



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

## Cabinet

A Meeting of the **Cabinet** of North Ayrshire Council will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Tuesday, 20 February 2024** at **14:30** to consider the undernoted business.

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

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

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

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

#### **2 Minutes**

The accuracy of the minutes of meeting of the Cabinet held on 23 January 2024 will be confirmed and the Minutes signed in accordance with Paragraph 7(1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

### **EDUCATION ITEMS FOR DECISION**

#### **Reports by the Executive Director (Communities and Education)**

#### **3 Early Learning and Childcare – Redesign of Service**

Submit a report by the Executive Director (Communities and Education) to seek approval for the proposed refresh of North Ayrshire Council's Early Learning and Childcare provision (copy enclosed).

**4 Review of Early Learning and Childcare (ELC) Hourly Rate for Funded Providers**

Submit a report by the Executive Director (Communities and Education) to seek approval from Cabinet to increase the sustainable rate of payment to funded providers of early learning and childcare (ELC) in North Ayrshire who are contracted by the Council to deliver funded ELC to eligible 2–5-year-olds (copy enclosed).

**5 Naming of the New Primary School at Montgomerie Park, Irvine**

Submit a report by the Executive Director (Communities and Education) to select a name for the new non-denominational primary school currently being built at Montgomerie Park, Irvine (copy enclosed).

**6 Proposals for Community Investment Fund (CIF) Expenditure**

Submit a report by the Executive Director (Communities and Education) on applications by Locality Partnerships on the allocation of CIF funding to proposed projects (copy enclosed).

**GENERAL BUSINESS FOR DECISION**

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

**7 Scottish Maritime Museum Trust – Memorandum of Understanding**

Submit a report by the Executive Director (Place) to seek approval to sign a Memorandum of Understanding with the Scottish Maritime Museum Trust, to develop the Maritime Heritage Hub project at Irvine harbourside as part of the Ayrshire Growth Deal funded Great Harbour programme (copy enclosed).

**8 International Marine Science & Environment (IMSE) Ayrshire Growth Deal Project - Collaboration Agreement**

Submit a report by the Executive Director (Place) outlining progress in developing a business case pathway for Ayrshire Growth Deal investment in IMSE with partners Field Studies Council and University of Stirling (copy enclosed).

**9 Transport Scotland - Public consultation for the Clyde and Hebrides Ferry Services (CHFS3) Contract**

Submit a report by the Executive Director (Place) to seek approval for the proposed North Ayrshire Council submission to Transport Scotland's public consultation for the Clyde and Hebrides Ferry Services (CHFS3) contract (copy enclosed).

**10 Community Wealth Building Refresh Strategy**

Submit a report by the Executive Director (Place) to update on progress of the Council's Community Wealth Strategy 2020-2025 and seek approval of the refreshed Community Wealth Building Strategy 2024-2027 (copy enclosed).

- 11 Social Housing Net Zero Standard (SHNZS) Consultation**  
Submit a report by the Executive Director (Place) provide Cabinet with details of the proposed new Social Housing Net Zero Standard (SHNZS) and to seek approval of the proposed response to the Scottish Government consultation (copy enclosed).
- 12 Scottish Government Consultation on the proposed Heat in Buildings Bill**  
Submit a report by the Executive Director (Place) to provide Cabinet with details of the proposed Heat in Buildings Bill and to seek approval of the proposed response to the Scottish Government consultation (copy enclosed).
- 13 Urgent Items**  
Any other items which the Chair considers to be urgent.

### **Webcasting**

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

You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the webcast will be retained in accordance with the Council's published policy, including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

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

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

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## Cabinet Sederunt

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**Elected Members**

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

**Church Representatives**

Mr Andrew Bruce  
Ms Elizabeth Turbet  
Rev Mark Goodman

**Teaching Representative**

Ms Jacqui MacKenzie

**Youth Council Representatives**

Chair:

Apologies:

Attending:

**IRVINE**, 23 January 2024 - At a Meeting of the Cabinet of North Ayrshire Council at 2.30 p.m.

**Present**

Marie Burns, Tony Gurney, Christina Larsen and Shaun Macaulay.

**Also Present**

Cameron Inglis and Chloe Robertson.

**In Attendance**

C. Hatton, Chief Executive, M. Boyd, Head of Service and D. Forbes, Senior Manager (Finance) (Chief Executive's Service); A. Sutton, Executive Director, R. Leith, Head of Service and C. Hope, Senior Manager (Communities) (Communities & Education); R. McCutcheon, Executive Director, D. Hammond, Head of Service (Sustainability, Transport and Corporate Property), L. Kirk, Interim Head of Service (Economic Development & Regeneration) and N. McIlvanney, Interim Head of Service (Growth, Investment & Employability) (Place); A. Craig, Head of Service, J. Hutcheson, Senior Communications Officer (Communications) and S. Wilson, Committee Services Officer (Democratic Services).

**Apologies**

Margaret Johnson and Alan Hill.

**Chair**

Marie Burns in the Chair.

**1. Declarations of Interest**

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

**2. Minutes**

The Minutes of the Meeting of the Cabinet held on 5 December 2023 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

### **3. Council Plan Mid-Year Progress Report**

Submitted a report by the Head of Service (Democratic Services) to consider and approve the Council Plan Mid-Year Progress Report 2023-24 attached at Appendix 1 to the report.

The Cabinet agreed (a) to approve the Council Plan Mid-Year Progress Report 2023-24 attached at Appendix 1; and (b) to refer the Council Plan Mid-Year Report 2023-24 to the Audit and Scrutiny Committee for consideration.

### **4. Capital Programme and Treasury Management Performance to 30 November 2023**

Submitted a report by the Head of Service (Finance) on progress in delivering the Capital Investment Programme 2023/24 and the associated Treasury Management Performance to 30 November 2023.

A Member asked a question and was provided with further information in relation to the review of local authority capital accounting arrangements and the associated risks.

The Cabinet agreed to (a) approve the virement proposals noted within the HRA programme detailed in appendix 2 to the report; and (b) note (i) the revisions to budgets outlined in the report; (ii) the General Services and HRA revised budgets at 30 November 2023; (iii) the forecast expenditure to 31 March 2024; and (iv) the estimated performance against the Prudential Indicators set out in the Treasury Management and Investment Strategy.

### **5. Revenue Budget 2023/24: Financial Performance to 30 November 2023**

Submitted a report by the Head of Service (Finance) advising Cabinet of the financial performance for the Council at 30 November 2023.

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

- the overspend for residential placements for children and demand pressures affecting the Health and Social Care Partnership (HSCP) and the action plan being progressed on a partnership basis to address issues;; and
- the results of the Reinforced Autoclaved Aerated Concrete (RAAC) surveys carried out across the authority and the associated costs for remediation works.

The Cabinet agreed to (a) approve the virements detailed in Appendix 7 to the report; and (b) note (i) the information and financial projections outlined in the report; and (ii) the latest financial projection for the Health and Social Care Partnership highlighted at section 2.6 of the report.

## **6. North Ayrshire Local Heat and Energy Efficiency Strategy**

Submitted a report by the Executive Director (Place) seeking approval of the draft North Ayrshire Local Heat and Energy Efficiency Strategy (LHEES) and Delivery Plan attached at Appendices 1 and 2, respectively, to the report.

A Member asked a question and was provided with further information in relation to district heating networks and the role these played in decarbonising domestic heat demand in North Ayrshire.

The Cabinet agreed to approve the draft LHEES and Delivery Plan attached at Appendices 1 and 2, respectively, to the report.

## **7. North Ayrshire Strategic Tourism Infrastructure Development Plans – Mainland and Islands**

Submitted a report by the Executive Director (Place) seeking approval for Strategic Tourism Infrastructure Development Plans for the North Ayrshire Mainland and Islands, to support funding applications for projects which helped manage infrastructure relating to domestic tourism. The draft Strategic Tourism Infrastructure Development Plan – Mainland and draft Strategic Tourism Infrastructure Development Plan – Islands were attached at Appendices 1 and 2, respectively, to the report.

A Member asked a question and was provided with further information in relation to the interventions identified within the report and how these could be translated into delivery through a process of prioritisation and identification of funding sources.

The Cabinet agreed to approve (i) the draft Strategic Tourism Infrastructure Development Plan – Mainland set out at Appendix 1 to the report; and (ii) the draft Strategic Tourism Infrastructure Development Plan – Islands attached at Appendix 2 to the report.

## **8. UK Shared Prosperity Fund – Communities and Place Fund Update**

Submitted a report by the Executive Director (Place) updating on the first round of the Communities and Place Fund under the UK Shared Prosperity Fund and seeking approval for the proposed approach to the second round for 2024/25.

A Member asked a question and was provided with further information in relation to the likely availability of further funding beyond 2024/25.

The Cabinet agreed to (a) note the update on the first round of the Communities and Place Fund in 2023/24 and (b) approve the proposed approach to the second round of the Fund in 2024/25.

## **9. Levelling Up Fund – Round 3 Provisional Award**

Submitted a report by the Executive Director (Place) on the provisional UK Government Levelling Up Fund Round 3 award for the Levelling Up For Ayrshire – Commercial and Low Carbon Infrastructure Project and seeking approval to complete the validation and onboarding process.

A Member asked a question and was provided with further information in relation to the industrial units constructed at three sites in Irvine, North Ayrshire and the letting arrangements.

The Cabinet agreed to (a) approve (i) acceptance of the provisional award for the Levelling Up For Ayrshire – Commercial and Low Carbon Infrastructure under the Levelling Up Fund Round 3 subject to the successful completion of the validation and onboarding process; and (ii) the proposed amendments to the original application proposal; and (b) provide delegated authority to the Executive Director (Place) to conclude the validation and onboarding process and, subject to successful completion, progress project development and delivery; and (c) receive a further update on progress as part of the annual Regeneration Delivery Plan update report.

## **10. Amendment to the Approved Community Asset Transfer of Ardeer Quarry Football Ground and Adjacent Land**

Submitted a report by the Executive Director (Communities and Education) seeking approval for an amendment to the Community Asset Transfer of Ardeer Quarry Football Ground. A map of the site at Ardeer, Garnock Road, Stevenston was attached at Appendix 1 to the report.

The Cabinet agreed to (a) amend the previously approved Asset Transfer of Ardeer Quarry Football Ground and adjacent land from North Ayrshire Council to Scottish Charitable Incorporated Organisation (SCIO), "TASS Community Sports" to include an additional area of adjacent land; and (b) authorise officers to conclude the associated legal and community asset transfer processes for Ardeer Quarry Football Ground and adjacent land, inclusive of the additional piece of land.

## **11. Proposals for Community Investment Fund (CIF) Expenditure**

Submitted a report by the Executive Director (Communities and Education) on applications by Locality Partnerships on the allocation of Community Investment Fund (CIF) funding to proposed projects. Applications from Beith Community Association SCIO, Garnock Valley Locality Partnership Working Group, Bourtreehill and Broomlands Community Association, Fullarton Community Association, Turning Point PEAR Project and Stevenston Community Council were attached at Appendices 1 – 6, respectively, to the report.

Having reviewed the applications in line with the CIF criteria, the Cabinet agreed to approve CIF awards to (i) Beith Community Association SCIO (£22,098.04); (ii) Garnock Valley Locality Partnership Working Group (£51,200); (iii) Bourtreehill and Broomlands Community Association (£12,777); (iv) Fullarton Community Association



(£100,000); (v) Turning Point PEAR Project (£96,112); and (vi) Stevenston Community Council (£29,988).

## **12. Public Conveniences**

Submitted a report by the Executive Director (Communities and Education) updating on the current position and future operation in relation to public conveniences in North Ayrshire.

The Chair, on behalf of the Cabinet, acknowledged that a community consultation period was planned and requested that the paper be amended to remove “or close thereafter” from the site recommendations pending the outcome of the consultation process.

The Cabinet agreed to (a) approve the proposals for the future of the remaining Council-operated public conveniences as set out in this report, subject to the above-mentioned amended wording; and (b) receive a further report in April 2024 to consider the results of the engagement in relation to community interest in five public conveniences.

## **13. Urgent Items**

There were no urgent items.

The meeting ended at 3:35 p.m.



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**NORTH AYRSHIRE COUNCIL**

**20 February 2024**

**North Ayrshire Council Cabinet**

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**Title:** **Early Learning and Childcare – Redesign of Service**

**Purpose:** To seek Cabinet approval for the proposed refresh of North Ayrshire Council’s Early Learning and Childcare provision.

**Recommendation:** That Cabinet approves the proposed redesign of North Ayrshire’s Early Learning and Childcare provision as outlined in this report.

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**1. Executive Summary**

- 1.1 1.1 North Ayrshire Council (NAC) has implemented the Scottish Government’s policy to provide 1140 hours of funded Early Learning and Childcare (ELC) to eligible children since August 2021, utilising the additional grant funding received to support this new policy.
- 1.2 This report provides information on a proposed refresh of provision taking into consideration local uptake data and engagement with parents, carers, and staff in North Ayrshire on the redesign of the service, within a significantly reduced budget. This paper also outlines for Cabinet’s consideration the potential workforce implications, service impacts and opportunities, and proposed approach to organisational change in delivering required service changes and cost reductions.
- 1.3 Revised delivery models proposed in this paper take into consideration affordability, local demand for places, and the views of North Ayrshire families who currently or will soon access this service.

**2. Background**

**2.1 Early Learning and Childcare Funding**

- 2.1.1 The Scottish Government introduced a policy to increase funded ELC for eligible children from 600 hours per year to 1140 hours per year from August 2020, supported through the provision of specific annual grant funding to local authorities. North Ayrshire Council phased in this programme with full implementation of 1140 hours of funded early learning and childcare for all eligible children from August 2021. There was a delay in full implementation due to the impact of the Covid-19 pandemic.

- 2.1.2 Data for the whole of Scotland shows that there are fewer children eligible for funded ELC and that the uptake of 1140 hours is lower than originally anticipated when the multi-year grant funding agreement was reached.
- 2.1.3 In line with the national picture, the uptake of children's ELC places in North Ayrshire has been lower than originally estimated. In addition, declining birth rates will continue to impact the overall level of uptake. Current North Ayrshire Council capacity is 2228 spaces with 1852 spaces allocated to children accessing their full 1140 hours through a Local Authority provision (83% occupancy rate).
- 2.1.4 Scottish Government has advised local authorities that they now intend to replace the specific annual grant funding for 1140 funded hours and provide an annual core funding quantum for the provision of early learning and childcare. The Scottish Government has worked with COSLA to agree the annual core quantum for 2024/25 onwards.
- 2.1.5 The share of the annual quantum received by local authorities is based on:  
a) the number of eligible children in the local authority area; and  
b) the percentage uptake of 1140 hours in the local authority area.
- 2.1.6 A cumulative budget reduction of £1.527m was confirmed in 2023/24 due to the factors outlined in 2.1.5. To date, the £1.527m budget reduction has been met through use of temporary funding sources, including earmarked funds, to enable longer term planning to take place and the current proposals to be developed.
- 2.1.7 As a result of the factors outlined in 2.1.5, a local review of early learning and childcare service delivery is underway, governed by an ELC Review Board. The key aim of this review is to redesign the early years service to meet current and anticipated levels of demand, which has been informed by local data, within the revised Scottish Government 2024/25 funding envelope. This includes the implementation of refreshed delivery models through the proposals outlined in section 3.1.
- 2.1.8 It should also be noted that the Scottish Government has outlined an ambition to increase the eligibility of 2-year-olds to access 1140hrs of funded ELC. North Ayrshire Council currently makes provision for eligible 2-year-olds in several establishments, and these children are typically referred by Health Visitors. Should the eligibility for 2-year-olds be expanded at a future date or expanded to include all 2-year-olds, then there would be a requirement to again increase ELC delivery. There is currently no published timescale for this.

## **2.2 Current ELC delivery models**

- 2.2.1 Funded ELC is delivered by North Ayrshire Council alongside our funded providers, which are predominantly private nurseries and childminders. As of the 2023 census return, 2394 children in total are accessing 1140 hours of funded ELC in North Ayrshire. A breakdown is provided below:

Type of provision	No. of children	Overall % of children accessing 1140
Full 1140 hours through Local Authority	1852	77%
Full 1140 hours through Partner Nursery	427	18%
Full 1140 hours through Partner Childminder	21	1%
1140 hours through a blend of providers	94	4%

2.2.2 Based on wide-ranging consultation at the original design stage, there are currently three models of service delivery provided by North Ayrshire Council schools and ELC centres:

Model	Service Provided	Number of Establishments
1	8am to 6pm over 48 weeks per year. Option of either full year (48 weeks) or term time (38 weeks) with a variety of children's attendance patterns to obtain 1140 hours of funded ELC.	24
2	8.45am to 4.30pm over term-time (38 weeks). 665 hours of funded ELC provided by NAC with 475 hours available to blend childcare with a private nursery or childminder.	11
3	9am to 3pm over term-time (38 weeks). Children attend 6 hours each day to obtain 1140 hours of funded ELC.	8

2.2.3 An overview of the current models delivered in each locality is provided below:

Locality	Model 1	Model 2	Model 3
Kilwinning	3	2	0
Irvine	7	4	0
Three Towns	7	4	0
Garnock Valley	4	1	1
North Coast	2	0	2
Arran	1	0	5
<b>Totals</b>	<b>24</b>	<b>11</b>	<b>8</b>

2.2.4 In delivering ELC, the Council is required to maintain a minimum statutory adult:child ratio based on the age group of children. For children aged 3-5 years, this ratio is 1 adult to 8 children. For children under the age of 3, this ratio is 1 adult to 5 children.

2.2.5 The employee budget required to support current service delivery models is £16.8m. Existing model 1 and 2 sites require complex staffing schedules to ensure statutory ratios are maintained across a maximum day from 8am to 6pm that enable lunch breaks as well as annual leave for full year staff.

## 2.3 Engagement with parents and carers

- 2.3.1 Following Cabinet approval on the 5<sup>th</sup> of December 2023, an engagement exercise took place between the 18<sup>th</sup> of December 2023 to 26<sup>th</sup> of January 2024 to gather views of parents and carers to inform revised models. Views were gathered via an online survey, which was promoted in several ways. These included cascading information to parents and carers via early years establishments and funded provider networks; emailing current families accessing North Ayrshire’s ELC service and/or primary school education directly; and promoting this via social media channels. The survey was completed by 835 respondents.
- 2.3.2 835 parents and carers responded to the survey with 556 respondents indicating they access their entitlement to 1140 hours through a North Ayrshire Council early years provision (67%). The remaining 33% of respondents either accessed a ‘private/voluntary early years’ (169 respondents), ‘childminder’ (40 respondent), or ‘a blend of these services’ (70 respondents). The primary benefits of early years provision delivered across North Ayrshire were recorded as ‘child wellbeing / development’ (737 respondents), ‘support to work/ study’ (372 respondents), and ‘reduced childcare costs’ (336 respondents).
- 2.3.3 The proposals within this paper focus on the redesign of ELC provision delivered by North Ayrshire Council and consequently the analysis presented in sections 2.3.3 – 2.3.5. below and referenced in section 3.2, has been based on respondents who access ELC through a North Ayrshire Council early years provision. A breakdown of the model accessed by respondents accessing a North Ayrshire Council early years provision is provided below:

<b>Model</b>	<b>Number of respondents</b>	<b>Percentage of respondents accessing ELC through North Ayrshire Council ELC</b>
Term time (full 1140 hours from a NAC early years)	256	46%
Full year Full Year (full 1140 hours from a NAC early years)	248	45%
Term time (blend of full 1140 hours from a NAC and private provider / childminder)	36	6%
Other pattern (private provision / childminder)	16	3%

- 2.3.4 Of the respondents who access ELC through North Ayrshire Council (556 respondents), 36% of families do not access their full entitlement to ELC (200 respondents). This data gathered suggests a significant number of families do not have an available pattern that meets their needs (65 responses), have limited providers available (48 responses), or encounter complications in accessing a blended model (35 responses). These insights are a key driver in the proposed models

outlined in section 3.1. A breakdown of the main reasons given for not accessing full entitlement to ELC is provided below:

<b>Reason for not accessing full entitlement to ELC using North Ayrshire Council early years provision</b>	<b>Number of times selected</b>
Personal choice	69
Available pattern doesn't meet my needs	65
Limited providers available	48
Complications of accessing a blended model	35
Other	28
Unaware of full entitlement	15

2.3.5 Parental views were also gathered on the factors that are important when deciding which early years provision is best for their child. The two most important factors identified by parents/carers in deciding on an early learning and childcare provision were proximity to their home and the quality of resources and facilities of the provision. A breakdown of all factors selected by parents / carers accessing a North Ayrshire Council early years provision (556 respondents) is provided below:

<b>Factors used by parents and carers to decide which early years provision is best for their child</b>	<b>No. of times this factor was selected</b>
Close to home	396
Resources and facilities	299
Word of mouth / reputation	278
Availability of full year or term time place	178
My other child already attends	157
Flexibility in hours	138

## **2.4 Engagement with ELC staff and establishment leadership teams**

2.4.1 It is recognised North Ayrshire Council's ELC staff and establishment leadership teams play an important role in ensuring the effective delivery of high quality ELC in North Ayrshire. Consequently, an ELC staff engagement survey was conducted between the 11<sup>th</sup> and 25<sup>th</sup> of January to gather views from across North Ayrshire Council's ELC workforce. 344 responses were gathered in total. A breakdown of responses by current model is provided below:

<b>Employed in current ELC model</b>	<b>Number of staff survey respondents</b>
1	262
2	60
3	22

2.4.2 The views gathered from ELC practitioners mirror the primary benefits expressed by surveyed parents and carers referenced in section 2.3. ELC staff highlighted 'child wellbeing / development' (282 responses), 'parenting support' (165 responses), and 'reduced childcare costs' (146 responses) as the primary benefits of the ELC provision. ELC practitioners also spotlighted 'access to high quality indoor and outdoor learning environments' (155 responses); 'improved outcomes for children and families'

(150 responses); and ‘availability of full year and term time options’ (140 responses) as all working well in the delivery of ELC.

- 2.4.3 Engagement data gathered through the ELC staff survey has also provided the education service with a greater understanding of the areas for improvement within ELC delivery in North Ayrshire. Areas for further improvement highlighted by respondents include: ‘additional time out to plan for children’s learning’ (283 responses); ‘enhanced collegiate time for staff development and training’ (271 responses); and ‘increased focus on supporting staff wellbeing’ (251 responses).
- 2.4.4 The staff engagement survey also provided an opportunity for staff to express any other views in relation to the remodelling of ELC provision. Qualitative data coding of the 213 responses obtained indicated ‘improving staff wellbeing (63 responses), ‘ensuring time for planning, preparation and professional dialogue’ (63 responses), and ‘providing greater availability of term time 9am – 3pm ELC provision’ (46 responses) are priorities in the remodelling of North Ayrshire Council’s ELC provision. Areas of improvement highlighted by staff will be considered as part of plans to operationalise proposed models referenced in section 3.1. Additional findings from the staff engagement survey are provided in section 3.2 below as part of the rationale for the revised models.
- 2.4.5 Alongside the ELC staff engagement survey, a focus group was conducted with a sample of 9 heads of ELC establishments from across current ELC delivery models. Analysis of the key messages from this session strengthen feedback provided by staff gathered in the engagement survey. Key messages included a need to streamline North Ayrshire Council’s ELC offer for parents and carers; consider approaches to ensure enhanced time for planning, preparation, professional dialogue and staff cohesion; and continue to provide a flexible ELC offer across localities whilst enhancing availability of ELC provision that mirrors 9am – 3pm school term-time provision to meet local demand. Additional key messages gathered through this focus group are provided in section 3.2 within the rationale for proposed models.

### 3. Proposals

#### 3.1 New ELC Delivery Models

- 3.1.1 It is proposed that the existing ELC delivery models are redesigned to take account of reducing birth rates, available data on uptake of 1140 hours funded ELC (particularly outside of the school term), current parental preferences and the projected budget envelope.
- 3.1.2 The proposed redesigned models, which would be implemented from the new academic session in August 2024, are as follows:

<b>Revised Model</b>	<b>Service Provided</b>	<b>Number of Establishments</b>
1	8am to 6pm over 48 weeks per year. Children can attend 5 half day sessions (am or pm) each week, or 2.5 days per week to obtain 1140 hours of funded ELC (23.75 hours per week).	9



2	8am – 6pm over term time (38 weeks). Children can attend one full day and 4 half day sessions (am or pm) per week to obtain 1140 hours of funded ELC (30hours per week).	13
3	9am to 3pm over term-time (38 weeks). Children attend 6 hours each day to obtain 1140 hours of funded ELC (30hours per week).	22

3.1.3 The redesign of models is based on a review of ELC requirements across localities and ensures North Ayrshire Council will continue to meet the Scottish Government’s principles of flexibility and accessibility for parents and carers. The proposed changes to models across all North Ayrshire Council establishments are provided below. It is important to note that proposals reconfigure current ELC models and there are no proposed closures of any North Ayrshire Council ELC provisions:

Model	Hours of delivery	No. of weeks	Current	Proposed
1	8am – 6pm	48 weeks (Full Year)	24	9
2 (existing model)	8.45am – 4.45pm	38 weeks (Term Time)	11	0
2 (revised model)	8am – 6pm	38 weeks (Term Time)	0	13
3	9am – 3pm	38 weeks (Term Time)	8	22

3.1.4 There are no catchment areas prescribed within ELC guidance. Parents and carers in North Ayrshire are asked to list their choice of five establishments on application. In the event that the Council is unable to accommodate any of these choices, the service will allocate an alternative place for a child which is the closest establishment to the home postcode (unless a different request is submitted). The recent survey reinforced that location is important to parents and carers. Therefore the range of proposed North Ayrshire Council model options available to parents and carers is shown below on a locality basis:

Locality	Model 1	Model 2 (revised)	Model 3
Kilwinning	2	2	1
Irvine	2	4	6
Three Towns	2	4	5
Garnock Valley	1	2	3
North Coast	1	1	2
Arran	1	0	5
<b>Totals</b>	<b>9</b>	<b>13</b>	<b>22</b>

- 3.1.5 An options appraisal within the redesign process explored the possibility of removing existing model 2 options in favour of 12 model 1 sites and 32 model 3 sites. Whilst this realised additional savings and reduced the complexity in the ELC offer for parents and carers, this was ruled out as capacity within North Ayrshire Council ELC establishments would be reduced below anticipated levels of demand. This would likely result in North Ayrshire Council being unable to deliver 1140 hours of ELC to all eligible children should greater numbers of North Ayrshire families wish to access a Council provision.
- 3.1.6 The redesigned models will ensure that there is capacity for all eligible children across North Ayrshire Council to receive 1140 hours of funded ELC provision either through a North Ayrshire Council establishment or a funded provider.

## **3.2 Rationale for model changes**

- 3.2.1 The proposal to reduce the number of ELC establishments delivering full year provision was informed by uptake data from the 2023 summer holiday period. 41% of 3-5 year olds and 44% of eligible 2s did not opt to access 1140 hours during this period and consequently did not benefit from their full entitlement. Parental engagement survey findings suggest the inverse of this with only 21% of respondents who access a full year provision (52 respondents) indicating they do not use their full entitlement within a full year provision. This sample of parents who responded to the engagement survey and access a full year provision is therefore not representative of all parents accessing full year provision due to the disparity in uptake data versus engagement survey responses. Staff engagement survey respondents who chose to express a view on future remodelling indicated further work is needed to improve uptake of full 1140 hours as part of the revised models (26 respondents), with many respondents specifically referencing reduced uptake during holiday periods. This perspective was also supported by some heads of early years establishments operating a current model 1 site.
- 3.2.2 Increasing the number of term time only facilities is supported by data demonstrating that term time service is the most popular choice for parents / carers with almost all current term time establishments being full. Enhancing availability of term-time 9am – 3pm ELC provision was also viewed as a priority by respondents to the ELC staff engagement survey. 20% of staff survey respondents who chose to express their views on the remodelling of ELC indicated a preference for increasing availability of term time 9am – 3pm ELC provision (43 respondents). Reasons provided for this preference were to better support families to avoid the need for multiple childcare arrangements if a child accessing ELC has school-aged siblings; and providing greater scope for parents / carers to access work, further education, or training opportunities. It should also be noted engagement with heads of ELC establishment and some staff survey respondents who chose to express a view on the remodelling of ELC indicated North Ayrshire Council should continue to offer a range of flexible ELC options (43 respondents), including full-year provisions (13 respondents). Data gathered from the parental engagement survey also supports the need to continue with a range of options as 32% of respondents accessing a North Ayrshire early provision (178 respondents) indicated 'availability of full year or term time place' was a factor when deciding which early years provision is best for their child.

- 3.2.3 Blending of ELC provision through current models is not widely utilised across North Ayrshire. Current data shows that only 20% of those currently attending a model 2 ELC provision blend their 1140 entitlement across a local authority and funded provider provision, with some only using a few hours per week from a funded provider. Notably, this data also highlights that 80% of children in model 2 sites do not access 475 hours of their 1140 entitlement due to challenges of securing a blend that meets their needs. Data gathered from the parent and carer engagement survey provides further evidence of the challenges around a formalised blended model. 24% of the respondents who access an early years provision provided by North Ayrshire Council but do not utilise their full entitlement (200 respondents in total) referenced 'limited funded providers' (48 respondents) as a factor. In addition, 18% of respondents who do not access their full entitlement referenced 'complications of accessing a blended model' (35 respondents) as a barrier to using their full 1140 hours entitlement with North Ayrshire.
- 3.2.4 North Ayrshire's funded providers play a vital role in supporting families and North Ayrshire Council will continue to work in partnership to promote blended ELC provision as an option that can be utilised by parents to meet their early learning and childcare needs. Blending with a funded provider continues to be proposed as a choice for parents and carers, which can be pursued through engaging in discussions with a North Ayrshire ELC establishment.

### **3.3 Direct people and financial implications of the proposed review of delivery models**

- 3.3.1 The early years projected employee budget required to support the proposed new service delivery models is £15.3m. The overall remodelling proposals generate a saving of £1.074m with an August 2024 implementation or an equivalent full year saving of £1.611m. It is important to note that the financial implications of this change now result in the alignment of resource requirements with available levels of funding.
- 3.3.2 The proposed redesign of the early years' service will impact on the current ELC workforce of approximately 450 early years employees (DSM 317.9 FTE entitlement). This will include shifts in requirements from full-year to term-time working and in the weekly working hours required to support children's attendance patterns.
- 3.3.3 In recognition of the significant impact of these proposals an Organisational Change Plan will be developed in consultation with trade unions to set out the organisational change process, communication and engagement plan, and timeline.
- 3.3.4 The proposed Organisational Change Plan would include the use of service redesign principles including Voluntary Early Release (VER) and compensatory payment for loss of earnings as means of mitigating the impact of these proposals on affected employees.

### **3.4 Consideration of adjustment to eligibility dates for funded early learning and childcare**

- 3.4.1 In North Ayrshire a child becomes eligible for funded early learning and childcare at the beginning of the school term following their third (or in some cases second) birthday. This is aligned to the Scottish Government standard outlined in the Children and Young People (Scotland) Act 2014 and in the associated Scottish Statutory Instruments and has been in place in North Ayrshire for a number of years.
- 3.4.2 An opportunity was taken during the review of delivery models to reassess when eligible children can start receiving funded early learning and childcare in North Ayrshire. Specifically, consideration was given to changing the start of funded provision from the term after the child's birthday to the month after the child's birthday.
- 3.4.3 Detailed financial modelling was undertaken to assess the viability of this proposed change. However, it was concluded that changing the start of funded provision to the month after the child's eligible birthday would increase costs significantly and is therefore not an affordable option within the current financial envelope. This position will be kept under review in future years.

### **3.5 Proposal**

- 3.5.1 It is recommended that Cabinet approves the proposed redesign of North Ayrshire's Early Learning and Childcare provision as outlined in this report.

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

### **Financial**

- 4.1.1 The projected Early Years employee budget required to support the proposed service delivery models is £15.3m. The proposed remodelling generates a saving of £1.074m with an August 2024 implementation date or an equivalent full financial year budget saving of £1.611m.
- 4.1.2 The £1.527m cumulative reduction for 2023/24 referenced at section 2.1.6 has been funded to date via earmarked reserves and unallocated funding which was available due to the delay in implementation of 1140 hours. This has allowed appropriate engagement with parents, carers and staff in order to ensure the proposed redesign is fully informed by their views. It is important to note that the financial implications of this change now result in the alignment of resource requirements with available levels of funding.
- 4.1.3 The remodelling of early years provision may require early release or mitigation payments to impacted staff. The cost of release or compensation payments would be met within current earmarked reserves.

### **Human Resources**

- 4.2 The workforce implications of proposals outlined in this paper will be supported through an Organisational Change Plan that will be developed through consultation with trade unions.

## **Legal**

- 4.3 The *National Care Standards Early Education and Childcare up to the age of 16* outlines a statutory requirement for ratios of 1:5 for 2 to under 3s and 1:8 for children aged 3 and over in ELC provisions. The proposals outlined in this paper are cognisant of this statutory requirement and will ensure that ratios are maintained. The *Children and Young People (Scotland) Act 2014 (Modification) Order 2021* places a statutory duty on education authorities to make provision for 1,140 hours of funded ELC available to all children aged 3-5, and eligible 2-year-olds. The proposals outlined in this paper enable the local authority to more effectively deliver on this to provide full access to 1140 to a greater number of parents and carers by realigning delivery models to better meet the needs of North Ayrshire families.

## **Equality/Socio-economic**

- 4.4 Proposals contained in this paper will impact the provision of ELC across North Ayrshire with a potential impact on learners residing in North Ayrshire's areas of highest deprivation. Some of the proposed changes are anticipated to be positive due to the proposed redesign of the service based on patterns of uptake. Regular reviews that currently take place to ensure that ELC capacity and demand are as closely aligned as possible will continue. A review of the current Equality and Children's Rights Impact Assessment (ECRIA) for ELC has been carried out to inform implementation.

## **Climate Change and Carbon**

- 4.5 The revised ELC models provide a range of options to access ELC across each locality, continuing to mitigate where possible the requirement of parents/carers to travel outwith their locality area to access ELC.

## **Key Priorities**

- 4.6 Proposals outlined in this report support the Council Plan 2023-28 strategic aim to "transition to a wellbeing economy, delivering prosperity, wellbeing and resilience for local people" and more specifically "improving educational attainment and achievement and closing the attainment gap" activities.

## **Community Wealth Building**

- 4.7 North Ayrshire's Education Service works closely with a range of funded providers (private nurseries and childminders) to deliver 1140 through procurement of local services. Implementation of this proposal will also continue to support community wealth building through support for parental employment.

## **5. Consultation**

- 5.1 Engagement on these proposals has taken place via the ELC Review Board with parents and carers, impacted staff groups, ELC management and senior leadership teams. Further formal consultation and engagement with relevant stakeholders, including trade unions, will take place as part of the proposed organisational change plan.

Audrey Sutton  
Executive Director Communities and Education

For further information please contact **Andrew McClelland, Head of Service (Education)**,  
on **01294 32 324413**.

## **Background Papers**

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## NORTH AYRSHIRE COUNCIL

20 February 2024

### Cabinet

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**Title:** Review of early learning and childcare (ELC) hourly rate for funded providers

**Purpose:** To seek approval from Cabinet to increase the sustainable rate of payment to funded providers of early learning and childcare (ELC) in North Ayrshire who are contracted by the Council to deliver funded ELC to eligible 2–5-year-olds.

**Recommendation:** It is recommended Cabinet:  
a) Agrees an increase in the current hourly rate paid by the Council to funded providers from 1st of April 2024; and  
b) Agrees to receive a further report in advance of the next annual review of the sustainable rate for funded providers.

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### 1. Executive Summary

- 1.1 North Ayrshire Council currently contracts with 15 funded provider nurseries and 66 childminders to deliver ELC entitlement to families across the authority. Funded providers - those in the private and not-for-profit sector and childminders - enter a contract with NAC which requires them to meet the National Standard for Early Learning and Childcare Providers. In return the Council pays an hourly (sustainable) rate for up to a maximum of 1140 hours per annum for each child in their care.
- 1.2 Cabinet approved an increase in the hourly rate paid to funded providers in the financial year 2022-23. This rate increase was paid retrospectively from 1<sup>st</sup> of August 2022 and will be in place until 31<sup>st</sup> of March 2024.
- 1.3 Non-financial assistance is also provided by Council staff in the form of teacher support, professional learning for staff and management, and quality improvement support to ensure national ELC standards are upheld.
- 1.4 Scottish Government published revised *Funding Follows the Child and National Standard for Early Learning and Childcare Providers: Operating Guidance* in December 2023. This guidance sets out how settings meet the National Standard criteria and the role of local authorities in delivering the approach. The principles in the guidance highlight the importance of the rate setting process being underpinned by an evidence-based approach; transparency; and partnership working between local authorities and funded providers in the private, third and childminding sectors.

1.5 The Council's grant funding for ELC has already reduced significantly and is anticipated to reduce further in 2024/25 because of lower levels of eligible children than anticipated when the original grant funding agreement was reached between Scottish Government and Local Authorities at the outset of the programme.

## 2. Background

2.1 Since August 2021, all 3 and 4-year-old children and eligible 2-year-old children have been entitled to 1140 hours of funded early learning and childcare per annum. To deliver this across Scotland, Councils work with both Council-run services and local partner providers in the private and not-for-profit sectors, including childminders, to ensure there is sufficient capacity to deliver 1140 hours to all eligible families in their local areas. In addition to the 43 Council establishments, North Ayrshire Council currently contracts with 15 funded provider nurseries and 66 childminders to deliver ELC entitlement to families across the authority. Funded providers enter a contract with North Ayrshire Council which requires them to meet the National Standard for Early Learning and Childcare Providers and in return NAC pay an hourly (sustainable) rate for up to a maximum of 1140 hours per annum for each child in their care.

2.2 Cabinet approved an increase in the sustainable rate in May 2023 which increased the rate from £5.31 per hour to £5.76 per hour for all eligible 2–5-year-olds. This increase was also backdated to August 2022 with agreement this would be in place until 31<sup>st</sup> of March 2024. It was also agreed this rate would be reviewed prior the 2024-25 financial year.

2.3 In addition to the hourly rate paid to providers, funded providers receive an additional payment of £3 per meal (or the provision of a meal through the North Ayrshire Council School Meals Service). Childminders receive £2.50 for each meal provided. All registered childcare providers have access to funding through the Scottish Milk and Healthy Snack Scheme to provide milk and a portion of fruit or vegetables for every child each day at the national current rate of 58.2p per day.

2.4 In December 2023, Scottish Government revised Funding Follows the Child and National Standard for Early Learning and Childcare Providers: Operating Guidance in December 2023. This guidance provides guidance on how local authorities should set sustainable rates, based on the following principles:

- The rate will support delivery of a high quality ELC experience for all children;
- It will be a rate that reflects the cost of delivery, including the delivery of national policy objectives;
- The rate will allow for investment in the setting – staff, resources and physical environment; and
- It will enable payment of the real Living Wage for those childcare workers delivering the funded entitlement.

2.5 In April 2019, Scotland Excel provided guidance for local authorities which set out the following key principles for setting sustainable rates for the delivery of funded early learning and childcare (ELC):



- Local authorities and providers should approach the sustainable rate setting process with a focus on a high-quality ELC experience;
- The rate should be evidence-based;
- Local authorities and funded providers should work together to be as transparent and open as commercially reasonable when discussing rates and costs;
- Local authorities should clearly set out what is included (and not included) in the support package in addition to the hourly rate, at the point of application; and
- Inflationary and real Living Wage increases should be reviewed on a regular basis, to understand any changes to these and their impact on costs.

2.6 The guidance also highlights that, from a local authority perspective, the following points should also be considered:

- The rate should not have a detrimental effect on the local authority's ability to continue to pay for the service in the long-term;
- The wider package of 'in-kind benefits,' which are separate to the sustainable rate, available to the funded provider as part of their contract with the local authority; and
- The rate does not need to be cross subsidised by parents and carers through charges for non-funded hours.

2.7 The guidance sets out that inflationary and Real Living Wage increases should be reviewed on a regular basis, to understand any changes to these and their impact on costs. As the Real Living Wage changes each year, in November, and the sustainable rate should reflect up-to-date information, an annual review of the sustainable rate is required. As part of Scottish Government's budget for 2024-25 it was announced that additional funding of £200m will be provided to ensure all social care and early learning and childcare workers in the private, third and independent sectors are paid at least £12 per hour from April 2024, which is the Real Living Wage. Further clarity is to be provided by Scottish Government on how this will be distributed and whether this will involve local authorities in supporting distribution.

2.8 North Ayrshire Council provides a range of in-kind benefits to funded provider partners which include the following measures:

- Funded provider staff are included in all professional learning that is delivered by NAC staff to early years practitioners;
- Funded provider managers and business owners are included in all ELC Head Teacher meetings and in all relevant professional learning opportunities; and
- Teacher access is provided by the Council and each funded provider nursery has an allocated teacher who provides learning and development and quality improvement support for staff and managers.

2.9 Based on a declining population and a lower than anticipated national and local uptake of 1140hrs of funded ELC, North Ayrshire Council has already received a reduction in core allocation and specific grant allocation for the delivery of ELC. The Scottish Government, as part of a national review of funding, now plans to replace the additional grant funding with an annual core quantum for the provision of ELC. North Ayrshire's budget will decrease by £1.6m per annum.

2.10 North Ayrshire Council has had a significant reduction in funding since 2022/23. The table below outlines reductions in NAC core and grant funding allocations for ELC:

Financial Year	ELC Specific Grant Funding	ELC Specific Grant Funding Reduction	NAC Core Allocation	NAC Core Allocation Reduction	Funding Revision	Total Funding Reduction
	£m	£m	£m	£m	£m	£m
2021/22	14.013		11.654			
2022/23	13.093	-0.920	12.033	0.379	0.000	-0.541
2023/24	12.579	-0.514	11.561	-0.684	0.212	-0.986
Total Funding Movement to 2023-24		<b>-1.434</b>		<b>-0.305</b>	<b>0.212</b>	<b>-1.527</b>

2.11 Engagement with the neighbouring South West Education Improvement Collaborative (SWEIC) local authorities indicates they are facing similar financial challenges.

2.12 In December 2023, Scottish Government and COSLA undertook a review of sustainable rates. This review recommended updating the Sustainable Rates Guidance for 2024-25, with a view to:

- i. Enhance guidance on the approach to rate-setting, to provide a more standardised approach and minimise any unwarranted variation between the rates set by local authorities (recognising that a certain level of variation is expected), including how frequently they are set;
- ii. Further develop guidance around the rates payable for eligible 2-year-olds to help ensure these rates are sustainable and are reflective of the costs of delivery;
- iii. Further develop the guidance in relation to meal rates, to help ensure these are set sustainably and are reflective of costs;
- iv. Set clearer expectations around engagement and communications for both local authorities and funded providers in the private, third and childminding sectors regarding the rate setting process – including ensuring that providers have greater certainty and clarity on rates to support their financial planning; and
- v. Ensure the guidance adequately supports local authorities when setting sustainable rates for, and engaging with, childminders.

2.13 North Ayrshire Council's evidence-based approach has included:

- The current strategic context;
- Prior cost analysis of ELC funded rates undertaken in 2022;
- Benchmarking funded provider sustainable rates paid by neighbouring local authorities;
- Ongoing engagement with local providers;
- The greater staff to pupil ratios required for 2-year-old pupils; and
- Current local authority budget pressures.

2.14 As a result it is proposed North Ayrshire Council's funded provider sustainable rates are increased to £6.05 per hour for 3–5-year-olds and a larger increase to £6.33 for eligible 2-year-old children from 1<sup>st</sup> of April 2024, taking into account feedback from partner providers in relation to greater costs for this age group.

### 3. Proposals

3.1 It is recommended Cabinet:

- a) Agrees an increase in the current hourly rate paid by the Council to funded providers from 1st of April 2024; and
- b) Agrees to receive a further report in advance of the next annual review of the sustainable rate for funded providers.

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

##### **Financial**

4.1 The additional cost of the increased payment will be approximately £215,000 based on existing numbers of children. This has been included in budget planning for the 2024-25 financial year.

##### **Human Resources**

4.2 None.

##### **Legal**

4.3 In April 2019, Scotland Excel provided guidance for local authorities which set out key principles for setting sustainable rates for the delivery of funded early learning and childcare (ELC). These are detailed at 2.3 above. Scottish Government Guidance requires that rates are reviewed on an annual basis and processes will be put in place to ensure this takes place.

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

4.4 In supporting a sustainable ELC provision within the private, not for profit and childminding sectors, we aim to reduce any inequalities of provision and quality of ELC services. We aim to ensure all children experience the best start in life, and families are supported into work, thus reducing poverty.

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

4.5 Ensuring sustainable access to ELC provision within the private, voluntary and independent sector ensures that parents / carers are able to access a range of ELC services within their local community. Consequently, this encourages the use of active travel to access provision and will encourage reduction in greenhouse gas emissions in North Ayrshire.

##### **Key Priorities**

4.6 Proposals outlined in this report support the Council Plan 2023-28 strategic aim to “transition to a wellbeing economy, delivering prosperity, wellbeing and resilience for local people” and more specifically “improving educational attainment and achievement and closing the attainment gap” activities.

## **Community Wealth Building**

4.7 The proposals support the following pillars of community wealth building:

- Advancing community enterprises
- Supporting local business activities and increasing the variety of ownership models.

## **5. Consultation**

5.1 At the previous review of sustainable rates paid to funding providers, three funded provider nurseries took part in a confidential costs analysis exercise that was undertaken by NAC's Finance Business Partner team. This was used to inform the initial rate increase in the 2023-24 financial year and informed the proposed uplift in 2024-25 financial year. North Ayrshire Council's ELC leadership team meet regularly with funded providers, including private and partner nurseries as well as childminders, and have considered views expressed in relation to the need for enhanced rates for 2-year-olds due to the requirement for lower staff to learner ratios.

Audrey Sutton  
Executive Director (Communities & Education)

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

## **Background Papers**

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**NORTH AYRSHIRE COUNCIL**

**20 February 2024**

**Cabinet**

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**Title:** **Naming of the new primary school at Montgomerie Park, Irvine**

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**Purpose:** To select a name for the new non-denominational primary school currently being built at Montgomerie Park, Irvine.

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**Recommendation:** That Cabinet:

- Considers the proposed names selected for consultation; and
- Decides the name of the new primary school

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**1. Executive Summary**

- 1.1 On 27 April 2021, Cabinet approved the establishment of a new non-denominational primary school at Montgomerie Park, Irvine.
- 1.2 As a result, there is a requirement to formally name the new school. Cabinet is asked to consider the engagement that has taken place with stakeholders within the locality to propose a shortlist of names and make a final decision.

**2. Background**

- 2.1 New housing developments at Montgomerie Park, Irvine resulted in an increase in the local population and, subsequently, education accommodation pressures at Annick Primary School.
- 2.2 In October 2020, the Scottish Futures Trust (SFT) invited bids for funding to develop innovative educational and community facilities as part of their Phase 2 Learning Estate Investment Programme. North Ayrshire Council submitted a bid to obtain up to 50% funding contribution for the proposed new primary school, inclusive of early learning and childcare provision. An announcement made by the Depute First Minister on 18 December 2020 included North Ayrshire Council as one of the successful bids.
- 2.3 On 27 April 2021, Cabinet approved the establishment of a new non-denominational primary school at Montgomerie Park, Irvine. The new school was scheduled to open in August 2023, however, due to the impact on the construction industry post-Covid, the opening date was revised to August 2024. Currently, the project is on track to be completed on time and is being closely monitored for any potential delays.

- 2.4 Outdoor opportunities for learning have been a key design focus, and the building will be fully digitally capable. The new school has been designed with sustainability as a key priority and will be the first Passivhaus school in the Council's portfolio. The new facilities include:
- 12 classroom bases with direct access to breakout areas;
  - General purpose spaces for STEM and other non-class based school activities;
  - Distinct PE and dining spaces located together with a stage area, for delivery of music and drama;
  - Nurture and Visiting Services spaces; and
  - Staff resource areas.
- 2.5 Agreeing a suitable name for the new school is vitally important for the project to allow a number of key decisions to be taken timeously, e.g., school uniform/branding, signage and décor within the building and creating a sense of identity for the new school community.
- 2.6 In August 2023, Education asked Cultural and Heritage colleagues to compile a list of potential school names based on the history and landmarks of the local area. The Senior Leadership Team in Education and Communities met to consider this list and following their discussion, a shortlist of three names was selected to allow engagement to take place with project stakeholders.
- 2.7 All of the names included below appear on the 1911 Irvine Ordnance Survey map (<https://maps.nls.uk/view/75494366>) and are the names of landmark features in the area. The three names shortlisted for consideration are as follows:
- **Belvidere Primary School** – Belvidere is the name of a hill within the adjacent Eglinton Park
  - **Eglinton Primary School** – due to the close proximity of the Eglinton Estate to the new school
  - **Montgomerie Park Primary School** – the location of the school is within the development of new homes known as Montgomerie Park
- 2.8 Further to Cabinet approval to build the new school, a Stakeholder Reference Group was established in order to facilitate the communication of information between North Ayrshire Council and parent/carers of children who live in the new school catchment area. This group effectively acts as the new school community, until a new Parent Council can be established.
- 2.9 At the most recent Stakeholder Reference Group meeting, held on 26 October 2023, the shortlist of names was presented, and feedback requested. Further engagement then took place across the local school communities to gather feedback on the shortlisted names.
- 2.10 In order to involve local children in the process, it was agreed that engagement would take place with children from Annick and Lawthorn primary schools. Officers visited both school assemblies in December 2023 and following a short presentation outlining the background and relevance of each name, a show of hands indicated the following overall order of preference:

1. Montgomerie Park Primary School
2. Eglinton Primary School
3. Belvidere Primary School

Each assembly indicated a strong preference for Montgomerie Park Primary School. A flavour of the comments heard:

- 'It is exactly the place that it's in' (Montgomerie Park Primary School), and
- 'Eglinton is a nice name for a school'

2.8 Further to the school assemblies, the Parent Councils of both Annick and Lawthorn primary schools were asked for their views. Annick Primary School issued an MS Form, to which 11 people responded as follows:

1. Montgomerie Park Primary School - 6
2. Eglinton Primary School - 4
3. Belvidere Primary School - 1

2.9 Lawthorn Primary School Parent Council responded via email to confirm that Montgomerie Park Primary School was the most popular name from their engagement with parents.

2.10 Throughout the engagement, the following feedback and comments were gathered in respect of each school name:

#### Montgomerie Park Primary School

Those stakeholders who expressed a preference for this name, provided the following feedback:

- Locally, people have already been associating this name with the new school during construction.
- Reflects the location of the new school.

Some stakeholders did not favour this name for the following reasons:

- Potential confusion with Loudoun-Montgomery Primary School.
- Knadgerhill is included within the catchment area and this is not reflected in the name 'Montgomerie Park.'

#### Eglinton Primary School

Some stakeholders preferred this name because it was viewed as neutral, in that it did not exclude any part of the catchment area. It was also noted that this name conveys the proximity to Eglinton Park and the opportunities which this will offer for outdoor learning.

Some stakeholders felt that this name was more associated with Kilwinning, rather than Irvine.

## Belvidere Primary School

During the engagement process, this was the least popular name across all groups.

### **3. Proposals**

3.1 Following the consultation undertaken with the local community, it is proposed that Cabinet:

- Considers the proposed names selected; and
- Decides the name of the new primary school

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

#### **Financial**

4.1 There are no financial implications within the current report. Costs of branding, signage and associated activities have been incorporated within the financial planning for the new school project.

#### **Human Resources**

4.2 There are no HR implications within the current report.

#### **Legal**

4.3 There are no legal implications within the current report.

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

4.4 There are no equality/socio-economic implications within the current report.

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

4.5 None.

#### **Key Priorities**

4.6 The collaborative process which has led to the development of the options for the naming of the new school has contributed to the creation of an identity for the new school community. This has contributed to the following key activities:

- Developing strong relationships with communities and partners based on trust and shared aspirations using their experiences to inform service provision
- Ensuring an inclusive, fair, rights-based and asset-based approach in our work
- Using dynamic data and lived experiences to inform decision-making

#### **Community Wealth Building**

4.7 None.



## 5. Consultation

5.1 Engagement on this important matter has been undertaken with the following key stakeholders:

- Children and young people;
- Parents/Carers;
- Parent Councils of Annick and Lawthorn primary schools; and
- Stakeholder Reference Group.

The shortlist of names has also been discussed with colleagues in other relevant Council services.

Audrey Sutton  
Executive Director, Education and Communities

For further information please contact **Lynn Taylor, Senior Manager**, on 01294 324437.

## Background Papers

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**NORTH AYRSHIRE COUNCIL**

**20 January 2024**

**Cabinet**

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<b>Title:</b>	<b>Proposals for Community Investment Fund (CIF) Expenditure</b>
<b>Purpose:</b>	To determine applications by Locality Partnerships to allocate CIF funding to proposed projects.
<b>Recommendation:</b>	That Cabinet: <ul style="list-style-type: none"> <li>a) Reviews the enclosed application from the Irvine Locality Partnership in line with CIF criteria; and</li> <li>b) Approves the CIF application in relation to The Micah Project.</li> </ul>

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**1. Executive Summary**

- 1.1 Within its budget for 2017-18, North Ayrshire Council provided a funding allocation for the creation of an innovative fund to enable communities to address the priorities they have identified through Local Planning Partnerships and within the context of North Ayrshire Community Planning Partnership’s Fair for All Strategy and the Council’s Community Wealth Building Strategy. In June 2021, Cabinet approved a further £1m top-up for the funding, with a further £2m added in November 2021.
- 1.2 Locality Partnerships have subsequently continued to work on their local action plans and are refining proposals for expenditure in line with their locally identified needs. It is a testament to the dedication of the Locality Partnerships and their community partners that proposals are now emerging to provide create approaches to addressing local challenges.
- 1.3 This report brings forward proposals which respond to the specific need of the local community, and which have been developed based on local circumstances and opportunities.

**2. Background**

- 2.1 Within its budget for 2017-18, North Ayrshire Council provided an allocation for the creation of an innovative fund to enable communities to address the priorities they have identified through Locality Planning Partnerships and within the context of North Ayrshire Community Planning Partnership’s Fair for All Strategy and the Council’s

Community Wealth Building Strategy. A further £3m was added to the funding in 2021, to be distributed among Localities as follows:

Locality	Value of CIF from first funding allocation (2017-18)	Expenditure to date	Value of CIF from second funding allocation (June 2021)	Value of CIF from third funding allocation (Nov 2021)	Total balance available
Irvine	£754 000	£858 858	£290 000	£580 000	£765 142
Kilwinning	£286 000	£322 190	£120 000	£240 000	£323 810
Three Towns	£598 000	£937 561	£240 000	£480 000	£380 439
Garnock Valley	£390 000	£415 103.04	£150 000	£300 000	£424 896.96
North Coast	£468 000	£429 066	£170 000	£340 000	£548 934
Arran	£104 000	£125 079	£30 000	£60 000	£68 921
<b>TOTAL</b>	<b>£2 600 000</b>	<b>£3 087 857.04</b>	<b>£1 000 000</b>	<b>£2 000 000</b>	<b>£2 512 142.96</b>

2.2 It was agreed that the CIF awards would range between £5,000 and £100,000 for the community organisations, as defined in the CIF guidance, in order to support proposals and projects that connect with:

- The North Ayrshire Fair for All Strategy, with consideration for how applications contribute to community support for the cost-of-living crisis;
- The Community Planning Partnership and Locality priorities;
- North Ayrshire Council's values, priorities, and business objectives; and
- The Community Wealth Building and Environmental Sustainability and Climate Change Strategies;

And will also:

- Fulfil a compelling need and not duplicate existing services or facilities;
- Provide long-term, sustainable, positive results for the greatest number of people possible;
- Exhibit project and/or organisational innovation in their approaches to their work in their way of addressing community challenges and in their request to Locality Partnerships and the Council;
- Come from (an) organisation(s) that is financially viable (can provide financial statements upon requests) and efficiently and effectively managed. This can include an organisation to be created to deliver the project;
- Include options or potential for NAC and CPP employee engagement and volunteering where possible; and
- Include measurable outcomes and can report to NAC on outcomes on a regular basis.

2.3 The proposal development and application process has been agreed as follows:

- Locality Partnerships should continue to engage with their communities and stimulate interest in the CIF. Each Locality Partnership will then strategically access the applications, make links, and look at the funding 'in the round'.
- If the partnership supports a bid then the group will be encouraged to submit a full application form, which they will decide upon before making a proposal to Cabinet for final approval.
- The proposal will go to the next suitable Cabinet for final approval.

2.4 The enclosed applications have been developed by community partners and North Ayrshire Council officers and are now recommended for approval by Cabinet. The proposals are as follows:

## 2.5 The Irvine Locality Partnership

The allocation and funds committed to date are outlined in the table below.

<b>The Irvine Locality Partnership CIF allocation to date:</b>	<b>£1,624,000</b>
Irvine Digital Officer	£84,604*
Vineburgh & Fullarton Community Enablers	£100,000
Irvine New Town Mens Shed	£10,000
Irvine Harbourside Mens Shed	£10,000
Irvine Youth Hub	£100,000
Irvine Tennis Club	£100,000
INPUT	£60,000
Children's 1st	£97,580
CHAP	£91,534
BABCA Community Garden	£12,777
Fullarton Outdoor Gym	£100,000
Turning Point - Pathways to Progress	£96,112
<b>Balance</b>	<b>£765,142</b>

## 2.6 Proposal: The Micah Project £50,000 (see Appendix 1)

2.6.1 The Micah Project was developed in Troon initially as a response to the Covid lockdown in 2020, becoming a SCIO (Scottish Charitable Incorporated Organisation) in 2022. Its work is aimed at supporting families and helping to restore dignity, reduce stigma and decrease waste. The proverb "it takes a village to raise a child" inspired the idea that by involving the community we can decrease unwanted and unnecessary items going to landfill and support struggling families with simple solutions like clothes, food therefore helping them to feel valued and seen. The project aims to address two crucial aspects of child development—material need and mental wellbeing. The group understands that children's early years are critical for their overall growth and development and that a significant number of families face financial difficulties that impede their ability to provide

basic necessities for their children, including adequate clothing and resources that support the development of their mental health.

The group has broadened its work to initiatives across Ayrshire, such as distributing new and pre-loved clothing at Christmas time.

2.6.2 There are no restrictions on who can access the services they provide and they encourage people to get involved by volunteering or by donating. This fosters ownership, alleviates poverty and enhances wellbeing both for the individual and the family.

2.6.3 This project for the Irvine locality will provide a storage base, coordinator, and delivery support within the town for a 2-year period. The project will provide a wellbeing package for the ages of each vaccination stage - 3-6 months, 9-12 months, 2-3 years and 3-4 years. By providing a small pack of clothes and age-appropriate toys, books, and resources that will promote early childhood development at each of their vaccinations the group will also have the opportunity to signpost parents to more support, educate on the value and sustainability of preloved clothing and destigmatise need by making them available to all families.

2.6.4 A successful small pilot has already been carried out with newborn packs in one GP surgery, and the project will build on this, expanding the age range and the number of surgeries participating. The project also has already made links with local partners and schools and will continue to build on those to expand contact points for families, as well as working with North Ayrshire Council Community Facilities to create a network of collection points for donations.

2.6.5 The project supports the Irvine Locality Partnership's priorities, in particular Alleviating Poverty, as well as supporting a range of sustainability outcomes.

### **3. Proposals**

3.1 That Cabinet:

- a) Reviews the enclosed application from the Irvine Locality Partnership in line with CIF criteria; and
- b) Approves the CIF application in relation to The Micah Project.

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

### **Financial**

4.1 CIF funding is allocated within existing resources.

### **Human Resources**

4.2 None.

### **Legal**

4.3 None.

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

4.4 The purpose of Locality Planning is to reduce inequalities, increase community cohesion and advance community empowerment. Each of the CIF proposals is tested against that purpose before being presented to Cabinet.

### **Climate Change and Carbon**

4.5 Environmental and sustainability along with Climate Change and Carbon issues are considered in relation to each CIF application. This proposal supports recycle and re-use principles.

### **Key Priorities**

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

- To transition to a wellbeing economy, delivering prosperity, wellbeing and resilience for local people.
- We will have active, inclusive, and resilient communities.
- A Community Wealth Building Council that is efficient and accessible, maximising investment and focusing resources towards our priorities.

### **Community Wealth Building**

4.7 The applications support the following pillars of community wealth building:

- Advancing community enterprises;
- Advancing local ownership of underused land and buildings;
- Making financial power work for local places; and
- Supporting the local business activities and increasing the variety of ownership models.

## **5. Consultation**

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

Audrey Sutton  
Executive Director (Communities and Education)

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

**Background Papers**

Appendix 1: CIF Application The Micah Project





## **COMMUNITY INVESTMENT FUND IRVINE LOCALITY PARTNERSHIP**

The CIF will support proposals and projects that:

- The North Ayrshire Fair for All Strategy, with consideration for how applications contribute to community support for the cost-of-living crisis;
- The Community Planning Partnership and Locality priorities;
- North Ayrshire Council's values, priorities and business objectives;
- The Community Wealth Building and Environmental Sustainability and Climate Change Strategies;

And will also:

- Fulfil a compelling need and not duplicate existing services or facilities;
- Provide long-term, sustainable, positive results for the greatest number of people possible;
- Exhibit project and/or organisational innovation in their approaches to their work in their way of addressing community challenges and in their request to Locality Partnerships and the Council;
- Come from (an) organisation(s) that is financially viable (can provide financial statements upon request) and efficiently and effectively managed. This can include an organisation to be created to deliver the project;
- Include options or potential for NAC and CPP employee engagement and volunteering where possible; and
- Include measurable outcomes and can report to NAC on outcomes on a regular basis.

### **When to apply and how?**

- LPs should continue to engage with their communities, and stimulate interest in the CIF. The Locality Partnership will then strategically assess the applications, make links and look at the funding 'in the round'.
- If the partnership supports a bid then the group will be encouraged to submit a full application form (attached), which they will decide upon before making a proposal to Cabinet for final approval.
- The finalised proposal will go to the next suitable Cabinet for final approval.
- Forms should be returned to your Locality Officer, by email if possible:

**Elaine Baxter**  
**Locality Officer (Irvine Locality)**

North Ayrshire Council  
Base: Redburn Community Centre, Dickson Drive, Irvine, KA12 9EW  
Email: [ebaxter@north-ayrshire.gov.uk](mailto:ebaxter@north-ayrshire.gov.uk)

For more information see the guidance form here: <http://www.northayrshire.community/wp-content/uploads/sites/60/2018/06/community-investment-fund-guidance-notes-17-12-17.pdf>



## **COMMUNITY INVESTMENT FUND IRVINE LOCALITY PARTNERSHIP**

### **1. Details of your organisation**

Name of Organisation  
**The Micah Project**

Postal Address for Correspondence  
**The Micah Project c/o 30a Central Avenue, Troon, KA10 7AZ**

Name of Contact Person **Helen Hogg**

Position in Organisation **Trustee**

Telephone Number **07591332235**

Email Address **Helen@micahproject.co.uk**

### **2. Brief description of your organisation**

Please include its legal status, aims and objectives, activities or services provided and how long it has been in existence.

The Micah Project started as a response to the 2020 pandemic supporting families in need by matching up what people had and no longer needed with what people needed and didn't have.

The proverb "it takes a village to raise a child" inspired the idea that by involving the community we can decrease unwanted and unnecessary items going to landfill and support struggling families with simple solutions like clothes, food therefore helping them to feel valued and seen.

The Micah Project became a SCIO in November 2022 and continues to lead several wellbeing initiatives aimed at supporting families and helping to restore dignity, reduce stigma and decrease waste. These include running the New 2U community clothes closet, distributing food surplus and facilitating wellbeing workshops such as sewing and cooking. Our Christmas project in 2022 saw us distribute 568 bags of preloved and new clothing to families throughout Ayrshire.



## **COMMUNITY INVESTMENT FUND IRVINE LOCALITY PARTNERSHIP**

We have a 40+ strong team of volunteers that sort, store and organise the physical donations that come into the project.

We are based out of 2 local church halls in Troon who have generously provided free accommodation for an initial 2 years but we are rapidly out growing both premises, taking in around 1200 bin bag sized donations across the year and require areas to sort and store all our items.

There are no restrictions on who can access the services we provide and we encourage people to get involved in the giving and the taking both physically by volunteering or by donating clothes, toys etc. This fosters ownership, alleviates poverty and enhances wellbeing both for the individual and the family.

### **3. Title and summary of proposal**

Tell us about your idea. Please describe in as much detail as possible, what the funding will be used for.

Please include:

- where it will be held / delivered
- who is your target audience
- who will benefit from it and how
- any partners that are involved.

#### **VAC PACK & N2U Irvine FUNDING**

Whilst our main base will remain in Troon, this project will be carried out in the Irvine locality. We aim to provide a storage base, coordinator, and drivers to ensure that we can be effective throughout this project.

Our project aims to address two crucial aspects of child development—material need and mental wellbeing. We understand that children's early years are critical for their overall growth and development. Unfortunately, a significant number of families face financial difficulties that impede their ability to provide



## **COMMUNITY INVESTMENT FUND IRVINE LOCALITY PARTNERSHIP**

basic necessities for their children, including adequate clothing and resources that support the development of their mental health.

In its simplest form we would provide a wellbeing package for the ages of each vaccination stage - 3-6 months, 9-12months, 2-3years and 3-4years.

Our target audience are families with under 5 year olds of which we estimate there are about 22,000 in the Irvine area. By providing a small pack of clothes and age-appropriate toys, books, and resources that will promote early childhood development at each of their vaccinations we will also have the opportunity to signpost parents to more support, educate on the value and sustainability of preloved clothing and destigmatise need by making them available to all families.

We will be working closely with Community Development staff from North Ayrshire Council and partnering with GP practices but most of our work will be alongside the health visitors and vaccination team. We aim to begin with one practice where we have already carried out a very successful pilot with newborns only and build up steadily across the Irvine practices as well as partnering and working alongside local organisations and groups, ensuring our general 'New 2U' clothing closet is more accessible to the communities and people they work with within the Irvine area by providing more drop off and pick up points locally. This has been trialled using some of the Irvine Community Centres and has been very successful with a number of people requesting clothes through our discreet online ordering service

#### **4. What difference will this project make within the locality and to local services and programmes?**

Please include:

- The outcomes you aim to achieve
- How you will approach reducing inequality
- How this proposal fits with the Locality Partnership priorities of:
  1. Supporting Skills & Work Opportunities
  2. Enhancing our Mental Health & Wellbeing



## **COMMUNITY INVESTMENT FUND IRVINE LOCALITY PARTNERSHIP**

3. Alleviating Poverty
4. Championing Green Health & the Natural Environment

Our outcomes:

- Helping families alleviate poverty, reducing financial stress by receiving and using preloved clothes
- Supporting families to redirect income from buying clothes to other essential bills, energy, nutritious food
- Educating parents on the importance for our environmental footprint to use preloved clothes and toys
- Reduce stigma and need for families by using what is already available in a way that show them love and dignity
- Use sustainable fashion practices as a means to promote well-being, self-esteem, and a positive sense of community

The Micah Project values equality by removing criteria barriers requiring families to prove that they are in receipt of benefits. We encourage use of preloved items by everyone, reducing stigma and encourages a dignified and valued person-centred approach.

We also aim to work with families who make known to us or partner agencies that they are struggling by signposting and partnering with local organisations that deal with mental health and wellbeing, energy provision, extra living support or debt management.



## **COMMUNITY INVESTMENT FUND IRVINE LOCALITY PARTNERSHIP**

### **5. What engagement has taken place in relation to the project?**

Please include the number of people who have been engaged with or consulted as well as the range of people.

As this is an entirely new project we don't have a lot of evidence at this stage but we are building on a very small pilot that we run through Frew Terrace GP Surgery in Irvine.

Dr Newton (GP with special interest in CAMHS) based at Arrol Park Resource Centre and Darvel Medical Centre is also in support of our application and in discussion with the child immunisation team in North Ayrshire to work out the practicalities for delivery in the Irvine area.

We do know from our work with Irvine Royal Academy, Crossing Together in Bourtreehill, Friends of Redburn and the Dundonald Crescent Estate Resident Association that the work we are involved in is very well received and verbal feedback would evidence that it does reduce financial stress on families. This is why we believe there is scope and we have the ability to expand the project and enable more families to be aware of the help available.

### **6. How will the project be managed?**

Please include:

- How the finances will be managed
- Does the proposed project contribute to volunteering or employment opportunities in Three Towns? Please include the number of volunteering opportunities and employment opportunities
- If there are any staff requirements, please outline your HR plans



## **COMMUNITY INVESTMENT FUND IRVINE LOCALITY PARTNERSHIP**

### **Project Management:**

We will establish a project management team which will include the new coordinator, existing and new members from our volunteer team and the charity trustees. The coordinator will be in regular communication with the team and Board of Trustees to ensure effective collaboration throughout the team and oversee the Project.

This team will meet regularly and the Co-ordinator will provide regular monitoring and progress reports to the them – this will highlight progress as well as identify any unmet needs.

### **Financial Management:**

Using the budget detailed in this application the coordinator will ensure that all expenditure is tracked and accounted for, ensuring that any spending aligns with the approved budget by regularly reviewing and updating it as needed, with approval from relevant stakeholders.

### **Contributions to Volunteering and Employment Opportunities:**

We will be highlighting available volunteering opportunities throughout the project and having active conversations and engagement opportunities to encourage local volunteers to participate. These will include people who travel into Irvine for work as well as residents.

### **Staffing and HR Plans:**

We would be seeking to appoint a Vac Pack – New2U Coordinator who will oversee volunteers.

HR policies and procedures will be provided to govern staff and volunteer conduct, performance evaluation, and conflict resolution.

There will also be a clear chain of command and reporting structure within the project team.



## **COMMUNITY INVESTMENT FUND IRVINE LOCALITY PARTNERSHIP**

### **7. Amount of funding being requested**

Please supply details of funding being requested and any other funding you have had over the past 5 years, both financially and “in kind”.

Amount of funding requested (£) **£50,000**

Please give a breakdown of cost and recent quotations where appropriate.

Part time NEW2U / Vac Pack Coordinator –  
20 hours per week , total cost over 2 years - £32,400  
Purchase of Bags: 3000 = £2,200  
Storage 150ft, 2 X £44 per week - £4,600 (total across 2 years)  
Delivery costs: £450 per month - £10800

### **8. Monitoring and evaluation process**

Please include detail on the monitoring and evaluation processes planned or in place.

As detailed earlier, monitoring and evaluation of the project will be ongoing and reports produced on a regular basis to show any progress or areas identified as needing more work.

We will collect feedback and comments from families and individuals receiving the packs as well as partner agencies using the following methods including, feedback forms, face to face interviews, impact statements, case studies and evaluation questionnaires.



**NORTH AYRSHIRE COUNCIL**

**20 February 2024**

**Cabinet**

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**Title:** **Scottish Maritime Museum Trust – Memorandum of Understanding**

**Purpose:** This report seeks approval to sign a Memorandum of Understanding with the Scottish Maritime Museum Trust, to develop the Maritime Heritage Hub project at Irvine harbourside as part of the Ayrshire Growth Deal funded Great Harbour programme.

**Recommendation:** That Cabinet approves the signing of a Memorandum of Understanding between North Ayrshire Council and the Scottish Maritime Museum Trust to facilitate collaboration between parties to develop the Maritime Heritage Hub project as part of the Ayrshire Growth Deal funded Great Harbour programme.

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**1. Executive Summary**

- 1.1 The Great Harbour programme is a key project for the Ayrshire Growth Deal in terms of its Tourism Programme, with planned investment of £14m, subject to business case approval. The programme aims to stimulate investment in the Irvine harbourside area through the Ayrshire Growth Deal, including improving facilities around the harbourside and promoting the area as a regionally significant destination that will benefit local communities and businesses.
- 1.2 The overall Masterplan for the Great Harbour area was approved at Cabinet on 5 December 2023, subject to approval of Planning Committee and sets out how the investment will be targeted along the Maritime Mile from Irvine Railway Station to the Beach Park. This focusses on three key areas and phases – the Coastal Hub (around the Beach Park) as Phase 1, the Marine & Arts Hub and Public Realm (around the Harbour Arts Centre) as Phase 2 and the Maritime Heritage Hub (around the Puffers Café) as Phase 3.
- 1.3 A Memorandum of Understanding (MoU) will help to establish a collaboration between NAC and the Scottish Maritime Museum Trust, for the development and delivery of the Maritime Heritage Hub as Phase 3.

**2. Background**

- 2.1 The Scottish Maritime Museum (SMM) was founded in 1983 and operates from two sites in Scotland at Irvine and Dumbarton, with the aim of promoting Scotland's

maritime heritage. It is part of a network of 15 industrial museums in Scotland and is a major heritage asset within the Great Harbour project area and an important tourism attraction, holding a nationally recognised collection of historic vessels, artefacts, art, and Scotland's largest collection of shipbuilding tools and machinery.

- 2.2 The SMM has an established presence within the local community as a key institution and as custodian, interpreter, educator, provider of volunteering opportunities and supporter of community engagement. The SMM also holds a number of events within the local events calendar. With a growth aspiration expressed in their Strategic Business Plan for 2022-27, the SMM is recognised as an anchor partner for the Great Harbour project, to help achieve the ambitions of the Masterplan and to deliver Community Wealth Building benefits as part of the project.
- 2.3 Whilst the main SMM building is the "A" listed Linthouse located off Harbour Road and Linthouse Vennel, the SMM also operates the Puffers Café and Gift Shop on Harbour Street and adjacent to the River Irvine, where there is an opportunity to create a focal point and to enhance and expand visitor and tourist facilities along the main tourist route of the Maritime Mile, increasing dwell time and opportunities for visitor spend.
- 2.4 Subject to legal and funding requirements, proposals could potentially include an extension to the Puffers Cafe building to host a new gallery for the Museum's maritime artwork, exhibition and education space, and additional outdoor event and public space to the front of the building adjacent to Harbour Street. This would extend the visitor attraction to wider and new audiences and provide more facilities for education and community activity, alongside public amenities and tourist information and increase employment opportunities. The project will also explore improvements to the existing café including extending the provision into the evening, supporting the local evening economy and activity in the area. The Maritime Heritage Hub will be developed as the last phase of the Great Harbour programme, which is anticipated to be on site in mid-2027.
- 2.5 The project has been developed to a concept stage and, in order to realise the full collective ambition of the partners, SMM are working to raise additional funding to increase the scale of offer from the SMM at the Puffers Café area. The MoU provides a basis for collaboration to allow SMM to identify fundraising opportunities to match planned AGD investment and thereafter develop a joint business case, setting out delivery arrangements, given that some aspects of the project will likely be delivered by the SMM. Therefore, the MoU is required to provide the basis for collaboration on the Maritime Heritage Hub project and to enable the parties to work together in developing and realising the aims of the project, and establishing its specific remit, content, total funding package, operational viability and management and overall project governance.
- 2.6 The MOU has a 12-month term, which can be extended by mutual agreement. The aims of the MoU are to:
  - provide a basis for the Council and SMM to collaborate on the project;
  - help deliver the AGD vision for the Maritime Mile, contributing to the establishment of the wider Great Harbour destination;

- enable the Council and SMM to work together in developing and realising the aims of the project and establishing its specific remit, content, funding (particularly to enable SMM to identify external funding sources to support the expansion of the SMM offer at Puffers Café), operational management and governance.

2.7 The Council and SMM have provisionally agreed to have regard to the following areas of opportunity as part of the MoU:

- Works to open up the waterfront as part of the Puffers Café compound;
- Creating a new visitor attraction to display the artworks owned by the SMM;
- Showcasing the vessels owned by the SMM in a waterfront setting; and
- Providing new berthing facilities and upgrading existing slipways

### **3. Proposals**

3.1 That Cabinet approves the signing of a Memorandum of Understanding with the Scottish Maritime Museum Trust, to facilitate collaboration between the parties to develop the Maritime Heritage Hub as part of the Ayrshire Growth Deal funded Great Harbour programme.

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

#### **Financial**

4.1 There are no direct financial implications arising from the proposed MoU. The Maritime Heritage Hub project is currently estimated at around £9m with £5.6m for the proposed building extension to create the gallery space and café upgrade, which includes proposed Ayrshire Growth Deal funding as well as partner investment for the enabling external, works including surrounding public realm and events space from the AGD. The MoU will provide the SMM a window of opportunity to fund raise to develop and deliver the gallery project to complement planned Ayrshire Growth Deal investment.

#### **Human Resources**

4.2 The progress of the MoU will be monitored and supported within the Growth and Investment Team by the Great Harbour Project Lead.

#### **Legal**

4.3 The MoU has been developed and discussed with the SMM, in line with the terms set out in this report and in conjunction with Legal Services. The parties will ensure that any action ultimately agreed upon through their collaboration is compliant with all applicable law, including (but not limited to) subsidy control and procurement rules, and in which respect the parties shall respectively take their own legal advice as required. The MOU is being considered by the SMM Board for approval on 23<sup>rd</sup> February 2024.

## **Equality/Socio-economic**

- 4.4 There are no impacts arising from the MoU. Any emerging proposals developed from the MoU will be subject to future approvals and further considerations would be given at that time to equalities and / or social economic implications.

## **Climate Change and Carbon**

- 4.5 None.

## **Key Priorities**

- 4.6 The wider Great Harbour programme which this MoU is part of, reflects the Council priorities contained in the new Council Plan 2023 to 2028 of wellbeing, communities and local democracy, climate change and a sustainable Council.

## **Community Wealth Building**

- 4.7 Collaboration with the Scottish Maritime Museum, which is an anchor institution located within the Great Harbour area, reflects the Council's community wealth building approach. The museum has already a strong presence in the area, including its work and support of the local community groups and is well placed to work with NAC to tackle challenges and inequalities within the local community.
- 4.8 The informal engagement with the SMM is already supporting CWB, including collaboration on organising local events and, most recently, the appointment of the local area resident as a Community Engagement Officer to aid the fundraising process and support community events.

## **5. Consultation**

- 5.1 The Maritime Heritage Hub proposals were consulted publicly as part of the draft Great Harbour Masterplan consultation during March and April 2023, with overall wide support for the proposals. A final draft was endorsed by the Cabinet on the 5 December 2023, for submission to Planning Committee in February 2024.
- 5.2 Crown Estate Scotland own land within the Maritime Heritage Hub project area and have been consulted as part of the development of the MoU and are supportive of the project progressing.
- 5.3 Further development of the proposals will be subject to wide stakeholder engagement and public consultation.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact Neale Mcilvanney, Interim Head of Service, Growth, Investment and Employability, on [nealemcilvanney@north-ayrshire.gov.uk](mailto:nealemcilvanney@north-ayrshire.gov.uk).

## **Background Papers**

None



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**NORTH AYRSHIRE COUNCIL**

**20 February 2024**

**Cabinet**

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**Title:** **International Marine Science & Environment (IMSE)  
Ayrshire Growth Deal project - Collaboration Agreement**

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**Purpose:** This report outlines progress in developing a business case pathway for Ayrshire Growth Deal investment in IMSE with partners Field Studies Council and University of Stirling.

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**Recommendation:** It is recommended that Cabinet approves:

- i) The strategic direction for the IMSE project
- ii) The establishment of a Collaboration Agreement between the Council, Field Studies Council and University of Stirling to develop related project activity

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**1. Executive Summary**

- 1.1 This report sets out progress in developing interventions for an International Marine Science & Environment (IMSE) project as part of the Ayrshire Growth Deal (AGD) within North Ayrshire.
- 1.2 This report seeks approval of a Collaboration Agreement with partners Field Studies Council (FSC) and University of Stirling (UoS) to co-develop an outline business case.

**2. Background**

- 2.1 The Ayrshire Growth Deal, which was signed in November 2020, committed £250m to the Ayrshire region co-funded by UK and Scottish Governments and the three Ayrshire Councils. North Ayrshire’s portfolio of growth deal projects includes a £10.5m investment towards marine science at Ardrossan.
- 2.2 Since 2020 North Ayrshire has been in discussions on the potential for collaborating on innovation driven economic development with a specific focus on the blue economy (as defined in the Ayrshire Growth Deal). The UoS produced a pathway finder analysis report for NAC during 2021, which highlighted a potentially nationally and globally significant opportunity to create a blue economy innovation programme, headquartered at IMSE and delivered through the Ayrshire Growth Deal. To advance the concept of the blue economy programme and to create a business case for the IMSE project (the “Business Case”), NAC and UoS entered into a Memorandum of Understanding in February 2022.

- 2.3 Since 2022, NAC and UoS have engaged in discussions with FSC to develop the opportunity further. Enhancing the offering at FSC and forging strong partnerships with the blue economy could significantly contribute to marine science, and blue economy research, development, and innovation in the region as well as being a cost effective and lower risk option for delivery.
- 2.4 It is proposed that a Collaboration Agreement will be entered with FSC and UoS to develop and maintain a collaborative relationship to successfully create an outline business case for the IMSE project. The partnership looks to determine the nature of interventions required for the Project, including research and analysis, concept design work for infrastructure, and challenge awards. Long and short-listing exercises will be conducted for available options, aligning with the requirement outlined in HM Treasury's Green Book.
- 2.5 The agreement will be timebound for 2 years to achieve an outline business case to be submitted to UK and Scottish Government and create a plan of works required for the creation of the full business case, or phased full business cases, and corresponding procurement works.
- 2.6 Each party has agreed to contribute up to a maximum of £50,000 to support the work required by this agreement with each party role being defined as below.

<b>Party</b>	<b>Role</b>
North Ayrshire Council	Senior Responsible Officer (SRO) Project Management & RPMO Liaison AGD reporting to Scottish & UK Government Funder Growth Deals link (Ayrshire Growth Deal)
Field Studies Council	Site Operator expertise Landowner Island community engagement
University of Stirling	Academic, Innovation & Enterprise expertise Business Case Development Economic Modelling Growth Deals link (Argyll & Bute, Stirling and Clackmannanshire)

### 3. Proposals

#### 3.1

It is recommended that Cabinet approves:

- iii) The strategic direction for the IMSE project
- iv) The establishment of a Collaboration Agreement between the Council, Field Studies Council and University of Stirling to develop related project activity

### 4. Implications/Socio-economic Duty

#### Financial

- 4.1 There are no direct financial implications. Project development activity related to the proposals may require advance funding through Ayrshire Growth Deal, as allocated within approved capital budgets.



## **Human Resources**

4.2 No direct implication.

## **Legal**

4.3 The recommendation for the establishment of a Collaboration Agreement partnership with Field Studies Council and University of Stirling, has been developed with support from Legal Services.

## **Equality/Socio-economic**

4.4 All project and programme work will be subject to equality impact assessment.

## **Climate Change and Carbon**

4.5 Any statutory requirement related to environmental impact will be undertaken; however, in addition, the Ayrshire Growth Deal business case requirements include carbon scoring and measures to mitigate and carbon increases.

## **Key Priorities**

4.6 This Ayrshire Growth Deal project looks to contribute to the regions vision for Ayrshire to be 'a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being, and leading the implementation of digital technologies and the next generation of manufacturing.' It also aims to promote activity to feed into North Ayrshires priorities of wellbeing, community, climate change and sustainability.

## **Community Wealth Building**

4.7 It is anticipated that the impact of the paper will support development of interventions that will support the Community Wealth Building strategy by supporting job creation and skills and employability opportunities, supporting investment in North Ayrshire, supporting a just transition to net zero and securing anchor institutions within North Ayrshire – all of which are likely to have positive equality impacts.

## **5. Consultation**

5.1 The content of the report has been developed and informed by engagement with sector leads from and academic, private, and public sector perspective. It is recommended that subject to the approval of this report, an ongoing programme of action is developed, which includes engagement with communities to shape and influence the wider programme development.

Russell McCutcheon  
Director, Place

For further information please contact **Neale McIlvanney, Interim Head of Service (Growth, Investment and Employability)**, on [nealemcilvanney@north-ayrshire.gov.uk](mailto:nealemcilvanney@north-ayrshire.gov.uk).

## **Background Papers**

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**20 February 2024****Cabinet**

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<b>Title:</b>	<b>Transport Scotland - Public consultation for the Clyde and Hebrides Ferry Services (CHFS3) contract</b>
<b>Purpose:</b>	To seek approval for the proposed North Ayrshire Council submission to Transport Scotland's public consultation for the Clyde and Hebrides Ferry Services (CHFS3) contract.
<b>Recommendation:</b>	That Cabinet approves the submission of the proposed response to the consultation provided at Appendix One.

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**1. Executive Summary**

1.1 Transport Scotland, on behalf of the Scottish Government, has launched a public consultation on the next Clyde and Hebrides Ferry Services (CHFS3) contract. The current contract ends at midnight on 30 September 2024. The consultation is seeking views until 8 March 2024 on current ferry services and how the new contract can best meet local needs to inform the specification. This report seeks approval for the proposed submission to the consultation provided at Appendix One.

**2. Background**

- 2.1 Transport Scotland currently subsidises, on behalf of Scottish Ministers, the vital ferry services serving the west coast of Scotland and the Clyde Estuary. They work with CalMac Ferries Ltd (CFL) and Caledonian Maritime Assets Ltd (CMAL) through a tripartite arrangement to operate the services. CFL provide the ferry services under the current tendered Clyde and Hebrides Ferry Services (CHFS) contract with Scottish Ministers.
- 2.2 These services play a crucial role in the transport system in North Ayrshire, providing vital links for residents, businesses, and tourists to and from our islands. This includes services between Largs and Cumbrae, Ardrossan and Brodick, and Lochranza and Claonaig. The provision of a modern, sustainable ferry service is therefore critical to our islands and the wider North Ayrshire economy.
- 2.3 Transport Scotland are currently developing the new CHFS3 contract and are seeking the views of communities and service users on their expectations for the service. This is in recognition that there are areas where enhancements can be made in the contract. The focus for the new contract has been to review and reflect on the existing feedback from the ferry-dependent communities, key stakeholders and reports conducted throughout the current CHFS2 contract, including the recent report by the Scottish Parliament's Net Zero, Energy and Transport Committee A Modern and Sustainable Ferry Service for Scotland.
- 2.4 The consultation notes that Scottish Ministers' preferred route for procurement of the

next CHFS contract is a direct award via a Teckal arrangement. This is an exemption which allows in certain circumstances for a contract to be directly awarded to an in-house operator, without undertaking a competitive bidding process. This would be subject to a satisfactory due diligence exercise, with a final decision expected summer 2024. The new contract is scheduled to commence on 1 October 2024.

- 2.5 The consultation closes on 8 March 2024 and aims to provide an opportunity for those who have asked for change to directly contribute to the contract development process. Views are being sought on areas such as improved resilience; greater transparency; better communications; responsiveness; flexibility in service; and certainty for communities and service-users.
- 2.6 To ensure that our island communities' views are reflected, Officers have liaised with both the Isle of Arran Ferry Committee and the Cumbrae Ferry Users Group to prepare the proposed response. Both ferry committees will also be submitting their own responses directly to the consultation. The proposed response is provided at Appendix One. Key points from this include:
- Welcoming the consultation recommendation to rebuild public confidence in ferry services starting with measuring performance in a clear way that inspires trust.
  - Highlighting that the current performance measures are insufficient and the need to measure performance in a clear way within the new contract, which inspires confidence and trust within island communities and ferry users. The direct award of the contract would not be supported without such provisions on this basis.
  - Proposing that clear criteria for measuring reliability could include weather impacts, maintenance, servicing and repairs, community and customer service and satisfaction metrics and a needs assessment.
  - Noting that a range of measures could support sustainable travel to/from the islands and reduce vehicle demand. This could include greater co-ordination between all transport modes, on island transport improvements for active travel and public transport, improved integration of ferry ticketing and timetabling, consideration of the impact of delays on passengers and the introduction of a discounted ticket for combined public transport journeys.
  - Identifying the need for improved communications regarding the operation of the ferries. The next contract should include specific requirements for the operator to work with and be accountable to local authorities and ferry-dependent communities on service delivery and decision making. The contract needs to provide sufficient time for the ferry user groups/committees to be consulted and provide feedback on proposed timetable amendments.
  - Highlighting that the construction of the Ardrossan Harbour works and Cumbrae Slip improvements, and the delivery of the new vessels will assist with achieving the net zero targets for the services.
  - Proposing that the new contract should include clauses to ensure that any accessibility issues are addressed within an appropriate timescale.
  - Outlining that the provision of a dedicated service for freight would potentially assist with demand, especially at peak times.
  - Proposing that a clear and SMART strategy be included within the new contract, setting out how feedback will be analysed and the approach to improvements informed by the feedback.
- 2.7 In addition to the CHFS3 consultation, Transport Scotland's Islands Connectivity Plan (ICP) will shortly consult on the draft ICP Strategic Paper. This will set out a proposed vision and priorities for the delivery of ferry services in Scotland, and the Long-Term Plan for Vessels and Ports setting out plans and proposals for a programme of investments in the CHFS and Northern Isles Ferry Service (NIFS) networks until 2045.

It will also propose how to prioritise decisions during a period of funding constraints, when difficult choices between projects are expected to be needed. A further report will be brought to cabinet when this consultation commences.

### **3. Proposals**

3.1 That Cabinet approves the proposed consultation response provided at Appendix One.

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

#### **Financial**

4.1 No direct impacts from this report.

#### **Human Resources**

4.2 None.

#### **Legal**

4.3 None.

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

4.4 The provision of a modern, sustainable ferry contract and service will support the reversal of economic, social and physical decline and reduce socio-economic disadvantage. Ensuring that any new contract considers the views of the public is therefore vital for our local communities. It will also contribute to the delivery of the Isle of Cumbrae and Isle of Arran Local Island Plans, their key themes and priorities. Both plans recognise the multiple impacts of the unreliability and capacity of the existing ferry services to island residents, businesses and the local economy. Reliable ferry provision is identified as a key priority for the Isle of Cumbrae Plan and ferry provision and infrastructure is identified as a key priority for the Isle of Arran Plan. The provision of a modern, sustainable ferry service is critical to our islands and the wider North Ayrshire economy. The Centre for Economics and Business Research Phase 2 report (September 2022) identified that in 2019/2020 the ferry operations contributed, in terms of GVA, £1.48million to the Arran economy and £0.109million to the Cumbrae economy. Additionally, the Fraser of Allander Institute report on the Impact of Covid-19 on the Arran economy identified that on average, each day of ferry operation contributes just under £170,000 to the island's economy. It is therefore essential that the new contract provides ferry services that fully meets the needs of island communities, residents, visitors and workplaces.

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

4.5 The provision of a modern, sustainable ferry contract and service aligns with the Council's Sustainable North Ayrshire Strategy workstreams of Energy and Transport by reducing emissions and encouraging low carbon behaviours in relation to energy use and supporting more active and low carbon methods of travel. Furthermore, it aligns with the Council's commitment to reduce carbon emissions through our declaration of a Climate Emergency and will contribute to the ambition to achieve net zero by 2030.

#### **Key Priorities**

4.6 Transport Scotland is seeking views on the requirements for a modern, sustainable ferry service contract. This will align with the Council's mission of working together to improve the lives of our people in North Ayrshire. It will contribute to several of the

Council Plan priorities to transition to a wellbeing economy, delivering prosperity, wellbeing and resilience for local people; we will have active, inclusive and resilient communities; and achieving net-zero by 2030.

### **Community Wealth Building**

4.7 The Inclusive Growth Diagnostic identified transport as a barrier to inclusive growth at a local level. The provision of a modern, sustainable ferry contract and service for our islands is vital to local communities and delivering inclusive growth and Community Wealth Building.

### **5. Consultation**

5.1 Transport Scotland has committed to engaging with ferry users to understand the impact of problems with the existing ferry services contract and examine how the new contract can best meet local needs. The proposed Council response was prepared by Officers from across the Place Directorate, including Regeneration, Economic Policy, Growth and Investment, and Roads. It has also been informed by input from the Isle of Arran Ferry Committee and the Cumbrae Ferry Users Group.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Claire Fitzsimmons, Interim Senior Manager – Regeneration** on **01294 315305**.

### **Background Papers**

Fraser of Allander Institute report: The Impact of Covid-19 on the Arran economy, September 2020.

Cabinet Report: Net Zero Energy and Transport Committee – Inquiry into a modern and sustainable ferry service for Scotland, 22 August 2022.

Centre for Economics and Business Research: The socio-economic impact of CalMac ferry services: Phase 2 report, September 2022.

# Public Consultation for the next Clyde & Hebrides Ferry Services Contract (CHFS3)



# Public Consultation for the next Clyde & Hebrides Ferry Services Contract (CHFS3)

## Ministerial Foreword



I am pleased to present this public consultation on the new Clyde and Hebrides Ferry Services Contract (CHFS3).

Scottish Ministers' preferred route for procurement of the next CHFS contract is a direct award via a Teckal arrangement, (which allows in certain circumstances for a contract to be directly awarded to an in house operator, without having to go through a competitive bidding process). This would be subject to a satisfactory due diligence exercise, with a final decision expected next summer.

In terms of value and importance to our island communities, this is one of the most significant contracts this Government will enter into, and as such it is vital that communities have the opportunity to contribute and help us shape the future of these vital ferry services.

This public consultation will provide an opportunity for those who have asked for change, including improved resilience; greater transparency; better communications; responsiveness; flexibility in service; and more certainty for communities and service-users to directly contribute to the contract development process.

Throughout this process we will continue to engage with our communities and stakeholders to inform the development of the contract to help shape the future of these services.

The public consultation will be available for 12 weeks from 15 December 2023 to 08 March 2024.

For more information, please visit [Transport Scotland's website](#).



Fiona Hyslop, MSP

Minister for Transport

## Consultation Statement

We are seeking your views on potential ferry service improvements through the CHFS3 contract.

## Background

The Clyde & Hebrides Ferry Services play a crucial role in our transport system, providing vital links for residents, businesses, and tourists across the west coast of Scotland. However, we recognise that there are areas where enhancements can be made. We are therefore planning to introduce a new, enhanced contract for these ferry services which is scheduled to commence on 01 October 2024.

To date our focus for CHFS3 has been to review and reflect on the existing feedback from our ferry-dependent communities, key stakeholders and reports conducted throughout the CHFS2 contract period, including the recent report by the Scottish Parliament's Net Zero, Energy and Transport Committee [A Modern and Sustainable Ferry Service for Scotland | Scottish Parliament](#). The feedback provided by these sources and further focused discussions with key stakeholders has aided the development of the consultation themes and questions.

## Consultation Process

This consultation will be open for a period of 12 weeks from 15 December 2023 to 08 March 2024 and we invite you to share your views during this time to actively shape the forward thinking of the Clyde & Hebrides Ferry Services Contract.

You can do this by completing the online consultation, providing [a response by email](#) or submitting a written response to:

CHFS3 Consultation  
Transport Scotland  
George House  
2<sup>nd</sup> Floor  
36 North Hanover Street  
Glasgow G1 2AD

Hebrides Ferry Services Contract (CHFS3)

**Transport Scotland**

## Assessing impact

We are committed to assessing the impact of CHFS3 on ferry-dependent communities and other stakeholder groups across Scotland.

This consultation will support development of the following impact assessments: Business and Regulatory Impact Assessment (BRIA); Child Rights and Wellbeing Impact Assessment (CRWIA); Equality Impact Assessment (EQIA); and the Island Communities Impact Assessment (ICIA).

We will publish these impact assessments on the Transport Scotland website. We would like your views on these. Views can be provided to us by emailing [Transport Scotland](#).

For example, your views will inform us about the likely impact of our policy on advancing equality, eliminating discrimination, and fostering good relations for people who share certain protected characteristics such as:

- Age
- Disability
- Sex
- Gender reassignment
- Sexual orientation
- Race and religion or belief
- Pregnancy and maternity

We will take a robust evidence-based approach to the development of our impact assessments and will work in close consultation with key stakeholders and representatives of groups that are likely to be impacted.

## Next Steps

In addition to the CHFS3 consultation, Transport Scotland's Islands Connectivity Plan (ICP) will shortly consult on the draft ICP Strategic Paper which sets out a proposed vision and priorities for the delivery of ferry services in Scotland, and the Long-Term Plan for Vessels and Ports which sets out plans and proposals for a programme of investments in the CHFS and NIFS networks until 2045, and proposes how to prioritise decisions during a period of funding constraint when difficult choices between projects are expected to be needed. A further update on this consultation will be provided by Transport Scotland in the coming weeks.

Once the CHFS3 consultation period has ended, responses will be reviewed by a specialist independent analysis team and a recommendations report will be provided to Transport Scotland to consider when finalising the terms of the CHFS3 contract.

We value your input and look forward to hearing your views on how we can improve our Clyde and Hebrides Ferry Services.

Please note that this is a public consultation, and all responses will be made publicly available, although personal details will be kept confidential. Should you wish for your comments not to be made publicly available, please select the appropriate box at the end of the consultation.

Thank you for taking the time to participate in this important process.

## Reliability and Resilience

Community feedback highlighted that the resilience & reliability of ferry services needs to be addressed as a priority due to the impact on business & communities when ferry services are disrupted.

**Q1. Do you think that the current performance measures of the ferry services are the right ones:**

~~Yes~~

**No**

Please explain your answer

North Ayrshire Council has previously expressed concern regarding the efficiency and reliability of the ferry services being delivered by the Scottish Government and its associated bodies to our island communities. The inadequacies of these services are resulting in inconvenience to residents, substantial disruption to the holiday trade and the loss of business to the island.

The impact of this is illustrated by the Arran Recovery Group estimate that losses exceeded £2.7m as a result of the removal of the Isle of Arran vessel (2021) to cover routes elsewhere in Scotland. The Fraser of Allander report on the Impact of Covid-19 on the Arran economy (2020) identified that on average, each day of ferry operation contributes approximately £170,000 to the island's economy.

Our islands need reliable, resilient, and well performing services that provide for everyday journeys for rural communities, tourism, leisure and business needs. There

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are no alternative transport modes for journeys to and from Arran or Cumbrae therefore vessel and service resilience, performance and reliability is critical. Reliable and resilient ferry services are critical to the supply chain between mainland and island businesses and the sustainability of our island businesses going forward. Unless the performance measures are improved and more focussed on the users' experience then the proposal for a direct award, via the Teckal exemption, would not be supported. The inclusion of such measures within any updated contract should be carefully considered on this basis.

The new contract should provide a service for passengers which fully adheres to the Regulation (EU) No 1177/2019 of the European Parliament and of the Council and the Guidance on Obligations of carriers and terminal operators in the event of interrupted travel (guidance note 6) (updated January 2021). The current contract provides an inadequate response to this requirement. The new contract should include the provision of suitable accommodation in such circumstances.

As part of its contract management arrangements, Transport Scotland has a series of performance measures to assess its ferry operators. It reports two of these to its senior management team, namely:

- **Reliability:** The Performance Measure for Reliability is the completion of each Sailing referred to in the Published Timetable. This is the percentage of scheduled sailings that take place.
- **Punctuality:** The measure will be deemed to have been met if the Operator and connecting public service agree to delay the connecting service beyond its scheduled time so that passengers, including any with a disability, to board the connecting vehicle or vessel. This is the percentage of sailings that are on time.

There are further performance measures relating to Compliance, Customer Care and Accessibility Process, Services - Vehicle Accommodation and Call Centre. However, it is not clear as to how these are reported so greater transparency of the process and sharing of performance would be welcomed.

Each ferry contract sets out the financial penalties that will apply for failures against the measures. Performance deductions are not made against reliability and punctuality measures when a sailing is cancelled or delayed due to a 'relief event.' Relief events include adverse weather, tidal conditions, traffic problems and other issues of safety. Other reasons for cancellations, or the late running of services, include vessel breakdowns or crew shortages.

CalMac's criteria for measuring reliability are opaque, poorly understood and apparently not widely trusted within ferry-using communities. It is often unclear as to when and how relief events are measured, with no clear details provided or measured. It is often the case that timetables are altered to ensure that reliability and performance measures are met. The current contract requires CalMac to sail at set times using set vessel. The contract should be less prescriptive with flexibility built in, for example, to operate a minimum number of sailings per day. Furthermore clarity is

required around the classification of issues in relation to sailings to ensure transparency and that customers are appropriately compensated

As noted in the Executive Summary of the “Modern and Sustainable Ferry Service for Scotland, 11th Report, 2023” (Executive Summary) there is an urgent need for better performance metrics and reporting to drive improvement and create more trust in the service. The root causes of the current problems include an ageing fleet, lack of resilience, increased usage and a “pass the parcel” of responsibility culture in governance structures.

We would also suggest that customer service metrics must be included within the performance criteria for the new contract. This will help to ensure that the lived experience of our ferry-dependent communities is given due consideration when assessing the operator’s performance. These should promote a proactive approach by the operator to service delivery and support early resolution of issues on the network.

**Q2. Are there any additional or alternative performance measures that you think could be introduced to improve resilience and reliability of ferry services?**

Yes

No

Please give us your views

North Ayrshire Council would agree with the findings of the Executive Summary that closer working between the operator and local authorities and communities, simplified contract variation processes, collection of more data on which to assess value for money and key performance indicators require to be included in the new contract.

Clear criteria for measuring reliability should be agreed with key stakeholders and included within the contract. This should include but not be limited to:

1. Weather impacts – has extreme weather increased? Are other routes operating when the Arran and Cumbrae services are not?
2. Maintenance, servicing and repairs – is this taking longer than previously?
3. Community and customer satisfaction rates. Needs of the community to be clearly identified and agreed. New contract needs to satisfy the needs of the community.
4. Carry out a needs assessment for each route and include the outcomes within the new contract.
5. The lateness measurement on the short crossing to Cumbrae is considered lenient for a short crossing. On crossings that are under 10 minutes they should not be more than 2 minutes out of step for departures and arrivals. The existing Level 1 and Level 2 lateness (5 or 10 minute thresholds) are far too lenient for these short routes.
6. Consideration of the cumulative impact of ferry delays, including onward connection issues.

The reporting on performance indicators should also include detailed reporting on which relief event was associated with reliability and punctuality measurements. Statistics must accurately reflect the lived experience of travellers. At the very least, the "actual performance" figure for cancellation or significant delay of services should be published alongside the "contractual reliability" figures cancellations to better reflect the customer experience. A route cause analysis may inform this process.

The recommendation of rebuilding public confidence in ferry services starting with measuring performance in a clear way that inspires trust is welcomed. However, unless there are measures in place to enable and secure an immediate improvement in performance this will have little impact in rebuilding confidence in the ferry services.

Future performance indicators should consider and draw attention to best practice in ferry provision and service including considering examples from private enterprise or internationally. Lessons should be learned from private operators' service models. They should be adapted to the different needs, experiences and solutions of different islands and communities.

To improve performance and reliability the new contract should also consider the following:

1. Introducing accountability clauses and incentives to ensure the operator provides an excellent service.
2. The reliability and performance measurements should not just include the percentage of sailings but also detail all performance relief events to establish a pattern of performance and identify issues to address.
3. The contract should provide the operator with more flexibility to respond to circumstances. For example the contract should aim to provide a minimum number of sailings per day regardless of the time of sailings.
4. Provision of a longer term contract with changed structure which would be more attractive to operators.
5. The inclusion of customer service metrics within the performance criteria for the new contract. This will help to ensure that the lived experience of our ferry-dependent communities is given due consideration when assessing the operator's performance.

## **Capacity and Demand**

Fares have significantly reduced and made Scottish Islands more accessible to everyone through the Road Equivalent Tariff (RET) however, we understand there is a balance to be struck between vessel capacity and passenger demand, therefore we need to find a better way to manage the number of users and the available space.

Community feedback has highlighted the high demand for ferry services during summer. Therefore, there is a requirement to consider the balance between capacity and demand to ensure car spaces are available to make essential or urgent travel.

**Q3. We know that vehicle space capacity is at a premium during peak time sailings. Do you have any suggestions that could be introduced to reduce vehicle space demand?**

Yes

No

If yes, what are your suggestions?

It is clear from the evaluation of the impact of Road Equivalent Tariff (RET) that there has been a significant impact on both the Isle of Arran and especially Cumbrae. RET has led to substantial increases in the number of private vehicles accessing the islands and the lack of integration between the ferry, rail and bus services further exacerbates this.

Ferry services should be suitably flexible to respond to local pressures associated with RET. For example, campervan restrictions are currently applied on some routes on the network but there is not currently flexibility to extend this to other routes where required. Any measures to help reduce the impacts of RET would be welcomed.

Consideration should be given to:

1. The provision of funding for on-island transport improvements. Improving active travel infrastructure will make it easier and more attractive for visitors to travel around islands by alternative modes such as active travel and reduce the need and attractiveness to take cars to our islands.
2. Improved on island and ferry terminal cycling infrastructure is vital to reducing non-essential car use, reducing carbon emissions, and maximising vehicle space on vessels for essential business and personal travel.
3. Building provision and responsibility into the contract for onward travel for foot passengers if there are delays would also support modal shift.
4. Developing a regional/national Mobility as a Service (MaaS) system that co-ordinates all forms of transport.
5. Transport Scotland and the Scottish Government progressing the on-island aspects of the Islands Connectivity Plan promptly including consideration of all sustainable transport options. This should be informed by engagement with island communities, ferry users and Local Authorities.
6. The introduction of a discounted ticket for a combined public transport and ferry travel to incentivise sustainable travel journeys and seasonal or discounted tickets for foot passengers.
7. Formalising the prioritisation of islanders travelling for medical purposes and appointments. Port staff at Cumbrae and Largs operate a process to prioritise islanders traveling for urgent medical appointments which generally works well but would benefit from being formalised.

**Q4. To reduce the number of cars on deck at peak times, would you be willing to travel to and from a port using public transport?**



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N/A

~~Yes~~

~~No~~

If no, please explain your answer

As per Q3 above the following needs to be considered to help travellers make this decision.

1. The provision of funding for on-island transport improvements. Improving active travel infrastructure will make it easier and more attractive for visitors to travel around islands by alternative modes such as active travel and reduce the need and attractiveness to take cars to our islands. Improved on island and ferry terminal cycling infrastructure is vital to reducing non-essential car use, reducing carbon emissions, and maximising vehicle space on vessels for essential business and personal travel.
2. Building provision and responsibility into the contract for onward travel for foot passengers if there are delays would also support modal shift.
3. Developing a regional/national Mobility as a Service (MaaS) system that co-ordinates all forms of transport.
4. Transport Scotland and the Scottish Government progressing the on-island aspects of the Islands Connectivity Plan promptly including consideration of all sustainable transport options. This should be informed by engagement with island communities, ferry users and Local Authorities.
5. The introduction of a discounted ticket for a combined public transport and ferry travel to incentivise sustainable travel journeys.

**Q5. To reduce the number of cars on deck at peak times, would you be willing to travel to and from a port using active travel modes (walking, wheeling, cycling)?**

N/A

~~Yes~~

~~No~~

If no, please explain your answer

As per Question 3 above the following should be considered to support ferry passengers to make sustainable travel choices:

1. The provision of funding for on-island transport improvements. Improving active travel infrastructure will make it easier and more attractive for visitors to travel around islands by alternative modes such as active travel and reduce the need and attractiveness to take cars to our islands. Improved on island and ferry terminal cycling infrastructure is vital to reducing non-essential car use, reducing



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- carbon emissions, and maximising vehicle space on vessels for essential business and personal travel.
2. Building provision and responsibility into the contract for onward travel for foot passengers if there are delays would also support modal shift.
  3. Developing a regional/national Mobility as a Service (MaaS) system that co-ordinates all forms of transport.
  4. Transport Scotland and the Scottish Government progressing the on-island aspects of the Islands Connectivity Plan promptly including consideration of all sustainable transport options. This should be informed by engagement with island communities, ferry users and Local Authorities.
  5. Improvements to mainland public transport connections to/from ferry terminals and ensuring balanced pricing to incentivise public transport options.

### **Q6. Should operators be required to hold dedicated vehicle deck spaces on busy routes for the use of island residents and key worker personnel required to travel at short notice?**

Yes

No

#### Unsure

If no, please explain your answer

The introduction of a dedicated vehicle space would introduce a priority system that would require significant consideration before implementation. Agreement on the prioritisation criteria, management and priority queuing areas would be required. This would require careful management and could potentially lead to misunderstanding or abuse. It is noted that whilst there are arrangements in place currently for emergency medical related journeys, the return journeys are not always suitably accommodated.

Holding dedicated space on the Cumbrae ferry would also be challenging operationally as it is a non-bookable service. If it is considered appropriate to hold back a percentage of space for short notice trips, the criteria should be agreed with all stakeholders noting that additional separate queuing facilities may be required at ports/slips and clear management responsibilities would require to be included in the contract.

## **Community Voice, Transparency and Accountability**

Community feedback suggests there could be more dialogue and consultation carried out across the network, giving local communities a better opportunity to provide feedback, which will aid decisions related to ferry services.

Community feedback highlighted that ferry services need to be appropriately timetabled to balance the needs of different users.

**Q7. How could communities be provided with a stronger role in providing input on ferries related decisions?**

Please give us your views

North Ayrshire's islands communities are represented by two well-established, recognised ferry groups, the Isle of Arran Ferry Committee and the Cumbrae Ferry Users Group. The island communities however need to be able to better understand what they can influence and the process to do so. Sufficient time is however also needed to ensure that consultation exercises are not meaningful and take account of the community view.

Early consultation needs to be undertaken to ensure that there is sufficient time to influence the decision making process. The community voice should be more inclusive and reflected in the contract. The contract should be focussed on providing a service to the community, not just delivering the timetable. The new contract should include specific requirements for the operator to work with and be accountable to local authorities and ferry-dependent communities on service delivery and decision making.

Decisions on timetables need to be informed by an assessment of the wider economic and social need, including the overall impact on the islands' economies, rather than the cost to the operator to provide the Service.

**Q8. Are there ways in which Operators' engagement with local communities can be improved?**

Please give us your views

There is a clear need for improved communications regarding the operation of the ferries. At present much of the information comes via media channels first rather than directly from the Operator. Procedures to engage with the community and clear mechanisms for an escalation of disagreements and to provide feedback on service provision within the contract are essential. This should outline roles and responsibilities for the organisations involved and detail how feedback will be collated and used.

At present the stakeholder process is fragmented with no one organisation having a clear responsibility to respond to issues or address weaknesses in service provision. As noted at Q7, the next CHFS contract should include specific requirements for the operator to work with and be accountable to local authorities and ferry-dependent communities on service delivery and decision making. This should include a clear approach and communication on how feedback is used and agreed actions are progressed within identified timescales.

**Q9. Is the Ferries Community Board representative of island populations?**

Yes

No

If no, please explain your answer

At present the Ferries Community Board has representatives from the Cumbrae Ferry User Group and Arran Ferry Committee.

**Q10. Does the Ferries Community Board reflect your interests for the next contract?**

Yes

No

If no, please explain your answer

Largely yes however the Board only considers strategic issues that affect the whole network, not island specific issues. The consideration of island specific issues and escalation processes may be useful on this basis.

**Q11. Should communities have greater say in the development of timetables, so they suit the needs of ferry users?**

Yes

No

Please explain your answer

At present North Ayrshire Council and the ferry user groups and committees have the opportunity comment on proposed timetables as part of the general consultation with the public. Timetable decisions do not currently take account of the impact on residents and businesses and focus on the cost of Services. A wider range of factors should inform decision making and be agreed with Local Authorities and communities. Clear feedback on the changes made or not made informed by consultation would be beneficial. This would allow consultees to understand how their feedback was being considered and addressed. The current lack of information results in consultees being unclear if their feedback is being fully considered.

More transparency including clear explanations as to why decisions are made regarding operational matters is required. This includes decisions in relation to timetables where early engagement and ability to influence would be beneficial. The difficulties in considering multiple opinions are acknowledged, however it would be beneficial if any proposed changes were discussed with the recognised ferry groups/committees prior to any wider public consultation exercise. This would allow these groups the opportunity to input to and inform the process.

The Clyde, Kintyre and Islands Ferry Stakeholder Group meets every six months and are therefore not able to respond to timetable changes in a timely manner. Therefore, the contract needs to build in sufficient time for comments and amendments.

## **Carbon Reduction and Environmental Impact**

We are making good progress towards a net zero future; however, low carbon ferry engine technology is still being developed so we need to think of alternative ways to reduce our carbon footprint and our impact on the environment.

### **Q12. In what ways can ferries reduce their carbon emissions in line with Net Zero targets?**

Please give us your views

Ferry decarbonisation would be a matter for the Scottish Government however North Ayrshire Council would welcome this policy to help reduce carbon emissions. This aligns with the Sustainable North Ayrshire strategy.

We would however note that the provision of a reliable and resilient ferry service is critical to our island communities and their economies. Future procurement should therefore focus on proven technologies to ensure continuity of service. Whilst we recognise the desire and ambition to look at new technology, this should not be at the expense of the connectivity of our island communities. Tried and tested technology and engineering should be used to help ensure that the delivery programme can be achieved.

Delays to the Ardrossan Harbour works and Cumbrae Slip improvements and Claonaig slip improvements, and delays in the delivery of the new vessels are contributing to the existing carbon emission levels. Progression and final delivery of these will assist with achieving the net zero targets.

### **Q13. Would you consider reducing your car use when travelling by ferry?**

**N/A**

~~Yes~~

~~No~~

If no, please explain your answer.

As per our responses to Q3 and Q4 above, we would welcome measures which encourage more sustainable travel to, from and on our islands. This could include:

1. The provision of funding for on-island transport improvements. Improving active travel infrastructure and sustainable travel options will make it easier and more

## Transport Scotland

attractive for visitors to travel around islands by alternative modes such as active travel and reduce the need and attractiveness to take cars to our islands.

Improved on island and ferry terminal cycling infrastructure is vital to reducing non-essential car use, reducing carbon emissions, and maximising vehicle space on vessels for essential business and personal travel.

2. Building provision and responsibility into the contract for onward travel for foot passengers if there are delays would also support modal shift.
3. Developing a regional/national Mobility as a Service (MaaS) system that co-ordinates all forms of transport.
4. Transport Scotland and the Scottish Government progressing the on-island aspects of the Islands Connectivity Plan promptly including consideration of all sustainable transport options. This should be informed by engagement with island communities, ferry users and Local Authorities.
5. Improvements to mainland public transport connections to/from ferry terminals and ensuring balanced pricing to incentivise public transport options.

## Onward and Connecting Travel

Looking at how onward and connecting travel can be promoted will enable us to provide opportunities for better connectivity and ferry user-access via active travel, public transport, and other more sustainable transport modes.

### **Q14. What do you think could be introduced to improve public transport connectivity between ferries, rail and bus operators?**

Please give us your views

Ardrossan, Brodick, Cumbrae and Largs are the only ports in the area with adequate public transport links to provide the connectivity between ferry, bus and rail. North Ayrshire Council has limited powers to manage the bus and rail network, a function carried out by the Scottish Government. We are however supportive of the development of a regional rail network and ensure the multi-faceted role of rail in the region is recognised by investment decision makers. This would help ensure the rail system provides reliable and punctual services, offers good value for money and high levels of passenger satisfaction, increasing integration of the rail system with ferry services.

There needs to be greater co-ordination between all transport modes including connecting modes on islands and on the mainland. On both Arran and Cumbrae, bus services are largely timed to meet the ferry on arrival. Reliability issues with the ferry can therefore have a significant knock-on impact for the wider transport network. If the buses wait for late-running ferries the timetable is not met which impacts the buses serving the wider communities on the islands.

On both Arran and Cumbrae these bus services are also critical to school transport. The impact of unreliable ferry services therefore disrupts residents, school pupils and tourists. Furthermore, residents and visitors disembarking at Ardrossan being inconvenienced by relying on rail travel which is similarly synchronised with expected

## Transport Scotland

ferry arrival times. Greater co-ordination between Scottish Government departments responsible for rail and ferry services would raise the profile of the need to improve connectivity.

Better integration of ferry ticketing and timetabling with bus and rail services, and improved cycling infrastructure is vital to reducing non-essential car use, reducing carbon emissions, and maximising vehicle space on vessels for essential business and personal travel. There also requires to be an acknowledgement of the wider policy benefits from integration public transport with ferries for example reducing carbon emissions and increasing the attractiveness of sustainable travel.

## Accessibility

Community feedback showed that some equality groups face additional challenges when accessing and using ferry services.

**Q15. Would you support a regular accessibility audit taking place with accessibility groups such as Mobility Access Committee Scotland (MACS), with the aim of improving accessibility at ports and onboard vessels.**

Yes

No

What else you think could be done to improve accessibility on our ferry services?

Of the five ports/slips within North Ayrshire Council only the Brodick terminal could largely be considered as accessible. The terminals at Largs, Cumbrae and Lochranza have slopes with substantial gradients that require assistance to negotiate at certain times. With regards the Ardrossan ferry terminal, it is not currently fully accessible however future planned improvements will improve the accessibility. The Council is also aware that improvements are proposed for Cumbrae Ferry slip.

Any improvements should be designed to ensure that the ferry is fully accessible. An accessibility review should be carried out at Largs and Lochranza slips with any recommendations being addressed. A clearer accessibility policy and promotion of accessibility information are essential to enable informed journeys. Repairs to accessibility infrastructure should be addressed as a priority, noting that lifts are often out of action for prolonged periods.

It is envisaged that any new ferries procured by the Scottish Government will meet the accessibility requirements. Regular accessibility audits of both ports and onboard vessels would be of value however the new contract should include clauses to ensure that any accessibility issues should be addressed within an appropriate timescale.

## Freight Services

Feedback provided by the community has highlighted that freight bookings can impact available vehicle spaces on vessels.

### **Q16. Are there ways to improve the Operator's collaboration with hauliers and businesses to better plan commercial traffic volumes?**

Please give us your views

North Ayrshire Council Services including our Roads Network and Waste teams generally have a good line of communication with the current operator. However, the experience for many years is that Council Services including the Roads Network and Waste teams do not receive the same treatment as other hauliers when being allocated space on the ferry. For example, when undertaking resurfacing works a minimum number of spaces per sailing (both ways) is required for tar lorries. This is to make the works financially viable and ensure best value for the works.

Despite being a frequent and high volume user of the services, the Council does not receive early notification of service issues and cancellations. Council Services are therefore reliant on the wider public communications to manage their operations. It would therefore be beneficial to be given a higher level of priority when making such bookings and to improve communications.

The Council requires to make these journeys to maintain the road network and manage waste for the island communities, but often finds itself disadvantaged when trying to take materials on and off the islands. Furthermore, the lack of bookings allocated and disruption to the service over the last few years has left the Council in a position where many contractors are refusing to undertake works and projects on the island which is to the detriment of our island communities. Clearer ticketing is also required for agricultural users, particularly for vehicles towing trailers and consideration should be given to maximising the use of facilities to the benefit of users.

### **Q17. Do you have any suggestions to better manage or reduce the demand on routes which experience high freight volumes?**

Please give us your views

Additional sailings, particularly during the summer season, would assist Council Services' operation through associated freight journeys. For example more allocated space could be provided on these sailings to support road improvements and other work being delivered by the Roads Network team. The provision of a dedicated service for freight would potentially assist with demand, especially at peak times. This should include provision for Council services including Roads Network bookings. The definition of freight should be broader and take account of the needs of island freight requirements.



## Monitoring and Review

Feedback has highlighted that communities would like greater clarity and accuracy on performance reporting to be embedded within the next contract.

Community feedback indicates that the true passenger experience is not reflected in the way the operator reports performance.

### **Q18. Would you welcome the opportunity to provide feedback to improve services?**

Yes

No

If yes, how often should this happen and how should this be conducted?

Yes, the Council would welcome the opportunity to provide feedback to improve services both as a user of the services and alongside the island communities. The feedback should consider not only the value of the ferry to Arran and Cumbrae's economy, but also the negative impacts of ferry uncertainty, cancellations and delays, and whether these factors would be considered in developing the contract. A clear and SMART strategy should be included within any new contract that sets out how feedback will be analysed and what/how improvements are being made because of the feedback.

### **Q19. Do you have any suggestions on how the Operator could provide a more accurate reflection of the passenger experience?**

Please give us your views

Any new approach to accurately reflect the views of passenger should be tested on user groups that include representatives of ferry-dependent communities and other regular ferry users. We would support the Net Zero, Energy and Transport Committee recommendation that the Scottish Government provides an update on the status of the revised communications and stakeholder strategy highlighted in their response to the Rural Economy and Connectivity Committee. This should include a copy of the strategy and information on how it is implemented and how performance is being measured, including feedback from communities.

We would also suggest that customer service metrics should be included within the performance criteria for the new contract. This would help to ensure that the lived experience of our ferry-dependent communities is given due consideration when assessing the operator's performance. Improved and transparent communication is required with customers, providing clear information when service changes and cancellations are required.





## Respondent information form

**Please Note** this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our [Privacy Policy](#)

Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

North Ayrshire Council - Regeneration

Phone number

07785 597877

Address

Regeneration  
Economic Development, Growth and Regeneration Services  
Cunninghame House  
Irvine

Postcode

KA12 8EE

Email

transportation@north-ayrshire.gov.uk

Are you responding as a:

- CHFS network resident (Islands including Peninsulas)
- CHFS network resident (Scottish Mainland)
- Are you a CHFS network visitor or tourist?
- CHFS network business (Island and Scottish mainland)

If you are a CHFS network resident (Islands, Peninsulas, Scottish Mainland) please advise which CHFS community in which you are resident, and which local authority area you live in. If you are a visitor or tourist, please advise in which location you are resident:

Why do you mainly use CHFS network services?

- For Business
- For Work/Education
- For Personal/Leisure
- All of the above
- Other

How frequently do you use CHFS services?

- 5-7 times a week
- 2-4 times a week
- Once a week
- Once every other week
- Once a month
- Occasionally
- Seasonal (Summer Period)
- Other

Are you:

- Under 16
- 16 to 18
- 19 to 21
- 22 to 34
- 35 to 44
- 45 to 54
- 55 to 64
- 65 or over
- Other

Do you consider yourself to have a disability?

- Yes
- No

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
- Publish response only (without name)
- Do not publish response

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes
- No

**Information for organisations:**

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.



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**NORTH AYRSHIRE COUNCIL**

**20 February 2024**

**Cabinet**

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**Title:** **Community Wealth Building Strategy Refresh**

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**Purpose:** To update on progress of the Council’s Community Wealth Building Strategy 2020-2025 and seek approval of the refreshed Community Wealth Building Strategy 2024-2027

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**Recommendation:** That Cabinet:

- a) Notes the progress against actions of the Community Wealth Building Strategy 2020-2025; and
  - b) Approves the refreshed Community Wealth Building Strategy 2024-2027, provided at Appendix One.
- 

**1. Executive Summary**

- 1.1 North Ayrshire Council launched Scotland’s first Community Wealth Building Strategy in May 2020. Since the launch of the strategy, the North Ayrshire economy has seen a series of significant impacts including the immediate and longer-term effects of the Covid-19 pandemic, increasing energy costs, workforce shortages across various industries and the ongoing Cost of Living Crisis.
- 1.2 A first year progress report on the Strategy was considered and approved by Cabinet on 28 September 2021 and this outlined the significant progress achieved despite challenging economic conditions. Since then, it has become evident that the significant challenges in the wider UK and global economy have created a different context in which the CWB Strategy operates. National interest in Community Wealth Building has also grown considerably in this period resulting in an increased focus at a local, regional and national level. In response to this and the learning gained over the past three years, there was a recognition that a refreshed CWB Strategy could better respond to these new challenges.
- 1.3 The refreshed strategy for 2024-2027 aims to provide a Community Wealth Building focussed approach to economic development in North Ayrshire in the coming years, allowing the Council to remain at the forefront of this innovative policy area. This report provides an update of progress against the actions of the original strategy and seeks approval of a refreshed strategy, provided at Appendix One.

## 2. Background

2.1 The Community Wealth Building Strategy 2020-2025 was launched in May 2020. This was in response to a commitment in the 2019-2024 Council Plan to develop and implement a CWB Strategy for North Ayrshire under the Priority Outcome 'North Ayrshire has an inclusive, growing and enterprising economy'.

2.2 CWB is a radical and bold approach to economic development which has seen the Council, along with regional Anchor Institution partners, use our economic levers to create a more resilient local economy. The aim of the original CWB Strategy, carried through to the refresh, is that this new economic model will support economic, social and environmental sustainability for our communities, through an approach centred on wellbeing and inclusion.

2.3 Prior to the launch of the original strategy, the Council:

- Established a CWB Commission chaired by the Council Leader and comprising of senior Elected Members, North Ayrshire Community Planning Partnership (CPP) Anchor Institutions and Council Officers;
- Commissioned the Centre for Local Economic Strategies (CLES) to undertake a CWB diagnostic for the Council, providing recommendations to support the development of an ambitious CWB strategy;
- Established an officer CWB Working Group, chaired by the Head of Service for Economic Development and Regeneration, to drive CWB activities across the Council; and
- Delivered a CWB NAC Staff Leadership Conference to around 100 senior leaders, and a CWB training session and e-learning video for Elected Members.

2.4 Since the launch of the CWB Strategy in May 2020, the Council has made significant progress towards embedding CWB practices within the North Ayrshire economy and this approach has taken on a regional dimension. In parallel with our achievements and progress on CWB, the Scottish Government is taking forward CWB Legislation in the current Parliament which, if approved, may place a duty on public bodies to embed CWB principles into their economic development approaches. During this period, the Council has:

- Developed the North Ayrshire CWB Commission into a regional Ayrshire CWB Commission, supported by a Lead Officer Working Group.
- Led on the development of the Ayrshire Regional Economic Strategy and Delivery Plan, embedding CWB principles throughout as a cross-cutting theme- a first in Scotland.
- Hosted and managed the £3m Ayrshire Growth Deal Community Wealth Building programme.
- Created a Community Benefits Wish List to match organisations delivering Council contracts with community organisations in need of support.
- Developed and delivered the Repurposing Property Grant Fund (RPGF) which directly supports and provides benefits to our local communities to bring underutilised land and property back into positive use.
- Achieved our target of 26% local procurement spend one year early. Since launching the CWB Strategy in 2020 our local procurement spend has improved from 19.75% in 2020-21 to 26.04% in 2022-23.



- Considered Community Wealth Building implications as part of all Committee reports.
- Delivered several key CWB capital projects including Phase One of Lochshore Park comprised of the Lochshore Park Hub, 5k circular loop, woodland planting and active travel links.
- Established an Expert Panel, comprising experts in CWB from across the globe to provide advice, from organisations including The Democracy Collaborative, CEIS and Future Economy Scotland.
- Created additional capacity aligned to CWB across services in Economic Development and Regeneration and Connected Communities, including seven posts funded through the Ayrshire Growth Deal.
- Delivered Scotland's first Community Wealth Building Conference to an audience of over 100 delegates from across the country and further afield.
- Participated in the Scottish Government's CWB Bill Steering Group.
- Submitted a comprehensive response to the CWB legislation consultation, in favour of a CWB Duty being placed on public sector organisations.
- Developed the membership of the CWB Working Group to continue to drive CWB activities across the Council.

2.5 National interest in Community Wealth Building (CWB) has also grown considerably in the three years since the strategy launch, with the Scottish Government supporting five pilot authorities to follow in the footsteps of North Ayrshire Council. Recognised by our role as pioneers in CWB, there has been significant interest in our approach from a range of Scottish local authorities, Anchor Institutions and the third sector and we regularly share our expertise with other organisations. This culminated in the Council hosting Scotland's first CWB conference in October 2022 which brought together over 100 delegates from across Scotland and further afield.

2.6 The original strategy had a series of 55 actions. These were aligned across six objectives comprised of "Community Wealth Building Council" plus the five CWB pillars as follows:

- **Community Wealth Building Council:** We will work across all our services and wider local and regional partners to implement Scotland's first approach to Community Wealth Building. Looking at how we do things differently and with CWB ambitions in mind;
- **Procurement:** We will use our spend to actively encourage and support a growing, diverse and resilient local business base, and to support our net zero carbon ambitions;
- **Fair Employment:** We will encourage the creation of fair and meaningful jobs with progression opportunities to unlock the potential of our residents;
- **Land and Assets:** We will support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit;
- **Financial Power:** We will invest locally and encourage regional and national institutions to invest in our communities; and
- **Plural Ownership of the Economy:** We will support the creation and sustainability of a range of business models including SMEs, social enterprise, employee ownership, cooperatives, municipal activity and community enterprises.

- 2.7 Our proposed 2024-2027 CWB Strategy, provided at Appendix One, builds upon the pioneering approach of Scotland's first CWB Strategy, and outlines our approach to creating a more inclusive and sustainable economy through CWB. Having emerged from the Covid-19 Pandemic into a Cost of Living Crisis and dealing with the effects of our changing climate, compounded by the conflict in Ukraine, we continue to face a range of social, economic and environmental challenges. The refreshed strategy aspires to a vision of a Wellbeing Economy- an economy which works for both people and planet- providing an economically and environmentally sustainable future for our communities and young people to flourish. The Strategy outlines the steps in our journey to creating a Wellbeing Economy and to support the Council Plan's vision of a North Ayrshire that is 'Fair for All'.
- 2.8 The refreshed CWB Strategy has a total of 53 actions aligned to the same six objectives. This reflects the fact that some actions from the original strategy have been completed, some actions have been updated to reflect the changing economic environment, and several new actions have been developed. Our commitment to environmental sustainability and climate action is regarded as a cross-cutting theme which relates to all six objectives.
- 2.9 The refreshed CWB Strategy has been developed using a cross-service approach, with broad engagement to refine existing and create new actions. This includes Economic Development, Regeneration, Growth and Investment, Employability, Connected Communities, Finance, HR, Procurement, Planning, and Sustainability. It has also been reviewed by and informed by feedback from the Expert Panel and the Council's Policy Advisory Panel.
- 2.10 The strategy recognises the significant progress achieved in 2020-2023 through the inclusion of a wealth of case studies and aligns to the wider Ayrshire Regional Economic Strategy. It identifies 53 actions across the six objectives of Community Wealth Building Council and the five CWB pillars. Several new actions and revised are identified, building on the continuing actions from the first strategy. These include:
- Refresh the CWB Anchor Charter and work with partners to establish a wider Anchor Network to promote CWB across the region.
  - Proactively engage with our communities and Third Sector organisations, for example community and development trusts, to provide a voice within CWB activities and support to develop, co-produce and maximise CWB opportunities.
  - Informed by our commitment to place-making, we will explore options for developing Community Wealth Building approaches at a locality level including consideration of unique island contexts.
  - Work with the Scottish Government to establish a Regional Intelligence Hub in Ayrshire and explore options for further analysis and evaluation of Community Wealth Building.
  - Develop our approach to using our land and assets for community benefit through the delivery of our Repurposing Property Grant Fund, Vacant and Derelict Land Strategy and the Vacant and Derelict Land Investment Programme.
  - Explore the feasibility of creating a CWB assessment framework for development proposals.
  - Support our business base to embed fair work practices, workplace innovation and reducing their environmental impact.
  - Embed CWB within the development of Ayrshire Growth Deal business cases to ensure lasting benefits for our businesses and communities.

2.11 Regular monitoring of progress on the 53 actions will be undertaken to ensure that objectives are being delivered across all CWB pillars and that we are on track for achieving our vision of a Wellbeing Economy for North Ayrshire.

### **3. Proposals**

3.1 That Cabinet:

- a) Notes the progress against actions of the Community Wealth Building Strategy 2020-2025; and
- b) Approves the refreshed Community Wealth Building Strategy 2024-2027, attached as Appendix One.

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

#### **Financial**

4.1 The refreshed strategy aims to support and maximise the impact of the investment being made through existing Council resources and external funding. It will also inform our priorities for securing and delivering against local, regional and national external funding sources.

#### **Human Resources**

4.2 The Economic Policy Manager- Community Wealth Building will lead on the implementation of the CWB Strategy with cross service support. The delivery and ownership of the identified actions has been agreed with the relevant services, recognising that the Council's CWB approach is embedded across all Services' remit.

#### **Legal**

4.3 Legal advice is sought where relevant and will be sought in future in relation to any impending legislation that may result from the Scottish Government's CWB Bill.

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

4.4 The refreshed strategy continues to present a transformational approach to an inclusive economy. In particular, actions on Fair Employment support excluded groups in North Ayrshire and contribute to our aim to reduce child poverty in North Ayrshire.

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

4.5 The refreshed strategy actions aim to contribute to our ambition as a Council to become carbon neutral by 2030 and align with the Sustainable North Ayrshire strategy.

#### **Key Priorities**

4.6 The refreshed strategy aims to develop a Community Wealth Building approach to a wellbeing economy, which is a key activity of the Council Plan. The strategy contains

several actions to meet Council Plan priorities, primarily under the Wellbeing and Sustainable Council priorities. It aims to support the strategic aim of a Community Wealth Building Council that is efficient and accessible, maximising investment and focusing resources on our priorities.

### **Community Wealth Building**

4.7 The strategy is key to delivering a cross-cutting approach to Community Wealth Building and will continue to promote North Ayrshire as a CWB Council.

### **5. Consultation**

5.1 Engagement on the Council's CWB Strategy has taken place widely since its inception in 2020. This includes with the Community Wealth Building Commission, Locality Planning Partnerships, wider communities, stakeholders, Elected Members and with senior leaders via the staff Leadership Conference. The 2022 CWB Conference enhanced this engagement. A cross-service approach has been taken to the development of the refreshed strategy with senior officers from several services inputting directly into the appraisal and revision of existing actions and the formulation of new actions. It has been reviewed by and informed by feedback from the CWB Expert Advisory Panel and the Council's Policy Advisory Panel.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Emma McMullen, Senior Manager, Economic Policy** on 07787 221271 or via [emmamcmullen@north-ayrshire.gov.uk](mailto:emmamcmullen@north-ayrshire.gov.uk).

### **Background Papers**

Emergency Governance Decisions (Covid-19 Outbreak) Report – Community Wealth Building, 24 April 2020  
North Ayrshire Council Community Wealth Building Strategy 2020-2025

North Ayrshire Council  
Community Wealth Building Strategy  
2024 - 2027

Delivering a Wellbeing Economy

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## Leader's Foreword

Community Wealth Building has been at the heart of everything we do at North Ayrshire Council since we launched Scotland's first Strategy back in 2020. The local and national economic context has changed considerably over the past few years and in response to the Covid-19 pandemic and Cost of Living Crisis. Now more than ever we need take an inclusive and people-centred approach to developing our local economy and ensure fair distribution of wealth and opportunities for our communities. This is why we are committed to delivering a Wellbeing Economy for North Ayrshire – an economy which works for people **and** planet – and we see Community Wealth Building as a key mechanism for achieving that vision.

Community Wealth Building is moving forward at quite a pace and shaping the economic landscape in this region and beyond. We are delighted with the progress we have made - the early stages saw us put the building blocks in place, spread the message and get buy-in from partners, businesses and communities across the region. None of the successes of this bold economic strategy would have been possible without the support and shared determination of all our partners. I would personally like to offer my thanks to all those who have signed up and joined us on this important and exciting journey.

It has been heartening to see national support for Community Wealth Building develop over recent years and it's been great to share our story with other Scottish local authorities, Anchor Institutions and the Third Sector. We were delighted to host Scotland's first Community Wealth Building Conference in October 2022, bringing together over 100 individuals and organisations from across Scotland. We are leading the way in this bold new economic approach and we should be immensely proud of what we've achieved.

We've developed new processes and ways of working and have helped dozens of local businesses to take part in the often difficult and complex procurement process. This has seen the amount spent with North Ayrshire businesses from April 2022 to March 2023 increasing by almost £6.4million on the previous year. This equates to 26.04% of our total procurement spend going to local businesses, meaning that we reached our target of 26% local spend one year early.

We have also developed new initiatives which deliver benefits directly to our communities. Our Community Benefits Wish List matches council suppliers with requests from community organisations and has delivered huge benefits including materials, staff expertise and small cash donations. Stage 1 of our Repurposing Property Grant Fund saw a total of £149, 271 awarded to help support community groups and landowners bring vacant and derelict sites back into productive use.



Building upon this strong foundation, this new strategy demonstrates our continued commitment to pioneering Community Wealth Building in Scotland and across Ayrshire. In demonstration of this commitment we recently led the development of a new Regional Economic Strategy for Ayrshire, ensuring Community Wealth Building principles are embedded throughout.

We are determined to play our part in creating a diverse Ayrshire economy that is more resilient and capable of standing firm in the face of national and global adversity. We have made a promising start and this Strategy lays out our vision and priorities for Community Wealth Building up to 2027. If you haven't already, please join us on this exciting journey.

**Councillor Marie Burns**

Council Leader, North Ayrshire Council



## Executive Summary

Our 2024-2027 Community Wealth Building Strategy builds upon the pioneering approach of Scotland's first Community Wealth Building Strategy which we launched in May 2020. A lot has changed in the three years since including the effects of the Covid-19 Pandemic, soaring fuel and food costs resulting in a Cost of Living Crisis and escalating inflation. We remain as committed as ever to the need to create a more inclusive and sustainable economy through Community Wealth Building.

National interest in Community Wealth Building has increased significantly, with Community Wealth Building referenced within the National Strategy for Economic Transformation and a consultation on Building Community Wealth in Scotland in 2023. This strategy builds upon the valuable learning we have gained as pathfinders in Community Wealth Building and recognises the challenges posed by the new economic context. It cements our position as leaders within local economic development and demonstrates our commitment to Community Wealth Building as the key mechanism for achieving a Wellbeing Economy.

A fundamental aspect of Community Wealth Building is working in collaboration with our Anchor partners, local businesses and communities. We reflect on the value of key achievements which have facilitated this collaborative approach such as the creation of the Ayrshire Community Wealth Building Commission and Anchor Charter, delivery of the Ayrshire Growth Deal Community Wealth Building Programme and new initiatives such as the Community Benefits Wish List and Repurposing Property Grant Fund (RPGF) which directly support and provide benefits to our local communities.

Having emerged from the Covid-19 Pandemic into a Cost of Living Crisis and dealing with the effects of our changing climate, we continue to face a range of social, economic and environmental challenges. We aspire to the vision of a Wellbeing Economy – an economy which works for both people **and** planet – providing an economically and environmentally sustainable future for our communities and young people to flourish. This strategy outlines our next steps in our journey to create a Wellbeing Economy and to support the Council Plan's vision of a North Ayrshire that is 'Fair for All'.

## Our Vision for a Wellbeing Economy

### What is a Wellbeing Economy?

A Wellbeing Economy is an economy that works **for** people and the planet and delivers social, economic and environmental justice for all. It prioritises fair distribution of wealth, opportunities and privileges within our society, all on a healthy, thriving planet.

The Wellbeing Economy Alliance (WEAll) defines a Wellbeing Economy as: “an economy designed to serve people and the planet, not the other way around. Rather than treating economic growth as an end in and of itself and pursuing it at all costs, a Wellbeing Economy puts our human and planetary needs at the centre of its activities, ensuring that these needs are all equally met, by default.”

This is our aspiration for North Ayrshire’s economy; to be inclusive to all our residents, with wealth and opportunities fairly distributed and for our young people to reach their full potential as part of a sustainable future.

### The role of Community Wealth Building in a Wellbeing Economy

We consider Community Wealth Building to be a key mechanism to achieving a wellbeing economy. Rather than relying on Gross Domestic Product (GDP) as a measure for how well an economy performs, Community Wealth Building looks beyond this and aims to ensure our local economies are more inclusive for our residents and enterprises.

The Scottish Government consider Community Wealth Building and other progressive commitments such as the upcoming Land Reform Bill, Just Transition Plans and the Refreshed Fair Work Action Plan as supporting economic reform and the transition to a wellbeing economy.

The 2021-22 Programme for Government set out a commitment to bring forward Community Wealth Building Legislation in the current Parliament. A consultation on “Building Community Wealth in Scotland” ran from January to May 2023 with the purpose of seeking views on a proposal for a new duty to advance Community Wealth Building. It also sought to identify whether new legal measures or changes to existing laws are required to accelerate the implementation of Community Wealth Building.

## National Policy Context

The Scottish Government is committed to transitioning to a Wellbeing Economy and is a founding member of the Wellbeing Economy Governments (WEGo) – an initiative bringing together governments to learn and support each other in the transition to a wellbeing economy. In March 2022 Scotland’s **National Strategy for Economic Transformation (NSET)** was launched by Scottish Government. The strategy outlines a vision to create a wellbeing economy as part of a just transition to a more green and sustainable future. It recognises the need to learn from the lessons of the Covid-19 pandemic and develop a more resilient economy, delivering fair work, better employment opportunities and reducing poverty and inequality. Community Wealth Building is highlighted as an example of a practical approach to achieving a wellbeing economy.

**National Planning Framework 4 (NPF4)** was adopted in February 2023, providing guidance to support the creation of sustainable, liveable and productive places. It will also play a key role in delivering the National Strategy for Economic Transformation. Community Wealth Building is one of the National Planning Policies outlined within NPF4. It is recommended that Local Development Plans align to Community Wealth Building priorities and seek to tackle economic disadvantage and inequality and provide benefits for local communities.

## Local Policy Links

The 2024-2027 Community Wealth Building Strategy has been designed to align and interact with various North Ayrshire Council strategies.

### North Ayrshire Council Plan

The 2023-2028 Council plan outlines how we will deliver the priorities of our communities during the next five years. It was developed alongside North Ayrshire communities and outlines our four key priorities:

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

### [North Ayrshire Partnership Plan 2022-2030](#)

The North Ayrshire Partnership Plan is our Local Outcomes Improvement Plan and sets how we will work together with our Community Planning partner organisations in North Ayrshire. It will deliver on our vision of “North Ayrshire – Fair for All” and has three key themes:

- Wellbeing – We will address health inequalities. We will promote children and young people’s wellbeing. We will enable community wellbeing.
- Work – We will increase employment. We will develop volunteering. We will better support our young people.
- World – We will work together to reduce carbon emissions and mitigate the impacts of climate change. We will increase active travel. We will increase carbon literacy within our organisations and communities.

### [Regional Economic Strategy for Ayrshire](#)

Ayrshire’s first ever Regional Economic Strategy was launched in June 2023. It is a ten-year strategy which aims to build wealth for everyone in Ayrshire. It is the first regional economic strategy in Scotland to embed Community Wealth Building principles throughout. More information on the Regional Economic Strategy can be found on page 21.

### [Regeneration Delivery Plan](#)

The 2021-2026 North Ayrshire Regeneration Delivery Plan aims to address local priorities, support changes within communities and deliver a wellbeing economy. It is closely aligned to the priorities of our Council Plan and Community Wealth Building strategy and outlines the delivery of physical regeneration across North Ayrshire through an ambitious project based rolling action programme, working in partnership with our communities.

### [Island Recovery and Renewal Plans for Arran and Cumbrae](#)

To support an inclusive and green economic recovery for our island communities of Arran and Cumbrae, the Council are involved in an Islands Recovery and Renewal Pilot in partnership with the Scottish Government and Highlands and Islands Enterprise. Working in partnership with island communities, businesses and wider stakeholders, two separate ten-year Island plans have been developed for Arran and Cumbrae. Aligning to the delivery of the National Islands Plan and Community Wealth Building principles, the island plans aim to maximise and develop the economic potential of North Ayrshire’s islands.

### [Sustainable North Ayrshire Strategy 2024-2027](#)

In June 2019 the Council declared a Climate Emergency and committed to the ambitious target of achieving net zero by 2030. The new Sustainable North Ayrshire Strategy was approved by Cabinet in December 2023 and sets out a plan to achieve this target and tackle climate

change through the implementation of nine strategic priorities, action across five workstreams and a proposed Carbon Footprint and Project Register. The new strategy has a vision of a sustainable, climate ready North Ayrshire that drives area-wide reductions in carbon emissions in a way which tackles inequality, promotes fair work, supports Community Wealth Building and contributes to achieving a Wellbeing Economy.

#### [North Ayrshire Vacant and Derelict Land Strategy 2023-2028](#)

North Ayrshire has one of the highest proportions of vacant and derelict land in Scotland. The strategy has been informed by consultation with stakeholders and local communities who have highlighted the negative effect of vacant and derelict land on the local economy, environment and communities. The Vacant and Derelict Land Strategy considers how vacant and derelict land fits within the wider context of National and Local priorities and objectives, including Community Wealth Building, the challenge of net zero, the climate emergency and the Scottish Biodiversity Strategy.

The refreshed Community Wealth Building Strategy also takes cognisance of other strategies including the Financial Inclusion Strategy 2023-2028 and the Digital North Ayrshire Strategy 2023-2028.

## What is Community Wealth Building?

Community Wealth Building is an approach to economic development which aims to retain wealth, jobs and opportunities within local areas and improve economic prosperity. It uses the economic power and levers of Anchor Institutions – large organisations which are rooted in local areas – to support and improve the local economy. These Anchor Institutions bring wealth to the local area in the form of jobs, buying power and physical assets and can be local authorities, NHS health boards, further and higher education institutions and other public sector organisations.

Community Wealth Building uses five pillars to encourage Anchors to use their organisational power to retain wealth locally and create more economic benefits for our local area.



Community Wealth Building enables communities and businesses to have a greater stake in their local economy, ensuring that money is retained locally and recirculates within communities and makes areas economically stronger, more resilient and sustainable.

It does this by changing the flows of wealth and economic power to bring them closer to communities – such as by increasing community ownership and control of assets; developing and growing more ‘generative’ enterprises such as small, locally-owned enterprises, co-operatives and social enterprises which lock and share wealth within the local area.



## Why do we need Community Wealth Building?

Like many parts of Scotland and the UK, North Ayrshire is facing a range of unprecedented economic challenges following the Covid-19 pandemic and the impacts of high inflation, energy and living costs. The current context has exposed the high levels of inequality that exist within our economy and has further marginalised the most vulnerable within society. Community Wealth Building seeks to rebalance economic inequality by retaining money, jobs and economic power within our local area and provide routes out of poverty for our families. Now more than ever we need mechanisms which create resilient and sustainable local economies which can withstand future economic shocks.

- 28.6% of children in North Ayrshire live in relative poverty (after housing costs). This is the second highest rate in Scotland<sup>1</sup>
- 27.4% of P6 and P7 pupils in North Ayrshire are eligible for free school meals<sup>2</sup>
- 39.8% of our residents live in the most deprived areas as defined by the Scottish Index of Multiple Deprivation<sup>3</sup>
- 38% of households are in fuel poverty or extreme fuel poverty<sup>4</sup>
- North Ayrshire has one of the lowest job densities in Scotland (ranked 4<sup>th</sup> lowest in Scotland)<sup>5</sup>
- 27.6% of residents are economically inactive. This is one of the highest rates in Scotland<sup>6</sup>
- North Ayrshire has 12% of all vacant and derelict land in Scotland, making it the local authority with the second highest proportion in the country<sup>7</sup>
- Island specific challenges include access to affordable housing, higher costs of living and doing business and connectivity.

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<sup>1</sup> DWP – Children in low income families – local area statistics 2023

<sup>2</sup> Scottish Government – School Healthy Living Survey statistics 2022

<sup>3</sup> Scottish Index of Multiple Deprivation 2020 v2

<sup>4</sup> Scottish Government – Scottish House Condition Survey 2021 Key Findings

<sup>5</sup> NOMIS (2023) based on data from Jul 2022 – Jun 2023

<sup>6</sup> NOMIS (2023) based on data from Jul 2022 – Jun 2023

<sup>7</sup> Scottish Vacant and Derelict Land Survey 2021

Despite facing significant challenges, there are a range of strengths within North Ayrshire from which we can seek to maximise and develop:

- 3380 Businesses in North Ayrshire<sup>8</sup>
- 120 Social Enterprises<sup>9</sup>
- North Ayrshire unemployment rate has reduced by 2.4 % points since 2020<sup>10</sup>
- Female Employment Rate has increased by 4% points since 2020<sup>11</sup>
- Significant opportunity to grow the blue economy for example fishing, aquaculture, offshore renewables and leisure activities.
- £251.5 million regional investment across Ayrshire via the Ayrshire Growth Deal

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<sup>8</sup> Scottish Government – Business in Scotland 2022

<sup>9</sup> Social Enterprises in Scotland 2021 Census

<sup>10</sup> NOMIS (2023) based on data between Jul 2020, Jun 2021 and Jul 2022, Jun 2023

<sup>11</sup> NOMIS (2023) based on data between Jul 2020, Jun 2021 and Jul 2022, Jun 2023

## Our Community Wealth Building Journey Continues

Since launching our Community Wealth Building Strategy in May 2020 we have seen significant impacts to the local economy including the immediate and longer-term effects of the Covid-19 pandemic, increasing energy costs due to the conflict in Ukraine, workforce shortages across various industries and the ongoing Cost of Living Crisis.

In light of the changing economic context, we recognise the challenges associated with delivering our Community Wealth Building ambitions and aspirations to create a stronger and more resilient local economy. The Cost of Living Crisis, pressures of rising inflation and ferry disruption for Arran and Cumbrae have been particularly challenging for local businesses, particularly SME's. Our Business Support and Development team worked hard throughout the pandemic to help businesses in immediate distress and provide a package of support focussed on business recovery, diversification and new opportunities aligned to Community Wealth Building and a green recovery. Providing further support, the successful three-year Ayrshire Growth Deal Community Wealth Building Programme was launched in 2021 and works with businesses to create more local, good quality employment and create a larger and more diverse business base.

Locality community support hubs were established in each of the six North Ayrshire localities immediately after the start of the pandemic to provide urgent support to our local communities. Coordinated by a team of Council, Health and Social Care staff and local volunteers, the hubs provided a range of essential support to communities, children and vulnerable residents including food parcels and deliveries, prescription deliveries, money advice services and health and wellbeing advice.

The effects of climate change and biodiversity loss are being felt around the world and is a fundamental threat facing North Ayrshire residents and businesses. We know the impacts of our changing climate are likely to hit the most vulnerable in society the hardest and the climate crisis is a key concern for our young people. To mitigate these effects, and as demonstrated in our Sustainable North Ayrshire Strategy 2024-2027, we are committed to using the principles of Community Wealth Building to ensure a fair and green transition to a sustainable society which operates within planetary limits and where no one in North Ayrshire is left behind.

National interest in Community Wealth Building has grown considerably in the past three years. Recognised by our role as pioneers in Community Wealth Building, there has been significant interest in our approach from a range of organisations including other Scottish local authorities, Anchor Institutions and the 3<sup>rd</sup> Sector. We were delighted to host Scotland's first Community Wealth Building Conference in October 2022, bringing together over 100 individuals and organisations from across Scotland.

The 2021-2022 Programme for Government set out a commitment to bring forward Community Wealth Building Legislation in the current Parliament. We were invited to join a Community Wealth Building Bill Steering Group to help inform the development of the legislation. In May 2023 we engaged across Council Services and with our Anchor partners to provide a comprehensive response to the consultation “Building Community Wealth in Scotland”.

As we continue our Community Wealth Building journey and reflect on the new economic context and learning we have gained over the past three years, we feel it is an appropriate time to revisit our Community Wealth Building Strategy. We remain committed to all five pillars of Community Wealth Building and this new strategy will seek to improve and deepen the benefits of this approach by engaging across Council Services and our Health and Social Care Partnership. We will ensure that Community Wealth Building strengthens and informs our approach to place-making by recognising and responding to the distinct needs and opportunities of our North Ayrshire localities. Community Wealth Building is embedded within our Island Plans for Arran and Cumbrae. In recognition of the unique opportunities and challenges for Community Wealth Building on our islands we will explore options for piloting a locality based approach to Community Wealth Building on Arran.

We are committed to developing our Community Wealth Building approach in partnership with our local and regional Anchor partners. Building upon the strong relationships developed through the Community Wealth Building Commission we will support the delivery of the first Regional Economic Strategy for Ayrshire and ensure Community Wealth Building remains at the heart of the economic vision for Ayrshire. By nature of our two island communities, the Council also sits within the Highlands and Islands Regional Partnership. We will work with partners to embed Community Wealth Building and maximise opportunities to increase economic wealth and benefits for rural and island communities.

## Scotland's First Community Wealth Building Conference

We were delighted to host Scotland's first ever conference focussed on Community Wealth Building at Saltcoats Town Hall in October 2022. Economic practitioners and policymakers from across Scotland attended to learn more about Community Wealth Building and be inspired hearing about the success stories, challenges and why different approaches to Community Wealth Building are important for urban and rural, mainland and island communities.

The event was well-attended with over 100 guests from 42 different organisations and groups. A total of 35 officers from 20 different Scottish local authorities attended, not including North Ayrshire Council staff. This included representatives from Aberdeen City, Orkney, Argyll and Bute, Perth and Kinross and Stirling Councils. We were delighted to welcome Mr Tom Arthur, Minister for Community Wealth and Public Finance to the conference who spoke of the Scottish Government interest in Community Wealth Building and praised the work underway in North Ayrshire and Ayrshire.



Participants heard about the North Ayrshire approach to Community Wealth Building as well directly from some of our Anchor partners and the development of the Regional Economic Strategy for Ayrshire. There were presentations from several highly respected guest speakers who shared their knowledge and experience of Community Wealth Building and stimulated lively and engaging discussions:

- A video recording by Ted Howard, Co-Founder and President of the Democracy Collaborative
- Stewart Macgregor, Scottish Enterprise
- Sarah Deas, Wellbeing Economy Alliance
- Sarah McKinley, Democracy Collaborative
- Calum Iain MacIver, Comhairle Nan Eilean Siar
- Artemis Pana, Scottish Rural Action
- Neil McInroy, Democracy Collaborative

In addition to presentations and Q & A sessions, there were several stalls showcasing key Community Wealth Building projects, allowing attendees to engage directly with officers as well as providing opportunity for wider networking and sharing ideas. The conference also included the premiere of a [Community Wealth Building film](#) showcasing how Community Wealth Building can have a positive impact on the lives of young people in North Ayrshire.



## Community Wealth Building Commission

A key focus of the 2020 Community Wealth Building Strategy was working in partnership with our wider regional Anchor Institutions. All Anchor Institutions have the potential to use their economic power to have a positive influence on the local economy. By working together we can add value to our shared goals around Community Wealth Building and ensure positive long-term transformational change. To facilitate collaboration across a range of partners, we established the Community Wealth Building Commission. Led by North Ayrshire Council it is a partnership of nine Anchor Institutions including all three Ayrshire Councils, NHS Ayrshire & Arran, Ayrshire College, The Ayrshire Community Trust (3<sup>rd</sup> Sector Interface), Police Scotland, the Scottish Fire and Rescue Service and Scottish Enterprise. The CWB Commission drives a strategic approach to Community Wealth Building in Ayrshire and brings partners together to work on shared challenges and opportunities and share best practice and examples of Community Wealth Building.

In December 2020, the CWB Commission agreed a workplan of activity and established a Lead Officer Working Group of senior officers from across the Anchor partners to take the workplan forward. As part of the workplan, three workstreams were established: Fair Employment, Procurement and Land and Assets. Examples of some activities underway within the workstreams include:

- The procurement workstream has developed an Ayrshire wide interactive map which plots 2021/22 and 2022/23 procurement spend of seven Commission Anchor partners. This provides an opportunity to understand potential for redirecting spend locally as well as collaborative procurement opportunities.
- The Fair Employment workstream is focussing on three areas of activity – Recruitment, Volunteering and Apprenticeships to maximise and join-up approaches across the partner organisations.
- The Land and Assets workstream has created a Geographic Information System (GIS) map and spreadsheet of under-utilised assets for all the partners, with the intention of linking this data to opportunities for businesses, communities and the Third Sector.



## Community Wealth Building Anchor Charter

To aid collaboration and support Anchors to use their economic levers and embed Community Wealth Building practices within their respective organisations, we launched a [CWB Anchor Charter](#) in October 2020. The Charter has sixteen pledges across the five CWB pillars and a sixth pillar of Climate Action. There are currently eleven organisations signed up to the Charter: North, East and South Ayrshire Councils, NHS Ayrshire and Arran, Ayrshire College, Scottish Enterprise, The Ayrshire Community Trust (TACT), Police Scotland and the three Ayrshire Joint Integration Boards.

### **Anchor Charter Mission Statement**

To commit to long-term collaboration between Ayrshire Anchor Institutions, supporting shared Community Wealth Building goals to improve collective wellbeing and create a strong, resilient and inclusive local and regional economy. This includes a commitment to the embedding of Community Wealth Building principles and reporting on progress to the CWB Commission.



## Ayrshire Regional Economic Strategy

A new ten-year [Regional Economic Strategy for Ayrshire](#) was approved by the Ayrshire Economic Joint Committee in February 2023 and formally launched in June 2023. A Year 1 Delivery Plan was subsequently approved in September 2023. The strategy has been supported by North Ayrshire Council and developed by an industry-led working group with representation from the six regional recovery and renewal workstreams and public sector partners.

The Regional Economic Strategy has six priority themes:

- Support for Enterprise
- Fair Work
- Innovation
- Good Health and Wellbeing
- Stronger Places and Communities
- Enhancing Natural Capital

These priority themes are supported by a Culture of Delivery theme and cross-cutting themes of Community Wealth Building, Skills and Digital. It is the first regional economic strategy in Scotland to embed Community Wealth Building principles throughout. It aims to build wealth for everyone in Ayrshire and sets out the vision for 2033 of a region:

- Where wealth is shared fairly;
- Where people of all ages can live full and healthy lives;
- That is attractive to investors and visitors;
- That makes a major contribution to Scotland's economic development; and
- Where protection of natural wealth and culture is prioritised.

Although Community Wealth Building is embedded throughout the Regional Economic Strategy and the Delivery Plan, there are specific Community Wealth Building actions as follows:

- Review Community Wealth Building work across Ayrshire including the CWB Commission and AGD CWB Programme to support regional delivery of Community Wealth Building and the Regional Economic Strategy.
- Develop options for an Ayrshire Anchor Network to support regional delivery of Community Wealth Building.
- Respond to requirements of any forthcoming Scottish Government legislation on Community Wealth Building.
- Refresh the Community Wealth Building Anchor Charter and promote adoption of pledges within Ayrshire Anchor Institutions.

These actions have been reflected in the refresh of the North Ayrshire Community Wealth Building Strategy. They offer the opportunity for us to link more widely with partners and to push forward Community Wealth Building at a regional level.



## Ayrshire Growth Deal Community Wealth Building Programme

Funded by the Ayrshire Growth Deal (AGD) and launched in 2021, the AGD Community Wealth Building Programme is a three-year pan-Ayrshire programme which aims to develop resilient, inclusive local economies, with more local employment and a large and more diverse business base. Specifically the project advances activities within the procurement, employment, ownership and asset pillars of CWB. This video explains more about the [Community Wealth Building Programme](#).

The project has three key elements:

- **CWB Business Locality Officers** – working with local organisations to facilitate CWB activities across the region;
- **CWB Fund** – a £1m fund to support place-based CWB activity, and the work of CWB locality officers; and
- **Fair Work Ayrshire** - a dedicated service that works with employers to implement Fair Work in workplaces across the Ayrshire.

The Programme aligns with existing local authority resource, including business development teams, employability programmes, regeneration activities, community development and locality/area partnerships. A total of 13 officers were recruited to support delivery of the Programme which is managed by North Ayrshire Council as the lead authority:

- A Programme Manager to support overall delivery of the programme;
- Nine CWB Business Locality Officers divided across the three Ayrshire Local Authorities (three officers in each council); and
- A Fair Work Ayrshire (FWA) Programme Manager and two Fair Work Ayrshire Project Officers.

The CWB officers and Fair Work Ayrshire team engage with businesses across Ayrshire through an array of support mechanisms. This included 1-2-1 support, Fair Work Action plans, networking opportunities through CWB pillar focused workshops, and providing financial assistance through the CWB Business Support Fund. The programme is performing well against targets and in many instances exceeding its key output targets. As of September 2023, the Programme has engaged with over 800 businesses across Ayrshire on CWB activities and it is likely that the overall programme target of supporting 900 enterprises will be exceeded.

In March 2023, the Programme hosted an in-person event at Ayrshire College in Kilmarnock. There were 130 attendees including local businesses, Third Sector enterprises and senior officers from across the public sector and further education institutions. There were a wide range of presentations including from Ayrshire businesses owners who shared their experiences of engaging with the Programme and why Community Wealth Building is important to them.





## Fair Work Ayrshire

The Fair Work Ayrshire Team are fully operational and have from April 2022 – September 2023:

- Engaged with 327 businesses across Ayrshire.
- Conducted 245 initial meetings to develop fair work action plans.
- Completed 124 Fair Work Ayrshire action plans.
- 52 Ayrshire businesses have been referred to secure real living wage for accreditation.
- 54 Ayrshire businesses have been referred to secure disability confident accreditation.
- 50 referrals to Working for a Healthy Economy (AGD) SALUS
- 26 referrals for Carer Positive scheme Scotland (following engagement with MSPs in Jan 23).
- 16 Ayrshire businesses have been signposted to create Modern Apprenticeship opportunities.
- 36 Ayrshire business have been signposted to learning & development opportunities.



**Cunninghame Housing Association/Citrus Energy/Cunninghame Furniture Recycling – recently Real Living Wage accredited and investing in local the community.**

Cunninghame Housing Association (CHA) through their Head of Social and Economic Development, Scott Mould, have been working hard over the last six months to reach Real Living Wage accreditation. This involved looking at all aspects of the business and associated contractors to ensure that the Real Living Wage is paid and promoted throughout the business and the social enterprise arm involved in furniture recycling. Due to the size of the organisation this had to be reviewed and staff understood the benefits to all staff in every aspect of the business. Cunninghame Housing Association is Disability Confident registered and are signing up to become a Carer positive and Scottish Credit and Qualifications Framework (SCQF) inclusive recruiter. Scott is keen to continue attracting talent to the organisation and will be looking at increasing staff development opportunities over the coming months. Cunninghame Housing Association has worked closely with North Ayrshire Council Employability team and have employed several Kickstart recruits and parents returning to work, providing training development and mentoring.



## Strategy Ambitions and Objectives

To ensure consistency in our approach, we remain committed to the five pillars of Community Wealth Building and our aspirations of being a Community Wealth Building Council. These commitments form our strategic objectives for how we will deliver Community Wealth Building in North Ayrshire.

As part of our vision for a wellbeing economy in North Ayrshire we recognise the crucial role of ensuring our local economy operates within safe and sustainable environmental limits and delivers on our Net Zero targets. Our commitment to environmental sustainability and climate action is therefore regarded as a cross-cutting theme which relates to all six of our Community Wealth Building Strategy objectives.



**Community Wealth Building Council** – We will work across all our services and wider local and regional partners to implement our pioneering approach to Community Wealth Building



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



**Fair Employment** – We will encourage the creation of fair and meaningful jobs with progression opportunities to unlock the potential of our residents



**Land and Assets** – We will support the wider regeneration of our communities by maximising all our land and assets including through alternative uses for community and business benefit



**Diverse Ownership** – We will support the creation and sustainability of a range of business models including SMEs, social enterprises, employee ownership, cooperatives, municipal activity and community enterprises





**Financial Power** – We will invest locally and encourage regional and national institutions to invest in our communities

## A Community Wealth Building Council

### **We will work across all our services and wider local and regional partners to implement our pioneering approach to Community Wealth Building**

We will continue to develop our pioneering approach to Community Wealth Building and achieve our long-term objective of being a Community Wealth Building Council.

Community Wealth Building is firmly woven throughout our Council Plan (2023-28) and will help us deliver a wellbeing economy and contribute to our vision of 'A North Ayrshire that is fair for all'.

This refreshed strategy recognises our intentions to engage a broader range of council services in Community Wealth Building to ensure that we are maximising all opportunities to leverage economic improvements for our communities. It also informs how we will work with our wider Anchor partners, local business base, communities and the Third Sector to develop, co-produce and maximise Community Wealth Building opportunities. We will ensure that Community Wealth Building strengthens and informs our approach to place-making by recognising and responding to the distinct needs and opportunities of our North Ayrshire localities.

In recognition of the fundamental threats posed by the climate crisis, we will take a Community Wealth Building approach to addressing the climate challenges and ensure a Just Transition for North Ayrshire.

## **What we will do:**

- Work with local and regional anchor institutions through the Community Wealth Building Commission and Regional Economic Strategy Delivery Group to deliver Community Wealth Building across North Ayrshire and the wider Ayrshire economy.
- Refresh the CWB Anchor Charter and work with partners to establish a wider Anchor Network to promote CWB across the region.
- Proactively engage with our communities and Third Sector organisations, for example development and community trusts, to provide a voice within CWB activities and support to develop, co-produce and maximise CWB opportunities.
- Analyse outcomes of the Ayrshire Growth Deal Community Wealth Building Programme to inform our ongoing support for businesses and enterprises.
- Ensure all North Ayrshire Council employees have an awareness of Community Wealth Building and undertake their role through a Community Wealth Building lens through provision of regular training and engagement sessions.
- Use our municipalisation strategy as a tool to secure and enhance local public services, fill gaps in provision where necessary and develop local skills to meet changing service needs.
- Use Community Wealth Building to deliver on our ambitions to become a carbon neutral Council and ensure a green and Just Transition for North Ayrshire.
- Encourage our staff and communities to shop and spend locally and highlight the benefit of this to support local jobs in the North Ayrshire and Ayrshire economy.
- Participate in national, regional and international Community Wealth Building and inclusive economy networks to identify and showcase best practice.
- Continue our conversations with young people about what Community Wealth Building and a Wellbeing Economy means to them.
- Deliver digital economic transformation for North Ayrshire by addressing digital constraints to an inclusive economy such as improving digital skills, infrastructure and connectivity, and digital innovation.
- In our role as partner, support both the Highlands and Islands and Ayrshire Regional Economic Partnerships to embed CWB approaches and maximise opportunities to increase local economic wealth and benefits.
- Continue to participate in the Scottish Government CWB Bill Steering Group and respond to requirements of any forthcoming Scottish Government legislation on CWB.
- Deliver CWB workshops for Island Plan Steering Groups to identify opportunities, scale and embed an island-wide CWB approach as the Island Plans are delivered, with the intention of creating greater local economic, community and environmental benefits.
- Develop and implement a CWB Action Plan for North Ayrshire Health and Social Care Partnership.
- Informed by our commitment to place-making, we will explore options for developing Community Wealth Building approaches at a locality level including consideration of unique island contexts.
- Work with the Scottish Government to establish a Regional Intelligence Hub in Ayrshire and explore options for further analysis and evaluation of Community Wealth Building.

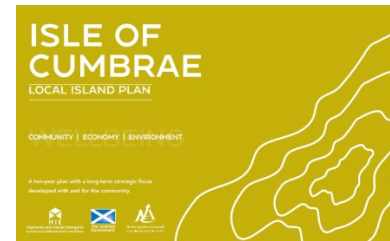
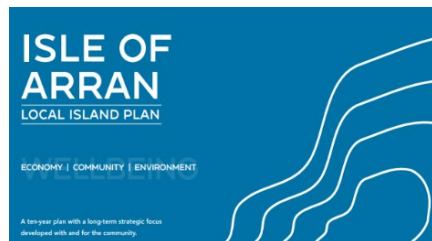
## Island Recovery and Renewal Pilot

The National Islands Plan (NIP) was published in December 2019 and provided a framework for action to meaningfully improve outcomes for island communities. Aligned to the National Islands Plan, the Council is participating in an ambitious three-year Islands Recovery and Renewal Pilot. Jointly funded by the Council, Scottish Government and Highlands and Islands Enterprise, the Pilot aims to support an inclusive and green economic recovery and renewal of North Ayrshire's island communities in line with their unique needs. A key part of the recovery and renewal is the development of ten-year socio-economic Island Plans for both [Arran](#) and [Cumbrae](#).

The Local Island Plans were developed in partnership with island communities, stakeholders and partners and were subsequently launched in early 2022. A key area of focus for the Island Recovery and Renewal Pilot is on closer and more coordinated working between the island communities, community planning partners, national and local government and agencies. This aims to ensure a stronger place-based partnership working and a whole systems approach to improve island wellbeing, including in areas such as housing and the economy.

Annual Action Plans for [Arran](#) and [Cumbrae](#) were developed alongside the Local Island Plans and set out the steps and actions to be progressed to deliver the vision for the future of each island. The Action Plans outline a framework to align with each island's key themes and priorities as well as draw on opportunities to contribute to Community Wealth Building principles and net zero objectives. Island geographies provide unique opportunities and challenges for Community Wealth Building and in recognition of this we will explore options for piloting a locality based approach to Community Wealth Building on Arran.

In support of the Island Plan Steering Groups, we will deliver workshops to communicate the benefits of Community Wealth Building and how it can be used to strengthen local economies, making them more resilient and sustainable. The workshops will provide an opportunity to identify opportunities to embed Community Wealth Building approaches within the island economies as well as share practical examples of good practice and consider how to overcome challenges.



## Progressive Procurement

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

Our 2020 Strategy set an ambitious target of increasing Council procurement spend with local businesses from 19.75% in 2020 to 26% by 2024. Following the launch of the strategy, new staff were appointed within the Business Support and Development team and new processes implemented across the Procurement and Business Support teams including:

- Engaging and supporting local suppliers to enable them to bid for contracts.
- Alerting local suppliers of future procurement opportunities and considering procurement options to promote local spend.
- Publishing a contracts register and two-year forward plan within an Annual Procurement Plan to provide visibility of opportunities.

As a result of this coordinated approach, we were able to achieve our local spend target one year early. In the year from April 2022 to March 2023 the amount spent with North Ayrshire businesses had increased by almost £6.4million on the previous year, equating to 26.04% of our total procurement spend going to local businesses. To build upon this success, a new target of 27% local spend has been set for achievement by 2027/28.

### **What we will do:**

- Maintain the corporate culture and status of procurement as a key feature of Community Wealth Building.
- Continue to work with anchor institutions through the Community Wealth Building Commission Procurement Workstream to explore opportunities for more local spend and identify and progress joint opportunities locally and regionally.
- Support our business base – including a wide range of business models – to enhance their capacity to bid for public sector contracts.
- Continue our proactive approach to procurement wave-planning which enables deeper market and locality engagement before commissioning.
- Proactively promote upcoming Council procurement opportunities including through Meet the Buyer events, early supplier engagement events and Prior Information Notices (PINs).
- Increase knowledge of local suppliers and identify gaps in the market to create locally-driven economic opportunities.
- Continue to maximise our approach to Community Benefits to ensure they meet our CWB ambitions and the needs of our communities. This will include exploring the creation of further apprenticeships through Community Benefit Clauses, building on the review of our Community Benefits policy and creation of the Community Benefits Wish List.

### Community Benefits Wish List – Barrmill and District Community Association

Our Community Benefits Wish List was launched in October 2021. This is an online “noticeboard” where community groups can submit “wishes” to the Council’s network of public sector contractors who can respond to the requests as part of Community Benefits within the procurement process. A total of 61 wishes have been delivered between October 2021 and August 2023. Wishes can involve requests for supplier time, expertise or materials that will help a community organisation – for example volunteering staff time to clear an overgrown community garden, support with developing architectural plans or supplying fresh baked rolls to community larders.

Barrmill and District Community Association run a successful community centre from a prefabricated former army barracks building in the centre of the village. The age of the building is beginning to show through general wear and tear, exacerbated by the centre having to pause lets and other activities due to COVID restrictions. Water is running into the centre in a few places from the roof, and the windows are reaching the end of their life. The association requested support through the Community Benefits Wish List in September 2021, with the first offer of support received a month later from City Building LLP, a Glasgow-based construction firm who delivering a contract to supply new kitchen units for North Ayrshire Council. Based on the association’s wish submissions, City Building undertook a roof survey for the group in December 2021. This provided an up to date picture of the hall’s structure along with recommended next steps regarding further work and the type of advice required to inform the future of the building. One of these recommendations was to undertake a more in depth structural survey to investigate some of the areas the roof surveyor highlighted.

A surveyor was identified 7 months later, in July 2022. Faskin Group, a roofing contractor for the Council, covered the cost of a fabric condition survey report. These two surveys updated the information the association held about their building, which was previously a barrier to identifying appropriate solutions. Using the surveys as match funding evidence, the Council’s Funding Officer, with support from the Regeneration Team, has been supporting the group through an application to the Repurposing Property Grant Fund (RPGF). The group’s RPGF application has been successful and they have been awarded £10,000 to allow them to carry out a feasibility study to provide options in respect of refurbishing/rebuilding the community centre to ensure that it is not lost to the community.



## Fair Employment

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

We are ambitious for our North Ayrshire residents and are committed to providing good quality jobs, with training and progression opportunities. In collaboration with a range of partners we have successfully delivered a range of employability services including:

- EQUAL Supported Employment Programme supports people with disabilities or long-term health conditions into sustainable employment. It also supports employers to create an environment where a person with disabilities can work effectively.
- Skills for Life offers 6 month placements for parents within a vocational mentored programme. Between 2017 and 2022, the programme supported 132 placements in council services and 45 placements within Anchor and Third Sector organisations.
- Streetscene Training Academy provides high quality vocational 26 week real living wage placements for long term unemployed participants. These provide training and accredited qualifications to support progress into sustainable employment within the Council and externally whilst delivering environmental improvements across North Ayrshire.

As demonstrated by the Ayrshire Community Wealth Building Anchor Charter, we are driving engagement on Fair Employment

### **What we will do:**

- Continue to work with anchor institutions to review workforce policy and planning and ensure Ayrshire is recognised as a Fair Work region, building on success of the CWB Commission Fair Employment workstream.
- Support our businesses to implement Fair Work principles and flexible working opportunities including promotion of case studies and good practice.
- Deliver employability programmes which support residents to improve their income from employment, reducing child poverty and the impacts of the cost of living crisis.
- Recognising health as an ongoing barrier to an inclusive and wellbeing economy in North Ayrshire, deliver our 'EQUAL' supported employment programme and work with Ayrshire partners to deliver Working for a Healthy Economy as part of the AGD.
- Aspire to align employability support with locality partnerships to ensure enhanced access to provision across North Ayrshire.
- Support other employers to achieve Disability Confident status, following our attainment of this status.
- Develop a video to promote the Council as an 'Employer of Choice' highlighting our good Terms and Conditions and opportunities for flexible working.
- Work with key partners and anchor institutions to deliver a new apprenticeship programme which supports future workforce needs and provides high quality opportunities for young people across a range of apprenticeship offers including Modern, Graduate and Foundation.
- Engage with services and anchor partners to better understand the barriers to recruitment and particularly for entry level roles, take steps to make the recruitment application process more accessible.
- Support the creation of an Island Skills Coordinator post, as identified in the Arran CVS Skills Audit Report 2023 that links the local curriculum officer and skills development initiatives to the needs of the Arran economy, providing choice, chance and collaborative approaches to addressing labour and skills shortages, upskilling and re-skilling and to address depopulation and improve opportunities for the working age population.

with our local and regional Anchor partners. Delivered through the Fair Employment workstream as part of the CWB Commission workplan, our Anchor partners are looking at ways to encourage more local recruitment, including from priority groups, as well as growing local skills and ensuring Ayrshire has a broad offering of accessible apprenticeship and volunteering opportunities.



### Step Into Business

North Ayrshire has over 1100 lone parents claiming universal credit. Family poverty remains high in North Ayrshire and is currently the second highest rate in Scotland. To help move more families into good quality, local employment, the Council developed Step Into Business – a pilot programme which works with our local and regional Anchor Institutions and private sector to encourage fair and flexible recruitment pathways for parents entering or returning to the labour market.

The programme has been shaped by discussions with parents who identified the key challenges associated with entering the labour market. Informed by these conversations, the programme provides pre-employment advice, childcare support, money management advice, wellbeing advice, in-work support and ‘moving on’ sessions. Delivered in partnership with Ayrshire College, We Work for Families and supported by the wider employability partnership, it is a truly collaborative approach between the Council and Anchor partners to improve employment opportunities for local residents.

Nine parents are being supported via the programme with employers hosting six month fully funded placement opportunities within administration or customer service roles. Parents are paid the Real Living Wage and given the option of flexible working patterns to support family life. Employers are encouraged to provide meaningful, positive, and supportive mentored placements that allows parents to gain the knowledge required to complete their SVQ qualification.

To date the programme has been very successful. One parent within the cohort recently secured a new post within the NHS. To allow parents to gain more experience, posts hosted by Anchors have also been extended for a further six months at a reduced cost to the employer. It is hoped that two further cohorts of parents will be supported by the programme in the coming months.



## Land and Assets

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

We are committed to supporting our communities and businesses to use and take ownership of local assets, in a way which is appropriate for them and which helps address unique local issues or aspirations.

In 2022 Lochshore Park Hub opened to the public, regenerating a major long-term strategic site and bringing 64.73ha of vacant and derelict land back into productive use. A site of a former steelworks, it was purchased by the Council from Scottish Enterprise in 2021 and now is an excellent example of a productive asset for the community with a café, accessible public toilets and meeting space.

Millport Town Hall was purchased by the community in 2019 and is currently undergoing a significant renovation programme to create a sustainable, accessible and multifunctional space for the people of Cumbrae. The renovation has been supported by a range of sources including Community Investment Funding (CIF) from the Council and the Scottish Government's Islands Programme and Regeneration Capital Grant Fund.

Repurposing of council owned land also provides an opportunity to tackle the climate emergency and reinvest financial returns from renewable energy generation back into North Ayrshire. The construction of solar photovoltaic farms at two former landfill sites in Irvine, Nethermains and Shewalton is now imminent. Together they are expected to provide two-thirds of the council's energy needs.

#### **What we will do:**

- Develop our approach to using our land and assets for community benefit through the delivery of our Repurposing Property Grant Fund, Vacant and Derelict Land Strategy (2023-2028) and the Place Based Investment Programme.
- Ensure our commercial property portfolio and business development offer supports the growth of local businesses, social enterprise and entrepreneurial activity.
- Roll out Place Frameworks for towns across North Ayrshire and consider opportunities to add value through CWB such as alternative use of land and property assets, partnership working and supporting diverse ownership models.
- Continue to support Community Asset Transfer and support community capacity building to grow community ownership.
- Review potential sites for increased town centre living, in line with actions from the Regional Economic Strategy.
- Explore the feasibility of creating a CWB assessment framework for development proposals.
- Guided by NPF4, we will embed CWB and related policies such as 20 Minute Neighbourhoods within LDP3, ensuring future developments take account of local economic priorities and provide benefits for communities.
- Utilise our land and property assets to support a green transition including active travel routes and developing low carbon and renewable energy schemes and networks, such as Nethermains and Shewalton Solar PV.

Progress continues to develop a renewable energy framework for i3 aligned to the wider Ayrshire Growth Deal investment.

#### Repurposing Property Grant Fund

The Repurposing Property Grant Fund (RPGF) was created to help support landowners and community groups to bring smaller vacant land and property sites back into use. It provides financial support to investigate these sites and allow business and the community to explore alternative uses. It aims to:

- Enable or support the repair or redevelopment of vacant land and buildings.
- Act as a catalyst to promote future investment from the private sector and external funding.
- Safeguard the future of prominent buildings by indicating how high-quality conversion may be achieved.
- Enable the Council to map development potential and barriers to development.

Stage 1 of the programme supports property owners or community groups to carry out feasibility studies to identify potential options for the sites and their viability. A total of £149, 271 has been awarded to date across thirteen projects. This has allowed one previously vacant site to achieve planning permission for three industrial units in Saltcoats. Three community groups are using the funds to explore the re-use of key assets within their community and are being supported to understand the steps required to acquire the sites and access funding streams to improve the area for their communities.

Stage 2 of the fund commenced in summer 2023 and will build upon the feasibility works undertaken at Stage 1. Grants of up to £50,000 are available to support landowners to prepare detailed designs, obtain necessary consents, confirm costs and to identify sources of funding. The assessment process prioritises applications relating to North Ayrshire Locality priorities, long-term vacant sites, and historic or prominent buildings or sites in proximity to Town Centres.

## Diverse Ownership

**We will support the creation and sustainability of a range of business models including SMEs, social enterprises, employee ownership, cooperatives, municipal activity and community enterprises**

By supporting the creation and transition to more diverse business ownership models within North Ayrshire we are putting more economic control into the hands of local people and communities. Local enterprises are more likely to care about what happens in their communities and often have strong social and environmental values that respect the needs and views of local people. We recognise the strong links between Diverse Ownership and other pillars of Community Wealth Building. For example we will ensure our approach to maximising use of our Land and Assets includes consideration of new organisations and enterprises and actively supports diverse ownership models.

Diverse ownership models include social and community enterprises, employee owned companies, co-operatives, small and medium sized enterprises (SMEs) (including family businesses) and municipal ownership.

Together with Cooperative Development Scotland (CDS), our Business Support and Development team are committed to supporting local enterprises to explore alternative business models. In 2022 they supported Kilwinning based Shuttle Buses to transition to employee ownership, giving all 70 members of staff a meaningful stake in the business and a genuine voice in how it is run. Employee-owned businesses are more resilient during times of economic crisis, as well as more profitable, more productive and have greater staff engagement.

### What we will do:

- Support the development of wider forms of progressive business ownership including employee ownership, cooperatives, community businesses, and social enterprises.
- Support our business base to embed fair work practices, workplace innovation and reducing their environmental impact.
- Support work via the RES to undertake research to map and analyse the 3rd sector in North Ayrshire and provide support for the sector to grow and develop.
- Encourage and support the conversion of existing businesses to employee ownership.
- Continue to offer specialist support to family owned businesses through Scotland's first Family Business Advisor.
- Consider alternative delivery models and feasibility studies for large scale regeneration opportunities.



### Jack's Alt Stays – Cumbrae

Jack's Alt Stays is a unique accommodation offering on the Isle of Cumbrae. Established by cousins Daniel and Adam, they provide five alternative eco-cabins only a short walk from Millport.

Since the early stages of design and construction Daniel and Adam have demonstrated a strong commitment to using local suppliers and tradespeople. The cabins were brought to life by Largs based architects Stewart Associates and Stevenston based local builders System 5. Being based locally, Daniel and Adam were able to work closely with the architects and builders, ensuring they were involved in every step of the process and could make decisions along the way. It also enabled the production of a series of YouTube videos tracking the [construction journey](#) which raised awareness to the public and became a powerful marketing tool for attracting visitors.

Jack's Alt Stays is also committed to supporting other local businesses on Cumbrae, demonstrating the value that locally owned SMEs bring to the economy. They use local produce and suppliers where they can and signpost guests to other local businesses and attractions, helping to keep tourist spend local and within other SMEs. For example their optional breakfast add-ons includes produce from the Cumbrae butchers and milk and orange juice from a dairy on Largs. Offering these high quality items supports other local businesses and encourages visitors to purchase food on the island rather than doing their shopping at large mainland supermarkets before they arrive.

Jack's Alt Stays recognise the importance of employing locally and supporting their staff. It provides much needed secure and year-round employment for five members of staff, all of whom live on Cumbrae, including three Ukrainians who have recently settled on the island.

As plans for the future develop, Daniel and Adam remain committed to the principles of Community Wealth Building and keeping it local, having seen the benefits and opportunities it creates for their business and the local economy on Cumbrae.

## Financial Power

### **We will invest locally and encourage regional and national institutions to invest in our communities**

We know that investing locally empowers our communities and enterprises and acts as a catalyst for delivering a wide range of social, economic and environmental outcomes. We are committed to ensuring that our communities have a voice and are fully engaged in how money is invested locally. Our innovative Community Investment Fund (CIF), Communities and Place Fund, and excellent track record in delivering Participatory Budgeting are examples of how we use our financial power as a local authority to invest in projects and causes which are important to our communities.

As part of an action within the 2020 Community Wealth Building Strategy we investigated the feasibility of establishing a mutually-owned Community Bank within North Ayrshire. Although the research concluded a bank within North Ayrshire was not currently feasible, we know that other banking options such as locally based credit unions are important services which provide safe, inclusive and accessible finance options for our residents.

#### **What we will do:**

- Continue to promote work with 1st Alliance Community Bank to increase financial literacy and encourage progressive finance.
- Continue to empower our communities through our Community Investment Fund (CIF).
- Showcase North Ayrshire as part of the wider Ayrshire region to promote our investment opportunities to regional and national institutions to gain investment in our communities, in partnership with actions under the RES.
- Develop our progressive and leading approach to Participatory Budgeting by moving towards mainstreaming participatory budgets, including through our approach to allocating external funding and further empowering our local communities.
- Embed CWB within the development of Ayrshire Growth Deal business cases to ensure lasting benefits for our businesses and communities.



## How we will monitor our progress

We will regularly monitor progress on each of the 53 actions detailed within this 2024-2027 Community Wealth Building Strategy. This will ensure we deliver our objectives across all Community Wealth Building pillars and are on track to achieving our vision of a Wellbeing Economy for North Ayrshire.

We will also use our Inclusive Economy Dashboard to track our progress on delivering a Wellbeing Economy. Our Economic Recovery and Renewal Approach published in September 2020 outlined an action to ‘develop an Inclusive Economy Dashboard to track inclusive and green economic recovery.’ Based on the Doughnut Economics model, the Inclusive Economy Dashboard recognises that an inclusive and wellbeing economy must be based upon an acceptable social foundation and operate within safe and sustainable environmental limits. The revised Dashboard will act as a framework to ensure our Community Wealth Building approach is being used to develop our local economy in a way which is socially inclusive but also within safe environmental limits.

The Inclusive Economy Dashboard also provides insight to the broader national context within which we operate as a Council and forms part of our Council Plan Performance Management Framework. These contextual indicators give a sense of national trends and complex social, economic and environmental challenges facing a variety of councils. It will act as a guiding framework for collaborating with our Anchor partners and wider national organisations on shared goals and challenges.

### The Stevenston Community Hub

The idea behind Stevenston Hub was developed by Raise Your Voice with Ardeer (RYVwA) and initially focussed on re-establishing public toilets at Stevenston Beach. Following a community consultation, it was determined that in addition to public toilets, the community also wanted somewhere to meet and socialise, inspiring the idea of establishing a ‘community hub’.

Through various funding streams, RYVwA raised nearly £500,000 which included Scottish Government’s Regeneration Capital Grant Fund and £250,000 from North Ayrshire Council’s Community Investment Fund (CIF). Initially RYVwA received £100,000 in CIF funding however post lockdown it became apparent that material and other costs had risen substantially. The group returned to the Three Towns Locality Planning Partnership (TTLPP) requesting a further £150,000 to complete the build. CIF money was used to undertake another community consultation, fund concept and design, architectural and planning activities as well as the supply of utilities and project build management.

In February 2023, RYVwA held a ‘soft’ opening of the community facility and ‘Doon the Beach’ café. The hub and café very quickly became a go-to meeting place and refreshment stop for locals, dog walkers, cyclists and walking groups. A formal public opening and fun day was held on the 8<sup>th</sup> of July with over 2000 people in attendance and taking part in a range of activities.

The support received via the CIF allowed the project to become a reality and is not only meeting the needs and expectations of the local community, but also contributing to the delivery of the Three Towns Locality Priorities.





## Appendix 1 – Our 2024-2027 Community Wealth Building Strategy Actions

Number	Pillar	Action
1	CWB Council	Work with local and regional anchor institutions through the Community Wealth Building Commission and Regional Economic Strategy Delivery Group to deliver Community Wealth Building across North Ayrshire and the wider Ayrshire economy
2	CWB Council	Refresh the CWB Anchor Charter and work with partners to establish a wider Anchor Network to promote CWB across the region
3	CWB Council	Proactively engage with our communities and Third Sector organisations, for example community and development trusts, to provide a voice within CWB activities and support to develop, co-produce and maximise CWB opportunities
4	CWB Council	Analyse outcomes of the Ayrshire Growth Deal Community Wealth Building Programme to inform our ongoing support for businesses and enterprises
5	CWB Council	Ensure all North Ayrshire Council employees have an awareness of Community Wealth Building and undertake their role through a Community Wealth Building lens through provision of regular training and engagement sessions
6	CWB Council	Use our municipalisation strategy as a tool to secure and enhance local public services, fill gaps in provision where necessary and develop local skills to meet changing service needs
7	CWB Council	Use Community Wealth Building to deliver on our ambitions to become a carbon neutral Council and ensure a green and Just Transition for North Ayrshire
8	CWB Council	Encourage our staff and communities to shop and spend locally and highlight the benefit of this to support local jobs in the North Ayrshire and Ayrshire economy
9	CWB Council	Participate in national, regional and international Community Wealth Building and inclusive economy networks to identify and showcase best practice
10	CWB Council	Continue our conversations with young people about what Community Wealth Building and a Wellbeing Economy means to them
11	CWB Council	Deliver digital economic transformation for North Ayrshire by addressing digital constraints to an inclusive economy such as improving digital skills, infrastructure and connectivity, and digital innovation

12	CWB Council	In our role as partner, support both the Highlands and Islands and Ayrshire Regional Economic Partnerships to embed CWB approaches and maximise opportunities to increase local economic wealth and benefits
13	CWB Council	Continue to participate in the Scottish Government CWB Bill Steering Group and respond to requirements of any forthcoming Scottish Government legislation on CWB
14	CWB Council	Deliver CWB workshops for Island Plan Steering Groups to identify opportunities, scale and embed an island wide CWB approach as the Island Plans are delivered, with the intention of creating greater local economic, community and environmental benefits
15	CWB Council	Develop and implement a CWB Action Plan for North Ayrshire Health and Social Care Partnership
16	CWB Council	Informed by our commitment to place-making, we will explore options for developing Community Wealth Building approaches at a locality level including consideration of unique island contexts
17	CWB Council	We will work with the Scottish Government to establish a Regional Intelligence Hub in Ayrshire and explore options for further analysis and evaluation of Community Wealth Building
18	Progressive Procurement	Maintain the corporate culture and status of procurement as a key feature of Community Wealth Building
19	Progressive Procurement	Continue to work with anchor institutions through the Community Wealth Building Commission Procurement Workstream to explore opportunities for more local spend and identify and progress joint opportunities locally and regionally
20	Progressive Procurement	Support our business base – including a wide range of business models – to enhance their capacity to bid for public sector contracts
21	Progressive Procurement	Continue our proactive approach to procurement wave-planning which enables deeper market and locality engagement before commissioning
22	Progressive Procurement	Proactively promote upcoming Council procurement opportunities including through Meet the Buyer events, early supplier engagement events and Prior Information Notices (PINs)
23	Progressive Procurement	Increase knowledge of local suppliers and identify gaps in the market to create locally-driven economic opportunities

24	Progressive Procurement	Continue to maximise our approach to Community Benefits to ensure they meet our CWB ambitions and the needs of our communities, including exploring the creation of further apprenticeships through Community Benefit Clauses, building on the review of our Community Benefits policy and creation of the Community Benefits Wish List
25	Fair Employment	Continue to work with anchor institutions to review workforce policy and planning and ensure Ayrshire is recognised as a Fair Work region, building on success of the CWB Commission Fair Employment workstream.
26	Fair Employment	Support our businesses to implement Fair Work principles and flexible working opportunities including promotion of case studies and good practice
27	Fair Employment	Deliver employability programmes which support residents to improve their income from employment, reducing child poverty and the impacts of the cost of living crisis
28	Fair Employment	Recognising health as an ongoing barrier to an inclusive and wellbeing economy in North Ayrshire, deliver our 'EQUAL' supported employment programme and work with Ayrshire partners to deliver Working for a Healthy Economy as part of the AGD.
29	Fair Employment	Aspire to align employability support with locality partnerships to ensure enhanced access to provision across North Ayrshire
30	Fair Employment	Support other employers to achieve Disability Confident status, following attainment of our Disability Confident Leader status.
31	Fair Employment	Develop a video to promote the Council as an 'Employer of Choice' highlighting our good Terms and Conditions and opportunities for flexible working.
32	Fair Employment	Work with key partners and anchor institutions to deliver a new apprenticeship programme which supports future workforce needs and provides high quality opportunities for young people across a range of apprenticeship offers including Modern, Graduate and Foundation.
33	Fair Employment	Engage with services and anchor partners to better understand the barriers to recruitment and particularly for entry level roles, take steps to make the recruitment application process more accessible.

34	Fair Employment	Support the creation of an Island Skills Coordinator post, as identified in the Arran CVS Skills Audit Report 2023 that links the local curriculum officer and skills development initiatives to the needs of the Arran economy, providing choice, chance and collaborative approaches to addressing labour and skills shortages, upskilling and re-skilling and to address depopulation and improve opportunities for the working age population
35	Land and Assets	Develop our approach to using our land and assets for community benefit through the delivery of our Repurposing Property Grant Fund, Vacant and Derelict Land Strategy (2023-2028) and the Place Based Investment Programme.
36	Land and Assets	Ensure our commercial property portfolio and business development offer supports the growth of local businesses, social enterprise and entrepreneurial activity.
37	Land and Assets	Roll out Place Frameworks for towns across North Ayrshire and consider opportunities to add value through CWB such as alternative use of land and property assets, partnership working and supporting diverse ownership models.
38	Land and Assets	Continue to support Community Asset Transfer and support community capacity building to grow community ownership.
39	Land and Assets	Review potential sites for increased town centre living, in line with actions from the Regional Economic Strategy.
40	Land and Assets	Explore the feasibility of creating a CWB assessment framework for development proposals.
41	Land and Assets	Guided by NPF4, we will embed CWB and related policies such as 20 Minute Neighbourhoods within LDP3, ensuring future developments take account of local economic priorities and provide benefits for communities.
42	Land and Assets	Utilise our land and property assets to support a green transition including active travel routes and developing low carbon and renewable energy schemes and networks, such as Nethermains and Shewalton Solar PV farms.
43	Diverse Ownership	Support the development of wider forms of progressive business ownership including employee ownership, cooperatives, community businesses, and social enterprises
44	Diverse Ownership	Support our business base to embed fair work practices, workplace innovation and reducing their environmental impact

45	Diverse Ownership	Support work via the RES to undertake research to map and analyse the 3rd sector in North Ayrshire and provide support for the sector to grow and develop.
46	Diverse Ownership	Encourage and support the conversion of existing businesses to employee ownership.
47	Diverse Ownership	Continue to offer specialist support to family owned businesses through Scotland's first Family Business Advisor.
48	Diverse Ownership	Consider alternative delivery models and feasibility studies for large scale regeneration opportunities.
49	Financial Power	Continue to promote work with 1st Alliance Community Bank to increase financial literacy and encourage progressive finance.
50	Financial Power	Continue to empower our communities through our Community Investment Fund (CIF).
51	Financial Power	Showcase North Ayrshire as part of the wider Ayrshire region to promote our investment opportunities to regional and national institutions to gain investment in our communities, in partnership with actions under the RES.
52	Financial Power	Develop our progressive and leading approach to Participatory Budgeting by moving towards mainstreaming participatory budgets, including through our approach to allocating external funding and further empowering our local communities
53	Financial Power	Embed CWB within the development of Ayrshire Growth Deal business cases to ensure lasting benefits for our businesses and communities



**NORTH AYRSHIRE COUNCIL**

**20 February 2024**

**Cabinet**

**Title:** **Social Housing Net Zero Standard (SHNZS) Consultation**

**Purpose:** To provide Cabinet with details of the proposed new Social Housing Net Zero Standard (SHNZS) and to seek approval of the proposed response to the Scottish Government consultation.

**Recommendation:** That Cabinet: (i) notes the potential implications arising from the introduction of the Social Housing Net Zero Standard; and (ii) approves the proposed response at Appendix 1 to the consultation document.

**1. Executive Summary**

- 1.1 North Ayrshire Council has been improving the energy efficiency of its housing stock in accordance with the Energy Efficiency Standard for Social Housing (ESSH) since its introduction in 2014. We have performed well against the original standard; in 2023 we achieved 98.7% compliance.
- 1.2 A second edition of the standard (ESSH2) was confirmed in 2019, setting a target date of 2032 for compliance. In October 2022, the Scottish Government announced a review of the planned ESSH2 standard in the wider context of the target for net zero heat homes, as set out in the Scottish Government’s Climate Change Update, the Heat in Buildings Strategy, and the Housing to 2040 Route Map.
- 1.3 In response to this review, the Scottish Government has launched its consultation on a new ‘Scottish Housing Net Zero Standard’ (SHNZS) which will replace ESSH2.
- 1.4 The proposed SHNZS builds upon the Scottish Government’s commitment to a fabric first approach and proposes: a new fabric efficiency rating measured in kilowatt hours per metre squared (kWh/m<sup>2</sup>) per year (level to be confirmed); and a requirement to replace polluting heating systems with a clean heating alternative by a backstop date of 2045.
- 1.5 There are a number of implications arising from the proposed introduction of the new SHNZS, and these are set out within the report below and within the proposed consultation response attached at Appendix 1. Cabinet approval is sought for submission of the consultation response to the Scottish Government.

## 2. Background

2.1 The new SHNZS builds on the previous Energy Efficiency Standard in Social Housing (ESSH). ESSH was introduced in March 2014 and set a first milestone for social landlords to meet by 31 December 2020. A second milestone (ESSH2) was confirmed in June 2019, for social rented houses to meet by December 2032. The ESSH2 milestone was that:

*‘All social housing meets, or can be treated as meeting, EPC Band B (Energy Efficiency rating), or is as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent.’*

2.2 North Ayrshire Council’s housing stock has performed very well when measured against the original ESSH standard, reaching 98.7% compliance in 2023. The relatively small percentage of failures are of a construction type or layout that means further adaptations are not practical to install. Despite our high performance when measured against the ESSH standard, less than 8% of North Ayrshire Council properties met the requirements of the proposed ESSH2. This was typical across other local authorities and Registered Social Landlords (RSLs).

2.3 In March 2021, the Zero Emissions Social Housing Taskforce (ZEST) was convened by the then Minister for Local Government, Housing and Planning. The Taskforce reviewed the opportunities, barriers, and solutions for social housing in order to maximise its contribution to the Scottish Government’s climate change targets, including in response to feedback in terms of the challenges of meeting ESSH2 across the social rented housing sector.

2.4 Interim guidance on the implementation of the ESSH2 standard was then issued by the Scottish Government on 31 October 2022. This guidance suspended the ESSH2 milestones and the reporting of stock performance against the revised standard (reverting back to ESSH1) until the ZEST review was completed.

2.5 The ZEST report was published in August 2021 and recommended that a review of the current ESSH guidance be brought forward and to agree new milestones which were more closely aligned with the national 2045 net zero target.

2.6 The Scottish Government has now published its consultation on the replacement for ESSH2, which will be called the Social Housing Net Zero Standard (SHNZS).

2.7 The consultation period closes in March 2024, following which the Scottish Government will commission an independent analysis of the feedback received. The new Standard is expected to be introduced by 2025 at the earliest.

### The Proposed Standard

2.8 The SHNZS proposes a new fabric efficiency rating (which focuses on the amount of energy for heat consumed by a property) measured in kWh/m<sup>2</sup>/year. The level and implementation date will be confirmed after consultation. This reflects a change from ESSH2, which relied on an Energy Performance Certificate (EPC) rating.



2.9 Alongside other provisions, the SHNZS also includes a requirement to replace polluting heating systems with a clean alternative by a backstop date of 2045. Interim target dates will be confirmed after consultation.

### SHNZS Implications

2.10 If introduced, the proposed SHNZS would have a variety of implications for the Council, with the main challenge being financial. The steps required to achieve EESSH and EESSH2 were not funded by the Scottish Government and this is set to continue under the SHNZS. While funding is provided indirectly through the Strategic Housing Investment Plan for new-build properties, improvement of our current stock has been funded through rental income. The consultation paper has estimated that the costs for the provision of the clean heating element of the new standard national are £4.6 billion.

2.11 Currently, £132m has been allocated in the Council's 30 Year HRA Business Plan to make energy efficiency improvements within the existing stock. Existing capital plans also include £111m for heating replacement, however, this is based on provision of gas systems. Initial estimates for replacing gas systems with air-source heat pumps indicate costs in the region of £370m alone. This underlines the scale of the funding gap, and does not include additional fabric improvement investment required to meet the proposed new fabric efficiency rating.

2.12 At present, however, the full costs of meeting the proposed new SHNZS cannot be fully quantified as the technical requirements of the Standard are not yet confirmed. Also, there is likely to be a need for data relating to our existing stock to be updated to align with the new Standard's requirements.

2.13 There a variety of other implications which are reflected in the proposed consultation response at Appendix 1. Some of the key concerns include:

- Clean Heating – alongside the financial implications noted above, there are technical challenges associated with retrofitting air source heat pumps (space requirements internally, implications of new, larger radiators required), and additional disturbance to tenants and additional maintenance costs. The running costs of clean heating will need to be carefully considered to ensure tenants are not put at greater risk of fuel poverty.
- Fabric improvements – to meet the proposed standard and ensure the viability of clean heating systems, the majority of properties will require additional fabric measures. Full costs for fabric improvements are unknown at this time, however officers are progressing a pathfinder project on a sample of our housing stock to gather detailed information in this area, and consideration will also need to be given to cyclical replacement of these measures.
- Air Tightness – additional costs arising from the design, installation and maintenance of mechanical ventilation systems will be required following enhanced fabric measures to ensure adequate ventilation arrangements and address additional risks of increased condensation, dampness and mould issues.

- Business Planning – major revision of the 30 Year HRA business plan will be required to ensure delivery aligns with the SHNZS proposals, with significant financial pressure as a result.
- Multi-tenure – the proposed SHNZS is likely to only be achievable if additional funding sources are made available to support private owners' involvement with retrofit works in multi-tenure blocks.
- Infrastructure concerns – it is unlikely that the current national electricity infrastructure has sufficient capacity to cope with increased electrification of heating.
- Skills and supply chain- new training and skills development will be required for Building Services and our external contractors in relation to installation, maintenance and repair of new systems, alongside development of the supply chain to ensure adequate availability of systems and replacement parts.
- Tenant engagement – the move towards clean heating systems will require extensive tenant engagement to ensure buy-in of changes and effective operation of alternative heating systems.

2.14 The proposed consultation response at Appendix 1 welcomes the principles of the new Standard, which align with the Council's net zero aspirations, but clearly articulates the need for detailed further discussions in relation to the financial, technical and other challenges that the new Standard would bring.

2.15 Although we cannot currently quantify the full impact of the proposed new SHNZS, without significant support from external sources, the full cost will require to be borne by tenants' rents. This raises significant concerns in relation to affordability and therefore deliverability. There is an opportunity for the Scottish Government to further consider grant funding arrangements to 'pump-prime' early adoption and delivery of the fabric measures and new clean heating systems required to stimulate the supply chain and establish more sustainable costs for future delivery of the SHNZS.

### **3.0 Proposals**

3.1 It is proposed that Cabinet:

- (i) notes the potential implications arising from the introduction of the Social Housing Net Zero Standard; and (ii) approves the proposed response at Appendix 1 to the consultation document.

## **4.0 Implications/Socio-economic Duty**

### **Financial**

4.1 The current HRA 30 Year Business Plan does not include provision for the full, proposed SHNZS requirements. The costs and associated impact on the HRA Business Plan will need to be carefully considered taking account of inflation, cyclical replacement and maintenance once further clarity on the final SHNZS is provided.

### **Human Resources**

- 4.2 The implementation of the new SHNZS may have additional human resource implications. This will be confirmed when the detailed nature of proposals are clarified.

### **Legal**

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

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

- 4.4 There are additional costs associated with implementation of the fabric improvements and clean heating solutions associated with the new SHNZS. This is likely to have implications for future rent levels. The consultation response also notes the risk of higher running costs associated with electrified heating systems, which could put tenants at greater risk of fuel poverty.

### **Climate Change and Carbon**

- 4.5 The proposals aim to:

- make a positive contribution to national carbon reduction targets;
- contribute to the North Ayrshire Council Climate Emergency declaration and commitment to be a net zero authority by 2030; and
- contribute to the delivery of the Sustainable North Ayrshire Strategy

### **Key Priorities**

- 4.6 The proposals contained within the report support the North Ayrshire Council Plan priority of addressing climate change and ensuring the provision of high quality housing.

### **Community Wealth Building**

- 4.7 There are no immediate Community Wealth Building implications arising from this report.

## 5.0 Consultation

5.1 A number of services were involved in the preparation of the consultation response, including:

- Property Management and Investment
- Housing Services
- Energy and Sustainability
- Building Services
- Building Standards

RUSSELL McCUTCHEON  
Executive Director (Place)

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

## Respondent Information Form

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Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

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We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes  
 No

## Questionnaire

### Question 1

To what extent do you support the use of a fabric efficiency rating, based on heat demand, in the SHNZS?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

The introduction of the proposed rating would support national and local net zero targets. The rating would support the proposed energy efficiency standard (fabric measures) for the Heat in Buildings Bill, which is currently out for consultation. The rating would complement national fuel poverty targets and support reduced energy costs for tenants. North Ayrshire Council's Local Heat and Energy Efficiency Strategy has identified specific fabric measures which would improve energy efficiency and reduce fuel poverty, supporting the new rating proposal.

This approach should also incentivise improvements to fabric efficiency as it gives a clearer measure of fabric performance and will align with changes to the EPC.

We suggest further information will need to be provided to identify the most suitable fabric upgrades, for example data relating to the fabric performance of the property to ensure modelling is accurate and aligns to the new calculation method.

The Council is currently progressing a pathfinder project to help determine the different levels of fabric improvements possible for our stock types, achievable performance gains, and the associated costs to both the Council and the tenants in terms of capital, operating and lifecycle costs to inform our preparedness for the new standards.

We would support the new rating being linked to or replacing existing assessments e.g. EPCs and alignment with Building Standards where these are applicable to the work being undertaken.

Our principal concern is in relation to affordability and the burden the new standard will place on tenants due to the anticipated costs involved. We consider it essential that Scottish Government makes addition funding available in the first instance to support early delivery through pathfinder projects, which would develop further understanding on new technologies and stimulate the supply-chain to drive costs down to a more sustainable level. This 'pump-priming' is a similar approach to that taken in encouraging installation of solar panels, electric vehicle charging infrastructure etc.

## Question 2

Of the options presented for the fabric efficiency rating, which one do you support for the new SHNZS?

### Option 2 - kWh/m<sup>2</sup> - Space Heating only

We would be supportive of the incremental approach (for example with an EPC 'C rating' by 2033 and EPC B by 2040).

This will provide a clear initial target with a back-stop date for full compliance.

Within the options, we support the space heating demand only measure to ensure that the fabric efficiency rating provides a baseline to measure against, should non-fabric measures be introduced (i.e. changes to heating/hot water/solar PV etc.)

The fabric of the building should be viewed as a long-term feature, whilst hot water systems have a shorter life span. Including domestic hot water demand within the calculation may complicate the metric and lessen the focus on the fabric measures. We also believe that mixed tenure and mixed use properties and different legislative timescales could pose challenges for fabric retrofits in terms of achieving economies of scale and securing support from other owners to proceed with improvements.

## Question 3

Are there additional options for the fabric efficiency rating that you think should be included? If yes, please describe these here:

No; we have not identified additional options for fabric efficiency rating. We would urge that there is consistency with any ratings/standards across housing tenures to avoid confusion.

## Question 4

What, if any, are your views on how performance against the fabric efficiency rating should be measured?

We support the proposal to measure performance using SAP methodology. This aligns with our current approach.

**Question 5**

What are your views, if any, on the proposal for a minimum fabric efficiency standard?

We support the proposal for a minimum fabric efficiency standard as this provides clear guidance for landlords. However, we suggest that there must be suitable and clear exemptions where such measures are not technically feasible or cost effective.

The development of the LHEES indicated that a fabric first approach could have an immediate impact on reducing carbon emissions. However, hard to treat, rural, islands, mixed tenure mixed use and historic properties would need to be considered on a case-by-case basis.

**Question 6**

What, if any, are your views on whether homes should not be relet if they cannot meet a minimum fabric efficiency standard?

We agree that homes should be of a suitable standard prior to letting. However, we have significant concerns regarding the impact of this proposal on void turn-over times, with a resultant impact on the timescales for allocation of homes, overall availability of housing stock to meet housing need, and the impact on rental income within the Housing Revenue Account 30 Year Business Plan. These impacts need to be carefully considered and understood to avoid likely unintended consequences and further pressure on housing need and Business Plan affordability.

**Question 7**

What, if any, are your views on whether ventilation and monitoring strategies should be required where MVHR is not installed?

At this time, we would not support a national strategy regarding ventilation and monitoring as part of the SHNZS.

Where fabric improvements may require additional ventilation/monitoring, this should be considered as part of the design. We therefore suggest that the requirements for MVHR should be assessed on a case-by-case basis, including air quality, rather than as a blanket requirement.

**Question 8**

To what extent do you support the requirement to install a clean heating system by 2045)?

- Strongly support
- Somewhat support



- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

We are supportive of the move towards clean heating if it is supported by a sustainable funding model. The cost of this work would significantly impact upon rent levels and the affordability of the HRA 30 Year Business Plans going forward.

We currently have in the region of 12,800 gas heating systems installed across our housing stock. The costs associated with replacing these with clean heating systems, together with the associated fabric improvements to make the systems viable, is considerable.

Initial estimates for replacing our gas systems with air-source heat pumps suggest costs in the region of £370m across the life of our latest 30 Year Business Plan. This would have a considerable impact on affordability of rent levels in the future, and is exclusive of fabric improvement investments which would be required to comply with the SHNZS.

The transition to clean heating systems (presumed likely to be principally air-sourced heat pumps as the most practical option) will have several implications:

- Increased capital costs (circa £5k more per home than a gas system).
- Increased maintenance and lifecycle costs
- Risk of increased running costs for tenants, alongside increased risk of fuel poverty
- Adding potentially complex ventilation systems, alongside associated running and lifecycle costs
- Internal space implications through buffer tanks and increased radiator sizes
- External space implications for siting ASHP units
- As a result of space implications, not all existing properties will be suitable for conversion.
- Additional communication with tenants about how the systems work and “buy-in” to changes in energy usage.
- Skills and capacity within our direct labour and wider supply chain in relation to maintenance and reactive and cyclical maintenance
- Disruption to tenants and residents during the delivery phase of adaptation programmes

Mixed tenure properties will also pose challenges, and the interface between the SHNZS proposals for those other tenures within the current Heat in Buildings Bill which has been published for consultation also needs to be considered.

The move to electric heating will place significant strain on current grid capacity. We consider that an assessment of the grid implications nationally is required, with clarity on the nature, cost and timescales for any grid improvements then being linked to the targets and timescales for clean heating within the new SHNZS.

**Question 9**

Of the options presented for the interim targets, which one do you support for the SHNZS?

We support the phasing-in of milestone measures and interim targets. As we have relatively few properties 'off-gas', option one is therefore a more relevant model.

We need to consider carefully the cost of phased implementation on rent levels and the HRA business plan. This cannot be done until the analysis of the implications on our housing stock is completed. We consider that a lead-in time will therefore be required for local authorities and Registered Social Landlords, following confirmation of the new SHNZS, to model different fabric and clean heating system scenarios, understand and plan for the investment required, re-design current capital investment and lifecycle maintenance programmes, and engage with tenants in relation to proposed changes and ensure readiness for the new heating systems.

**Question 10**

What are your views on whether neighbouring landlords could work together to reach such a target on a regional basis?

The Council has previously worked with Social Registered Landlords through funds such as Heat & Energy Efficiency Scotland, Area Based Scheme and the Capital Acceleration Programme and continues to support collaborative ventures where possible.

The Council support the ambition to connect to heat networks where practical, affordable and suitable arrangements for installation, usage and on-going maintenance costs are in-place and provide best value.

**Question 11**

Are there any additional options for interim targets that you think should be included? If yes, please describe these here:

No; we have not identified any additional options for interim targets beyond those outlined.

**Question 12**

To what extent do you support the requirement for mandatory connections to heat networks under certain circumstances?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose

Strongly oppose

Don't Know

Please include any additional comments below.

We support the principle of heat networks and recognise these will support national and local net zero targets and allows local authorities to fulfil their duties under the Heat Network (Scotland) Act 2021. However, we do not believe the introduction of mandatory connection to heat networks is applicable in an individual retrofit situation. Heat network connection may be most suitable where new build properties are under consideration or for larger scale refurbishment or regeneration projects.

Business cases for heat networks, in our experience, are highly sensitive to a number of factors, including type of fuel, number of buildings and associated heat load, nature of project (new build or refurbishment) and utility costs. This means that the projects must be considered on a case-by-case basis to ensure they are viable, that running costs for those connecting will be affordable, and that connection costs to the network are reasonable.

We believe that heat networks have a future role to play in the decarbonisation of heat in Scotland, but mandatory connections are unlikely to be an effective means of facilitation.

**Question 13**

To what extent do you support the need for landlords to have an element of discretion to ensure measures are cost effective and in the best interest of tenants?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

<p>We strongly support the need for discretion within the SHNZS. We suggest any discretionary list must be clearly defined, with a set process for application.</p> <p>The list of measures needs to be practical and clear with appropriate guidance. Measures must be practical, cost effective, reduce fuel poverty and support national and local net zero targets. Consultation with relevant stakeholders will be important before any measures or timescales are introduced.</p>
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**Question 14**

What, if any, are your views on whether targets should be varied by guidance from the Scottish Government in specific circumstances?

<p>We note that varied targets could increase the risk of confusion and non-compliance. We would be able to comment further on this question if specific examples where targets would be varied are provided.</p>
---

**Question 15**

To what extent do you agree that the new SHNZS should apply to mixed tenure properties?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

We suggest that, without concomitant funding, it would be unachievable to impose the SHNZS on private owners. If a single standard is to be adopted, lack of funding to private owners will be a risk.

The Council's LHEES confirmed, through consultation with stakeholders, that landlords and private owners in mixed tenure buildings have experienced difficulty in upgrading their properties due to a failure to come to an agreement with other owners.

The LHEES also identified that implementing insulation measures in mixed tenure properties is likely to be more challenging and would require further engagement, with the following feedback from stakeholders:

- installing any energy efficiency measures can be expensive and it can take a long time to recover the outlay, if at all
- concerns regarding hard-to treat properties, the availability of skilled contractors to undertake the work as well as having clarity on which measures contribute to an improvement on EPC rating
- reporting on mixed tenure blocks and a requirement to evidence that connected owner or landlord properties have been engaged (i.e. support offered through Home Energy Scotland grants and loans or Area Based Schemes to owners/landlords)

### Question 16

Do you agree that for some blocks where the local authority or RSL is not a sole or majority owner, then a phased approach to retrofit work should be undertaken?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

This will only be achievable if additional funding sources are made available to support private owners' involvement within retrofit works, for the reasons noted in our responses above.

### Question 17

To what extent do you agree that the new SHNZS should apply to Gypsy/traveller sites?

- Strongly support
- Somewhat support
- Neither support nor oppose

- Somewhat oppose
- Strongly oppose
- Don't Know

Please include any additional comments below.

These units are not within the scope of the current legislation and as such are not reported as a dwelling. We therefore do not agree that the SHNZS should be applied as these are not categorised as dwellings.

### Question 18

What are your views on the timetable for introducing the new SHNZS?

Significant risks to the timescales include:

- Resolving affordability issues and establishing a sustainable funding model for local authorities and RSLs to meet the SHNZS
- We need to consider carefully the cost of phased implementation on rent levels and the HRA business plan. This cannot be done until the analysis of the implications on our housing stock is completed. We consider that a lead-in time will therefore be required for local authorities and Registered Social Landlords, following confirmation of the new SHNZS, to model different fabric and clean heating system scenarios, understand and plan for the investment required, re-design current capital investment and lifecycle maintenance programmes, and engage with tenants in relation to proposed changes and ensure readiness for the new heating systems.
- Any further delay beyond 2025 should be reflected in the target dates provided to ensure timescales are not shortened and become unachievable.
- The ability of the national electricity grid to cope with the increased load arising from the projected switch from gas to electrically based heating systems

**20 February 2024****Cabinet**

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<b>Title:</b>	<b>Scottish Government Consultation on the proposed Heat in Buildings Bill</b>
<b>Purpose:</b>	To provide Cabinet with details of the proposed Heat in Buildings Bill and to seek approval of the proposed response to the Scottish Government consultation.
<b>Recommendation:</b>	That Cabinet: (i) notes the potential implications arising from the proposed Heat in Buildings Bill; and (ii) approves the proposed response at Appendix 1 to the consultation document.

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**1. Executive Summary**

- 1.1 The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 requires that net zero emissions are achieved by 2045, with associated interim targets. Emissions from buildings are the third largest source of greenhouse gas emissions in Scotland.
- 1.2 In response to this challenge, a consultation has been published by the Scottish Government setting out proposals for a Heat in Buildings Bill to:
  - prohibit the use of polluting heating systems after 2045 in all buildings (2038 for public sector non-domestic buildings) and, before then, within a fixed period (not yet specified) after a point of property purchase or when a heat network connection is available; and,
  - require a minimum energy efficiency standard by 2028 for the private rental sector, and 2033 for owner occupiers.
- 1.3 Cabinet approval is sought for submission of the proposed response to the consultation at Appendix 1 to the Scottish Government.

**2. Background**

- 2.1 The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 requires us to reach net zero emissions by 2045, with interim targets of 75% reduction in emissions by 2030 and a 90% reduction in emissions by 2040. The Council declared a climate emergency and aims to achieve net zero carbon emissions by 2030.
- 2.2 The Council's latest Sustainable North Ayrshire strategy sets out the pathway to achieving this ambition, and includes a strategic priority to act on emissions from heat, including through project pathfinder approaches for decarbonisation of domestic and non-domestic buildings to bring scale and pace to emissions reduction.
- 2.3 The way in which homes, businesses and public buildings are heated is the third-largest cause of greenhouse gas emissions in Scotland. Most heating systems burn fossil fuels such as gas, oil and liquid petroleum gas (LPG). These are known as 'direct

emissions heating systems’ because they produce emissions when we use them. In order to decarbonise heating systems, we need to adopt clean heating systems which do not produce any greenhouse gas emissions at the point of use. Some examples of clean heating systems include heat pumps, high efficiency electric storage heaters and heat networks.

- 2.4 It is recognised that whilst some households, business and public sector buildings are working towards heat decarbonisation and improved energy efficiency, the pace of change falls short of what is required to reach our climate change targets.
- 2.5 It is estimated that approximately 89% of homes and 49% of non-domestic premises are using fossil fuel heating at present, while around 55% of homes do not meet what is considered a good level of energy efficiency, i.e. an Energy Performance Certificate (EPC) rating of C or above.
- 2.6 In response, the Scottish Government is proposing to introduce a Heat in Buildings Bill containing the powers to create a new ‘Heat in Buildings Standard’. The draft Bill and Standard would include the following regulations:

In all buildings (including non-domestic)	In owner occupied homes	In private rented homes
<ul style="list-style-type: none"> <li>• Prohibit use of fossil fuel as main heating source from 2045.</li> <li>• All buildings owned by a Scottish public authority to be using clean heating systems by the end of 2038.</li> </ul>	<ul style="list-style-type: none"> <li>• Require homes to meet minimum energy efficiency standard by the end of 2033.</li> </ul>	<ul style="list-style-type: none"> <li>• Require landlords to meet a minimum energy efficiency standard by the end of 2028.</li> </ul>

Prohibition of fossil fuels

- 2.7 A prohibition on fossil fuels as the main heating fuel would ban the use of heating systems such as gas boilers, oil boilers or LPG to provide heat or hot water in homes and non-domestic buildings. In practice, this would mean that homes and non-domestic buildings will instead need to use clean heating systems such as heat pumps, electric storage heaters or heat networks. The clean heating system that a building should move to will be a choice for the owner, with the systems suitable for their buildings varying depending on a range of factors such as size, construction type and nature of the building use.

Non-Domestic Buildings

- 2.8 The Council has 630 non-domestic properties of which 131 use gas, 20 use biomass, four use oil, and one uses LPG, with the remainder using electricity as the main heating fuel. The requirement to move to clean energy solutions is necessary to achieve net zero emissions; it is the type of technology, energy efficiency solutions to support the new heating system, and of course the capital cost which requires further consideration. Furthermore, the planned and reactive maintenance schedules and their associated costs for new clean heating systems also need to be factored in. Local authorities are not currently resourced to provide the level of investment required to fully decarbonise building stock.

Owner Occupied Housing Stock

- 2.9 A good level of energy efficiency is defined in the Heat in Buildings Strategy as equivalent to EPC band C. EPCs are a legal requirement whenever a home or non-domestic building is advertised for sale or let. It is proposed in the Bill that, by



stipulating a straightforward list of energy efficiency measures, this minimum standard could be met in an affordable manner. The proposed list of measures is as follows:

- 270mm loft insulation
- Cavity wall insulation
- Draught-proofing
- Heating controls
- 80mm hot water cylinder insulation
- Suspended floor insulation

- 2.10 It is further proposed that if an owner occupier installs a clean heating system, they will not be required to meet the energy efficiency standard, although will be encouraged to do so. This is because by switching to a clean heating system, an owner would remove carbon emissions associated with heating.
- 2.11 There are no proposals to set a minimum energy efficiency standard for non-domestic buildings. The variety of size, construction type, and nature of use of non-domestic building would render a prescriptive list of measures ineffective.
- 2.12 It is proposed within the consultation that those purchasing a property (either domestic or non-domestic) will be required to comply with the prohibition of a fossil fuel heating source within a specified amount of time following completion of the sale. Further proposals and regulations are being developed around this proposed requirement including the use of a post-sale grace period for compliance.
- 2.13 Traditional properties, which make up a significant proportion of Scotland's homes and buildings, may have different requirements based on their construction type, location or status, and work is ongoing with Historic Environment Scotland to find the best solutions for these buildings while being sympathetic to their character and features.

#### Private Rented Housing Stock

- 2.14 An earlier date for meeting the minimum energy efficiency standards is set for the private rental sector in order to help address the Scottish Government's obligation to tackle fuel poverty. The standard aims to support tenants to have warmer homes that are easier and less expensive to heat, whilst enhancing the quality of the asset for the landlord.
- 2.15 It is proposed within the consultation that even if a private rented property installs a clean heating system, it will also be required to meet the energy efficiency standard. Properties in the private rented sector which do not meet the energy efficiency standard by the end of 2028 would not be allowed to be leased to a new tenant, should the existing tenant vacate.
- 2.16 The Heat in Buildings Standard will not be applied to the social rented sector, as recommendations for social rented stock are currently being consulted on through the Social Housing Net Zero Standard (which is subject to a separate report to Cabinet). However, the Council will be required to consider what the Heat in Building Standard means our non-domestic estate, and how to support implementation in private sector housing.
- 2.17 The Council currently supports private sector households in relation to energy efficiency and decarbonisation through various services and programmes, for example energy advice and support through Energy Smart, alongside provision of measures through ECO Flex and annual Area Based Schemes.
- 2.18 The role of local authorities in the implementation of the Heat in Buildings proposals is not sufficiently clear, and this is reflected in our consultation response.
- 2.19 A recurring consideration in the proposed consultation response is the resources required to deliver on the proposed aspirations. The new clean heating systems

required for Council owned non-domestic properties are not deliverable within current local authority funding envelopes. The Council is undertaking a review of the non-domestic estate to identify the decarbonisation measures required, and indicative costs, to achieve net zero. This information will help to determine the most suitable technology and support future any opportunities for external grant funding applications.

- 2.20 There also remains questions as to how the implementation of clean heat and energy efficiency standards will be monitored and enforced across the area. The current EPC enforcement regimes are inadequately resourced and applied to varying degrees, thus demonstrating that a significant level of resource would be required if the Council were to be the enforcing body, either through EPC monitoring or sampling methods.
- 2.21 The purpose of this consultation is to raise awareness of Scottish Government's proposal to make new laws around the heating systems that can be used in homes and places of work, and it seeks views on those proposals. A cross-service response has been prepared, which reflects the comments above and other observations, and is provided at Appendix 1. The Heat in Buildings Bill aligns with the aspiration of the North Ayrshire Council Plan priority of addressing climate change, and the new Sustainable North Ayrshire strategy, to achieve net zero emissions. Further clarity is required on the specific role of local authorities and the resources required to achieved the ambitions articulated.

### **3. Proposals**

- 3.1 It is proposed that Cabinet approves the consultation response at Appendix 1 for submission to the Scottish Government.

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

#### **Financial**

- 4.1 The financial implications of the proposals being consulted on will be significant for local authorities, and this has been raised repeatedly in the proposed consultation response.

#### **Human Resources**

- 4.2 If implemented, the proposals being consulted on would require additional human resources for delivery, monitoring and enforcement. The nature and extent of such resources is not yet clear. This is reflected in the proposed consultation response.

#### **Legal**

- 4.3 Under the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, all public bodies in Scotland have a duty to contribute to the delivery of the net zero emissions target.

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

- 4.4 The ambition to decarbonise heating systems and improve energy efficiency in all buildings contributes to our socio-economic duty by ensuring our homes and buildings are well insulated and energy efficient, making them cheaper to heat and reducing their emissions.

## **Climate Change and Carbon**

4.5 The consultation responses support the Council's net zero ambitions and aspiration to reduce fuel poverty across North Ayrshire.

## **Key Priorities**

4.6 The consultation responses are in keeping with the aim 'To achieve net-zero by 2030' within the Council Plan 2023-28.

## **Community Wealth Building**

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

## **5. Consultation**

5.1 The consultation documents have reviewed by various Council services including Protective Services, Property Management and Investment, Housing Strategy & Development and Sustainability to provide a cross-service response.

RUSSELL McCUTCHEON  
Executive Director (Place)

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

## **Background Papers**

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## Respondent Information Form

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Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

North Ayrshire Council

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Email Address

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

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If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes  
 No

## Questionnaire

### Question 1

To what extent do you support our proposal to prohibit the use of polluting heating systems in all buildings after 2045?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

North Ayrshire Council supports, in principle, the proposal to prohibit the use of polluting heating systems in buildings after 2045, as this is aligned to both national and local net zero targets.

Whilst the proposals for the Bill are ambitious and necessary to support carbon emission and fuel poverty reduction, success will be reliant on addressing the financial and technical challenges associated with improved fabric efficiency of buildings and replacement of polluting heating systems. A clear routemap for delivery is required which address funding constraints for building owners, risks of higher operation and maintenance costs than traditional heating solutions, alongside the skills and supply chain investment that is required for roll-out of energy efficiency measures and replacement heating systems at scale.

### Question 2

To what extent do you agree that we should introduce a minimum energy efficiency standard to be met by private sector landlords by the end of 2028 (even if they are already using clean heating)?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

This proposal would support both the Council's and national net zero targets. In relation to fuel poverty, installing energy efficiency measures would make homes more energy efficient, easier to heat and, by further installing clean heat, this would reduce the financial burden on tenants. The Council's Local Heat and Energy Efficiency Strategy (LHEES) clearly identified specific strategic energy efficiency measures (such as loft and wall insulation, cylinder insulation and glazing) which would improve energy efficiency of properties and further reduce fuel poverty within North Ayrshire domestic properties.

It is, however, anticipated that there would be difficulties for private sector landlords to install measures by 2028 to meet the minimum energy efficiency standard without additional resource and support. Feedback from our LHEES consultation with private landlords suggests that costs to install any energy efficiency measures are often cost-prohibitive, with no direct means for the landlord to recover the expenditure.

If the building is of mixed tenure, private sector landlords generally cannot influence other owners in the building to carry out installation of the same measures at the same time. The different proposed target timescales for different tenures should also be addressed within final proposals to ensure implementation is feasible. Concerns regarding skills and supply chain to undertake the work, as well as having clarity on which measures contribute to an improvement on EPC rating, are also noted.

Further clarity is required on how the clean heat and energy efficiency standards will be monitored and whether this would become part of the Repairing/Tolerable Standard.

### Question 3

To what extent do you agree that we should introduce a minimum energy efficiency standard to be met in owner occupied homes (which still have a polluting heating system) by the end of 2033?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

We welcome the ambition to reduce carbon emissions and reduce fuel poverty through the introduction of minimum energy efficiency standards. Making homes more energy efficient and easier to heat by installing energy efficiency measures first and then addressing the need for clean heat would reduce the financial burden for owner occupiers and reduce carbon emissions for North Ayrshire and Scotland. However, the costs for owner occupiers to install any required energy efficiency measures and clean heating systems are likely to be cost prohibitive to meet the 2033 timescale due to the scale and volume of interventions required. There is also a lack of clarity on what the most effective measures are for a given property. This was reinforced through our recent LHEES consultation feedback.

Mixed tenancy, mixed use properties will be more challenging where all residents may not be able to afford or want to make improvements at the same time, due to the different proposed legislative compliance timescales.

Historic properties and off-gas properties (particularly in rural and islands) cannot always incorporate the energy efficiency measures or clean heat options. These would need to be reviewed on a case by case basis. There are also difficulties in securing contractors at reasonable cost to undertake works and repairs in more remote locations, alongside general challenges in terms of supply chain and skills capacity.

#### Question 4

Do you agree with our proposal to set a minimum energy efficiency standard that can be met by either installing a straightforward list of measures, or showing a good level of energy efficiency based on a reformed EPC fabric efficiency metric?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

The proposal to set a minimum energy efficiency standard by installing the straightforward fabric measures listed is welcomed in principle, in order to provide a level of clarity for building owners in terms of the most effective measures to pursue.

The wider financial and supply chain challenges in implementing the measures are noted in our responses above.

Any standard list needs to take cognisance of the fact that a 'one size fits all' approach to measures is challenging in practice due to the variety of building types and potential gaps in knowledge of building maintenance, including previous improvements.

### Question 5

What is your view on the initial proposed list of measures to meet the minimum energy efficiency standard?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

We agree with the proposed list of fabric measures to support the minimum energy efficiency standard. However, we would recommend that the list needs to be developed further to prioritise the measures that would have the most impact for properties, including with reference to cost and level of disruption, and how this would align with our LHEES.

Financial support and information resources will be key to enabling successful uptake of the measures.

### Question 6

Do you think that properties for which most or all of the measures on the initial proposed list are not relevant should be required to meet an equivalent minimum energy efficiency standard?

- No – these properties should be considered compliant once they have installed all the measures that are appropriate for their building type, even if this is few or no measures.
- Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), and they should be required to install all of these where feasible
- Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), but they should only be required to install some of these where feasible and cost effective
- Yes – they should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), but they should only be required to install some of these where feasible, and they should be allowed additional time to do so



Please include any additional comments below.

Our LHEES identified, based on Home Analytics data, that in North Ayrshire around 40% of domestic properties will require an energy efficiency measure(s) and/or installation of clean heat to improve their Energy Performance Certificate (EPC) rating to C or better. All domestic properties, where practical and cost effective, should be required to meet or exceed the standard, which could include installing additional/different measures based on the result of an EPC assessment of the property. However, consideration on a case-by-case basis needs to be taken into account for historic, rural and hard to treat properties, alongside the other financial and supply chain issues noted in our other responses.

### Question 7

Do you think that an alternative approach to setting the minimum energy efficiency standard is required?

- Yes
- No
- Don't know

Please include any additional comments below.

The proposals in the consultation paper detail the requirements for the introduction of setting a minimum energy efficiency standard. In principle, this approach appears appropriate and practical, and will support emission reductions and help reduce fuel poverty, alongside supporting national and local net zero targets.

Affordability for the cost to install energy efficiency measures and clean heat are, as noted elsewhere in our responses, a significant concern.

### Question 8

Do you agree that the use of bioenergy should continue to be permitted in certain circumstances?

- No, it should be prohibited in all cases
- Yes, it should be permitted for those buildings already using it
- Yes, it should be permitted for those buildings who have no other clean heating system available.

### Question 9

To what extent do you support the requirement to end the use of polluting heating following a property purchase?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

The ability for homeowners to fund a new clean heating system, within the grace period, could simply be out with their financial capability. There are also questions regarding how compliance would be monitored and enforced.

While we welcome the scenarios laid out in the consultation document, there remains a significant concern over the affordability for building owners to fund the measures required.

### Question 10

We are proposing to give those purchasing a property a 'grace period' to end their use of polluting heating. Do you agree with this proposal?

- Yes - the grace period should be two years
- Yes – the grace period should be three years
- Yes – the grace period should be four years
- Yes – the grace period should be five years
- No, please provide reasons for your view.

Compliance within the grace period will depend on each individual property owners' financial circumstances. The proposal to provide information to the buyer from a variety of sources, in advance of the sale, to raise awareness of timescales and requirements is a pragmatic approach.

### Question 11

To what extent do you support our proposal to apply a cost-cap where people are required to end their use of polluting heating following a property purchase?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please provide reasons for your view.

The proposal to apply a cost-cap is practical and will provide reliable upfront information for potential buyers and sellers. However, it is noted that there may be some unintended consequences and we would welcome further clarity and suggested resolution to those.

Also, we would recommend a level of quality assurance from contractors, so that purchasers are not left with issues arising from poor quality installations.

Furthermore, upskilling in the marketplace and further education will be required to

### Question 12

Which of the following methods of applying a cost-cap do you support?

- A flat cost-cap
- A size-based cost-cap
- A purchase price-based cost-cap
- None
- Another, please suggest below

Please provide alternative

There are disadvantages to each of the proposed cap solutions, and we would require further details on each in order to provide meaningful feedback.

### Question 13

To what extent do you support the proposal that the Scottish Ministers should be given powers to extend the circumstances in future (beyond a property purchase) in which people could be required to end their use of polluting heating?

This could be, for example, preventing the installation of new fossil fuel boilers when replacing the heating in your home or business premises.

- Strongly support

- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

This proposal requires further details before we can respond.

#### Question 14

To what extent do you support our proposal to provide local authorities (and Scottish Ministers) with powers to require buildings within a Heat Network Zone to end their use of polluting heating systems by a given date?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Heat networks should support national and local net zero targets and allows local authorities to fulfil their duties under the Heat Network (Scotland) Act 2021.

The Council's LHEES highlighted that North Ayrshire has a relatively low density of heat demand (around 3.5% of domestic properties) which limits the opportunities for heat networks.

There is a distinction between having powers and exercising them. We are aware that business cases for heat networks, in our experience, are highly sensitive to a number of factors, including type of fuel, number of buildings and associated heat load, nature of project (new build or refurbishment) and utility costs. This means that projects must be considered on a case by case basis to ensure they are viable, that running costs for those connecting will be affordable, and that connection costs to the network are reasonable. These will be key considerations in the exercise of any powers to mandate the termination of polluting heating systems.

The nature of monitoring and compliance of any requirement also needs to be considered.

### Question 15

To what extent do you support our proposal to provide powers to local authorities (or Scottish Ministers) that require developers to connect new buildings within Heat Network Zones to a heat network?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Heat networks should support national and local net zero targets and allow local authorities to fulfil their duties under the Heat Network (Scotland) Act 2021.

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The nature of monitoring and compliance of any requirement also needs to be considered.

### Question 16

To what extent do you support our proposal to require occupiers of non-domestic properties to provide information about unused heat on their premises?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

The Council's LHEES includes analysis of the Non-Domestic Analytics datasets and the outputs of the first national assessment of heat networks for North Ayrshire's non-domestic stock. The Non-Domestic Analytics dataset had data gaps, which limited the analysis of non-domestic buildings and further data collection and investigation will be required.

The proposal to require occupiers of non-domestic properties to provide information about unused heat on their premises would improve available datasets and allow the Scottish Government and local authorities to undertake more detailed analysis to identify and develop potential heat network opportunities.

### Question 17

To what extent do you support our proposal to potentially require buildings with unused heat to provide this to a local heat network?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Our LHEES recognises that there are some potential heat network opportunities in the North Ayrshire area. In addition, there may be opportunities to connect to other significant heat loads with adjoining local authorities. The proposal to potentially require buildings with unused heat to provide this to a local heat network would support local opportunities to decarbonise heat, reduce emissions and reduce fuel poverty.

However, any requirement for discharge of waste heat from buildings into a heat network will require detailed consideration. We would suggest that the requirement is to investigate the viability of connection as opposed to mandating a connection for discharge of waste heat.

### Question 18

We will need to have a way to monitor if people are meeting the Heat in Buildings Standard, and discussed two options for this. Which do you support?

- Submitting EPCs alone
- Sampling a percentage of buildings
- A combination of the two
- None, there should be no monitoring
- Another method, please suggest below or explain your selected answer

Collection of both sets of information would enhance accuracy of non-domestic data. Using the already familiar EPC methodology will ensure consistency in capturing and reporting data. A desktop sampling audit would ensure compliance and accuracy of EPC for buildings.

However there are resource implications for each local authority should this be undertaken, which cannot be met within current resources.

### Question 19

We will need to have a way to enforce the Heat in Buildings Standard. We discussed possible options to help achieve compliance. What are your views on these ideas?

- I support relying on market and financial product mechanisms such as mortgages or home/ building insurance
- I support extra Council Tax and Non-domestic Rates charges, in future, for those who don't comply
- I support the introduction of civil penalties, in future, if compliance is not achieved
- I support a mixture of the above options
- I do not support any form of enforcement

Please explain your answer:

If enforcement lies with local authorities, we would need to understand what resources would be provided to discharge these responsibilities before being able to respond.

Other enforcement and sanctions consultations which are currently underway in relation to the Building (Scotland) Act may offer additional insight into the legal complexities, resources and barriers to effective enforcement of built environment issues. In addition, the current EPC enforcement regimes are inadequately resourced and applied to varying degrees, demonstrating that a significant level of resource would be required if local authorities were to be the enforcing body and be responsible for sampling.

### Question 20

To what extent do you support our proposals to modify the Standard or exempt certain people from the need to meet the Heat in Buildings Standard?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

Hard to treat, rural and historic properties would need to be reviewed on a case by case basis as energy efficiency measures and clean heat options may not be suitable for these buildings, which in effect would result in non-compliance with the standard.

### Question 21

Which people, businesses, or types of buildings, if any, should be eligible for a modified standard or exemptions?

- Listed buildings
- Mixed use mixed tenancy (due to different timescales for compliance)
- People in fuel poverty / extreme fuel poverty
- First time buyers
- Rural properties (due to difficulties to access suppliers / repairs and additional costs i.e. "island premium")

### Question 22

To what extent do you support our proposals to give certain people extra time to meet the Heat in Buildings Standard?

- X Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know



Please include any additional comments below.

We are supportive for additional time to be provided to hard to treat, rural and historic properties. These buildings need to be reviewed on a case by case basis as energy efficiency measures and clean heat options may not be suitable for these buildings, which in effect would result in non-compliance with the standard.

### Question 23

Which people, businesses or types of buildings, if any, should be eligible for extra time?

See response above.

### Question 24

To what extent do you support our proposal to require all buildings owned by a Scottish public authority to be using clean heating systems by 2038?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose
- Don't know

Please include any additional comments below.

It is recognised that local authorities should lead by example. This proposal would help provide a degree of certainty for a pipeline for work for skills and supply chains to be developed to ready the market for commercial properties. Our LHEES and Ayrshire Energy Masterplan will help identify decarbonisation opportunities within our non-domestic estate but may require further analysis and investigation.

However, the resourcing of this proposed requirement is key. Local authorities are currently unable to meet decarbonisation requirements for building stock within existing financial envelopes. In addition, further personnel resource (either internal or external to local authorities) will be required to identify, design, implement and monitor the projects associated with the proposal.

### Question 25

We are considering the following further duties on public sector organisations to support planning for the transition by 2038:

- Placing a new duty on public sector organisations which would, from 2025, prevent them from replacing a polluting heating system with another (unless impractical)
- Creating a new duty for each public body to develop and implement a plan to decarbonise their buildings
- Placing a new statutory reporting duty on public sector organisations to demonstrate progress towards their 2038 objective (with the potential for the 2038 then to be non-statutory); and/or
- Placing no further statutory requirements on public sector organisations (instead relying on their ability to plan alongside our delivery and funding programmes to meet the 2038 objective)

[Multiple choice boxes]

Please include any additional comments below.

We welcome the proposal to halt fossil fuel use and develop a plan to decarbonise the heating systems in our existing stock. Additional resource will be required to undertake these tasks. The current Public Bodies Climate Change Duty requires robust reporting, therefore we would suggest this is the format used for compliance, rather than a further reporting requirement, which would lay more administrative burden on local authorities.  
The LHEES and energy masterplans could be used to support this work.

### Question 26

Do you agree with our proposals to include powers in the proposed Heat in Buildings Bill to change the current requirement in legislation for a narrowly-defined renewable heat target?

- Yes
- No
- Don't know

Please include any additional comments below

The current target does not capture the ways in which we are performing on heat decarbonisation and emissions.

**Question 27**

Do you agree that the Heat Networks (Scotland) Act 2021 should be amended in light of the passage of the Energy Act 2023?

- Yes
- No
- Don't know

Please include any additional comments below

We would welcome the UK Energy Act being reflected in the Heat Networks (Scotland) Act as it includes new consumer protections for heat network consumers.

**Question 28**

Are there any further amendments to the Heat Networks (Scotland) Act 2021 that the Scottish Government should consider?

N/A.

