, which must be independently audited. The report attached at Appendix 1 presents the Trustees' Annual Report and Financial Statements for all of North Ayrshire Council's charitable trusts and Audit Scotland have been appointed as external auditors for 2022/23.
- 2.2 The Council, as trustees of the North Ayrshire Council charitable trusts, has delegated authority for the approval of individual disbursements from all Trusts to the relevant Locality Partnerships.
- 2.3 During 2022/23 officers have continued to seek options for the appropriate use of these funds, including any options which could deplete the available capital and result in the winding up of the trust, subject to approval by OSCR.
- 2.4 During 2022/23 grant disbursements were approved in relation to Hugh Watt Bursary, Sir James Dyer Simpson Bequest and John Hugh Watt Scholarship, held within North Ayrshire Council Charitable Trust, which resulted in the exhaustion of the available capital and, with the agreement of OSCR, the trusts have been wound up.
- 2.5 At 31 March 2023, seven Trusts and two bequests registered to the North Ayrshire Charitable Trust have been identified as dormant, having made no disbursements for at least one year. The period of dormancy for each trust is detailed in the attached Trustees' Annual Report. The dormant trusts are;
  - Anderson Park Trust;
  - Douglas Sellers Trust;
  - North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust;
  - North Ayrshire Council (Dalry) Charitable Trust;
  - North Ayrshire Council (Kilwinning) Charitable Trust;
  - North Ayrshire Council (Largs) Charitable Trust;
  - Largs War Memorial Bequest (included within the North Ayrshire Charitable Trust);
  - North Ayrshire Museum Bequest (included within the North Ayrshire Charitable Trust);
  - Spiers Trust (included within the North Ayrshire Charitable Trust).
- 2.6 Grant disbursement activity during 2022/23 has not yet returned to pre pandemic levels. Officers will continue to monitor activity and seek appropriate options going forward. However, if no options are identified for the use of these funds, the funds may be exhausted through the application of external audit fees and administration costs.

## **3. Proposals**

- 3.1 It is proposed that Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2022/23, subject to audit.

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

##### **Financial**

- 4.1 The cost of the audit for 2022/23 was £1,100, which has been borne by the charitable trusts.

##### **Human Resources**

- 4.2 None.

##### **Legal**

- 4.3 Trustees have an obligation to act in the interests of the individual Trusts and comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 to keep and report proper financial records.

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

- 4.4 Some of the Trusts are specifically intended to benefit those in old age or with ill-health or disabilities.

##### **Climate Change and Carbon**

- 4.5 None.

##### **Key Priorities**

- 4.6 The administration of the Trusts supports North Ayrshire Council's priorities of active and strong communities, people enjoy good life-long health and well-being and a sustainable environment as outlined in the draft Council Plan 2019-24.

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

- 4.7 None.

#### **5. Consultation**

- 5.1 Legal Services were consulted during the preparation of the Trustees' Annual Report 2022/23.

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

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

##### **Background Papers**

None



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

**NORTH AYRSHIRE COUNCIL TRUST FUNDS**

**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 March 2023**

Section	Page Number
Trustee Annual Report	2
Independent Auditor's Report	7
Statement of Receipts and Payments for year ended 31 March 2023	12
Statement of Balances as at 31 March 2023	13
Notes to the Financial Statements	14

## 1. INTRODUCTION

The Trustees present the Annual Report together with the Financial Statements and the Auditor's Report for the year ended 31 March 2023.

### ADMINISTRATION INFORMATION

The following Charities' Financial Statements are included in this report:

Charity Number	Charity Name
SC042136	Anderson Park Trust
SC042101	Douglas Sellers Trust
SC042117	Margaret Archibald Bequest
SC025083	North Ayrshire Council Charitable Trust
SC043644	North Ayrshire Council (Dalry) Charitable Trust
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust
SC043494	North Ayrshire Council (Largs) Charitable Trust

### Contact Address

North Ayrshire Council Finance  
Cunninghame House  
Irvine  
KA12 8EE

### Auditor

Audit Scotland  
4<sup>th</sup> Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

### Current Trustees

John Bell, Timothy Billings, Marie Burns, Eleanor Collier, Joe Cullinane, Scott Davidson, Anthea Dickson, Stewart Ferguson, Todd Ferguson, Robert Foster, Scott Gallacher, John Glover, Anthony Gurney, Alan Hill, Cameron Inglis, Margaret Johnson, Amanda Kerr, Christina Larsen, Tom Marshall, Shaun Macaulay, Jean McClung, Nairn McDonald, Matthew McLean, Louise McPhater, Davina McTiernan, Jim Montgomerie, Ian Murdoch, Donald Reid, Donald L Reid, Chloe Robertson, Ronnie Stalker, Angela Stephen, and John Sweeney.

## 2. STRUCTURE AND GOVERNANCE

The Charitable Trusts are registered with the Office of the Scottish Charity Regulator (OSCR).

The governing documents are:

Charity Number	Charity Name	Governing Document	Dated
SC042136	Anderson Park Trust	Trust Disposition and Settlement	8 July 1960
SC042101	Douglas Sellers Trust	Trust Disposition and Settlement	21 January 1955
SC042117	Margaret Archibald Bequest	Trust Deed	22 July 1992
SC025083	North Ayrshire Council Charitable Trust	No overall governing documents.	N/A
SC025083	North Ayrshire Council Charitable Trust	Spier's Trust: Trust Scheme	1978
SC025083	North Ayrshire Council Charitable Trust	North Ayrshire Museum: Scheme of Administration	1958
SC025083	North Ayrshire Council Charitable Trust	North Ayrshire Museum: Minute of Agreement	1974
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Trust Deed	26 November 2012
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	Trust Deed	23 October 2012
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Trust Deed	20 July 2012
SC043494	North Ayrshire Council (Largs) Charitable Trust	Trust Deed	7 September 2012

During 2022/23 Hugh Watt Bursary, Sir James Dyer Simpson Bequest and John Hugh Watt Scholarship held within North Ayrshire Charitable Trust were wound up, with the agreement of OSCR, following the exhaustion of its capital through the disbursement of grants.

The Trustees of the Charitable Trusts are the elected members of North Ayrshire Council and are appointed through their election to the Council.

The Head of Finance is the designated officer within North Ayrshire Council with responsibility for the proper administration of the Charitable Trusts' financial affairs. The Head of Finance is responsible for keeping proper accounting records that are up to date and which ensure that financial statements comply with the Charities Accounts (Scotland) Regulations 2006.

The Head of Finance has considered and taken steps to address any risks to which the Charity may be exposed, in particular those related to its operation and finances. Trustees are satisfied that adequate systems are in place to mitigate exposure to such risks.

### 3. MANAGEMENT OF FUNDS AND INVESTMENT POLICY

Decisions regarding the management of the Trusts have been delegated by the Council to the relevant Locality Partnerships.

The Trustees rely on the expertise of North Ayrshire Council to manage the investments to ensure the maximum return and the least risk to the Charities. In this way, the income stream for the future benefit of the Charities is protected.

The funds of the Charities are deposited with North Ayrshire Council (see note 7) and invested in stocks and shares in a variety of companies (see note 8).

### 4. OBJECTIVES AND ACTIVITIES

Charity Number	Charity Name	Objectives
SC042136	Anderson Park Trust	Provision of recreational facilities or the organisation of recreational activities in the Burgh of Largs.
SC042101	Douglas Sellers Trust	Maintenance, improvement and advancement of recreational facilities within the Burgh of Irvine; Maintenance, improvement and floral decoration of open spaces within the Burgh of Irvine.
SC042117	Margaret Archibald Bequest	Relief of those in need who are aged 65 and over and who reside in the Parish of Dalry.
SC025083	North Ayrshire Council Charitable Trust	Encouragement and promotion of education among students, including bursaries and prizes awarded; Provision of recreational facilities or organisation of recreational activities; Upkeep of war memorials.
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust)	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.



Charity Number	Charity Name	Objectives
SC043494	North Ayrshire Council (Largs) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

Income received is expended on awards and, where necessary, supplemented by revenue reserves.

## 5. PERFORMANCE

Income to the Charities comes from property rents, share dividends and investment returns.

In the year to 31 March 2023, 2 awards of grant totalling £4,250 were disbursed (2021/22 5 awards totalling £10,025).

In the year to 31 March 2023, the total income across the Trusts was £19,029 (2021/22 £16,858).

Grant disbursement activity during 2022/23 has not yet returned to pre pandemic levels.

## 6. FINANCIAL REVIEW

### Overview

In the year to 31 March 2023, the Charitable Trusts made a surplus of £10,284 (2021/22 Surplus of £4,546).

The Trusts held cash and bank balances at 31 March 2023 of £191,371 (2021/22 £181,087).

The increase in balances relates to income from property rents, share dividends and investment returns, partly offset by the utilisation of funds through the disbursement of grants noted above.

In addition, the Trusts held investments in the form of stocks and shares in a variety of companies with a market value of £325,753 at 31 March 2023 (2021/22 £333,663), (see note 8).

### Future Plans

The Charitable Trusts will continue to promote their activities and consider applications submitted by individuals and groups who meet the criteria.

Where any Trusts have been identified as low value or dormant, North Ayrshire Council will continue to identify options for utilising Trust balances, and these will be presented to Trustees when available.

The undernoted Trusts have been identified as dormant having made no disbursements for at least one year:

Charity Number	Charity Name	Period Dormant
SC042136	Anderson Park Trust	Over 5 years
SC025083	North Ayrshire Council Charitable Trust bequests: Largs War Memorial North Ayrshire Museum Spiers Trust	Over 5 years Over 5 years Over 3 years
SC042101	Douglas Sellers Trust	Over 4 years
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	Over 4 years
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Over 3 years
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Over 3 years
SC043494	North Ayrshire Council (Largs) Charitable Trust	Current Year

### Reserves Policy

Reserves are held by North Ayrshire Council on behalf of the Trust and revenue income generated from the capital which has not been disbursed at 31 March each year is invested in North Ayrshire Council's Loans Fund.

## 7. DECLARATION

This report was signed on behalf of the Trustees on XX September 2023 by:

Mark Boyd  
Head of Finance  
North Ayrshire Council

Councillor Marie Burns  
Leader  
North Ayrshire Council

## Independent Auditor's Report

The independent auditor's report to the trustees and the Accounts Commission for Scotland will be presented to Council for approval following completion of the audit.

The auditor with responsibility for the audit of the Trustees' annual report for the year ended 31 March 2023 is:

Audit Scotland  
4<sup>th</sup> Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

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## Statement of Receipts and Payments for year ended 31 March 2023

The Statement of Receipts and Payments, as required by the Charities Accounts (Scotland) Regulations 2006, provides an analysis of the incoming and outgoing cash and bank transactions for the year.

The funds are classed as 'Restricted' because they have specific objectives, as set out in Section 4 of the Trustees' Annual Report.

### 2022-23

Charity	Description	Receipts Investments	Receipts Property Rents	Total Receipts	Payments Charitable Activities	Payments Governance Costs	Total Payments	Surplus / (Deficit)
		£	£	£	£	£	£	£
SC042136	Anderson Park Trust	2	0	2	0	139	139	(137)
SC042101	Douglas Sellers Trust	7	0	7	0	140	140	(133)
SC042117	Margaret Archibald Bequest	10,591	0	10,591	5,100	420	5,520	5,071
SC025083	North Ayrshire Council Trust	6,136	1,580	7,716	1,609	562	2,171	5,545
SC043644	Dalry Trust	32	0	32	0	147	147	(115)
SC043600	Kilbimie & Glengarnock Trust	49	0	49	0	153	153	(104)
SC043374	Kilwinning Trust	587	0	587	0	321	321	266
SC043494	Largs Trust	45	0	45	0	154	154	(109)
<b>Total</b>		<b>17,449</b>	<b>1,580</b>	<b>19,029</b>	<b>6,709</b>	<b>2,036</b>	<b>8,745</b>	<b>10,284</b>

### 2021-22

Charity	Description	Receipts Investments	Receipts Property Rents	Total Receipts	Payments Charitable Activities	Payments Governance Costs	Total Payments	Surplus / (Deficit)
		£	£	£	£	£	£	£
SC042136	Anderson Park Trust	-	0	-	0	152	152	(152)
SC042101	Douglas Sellers Trust	1	0	1	0	153	153	(152)
SC042117	Margaret Archibald Bequest	11,414	0	11,414	6,750	400	7,150	4,264
SC025083	North Ayrshire Council Trust	2,720	2,660	5,380	275	762	1,037	4,343
SC043644	Dalry Trust	3	0	3	0	160	160	(157)
SC043600	Kilbimie & Glengarnock Trust	4	0	4	0	166	166	(162)
SC043374	Kilwinning Trust	49	0	49	0	327	327	(278)
SC043494	Largs Trust	7	0	7	3,000	167	3,167	(3,160)
<b>Total</b>		<b>14,198</b>	<b>2,660</b>	<b>16,858</b>	<b>10,025</b>	<b>2,287</b>	<b>12,312</b>	<b>4,546</b>

## Statement of Balances as at 31 March 2023

The Statement of Balances, as required by the Charities Accounts (Scotland) Regulations 2006, reconciles the cash and bank balances at the start and end of the financial year, with any surpluses or deficits shown in the Statement of Receipts and Payments.

### 2022-23

Charity	Description	Bank and Cash in Hand Opening Balance	Bank and Cash in Hand Surplus / (Deficit)	Closing Balance	Land and Buildings Market Value at 31 March	Investments Market Value at 31 March
		£	£	£	£	£
SC042136	Anderson Park Trust	158	(137)	21	0	0
SC042101	Douglas Sellers Trust	439	(133)	306	0	0
SC042117	Margaret Archibald Bequest	52,811	5,071	57,882	0	223,212
SC025083	North Ayrshire Council Trust	81,782	5,545	87,327	145,000	102,541
SC043644	Dalry Trust	2,019	(115)	1,904	0	0
SC043600	Kilbirnie & Glengarnock Trust	3,114	(104)	3,010	0	0
SC043374	Kilwinning Trust	37,328	266	37,594	0	0
SC043494	Largs Trust	3,436	(109)	3,327	0	0
<b>Total</b>		<b>181,087</b>	<b>10,284</b>	<b>191,371</b>	<b>145,000</b>	<b>325,753</b>

### 2021-22

Charity	Description	Bank and Cash in Hand Opening Balance	Bank and Cash in Hand Surplus / (Deficit)	Closing Balance	Land and Buildings Market Value at 31 March	Investments Market Value at 31 March
		£	£	£	£	£
SC042136	Anderson Park Trust	310	(152)	158	0	0
SC042101	Douglas Sellers Trust	591	(152)	439	0	0
SC042117	Margaret Archibald Bequest	48,547	4,264	52,811	0	231,056
SC025083	North Ayrshire Council Trust	77,439	4,343	81,782	145,000	102,607
SC043644	Dalry Trust	2,176	(157)	2,019	0	0
SC043600	Kilbirnie & Glengarnock Trust	3,276	(162)	3,114	0	0
SC043374	Kilwinning Trust	37,606	(278)	37,328	0	0
SC043494	Largs Trust	6,596	(3,160)	3,436	0	0
<b>Total</b>		<b>176,541</b>	<b>4,546</b>	<b>181,087</b>	<b>145,000</b>	<b>333,663</b>

The unaudited accounts were issued on 21 June 2023.

Signed on behalf of the Trustees on XX September 2023 by

Mark Boyd  
Head of Finance  
North Ayrshire Council

Councillor Marie Burns  
Leader  
North Ayrshire Council

## 1. Basis of Accounting

The Financial Statements have been prepared in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

## 2. Reorganisation

During the period 2012 to 2014, North Ayrshire Council undertook a review of Sundry Trusts that resulted in the creation of eight new Town Trusts. The North Ayrshire Council Charitable Trust comprises those registered charitable funds that were not amalgamated on a geographical basis, including:

Name of Trust Fund	Purpose
North Ayrshire Museum	For Benefit of North Ayrshire Museum
War Memorial Fund	Largs War Memorial Fund
Spier's Trust	Education Prize for the Garnock Valley
Robert Fleck Award	Education Prize for Saltcoats schools

## 3. Taxation

The Charitable Trusts are not liable to income or capital gains tax on their activities. Irrecoverable VAT is included in the expense to which it relates.

## 4. Trustee Remuneration, Expenses and Related Party Transactions

- No remuneration or expenses were paid to the Trustees or any connected persons during the year 2022/23 or 2021/22; and
- The Trusts received interest of £2,902 (2021/22: £237) from North Ayrshire Council at 31 March 2023 and all transactions incoming and outgoing are made via the Council's bank accounts; and
- For 2022/23 charges for administration costs of £936 (2021/22: £862) have been levied by North Ayrshire Council, these were apportioned across the Trusts based on the current balances.

## 5. Grants

2 awards of grant, totalling £4,250 were awarded to individuals and community groups during 2022/23 (2021/22: 5 grants totalling £10,025 were awarded). 1 grant was awarded to a community group and 1 to a school, all for the benefit of the local community.

## 6. Audit Fee

The audit fee for the year was £1,100 (2020/21: £1,200), allocated across all Trusts.

## 7. Cash and Bank Balances

During the year, the Trust's balances were held by North Ayrshire Council, which manages the administration of the funds on behalf of the Trustees. The Council also acts as the banker for the Charity and as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is paid on balances.

## 8. Investments

Two of the Trusts hold the following investments:

Margaret Archibald Bequest	Nominal Value	Market Value at 31 March 2023	Market Value at 31 March 2022
	£	£	£
GlaxoSmithKline plc	1,183.00	67,620	77,946
Marks & Spencer plc	400.00	2,463	2,282
Diageo plc	400.40	51,680	55,248
Barclays plc	336.00	1,960	1,993
Royal Dutch Shell plc	562.50	14,913	13,621
Unilever plc	37.00	50,490	41,633
British American Tobacco plc	300.00	34,086	38,334
<b>Total</b>		<b>223,212</b>	<b>231,056</b>

North Ayrshire Council Charitable Trust	Purchase Price / Nominal Value	Market Value at 31 March 2023	Market Value at 31 March 2022
	£	£	£
JPM UK Higher Income Fund	1,789.50	7,068	7,482
Merchants Trust	406.25	8,970	9,311
Alliance Trust	72.50	28,168	28,515
Zeneca Group plc	67.50	30,326	27,356
Diageo	217.00	28,009	29,942
<b>Total</b>		<b>102,541</b>	<b>102,607</b>

## 9. Land and Buildings

Income from property relates to grazing rents at Marshallands Grazings, Barrmill Road, Beith. The land was purchased for £25,000 in 2004 by the Spier's Trust and was last revalued in 2022/23 at a current market value of £145,000. No depreciation is charged.





## NORTH AYRSHIRE COUNCIL

21 June 2023

### North Ayrshire Council

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**Title:** Treasury Management and Investment Annual Report 2022/23

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**Purpose:** To report to Council on the Treasury Management and Investment Annual Report and Prudential Indicators for 2022/23.

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**Recommendation:** That Council notes :  
(a) the Treasury Management and Investment Annual Report for 2022/23 (Appendix 1); and  
(b) the Prudential and Treasury Indicators contained therein.

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### 1. Executive Summary

- 1.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities. The purpose of the annual review is to report the performance of the Council's treasury operations and how this measures up against the Council's Treasury Management and Investment Strategy 2022/23. This is done through the publication of the annual report which contains the actual prudential and treasury indicators for 2022/23.
- 1.2 This Treasury Management and Investment Annual Report meets the requirements of the Scottish Government's investment regulations, the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.3 The Treasury Management and Investment Annual Report 2022/23 for North Ayrshire Council is attached at Appendix 1. Key points to note from the report are as follows:
- During 2022/23, the Council complied with its legislative and regulatory requirements in relation to treasury activities;
  - Capital expenditure was below the level anticipated at the start of the year due to changes in the profile of projects;
  - Gross borrowing was lower than anticipated due to the revised profile of capital projects and the use of internal funds, the latter being a key element of the Treasury Management Strategy to minimise costs;
  - The Capital Financing Requirement increased as a result of the Council's adoption of the revised accounting arrangements under Local Government Finance Circular 10/2022 for the recalculation of debt repayments arising from the Council's service concession contracts aligned to the useful economic life of the assets under the contracts; and

- The average loans fund pool rate reduced from 3.38% to 3.14%.

## **2. Background**

2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management requires elected members to be provided with regular reports on treasury management activities. The 2022/23 Annual Treasury Management and Investment Strategy was approved by Council on 2nd March 2022 and the mid-year report was submitted to the Cabinet on 29 November 2022. This final outturn report ensures full compliance with the CIPFA Code of Practice.

## **2.2 Current Position**

The 2022/23 annual report is attached at Appendix 1 and covers:

- Prudential and treasury indicators;
- Investment rate and outturn; and
- Performance measures.

## **2.3 Statutory Requirements**

During 2022/23 the Council complied with its legislative and regulatory requirements. It is a statutory duty for the Council to determine and keep under review its approved borrowing limits and prudential indicators. Details within the report demonstrate that the Council has operated within the treasury limits and prudential indicators as set out in the Council's 2022/23 Annual Treasury Management and Investment Strategy Statement (TMSS).

## **2.4 Investment Update**

During 2022 North Ayrshire Council invested £5.000m with Woking Borough Council. This investment was made in line with the Treasury Management and Investment Strategy 2022/23. On 7 June 2023, Woking Borough Council was issued with a Section 114 notice which prevents the Council from entering into any new agreement or commitment for expenditure without the explicit agreement of the Section 151 Officer until the Council has met to consider the s114 report. However, contractual expenditure, including loan repayments remains necessary and allowable.

The Council's treasury advisors recommend against any further lending to Woking Borough Council at this time but advise that there is no fear of loss on the current investment and, as such, the Council can expect the full amount of the loan, including any interest, to be repaid on its maturity date. Officers continue to monitor the situation.

## **2.5 General Services and Housing Revenue Account (HRA)**

**2.5.1 Capital Financing Costs** - the General Fund budget of £15.794m for financing costs and expenses on debt for 2022/23 was underspent by £4.483m, comparative information for the HRA was a budget of £12.519m and an underspend of £1.212m. The underspends are a result of a planned contribution to support the 10 year General Fund capital programme; the re-profiling of planned capital expenditure; the continuing strategy to delay new external borrowing by utilising cash balances, resulting in savings on external interest costs; and the use of temporary borrowing from other local authorities. In addition there was an in year underspend of £2.764m following the adoption of the revised accounting arrangements under Local Government Finance Circular 10/2022 for the recalculation of debt repayments arising from the Council's service concession contracts as approved by Council on 15 February 2023.

**2.5.2 Interest on Revenue Balances** - the General Fund budget of £0.140m for interest on its revenue balances with a reported over-recovery of £0.334m in 2022/23, comparative information for the HRA was a budget of £0.036m with a reported over-recovery of £0.139m. The overall over-recovery is reflective of the steadily rising bank rate during 2022/23.

**2.5.3** In accordance with agreed policy, the net General Fund underspend of £7.581m has been transferred to the Loans Fund Reserve to support the funding strategy for the ten year capital investment programme.

## **3. Proposals**

3.1 It is proposed that Council notes :

- (a) the contents of the Treasury Management and Investment Annual Report for 2022/23 (Appendix 1); and
- (b) the Prudential and Treasury Indicators contained therein.

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

### **Financial**

4.1 Capital Financing underspends within General Fund of £7.581m have been transferred to the Loans Fund Reserve in line with agreed policy.

Within the HRA, the underspend of £1.351m has been utilised to offset in year budgetary pressures.

### **Human Resources**

4.2 None.

### **Legal**

4.3 The Local Government in Scotland Act 2003 and supporting regulations require the Council to produce an annual review of treasury management activities.

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

4.4 None.

### **Climate Change and Carbon**

4.5 None.

### **Key Priorities**

4.6 The Treasury Management and Investment Annual Report aligns with the Council Plan by maximising resources and providing value for money to support financially sustainable delivery models.

### **Community Wealth Building**

4.7 None.

## **5. Consultation**

5.1 The Council's treasury advisors, Arlingclose Ltd, were consulted in the preparation of this report.

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

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

### **Background Papers**

Treasury Management and Investment Mid-year Report 2022/23 – Cabinet 29 November 2022



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

# **Annual Treasury Management and Investment Report**

2022/23

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# Annual Treasury Management and Investment Report 2022/23

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## 1. Purpose

The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities. The purpose of this annual review is to report the performance of the Council's treasury operation and how this measures up against the Council's Treasury Management and Investment Strategy 2022/23. This is done through the publication of the annual report and actual prudential and treasury indicators for 2022/23.

This report meets the requirements of the Scottish Government's investment regulations, the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2022/23 the minimum requirement was that the following reports should be submitted to Elected Members:

- an annual treasury management and investment strategy (submitted to the Council on 2 March 2022)
- a mid-year treasury update report (submitted to the Cabinet on 29 November 2022)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

In September 2022 the Scottish Government issued Finance Circular 10/2022 to all local authorities which enabled the application of a financial flexibility in relation to the accounting for service concession arrangements, leases and similar arrangements. In February 2023, North Ayrshire Council agreed to adopt this financial flexibility which resulted in the recalculation of debt repayments arising from the Council's service concession contracts aligned to the useful economic life of the assets under the contracts.

Regulations place responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

## 2. Executive Summary

During 2022/23, the Council complied with its legislative and regulatory requirements.

The **key prudential and treasury indicators** detailing the impact of capital expenditure activities during the year, with comparators, are summarised below. In order to provide consistency within all the tables in this report, all figures exclude the Council's liabilities in respect of PPP/NPD unless otherwise stated.

**TABLE 1**

Prudential and treasury indicators	2021/22 Actual £m	2022/23* Estimate £m	2022/23 Actual £m
Capital expenditure ( <b>Indicator 1</b> )			
General services	41.041	51.938	36.194
HRA	48.668	41.286	30.478
<b>Total</b>	<b>89.709</b>	<b>93.224</b>	<b>66.672</b>
Capital Financing Requirement (CFR):			
General services	197.355	203.831	219.809
HRA	155.633	174.824	164.255
<b>Total</b>	<b>352.988</b>	<b>378.655</b>	<b>384.064</b>
Gross borrowing ( <b>Indicator 4</b> )	258.527	268.796	245.566
Operational Boundary ( <b>Indicator 5</b> )	372.562	393.907	397.338
Authorised Limit ( <b>Indicator 6</b> )	409.819	433.298	437.072
Investments ( <b>Indicator 7</b> )	43.506	30.000	31.456

*\* All figures in this report reflect the latest estimate contained within the 2023/24 Annual Treasury Management and Investment Strategy*

A summary of performance is provided below with more detailed information provided in the body of the report.

Overall **Capital Expenditure** was below the level anticipated due to changes in the profile of projects.

The **Capital Financing Requirement (CFR)** is the underlying borrowing requirements of the Council. The increase to the requirement during 2022/23 reflects the adoption of the revised accounting arrangements under Local Government Finance Circular 10/2022 for the recalculation of debt repayments arising from the Council's service concession contracts aligned to the useful economic life of the assets under the contracts. The increase was partially offset by changes in the profile of the capital programme.

**Gross Borrowing** reflects the actual borrowing which has been undertaken, this was lower than anticipated due to the revised profile of capital projects and the use of internal funds, the latter being a key element of the Treasury Management Strategy to minimise costs.

The **Operational Boundary** is the maximum we would anticipate borrowing to fund the current capital programme, building in flexibility for the timing of the different funding streams and principal repayments. Due largely to the use of internal funds, the Council's actual borrowing position is well within the Operational Boundary.

The **Authorised Limit** is a statutory limit; it is the maximum amount of borrowing determined by the Council and should not be exceeded. The Council has set the Authorised Limit at 10% above the Operational Boundary to give some flexibility to raise funds for future year capital investment.

As noted above, the Council continues to use its internal funds to delay borrowing to minimise costs but balances this with long term borrowing to support the agreed Capital Investment Programme and to reduce the Council's exposure to interest rate risk. No **new long term borrowing** took place in 2022/23.

The **average loans fund pool rate** is the total interest paid during the year as a percentage of the total loans fund advances. In 2022/23 this decreased from 3.38% to 3.14%.

The **maturity profile** and balance between **fixed and variable rate borrowing** mitigates the Council's exposure to interest rate variations either now or when loans require to be refinanced. A total of £50.950m of the Council's loans are at a variable rate, which is in line with the strategy.

**Affordability** of borrowing is measured by the percentage of financing costs relative to the net revenue stream of the General Fund and Housing Revenue Account; the percentage values were lower than estimated for both the General Fund and the Housing Revenue Account. Actuals for 2022/23 were 1.9% for the General Fund and 20.1% for the Housing Revenue Account. Capital expenditure impacts on the revenue budget through financing charges so it is essential the Council ensures the financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available. From a General Fund perspective, the Scottish Local Authority average in 2021/22 was 5.5%, therefore demonstrating a prudent borrowing policy. For the HRA, the Scottish average in 2021/22 was 22.7%. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.`

The **average internal investment** rate was 1.69% compared to a target of 0.50%. The rate secured in 2021/22 was 0.15%. The higher return secured in 2022/23 is reflective of the steadily rising bank rate during 2022/23.

Other prudential and treasury indicators and supporting information can be found in the main body of this report.

## Conclusion

The Head of Finance confirms that long-term borrowing is only undertaken for a capital purpose and that the statutory borrowing limit (the authorised limit) has not been breached.

### 3. Prudential and Treasury Indicators for 2022/23

The Prudential Code establishes a framework to ensure that councils demonstrate effective control over levels of, and decisions relating to, capital investment activity, including borrowing. Treasury indicators are used to ensure that risk is managed and controlled effectively. Together the Prudential and Treasury Indicators consider the affordability and impact of capital expenditure decisions.

These indicators help the Council to demonstrate public accountability in relation to borrowing and investments. As part of this accountability the report will summarise the following: -

- The Council's Capital Expenditure and Financing (section a);
- The Council's Overall Borrowing Need (section b);
- Limits to Borrowing Activity (section c);
- Treasury Position at 31 March 2022 (section d); and
- Affordability Prudential Indicators (section e);

#### (a) The Council's Capital Expenditure and Financing 2022/23 (Prudential Indicator 1)

The Council incurs capital expenditure when it invests in its long-term assets. Capital Expenditure can be funded in two main ways:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which have no impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply other resources, then capital expenditure will give rise to borrowing which needs to be approved as part of the Council's capital investment plans.

The tables below show the actual capital expenditure incurred in 2022/23 compared with the planned investment alongside the amount financed immediately and the amount which gave rise to borrowing.

**TABLE 2**

General Fund	2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
<b>Capital expenditure (Indicator 1)</b>	<b>41.041</b>	<b>51.938</b>	<b>36.194</b>
Financed in year	24.386	41.113	33.702
<b>Unfinanced capital expenditure</b>	<b>16.655</b>	<b>10.825</b>	<b>2.492</b>

HRA	2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
<b>Capital expenditure (Indicator 1)</b>	<b>48.668</b>	<b>41.286</b>	<b>30.478</b>
Financed in year	24.314	16.723	16.484
<b>Unfinanced capital expenditure</b>	<b>24.354</b>	<b>24.563</b>	<b>13.994</b>

## (b) The Council's Overall Borrowing Need (the Capital Financing Requirement) (Prudential Indicators 2 and 3)

This indicator outlines the Council's Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not been paid from either a capital or revenue resource and, therefore, needs to be funded from borrowing. It is essentially a measure of the Council's underlying borrowing need.

Part of the Council's treasury activity is to meet the funding requirements for this borrowing need. The treasury management section organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, the Public Works Loan Board [PWLb], other Local Authorities, or the money markets), or utilising temporary cash resources within the Council.

The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. The Council is required to make an annual revenue charge, called the Loans Fund Principal Repayment. This is effectively a repayment of the borrowing need and it is charged to revenue over the life of the asset. This charge reduces the CFR each year. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as capital receipts); or
- increasing the annual revenue charge

The Council's CFR for the year is a key prudential indicator and is shown below. The opening balance includes PPP/ NPD schemes on the balance sheet, which increases the Council's borrowing need. This is shown in order to give a complete picture of the Council's debt, however, no borrowing is actually required against these schemes as a borrowing facility is included in the contract and, as such, this is subsequently removed.

During 22/23 the Scottish Government issued Finance Circular 10/2022 to all local authorities which enabled the application of a financial flexibility in relation to the accounting for service concession arrangements, leases and similar arrangements. In February 2023, North Ayrshire Council agreed to adopt this financial flexibility which resulted in charges to the General Fund being rescheduled over the 50 year useful economic life of the assets rather than the current contract terms. This will result in the release of a one-off retrospective repayment adjustment of £21.546m with a short to medium term reduction in the annual debt repayment charges over the period to 2037/38. The impact of this change during 2022/23 is a £24.311m increase to the Capital Financing Requirement.

Table 3 shows that, based on historic capital expenditure and this year's capital expenditure, the Council has a cumulative underlying need to borrow £384.064m at 31 March 2023.

**TABLE 3**

CFR	2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
Opening balance	319.890	352.988	352.988
Add PPP/NPD liability	103.882	92.386	100.139
<b>Revised Opening Balance</b>	<b>423.772</b>	<b>445.374</b>	<b>453.127</b>
Add unfinanced capital expenditure (General Fund)	16.655	10.825	2.492
Add unfinanced capital expenditure (HRA)	24.354	24.563	13.994
Less Loans Fund Principal Repayments	(7.911)	(9.721)	14.590
<b>Sub-total</b>	<b>456.870</b>	<b>471.041</b>	<b>484.203</b>
Less PPP/NPD lease repayments	(103.882)	(92.386)	(100.139)
<b>Closing balance (Indicator 2)</b>	<b>352.988</b>	<b>378.655</b>	<b>384.064</b>
<b>Annual Change (Indicator 3)</b>	<b>33.098</b>	<b>25.667</b>	<b>31.076</b>

## (c) Limits to Borrowing Activity (Prudential Indicators 4 - 6)

Borrowing activity is constrained by the prudential indicators for CFR and gross borrowing and by the authorised limit, to ensure that the Council operates its activities within well-defined limits.

### Gross borrowing and the CFR

There is a need to ensure that gross debt does not, except in the medium term, exceed the total CFR (i.e. the Council does not borrow more than it needs to fund its capital programme). In exceptional circumstances Councils are allowed to borrow to cover the current financial year plus the next two financial years (i.e. to 2024/25). This provides some flexibility to borrow in advance where this is appropriate.

Table 4 highlights the Council's gross borrowing position against the CFR and confirms that the Council has complied with this prudential indicator as gross borrowing is currently within the CFR. The Council is currently under borrowed by £138.498m due to the continuing strategy to delay new external borrowing by utilising internal cash balances. The increase in the under borrowed position reflects the adoption of the financial flexibility in relation to the Council's service concession contracts along with the increased use of internal funds.

**TABLE 4**

	2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
Gross borrowing position ( <b>Indicator 4</b> )*	258.527	268.796	245.566
CFR	352.988	378.655	384.064
<b>(Under)/Over Borrowed Position</b>	<b>(94.461)</b>	<b>(109.859)</b>	<b>(138.498)</b>

As part of its Annual Treasury Management Strategy the Council sets limits for external borrowing which it is not normally expected to exceed. These limits are explained below.

### The Operational Boundary (Indicator 5)

The operational boundary is the expected maximum borrowing position of the Council during the year, taking account of the timing of various funding streams and the recharge of principal repayments from the revenue account. Periods where the actual position varies from the boundary are acceptable subject to the authorised limit not being breached.

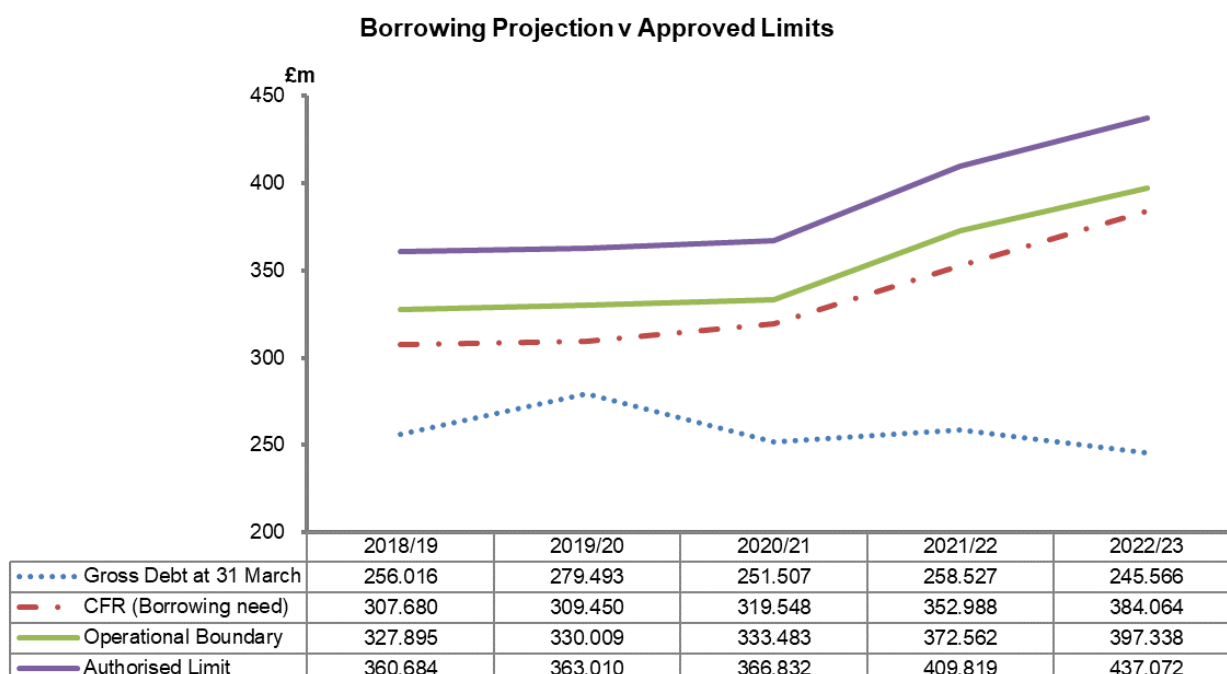
### The Authorised Limit (Indicator 6)

The authorised limit represents a limit beyond which external debt is prohibited. This limit is set by Council and can only be revised by Cabinet approval. It reflects the level of external borrowing which, while not desirable, could be afforded in the short term but is not sustainable in the longer term. The current limit is set at 10% above the operational boundary.

The following graph shows the trend of the Council's gross borrowing against approved limits. This demonstrates that during 2022/23 the Council's gross borrowing was within both the operational boundary and the authorised limit by a significant margin, due largely to the continuing strategy to delay new external borrowing by utilising internal cash balances.

Information on the re-profiling of capital expenditure can be found in the 'Capital Programme Performance to 31 March 2023' report, presented to Cabinet on 29 May 2023.

*NB: Figures exclude PPP*





## (d) Treasury Position at 31 March 2023 (Prudential Indicators 7 -9)

The Council's debt and investment position is organised by the treasury management service to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within agreed parameters. Procedures and controls to achieve these objectives are well established both through Member reporting and through the Council's Treasury Management Practices.

### Borrowing Strategy for 2022/23

The borrowing strategy for 2022/23 anticipated bank interest rates rising to 1% during 2022/23 and fixed borrowing rates to remain steady. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

The Council has a strategy of taking a combination of temporary and permanent borrowing in recognition of the Council's longer term borrowing requirements and the market rates available at that time. This balances short term financial savings with longer term security of costs. During 2022/23 the Council undertook no new borrowing.

The cost of both long and short-term borrowing rose dramatically over the year, with rates at the end of March around 2% - 4% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to control this by raising interest rates. Particularly dramatic rises were seen in September after the Governments 'mini-budget': over a twenty-four-hour period some PWLB rates increased to 6%. Rates have now fallen from September peaks but remain volatile and well above recent historical norms. The PWLB 20 year maturity certainty rate stood at 4.70% at 31st March compared to 2.7% at the start of 22/23. As a result of the increased borrowing rates, the Council's current strategy is to use internal funds instead of borrowing where possible.

The Bank of England increased the official Bank rate to 4.25% during the year from 0.75% in March 2022 to tackle the rising, persistent inflation during the year.

A new HRA PWLB rate of gilt yield plus 0.4% (0.4% below the currently available certainty rate) was announced on 15th March 2023. This discounted rate is to support local authorities borrowing for Housing Revenue Accounts and the delivery of social housing and is expected to be available from June 2023, initially for a period of one year.

## Borrowing Outturn for 2022/23

At the beginning and end of 2022/23, the Councils treasury position was as follows:

**TABLE 5**

	31 March 2022 Principal £m	Rate/ Return %	31 March 2023 Principal £m	Rate/ Return %
Fixed rate funding:				
- PWLB	181.055	4.68%	178.167	4.72%
-Local Authorities	25.000	0.10%	15.000	1.62%
-Market	1.522	8.40%	1.449	8.83%
Variable rate funding:				
- Market	50.950	5.10%	50.950	5.10%
<b>Total debt</b>	<b>258.527</b>	<b>4.34%</b>	<b>245.566</b>	<b>4.63%</b>
<b>CFR</b>	<b>352.988</b>		<b>384.064</b>	
<b>Over / (under) borrowing</b>	<b>(94.461)</b>		<b>(138.498)</b>	
Investments:				
- Internally managed	43.506	0.15%	31.456	0.73%
<b>Total investments</b>	<b>43.506</b>		<b>31.456</b>	

The Council's gross debt position decreased by £12.961m during 2022/23. A summary of the movement is outlined below.

Category of Debt	Activity	£m
Fixed - PWLB	Repayment	(2.888)
Fixed - Local Authorities	Repayment	(10.000)
Fixed - Market	Repayment	(0.073)
Net Decrease in Debt		(12.961)

In accordance with the agreed strategy and taking appropriate cognisance of investment concerns, both in terms of counterparty risk and low returns on investment, the Council used internal short-term cash reserves to temporarily fund its remaining borrowing requirement.

### Rescheduling

No rescheduling was done during the year as the average differential between PWLB new borrowing rates and premature repayment rates made rescheduling not viable.

All investments at 31 March 2023 mature within one year in line with the Annual Treasury Management and Investment Strategy. (Indicator 7)

The maturity structure of the debt portfolio (Indicator 8) at 31 March 2023 is included in Table 6 and shows the period when the Council is required to repay and/or refinance debt. It is important to ensure a reasonable spread of debt to mitigate against high exposure levels in respect of refinancing. The current profile ensures this:

**TABLE 6**

	31 March 2022 Actual £m	31 March 2021 Actual %	31 March 2023 Actual £m	31 March 2022 Actual %
Under 12 months	76.911	30%	43.481	18%
12 months and within 24 months	2.950	1%	2.950	1%
24 months and within 5 years	10.050	4%	6.207	3%
5 years and within 10 years	24.439	9%	21.639	9%
10 years and within 20 years	28.665	56%	33.177	70%
20 years and within 30 years	6.625		6.225	
30 years and within 40 years	106.887		106.887	
40 years and within 50 years	2.000		15.000	
50 years and above	-		10.000	
<b>Total Borrowing</b>	<b>258.527</b>	<b>100%</b>	<b>245.566</b>	<b>100%</b>

\* Note that for 22/23 LOBOs of £25.950m have been shown as under 12 months to reflect the ability of these to be called in by the investor at any time. This does not change the maturity date but simply reflects the nature of the debt. The likelihood of these being called in is very low.

Another indicator is used to manage risk and reduce the impact of adverse movement in interest rates. This sets a limit on the Council's exposure to fixed and variable interest rates (**Indicator 9**) and was as follows:

**TABLE 7**

	2021/22 Actual £m	2022/23 Limit £m	2022/23 Actual £m
Limit on fixed rate (principal)	207.577	306.895	194.616
Limit on variable rate (principal)	50.950	60.000	50.950

### Estimates of prudent Loans Fund repayment

The purpose of the Loans Fund is to record advances for expenditure incurred or loans made to third parties which a local authority has determined are to be financed from borrowing as set out in Regulation 2 of The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 ["the Regulations"]. The Loans Fund advance is effectively the repayment of the 'principal' linked to the expenditure classified above which is unfinanced and is required to be funded from borrowing. Repayment of Loans Fund advances are required to be made in line with Scottish Government statutory guidance on Loans Fund Accounting.

The Council's latest estimates of its Loans Fund account information are as follows:

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment by HRA £m	Closing Balance £m
2022/23 Actual	352.988	2.492	13.994	19.962	-5.372	384.064
2023/24 - 27/28	384.064	237.761	216.700	-12.804	-44.722	781.000
2028/29 - 32/33	781.000	1.571	63.927	-17.093	-57.208	772.197
2033/34 - 37/38	772.197	0.000	78.950	-15.327	-80.733	755.087
2038/39 - 42/43	755.087	0.000	118.549	-51.224	-104.773	717.638
2043/44 - 47/48	717.638	0.000	0.000	-73.260	-104.678	539.700
2048/49 - 52/53	539.700	0.000	0.000	-89.347	-94.854	355.500
2053/54 - 57/58	355.500	0.000	0.000	-76.920	-84.985	193.594
2058/59 - 62/63	193.594	0.000	0.000	-42.481	-61.411	89.701
2063/64 - 67/68	89.701	0.000	0.000	-40.377	-9.018	40.306
2068/69 & later	40.306	0.000	0.000	-40.306	0.000	0.000

## (e) Affordability Prudential Indicators (Prudential Indicators 10 - 12)

These Prudential Indicators assess the affordability of capital investment plans and provide an indication of the impact of capital investment plans on the Council's overall finances.

### **Actual financing costs as a proportion of net revenue stream**

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream and is a measure of affordability for debt repayment. Actuals for 2022/23 were 1.9% for the General Fund and 20.1% for the Housing Revenue Account. The rising ratio within the HRA is indicative of the significant capital investment programme as outlined in the Strategic Housing Investment Plan. Capital expenditure impacts on the revenue budget through financing charges so it is essential the Council ensures the financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available. From a General Fund perspective, the Scottish Local Authority average in 2021/22 was 5.5%, therefore demonstrating a prudent borrowing policy. For the HRA, the Scottish average was 22.7%. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

**TABLE 8**

Estimate of ratio of financing costs to net revenue stream	2021/22 Actual	2022/23 Estimate	2022/23 Actual
General Services	2.5%	2.9%	1.9%
HRA	18.7%	20.9%	20.1%

## 4. Investment Rates and Outturn 2022/23

### Interest Rates

The Bank of England increased the official Bank rate to 4.25% during the year from 0.75% in March 2022 to tackle the rising, persistent inflation during the year. Deposit rates have increased during 2022/23 as a result.

### Investment Policy

The Council's investment policy is governed by Scottish Government investment regulations, which have been implemented in the annual investment strategy approved by the Council on 2 March 2022. This policy sets out the approach for choosing investment counterparties and is based upon: new bank resolution regulations, where failing banks will not be bailed-out but 'bailed-in' by unsecured investors that can include local authorities; the capacity of banks to absorb unexpected losses; and credit ratings provided by the leading credit rating agencies. This is supplemented by additional market data (such as economic data, credit default swaps, bank share prices etc.).

### Resources

The Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's cash resources were as follows:

**TABLE 9**

Cash Balances	2021/22 Actual	2022/23 Actual
	£m	£m
1 April	42.258	43.506
31 March	43.506	31.456
<b>Change in year</b>	<b>1.249</b>	<b>(12.050)</b>

The above investment portfolio includes a £5m loan to Woking Borough Council until 23 October 2023. The Council is aware that the Woking Borough Council was issued with a Section 114 notice on the 7 June 2023 which prevents the Council from entering into any new agreement or commitment for expenditure without the explicit agreement of the Section 151 Officer until the Council has met to consider the s114 report. However, contractual expenditure, including loan repayments remains necessary and allowable.

Arlingclose recommend against any new lending to Woking Borough Council until the financial position stabilises but advise that our current loan arrangement is protected under sections 6 and 13 of the Local Government Act 2003 and, as such, we can expect the full amount of the loan, including any interest payments to be recovered on the maturity date. Officers continue to monitor the situation.

## Investments held by the Council

The Council maintained an average balance of £42.281m of internally managed funds and utilised cash balances during the year in support of the under-borrowed position. The internally managed funds, primarily invested in call accounts with banks, Money Market Funds and other UK local authorities, earned a weighted average rate of return of 1.69%. This compares to a rate of 0.15% in 2021/22. Performance was above the target rate of 0.50% and reflects the steady rises in the bank rate during 2022/23 and the short term nature of our investments and our overall investment objectives of security and liquidity.

## Performance Measurement

One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide.

The Council's treasury management advisors are Arlingclose Limited. Arlingclose has five Scottish Local Authorities in their client group and provide regular investment benchmarking information to the Council. In terms of performance in 2022/23, North Ayrshire Council's average weighted rate of return on investments during 22/23 was 1.69% (21/22 0.15%). The actual rate of return on investments as at 31 March for North Ayrshire Council was 3.60% compared to the group average rate of 3.90%.

Emphasis will continue to be placed on investing with approved counterparties in accordance with the approved strategy.





## NORTH AYRSHIRE COUNCIL

21 June 2023

### North Ayrshire Council

**Title:** School Meals Debt

**Purpose:** To provide options to Council in response to the Council motion on 17 May 2023 to 'scrap all school meal debt by the start of the 2023-24 school year'.

**Recommendation:** It is proposed that Council considers the options contained within this report in response to the Council motion of 17 May 2023 to 'scrap all school meal debt by the start of the 2023-24 school year'.

### 1. Executive Summary

- 1.1 At the Council meeting on 17<sup>th</sup> May 2023, it was agreed 'in principle to scrap all school meal debt by the start of the 2023-24 school year; and that a report be brought to the June 2023 meeting of the Council outlining options including financial implications on how to achieve this aim.'
- 1.2 This report sets out the background to this issue and provides options for Council to consider.

### 2. Background

#### Good Practice Principles for School Meal Debt Management

- 2.1 Good Practice Principles for School Meal Debt Management have been developed by COSLA, with partners from across Local Government (ADES, ADES Resources Network, ASSIST FM, Directors of Finance, and IRRV). The purpose of these principles is to promote good practice in the management of school meal debt, whilst retraining a level of flexibility to enable local authorities to design and implement approaches which align with the unique needs and circumstances of their communities. Decisions around school meal debt management, including all aspects of policy and practice, remain at the discretion of each local authority.
- 2.2 COSLA, in partnership with ASSIST FM, ADES, ADES Resources Network, Directors of Finance, and IRRV, developed a survey for councils to complete on the subject of school meal debt, with the intention of gaining a better understanding of the situation and context surrounding school meal debt policy and practice; the level of need across the country; and the use of the power to grant discretionary free school meals.

2.3 28 local authorities responded by the end of September 2022, with key findings from this exercise including the following:

- Councils are aware of the issue of school meal debt, and many are currently actively considering how best to approach this in terms of policy and practice.
- A small number of local authorities have recently chosen to write off existing school meal debt in their area.
- School meal debt management spans departments. Education, catering, and finance departments within local authorities, as well as individual school staff, can play a role in how this is approached.
- Whilst in the majority of cases school meal debt accrues because families are experiencing financial hardship, it was identified that this is not the case in every situation. A number of other reasons behind the accrual of debt were highlighted, including pupils forgetting or losing money, and families waiting to make large, one-off payments to clear debt.
- Some councils exercise their ability to grant discretionary free school meals, in instances where a family does not meet the eligibility criteria but is in need. Cost and budgetary constraints were identified as barriers to this being used by some areas.

#### Development of Good Practice Principles

2.4 In November 2022, COSLA's Children and Young People Board considered the issues of school meal debt, including the research and reports outlined above and the findings from the Local Government survey, and agreed to the development of good practice principles.

2.5 COSLA highlighted that whilst Local Government is fully committed to ensuring positive and effective approaches are in place to support children, young people and their families, the current financial and budgetary pressures facing councils are severe and will necessarily impact on what is possible. The Scottish Government's Resource Spending Review presented a flat cash position for Local Government, with no additional core funding for Local Government in the next three years. The 2023/24 Budget also indicates a continuation of the significant funding pressure faced by Local Government for at least the past decade.

2.6 The pressure on core budgets as a result of these real-terms cuts and increased demand, compounded by inflation, the cost-of-living crisis, and the impact of Covid-19, is becoming increasingly visible and leaves councils with no alternative than to make difficult choices about service funding levels. This will necessarily impact on what funds can be made available to support families in the context of school meal debt, though this remains a priority.

#### 2.7 COSLA Good Practice Principles

North Ayrshire Council adheres to and in some cases exceeds the recommendations of the COSLA guidelines. The good practice principles are listed here, accompanied by the North Ayrshire status in relation to each principle:

- 1) **COSLA:** Meeting the needs; upholding the rights; and supporting the welfare of children, young people, and their families in line with their individual circumstances should be of paramount concern in the design and implementation of local authorities' school meal debt policy and practice. Consideration should be given to how the views of children, young people and their families can be sought and drawn upon to help shape local authority policy and practice.

**North Ayrshire:** The primary school procedure and the recently revised procedure for management of secondary school meals debt are aligned to the good practice principles. As such the processes quickly identify those pupils who accrue debt via school meals and alerts Welfare Support staff in schools. This allows for early interventions to take place by contacting the family and arranging supports which may be required e.g., support to complete a free school meal application, referral to Money Advice services, Customer Services or help with Housing support.

- 2) **COSLA:** Local authorities' approaches to school meal debt management, including all aspects of policy and practice, should be compassionate, proportionate and seek to minimise as far as possible the stigmatisation of children, young people, and their families.

**North Ayrshire:** As above, the debt management policies for primary and secondary schools meet the requirements of this principle. There is also no interaction at the till point to identify any pupil who has insufficient credit in their account for a meal.

- 3) **COSLA** Processes for school meal debt management should be as clear and accessible as possible. Where barriers are identified, e.g., parents/carers face difficulty navigating online systems, consideration should be given to what support can be provided to address this.

**North Ayrshire:** Support is available from schools, including School Welfare Officers and notably, Customer Services, for those parents and carers who experience barriers. This is widely publicised through a variety of channels.

- 4) **COSLA:** A co-ordinated approach should be taken to designing and implementing school meal debt policy and practice. The appropriate role of relevant departments (e.g., education, catering, finance, and revenues & benefits) within local authorities, as well as individual school staff, should be considered, as well as how they should work together.

**North Ayrshire:** A realignment of the Facilities Management (FM) service into the Communities and Education directorate was designed to integrate and improve how relevant services work together to ensure better outcomes for children, young people, and their families. The revised debt management policy for secondary schools has been co-produced between Education and Facilities Management to ensure a dignified meal provision is in place and all aspects of the process have been considered.

- 5) **COSLA:** Local authorities should consider setting a threshold at which unpaid sums will formally become 'debt' and be treated as such. A threshold of around one month's worth of meals is suggested, based on the fact that some families choose to clear debt after each pay-day.

**North Ayrshire:** The Council no longer formally raises debt as this ceased during the roll out of universal free school meals (UFSM). All primary school meal debt on the debtors' ledger has already been written off. Debt does accrue on our online payments system for those not covered by UFSMs (primary 6 & 7s), and the Council issues weekly texts to act as reminders to parents/carers to top up their accounts. This text is designed to include information to encourage access financial support if required.

- 6) **COSLA:** Local authorities should consider undertaking a routine review of families' summary debt position, to reduce the risk of families accumulating large debts without the authority or school being aware of this and enable the timely provision of support where this is needed.

**North Ayrshire:** The intervention at secondary school level allows conversations/early intervention by Welfare Officers with parents/guardians. The approach recommended is "No Wrong Door" which allows signposting or referrals to other services to assist the family as required.

- 7) **COSLA:** Consideration should be given to effective communication practices to ensure that parents/carers receive the right information, at the right time, in an accessible manner, from the most suitable person.

**North Ayrshire:** For primary school debt (primary 6 & 7 pupils) a weekly text is issued noting the debt balance but also provides contact details for those requiring financial support. As noted above secondary schools have a personal intervention via Welfare Officers directly with the families accruing debt.

- 8) **COSLA:** Consideration should be given and efforts made to promote, maximise and address any barriers to take-up of free school meals (and other available support e.g. the school clothing grant; free bus travel for under 22s) for those families who are eligible. A number of local authorities have auto-award systems in place whereby free school meals are automatically applied to families who receive other qualifying benefits, and this approach should be considered as a way to support access and take-up. The Child Poverty Action Group's [Cost Of The School Day](#) project also provides practical tips, training and materials to reduce costs for families.

**North Ayrshire:** From this year due to the changes in relation to the DWP Memorandum of Understanding in relation to data sharing, the Council now requires to to revert to asking customers to provide proof of their income for eligibility. This will now be the case for all local authorities. Customers can be supported over the telephone and at our customer service centres. Emails and text messages will be sent out to existing applicants encouraging them to apply as well as communications via Council social media and website. We will also be hosting further drop-in sessions over the summer months to

assist people to apply for Free School Meals, School Clothing Grants, Education Maintenance Allowance and Under 22 Travel.

9) **COSLA:** When staff become aware that a household is facing financial or other difficulties, efforts should be made to ensure that wherever possible families are signposted to, and, if appropriate, supported to access, available sources of support which are relevant to their needs. This could include:

- Financial advice and support services
- Income maximisation/ welfare rights support
- Cost of living support, including cash payments
- Employability support
- Social work or care support
- Support for unpaid carers

**North Ayrshire:** The revised debt management procedure for secondary schools supports this principle. The primary school approach encourages families to contact the Customer Contact Centre where a wide range of support is available.

10) **COSLA:** All local authorities have the power to grant discretionary free school meals to pupils who do not meet the national eligibility criteria, where families are experiencing financial hardship. Consideration should be given to whether and/or how the local authority will use the provision of discretionary free school meals as a mechanism for supporting families facing financial hardship who are ineligible for free school meals.

**North Ayrshire:** North Ayrshire has a policy that no child will miss a meal due to lack of funds.

11) **COSLA:** Decisions on clearing school meal debt across an authority should remain at the discretion of each local authority.

**North Ayrshire:** All debt for primary 1 - primary 5 pupils was written off as the roll out of UFSMs continued. Aged debt for primary 6 & 7 pupils has also been written off. The debt on the online payments system for primary 6 & 7 is currently around £80k. Debt is not pursued. Decisions on debt for secondary schools is at the discretion of the school whilst assessing individual family circumstances and putting supports in place as required.

12) **COSLA:** Consideration should be given to the range of approaches and mechanisms that could be used to support families or clear debts in particular cases where a need is identified, within the flexibilities and discretion afforded to local authorities and Head Teachers. For example, consideration could be given to:

12a) **COSLA:** Using school hardship funds or Pupil Equity Funding (PEF) to support discretionary meal provision or debt clearance in particular cases.

**North Ayrshire:** Schools do not have specific hardship funds. They can of course use their general school fund accounts for these reasons, at the discretion of the school. They can also choose to use their PEF allocation, which is set on a multi-year basis.

- 12b) **COSLA:** Flexible use of available free school meals, accounting for absence and take-up rates amongst pupils who are registered for FSM.

**North Ayrshire:** The Council has an approach that no child or young person will go hungry therefore anyone presenting at the till with a meal will be served whether they have credit in their account or not. As a result, the Council is already funding meals for those who do not have credit to pay for a meal. Debt in primary schools is currently around £80k. This has accrued due to pupils presenting for a meal however they are not registered for a FSM and do not have sufficient credit in their account. Debt in secondary schools is currently around £14k.

#### Current Situation in North Ayrshire

- 2.8 Under current arrangements children from low-income families are already eligible for free school meals, including those whose parents are in receipt of Universal Credit, Income Support, Child Tax Credits, or other income-based allowances:
- Universal Free School Meals (UFSMs) (applies currently to all primary 1 – primary 5 pupils: 6617.
  - Free School Meals (FSMs) applications for primary 6 & 7: 902 (30% of school roll).
  - FSMs for secondary: 2020 (26% of school roll).
- 2.9 For those who have built up school meal debt, which in some cases will be ongoing legacy of the Covid pandemic, the Council follows the principles detailed in COSLA's Good Practice Principles for School Meal Debt Management.
- 2.10 Under our revised procedures a number of actions have been progressed, including:
- Debts in relation to Primary 1-5 pupils have already been written off, reflecting their entitlement to universal free school meals.
  - Facilities Management works closely with Customer Services, who advise the Service of any new free school meal applicants following an assessed need.
  - New applicants for free school meals have any historical debt written off.
  - Aged debt which was on the debtors' ledger in relation to Primary 6-7 pupils has also now been written off following the anticipated roll-out of Free School Meals for these year groups.
  - All correspondence with families in relation to informing them about the balance of their school meals account is based on a positive interaction which informs and directs them to the Council's Customer Contact Centre number where they will receive advice, support and guidance about their financial situation, and referral to Money Matters should they require it. This is an important means of communication with families who may need support and are unaware of how to access it or are reluctant to do so. Ongoing contact with families via this mechanism ensures that we maintain contact with them, and thus our ability to offer opportunities to support them.

- 2.11 Irrespective of entitlement or debt levels, the current Council approach in relation to discretionary school meals ensures all pupils (primary and secondary) who present for a meal will be provided with a meal regardless of financial capability. This is a seamless and discreet service, including through in-schools and partner referrals, with no identifiers for those who are either entitled to free school meals or who do pay but have no credit in their accounts.

### Financial Position

- 2.12 The value of school meal debt at 31 March 2023 was £80,139 for primary schools (P6/7 only) and £13,902 for secondary schools. This compares to total income for the year of £151,232 for primary schools and £788,093 for secondary schools.
- 2.13 Any action to write off existing school meals debt could present risks to the Council in its ability to collect future revenue in respect of school meals resulting in additional budget pressures through non-recovery of current or future income.

### Primary schools

- 2.14 The value of school meal debt at 31 March 2023 was £80,139 for primary schools in comparison to a total income for the year of £151,232. This process is managed centrally by the Council.
- 2.15 Consideration has been given to the options in the COSLA Good Practice Principles that school meals debt could be funded through PEF. However not all schools are in receipt of PEF and some schools receive low levels of funding. PEF is devolved to individual schools and there would therefore need to be local consultation and agreement at school level on any use of PEF allocations in this way.
- 2.16 Consideration has also been given to the options in the COSLA Good Practice Principles that school meals debt could be funded through school funds. However, adequate levels of individual school fund resources cannot be guaranteed due to local variations, including reliance on fundraising to support this approach and this proposal would also require consultation with individual school communities, including parent councils.
- 2.17 The writing off of aged debt (historical invoices raised) in relation to Primary 6-7 pupils has been funded through earmarked funds within FM.

### Options to fund the write off existing primary school meal debt

#### **2.18 Option 1**

In recognition that school meals debt is in many cases a residual impact of the effects of the Covid pandemic, the funds currently earmarked from FM's revenue budget for debt clearances on Ipayimpact (online system) could be used to fund the write off of the majority of the existing primary school meals debt. The current debt is c. £80,000 and the current earmarked funds are £65,000. Primary school debt increases at between £5,000 and £10,000 per month throughout the year, for which consideration continues to be made within the FM budget. The current gap to write off existing debt



would therefore be c. £20,000. This could be met from the Early Intervention and Prevention Fund for Child Poverty and Cost of Living, PEF or relevant Communities and Education directorate budgets.

## 2.19 **Option 2**

Continue the current approach which meets or exceeds the COSLA Good Practice guidance by making financial provision through earmarking funds on an ongoing basis to fund the write-off of primary school debt aligned to the roll out of universal free school meals, maintaining supportive contact with families. This removes the risk of increased future non-payment of school meals due to a perception that the Council has discontinued its monitoring of unpaid school meals.

### Future considerations and risks: primary schools

- 2.20 The commitment by Scottish Government to the future roll out universal free school meals to P6 and P7 children will remove the need to pay and will therefore remove the issue of school meal debt at primary school level.
- 2.21 In the interim, any future non-payment of primary school meals would require to be resourced until the introduction of P6/7 UFSMs. This would create a budget pressure of up to the value of current income (£151,232 p.a.) due to a possible unintended consequence resulting in debt increasing if there is a perception that debt is not pursued/written off, resulting in those who can pay not topping up their credit and accruing debt. There are currently no additional resources to address this risk, resulting in a potential budget pressure in the context of a potential £17m budget gap for the next financial year.

### Secondary schools

- 2.22 The value of school meal debt at 31 March 2023 in secondary schools was £13,902 in comparison to a total income for the year of £788,093. These debts are currently managed at individual school level and increase on a monthly basis throughout the year. Debts are significantly smaller in secondary schools as pupils have a wider range of options than to take a school meal.
- 2.23 Debts are currently managed at a school level and contact with parents/carers is done via phone calls or text, on an individual basis. This allows a managed intervention via a Welfare Rights Officer or Pupil Support Team to discreetly liaise with families to ensure they are receiving all of the supports available, not just in respect of school meals, but for wider signposting to other council services who may be able to assist the family in other ways. They also discuss and share the Customer Services Contact Centre number and the range of supports available. Secondary schools, in many cases, absorb the debt in their own school funds. This early intervention is key to supporting the pupils and families and debt accrual is one way of identifying those who may need this support.

## Options to fund the write off existing secondary school meal debt

### **2.24 Option 1**

In recognition that school meals debt is in many cases a residual impact of the effects of the Covid pandemic, the Early Intervention and Prevention Fund for Child Poverty and Cost of Living, PEF or relevant Communities and Education directorate budgets could be used to fund the write off existing secondary school meals debt (c. £15,000).

### **2.25 Option 2**

Continue the current approach which meets or exceeds the COSLA Good Practice guidance, by making provision on an ongoing basis to fund the write-off by addressing it within secondary school budgets, maintaining supportive contact with families and removes the risk of increased future non-payment of school meals due to a perception that the Council has discontinued its monitoring of unpaid school meals.

## Future considerations and risks: secondary schools

- 2.26 There is currently no expectation that funding for universal free school meals will be extended to secondary school pupils, therefore the debt situation will continue. There is also a possible unintended consequence of debt increasing if there is a perception that debt is not pursued/written off and this may result in those who can pay not topping up their credit and accruing debt. Current income from secondary school meals is £788,093, therefore the financial risk is assessed to be significant. There are currently no additional resources to address this risk, resulting in a potential budget pressure in the context of a potential £17m budget gap for the next financial year.

## **3. Proposals**

- 3.1 It is proposed that Council considers the options contained within this report in response to the Council motion of 17<sup>th</sup> May 2023 to 'scrap all school meal debt by the start of the 2023-24 school year.'

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

### **Financial**

- 4.1 Option 1 to fund the write off of existing primary school meals debt would require £65,000 of earmarked funding from FM budgets and c. £20,000 from the Early Intervention and Prevention Fund for Child Poverty and Cost of Living, PEF or relevant Communities and Education directorate budgets.
- 4.2 Option 1 to fund the write off of existing secondary school meals debt would require c. £15,000 from the Early Intervention and Prevention Fund for Child Poverty and Cost of Living, PEF or relevant Communities and Education directorate budgets.
- 4.3 The total income in 2022-23 from school meals was c. £151,000 for primary schools and c. £788,000 for secondary schools. Writing off existing school meals debt presents a risk whereby income budgets may reduce due to a perception that the Council is no

longer managing school meals debt. There is no provision within the Council budget for a loss or reduction of this income.

### **Human Resources**

4.2 None.

### **Legal**

4.3 The Council follows CIPFA and other guidance in relation to making financial provision to fund debt which accrues through non-payment of school meals.

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

4.4 North Ayrshire Council promotes equity and tackles inequalities and poverty as part of its mission to be Fair for All. Current practice in relation to school meals debt exceeds the COSLA Good Practice Principles and maintains supportive contact with those families who are unable to pay for school meals.

### **Climate Change and Carbon**

4.5 None.

### **Key Priorities**

4.6 The content of this report aligns to the following priorities:

- North Ayrshire's vision that Children and young people experience the best start in life; and
- North Ayrshire's residents and communities enjoy good life-long health and wellbeing.

### **Community Wealth Building**

4.7 None.

## **5. Consultation**

5.1 A range of Council services has participated in the preparation of this report. Since the report is the result of a Council motion, wider consultation has not been appropriate.

Audrey Sutton  
Executive Director (Communities and Education)

For further information please contact **Audrey Sutton, Executive Director**, on **01294 324414**.

### **Background Papers**

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