**AYRSHIRE ECONOMIC JOINT COMMITTEE**

**MEETING – 22 FEBRUARY 2021**

**REPORT BY THE CHIEF EXECUTIVE, NORTH AYRSHIRE COUNCIL**
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**SUBJECT:  AYRSHIRE GROWTH DEAL,**
**WORKING FOR A HEALTHY ECONOMY - FINAL BUSINESS CASE**
_____

**PURPOSE OF REPORT**

1.    This report seeks approval of the Final Business Case (FBC) for the Ayrshire Growth Deal, Working for a Healthy Economy project.

**RECOMMENDATIONS**

2.    The Joint Committee is asked to:

(i)     Consider this report and approve the FBC for "Working for a Healthy Economy" at Appendix 1;

(ii)    Note the position regarding Scottish Government approval of the Outline Business Case;

(iii)   Subject to obtaining Scottish Government approval to the Outline Business Case, approve the use of AGD funding for the project and implementation of its activities; and

(iv)   Note that in the event the Scottish Government propose significant changes to the OBC, that the revised FBC will be reported back to the Joint Committee.

**INTRODUCTION**

3.    At an early stage of developing the Ayrshire Growth Deal, it was agreed that Inclusive Growth would be an underlying principle surrounding all proposals, which will be designed to ensure that all communities can benefit from the projected opportunities.

4.    North Ayrshire Council piloted the use of an Inclusive Growth Diagnostic in 2017 and this exercise was repeated for Ayrshire during 2018.  The diagnostic results provide evidence of the main constraints to Inclusive Growth and as such has guided our proposals for the Ayrshire Growth Deal.  The Ayrshire Diagnostic produced a prioritised list of constraints to address.  Health was identified as the number one ranked constraint on Inclusive Growth in Ayrshire.

5.    Like many areas that have suffered from post-industrial decline, Ayrshire has a poor health record, which not only impacts on individuals and communities but also has a cost attached for business and the taxpayer.  We know that work and health are inextricably linked and that working can improve health, but we also

know that poor health can act as a barrier to people accessing economic opportunities. The 'Working for a Healthy Economy' project sets out to address this vicious circle. The overall aim of the project is – "to reduce health as a constraint to an inclusive economy in Ayrshire – both for individuals and businesses".

6. As we look forward to a post Covid landscape, the importance of public health and the need for a healthy and productive workforce has perhaps never been clearer.

7. Following extensive discussion, research and consultation; proposals around a Health/Employability service were developed and submitted to both Scottish and UK Governments during 2018. The project has a working title of "Working for a Healthy Economy".

8. The project was awarded £5 million as part of the Ayrshire Growth Deal programme and the FBC sets out the plan to utilise this funding over a 5-year period.

9. The Ayrshire Regional Partnership Board agreed on 6 June 2019 that North Ayrshire Council would lead this programme development. Following Heads of Terms in March 2019, North Ayrshire Council has led discussions with Scottish Government and kept the Project Board and the Ayrshire Growth Deal Programme Management Office informed of developments. While policy leads at Scottish Government have communicated that they are in general satisfied with the OBC for this project, we have been unable to gain official approval at the time of writing. Despite this, we have confidence that this final approval of the OBC will be granted shortly.

10. The FBC is presented for approval, which if granted will enable the project to start its delivery plans and draw down the allocated funding. The FBC has been prepared in accordance with the HM Treasury 5 stage business model.

11. The project will be delivered by NHS Salus across Ayrshire. Having been approved by Scottish Government, a contract will be issued within weeks and preparatory work can begin. It is anticipated that services can be operationalised over the summer of 2021.


**DESCRIPTION OF PROJECT**

12. The Scottish Government will commit up to £5 million to target large scale investment in occupational health services to ensure that Ayrshire has the requisite workforce to drive economic growth in the future. This project will serve to widen the labour pool and provide the basis for the maximisation of benefits arising from Ayrshire Growth Deal capital investments. Working for a Healthy Economy is a service that would support: -

- unemployed residents overcome health barriers to economic activity

- employed residents to retain employment by addressing health barriers and
- support local businesses to access health related supports to improve retention and productivity of their workforce.

13. NHS Salus (the delivery partner) have been at the forefront of developing and delivering health condition management services across Scotland. This approach is well tested and evidenced, however there have often been limits to the effectiveness and flexibility of the service due to funding constraints. The unique aspect of the AGD project is that it offers a person centred and criteria free, single access point to work focused health support across Ayrshire. The highly flexible model ensures the right level of support for each individual with the service range including:

- Single Intervention
- 6 session Case Management Model delivered via telephone or face to face
- Guided Self Help Group Work
- Mental Health First Aid Training to raise partner and employer mental health awareness

14. The model incorporates:

- a **condition management** approach of educating clients on maximising their life and work circumstances and
- a **case management** approach complements by adding practical problem-solving information, techniques, coaching and support. This focused approach supports clients across all aspects of their lives and is successful in maximising progress towards employment and job retention.

15. Key drivers of success will be -

- Close integration with employability services resulting in a seamless service for individuals and effective targeting of excluded groups.
- Close integration with business engagement and support functions to ensure referrals.
- Easy and simple referrals and local delivery to encourage uptake.

16. NHS Salus have been delivering health supports to unemployed North Ayrshire residents since 2016. The service has been extremely well received by partners such as DWP and has been consistently over-subscribed with referrals. The North Ayrshire service does not cater for employed people with health issues and does not support employers. The Ayrshire proposal adds these elements and would scale up across Ayrshire.

17. **Outputs and Targets**

| OUTPUTS | TARGET | DATE DUE |
|---|---|---|
| No of people accessing assessment | 960 | 2025/26 |
| No of people accessing full management support via telephone | 1,600 | 2025/26 |
| No of people accessing full case management support delivered face to face | 3,839 | 2025/26 |
| % of people accessing a funded treatment | 70% | 2025/26 |
| No of people receiving support via Group Work | 2,400 | 2025/26 |
| No of people receiving Mental Health First Aid training | 960 | 2025/26 |

**FINANCIAL IMPLICATIONS**

18.  This project is currently profiled to spend a total of £5 million revenue from the Ayrshire Growth Deal funding.

19.  The financial profile below illustrates the estimated funding to be drawn down. This was agreed between the partnership and Scottish Government on 19 November 2020.

Financial Profile

| Financial Years | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Total |
|---|---|---|---|---|---|---|---|
| **Revenue** | £100,000 | £1,125,000 | £1,125,000 | £1,125,000 | £1,125,000 | £400,000 | £5,000,000 |

20.  The actual spend profile will vary across the funding period and will be regularly updated in response to learning and changing circumstances to ensure maximum impact against the project and wider inclusive growth goals.  Due to delays in the approval process to date, project delivery will will now be in 21/22 and spend in 20/21 will not be as originally profiled above.  In the latest version of the OBC submitted to Scottish Government, we have alerted them to this and reprofiled the spend across the 5 years.  This re-profile is also reflected in the FBC.

21.  It is proposed that North Ayrshire Council as lead authority of the Regional Skills and Inclusion Programme and lead contracting authority for this provision will incur costs, which will then be submitted to East Ayrshire Council as lead authority for the Ayrshire Growth Deal.  East Ayrshire Council would then submit financial claims for the activity to Scottish Government and when in receipt would reimburse North Ayrshire Council.

**IMPLEMENTATION PLAN**

22. The key partners, milestones, outcomes and risks are set out below.

**Partners**

| PARTNER | ROLE/RESPONSIBILITY |
|---|---|
| North Ayrshire Council | Project Lead, Project Partner.  Responsible for project governance, reporting, procurement |
| East Ayrshire Council | Project Partner |
| South Ayrshire Council | Project Partner |

**Milestones**

| DELIVERABLE | STATUS | DUE DATE |
|---|---|---|
| Advert for procurement framework issued | complete | 2019/20 |
| OBC approval | | February 2021 |
| FBC approval | | 22 February 2021 |
| Contract award from framework | | March 2021 |
| Implementation period | | March - May 2021 |
| Quarterly project board meetings | | Ongoing |
| Monthly meeting with contractor | | Ongoing |
| End of programme/final drawdown | | 2025/26 |

**Outcomes and Targets**

| Headline outputs | AGD Target |
|---|---|
| Unemployed residents supported | 5172 |
| Unemployed residents supported back to work (25%) | 1293 |
| Employed residents supported | 4586 |
| Employed residents retaining work (85%) | 3898 |
| **Total residents supported** | **9758** |

**Key Project Risks and Mitigations**

| RISK | MITIGATION |
|---|---|
| Programme design weaknesses | <ul><li>Various aspects of the model are well tested in other parts of Scotland – will continue to monitor best practice.</li><li>Involvement of NHS Salus has provided expertise and an experienced delivery agent</li></ul> |
| National programmes are introduced which result in duplication | <ul><li>Closely monitor national developments and build in flexibility to contracting arrangements to</li></ul> |

| | allow us to change course at short notice |
|---|---|
| Severe Covid-19 and/or Brexit related recession may make job outcomes into work more difficult | • Closely monitor national developments and build in flexibility to contracting arrangements<br>• Covid-19 impacts on specific groups will be assessed<br>• More targeted approach where necessary |
| Appointed contractor could be impacted negatively by Covid-19 | • As part of procurement process, robust checks have been made on financial standing of delivery organisations.<br>• NHS Salus have indicated that they are ready to start development work and operationalise spring/summer. |
| Project delay and macro-economic impact of Covid-19 and recovery | • Early analysis identifies that the need for the project is unlikely to be diminished – in fact may be greater.<br>• Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure proposal meets needs. |

## DECISION PATHWAY

23.   The project has met the decision pathway milestones as follows: (to be updated once information available)

| Decision Pathway | | | | |
|---|---|---|---|---|
| Stage | Milestone | Date achieved | Evidence | Rag status |
| OBC | Scottish Government endorsement | TBC | N/A | R |
| FBC | Scottish Government endorsement | TBC | N/A | R |
| OBC | Regional Economic Partnership (for info) | On agenda for 29 January 2021 | Minutes of meeting | G |
| FBC | Economic Joint Committee | On agenda for 22 February 2021 | Minutes of meeting | R |

## LEGAL IMPLICATIONS

24. The legal implications arising from this report are covered through the Agreement between Ayrshire's Councils.


## HUMAN RESOURCES IMPLICATIONS

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


## EQUALITY IMPACT ASSESSMENT

26. The project for which approval is sought has carried out an Equality and Fairer Scotland impact assessment. No Environmental Assessment was required.


## CONSULTATIONS

27. The project board through the 3 Local Authority Employability Leads has been consulted throughout development. Scottish Government officials, expert in Health and Employability have been consulted extensively – all feedback has been responded to and incorporated into plans. Key local partners such as Department for Work and Pensions have been consulted during the Growth Deal development phase.

    The Section 95 Officer for North Ayrshire Council as lead authority for the Regional Skills and Inclusion Programme has approved this report.

## APPENDICES

   Appendix 1: FBC for Working for a Healthy Economy
   Appendix 2: Local Authority AGD Agreement
   Appendix 3: AGD Government Document

**Background Papers:**

Heads of Terms, signed by both the UK and Scottish Governments and Ayrshire's Councils on 8 March 2019

Deal Document, signed by both the UK and Scottish Governments and Ayrshire's Councils on 19 November 2020


**Members requiring further information should contact: Greig Robson, Senior Manager (Employability and Skills) on 01294 693 962 or greigrobson@north-ayrshire.gov.uk**

# Project Title: Working for a Healthy Economy

# Full Business Case (FBC)

**Version No: 0.3**
Issue Date: 10 February 2021

**VERSION HISTORY**

| Version | Date Issued | Brief Summary of Change | Owner's Name |
|---------|-------------|-------------------------|--------------|
| Draft 0.1 | 08.02.21 | First Draft Version | Greig Robson |
| Draft 0.2 | 08.02.21 | Inclusion of Project Description and Annexes | Stuart MacMillan (PMO) |
| Draft 0.3 | 10.02.21 | Inclusion of EIA | Stuart MacMillan (PMO) |
| | | | |
| | | | |

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**APPENDICES**

**1. Executive summary**

**1.1 Introduction**

This FBC seeks approval to invest £5million in a contract for six years with North Ayrshire Council as lead authority to deliver the Working for a Healthy Economy project that will see a criteria free, single access point to work focused health support across Ayrshire

**1.2 Strategic case.**

*1.2.1 The strategic context*

The AGD Heads of Terms (HoT) outlined a £8.5m investment in a Regional Skills and Inclusive Growth programme. The HoT states the following:

> *"Inclusive growth lies at the heart of Growth Deals. This Deal will tackle inequality through growing local talent, creating new connections with the world and providing new opportunities and routes into employment for people across the region.*
>
> *The Scottish Government will provide up to £8.5 million for a new **Regional Skills and Inclusion Programme** which will ensure that businesses and communities throughout the entire region are given the opportunity to engage with and benefit from the opportunities arising from the investments delivered through this Deal.*
>
> *Key to this will be an all-Ayrshire model of delivery which offers community engagement, pre-employability support, recruitment, in-work interventions and employability services; with links to employers to tailor investments to demand, and priority given to those struggling to maintain secure and meaningful work."*

While Ayrshire Growth partners had been working on Inclusive Growth proposals for some time, following Heads of Terms; through a process of consultation and discussion, the component elements of the Regional Skills and Inclusive Growth programme have been further developed.  There are two elements to proposals for a Regional Skills and Inclusive Growth programme.
- Working for a Healthy Economy
- Ayrshire Regional Skills Investment Fund

This business case outlines the need for investment in addressing health barriers to economic activity, through the Working for a Healthy Economy project proposal.

*1.2.2 The case for change*

Regional inequality across the UK is well documented. The Scottish Government Economic Strategy and recent work by the University of Strathclyde's Fraser of Allander Institute (FAI) highlights levels of significant regional inequality in Scotland.  The underperformance of the Ayrshire economy provides a strong case for change. Ayrshire has remained persistently behind other regions in Scotland and doing more of the same is not an option.

Ayrshire has 20,910 people claiming health related benefits[1]. Of the JSA/UC claimant group of 10,785[2], it is estimated that up to a third have health issues as a barrier to employment, even though this is not severe enough for them to qualify for a health-related benefit. Health is clearly a significant barrier to economic activity and productivity for too many people in Ayrshire. This not only has individual impacts but also increases the reliance on health and social care services and puts additional costs onto business in terms of loss of productivity and lack of access to a flexible and wide pool of labour.

**1.3 Economic case**

*1.3.1 OBC Short list*

A short list of options was identified following establishing the investment objectives:
   a. **Do nothing**

   This option has been discounted as it would logically result in Ayrshires health and employment trends being maintained. While economic growth may occur – we believe if we do nothing, then that growth will not be inclusive.
   b. **A service to unemployed residents to return to work and support employers to keep people healthy and in-work**

   A comprehensive, criteria free service that supports individuals out of work because of a health barrier with targeted support to return to employment. This option would also support people in-work to reduce the number of people who have to stop work because of ill-health.
   c. **A service to only support unemployed residents back to work**

   A project that focused purely on supporting unemployed people and didn't try to prevent people dropping out of work.

   d. **Identify all root causes of ill health in the region and tackle each of these**

   A project to look at the root causes of ill health in Ayrshire – bad diets, smoking, alcohol abuse, lack of exercise and attempt to change these. This would be a long term challenge. It has been assessed that this challenge is already being undertaken through a range of other strategies and would not have the sort of measurable impacts that could drive a growth deal project.

Other options were considered in order to improve Ayrshires poor health record. There is no doubt that behaviours such as smoking, alcohol abuse, drug abuse and unhealthy lifestyles play a major part of Ayrshire's health record. Public Health efforts to address this are in place, will continue and cost tens of millions of pounds each year. The option to invest further in public health approaches was discounted for various reasons.

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[1] ONS – DWP Key Benefit Claimants – Working Age Client Group, November 2016 via NOMIS

[2] ONS, Claimant Count, November 2019 via NOMIS

*1.3.2 The procurement.*

North Ayrshire Council has issued a tender advert for a new Employability Framework.  Within this framework is a lot to deliver a case management service in line with this project proposal.  Provision was made to make this lot collaborative for East and South Ayrshire Councils.  There was only one bidder to the tender: NHS Salus.   The bid was thoroughly appraised and following this process, NHS Salus were awarded the contract.

*1.3.3 Option appraisal conclusions*

- Option 1: Do nothing ranks 4th

- Option 2: A service to help unemployed residents to return to work and help employers to keep people healthy and in-work – this option ranks 1st and is the preferred option

- Option 3: A service to only support unemployed residents back to work – this option ranks 2nd

- Option 4: Identify all root causes of ill health in the region and tackle each of these – this option ranks 3rd

*1.3.4 Overall findings: the preferred option*

It has been assessed that the preferred option would address those who need support to return to work but would also work to prevent people dropping out of work and thus reducing the need for the service long term.  This project will address these issues by investing in occupational health services which address directly a barrier to work for thousands of people across Ayrshire.  There is clear evidence that public health campaigns and interventions around the root causes of ill health can work – our assessment is that this is a viable option but if growth deal funds were used to support it, then the risk of duplication would be great, there would be little to connect the interventions to economic activity and evidence of impact may take decades.  Our preferred option provides a pragmatic interim response to the issues, while wider efforts to improve public health continue.

**1.4 Commercial case**

*1.4.1 Agreed products and services*

The following goods and services are being contracted……

- **Condition Management and Case Management Fusion**, taking the best of both models

- **Hybrid model unique to Ayrshire**, delivering the structured, modular benefits of Condition Management whilst integrating the individual, holistic and tailored approach of Case Management

- **One seamless service** for various stages of the employability pipeline including:
    - Barrier Removal stage
    - Job Brokerage stage

- o In Work Support stage

- **One easy referral process** (web/fax/tele) for convenience of referring agencies, matching all clients to the correct level of service following needs assessment.

- **Local service delivery**

- **Electronic or paper delivery** of progress to work plans, progress reviews, closure reports etc.

- **Bespoke Management Information** reporting to evidence efficacy on a local and area basis

- The service will work closely with all localised employability delivery partners across Ayrshire to:

  - o Provide an **integrated health related approach working on site with referrers** wherever possible

  - o **Focus progress on employability goals** via the removal of health barriers

  - o **Provide regular updates on client health improvement**, in a de-medicalised format, maximising the referrer's ability to support progress to work, training or education

  - o **Define clear and safe parameters within which the employability organisation can challenge clients**

- The service will provide an **appropriate referral tool** across the Ayrshire Employability Framework to assist in identifying appropriate clients for referral

### 1.4.2 Key contractual arrangements

There are no personnel implications and TUPE does NOT apply (please alter as required).

### 1.4.3 Agreed implementation timescales

Over the five year project, the following outputs will be delivered:

**Table 1: Headline outputs**

|  | AGD Target |
|---|---|
| Unemployed residents supported | 5172 |
| Unemployed residents supported back to work (25%) | 1293 |
| Employed residents supported | 4586 |
| Employed residents retaining work (85%) | 3898 |
| **Total residents supported** | **9758** |

| Intervention breakdown | AGD Target |
|---|---|
| Assessment and report only | 960 |
| Full case management via telephone | 1600 |
| Full case management Face to Face | 3838 |
| Supported through group work | 2400 |
| Mental Health First Aid training | 960 |
| **Total** | **9758** |

|  |  |
|---|---|
| Numbers accessing funded treatment, i.e. physio, talking therapies etc | **3809** |

**1.5 Financial case**

*1.5.1 Financial expenditure*

**Table 2:** *Summary of financial appraisal*

| Years | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | Total |
|---|---|---|---|---|---|---|
| Revenue | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 500,000 | 5,000,000 |

*1.5.2 Overall affordability and balance sheet treatment*

The proposed cost of the project is £5M over the five years of the expected lifespan of the project duration. Costs are based on NHS Salus experience of delivering across Scotland and is based on the following unit costs for different types of interventions:

**Table 3: Unit costs for delivery**

| Products Available | Unit Cost | Assumed % of clients who will access this |
|---|---|---|
| Health Start Telephone (Assessment & Report Only) | £150 | 15% |
| Health Support Telephone (Full Case Management) | £450 | 25% |
| Health Support Face to Face (Full Case Management) | £527 | 60% |
| Guided Self Help Group Work - 3 Sessions (Up to 6 participants) | £1,500 | 25% |
| Guided Self Help Group Work - 3 Sessions (Up to 12 participants) | £3,000 | 25% |
| Mental Health First Aid Training - (up to 16 participants) inc VAT | £1,500 | 10% |

**1.6 Management case**

*1.6.1 Project management arrangements*

The project will be managed by North Ayrshire Council as lead authority, with overarching governance by a Steering Group comprising the three authorities.

*1.6.2 Benefits realisation and risk management*

The Steering Group will be responsible for managing risk and benefits realisation. Day to day management will, however, be the responsibility of the Project Lead in North Ayrshire Council.

*1.6.3 Post project evaluation arrangements*

The project will have an annual review and will also commission an evaluation of the project activity and delivery against agreed objectives. This evaluation will commence in 2024/25 and report to the Steering Group which will coordinate the evaluation.

**1.7 Recommendation**

*I hereby recommend the approval of the scheme as set out in this Full Business Case to proceed to delivery of the scheme.*

**Signed:**
**Date:**

**Senior Responsible Owner**
**Project**

## 2. Project Description

### 2.1 What is this project about?

Poor health is a constraint to economic growth and low levels of inclusive economic growth impact negatively on health. This vicious circle is clearly demonstrated by evidence and suggests a response is required that considers not only health improvement but links this to economic participation.

This project will offer a criteria free service refers to anyone requiring support with health barriers to gaining or sustaining work being able to access services. Currently the support available via existing models have different criteria e.g. longer term unemployed or from a selected demographic or working for a small to medium enterprise. Although the service is criteria free, there will be specific targeting of discreet demographics within Ayrshire. It is anticipated these will include vulnerable population groups e.g. individuals with health conditions, disability or additional support needs, caring responsibilities, long term unemployed, single parents etc.

### 2.2 Why is it being undertaken?

In terms of the development of Ayrshire Growth Deal proposals, three factors have driven the development of this proposal:

- The need to ensure a wider group of people connect to and benefit from economic prosperity, and access work to move out of poverty and sustainably improve the quality of their lives.

- A recognition that many people more distant from the labour market experience significant mental and physical health problems and are more likely to be dependent upon social services. Moving into the right work opportunities could improve their health and reduce reliance on other services.

- Employers are increasingly seeking staff, and future local economic development aspirations depend on the right workforce being available.

### 2.3 How does it fit within the wider deal?

The project is part of the regional skills and inclusion theme of the Ayrshire Growth Deal. Section 2 outlines the strength of links with other projects and how the project will establish links to other projects, particularly those which create employment opportunities. There is a particular link with the Community Wealth Building project as the Working for a Healthy Economy project addresses a key pillar of Community Wealth Building: fair employment and just labour markets. Health is a key element of Fair Work and as such close links between the CWB project and Working for a Healthy Economy will be established.

### 2.4 What is being proposed?

Based on the evidence reviewed, there is real opportunity for Ayrshire to be a pioneer in demonstrating that poor health can be mitigated to support economic participation, while efforts continue over the longer term to develop preventative health improvement measures. The service being proposed involves elements which have already been tested successfully in North Ayrshire, with
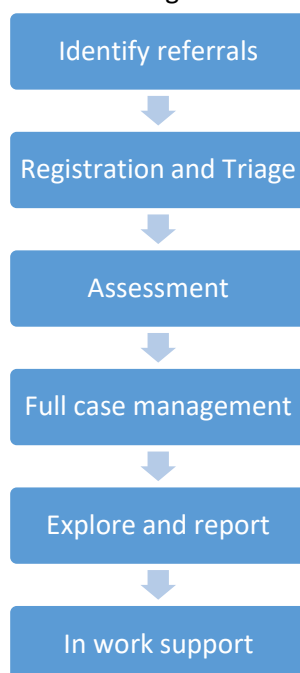
the opportunity to scale this up across Ayrshire and develop one simple model of support.  The proposed service is built on the following principles:

- Condition Management and Case Management Fusion, taking the best of both models
- One seamless service for various stages of the employability pipeline
- Easy referral process
- Integration with existing employability pipelines
- Complementing, enhancing and reinforcing existing provision
- Local service delivery

The service will work closely with all localised employability delivery partners across Ayrshire to:

- Provide an integrated health related approach working on site with referrers wherever possible
- Focus progress on employability goals via the removal of health barriers
- Provide regular updates on client health improvement, in a de-medicalised format, maximising the referrer's ability to support progress to work, training or education
- Define clear and safe parameters within which the employability organisation can challenge clients

The project will achieve this through the following customer journey:

```
Identify referrals
        ↓
Registration and Triage
        ↓
Assessment
        ↓
Full case management
        ↓
Explore and report
        ↓
In work support
```

## 2.5 How will it be delivered?

The project will be managed by North Ayrshire Council as lead authority, with overarching governance by a Steering Group comprising the three authorities.  The project will be delivered via a tendered contract, with the successful provider delivering the services across all three local authority areas.  The contract was let by North Ayrshire Council, as lead partner, after a tender advert for a new Employability Framework was issued.  Within this framework was a lot to deliver a case management service in line with this project proposal: NHS Salus were the successful bidder and will therefore deliver the project on behalf of the AGD.

The project will align with local authority existing resource, locally and regionally, including business development teams, employability programmes, regeneration activities, community development and locality/area partnerships.

**2.4 What outcomes will it deliver?**

The project has identified the following aims:

**Table 4: Headline Outputs**

| Output | AGD Target |
|---|---|
| Unemployed residents supported | 5,172 |
| Unemployed residents supported back to work (25%) | 1,293 |
| Employed residents supported | 4,586 |
| Employed residents retaining work (85%) | 3,898 |
| **Total residents supported** | **9,758** |

**2.5 Who will use it, and why?**

The aim of the project is to reach the working age population of Ayrshire who are experiencing health, wellbeing or circumstantial barriers to gaining and/or sustaining work and ensure that they receive targeted interventions and coaching support to achieve progress.  While specific groups will be targeted, the intention is to create a criteria free service, as we believe this has resulted in previous services of this type being too restrictive and confusing.  Effective signposting and referral systems will be in place to ensure individuals benefit from the right support

**2.6 The headline financials**

The total value of the project is £5million over five years, with delivery due to commence in 2021, subject to Scottish Government approval.

**Table 5: Financial profile**

| Years | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | Total |
|---|---|---|---|---|---|---|
| Revenue | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 500,000 | 5,000,000 |

# 3. The Strategic Case

### 3.0 Introduction

This Full Business Case (FBC) is for the provision of health support for Ayrshire residents who are either economically inactive or are in-work and require additional support to sustain their employment.

This business case follows the Treasury Green Book 5-case model, based on a suggested template designed by the Scottish Government. A business case must be developed in support of a new policy, new strategy, new programme or new project, to evidence:

1. That the intervention is supported by a compelling **case for change** that provides holistic fit with other parts of the organisation and public sector i.e. the "strategic case";
2. That the intervention represents best **public value** i.e. the "economic case";
3. That the proposed Deal is attractive to the market place, can be procured and is **commercially viable** i.e. the "commercial case";
4. That the proposed spend is **affordable** i.e. the "financial case";
5. That what is required from all parties is **achievable** i.e. "the management case".

**Part A: the strategic context**

### 3.1 Organisational overview

The project will be managed by North Ayrshire Council as lead authority, with overarching governance by a Steering Group comprising the three authorities.

The project will align with local authority existing resource, locally and regionally, including business development teams, employability programmes, regeneration activities, community development and locality/area partnerships.

Subject to the agreement of the programme, the Regional Economic Partnership (REP) will play a key role in the governance of the programme, receiving quarterly project updates, outlining project highlights, performance and opportunities for wider collaboration.

### 3.2 Business strategies

The AGD Heads of Terms (HoT) outlined a £8.5m investment in a Regional Skills and Inclusive Growth programme. The HoT states the following:

> "Inclusive growth lies at the heart of Growth Deals. This Deal will tackle inequality through growing local talent, creating new connections with the world and providing new opportunities and routes into employment for people across the region.
>
> The Scottish Government will provide up to £8.5 million for a new **Regional Skills and Inclusion Programme** which will ensure that businesses and communities throughout the entire region are given the opportunity to engage with and benefit from the opportunities arising from the investments delivered through this Deal.

*Key to this will be an all-Ayrshire model of delivery which offers community engagement, pre-employability support, recruitment, in-work interventions and employability services; with links to employers to tailor investments to demand, and priority given to those struggling to maintain secure and meaningful work."*

While Ayrshire Growth partners had been working on Inclusive Growth proposals for some time, following Heads of Terms; through a process of consultation and discussion, the component elements of the Regional Skills and Inclusive Growth programme have been further developed. There are two elements to proposals for a Regional Skills and Inclusive Growth programme.

- Working for a Healthy Economy
- Ayrshire Regional Skills Investment Fund

This business case outlines the need for investment in addressing health barriers to economic activity, through the Working for a Healthy Economy project proposal.

**Alignment with national policies**

**Table 6: Scottish Government National Performance Framework**

| National Performance Framework | Does Working for a Healthy Economy address this? |
|---|---|
| Children grow up loved, safe and respected so that they realise their full potential | Indirectly – through working to enhance lives of parents. There is clear evidence that households experiencing poverty can have negative impacts on the life chances of children as they grow into adults. |
| Live in communities that are inclusive, empowered, resilient and safe | Key objective of service is to increase inclusiveness of our communities and ensure they are resilient to changing economy and skills needs. |
| Are creative and their vibrant and diverse cultures are expressed and enjoyed widely | Indirectly through focus on reducing exclusion of particular groups. |
| Have a globally competitive, entrepreneurial, inclusive and sustainable economy | Direct focus on creating an inclusive economy through widening the labour market to include those previously ruled out due to health barriers. |
| Are well educated, skilled and able to contribute to society | Direct impact through improving management of health issues and ensuring residents can take up economic opportunities. |
| Value, enjoy, protect and enhance their environment | No clear link |
| Have thriving and innovative businesses, with quality jobs and fair work for everyone | Direct link by attempting to work proactively with businesses to improve the health and retention of their workforce. |
| Are healthy and active | Clear direct link. By supporting people address health barriers and enter and retain work, evidence shows this will keep them healthier over the longer term. |

| | |
|---|---|
| Respect, protect and fulfil human rights and live free from discrimination | Project will attempt to support excluded groups and address any discrimination. |
| Are open, connected and make a positive contribution internationally | In-directly through enhancing health and improving attendance at work, which make Scotland more competitive. |
| Tackle poverty by sharing opportunities, wealth and power more equally | Key theme of the project will be to make sure that those currently often excluded from opportunity have the capacity to overcome those barriers. |

*Scotland's Economic Strategy*

Scotland's Economic Strategy (SES), published by the Scottish Government in March 2015, has the purpose of creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth, whilst ensuring that everyone in Scotland can fulfil their potential. The focus on outcomes and a whole economy approach has led to the development of an economic framework for Scotland.

This approach is centred on two pillars: Increasing competitiveness and tackling inequality. The SES has four priorities to achieve this – the 4 Is: investment, innovation, inclusive growth, and internationalisation. The first of these, investing in people, infrastructure and assets, focuses on investing in and developing a range of infrastructure to support business growth and competitiveness, along with skills development and resource efficiency to strengthen Scotland's economic resilience and help to move towards a low carbon economy.

**Table 7: Scotland's Economic Strategy**

| Pillars | Does Working for a Healthy Economy address this? |
|---|---|
| Increasing competitiveness | Competitive businesses rely on productive labour. They also need a wide labour pool with adaptable skills. Working for a Healthy Economy, widens the labour pool for business by removing barriers to labour market participation and ensuring employees are as healthy and therefore productive as possible. |
| Tackling inequality | Health and inequality are inextricably linked. Health is a major cause and symptom of inequality. By improving health, returning and retaining people in work, unemployment and low wages are less likely. |
| Priorities | |
| Investment | Working for a Healthy Economy makes a direct investment in resident's health and wellbeing and in-directly in the companies who then utilise that healthier workforce. |
| Innovation | Business can only innovate more if they have the labour supply that supports this, and this is a key objective of the Working for a Healthy Economy project. |
| Inclusive Growth | Ayrshire's Inclusive Growth diagnostic clearly highlighted the importance of Health and the project is designed to address poor health and its impacts on workforce and business. |
| Internationalisation | In-directly Working for a Health Economy will address this. Companies are better placed to internationalise if they have access to skilled a productive labour force with low absence levels. |

**SG Inclusive Growth Approach**

The AGD Inclusive Growth Action Plan and Scottish Centre for Regional inclusive Growth (SCRIG) website outline the Scottish Government's five inclusive growth outcomes.

**Table 8: Inclusive Growth**

| IG Outcome | Description | Does Working for a Healthy Economy project help achieve this? How? |
|---|---|---|
| Productivity | Economic growth is resilient, sustainable and inclusive | ✓<br>• Wider labour pool, including people previously excluded from economic activity<br>• Reduced absenteeism in the workplace<br>• Increased resilience of the labour market by widening the pool of labour. |
| Population | Scotland's population is healthy and skilled | ✓<br>• Directly improving health and management of health of unemployed and employed residents.<br>• Building capacity with business base and residents to take control over their own health. |
| Participation | Inequality of opportunity to access work is addressed, jobs are fulfilling secure and well-paid, and everyone can maximise their potential | ✓<br>• Ensuring that people previously excluded from opportunity through health barriers, can now access opportunity and fulfil their potential. |
| People | Economic benefits and opportunities are spread more widely across Scotland's population, with lower poverty levels | ✓<br>• Ensures that people with health barriers are not left behind. |
| Place | More equal economic opportunities across Scotland's cities, towns and regions and rural areas, ensuring sustainable communities | ✓<br>• Improves equality of access to opportunity by addressing a key |

| | | constraint to inclusive growth. |
|---|---|---|

*SG Child Poverty Delivery Plan*

One of key drivers of child poverty identified by the Scottish Government is 'increasing income from employment'. Feeding into this driver are: hourly pay; numbers of hours worked; skills and qualifications; and labour market. Statistics show that households impacted by health/disability are far more likely to be experiencing child poverty.  By providing people with health issues a support and route way to enter or maintain employment, we are directly addressing a key aspect of child poverty.

*Health Works Strategy*

The Scottish Government's 2009 Health Works strategy [set out an ambition to minimise health conditions as a barrier to work. This proposal directly addresses this agenda.

*No-one left behind*
No-one left behind builds on the Health Works Strategy and sets out to improve the coherence of the offer to those who require support to overcome health and disability barriers to work, developing better collaboration across service providers. This proposal directly addresses this agenda by integrating health supports with employability provision, creating a simpler and more joined up employability system.

**UK Government Policy**

*Improving Lives: the future of work, health and disability*

In 2017, the UK government published Improving lives: the future of work, health and disability. This sets out the actions that are being taken across 3 settings (welfare, the workplace, and the health system) to transform employment prospects for disabled people and people living with long-term health conditions. It also includes the government's commitment to see 1 million more disabled people in work over the next 10 years.  This proposal directly addresses these objectives.

*Industrial Strategy*

The UK government also published the Industrial Strategy in 2017. This sets a path to improved productivity while keeping employment high, with the objectives of raising living standards, providing funds to support public service, and improving the quality of life for all citizens. The strategy strengthens the 5 foundations of productivity: ideas, people, infrastructure, business environment and places. Furthermore, it sets out 4 'grand challenges', one of which is meeting the needs of an ageing society, which is of great importance for the work and health agenda.  This proposal directly addresses these objectives.

**3.3. Other organisational strategies**

**Alignment with regional policies-**

**Regional Economic Strategy**

Inclusive Growth and Community Wealth Building is a key feature of the Regional Economic Strategy now developed by the Ayrshire Regional Economic Partnership (REP).

The strategy has 3 missions to make Ayrshire – more sustainable, more productive and more inclusive. The "Working for a Healthy Economy" project directly influences a more productive and inclusive economy.

**Links to Inclusive Growth Diagnostic**
Economic Growth in Scotland and Ayrshire has too often in the past not benefitted all sections of our communities. We are determined to change this but need to understand how best we can make it happen.

The Scottish Government piloted a new Inclusive Growth diagnostic with North Ayrshire Council, and this was then rolled out to Ayrshire. The objective of using this diagnostic is to work out what the key factors are that prevent many in our communities from benefitting from economic growth, and therefore where our priorities should lie in terms of investment. We are determined to use this exciting partnership with Scottish Government to inform spending priorities at a local and national level and inform new approaches to tackling the root causes of inequality.

The Working for a Healthy Economy proposal aims to have an impact across several inclusive growth drivers which were identified as part of the Ayrshire Inclusive Growth diagnostic work. Figure 4 below highlights the inclusive growth drivers in green that are relevant to the proposals.

**Table 9: Inclusive Growth**

| Ayrshire Inclusive Growth themes | How does WfHE respond to this? |
|---|---|
| Intermediate and Advanced Skills | No direct link but will assist people in their capacity to engage in learning, through addressing any health barriers. |
| Local Jobs | No direct link but healthier population be important factor in encouraging investment in the region. |
| Health | Direct link.  This proposal recognises the importance of health in delivering inclusive growth and will seek to do this with tested approaches. |
| Basic Digital Skills | No direct link but will assist people in their capacity to engage in learning, through addressing any health barriers. |
| Soft and Basic Skills | No direct link but will assist people in their capacity to engage in learning, through addressing any health barriers. |
| Business Support (non-financial) | A key element of the proposals is to support employers to deal with health-related absences. |
| Childcare | Not addressed by this proposal |
| Sustainable working population | With working population forecast to drop, it is vital that excluded groups become part of this working population.  Improved health will be a key facet of this. |
| Structure of economy | No direct link |
| Advanced digital skills | No direct link but will assist people in their capacity to engage in learning, through addressing any health barriers. |
| Access to finance | Not addressed by this proposal |

| Business premises | Not addressed by this proposal |
| Digital connectivity | Not addressed by this proposal |
| **Transport (people to jobs)** | By addressing health barriers to opportunity, people should be more likely to be able to overcome transport barriers. |
| **Housing** | Not addressed by this proposal |
| **Transport (goods to market)** | Not addressed by this proposal |
| **Inward investment** | Project designed to support inward investment through provision of healthier workforce. |

**AGD Inclusive Growth Action Plan**

The Inclusive Growth Action Plan developed by the University of Glasgow and supported by Scottish Enterprise proposes several findings and recommendations that relate closely to Ayrshire Skills Investment Fund. The approach involves several broader action areas, with simple proposals under each one for maximising the inclusive growth potential, several which illustrate the case for the Ayrshire Skills Investment Fund. The action areas are:

- Maximising benefits for Ayrshire's business base.

- Maximising benefits for business and people through skills investment.

- **Maximising benefits for people – Fair Work.**

- **Maximising benefits for places/communities.**

- **Maximising benefits for equalities groups.**

- Maximising benefits for AGD as a programme.

- **Maximising benefits by building synergies with other services.**

Those action areas in bold, directly link to the objectives of the Working for a Healthy Economy proposals.

**Part B: the case for change**
**3.4 Investment objectives**

**The investment objectives for this project are as follows:**

**Table 10: Investment Objectives**

| | Description |
|---|---|
| **Investment objective 1** | To ensure that significantly more people are fit and available to work. This will ensure employers have access to a wider pool of labour which would improve the productivity of their business. |
| **Investment objective 2** | To raise productivity levels in the region by reducing health related absences from work through investing in occupational health services which support people to address health issues. |
| **Investment objective 3** | To increase the number of people in work, increasing their incomes and spend in the area. |

| Investment objective 4 | To reduce the number of unemployed people claiming benefits, generating benefit savings and reducing demand for public services. |
|---|---|

## 3.5 Existing arrangements

Statutory services remain in place within Ayrshire.  This ranges from full provision NHS through to DWP reserved and Scottish Government devolved employability programmes.
Over and above the statutory services, the main additional health support programmes in Ayrshire are Working Health Services Scotland and specialist health focused support provided within Fair Start Scotland.

Working for a Healthy Economy will be a new project for the Ayrshire region.

## 3.6 Business needs

There is a clear requirement for a highly visual, easy single access point that can both help signpost to existing services and deliver health and work-related support on a scale required in Ayrshire.  The removal of Fit for Work services has left an obvious gap across the country and we don't believe the remaining programmes offer enough in scale or scope to truly address the issues in Ayrshire.  While there is some potential duplication with Working Health Services Scotland, in terms of supporting employed people to address health barriers; we believe that there is latent demand for this type of service which will ensure they can co-exist.  Discussions will take place with NHS to agree how this will be handled operationally.

All the above-mentioned services have multiple factors to enable access to support.  Working for a Healthy Economy is the only service that offers criteria free access to anyone struggling with their health who is looking to gain or sustain their employment.

## 3.7 Potential business scope and key service requirements

This section describes the potential scope for the project in relation to the above business needs and any changes since submission of the OBC.

## 3.8 Main benefits criteria

Satisfying the potential scope for this investment will deliver the following high-level strategic and operational benefits. By investment objectives these are as follows:

Table 11: investment objectives and benefits

| Investment objectives | Main benefits criteria by stakeholder group |
|---|---|
| Investment objective 1 To ensure that significantly more people are fit and available to work.  This will ensure employers have access to a wider pool of labour which would improve the productivity of their business. | Reduced benefit payments by treasury  Reduced demand on council and health services |
| Investment objective 2 To raise productivity levels in the region by reducing health related absences from work through investing in occupational health services which support people to address health issues. | Productivity gains for individual employers GVA gains for area |

| | |
|---|---|
| Investment objective 3 To increase the number of people in work, increasing their incomes and spend in the area | Increased incomes |
| | Increased spend in local area |
| To reduce the number of unemployed people claiming benefits, generating benefit savings and reducing demand for public services. | More flexible labour market – increased productivity |

## 3.9 Main risks

The main business and service risks (design, build and operational over the lifespan of the scheme) associated with the scope for this project are shown below, together with their counter measures.

For further details, please see the attached risk register.

**Table 12: main risks and counter measures**

| Main Risk | Counter Measures |
|---|---|
| **Objectives & Project Outcomes Risks**<br><br>Failure to deliver anticipated outputs and outcomes.   Failing to achieve more inclusive growth and/or reduce poverty by increasing the income of people in deprived areas or protected characteristic groups | Severe Covid-19 and/or Brexit related recession may make job outcomes into work more difficult but we will closely monitor national developments and have built in flexibility to contracting arrangements to allow us to change course at short notice to respond to programme impact.<br><br>Covid-19 impacts on specific groups will be assessed. Early indications are that young people, females, those with health issues or disabilities will be disproportionately impacted by recession, therefore more targeted approach may be required. |
| **l Schedule / Timescales Risks**<br><br>Delays to overall project programme and key milestones. | Covid-19 is making planning of anything extremely difficult. Prepare a detailed project programme with considered time allowances and review regularly. Retain under continuous review to respond to Covid-19. Ensure finance profile is as accurate as possible. |
| **Operational Risks**<br><br>Implementation: Ability to deliver programme at regional level | Procurement framework being established, and key assessment will be providers' capacity to deliver at regional level.  Implementation plans will be assessed, and the successful provider will need to manage a roll out programme across the region.  The Steering Group will monitor this programme and recommend actions to address any variations from plans.<br><br>The Steering Group will have a key role in managing this risk. Local Authority members will have responsibility for ensuring good links are established to referral agencies in their own area. |
| **Contractual risks**<br><br>Appointed contractor could be impacted negatively by Covid19 and recessions. | As part of procurement process, robust checks have been made on the financial standing of delivery organisations. |

**3.10 Constraints**

No significant constraints have been identified for the project.

**3.11 Dependencies**

The project is subject to following dependencies that will be carefully monitored and managed throughout the lifespan of the scheme:

- Robust and effective referral routes

- Effective engagement with local businesses and employers

- Establishing appropriate mechanisms to respond to Covid

## 4. The Economic Case

### 4.1 Introduction

In accordance with the Capital Investment Manual and requirements of HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the FBC documents the procurement process and provides evidence to show that we have selected the most economically advantageous offer, which best meets our service needs and optimises value for money.

### 4.2 Critical success factors

The critical success factors (CSFs) shown within the OBC were as follows:
- Volume and appropriateness of referrals to service
- Engagement with customer groups
- Measurable and material health improvement
- Effective links to employability infrastructure
- Good links to business community

### 4.3 Short-listed options

The short listed options shown within the OBC were as follows:

1. **Do nothing**
   a. This option has been discounted as it would logically result in Ayrshires health and employment trends being maintained.  While economic growth may occur – we believe if we do nothing, then that growth will not be inclusive.

2. **A service to unemployed residents to return to work employers to keep people healthy and in-work**
   a. A comprehensive, criteria free service that supports individuals out of work because of a health barrier with targeted support to return to employment.  This option would also support people in-work to reduce the number of people who have to stop work because of ill-health.

3. **A service to only support unemployed residents back to work**

   a. A project that focused purely on supporting unemployed people and didn't try to prevent people dropping out of work.

4. **Identify all root causes of ill health in the region and tackle each of these**

   a. A project to look at the root causes of ill health in Ayrshire – bad diets, smoking, alcohol abuse, lack of exercise and attempt to change these.  This would be a long term challenge. It has been assessed that this challenge is already being undertaken

through a range of other strategies and would not have the sort of measurable impacts that could drive a growth deal project.

**Preferred option**

The preferred and agreed option at OBC stage was as option 2

This was the solution we went to procurement for.

## 4.5 The procurement process

We used the following procurement route: ……

North Ayrshire Council has issued a tender advert for a new Employability Framework.  Within this framework is a lot to deliver a case management service in line with this project proposal.  There was only one bidder to the tender: NHS Salus.   The bid was thoroughly appraised and following this process, NHS Salus were awarded the contract.

### 4.5.1 Contract Information

The contract was awarded as part of an Employability and Skills Framework and was issued under Lot 3: Addressing Health Issues as a Barrier to Employment.

Organisations applying to the framework had to meet a number of criteria and minimum standards (Contract Award Notice is shown in appendix).  The award criteria was Quality: 60 and Price: 40.

## 4.6 Economic appraisal

### 4.6.1 Introduction

This section provides a detailed overview of the costs and benefits associated with each of the selected service providers.

This Economic Case outlines the costs and benefits of the preferred option and its associated components in further detail.  The economic case for supporting people with health barriers back to work is well evidenced.

In 2017, Public Health England estimated the benefits of moving an individual from unemployment into sustainable employment.  This tool has been developed to act as an aid to decision-makers, both for those who are considering implementing interventions in order to help people move from unemployment or economic inactivity to sustainable employment, and for those who are attempting to make the case for investment in this area. The model calculates the consequences of a person or person(s) returning to employment and the benefits that this brings:

- Benefits to the individual in terms of salary and mental health improvements
- Benefits to society of having the individual in work locally
- Financial benefits to the exchequer in terms of reduced benefit claimant, increase in tax revenue and other contributions.

Public Health's research concludes that there is a substantial and significant benefit across society of moving people into work.  For the purpose of this economic case, the key financial outcomes are listed below:

**Table 13: Financial benefit of people moving into work**

|  | Per person returning to work |
|---|---|
| Financial benefit to the individual | **£3,500** |
| Financial benefit to society | **£23,100** |
| Financial benefits to the exchequer, of which accrue to: | **£12,000** |
| National Government | £11,400 |
| Local Authority | £500 |
| National Health Services | £85 |

This analysis helps form the economic case for the Working for a Healthy Economy project and associated services.

The project aims to support 1,293 unemployed people back to work over the lifespan of the project. With the project budget set at £5million, this equates to a cost of £3,867 per employment outcome. In addition, the project has a preventative element of the proposal where employed people are supported to retain work. Assuming that, of the 3,898 people the project forecasts will retain employment, 20% would have otherwise dropped out of employment, then the overall preventative saving to the public purse can be calculated. This is shown in the following tables.

**Table 14: Cost and benefit analysis of project – per outcome**

| Intervention | Approximate cost per intervention | Financial benefit to exchequer | Net benefit per outcome |
|---|---|---|---|
| Support people from unemployment to employment | £3,867 | £12,000 | £8,133 |
| Support people to sustain employment | £6,418 | £12,000 | £5,582 |

**Table 15: Cost and benefit analysis of project**

| Intervention | Net benefit per outcome | Forecast number of outcomes | Financial benefit to exchequer |
|---|---|---|---|
| Support people from unemployment to employment | £8,133 | 1293 | £10,515,969 |
| Support people to sustain employment | £5,582 | 779 | £4,348,378 |

It is important to note that, while the above analysis is based on Government research and a published method of measuring these benefits, the figures provided are gross and a number of elements could impact on the final, actual financial benefits, including:

- Failure of the project to achieve its forecast outcomes
- Any displacement effect of one unemployed individual achieving employment at the expense of an employed person – likely to be zero for the in-work intervention
- Individuals supported into employment who are not claiming benefits

The following table provides a review of each of the short listed options, considering how each performs against the investment objectives and the identified critical success factors.

**Table 16: Investment objectives and short list options**

| Investment objectives | Option 1: Do nothing | Preferred: A service to help unemployed residents to return to work and help employers to keep people healthy and in-work | Alternative 1: A service to only support unemployed residents back to work | Alternative 2: Identify all root causes of ill health in the region and tackle each of these |
|---|---|---|---|---|
| To ensure that significantly more people are fit and available to work. | Levels of inactivity and absence from work due to ill health remain | Targeted and comprehensive service to address this objective | Targeted and comprehensive service but without in-work support | Longer term approach, with investment spread thinly |
| To raise productivity levels in the region by reducing health related absences from work | Productivity levels likely to remain or fall over time | Individual and business productivity likely to have positive affects | Business productivity not receive benefits of project and some will see productivity fall | In work support not provided nor would there be a link to employment |
| To increase the number of people in work, increasing their incomes and spend in the area | Any positive impact of increased employment is not achieved through the project | Positive impact on local economy and well being | Positive impact on local economy and well being | Longer term positive impact on reducing barriers to work. Potential duplication of support already in place |
| To reduce the number of unemployed people claiming benefits, generating benefit savings and reducing demand for public services. | Benefit claimant numbers would remain unaffected | Individuals will move from inactivity to employment and move away from claiming out of work benefits | Individuals will move from inactivity to employment and move away from claiming out of work benefits | Longer term positive impact on number of people claiming out of work benefits |

**Table 17: Critical success factors and short list options**

| Critical Success Factors | Option 1: Do nothing | Preferred: A service to help unemployed residents to return to work and help employers to keep people healthy and in-work | Alternative 1: A service to only support unemployed residents back to work | Alternative 2: Identify all root causes of ill health in the region and tackle each of these |
|---|---|---|---|---|
| Volume and appropriateness of referrals to service | No change | Targeted approach to engage with right referrals with partners | Potential duplication of activity and confused approach | No change as no referrals |

| | | | | |
|---|---|---|---|---|
| Measurable and material health improvement | No change | Strong ability to measure health impacts | Not a strong focus on health improvement | Long term approach, require links to pipelines |
| Engagement with customer groups | No change | Wider engagement with customer groups, complementing other pipelines | Potential duplication of activity | Strong engagement with customer groups affected by ill health |
| Effective links to employability infrastructure | No change | Integrated approach with existing pipelines offering an additional intervention | Potential duplication of activity | Potential longer term input to existing pipelines |
| Good links to business community | No change | Strong links to business community bringing clear benefits | Existing link to business community | No link to business community |

It has been assessed that the preferred option would address those who need support to return to work but would also work to prevent people dropping out of work and thus reducing the need for the service long term.  This project will address these issues by investing in occupational health services which address directly a barrier to work for thousands of people across Ayrshire.  There is clear evidence that public health campaigns and interventions around the root causes of ill health can work – our assessment is that this is a viable option but if growth deal funds were used to support it, then the risk of duplication would be great, there would be little to connect the interventions to economic activity and evidence of impact may take decades.  Our preferred option provides a pragmatic interim response to the issues, while wider efforts to improve public health continue.

## 5. THE COMMERCIAL CASE

### 5.1 Introduction

This section of the FBC sets out the negotiated arrangements.

This is for the provision of a criteria free service to out of work residents in Ayrshire who require support with health barriers to gaining or sustaining work. The service will also offer support to individuals in-work who need assistance to sustain employment.

### 5.2 Required services

The products and services under contract are as follows:

- Single Intervention
- 6 session Case Management Model delivered via telephone or face to face
- Guided Self Help Group Work
- Mental Health First Aid Training to raise partner and employer mental health awareness

Although every client journey will be individual, all referrals will receive support within the following framework:

**Table 18: Client journey**

| Client Journey stage | Detail |
|---|---|
| Identification of referrals | Referral agencies will be asked to target those most in need. Local Employability Partnerships have existing criteria in terms of eligibility, so will only be referring people who have multiple barriers to employment. Agencies outwith the pipeline will be asked to target referrals on those who are most excluded from the labour market.<br><br>The types of referrals being received will be monitored closely to ensure that the most apt people are being referred. While the service is being set up as criteria free as possible, if apt referrals become an issue, this will be amended. |
| Registration and Triage | Enrolment and identification of client need; including service description and client consent. Progression to relevant service (Case Management, Explore and Report or In Work Support) based on client & referrer's information |
| Assessment | Service provides a detailed biopsychosocial assessment exploring the individual's:<br>• Medically diagnosed conditions<br>• Physical health and pain<br>• Mental and emotional difficulties<br>• Current life circumstances<br>• Impact of conditions/circumstances on daily life and ability to progress<br>• Work history<br>• Work barriers<br>• Collaborative action planning<br>• Delivery of the identified level of support (detailed overleaf)<br>• Receipt of a programme report for both individual client and referrer |

| Full Case Management | • Detailed, holistic assessment<br>• Support for up to 18 weeks for individuals experiencing multiple health, wellbeing and employability barriers<br>• Structured delivery of tailored modular support combined with hands on practical progression sessions<br>• Provision of therapies such as Counselling & Physiotherapy where required to enhance progress<br>• Close partnership working with employability referrer ensuring joint goals and outcomes<br>• Regular feedback for both client and referrer at agreed intervals<br>• Clinically validated progress measures utilised to evidence progress |
|---|---|
| Explore and Report | • Detailed, holistic assessment<br>• Informative and defining report provided for both client and referrer<br>• Medical information provided in non-medical language<br>• Provision of information on the application of the Equality Act 2010<br>• Clear, concise recommendations for future progress towards employment |
| In Work Support | • Will fill gaps in existing fit for work model by supporting all sizes of business to improve their retention of staff with health issue<br>• Detailed holistic assessment<br>• On-going support for up to 12 weeks<br>• Support with all aspects of moving into employment e.g. financial, establishing routine, managing new relationships, etc<br>• Information and advice on any necessary workplace accommodations e.g. free workstation assessment to maximise productivity/minimise pain<br>• Employer/employee mediation (where required and mutually consented)<br>• Provision of therapies such as Counselling & Physiotherapy where required to enhance sustainability<br>• Clinically validated progress measures utilised to evidence progress |

## 5.3 Agreed charging mechanisms

The proposed cost of the project is £5million over 4 years of the expected lifespan of the project duration. Costs are based on NHS Salus experience of delivering across Scotland and is based on the following unit costs for different types of interventions:

**Table 19: Unit cost of interventions**

| Products Available | Unit Cost | Assumed % of clients who will access this |
|---|---|---|
| Health Start Telephone (Assessment & Report Only) | £150 | 15% |
| Health Support Telephone (Full Case Management) | £450 | 25% |
| Health Support Face to Face (Full Case Management) | £527 | 60% |
| Guided Self Help Group Work - 3 Sessions (Up to 6 participants) | £1,500 | 25% |
| Guided Self Help Group Work - 3 Sessions (Up to 12 participants) | £3,000 | 25% |
| Mental Health First Aid Training - (up to 16 participants) inc VAT | £1,500 | 10% |

The average cost per person supported is £512. (£5m/9758 people supported)

This average cost per person supported includes overheads. Out with the costs of interventions, it is anticipated that the costs of marketing, premises and management will be £510k i.e. 10% of the overall project.

**5.4 Agreed contract length**

This is 24 months and is subject to 2 x 12 month renewals

**5.5 Personnel implications (including TUPE)**

There are no TUPE implications/

**5.6 Procurement route and implementation timescales**

The solution was procured using North Ayrshire Council's standard procurement procedures.

The implementation milestones agreed for the scheme with the service provider are as follows:

**Table 20: Implementation timescales**

| Action | Timescale |
|---|---|
| Advert for Procurement Framework issued | 14th February 2020 |
| Tender submissions assessed | April 2020 |
| Framework contract award | May 2020 |
| Full Business Case approved | February 2021 |
| Contract award from framework | February 2021 |
| Implementation period | February 2021 – June 2021 |
| Monthly reporting to PMO | Ongoing |
| Quarterly Project Board meeting | Ongoing |
| Monthly meeting with contractor | Ongoing |
| Annual review | TBC |
| Evaluation commences | TBC |
| Project ends | 2025/2026 |

## 6.0 The Financial Case

### 6.1 Introduction

The purpose of this section is to set out firm financial implications of the contracted solution.

### 6.2 Impact on the organisation's income and expenditure account

The payment stream for the scheme over the intended lifespan of the project is as follows:

**Table 21: summary of financial appraisal**

| £5million | Year 0 2021/22 | Year 1 2022/23 | Year 2 2023/24 | Year 3 2024/25 | Year 4 2025/26 | Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Preferred choice:** | | | | | | |
| Revenue | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 5,000,000 |
| **Total** | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 5,000,000 |
| **Funded by:** | | | | | | |
| Existing | | | | | | |
| Additional – Scottish Government | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 5,000,000 |
| **Total** | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 5,000,000 |

### 6.3 Overall affordability

The cost of the project is £5million over the expected lifespan of the contract period and the financial profile is shown above.

## 7. The Management Case

### 7.1 Introduction

This section of the FBC addresses in detail how the scheme will be delivered successfully.

### 7.2 Programme governance and project management arrangements

The three Ayrshire Councils (East, North and South) have agreed to implement a new governance structure to oversee the delivery of the Ayrshire Growth Deal and to promote the main drivers for the Regional Economic Partnership, namely

- to promote and deliver regional economic and inclusive growth on an Ayrshire-wide basis, in line with the Scottish Government's aim of having a Regional Economic Partnership for every region of Scotland;
- to provide the robust shared governance which will enable the Scottish and UK Governments and other funding sources to dispense monies on an Ayrshire basis;
- To encourage the meaningful involvement of private sector partners as well as the public sector;
- The structure should be as simple as possible, but be capable of adaptation as required; and
- To recognise that the funding element is being delivered through Councils, and consequently democratic accountability will be required for key investment decisions.

The governance for the AGD programme includes the following:

- The Economic Joint Committee – comprising Elected Members, representatives from SE, SDS, business and education.
- The Ayrshire Regional Economic Partnership Board – comprising Elected Members, representatives from public sector partners including SE, SDS, HIE, VisitScotland, HE, FE, the third sector and the business community.
- These committees have oversight of the AGD both at a programme level and in terms of approval of detailed business cases for individual projects as well as continued monitoring and evaluation of the AGD programme post Deal document sign off.
- It is anticipated that over time the 3 Councils will develop more regional responses to the needs of our businesses and communities to complement the AGD investment.

The project will be managed by North Ayrshire Council as lead authority, with overarching governance by a Steering Group comprising the three authorities.

The project will align with local authority existing resource, locally and regionally, including business development teams, employability programmes, regeneration activities, community development and locality/area partnerships. Subject to the agreement of the programme, the REP will play a key role in the governance of the programme, receiving quarterly project updates, outlining project highlights, performance and opportunities for wider collaboration.
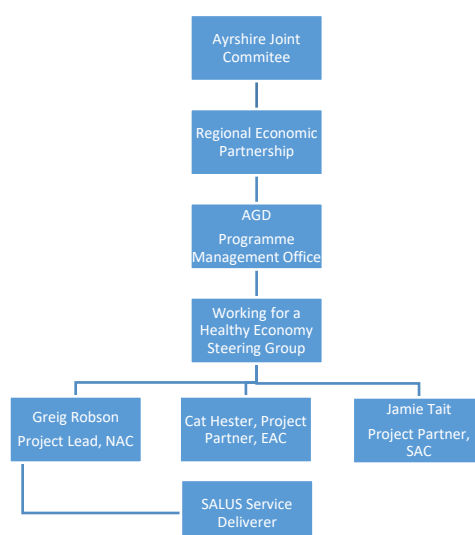
The Steering Group will meet quarterly. Its key role will expand from the development of the project to a coordination and governance role. Scottish Government participation on the Steering Group as a partner or observer is optional. Primary responsibilities will be:

- Preparation of updates to PMO, REP and Joint Committee, and respective Councils as required.

- Monitoring of outputs from project
- Responsible for their Councils respective promotion and linkages to the service
- Agree and monitor project targets and outputs.
- Agree improvements and recommendations regarding targets.
- Overall scrutiny and monitoring of the service and compliance performance.
- Agree improvements and recommendations regarding financial spend.
- Manage the overall project risk register.
- Liaison with Scottish Government Lead as required.
- Prepare annual report for Scottish Government on best practice and lessons learned which can be shared via SCRIG

### 7.3.1 Project reporting structure

The reporting organisation and the reporting structure for the project are as follows:



The AGD PMO will play a critical role liaising with the Steering Group to coordinate reporting to Scottish Government and the REP/Joint Committee Governance Structure.

**Table 22: Project roles and responsibilities**

| PARTNER | ROLE/RESPONSIBILITY | Contact details (name, number & email address) |
|---|---|---|
| North Ayrshire Council | Project Lead, Project Partner Reporting to PMO, SG, REP | Greig Robson, Senior Manager – Economic Policy, North Ayrshire Council Tel greigrobson@north-ayrshire.gov.uk |
| East Ayrshire Council | Project Partner | Cat Hester, Team Leader – Business Support, East Ayrshire Council 01563 @east-ayrshire.gov.uk |
| South Ayrshire Council | Project Partner | Jamie Tait, Service Lead, South Ayrshire Council 01292 @south-ayrshire.gov.uk |

### 7.3.3 Arrangements for benefits realisation

A Benefits Realisation Logic Chain is shown in Appendix 3. A Benefits Realisation Plan for the AGD will be developed and will link into other AGD programme activities as appropriate.

### 7.3.4 Project plan

This is as set out in the following table.

**Table 23: project plan**

| Milestone | Timescale |
|---|---|
| Advert for Procurement Framework issued | 14th February 2020 |
| OBC submitted to Scottish Government | February 2021 |
| Tender submissions assessed | April 2020 |
| Framework contract award | May 2020 |
| Full Business Case submitted | February 2021 |
| Full Business Case approved | February 2021 |
| Contract award from framework | February 2021 |
| Implementation period | February 2021 – June 2021 |
| Monthly reporting to PMO | Ongoing |
| Quarterly Project Board meeting | Ongoing |
| Monthly meeting with contractor | Ongoing |
| Annual review | TBC |
| Evaluation commences | TBC |
| Project ends | 2025/2026 |

## 7.4 Arrangements for change management

Any changes to the project will be considered by the Working Group before being referred as required, e.g. to PMO or to lead partner's procurement team.

## 7.5 Arrangements for progress monitoring

The successful contractor will have robust and effective systems for capturing data and measuring performance and progress of participants. The system will record the following:
- Registration information
- Referrals

- Key interventions
- Support provided
- Progress towards goals
- Outcomes

This data will be presented to the lead partner and working group for review and its meetings.

## 7.6 Arrangements for risk management

A copy of the project risk register is attached at Appendix 1.

This sets out who is responsible for the management of risks and the required counter measures.

## 7.7 Arrangements for post project evaluation

An evaluation of the project will take place and will be coordinated by the working group.  Key lessons learned will be shared across the partnership, including NHS, Scottish Government and regional partners.

## 7.8 Contingency plans

In the event that this project fails, the following arrangements are in place to guarantee the continued delivery of the required services and outputs:

- Regular review and progress meetings

- Steering Group in place to manage the project activity

- Clear contract management processes as part of local authority standard protocols

**Signed:**

**Date:**

**Senior Responsible Owner**

**Project Team**

| Appendix 1:  Working for a Healthy Economy Risk Register | | | | | | |
|---|---|---|---|---|---|---|
| **Objectives & Project Outcomes Risks** | | | | | | |
| **Risk Ref** | **Risk Description** | **Impact** | **Probability** | **Counter Measure** | **Owner** | **Date Reviewed** |
| R1 | Failure to deliver anticipated outputs and outcomes.   Failing to achieve more inclusive growth and/or reduce poverty by increasing the income of people in deprived areas or protected characteristic groups | High | High | Severe Covid-19 and/or Brexit related recession may make job outcomes into work more difficult but we will closely monitor national developments and have built in flexibility to contracting arrangements to allow us to change course at short notice to respond to programme impact. Covid-19 impacts on specific groups will be assessed. Early indications are that young people, females, those with health issues or disabilities will be disproportionately impacted by recession, therefore more targeted approach may be required. | Project Lead/Director | Ongoing monitoring and reporting to Regional Partnership. Ongoing working group to review. NAC internal governance arrangements |
| **Schedule / Timescales Risks** | | | | | | |
| **Risk Ref** | **Risk Description** | **Impact** | **Probability** | **Counter Measure** | **Owner** | **Date Reviewed** |
| R2 | Delays to overall project programme and key milestones. | High | High | Covid-19 is making planning of anything extremely difficult. Prepare a detailed project programme with considered time allowances and review regularly. Retain under continuous review to respond to Covid-19. Ensure finance profile is as accurate as possible. | Project Lead/Director | Ongoing review – as above. |

| R3 | Delays cause by Procurement. | Medium | Low | Seek early agreement on appropriate procurement routes and early notification of contract opportunities. Procurement framework established. | Project Lead/Director | Ongoing review – as above. |
|---|---|---|---|---|---|---|
| R4 | Delays caused by resource management issues. | Medium | Medium | Programme costing and procurement framework with ongoing monitoring through implementation.<br><br>As procured approach has been taken and framework is almost in place, much of the implementation will fall onto contractor. | Project Lead/Director | Ongoing review – as above. |
| **Operational Risks** | | | | | | |
| **Risk Ref** | **Risk Description** | **Impact** | **Probability** | **Counter Measure** | **Owner** | **Date Reviewed** |
| R5 | Implementation: Ability to deliver programme at regional level | High | Medium | Procurement framework being established, and key assessment will be providers capacity to deliver at regional level.  Implementation plans will be assessed, and the successful provider will need to manage a roll out programme across the region.  The Steering Group will monitor this programme and recommend actions to address any variations from plans.<br><br>The Steering Group will have a key role in managing this risk.  Local Authority members will have responsibility for ensuring good links are established to referral agencies in their own area. | Project Lead/Director | Ongoing review – as above. |

| R6 | Implementation: Over-Demand | Medium | Medium | Proposed targets are based on delivery experience across Scotland and the experience of delivering a case management service in North Ayrshire recently. Therefore, we believe targets are robust.<br><br>The proposal as it stand is designed to remove barriers to accessing the service, however in the event of over demand, referral criteria can be set to reduce demand. | Project Lead/Director | Ongoing review – as above. |
| --- | --- | --- | --- | --- | --- | --- |
| R7 | Implementation: Lack of demand | Low | Medium | Proposed targets are based on delivery experience across Scotland and the experience of delivering a case management service in North Ayrshire recently. Therefore, we believe targets are robust.<br><br>The programme could be implemented at a slower pace than planned to take account of COvid-19 and its impacts. | Project Lead/Director | Ongoing review – as above. |
| R8 | Implementation: National programmes are introduced which result in duplication | Low | Medium | We will closely monitor national developments and have built in flexibility to contracting arrangements to allow us to change course at short notice if national provision is introduced that duplicates provision. | Project Lead/Director | Ongoing review – as above. |
| R9 | Implementation: Lack of employability provision | Medium | Low | Local Authorities are currently funded through ESF and as such face uncertainty post 2022. The Shared Prosperity Fund is a potential solution to this funding issue and developments will be closely | Project Lead/Director | Ongoing review – as above. |

| Risk Ref | Risk Description | Impact | Probability | Counter Measure | Owner | Date Reviewed |
|---|---|---|---|---|---|---|
| | | | | monitored. However, each authority has a commitment to maintain an employability infrastructure post 2022, whatever the Shared Prosperity Fund provides for. | | |
| R10 | Implementation: End of project | Low | Medium | We would hope to influence the national policy around occupational health services, as a legacy of the programme. | Project Lead/Director | Ongoing review – as above. |
| **Financial Risks** | | | | | | |
| **Risk Ref** | **Risk Description** | **Impact** | **Probability** | **Counter Measure** | **Owner** | **Date Reviewed** |
| R11 | Slippage / delay in the programme incurs additional costs. | High | Medium | Finance plans and resource implications. Costs will be managed through a legal contract, so shouldn't vary significantly. | Project Lead/Director | Ongoing review – as above. |
| R12 | Unforeseen project complexities that require additional funding. | Medium | Low | Provide for contingency Provide Green Book compliant Optimism Bias allowances. Similar project has been delivered previously. Project monitoring will track potential impacts and create ability to respond. | Project Lead/Director | Ongoing review – as above. |
| **Contractual Risks** | | | | | | |
| **Risk Ref** | **Risk Description** | **Impact** | **Probability** | **Counter Measure** | **Owner** | **Date Reviewed** |
| R13 | Appointed contractor could be impacted negatively by Covid19 and recessions. | High | Low | As part of procurement process, robust checks have been made on the financial standing of delivery organisations. | Project Lead/Director | Ongoing review – as above. |
| **Reputational Risks** | | | | | | |
| **Risk Ref** | **Risk Description** | **Impact** | **Probability** | **Counter Measure** | **Owner** | **Date Reviewed** |

| Risk Ref | Risk Description | Impact | Probability | Counter Measure | Owner | Date Reviewed |
|---|---|---|---|---|---|---|
| R14 | Detailed Business Case fails: Concept not supported by Partners | High | Low | Development of SBC in accordance with Green Book and with strong supporting evidence. Strong policy support from Govt and agencies. Proposal has been in development for over 3 years and supported by partners.  Existing project in North Ayrshire has good buy in from partners, which can be built upon when expanded. | Project Lead/Director | Ongoing review – as above. |
| **External Risks** | | | | | | |
| **Risk Ref** | **Risk Description** | **Impact** | **Probability** | **Counter Measure** | **Owner** | **Date Reviewed** |
| R15 | Project delay and macro-economic impact of Covid-19 and recovery. | High | High | Although there may be some delay to project arising from Covid 19 recovery, early analysis identifies that the need for the project is unlikely to be diminished (in fact the need may be greater). Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs. | NAC | Ongoing review – as above. |

**Appendix 2: Contract Award Information**

# Contract award notice

Results of the procurement procedure

Directive 2014/24/EU - Public Sector Directive

Directive 2014/24/EU

## Section I: Contracting entity

### I.1) Name and addresses

North Ayrshire Council

Cunninghame House, Friars Croft

Irvine

KA12 8EE

UK

Contact person: Christopher Turner

Telephone: +44 1294324062

E-mail: CHRISTURNER@NORTH-AYRSHIRE.GOV.UK

NUTS: UKM93

Internet address(es)

Main address: http://www.north-ayrshire.gov.uk

Address of the buyer profile: http://www.north-ayrshire.gov.uk

### I.1) Name and addresses

South Ayrshire Council

County Buildings, Wellington Square

Ayr

KA7 1DR

UK

Telephone: +44 3001230900

E-mail: procurement@south-ayrshire.gov.uk

NUTS: UKM94

Internet address(es)

Main address: http://www.south-ayrshire.gov.uk/procurement/

Address of the buyer profile: https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA00405

### I.1) Name and addresses

East Ayrshire Council

Corporate Procurement Team, London Road HQ

Kilmarnock

KA3 7BU

UK

Telephone: +44 1563576183

E-mail: procurement@east-ayrshire.gov.uk

NUTS: UKM93

Internet address(es)

Main address: http://www.east-ayrshire.gov.uk

Address of the buyer profile: https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA00223

### I.2) Joint procurement

The contract involves joint procurement

### I.4) Type of the contracting authority

Regional or local authority

### I.5) Main activity

General public services

## Section II: Object

### II.1) Scope of the procurement

### II.1.1) Title

Framework Agreement for Provision of Employability and Skills

Reference number: NAC/1137

### II.1.2) Main CPV code

79414000

### II.1.3) Type of contract

Services

### II.1.4) Short description

North Ayrshire Council currently have a framework in place for employability services, the framework supports the council's efforts to reduce unemployment and address issues of poverty within the local area. The current framework is due to expire on 31st July 2020 and therefore the requirement is being retendered.

The service delivered will be based on the nationally recognised employability and skills 5 stage pipeline. Services will therefore be delivered in a co-ordinated model that is easy for participants to access, delivers the right service, avoids duplication of service delivery, provides improved outcomes and, provides best value for the public purse

The requirement will be delivered across 3 lots

The resultant contract will be for a period of 2 years with the option to extend by 2 x 12 month periods dependant on satisfactory performance and budget availability.

Bidder should note that the funding package is not guaranteed and is subject to allocations from various funding sources including the European Social Fund. North Ayrshire Council also reserves the option to deliver some of these services in-house.

### II.1.6) Information about lots

This contract is divided into lots: Yes

Lot No: 3

**II.2.1) Title**

Addressing Health Issues as a Barrier to Employment

**II.2.2) Additional CPV code(s)**

79414000

**II.2.3) Place of performance**

NUTS code:

UKM93

**II.2.4) Description of the procurement**

This lot will be utilised by all participating authorities (North Ayrshire Council, East Ayrshire Council and South Ayrshire Council)

This lot will deal with service users who have health barriers and assist them to employment. This lot will deliver services which address health barriers for both unemployed and employed participants as well as supporting local businesses in Ayrshire address health related work issues.

This lot will be a sole supplier agreement

**II.2.5) Award criteria**

Quality criterion: Quality / Weighting: 60

Price / Weighting:  40

**II.2.11) Information about options**

Options: No

**II.2.13) Information about European Union funds**

The procurement is related to a project and/or programme financed by European Union funds: No

# Section IV: Procedure

## IV.1) Description

**IV.1.1) Type of procedure**

Open procedure

**IV.1.3) Information about a framework agreement or a dynamic purchasing system**

The procurement involves the establishment of a framework agreement

**IV.1.8) Information about Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes

## IV.2) Administrative information

**IV.2.1) Previous publication concerning this procedure**

Notice number in the OJ S:

2020/S 034-081729

# Section V: Award of contract

Lot No: 3

Title: Addressing Health Issues as a Barrier to Employment

A contract/lot is awarded: Yes

## V.2 Award of contract

### V.2.1) Date of conclusion of the contract

29/06/2020

### V.2.2) Information about tenders

Number of tenders received: 1

Number of tenders received from SMEs: 1

Number of tenders received from tenderers from other EU Member States: 0

Number of tenders received from tenderers from non-EU Member States: 0

Number of tenders received by electronic means: 1

The contract has been awarded to a group of economic operators: No

### V.2.3) Name and address of the contractor

Salus Return to Work Services

14 Beckford Street

Hamilton

ML3 0TA

UK

Telephone: +44 1698759327

NUTS: UK

The contractor is an SME: Yes

### V.2.4) Information on value of the contract/lot (excluding VAT)

Initial estimated total value of the contract/lot: 6 000 000.00 GBP

Total value of the contract/lot: 6 000 000.00 GBP

### V.2.5) Information about subcontracting

**Appendix 3: Logic Models**

| Project Inputs (resources) | Project Activities (what you do) | Project Outputs (what is produced) | Project Outcomes (change expected as result of outputs/activities) | Programme Objective |
|---|---|---|---|---|
| **Working for a Healthy Economy**<br><br>Procured service to support 1500 people a year (800 unemployed, 700 unemployed)<br><br>Project Duration: 5 years<br><br>AGD: £5,000,000<br><br>All 3 authorities and partners will continue to fund surrounding employability and business support services which will support the proposals. | Establish a one stop health support service across Ayrshire to maximise employment and job retention.<br><br>Although every client journey will be individual, all referrals will receive support within the following framework:<br><br>• **Registration and Triage**<br><br>• **Assessment**<br><br>• **Full Case Management**<br><br>• **Explore and Report**<br><br>• **In Work Support** | 960 clients – Assessment & Report Only<br>1600 clients – Full Case Management Support via Telephone<br>3839 clients – Full Case Management Support delivered Face to Face<br>3809 (70%) of clients engaging in Full Case Management support are likely to access a funded treatment e.g. Talking Therapies, Physiotherapy etc.<br>2400 clients will receive support via Group Work<br>960 individuals will receive Mental Health First Aid Training<br><br>Marketing will be targeted at 5,172 individuals (53%) being unemployed at the point of referral with the aim of 25% going back to work.<br><br>The remaining 4,586 will receive support to return to or remain in employment / self-employment with the aim of 85% of clients sustaining. | • Improved health and management of health conditions of individuals<br>• Reduced levels of unemployment and corresponding increases in income levels.<br>• Improved retention and progression in work and corresponding increases in income levels.<br>• Reduced absenteeism and improved retention of staff, increasing productivity of business.<br>• Improved uptake of training/learning opportunities through reducing health as a barrier<br>• Improved awareness and education of employers around health and benefits of supporting employees. | • To reduce poor health as a constraint on economic growth. |

**Appendix 4: Specific Outputs**

| Headline outputs | AGD Target |
|---|---|
| Unemployed residents supported | 5172 |
| Unemployed residents supported back to work (25%) | 1293 |
| Employed residents supported | 4586 |
| Employed residents retaining work (85%) | 3898 |
| **Total residents supported** | **9758** |

| Intervention breakdown | AGD Target |
|---|---|
| Assessment and report only | 960 |
| Full case management via telephone | 1600 |
| Full case management Face to Face | 3838 |
| Supported through group work | 2400 |
| Mental Health First Aid training | 960 |
| **Total** | **9758** |

| | |
|---|---|
| Numbers accessing funded treatment, i.e. physio, talking therapies etc | **3809** |

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on the Equality Impact Assessment's which will guide you through the process and is available to view here: https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. Interim Guidance for Public Bodies in respect of the Duty was published by the Scottish Government in March 2018.

Please note that the term 'project' is used throughout and applies to policies, strategies, provisions, criteria, functions, practices, budget savings and activities, including the delivery of services.

**If you require assistance, please contact:**

East Ayrshire Council          Alyia Zaheed          alyia.zaheed@east-ayrshire.gov.uk

North Ayrshire Council        Andrew Hale          andrewhale@north-ayrshire.gov.uk

South Ayrshire Council Geraldine McGivern      Geraldine.McGivern@south-ayrshire.gov.uk

## Section One: Project Details*

| Name of Project | Working for a Healthy Economy |
| --- | --- |
| Lead Officer (Name/Position) | Greig Robson |
| Support Team (Names/Positions) including Critical Friend | Andrew Hale |
| What are the main **aims** of the project? | The main aims of the service are to address health barriers to economic activity. |
| What are the intended **outcomes** of the project | The service will support unemployed individuals to address health barriers to work, education and training and will also support local businesses in order that they can support employees more effectively with health issues and therefore remain productive. |

## Section Two: What are the Likely Impacts of the Project?

| Will the project impact upon the whole population of Ayrshire or a specific council area and/or particular groups within the population (please specify the equality groups) | The project will cover the Ayrshire region. |
| --- | --- |

**Consider the 'Three Key Needs' of the Equality Duty**

**Which aspects of the project eliminate unlawful discrimination, harassment and victimisation?**

By working with employers to promote the benefits of health support to employees, we are hopeful the service will impact on unlawful discrimination of people with health issues or disabilities.

**Which aspects of the project advance equality of opportunity between people who share a relevant protected characteristic and those who do not?**

The service only has two eligibility criteria - service users must have a genuine interest in returning to employment and must have a health issue. Therefore, the service will benefit both people with protected characteristics and also those who perhaps don't and health is the only thing holding them back.

**Which aspect of the project foster good relations between people who share a protected characteristic and those who do not? (**Does it tackle prejudice and promote a better understanding of equality issues?**)**

> The service should increase numbers with protected characteristics entering the workforce, thereby encouraging more interaction between groups and bringing those with protected characteristics into mainstream society more

**Have any cross-cutting impacts been identified from other Council Services or Partner Agencies? (**Multiple discrimination or accumulated effects of multiple proposals on a protected characteristic group**)**

> People with health issues tend to belong to multiple protected groups - they are often disabled and of an age that could impact their outcomes. They are more likely reside in areas suffering from multiple deprivation.

**Island Proofing**

Island Proofing is about considering the particular needs and circumstances of island communities when public sector organisations exercise their functions and make decisions.  This process includes a range of issues such as access to services, digital connectivity, employment and access to education; transport and access to goods and services.

Services will be available to the islands but with lower unemployment and better health in general, there will be less positive impact: the islands will not be a key target group for service provision.

**Considering the following Protected Characteristics and themes, what likely impacts or issues does the project have for the group or community?**

**Please outline evidence in relation to impacts identified. List any likely positive and/or negative impacts. If negative impacts are identified, can these be mitigated or lessened?**

| Protected Characteristics | Evidence | Positive/Negative Impacts | Mitigating Factors |
|---|---|---|---|
| **Age**: Issues relating to different age groups e.g. older people or children and young people | In 2018: <br><br> the employment rate for those aged 16-64 was 74.1 per cent. The employment rate was highest for 35-49 year olds (83.7 per cent) and lowest for the 16-24 year old age group (57.2 per cent). <br><br> employment rates for 25-34 and 35-49 year olds have remained around 80.0 per cent from 2004 to 2018. <br><br> the employment rates for young people reduced from 60.7 per cent in 2008 to 57.2 per cent in 2018. <br><br> 19,000 (8.4 per cent) of 16-19 year olds were not in education, employment or training (NEET). The number of young people not in education, employment or training is down from 35,000 (13.2 per cent) in 2010. | **Positive** <br><br> Older people tend to have more health issues than younger people, however all ages are often held back from participating in economic activity by health issues.  More and more people of all ages are particularly struggling with mental health issues in recent years.  Young people and older people are more likely to be unemployed. This service will work to address that inequality. | |
| **Disability**: Issues relating to disabled people | **In 2018** 2018, the employment rate for disabled people in Scotland (aged 16-64) was 45.6%, which compares with an employment rate of 81.1% for non-disabled people. <br> the employment gap between disabled and non-disabled people decreased to 35.5 percentage points from 35.9 percentage points in 2017. | **Positive** <br><br> Having a disability of some sort, makes you more likely to be excluded from the labour market.  While this project is about health in its widest sense, it will support a number of people with | |

| | | | |
|---|---|---|---|
| | the unemployment rate for disabled people (aged 16-64) in Scotland was 9.4% in 2018, compared with an unemployment rate of 3.6% for non-disabled people.<br><br>in 2018, almost half of disabled people (16-64 years) in Scotland were economically inactive (49.7%), compared with 15.9% of non-disabled people.<br><br>26.3% of economically inactive disabled people wanted to work, higher than 16.9% of economically inactive non-disabled people.<br><br>the employment gap between disabled and non-disabled people was wider for men (40.0 percentage points compared with 31.1 percentage points for women).<br><br>disabled people who are in a minority ethnic group have an employment rate of 37.9%, lower than non-disabled minority ethnic people (57.8%). | disabilities to break down those barriers to employment. | |
| **Gender Reassignment – Trans/Transgender:** Issues relating to people who have proposed, started or completed a process to change his or her sex | Labour market information on gender re-assignment is not available. | **Positive**<br><br>While evidence is lacking about the impact of gender re-assignment on labour market involvement, it is clear that a health service that supports people back to work, could potentially support this group. | |
| **Marriage and Civil Partnership:** Issues relating to people who are married or are in a civil partnership | No evidence that marital status has any correlation with labour market participation. | | |
| **Pregnancy and Maternity:** Issues relating to woman who are pregnant and/or on maternity leave | No evidence available | | |

| Protected Characteristics | Evidence | Positive/Negative Impacts | Mitigating Factors |
|---|---|---|---|
| **Race:** Issues relating to people from different racial groups, (BME) ethnic minorities, including Gypsy/Travellers | In 2018 in Scotland:<br><br>The employment rate for the minority ethnic population aged 16-64 was 55.4 per cent which is lower than the white population with an employment rate of 75.1 per cent.<br><br>The minority ethnic employment gap (difference between the employment rates for white and minority ethnic people) was 19.7 percentage points, higher than the gap in 2017 (14.5 percentage points).<br><br>The minority ethnic employment gap was much higher for women than men; for women the minority ethnic employment gap was 26.8 percentage points and for men was 11.2 percentage points.<br><br>The minority ethnic employment gap was largest for those aged 25-34 (40.9 percentage points), followed by 16-24 year olds (28.2 percentage points), 35-49 year olds (11.8 percentage points) and 50-64 year olds (2.9 percentage points).<br><br>Source: Regional Employment Patterns in | **Positive**<br><br>While Ayrshire has small numbers of ethnic minorities- there is the potential for this service to support them back to work. | |

| | | | |
|---|---|---|---|
| | Scotland: Statistics from the Annual Population Survey 2018 (Last updated: May 2019. | | |
| **Religion or Belief**: Issues relating to a person's religion or belief (including non-belief) | There is little evidence that religion has a major role in health inequality. | **Positive**<br><br>The service will be open to all unemployed residents with health barriers and is not targeted to any particular religion. | |
| **Sex:** Gender identity: Issues specific to women and men/or girls and boys | In 2018 in Scotland:<br><br>the employment rate for women was 70.3 per cent, lower than the employment rate for men (78.0 per cent).<br><br>the gender employment gap (difference between the employment rates for men and women) was 7.6 percentage points, lower than the gap of 10.5 percentage points in 2008.<br><br>86.9 per cent of men in employment are in full time employment compared to 57.5 per cent of women.<br><br>16.3 per cent of men in employment work in the public sector1 compared to 35.4 per cent of women. Since 2008, there has been a larger reduction in the proportion of men in employment in the public sector than women (down from 19.0 per cent and 37.8 per cent respectively).<br><br>Almost half of women in Scotland (47.4 per cent) work in the Public admin, education and health sector (Note this is not the same as the Public Sector). | **Positive**<br><br>The female employment rate in Ayrshire is lower than the Scottish average.  Addressing health barriers to work could be vital in supporting females back to work and to work in sectors that they have previously been excluded from. | |

| | | | |
|---|---|---|---|
| | Over two-fifths (44.5 per cent) of men work in sectors that show high levels of gender segregation: Construction (12.4 per cent), Transport and communication (11.0 per cent), Manufacturing (11.8 per cent), Energy and water (6.8 per cent) and Agriculture and Fishing (2.5 per cent).<br><br>43.3 per cent of women in Scotland were employed in occupations that are gender segregated towards women: Administrative and secretarial (15.7 per cent), Personal service (17.0 per cent) and Sales and customer service occupations (10.6 per cent).<br><br>31.5 per cent of men in Scotland were employed in occupations that exhibit high levels of gender segregation towards men: Skilled trades (19.8 per cent) and Process, plant and machine operatives (11.8 per cent).<br><br>Source: Regional Employment Patterns in Scotland: Statistics from the Annual Population Survey 2018 (Last updated: May 2019. | | |
| **Sexual Orientation:** Issues relating to a person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight | No evidence that sexual orientation results in differing impacts on labour market participation. | | |

| **Children's Rights** Issues and impacts affecting children's rights* <br> *for more information please email – andrewhale@north-ayrshire.gov.uk | By supporting parents into work there will be an indirect benefit on children, with more likely to achieve the right to have a proper house, food and clothing. | **Positive** <br><br> Children living in poverty as a result of parental unemployment are expected to be most impacted <br> As the service could benefit parents of Syrian refugees in particular, then there could be a positive impact on the wellbeing of refugee children. | |
|---|---|---|---|
| **Health** <br> Issues and impacts affecting people's health | Population aged 16-64 who are EA core or work-limiting disabled (July 18- June 19 <br><br> Ayrshire         25% <br> Scotland        21.6% <br> United Kingdom    20.0% | **Positive** <br><br> This project is all about improving health and removing any health-related barriers to work. | |

| Protected Characteristics | Evidence | Positive/Negative Impacts | Mitigating Factors |
|---|---|---|---|
| **Human Rights:** Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections.<br>Further information can be found here | There remains some evidence of discrimination of protected groups. The disability employment gap across Scotland demonstrates this. | **Positive**<br><br>This service will further enhance our efforts to ensure people are not subject to discrimination in the workplace - by working with individuals and employers to challenge discrimination. | |

| Socio-Economic Disadvantage | | | |
|---|---|---|---|
| | **Evidence** | **Impact** | **Mitigating Factors** |
| **Low Income/Income Poverty:** Issues: cannot afford to maintain regular payments such as bills, food and clothing. | Ayrshire has a significantly higher share of datazones in 20% most deprived than Scotland average<br><br>Local share of datazones in 20% most deprived<br>• Ayrshire: 29.8%<br>• Scotland: 16.4% | **Positive**<br><br>Sustaining people in employment and assisting into employment will help address this issue. | |
| **Low and/or no wealth:** Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future | Ayrshire has higher proportions of children living in poverty than Scotland<br><br>% of children in poverty (after housing costs)<br>East Ayrshire    28%<br>North Ayrshire   30%<br>South Ayrshire   26%<br>Scotland         22% | **Positive**<br><br>Sustaining people in employment and assisting into employment will help address this issue. | |
| **Material Deprivation:** Issues: being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies | Statistic forthcoming | **Positive**<br><br>Sustaining people in employment and assisting into employment will help address this issue. | |

| Area Deprivation: Issues: where you live (rural areas), where you work (accessibility of transport) | Statistics forthcoming | Positive<br><br>Sustaining people in employment and assisting into employment will help address this issue. | |

## Section Three: Evidence Used in Developing the Project

| Involvement and Consultation<br>In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation?<br>*Who* did you involve, *when* and *how*? | The project proposal has been consulted on through the community planning partnership. North Ayrshire Council currently operate a version of this service so regularly get feedback from service users which informs future delivery. |
|---|---|
| Data and Research<br>In assessing the impact set out above what evidence has been collected from research or other data. Please specify *what* research was carried out or data collected, *when* and *how* this was done. | A significant amount of desk based research and data was collected to understand the depth of the issues in Ayrshire and the role the project can have in addressing the inequalities which the data highlights. Data examined includes employment rates, socio-economic indicators<br>Lessons learned from the service in North Ayrshire has also fed into this Pan-Ayrshire approach. |
| Partners data and research<br>In assessing the impact(s) set out in Section 2 what evidence has been provided by partners?<br><br>Please specify partners | Not applicable |
| Gaps and Uncertainties | There is a lack of evidence around labour market participation and certain protected groups such as transgender. |

| Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further? | |
|---|---|

**Section Four: Detailed Action Plan to address identified gaps in:**

## A) EVIDENCE AND
## B) TO MITIGATE NEGATIVE IMPACTS

| NO. | ACTION | Responsible Officer(s) | Timescale |
|---|---|---|---|
| 1 | **EVIDENCE**<br>Explore potential sources of labour market participation for protected groups such as transgender | GREIG ROBSON | MARCH 2022 |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |

*Note: Please add more rows as required.*

**Section Five - Performance monitoring and reporting**

Considering the project as a whole, including its equality and diversity implications:

| When is the project intended to come into effect? | The project will begin its implementation phase in April 2021 |
|---|---|

| | |
|---|---|
| When will the project be reviewed? | The project is monitored quarterly and there is an annual review |
| Which Panel will have oversight of the project? | The Regional Economic Partnership will have a strategic overview of the project. |

**Section 6**

**Ayrshire Growth Deal**

**Summary Equality Impact Assessment Implications & Mitigating Actions**

**Name of Project**: Working for a Healthy Economy

**Name of Project Lead:**  Greig Robson

**Email of Project Lead:**  GreigRobson@north-ayrshire.gov.uk

**Date of Assessment:**  10 February 2021

This project will assist or inhibit the Council's ability to eliminate discrimination; advance equality of opportunity; and foster good relations as follows:

1. **Summary of project aims**

   The main aim of the project is to address health barriers to economic activity.

**2.      Summary of how the project will eliminate discrimination**

This project will further enhance our efforts to ensure people are not subject to discrimination in the workplace - by working with individuals and employers to challenge discrimination

**3.      Summary of how the project will advance equality of opportunity**

The project will benefit people with protected characteristics and also those who perhaps don't have a protected characteristic but who consider health to be a barrier to employment

**4.      Summary of how the project will foster good relations**

The service should increase numbers with protected characteristics entering the workforce, thereby encouraging more interaction between groups and bringing those with protected characteristics into mainstream society more

**5.      Summary of how the project considers Socio-Economic Disadvantage (Fairer Scotland Duty)**

Ayrshire suffers from socio-economic inequalities.  Poverty levels are higher than Scottish averages and within Ayrshire there are particular geographies and groups more likely to experience poverty.  The project is designed to reduce the inequalities highlighted above by tackling a key constrain to inclusive economic growth – health.

**6.      Summary of how the project considers the needs of island communities**

Services will be available to the islands but with lower unemployment and better health in general, there will be less positive impact.

**7.      Summary of Key Action to Mitigate Negative Impacts**

**a.      Actions and Timescales**

**Project Lead** …Greig Robson………………………………..

**Signed** …10 Feb 2021…………………………………

**AGREEMENT**

**between:**

**EAST AYRSHIRE COUNCIL**

**and**

**SOUTH AYRSHIRE COUNCIL**

**and**

**NORTH AYRSHIRE COUNCIL**

**relative to the Ayrshire Growth Deal**

**AGD Agreement v11**

17/12/2020

**AGREEMENT between:**

**EAST AYRSHIRE COUNCIL**, a local authority established under the Local Government etc. (Scotland) Act 1994 and having its principal offices at Council Headquarters, London Road, Kilmarnock KA3 7BU ("**EAC**"); and

**SOUTH AYRSHIRE COUNCIL**, a local authority established under the Local Government etc. (Scotland) Act 1994 and having its principal offices at County Buildings, Wellington Square, Ayr KA7 1DR ("**SAC**"); and

**NORTH AYRSHIRE COUNCIL,** a local authority established under the Local Government etc. (Scotland) Act 1994 and having its principal offices at Cunninghame House, Friarscroft, Irvine, KA12 8EE ("**NAC**")

WHEREAS:

(A)   EAC, SAC and NAC (together with the UK and Scottish Governments) are parties to a Heads of Terms Agreement dated Friday 8 March 2019 (the "**Heads of Terms**") which confirms the joint commitment of the parties to achieve full implementation of the Ayrshire Growth Deal ("**AGD**").

(B)   Having recognised that it is a requirement of the Heads of Terms that a model of governance and supporting documentation be established that will meet the expectations set out in the Regional Partnership workstream of phase 2 of Scotland's Enterprise and Skills Review, and in furtherance of these expectations, the parties have agreed that EAC will assume the role of Lead Authority for the AGD.

(C)   The Parties have in turn therefore agreed that the governance, monitoring and reporting obligations which will fall upon EAC for the AGD, together with the concurrent obligations which will be incumbent upon both SAC and NAC, be

further detailed within the terms of this Agreement.

(D)     The Agreement recognises and anticipates that the parties may be required to enter into appropriate further agreements to regulate their respective relationships in respect of the successful delivery and implementation of the AGD.

(E)     EAC, SAC and NAC have agreed to enter into this Agreement for the purpose of recording certain key understandings that will govern their mutual relationship going forward.

NOW IT IS HEREBY AGREED AS FOLLOWS:

## 1.     DEFINITIONS AND INTERPRETATION

In this Agreement, unless the context requires otherwise, the following terms shall have the following meanings:-

"**AGD Strategic Manager**" means the officer appointed to this post by EAC and employed by EAC;

"**AGD Documentation**" means this agreement or any of the documents included in the Schedules annexed and executed as relative hereto;

"**Agreement**" means this agreement, which shall be a relevant Agreement in terms of the Heads of Terms and for the purposes of any provisions contained therein;

"**Ayrshire Growth Deal – Deal Document**" means the document included herein at Part 1 of the Schedule;

"**Ayrshire Growth Deal – Implementation Plan**" means the document included herein at Part 2 of the Schedule;

"**Ayrshire Growth Deal – Financial Plan**" means the document included herein at Part 3 of the Schedule;

"**Ayrshire Growth Deal – Governance Document"** means the document included herein at Part 4 of the Schedule;

"**Ayrshire Growth Deal Partners Communication Protocol"** means the document included herein at Part 5 of the Schedule;

"**Ayrshire Growth Deal: Core Script (2019)"** means the document included herein at Part 6 of the Schedule;

"**Ayrshire Growth Deal – Q and A for Communications Protocol"** means the document included herein at Part 7 of the Schedule;

"**Chief Executive's Group**" means the Parties' Chief Executives (or their nominees);

"**EJC"** means the Ayrshire Regional Economic Joint Committee, being a joint committee of EAC, NAC and SAC constituted in terms of section 56(5) of the Local Government (Scotland) Act 1973;

"**Lead Authority**" means East Ayrshire Council;

"**Parties"** means EAC, SAC and NAC and the word "**Party**" shall be construed accordingly;

"**PMO**" means Programme Management Office;

"**REP**" means the Ayrshire Regional Economic Partnership being a sub-committee of EJC constituted in terms of section 56(5) of the Local Government (Scotland) Act 1973

"**Schedule**" means the schedule in seven parts annexed and executed as relative hereto; and

"**Third Parties**" means organisations, other than the Parties which receive a grant from EAC to deliver approved projects as part of a programme agreed by the REP.

**2. COMMENCEMENT AND DURATION**

2.1 Notwithstanding the date or dates that these terms and conditions are received by the Lead Authority validly executed on behalf of all the Parties it is agreed that the date of commencement of this agreement shall be Nineteenth November Two Thousand and Twenty. Subscription of these terms and conditions will not impose any legally enforceable rights or obligations on the body which has executed these terms and conditions before that date.

2.2 Once validly executed, these terms and conditions shall be legally binding upon the Parties, subject to any lawful variation thereof, unless and until this Agreement is terminated in accordance with clause 14.

**3. THE AYRSHIRE REGIONAL ECONOMIC JOINT COMMITTEE AND THE AYRSHIRE REGIONAL ECONOMIC PARTNERSHIP**

3.1 The Ayrshire Regional Economic Joint Committee ("EJC") is responsible for strategy and policy in respect of the AGD. It comprises of thirteen members, being three nominated by each of the Parties, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS) one from the business sector and one from the education sector. Named substitutes are entitled to attend in place of any nominated Member. The local authority Chair of the Committee rotates on an annual basis between the Parties. The core functions of the EJC will be as detailed within Appendix A to the Ayrshire Growth Deal – Governance Document as contained within Part 4 of the Schedule annexed and executed as relative hereto.

3.2 The Ayrshire Regional Economic Partnership Sub-Committee ("REP") is a sub-committee of EJC and comprises of three representatives nominated from each of the Parties, three representatives of the business sector selected by the REP, three representatives of the Higher or further Education sector selected by the REP and one representative nominated by each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. The EJC may also co-opt up to an additional

three members, on the basis of experience or skills, whether from existing members or from other organisations or individuals. Named substitutes are permitted to attend in place of any nominated member.

The Sub-Committee has delegated powers, with major strategic and funding decisions being remitted for approval to the Joint Committee.

The functions of the Sub-Committee are as detailed within Appendix B of the Ayrshire Growth Deal – Governance Document as contained within Part 4 of the Schedule annexed and executed as relative hereto.

## 4.    AYRSHIRE GROWTH DEAL – DOCUMENTS

4.1    It is hereby agreed that the following documents, which are annexed hereto as Parts 1, 2, 3, 4 and 5 of the Schedule will form the principal terms of the structure of the Ayrshire Growth Deal between the parties namely:

- The Ayrshire Growth Deal – Deal Document
- The Ayrshire Growth Deal – Implementation Plan
- The Ayrshire Growth Deal – Financial Plan
- The Ayrshire Growth Deal – Governance Document
- The Ayrshire Growth Deal – Communications Protocol
- All may be amended by mutual agreement with the exception of the Deal Document. The PMO will circulate the copies of any amendments.

## 5.    EAC ROLES AND RESPONSIBILITIES

5.1    EAC, as Lead Authority will be obliged carry out certain legal and regulatory functions on behalf of the REP and EJC as instructed by it (all as further detailed within The Ayrshire Growth Deal – Governance Document at Part 4 of the Schedule annexed and executed hereto), where the REP and EJC does not have the requisite legal status or competence which will include but not be limited to:-

- The establishment and hosting of a Programme Management Office (PMO) and the appointment of a Strategic Manager to oversee its budget and duties.

- The provision of such support services as the AGD Strategic Manager may reasonably require to discharge his/her duties which may include financial, legal, audit and other professional or technical services.

- The analysis and provision of reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or the provision of any other reports or updates as may required by these groups.

- The allocation and accounting for distribution of all AGD grant income together will any grant agreements on behalf of the REP and EJC, the holding of the AGD grant funding and the making of disbursements to the Parties, Third Parties and other bodies as appropriate, all in accordance with approved governance arrangements.

- The accounting for these funds under a separately identified budget line to ensure transparency and clarity, and the reporting thereof to the Scottish and UK Governments as required in accordance with any conditions of the Grant Offer letter received from those Governments.

- Ensuring compliance with confidentiality, freedom of information and data protection regulations and progressing any complaints in accordance with the requirements of the SPSO in relation to the AGD Programme.

- Enter into grant agreements with the Parties on behalf of the EJC in respect of the approved projects required to deliver the AGD Programme and ensuring that the associated grant funds are disbursed legally and appropriately;

- Have the appropriate and proportionate control systems in place in relation to the grant funds to prevent breaches of the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.

- The Lead Authority will ensure that such financial statements or relevant disclosure requirements as are required in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and proper accounting practices (section 12 of the Local Government in Scotland Act 2003) are prepared for the REP. Where these form part of the wider statutory reporting requirements of the Parties appropriate summary financial information will be consolidated and reported to the REP.

- The Lead Authority will ensure that grant funds are used appropriately and demonstrate Best Value.

- facilitate engagement with the UK and Scottish Governments.

## 6. ROLES AND RESPONSIBILITIES OF THE PARTIES

6.1 The Parties will play a key role in supporting the delivery of the overall Programme which will include but not be limited to:-

- the successful delivery of their Approved Projects;

- each Party taking a turn to prepare and circulate meeting agendas, reports and minutes for the ECJ and REP

- participation in all support group activities and work plans;

- designing and delivering Programme wide approaches and strategies;

- the identification and sharing of best practice; and

- the identification and collaboration on joint working opportunities.

6.2 The Parties shall develop Green Book compliant business cases and deliver approved projects in accordance with their approved projects business case, the terms of the grant agreement entered into with EAC as Lead Authority and

all Programme management requirements. In addition to the foregoing generality the Parties will:-

- ensure that any grant agreement entered into with EAC as Lead Authority is subject to and compliant with its internal contractual standing orders and financial regulations;

- deliver agreed projects under the AGD Programme in accordance with the terms of their grant agreement. and use their best endeavours to realise the project benefits agreed by the REP that are set as a condition of any grant agreement;

- provide statements of compliance with conditions of grant detailed in the grant letters from the Governments and to enable certification of the final capital return made to the Scottish Government by the relevant Section 95 Officer. The Parties further agree that that the income and expenditure for any AGD project which will be accounted for within a Party's own accounts will be subject to audit by that Party's own external auditors.

- provide all information as required by the PMO within the prescribed timescales to enable the PMO to fulfil its functions.

- Ensure that all internal governance structures be documented within individual Project Business Cases;

- Provide quarterly updates to the PMO of the progress of each approved project; together with any additional project status reports which the PMO may reasonably require.

- Work collaboratively with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the AGD to deliver inclusive growth and community wealth building

6.3    Where a Party is failing to deliver a project under the AGD Programme in accordance with the terms of the grant agreement, the Party shall report to the PMO and agree mitigating actions to ensure successful completion of the project.

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6.4    Subject to the provisions of the managing change process as set out in paragraph 3 of the Governance Document should a Party be in material breach of the terms or provisions of either this agreement or of the conditions of any grant agreement, and subject to the Party in breach being given a minimum period of 28 days (or such other period as the ECJ may agree), the ECJ will have the delegated power to:-

    i.    Suspend any further payment of grant funding until suitable resolution is found;

    iii.   Remove the particular project from the AGD Programme;

    iv.   Cease funding or recalculate the grant award; and

    v.    Recover from the Party any grant monies already paid and additional costs incurred or losses suffered by the ECJ or the Parties arising from that failure.

## 7    PMO BUDGET

7.1    The annual revenue operating costs of the PMO will met in equal shares and  be agreed annually by the Parties, having regard to the recommendations of the EJC. These shall include the PMO costs and the reasonable costs, expenses and outgoings incurred by the Lead Authority in providing support services to the PMO. Each Party undertakes to use reasonable endeavours to incorporate such expenditure in their budget proposals for the subsequent financial year. The Contribution Sum shall be paid quarterly in advance. The full Contribution Sum shall be payable by each Party regardless of the use made by a Party of the functions of the ECJ or the REP or a Party's participation in the projects under the Ayrshire Growth Deal.

**8.    AUDIT**

8.1    The Lead Authority's Internal Audit section will provide audit support to the REP and EJC.

8.2    During the first quarter of each financial year, an Audit Plan will be prepared following:

- consultation with relevant senior officers of the AGD Deal PMO;
- consideration of the risks by the REP and EJC;
- consideration of both internal and external factors affecting the AGD programme; and
- consideration of previous audit findings.

8.3    The REP and EJC will be invited to note the implementation of the Audit Plan. Assurance audits will be reported to the REP and EJC for noting. Actions arising from assurance audits will be followed up by the relevant Party's Internal Audit Service, and reports will be presented to the REP and EJC for noting.

8.4    Further audit, advisory, consultancy or investigative work may be requested by the REP and EJC.

8.5    At the end of each financial year the Lead Authority will present an Annual Audit Report to the REP and EJC for consideration which will include an opinion from the Lead Authority's Chief Auditor on the AGD's systems of internal controls and governance arrangements. The Parties will support the Lead Authority in the preparation of the Annual Audit Plan and Report.

**9.    CONFLICTS OF INTEREST**

9.1    The members of the EJC and REP will be expected to act in the interests of the Ayrshire Growth Deal and Ayrshire as a whole when making decisions in relation to the AGD Programme.

9.2     Each member of the ECJ and REP will be required to complete a register of interests. These will be collated by the PMO for all members and substitutes and published on the [AGD] website. At all meetings, members of the ECJ and REP will be invited to declare any interests which may be relevant to discussions or decisions in relation to the AGD Programme.

9.3     The PMO is responsible for the assessment of individual business cases and will make independent recommendations for decision to the ECJ. Investment decisions will ultimately remain the remit of the ECJ.

## 10.   PUBLICITY

10.1    The Parties will agree, and amend as required, appropriate protocols and documentation in relation to media relations and publicity and, notwithstanding the foregoing generality, specifically agree that the basis for completion of any such documentation will be the  versions of: (1) Ayrshire Growth Deal Partners Communication Protocol, (2) Ayrshire Growth Deal: Core Script (June 2019) and (3) Ayrshire Growth Deal – Q and A for Communications Protocol all in terms of the Schedule annexed hereto and respectively referred to as Parts 5,6 and 7 thereof.

## 11.   MUTUAL OBLIGATIONS

11.1    The Parties shall fulfil their obligations in terms of this Agreement with all reasonable skill and care, in accordance with all relevant generally accepted standards and practices, and in a proper, diligent, expeditious and professional manner.

## 12. INTELLECTUAL PROPERTY RIGHTS

12.1 The Parties hereby grant to the other parties a perpetual, non-exclusive, worldwide, royalty-free licence to use all such intellectual property rights it may acquire in connection with the AGD to enable the other Parties to discharge their normal operations.

## 13. DISPUTE RESOLUTION

13.1 If a dispute arises out of or in connection with the operation or implementation of the AGD (a "Dispute") then the Parties shall follow the procedure set out in this Clause 13.

13.2 Following a Dispute arising, any of the Parties shall be entitled to give to the others notice in writing of the Dispute (the "Dispute Notice") setting out the nature of the Dispute in reasonable detail. The Parties shall then seek in good faith to resolve the Dispute.

13.3 If the Dispute is not resolved within thirty days of receipt of the Dispute Notice, or by another date agreed in writing between the Parties, the Dispute shall be referred to the Chief Executives Group who shall attempt in good faith to resolve the Dispute as soon as reasonably practicable.

13.4 Any dispute between the Parties which cannot be resolved as detailed in Clauses 13.1 to 13.3 above shall be referred to an independent mediator appointed by the Law Society of Scotland. The fees and expenses of the mediator shall be borne equally by the parties involved in the mediation. In the event the parties fail to reach an agreement within 30 days after the commencement of the mediation, then the matter may be determined by an arbitrator.

13.5 Arbitration in terms of this clause may be initiated by any of the Parties in dispute after the 30 day period referred to in clause 13.4. The arbitrator shall be mutually agreed by the Parties in dispute failing which the arbitrator shall be

approved by the Law Society of Scotland on the written application of any Party.

13.6 The decision of the Arbitrator on the matter in dispute and on any award of expenses relating to the arbitration shall be final and binding on all Parties involved in the arbitration.

13.7 The operation of Rule 69 of the Arbitration (Scotland) 2010 Act is excluded. The Parties also agree not to make a referral to the Outer House of the Court of Session all in terms of Section 41 of the Arbitration Act 2010.

## 14. TERMINATION

14.1 This Agreement shall continue in full force and effect until the whole AGD Programme has been concluded.

14.2 The Lead Authority shall keep or cause to be kept full and accurate accounts through the currency of this agreement, or any replacement thereof. The detailed records will be available for the following periods:

(a) for the AGD operational Costs, detailed records will be held for a period of three years;

(b) for Grant Receipt and allocation, detailed records will be retained for a period of twenty years.

14.3 The Parties shall be entitled, on giving reasonable prior notice, to inspect such accounts and records and to make any examination which they may desire and for this purpose, the Lead Authority shall forthwith on demand produce to the Members all relevant information or vouchers as a Member may reasonably request.

## 15 INDEMNITY AND INSURANCE

15.1 The Parties shall indemnify each other in respect of any claim, demand, loss,

damage, injury, cost or expense (including any liability to their legal advisers) arising from any act or omission of the other Party or Parties in the course of their obligations under the AGD.

15.2 The Lead Authority shall arrange for the taking out of such policies of insurance as the AGD Strategic Manager considers appropriate in relation to the carrying out of the functions of the AGD which insurances shall include without prejudice to the foregoing generality, employers liability, public liability and professional indemnity insurance and the cost of taking out such policies shall be defrayed by the Parties as part of the Ayrshire Growth Deal Financial Plan with each Party's share of the costs being calculated by reference to the Ayrshire Growth Deal Financial Plan.

## 16 CONFIDENTIAL INFORMATION

16.1 The Parties shall at all times use their reasonable endeavours to keep confidential (and to procure that their respective employees, agents, consultants and subcontractors shall keep confidential) all Confidential Information concerning the AGD, the Joint Committee, the Functions of the Joint Committee or the business and affairs of the other Parties which may now or at any time hereafter be in its possession and shall not disclose it except with prior written consent of the other Parties or where the Confidential Information relates only to one Party the consent of that Party

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16.2 "Confidential Information" means information imparted to any of the Parties or their employees, agents, consultants or sub-contractors ("the Receiving Party") which was imparted to the Receiving Party on the basis that it is to be kept confidential or would by its nature normally be regarded as being confidential or to the knowledge of the Receiving Party was obtained by the other Parties on the basis that it was to be kept confidential or is of commercial value in relation to the AGD but shall not include any information which is:

   i.    already in the public domain otherwise than by reason of its wrongful disclosure by the Receiving Party;

ii. or ii. already in the possession of the Receiving Party without restrictions as to its use; or

iii. the disclosure of which is required by statute or court order; or

iv. is provided for the purpose of obtaining professional advice; or

v. is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or

vi. which is information independently developed without access to the Confidential Information including audit and assessing best value.

16.3 This clause is subject always to the obligations of a Party to comply with the Freedom of Information (Scotland) Act 2002, the Environmental Information (Scotland) Regulations 2004, the General Data Protection Regulation (EU) 2016/679, the Data Protection Act 2018 and any other relevant legislation. A Party shall not be in breach of this clause where information is released by that Party to comply with the aforementioned legislation.

## 17    FREEDOM OF INFORMATION

17.1 Each of the Parties acknowledge that the other Parties are subject to the requirements of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 ("FOI").

17.2 Each Party shall assist and co-operate with other Parties to enable the other Parties to comply with their information disclosure obligations under FOI.

17.3 Where a Party receives a request for disclosure of information under FOI which that Party holds in connection with or as a result of its membership of the Joint Committee or its participation in any of the grants awarded through the Joint Committee, that Party shall bring the receipt of such a request to the attention of the AGD Strategic Manager.

17.4 The Party receiving a request under FOI shall be responsible for determining whether to disclose the information requested and where it is decided not to release any of the information requested, which of the exemptions in terms of

FOI it is relying on. However, before making any determination in terms of this clause the Party shall give the AGD Strategic Manager a reasonable opportunity of taking into account any statutory time limit for determining such a request to make representations regarding how the AGD Strategic Manager considers the request under FOI should be dealt with.

17.5 Where a Party receives a request for information in relation to information which it is holding on behalf of any of the other Parties in connection with its participation in the AGD, it shall:-

(a) transfer the request for information to the relevant Party as soon as practicable after receipt; and

(b) provide all necessary assistance as reasonably requested by the relevant Party to enable the Party to respond to the request for information within the time for compliance set out in FOI.

## 18 ASSIGNATION

18.1 No rights or obligations arising from these terms and conditions may be assigned except by the prior written consent of the Joint Committee.

## 19 SERVICE OF NOTICES

19.1 In any provision within the AGD Documentation), where reference is made to the serving of notices if such notices are registered or recorded delivery post, receipt of such notices will be deemed to have occurred the day after the date of posting.

## 20 INCONSISTENCY

20.1 If any Party shall find any discrepancy in or divergence between any of the following, including a divergence between parts of any one of them, namely:

- The Ayrshire Growth Deal – Deal Document
- The Ayrshire Growth Deal – Implementation Plan
- The Ayrshire Growth Deal – Financial Plan
- The Ayrshire Growth Deal – Governance Document
- The Ayrshire Growth Deal – Communications Protocol

The Party shall without undue delay give to the AGD Strategic Manager a written notice specifying the discrepancy or divergence and the Parties shall negotiate in good faith to agree any relevant modifications or amendments to the foregoing documents as may be required.

## 21    THIRD PARTY RIGHTS

21.1   This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contract (Third Party Rights) (Scotland) Act 2017.

## 22    VARIATION

22.1   The terms and conditions of any of the parts of this Agreement (including the documentation included in the schedules annexed hereto) may only be varied by execution of a minute of variation signed by all the Parties.

## 23.    COSTS
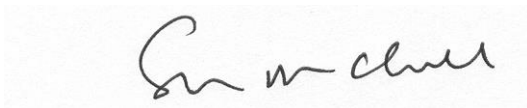
23.1   Each of the Parties shall meet its own costs in connection with the preparation, adjustment and completion of this Agreement.

## 24.    LAW AND JURISDICTION

24.1   This Agreement is governed by and shall be construed in accordance with Scots law.

IN WITNESS WHEREOF this Agreement comprising this page, the eighteen preceding pages and the schedule in seven parts annexed hereto is executed by the Parties as follows:-


SEALED with the common seal of EAST AYRSHIRE COUNCIL and SUBSCRIBED for and on its behalf by Stuart McCall a proper officer at KILMARNOCK on the 17th of December 2020


…………………………………….. Authorised Signatory


SUBSCRIBED for and on behalf of SOUTH AYRSHIRE COUNCIL by a proper officer at AYR on the          day of                    2020


..................................................Authorised Signatory


..................................................Witness


..................................................Witness Details

SEALED with the common seal of The NORTH AYRSHIRE COUNCIL and subscribed for and on its behalf by a proper officer at IRVINE on the          day of          2020

..................................................Authorised Signatory

# AYRSHIRE GROWTH DEAL

# GOVERNANCE DOCUMENT

# CONTENTS

## 1. **AYRSHIRE GROWTH DEAL – GOVERNANCE DOCUMENT**

**1.1**   This document sets out the governance arrangements which have been agreed for the Ayrshire Growth Deal (AGD). The governance arrangements will enable sound decisions to be taken in an open, inclusive and transparent way.

**1.2**   The partners involved in the Ayrshire Growth Deal are the Scottish Government, the UK Government, East Ayrshire Council, North Ayrshire Council and South Ayrshire Council.  East Ayrshire Council will be the Accountable Body for the Deal.  East Ayrshire Council will provide the link for all other regional partners involved in the Deal including North Ayrshire and South Ayrshire Councils.

**1.3**   Other regional partners include Scottish Enterprise, Skills Development Scotland, Ayrshire College, University of Strathclyde, University of Glasgow, University of the West of Scotland, Glasgow Prestwick Airport, Peel Holdings, HALO Kilmarnock Ltd, NPL Estates Ltd, VisitScotland and Transport Scotland together with the 3rd sector and Ayrshire's business and resident communities.

**1.4**   The Governance Document sets out decision making structures, memberships, roles and responsibilities and how key processes will be managed to ensure accountability, probity, transparency, compliance and value for money. The governance arrangements outlined within this document will be reviewed regularly to ensure that they remain fit for purpose as the deal progresses.

**1.5**   The partnership approach to governance will promote:

- Openness of decision making focussed on clearly defined outcomes underpinned by  sustainable economic, social and environmental benefits;
- Management of risks and performance through robust internal control and strong financial management; and
- Transparent reporting.

**1.6**   The partners believe that over the next 15 years, more than £300 million will be unlocked by the deal investment, aiming to deliver around 7,000 new jobs across a wide range of sectors in the Ayrshire region.

## 2. AYRSHIRE GROWTH DEAL – GOVERNANCE ARRANGEMENTS

2.1 In 2018, the Ayrshire Councils agreed to implement a new governance structure to oversee the delivery of the Ayrshire Growth Deal and to promote the main drivers for the Ayrshire Regional Economic Partnership, namely:

- o to promote and deliver regional economic and inclusive growth on an Ayrshire-wide basis, in line with the Scottish Government's aim of having a Regional Economic Partnership for every region of Scotland;
- o to provide the robust shared governance which will enable the Scottish and UK Governments and other funding sources to dispense monies on an Ayrshire basis;
- o to encourage the meaningful involvement of private sector partners as well as the public sector; and
- o to recognise that the funding element is being delivered through Councils, and consequently democratic accountability will be required for key investment decisions.

2.2 The structure should be as simple as possible, but be capable of adaptation as required.  What has been implemented is a structure which has a new Joint Committee with ultimate control over key strategic and investment decisions. This comprises of Councillors from the three authorities with some representation (less than one third, in line with legislative requirements) from partners and business. Below this sits the Ayrshire Regional Economic Partnership, which will progress the day-to-day business of both the Regional Economic Partnership and Growth Deal. The Regional Economic Partnership comprises members from the Joint Committee, as well as more extensive representation from other sectors.

2.3 The membership, remits and powers of both the Ayrshire Regional Economic Joint Committee and the Ayrshire Regional Economic Partnership are set out in Appendices A and B. Standing Orders for their meetings are set out in Appendix C. Key components of this are:

- The Ayrshire Regional Economic Joint Committee (EJC) comprises thirteen members in total, three from each Council, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS), one from the business sector and one from the education sector. The local authority Chair will rotate on an annual basis. Its core functions are:

- o to approve the Ayrshire Economic Strategy;

- o to make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;

- o to approve major funding decisions including approval of the Business Cases for AGD projects;

- o to approve the AGD Benefits Realisation Plan;

- o to approve major change requests;

- o to receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;

- o to make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;

- o to make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;

- o to approve operational expenditure within agreed Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.

- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix A, the EJC will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the EJC will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

- The Ayrshire Regional Economic Partnership (REP) comprises three representatives from each Council, three representatives of the business sector, three representatives of the Higher or Further Education sector and one representative from each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. There is also provision to co-opt an additional three members either from other organisations or on the basis of experience or skills. In legal terms this has to be a sub-committee as it comprises more than one-third membership who are not councillors. The Regional Economic Partnership (sub-committee) will have delegated powers, but major strategic and funding decisions will require to be remitted for approval to the Joint Committee. The functions of this Regional Economic Partnership are:

  o to oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;

  o to provide strategic oversight for the delivery of the strategic priorities and actions contained within the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;

  o to drive forward the growth of the Ayrshire economy;

  o to prioritise inclusive growth and report on progress made annually in AGD Benefits Realisation Plan in line with the Scottish Government's Inclusive Growth Monitoring Framework;

  o to drive increased collaboration and partnership between the Ayrshire Councils, the Scottish and UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;

  o to make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;

  o undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;

  o to oversee the development of the business cases of individual Ayrshire Growth Deal projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;

- o to oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;

- o to make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;

- o to ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;

- o to provide strategic direction and manage the input of any Thematic or other Working Groups.

- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix B, the REP will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the REP will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

**ROLES AND RESPONSIBILITIES**

**The Accountable Body (East Ayrshire Council):**

2.4    The Accountable Body carries out certain legal and regulatory functions on behalf of the EJC and REP as instructed by them, where the EJC and REP do not have the requisite legal status or competence.

2.5    The Accountable Body has established and hosts a Programme Management Office and has appointed a Strategic Manager to oversee its budget and duties.

2.6    The Accountable Body provides support services as the Strategic Manager may reasonably require to discharge their duties on behalf of the Accountable Body which may include financial, legal, audit and other professional or technical services. Each Partner Authority shall provide the appropriate level of support services to fulfil their obligations to the Accountable Body.

2.7    The Accountable Body will analyse and provide reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by these groups.

2.8   The Accountable Body shall allocate and account for distribution of AGD grant income to all partners. It will enter into any grant agreements on behalf of the EJC and REP, hold the AGD grant funding and make disbursements to Partner Authorities, Third Parties and other bodies as appropriate, all in accordance with the approved governance arrangements.

2.9   It will account for these funds under a separately identified budget line to ensure transparency and clarity, and will report to the Scottish and UK Governments as required in accordance with the Grant Offer Letter.

2.10  The Accountable Body and Partner Authorities will ensure compliance with confidentiality and data protection regulations in relation to the AGD Programme.

2.11  The Accountable Body will ensure that grant funds are disbursed legally and appropriately and, with Partner Authorities, will have the appropriate and proportionate control systems in place to prevent relevant employees breaching the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.

2.12  Partner Authorities will refund all amounts identified by the Accountable Body and/or funders to be ineligible.

2.13  In the event of the  Accountable Body becoming aware of, or suspecting any irregular or fraudulent activity that may have any impact on the Project/Programme or the use of the AGD grant, or any part of it, the Accountable Body shall immediately set out a fact-finding exercise, investigate as required and, in accordance with the conditions of the Grant Offer Letter, notify the Scottish Ministers of any confirmed activity.  Partner Authorities must report all cases to the Accountable Body as soon as they become aware of suspected or actual irregular or fraudulent activity and must participate fully in any fact-finding or investigation.

2.14  The Accountable Body will ensure that such financial statements or relevant disclosure requirements as are required in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and proper accounting practices (section 12 of the Local Government in Scotland Act 2003) are prepared for the EJC and REP. Where these form part of the wider statutory reporting requirements of the Partner Authorities appropriate summary financial information will be consolidated and reported to the EJC and REP.

2.15  All partners will ensure that grant funds are used appropriately and demonstrate Best Value.

2.16  The Accountable Body's Chief Auditor will be appointed as Chief Auditor for the AGD to coordinate Internal Audit activity.

2.17  Each partner will be responsible for allocating Internal Audit resources as required for local AGD activities. The Accountable Body's Internal Audit section will reserve the right to review programme and project activities as required and request information from all partners regarding these activities.

2.18  Each year a consolidated Internal Audit Plan will be presented to the EJC and REP having been prepared following:

- consultation with relevant senior officers of the AGD PMO;
- consideration of the risks affecting the AGD at programme and project level;
- consideration of both internal and external factors affecting the AGD;
- consideration of previous internal and external audit findings;
- consideration of all of these elements which will inform Public Sector Internal Audit Standards (PSIAS) based risk assessments carried out locally by the Accountable Body and Partner Authorities; and
- any relevant items subsequently included in local Internal Audit plans approved by each partner's audit committee in line with PSIAS obligations will be reflected in the consolidated AGD Internal Audit Plan.

2.19  All AGD Internal Audit work will be carried out in line with the PSIAS with individual Internal Audit assignment reports presented to the EJC and REP for noting.

2.20  The EJC and REP will be advised of the overall outcomes from Internal Audit work in an annual Internal Audit Report the timing of which is anticipated to align with the annual accounts timetable and will be reported to the EJC and REP for noting in line with PSIAS requirements.

2.21  The Annual Internal Audit Report will include a summary of AGD internal audit work in year by all partners, an annual opinion for the AGD and for further assurance will also include the authority–wide Annual Internal Audit opinions prepared by each partner.

2.22  Actions arising from Internal Audits will be followed up by the relevant Internal Audit team in line with established arrangements in that authority and these follow-up reports will be presented to the EJC and REP for noting.

2.23  Further audit, advisory consultancy or investigative work may be requested by the EJC and REP.

2.24  The Accountable Body's Chief Auditor will liaise with partner Chief Auditors through established arrangements.

**Partner Authorities**

2.25    Partner Authorities play a key role in supporting the delivery of the overall Programme through a range of activities including: delivering their Approved Projects; participating in all Support Group activities and work plans; designing and delivering Programme-wide approaches and strategies (such as the Ayrshire Economic Strategy and the Inclusive Growth Action Plan); identifying and sharing best practice; identifying and collaborating on joint working opportunities.

2.26    Partner Authorities shall develop Green Book compliant Business Cases and deliver Approved Projects in accordance with: their Approved Project Business Case; the terms of the grant agreement entered into with the Accountable Body; and all Programme management requirements.

2.27    The annual Grant Offer Letter will outline the reporting and governance requirements for the partners.

2.28    Any grant agreement entered into by a Partner Authority shall be subject to that Authority's contract standing orders and financial regulations.

2.29    Partner Authorities are responsible for ensuring the realisation of project benefits as agreed by EJC and REP and as a condition of the grant agreement.

2.30    Partner Authorities are required to provide a statement of compliance with the Conditions of Grant as set out in the grant letter. This will be evidenced in the certification of the final capital return made to the Scottish Government by each Partner Authority's Section 95 Officer. AGD Project income and expenditure, which is accounted for within Partner Authorities' own accounts, will be subject to audit by an individual authority's own external auditors.

2.31    For the avoidance of doubt, for every financial claim to be submitted by the  Accountable Body each Partner Authority must provide a full audit trail by way of a certification by the Section 95 Officer of the eligible funds disbursed in a format determined by the Accountable Body.

2.32    Partner Authorities will be required to provide all information as required by the PMO (details of all reporting requirements are set out in the next section of this paper).

2.33    Partner Authorities will make their own arrangements for reporting on Projects internally within their own organisations and for approving these internal reports prior to the onward submission of information to the PMO. These internal governance structures will be documented within Project Business Cases.

2.34 The Partner Authorities shall provide the PMO with quarterly updates on the progress of each Approved Project, in line with the Partner Authority Report and Project Status Report template.

2.35 The PMO reserves the right to request copies of individual Project Status Reports, as required. Partner Authorities' Project governance arrangements may be reviewed by the PMO to ensure compliance with the requirements of funders.

2.36 This monitoring information will be presented to the EJC and REP by the PMO in the Programme Status Report, including advising on progress, benefits realisation, any slippage and risks in relation to any specific Projects and seeking approval for any amendments/change controls. Any concerns which the EJC and REP may have will be notified to the relevant Member Authority via the Chief Executives' Group.

2.37 Partner Authorities will work with relevant working groups to assist with the realisation and maximisation of relevant project benefits where required.

2.38 Partner Authorities will work with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the Deal to deliver inclusive growth.

**Third Parties**

2.39 Third Parties are organisations, other than Partner Authorities, which receive a grant from the Accountable Body to deliver Approved Projects as part of the Programme as agreed by the EJC and REP.

2.40 Third Parties will also comply with the same conditions as Partner Authorities as set out above.

**THE PROGRAMME MANAGEMENT OFFICE (PMO)**

2.41 A permanent staffing structure is being put in place within the Programme Management Office for the Ayrshire Growth Deal and the team is tasked to:

o monitor, review and update the AGD Programme Business Case;

o scrutinise proposed business cases and make recommendations to the REP and EJC. Where necessary expertise does not exist within the team to fulfil this responsibility, external support will be commissioned and managed by the PMO;

- o provide a full toolkit of documentation to partners delivering projects including business case templates and guidance on their completion; reporting templates; risk register templates, and such other documentation as is required from time to time;

- o analyse and report on the impact of the delivery of AGD projects and the overall AGD, as well as reporting on the delivery of wider economic benefits agreed in business cases and grant awards, in accordance with commitments made to the UK and Scottish Governments. This reporting will be on a monthly, quarterly and annual basis and will require input from project leads;

- o monitor the programme risk register and escalate any issues as they arise, reporting on risk to each EJC and REP meeting;

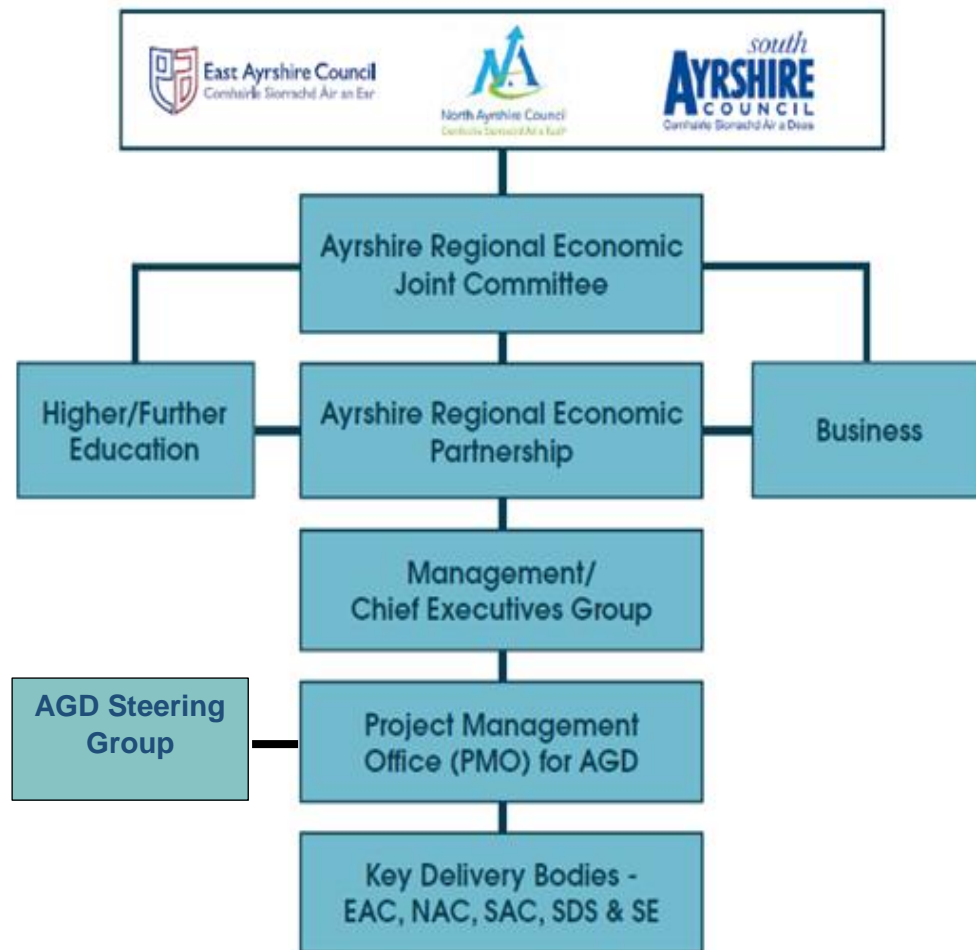- o prepare regular consolidated monitoring statements for consideration by the EJC and REP.

2.42   The work of the PMO is supported by the following working groups:

- o Procurement – comprising procurement leads from each of the Ayrshire Councils. This group meets monthly or as often as required;

- o Marketing and Communications – comprising communications leads for each of the Ayrshire Councils together with representatives from UK and Scottish Governments. This group meets monthly or as often as required;

- o Ayrshire Growth Deal Steering Group – comprising representatives from each of the Ayrshire Councils, Scottish Enterprise, Skills Development Scotland and representatives from UK and Scottish Governments. This group provides support and guidance to the PMO and assists with information sharing.  This group meets monthly;

- o Other short-term working groups will be established as required.

   Minutes of all meetings will be maintained.

2.43   At project level, each project has a named project lead (a senior responsible officer), supported by a project board and project development and implementation is aligned to the principles of PRINCE2.

## Governance Structure

**BUSINESS CASE APPROVAL PROCESSES**

2.44    Once government is satisfied that a given project's OBC is sufficiently well developed they will inform the regional Programme Management Office that the OBC has been approved and that government is content for regional partners to proceed to full business case (FBC).

2.45    Government will require to see all FBCs to ensure that they continue to meet their requirements and to confirm that any outstanding issues highlighted at OBC stage have been addressed. Final Equality Impact, Fairer Scotland, and Environmental Impact Assessments should also be made available.

2.46    The final approval of FBCs will rest with the region's principal decision making body, the Ayrshire Economic Joint Committee. This ensures that regional partners have full ownership of the Deal and that ultimate decision making authority rests with the body that will be responsible for delivering associated outputs, outcomes, and impacts.
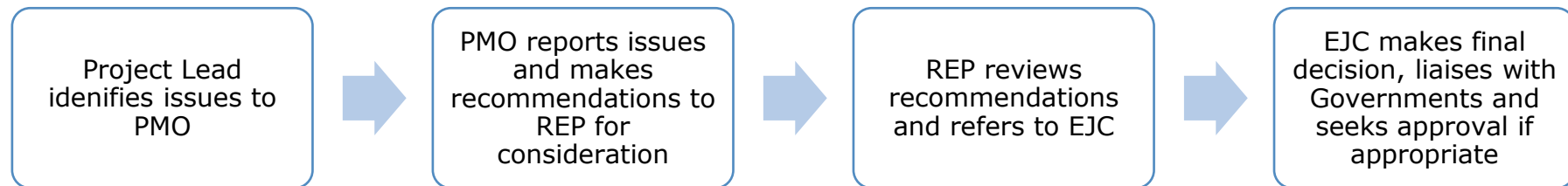
**FINANCIAL REPORTING**

2.47    As outlined in the annual Grant Offer Letter, on a monthly basis, a Financial Forecast will be completed by the PMO, and submitted to Scottish Government copied into UK Government.  This will include monthly expenditure by the overall Programme and individual Projects, the cumulative spend and profile spend for the remainder of the financial year.

2.48    As outlined in the annual Grant Offer Letter, a Quarterly Performance Report will also be completed by the PMO and reported to Scottish Government copied into UK Government. This report will not only report on financial information but will include a Risk Status of the overall Programme as well as each Project and  highlight where underspend or overspend is predicted including narrative as to how this will be managed going forward.

2.49    As outlined in the annual Grant Offer Letter, an Annual Report based on the previous year's activity will be prepared. This report will form the basis for the annual conversation with Government and should follow the Annual Report Template for City Region Deals.  The final report will be approved by the Joint Committee and presented to Governments before being published.

2.50    The annual conversation will allow the Scottish City Region and Growth Deal Delivery Board to engage with each City Region Deal at senior officer level, to celebrate success and discuss progress.  Annual Conversations, informed by the

Annual Performance Report and the Benefits Realisation Plan, also present an opportunity to reflect and work through any concerns that local partners and governments have about the implementation of the Deal and the ambitions of the Deal going forward.

## 3.    MANAGING CHANGE

3.1    Major change decisions will be escalated from project level via the Programme Management Office to the REP for discussion.  The REP will then review recommendations, challenge and amend, where appropriate, and thereafter present recommendations to the Joint Committee for final decision.   Both UK and Scottish Government's will be updated throughout this process via the Programme Management Office.

| Project Lead idenifies issues to PMO | → | PMO reports issues and makes recommendations to REP for consideration | → | REP reviews recommendations and refers to EJC | → | EJC makes final decision, liaises with Governments and seeks approval if appropriate |
|---|---|---|---|---|---|---|

3.2    Examples of scenarios that may constitute as major change include;

- There is project underspend, leaving an opportunity to enhance the scope or consider new projects;
- Project is no longer considered viable or value for money since business case approval; or
- External factor triggers changes in the investment priorities for the Ayrshire region.

3.3    A Checkpoint Review process will be developed and agreed with partners and governments to examine both the Growth Deal programme and component projects at key decision points in their lifecycle.  It will look ahead to provide assurance that projects can progress successfully to their next stage.

3.4    Where government approval of major change is required, the Joint Committee will enter into open dialogue with Scottish or UK Governments or the Scottish City Region Deal Delivery Board, as appropriate, to identify acceptable solutions.

## Appendix A: AYRSHIRE ECONOMIC JOINT COMMITTEE

**Constitution**

A maximum of thirteen Members, comprising up to three members each nominated by East, North and South Ayrshire Councils, one from Scottish Enterprise, one from Skills Development Scotland, one from the business sector and one from the education sector.

**Chair**

The Chair of the Committee will rotate annually from a Member appointed by East Ayrshire Council to North Ayrshire Council, and to South Ayrshire Council and so on, with each Chair taking up his or her position on 1 September.

**Quorum**

A quorum of the Joint Committee shall be four members, with at least one member from each Council present.

**Standing Orders and Meetings**

The Standing Orders for the Joint Committee shall be as detailed in Appendix C. The Committee shall determine its timetable of meetings but shall meet at least two times per annum.

**Delegated Powers**

The Joint Committee has delegated powers to implement its functions, except as otherwise provided herein. The Joint Committee shall have power to create an Ayrshire Economic Partnership Sub-committee whose membership, powers and remit shall be as detailed in Appendix B.

**Functions Referred**

The following functions of the Council will stand referred to the Joint Committee: -

Acting in the interests of Ayrshire as a whole:-

1. To approve the Ayrshire Economic Strategy;

2. To make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;

3. To approve the business cases of individual Ayrshire Growth Deal Projects;

4. To receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;

5. To make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;

6. To  make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;

7. To approve operational expenditure within agreed with Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.

**Appendix B: AYRSHIRE ECONOMIC PARTNERSHIP**

**Constitution**

The Ayrshire Economic Partnership ('the Partnership') is a sub-committee in terms of section 56(1) of the Local Government (Scotland) Act 1973. It shall comprise a maximum of 22 members, being:-

- 2 Councillors and one officer nominated by each of East, North and South Ayrshire Councils;
- three representatives of the business sector selected by the Partnership;
- three representatives of the Higher or further Education sector, selected by the Partnership ;
- One representative nominated by each of Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, and Visit Scotland.

The Partnership may also co-opt up to three additional members on the basis of experience or skills, whether from existing members, from other organisations or individuals.

**Chair**

The Chair shall be appointed by the Joint Committee

**Quorum**

A quorum of the Partnership shall be six, with at least one nominee from each of the Ayrshire Councils present.

**Standing Orders and Meetings**

The Standing Orders of the Partnership shall be as detailed in Appendix C. The Partnership shall determine its timetable of meetings but shall meet at least six times per annum.

**Delegated Powers**

The Partnership has delegated powers to implement its functions, except as otherwise provided herein.

**Functions Referred**

The following functions of the Ayrshire Economic Joint Committee will stand referred to the Partnership: -

Acting in the interests of Ayrshire as a whole, to:-

8.  To oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;

9.  To provide strategic oversight for the delivery of the strategic priorities and actions contained with the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;

10. To drive forward the growth of the Ayrshire economy;

11. To prioritise inclusive growth and provide an annual report in line with the Scottish Government's Inclusive Growth Monitoring Framework;

12. To drive increased collaboration and partnership between the Ayrshire Councils, the Scottish & UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;

13. To make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;

14. Undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;

15. To oversee the development of the business cases of individual Ayrshire Growth Deal Projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;

16. To oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;

17. To make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;

18. To ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;

19. To provide strategic direction and manage the input of any Thematic or other Working Groups.

## Appendix C: STANDING ORDERS FOR THE CONDUCT OF MEETINGS

**PRELIMINARY**

**COMMENCEMENT**

These standing orders will apply and have effect from the date approved by the Joint Committee.

**DEFINITIONS**

In these Standing Orders the following words and expressions have the following meaning as shown below:-

"The Joint Committee" shall mean the Ayrshire Regional Economic Joint Committee, formed under Sections 56 and 57 of the Local Government (Scotland) Act 1973 and Section 15 of the Local Government in Scotland Act 2003 for the purposes of regulating the shared discharge of the functions of the Constituent Authorities,

"Constituent Authority" means any of the East, North or South Ayrshire Councils.

"The Partnership" shall mean the Ayrshire Regional Economic Partnership, a Sub-committee formed under Sections 56 and 57 of the Local Government (Scotland) Act 1973 and Section 15 of the Local Government in Scotland Act 2003 for the purposes of regulating the shared discharge of the functions of the Constituent Authorities

**MEETING ARRANGEMENTS**

**Dates of Meetings**

1. The Joint Committee shall meet at least twice in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Joint Committee. The Partnership shall meet at least six times in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Partnership.

2. A special meeting of the Joint Committee or the Partnership may be called at any time:

    (a) by the incumbent Chair; or

(b)   if at least one quarter of the total number of members request a meeting in writing specifying the business to be transacted. The requisition shall be submitted to the Chief Executive of the incumbent Chair's Council (or if the Partnership is not chaired by a Council nominee, by the Chief Executive of the Joint Committee's incumbent Council), and shall be included in the notice and summons of the meeting.  The Chief Executive will determine the time and venue of the meeting, which shall be held within 14 days of the receipt by the Chief Executive of the requisition.

***Place, Time and Notice of Meetings***

3.1   Except in the case of urgency (when the incumbent Chair may direct accordingly) three clear days at least before a meeting of the Joint Committee or the Partnership;

i.   Notice of the time and place of the intended meeting shall be published by the Chief Executive of the incumbent Chair's Council (or if the Partnership is not chaired by a Council nominee, by the Chief Executive of the Joint Committee's incumbent Council) or an appropriate officer of that council, responsible for the administrative support of the Joint Committee or Partnership, at that Council's principal office and, where practical, at the place where the meeting will be held if the meeting is to be held outwith that Council's principal office; and

ii.   A summons to attend the meeting, specifying the business to be transacted shall be left at or sent by post to the usual place of residence of every Member of the Joint Committee or Partnership as appropriate, or to such other address as the Member may notify in writing to the Chief Executive of the incumbent Chair's Council.

## LACK OF NOTICE

4.   Want of service of a summons on any Member of the Joint Committee or Partnership shall not affect the validity of any meeting.

## QUORUM

5.   The quorum for the Joint Committee shall be four, with at least one nominee from each of the Ayrshire Councils present.

The quorum for the Partnership shall be six, with at least one nominee from each of the Ayrshire Councils present.

No business shall be transacted at any meeting of the Joint Committee or Partnership unless a quorum is present.

If, 10 minutes after the time appointed for a meeting a quorum of Members is not then present, the meeting shall stand adjourned and it shall be minuted that "owing to the want of a quorum, no business was transacted".

**CHAIR**

6.  The Chair of the Joint Committee will rotate annually from a Member appointed by East Ayrshire Council to North Ayrshire Council, and to South Ayrshire Council and so on, with each Chair taking up his or her position on 1 September. The Chair of the Partnership shall be appointed by the Joint Committee

    The Chair shall preside.  In the event of the incumbent Chair either being absent or withdrawing from a meeting, another member from the Authority of the present Chair, chosen by the members of that Authority present, shall assume the Chair for that meeting or part thereof.

**POWERS AND DUTIES OF CHAIR**

7.  Deference shall at all times be paid to the authority of the Chair.   When the Chair indicates a wish to speak, any Member who may be addressing the meeting shall give way.   The Chair shall:-

    (i)     preserve order and ensure that every member of the Joint Committee or Partnership shall have a fair hearing;

    (ii)    decide all matters of order, competency and relevancy and the ruling of the Chair shall be final and shall not be open to discussion;

    (iii)   decide between two or more members of the meeting indicating that they wish to speak by calling on the member who has first caught the attention of the Chair;

    (iv)    ensure that due and sufficient opportunity is given to members who wish to speak to express their views on the subject under discussion;

(v)       be entitled, in the event of disorder arising, to adjourn the meeting to a time he or she may then, or afterwards, fix and his or her leaving the Chair shall indicate the meeting is adjourned; and

(vi)      the Chair shall, at his or her discretion, determine all questions of procedure for which no express provision is made under these Standing Orders with regard to the regulation of the proceedings and business of the Joint Committee meetings.

## BUSINESS AT MEETINGS

**8.**    At a meeting of the Joint Committee or Partnership, no business other than that specified in the summons shall be considered.

## URGENT BUSINESS

**9.**    Business which has not been specified in the summons may be considered where the Chair determines that the matter is one of urgency.   It shall be at the sole discretion of the Chair to decide whether any business not specified on the agenda for the meeting, by reason of special circumstances, be considered at the meeting as a matter of urgency, and such special circumstances must be specified in the Minute of the meeting.

## ORDER OF BUSINESS

**10.**   The business at any meeting shall (unless as otherwise directed by the Chair who may, at his or her discretion, alter the order of business at any stage) proceed in the following order:-

(i)      the Sederunt shall be taken; the names of the members present at the meeting shall be recorded with the Chair at the head followed by the remaining Members;

(ii)     Minutes of the previous Joint Committee or Partnership as appropriate shall be submitted, held as read and be formally moved and be held to be approved, unless objection is taken to any portion thereof when so submitted.  Any Member may request information on an item within a Minute that is before the meeting; and

(iii)    Any other competent business detailed in the Agenda or urgent business raised at the discretion of the Chair.

**ORDER OF DEBATE**

*Motions/Amendments*

**11.1** A member of the Joint Committee or Partnership when speaking shall address the Chair and direct all remarks to the matter before the meeting by proposing, seconding or speaking to the motion or any amendment relative thereto, or to a point of order, or to propose or second a motion to adjourn the proceedings.

**11.2** Every motion or amendment shall be moved and seconded.   The terms of all motions or amendments shall always precede any remarks to be made by their proposers.   No member shall speak supporting the motion or any amendment until the same shall be seconded.

**11.3** The terms of a motion or amendment not seconded or which may be withdrawn or altered after being seconded shall not be recorded in the Minutes of proceedings.

**11.4** Any member who has moved a motion or amendment and has failed to find a seconder may request that his or her dissent in regard to the decision in question be recorded and that dissent will be recorded in the Minutes.

*Procedure on Point of Order*

**11.5** A member may speak upon a matter of order and on doing so shall make a short statement detailing precisely the terms of the point of order.   If the Chair decides that the question raised by the speaker is not a 'point or order', the member who raised the point of order shall thereupon accept the decision as final.  No other member shall be entitled to speak to that point of order.   A member who is addressing the meeting when a question of order is raised shall give way until the question of order has been decided by the Chair.

*MOTION FOR ADJOURNMENT OF MEETING*

12.1 A motion for the adjournment of the meeting for a specified period of time may be put at the conclusion of any speech and shall have precedence over all other motions.   It must be moved and seconded without a speech and shall at once be put by the Chair in the form of "For Adjournment" or "Against Adjournment".

**12.2** A second motion for the adjournment of the meeting shall not be made within a period of 30 minutes unless it is moved by the Chair, when it shall be dealt with as in the immediately preceding standing order.

## VOTING

### *Method of Voting on Motion and Amendment*

**13.** The method of voting on motions and amendments shall be as follows :-

(i)  When a motion and one amendment only are before the meeting, a vote shall be taken between the motion and the amendment;

(ii)  When a motion and two or more amendments are before the meeting, the vote shall be taken upon all the proposals, each member having one vote.   If a proposal receives the support of a majority of the members taking part in the vote, it shall be declared to be the decision of the meeting, but, in the event of none of the proposals receiving the support of such a majority, the proposal which has received the least support shall be dropped and the vote shall be taken anew upon the remaining proposals and so on until one proposals has received the support of such a majority whereupon it shall be declared to be the decision of the meeting; and

(iii)  In the event of the votes for two or more proposals being equal the Chair shall decide which of them shall be dropped.

## DECISIONS OF THE JOINT COMMITTEE

**14.** Subject to Standing Orders 19, 20 and 24, all decision before the Joint Committee or Partnership shall be decided by a majority of the Members of the meeting present and voting thereon.

### *CASTING VOTE*

**15.** In the case of an equality of votes, the Chair shall have a second or casting vote except where the matter which is the subject of the vote relates to the appointment of a member of the Joint Committee to any particular office, in which case the decision shall be by lot.

**ATTENDANCE BY ELECTED MEMBERS NOT A MEMBER OF THE JOINT COMMITTEE**

16. Members of the Constituent Authorities who are not members of the Joint Committee may be invited by the Chair of the Joint Committee to attend the meeting of the Joint Committee while there is under discussion any item in which those members have a local or other special interest.   Such members shall be entitled to participate in the discussion on that item but shall not be entitled to vote. This provision does not apply to the Partnership.


**ATTENDANCE BY MEMBERS OF THE PUBLIC**

17. Members of the public may, subject to any limitation on numbers that may be required due to Health and Safety considerations or availability of space or seating in the meeting room, attend any part of the meeting of the Joint Committee or the Partnership except during an item of business where the meeting has resolved, in terms of the Local Government (Scotland) Act 1973 (as amended), that the matter should be discussed in private session.