

North Ayrshire Council

A Meeting of North Ayrshire Council will be held remotely on **Wednesday, 23 September 2020** at **14:00** to consider the undernoted business.

1 Apologies

2 Declarations of Interest

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

3 Previous Minutes

The accuracy of the Minutes of the Ordinary Meeting held on 12 February 2020 and the Special Meeting held on 5 March 2020 will be confirmed and the Minutes signed in accordance with Paragraph 7(1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copies enclosed).

4 Provost's Report

Submit report by the Provost for the period from 3 February - 13 September 2020 (copy enclosed).

5 Leader's Report

Submit report by the Leader of the Council for the period from 3 February - 13 September 2020 (copy enclosed).

6 Minute Volume (issued under separate cover)

Submit, for noting and for approval of any recommendations contained therein, the Minutes of meeting of committees of the Council held in the period 10 September 2019 - 8 September 2020.

7 Congratulatory Motion

In terms of Standing Order 13.3, submit the undernoted motion, duly proposed and seconded, which seeks to congratulate, commend or recognise an individual or group in relation to their achievement or activities within North Ayrshire:-

“February 2020 proved to be a remarkable month for Beith's Jemma Reekie, 21, who is an established middle distance athlete in the British team. Her athletics career began at Beith Primary School and later developed at Garnock Academy.

Her recent achievements include:-

- breaking Laura Muir's British record for the indoor mile in New York in February 2020, a week after taking half a second off her fellow Scot's 800m mark in Glasgow the first 1500m in 4:00.56 in New York;
- running 4:17.88 seconds at the Millrose Games in USA - the third-fastest indoor mile behind Ethiopian great Genzebe Dibaba (4:13.31) and Romanian Doina Melinte (4:17.14) and nearly a second off Laura Muir's Birmingham time of 4:18.75 in February 2019;
- beating her training partner, Laura Muir, as she posted an 800m time of one minute 57.91; and
- winning double European under-23 gold in Sweden last year

Reekie is now potentially an Olympic medal contender with these outstanding performances. Jemma is regularly seen running through the streets of Beith and district on her daily training runs and has shown exception commitment and determination in her chosen sport.

North Ayrshire Council is very proud of Beith's Jemma Reekie, a fantastic athlete from North Ayrshire. The Council congratulates her on her recent record-breaking performances in middle-distance running at international level and wishes her well as she continues with her athletics career.”

8 Appointment of Statutory Officers - Chief Finance Officer and Chief Planning Officer

Submit report by the Head of Democratic Services on the appointment of the Head of Service (Finance) as Chief Financial or Section 95 Officer, and the Senior Planning Services Manager as Chief Planning Officer, and to amend the Scheme of Delegation to Officers to reallocate functions previously delegated to the Executive Director (Finance and Corporate Support) (copy enclosed).

9 Review of the Standing Orders for Contracts

Submit report by the Chief Executive on a review of the standing Orders for Contracts (copy enclosed).

10 Treasury Management and Investment Annual Report 2019/2020

Submit report by the Head of Finance on the Treasury Management and Investment Annual Report and Prudential Indicators for 2019/20 (copy enclosed).

11 North Ayrshire Charitable Trusts: Unaudited Trustees' Annual Report 2019/20

Submit report by the Head of Finance to present the unaudited Trustees' Annual Report for the year to 31 March 2020 to the Council, as trustees, for approval (copy enclosed).

12 Local Government Boundary Commission for Scotland - Consultation on Review of North Ayrshire Ward Boundaries

Submit report by the Head of Democratic Services on the Council's response to the Local Government Boundary Commission for Scotland's consultation on the review of North Ayrshire ward boundaries (copy enclosed).

13 Best Value Assurance Report: North Ayrshire Council (2020)

Submit report by the Head of Democratic Services on the findings of the Best Value Review of North Ayrshire Council (copy enclosed).

14 Committee Timetable 2021

Submit report by the Chief Executive on a proposed committee timetable for 2021, for consideration by the Council (copy enclosed).

15 Questions

In terms of Standing Order 12, submit:

(1) a question by Councillor Burns to the Cabinet Member for Green New Deal and Sustainability in the following terms:

"What plans are in place to begin work on the next Local Development Plan?"

(2) a question by Councillor Barr to the Leader of the Council, in the following terms:-

"I believe that during the lockdown N.A.C purchased the Kings Hotel in Irvine to turn it into flats. If this is true does the leader think it is good value for the taxpayer."

(3) a question by Councillor Dickson to the Cabinet Member for New Deal and Sustainability in the following terms:-

"What actions have been undertaken by the council and the Safer North Ayrshire Partnership to improve matters for residents since my motion seeking limitations on fireworks presented at the full council meeting of 13 Nov 19?"

(4) a question by Councillor Murdoch to the Chair of the Planning Committee in the following terms:-

"Does the Chair of Planning agree with Marine Scotland's decision that the Oil Rig Decommissioning project site at Hunterston does require an Environmental Impact Assessment?"

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

"Can the Leader of the Council please give details of all of the land or property which has been purchased by North Ayrshire Council during 2020, particularly under delegated powers?"

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

"Can the Leader of the Council please give details of the £23.5 Million pounds expenditure on Covid-19. Where did the money come from and were all of the costs incurred under delegated powers?"

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

"Are the five North Ayrshire Council Elected Members on the Hunterston SSG there to represent North Ayrshire Council, their constituents or are they acting as individuals?"

(8) a question by Councillor Murdoch to the Cabinet Member for Post-Covid Renewal in the following terms:-

"Will North Ayrshire Council continue to support the Millport Town Hall project?"

(9) a question by Councillor Murdoch for the Cabinet Member for Post-Covid Renewal in the following terms:-

"At the Council meeting held on Wednesday 25th September 2019, I asked if anyone at North Ayrshire Council had enquired either verbally or in writing regarding the availability or procurement of between 70 & 100,000 tonnes of dredged sand from the sea bed at Hunterston and if so what was it to be used for? I asked a similar version of the question again at the Full Council meeting held on Wednesday 12th February 2020. Does the Member for the Economy still have the same view that no Officer or Councillor made an enquiry regarding the procurement of sand from the seabed at Hunterston?"

16 Motions

In terms of Standing Order 13, submit:

(1) a Motion proposed by Councillor Miller and seconded by Councillor Foster in the following terms:

"Council reiterates its opposition to the removal of the TV licence from over 75's; believes that the timing of its removal, coming during a global pandemic which has seen older people isolated because of 'shielding' guidance, is callous; and agrees that the Chief Executive should write again to the UK Government to express this Council's opposition to the removal."

(2) a Motion by Councillor Gallagher, seconded by Councillor Cullinane, in the following terms:-

"Council notes the announcement that Hunterston B power station will cease operation two years earlier than previously announced; expresses concern that, despite having known for years that the operation would end, there remains no detailed and funded proposal for alternative employment at Hunterston; believes that Hunterston is a strategic site of national economic importance to Scotland and the UK that should be given such status within NPF4; that the site has all the attributes to contribute to the transition to a greener economy; that energy generation should be part of the planned future use of the site; and therefore calls for the creation of a ministerial taskforce to accelerate development at Hunterston through the Ayrshire Growth Deal."

17 Urgent Items

Any other items which the Chair considers to be urgent.

Webcasting

Please note: this meeting may be filmed for live and subsequent broadcast via the Council's internet site. At the start of the meeting, the Provost will confirm if all or part of the meeting is being filmed.

You should be aware that the Council is a Data Controller under the Data Protection Act 1998. 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.

If you have any queries regarding this, please contact committeeservices@north-ayrshire.gov.uk.

North Ayrshire Council Sederunt

Ian Clarkson (Provost)
Robert Barr (Depute Provost)
John Bell
Timothy Billings
Joy Brahim
Marie Burns
Joe Cullinane
Scott Davidson
Anthea Dickson
John Easdale
Todd Ferguson
Robert Foster
Scott Gallacher
Alex Gallagher
Margaret George
John Glover
Tony Gurney
Alan Hill
Christina Larsen
Shaun Macaulay
Jean McClung
Ellen McMaster
Ronnie McNicol
Louise McPhater
Davina McTiernan
Tom Marshall
Jimmy Miller
Jim Montgomerie
Ian Murdoch
Donald Reid
Donald L Reid
Angela Stephen
John Sweeney

Chair:

Apologies:

Attending:

IRVINE, 12 February 2020 - At a Meeting of North Ayrshire Council at 2.00 p.m.

Present

Ian Clarkson, Robert Barr, John Bell, Timothy Billings, Joy Brahim, Marie Burns, Joe Cullinane, Scott Davidson, Anthea Dickson, John Easdale, Todd Ferguson, Robert Foster, Scott Gallacher, Alex Gallagher, Margaret George, John Glover, Tony Gurney, Alan Hill, Christina Larsen, Shaun Macaulay, Tom Marshall, Jean McClung, Ellen McMaster, Ronnie McNicol, Louise McPhater, Davina McTiernan, Jimmy Miller, Jim Montgomerie, Ian Murdoch, Donald Reid, Donald L. Reid, Angela Stephen and John Sweeney.

In Attendance

C. Hatton, Chief Executive; L. Friel, Executive Director (Finance and Corporate Support); S. Brown, Director (Health and Social Care Partnership); K. Yeomans, Director (Growth and Investment); R. McCutcheon, Executive Director (Place); A. Sutton, Interim Executive Director (Communities); and A. Fraser, Head of Democratic Services, A. Craig, Senior Manager (Legal Services); M. McColm, Senior Manager (Communications); E. Gray and D. McCaw, Committee Services Officers and M. Anderson, Senior Manager (Committee and Member Services) (Chief Executive's Service).

Chair

Provost Clarkson in the Chair.

1. Provost's Remarks

The Provost welcomed those present to the meeting and dealt with preliminary matters, which included an announcement that the Council meeting would be webcast.

2. Apologies

The Provost invited intimation of apologies for absence. No apologies were intimated.

3. Declarations of Interest

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

There were no declarations of the Party Whip.

4. Previous Minutes

The accuracy of the Minutes of the Meeting held on 18 December 2019 was confirmed and the Minutes signed in accordance with Paragraph 7(1) of Schedule 7 of the Local Government (Scotland) Act 1973.

5. North Ayrshire Community Planning Partnership (CPP) Board: Minutes of Meeting Held on 5 December 2019

Submitted report by the Chief Executive on the Minutes of the meeting of the Community Planning Partnership Board (CPP) held on 5 December 2019. The Minutes were attached as an appendix to the report.

The Chief Executive highlighted a number of elements from the CPP Board meeting, including:

- a presentation on Scottish Enterprise's Strategic Framework and discussion on how this aligned with the work of the wider Partnership;
- early adopter work underway in relation to Public Health Priority 6 in respect of diet and healthy weight; and
- a workshop on 'Step Change' for the Partnership.

Noted.

6. Provost's Report

Submitted report by the Provost for the period from 9 December 2019 – 2 February 2020.

The Provost highlighted the following elements of his written report:

- participation in the New Year's Day 'Polar Plunge' event at Irvine beach;
- a number of local Burns Night events, including the Eglinton Burns Club annual dinner on 10 January, the Westsound Burns Supper on 18 January, the Irvine Burns Club annual celebration on 24 January, and the James McFarlane School annual Burns Brunch event on 30 January 2020;
- attendance at various local events, including the Foster Carers annual coffee morning, Three Town Growers Yuletide event; the Kilwinning Heritage book launch, and the Kirkin' of the President of Irvine Burns Club;
- recent events outwith North Ayrshire, including the Chinese New Year celebration hosted by the Consul General of China in Edinburgh, a further Chinese New Year celebration hosted by Glasgow City Council and the Chinese community, and a reception hosted by the Consul General of India in Edinburgh to mark their Republic Day;
- a photocall on 24 January 2020 as part of Cervical Cancer Prevention Week; and
- a meeting with Irvine groups involved in promoting Irvine's rich cultural history.

The Provost concluded his remarks by referring to the sad passing of the first Leader of North Ayrshire Council, Jimmy Clements, who led the Council through local government re-organisation. The Provost also referred to the recent passing of former councillor Richard Wilkinson, who had played an active role in local and national politics and had worked with many local community organisations including as chairman of the Largs Town Twinning Association. On behalf of the Council, the Provost extended his condolences to the family and friends of both.

Noted.

7. Leader's Report

Submitted report by the Leader of the Council for the period from 9 December 2019 – 2 February 2020.

The Leader added his condolences to those expressed by the Provost on the passing of Jimmy Clements and Richard Wilkinson.

Noted.

8. Council Minute Volume

Submitted for noting, the Minutes of meetings of committees of the Council held in the period 14 June 2019 – 28 January 2020.

Noted.

9. Outside Body Appointment

The Head of Democratic Services advised of a vacancy in respect of the Council's main representative on the Strathclyde Concessionary Travel Joint Committee, following the resignation of Councillor Jimmy Miller from that position, and invited the Council to consider a nomination, duly proposed and seconded, which had been submitted in favour of Councillor Donald Reid.

There being no amendment, the Council agreed to appoint Councillor Donald Reid as the Council's main representative on the Strathclyde Concessionary Travel Joint Committee.

10. Audit Scotland Report: Local Government in Scotland: Financial Overview 2018/19

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of the recent Audit Scotland report setting out the financial overview of local government in Scotland for the period 2018/19. The key messages from the Audit Scotland report were set out at Appendix 1 to the report.

On behalf of the Council, the Provost extended his thanks to officers within Finance and Corporate Support for their work.

The Council agreed as follows:

- (a) to note (i) the findings of the recent Audit Scotland report and (ii) the current position in North Ayrshire; and
- (b) that the findings of the Audit Scotland report be taken into consideration as part of the Council's budget deliberations.

11. Clyde Muirshiel Regional Park

Submitted report by the Interim Executive Director (Communities) to seek Council's approval to withdraw from the Clyde Muirshiel Minute of Agreement regarding Clyde Muirshiel Regional Park with Renfrewshire Council and Inverclyde Council. The relevant extract from the current Minute of Agreement was set out at Appendix 1 to the report.

Members asked questions, and received clarification, in respect of:

- the merits of terminating the joint committee structure prior to finalising future arrangements for its functions;
- the feasibility of continued membership of the joint committee on an interim basis as a non-financial contributor; and
- any potential loss of funding opportunities for the Park Authority due to a reduced number of participating councils.

The Council agreed as follows:

- (a) to serve notice of withdrawal from the Clyde Muirshiel Regional Park Joint Committee;
- (b) to authorise officers to agree the date of North Ayrshire's withdrawal from the Joint Committee with Renfrewshire and Inverclyde Councils;
- (c) following the Council's withdrawal, to amend the Council's Scheme of Administration and Scheme of Delegation of Officers, respectively, to delegate (i) to the Cabinet those strategic functions formerly delegated to the Park Authority and (ii) the operational functions to the Executive Director (Communities); and
- (d) to note that the Council would continue to liaise with Renfrewshire and Inverclyde Councils to ensure the protection and enhancement of the Park's natural environment.

12. Questions

In terms of Standing Order 12, submitted:

- (1) a question by Councillor Donald L. Reid to the Cabinet Member for Education in the following terms:

“There is a level of concern locally by parents of pupils, pupils, staff, and others in the Garnock Valley about some 13 leaks in the main Garnock Campus building which has resulted in recurring ingress of water when it rains heavily resulting one parent contacting me and stating that the building should be closed until all repairs are actioned. Similarly, there is also a recurring flooding issue at the rear pupil entrance to the campus.

I would ask the Cabinet Member for Education to comment generally on the current situation at Garnock Campus with these important issues and specifically:

1. What steps are being taken to rectify these building defects and the likely timescale;
2. Are these issues covered by guarantee by the main contractor (Kier Construction) responsible for building the campus and will they rectify the faults or arrange for them to be sorted;
3. If the faults are not now covered by the main contractor (Kier Construction), who is responsible for carrying out repairs; and
4. What is the estimated cost of repairs for the 13 leaks and the rear door flooding issue and who will ultimately meet the costs involved.”

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

“There have been a number of leaks identified at the Garnock Campus since the building opened in January 2017 and the Council has been working with the building contractor to investigate and rectify these issues. The majority of issues were identified and addressed during the first year’s operation, during the contractual ‘defects liability period’.

A number of other leaks have subsequently become apparent and the rectification of these is being addressed as ‘latent defects’, which are also the responsibility of the contractor. A programme of remedial works was carried out prior to the Christmas holiday period and the Council is continuing to monitor them to ensure they have satisfactorily addressed the problems. At present we are aware of three locations with outstanding water ingress issues and works are planned for the Easter holiday period, to ensure minimal disruption to the operation of the school.

All works to address the leaks identified to date have been the responsibility of the contractor and all costs have been borne by them. Any further latent defects will also be the responsibility of the contractor to address.

Flooding at the rear of the school has also been investigated. This appears to be a result of silting-up of a drainage gully. The gully has now been cleared and the Facilities Management team within the campus continue to monitor the area to ensure the clearance works have been effective. As this is currently understood to be a maintenance item, it is not the responsibility of the contractor. The cost to the Council to investigate and clear the drainage connection was £388.”

(2) a question by Councillor Donald L. Reid to the Cabinet Member for Place in the following terms:

“In view of the ongoing major road engineering works at Barkip (A737) and the constant use of heavy construction traffic which has been using the now badly potholed Auchengree Road over the past 18 months, can the Cabinet Member with responsibility for Roads advise:

1. if the main contractors for the Barkip Realignment Project - which has been an excellent and welcome initiative in the Garnock Valley - will be paying for the NAC maintained and heavily potholed Auchengree road between its junction with the A777 at Longbar and where it joins the A737 at Highfield, to be brought back to a decent standard and, if so, when will this happen; and
2. will there be an assessment by NAC Roads Department of minor roads surrounding Barkip to gauge the negative impact of heavy construction traffic from the Den realignment project on these minor roads and if there are identified issues, will the main contractor be encouraged to accordingly make good all potholes and verge encroachments.”

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

“Officers have been engaged with Transport Scotland's contractor for the works, Interserve, throughout the A737 Den Realignment Project.

I can confirm that repairs to the Auchengree Road and other minor side roads will be carried out by Interserve and are planned to commence this week. The extent of the repairs and remedial measures, including resurfacing, localised reconstruction and verge repairs, has been agreed and will be undertaken at Interserve's expense.”

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

"What actions will be taken by the Council and/or the HSCP as a result of the recent drugs summit held at Saltcoats Town Hall?"

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

“I am sure every Member who attended the drugs death summit will have found it be a hugely important and thought-provoking day. We need to act, and act quickly to deal with the high levels of drug related deaths in North Ayrshire. As Councillors will be aware my Colleague Louise McPhater has been campaigning both locally and nationally to ensure this gets the greatest amount of attention possible from local Members and Members of the Scottish Parliament. One of the next areas we really have to tackle is the fact that there are double the amount of drug-related hospital admissions in NHS Ayrshire and Arran than any other Health Board area, we have to make sure that no one leaves hospital with a drug-related admission without them having a support plan in place to prevent future overdoses.

The North Ayrshire Alcohol and Drug Partnership (ADP) has made available £60,000 to local communities to identify and vote on proposals via the Participatory Budgeting (PB) approach to assist in the prevention of drug-related deaths. The PB voting event is on 18 April 2020 and over the last 2 weeks community engagement events, supported by a range of partners, have taken place to promote awareness of this initiative.

The roll out of first aid training and the supply of Naloxone (a lifesaving medication used in opiate overdose) continues. Funding has been allocated to the local Turning Point (Scotland) service to target those individuals most at risk of overdose and their families and carers. Engagement with other services and community groups has also taken place, with more planned.

The ADP, along with partners from East and South Ayrshire, has agreed to fund a “Navigator” style service in HMP Kilmarnock, to assist in providing individuals at risk of overdose on liberation with proactive follow-up support.

The local Drug Related Deaths Prevention subgroup has met and agreed to fund a series of community based evening ‘workshops’ to promote awareness of the local recovery services, actions being taken to prevent drug-related deaths, promote the awareness and supply of Naloxone, to challenge the stigma associated with alcohol and drug use and promote kindness, care and hope.

Following feedback from members of the public who attended the summit, a press release will be issued to raise awareness of the ‘Addictions App’ (run on a mobile devices) to increase the reach of individuals able to download this App so that they can access essential local and national support service contact numbers and validated and current alcohol and drug-related health promotion information and ‘Drug Alert’ warnings in order to stay safe.

The North Ayrshire Drug and Alcohol Recovery Service (NADARS) has examined options to enable same day prescribing of ‘Medication Assisted Treatment’ to further increase accessibility to treatment.

Discussions have taken place with representatives of the Scottish Ambulance Service and Crosshouse Hospital in relation to pathways to respond to non-fatal overdose and Naloxone supply. Similar discussions have taken place in relation to Adult Support and Protection pathway opportunities.

The Pan Ayrshire Drug Death Review Group has requested post code information from Scottish Ambulance Service (SAS) in relation to non-fatal overdose to assist in targeting priority areas.

In addition, to the actions already mentioned:

The ADP intends to work with the HSCP and NAC First Aiders and council officers to train them in the administration of Naloxone and will recommend that all First Aid kits are updated to include a supply of Naloxone.

To better inform, assist and lead by example in preventing drug-related deaths, the ADP will also seek support and agreement to deliver substance use awareness sessions and train others to carry and be able to administer Naloxone and save a life if faced with an emergency overdose situation. The ADP would like to offer this to members of the IJB and CPP and I would like to challenge all Members of this Chamber to also take up this offer.”

As a supplementary question, Councillor Burns referred to work being done in the Fullarton and Vineburgh areas of Irvine with funding support from the Community Investment Fund, and asked whether the Cabinet Member agreed on the benefits of Locality Partnerships and Health and Social Care Local Forums working more closely together and on the potential for using Irvine as a pathfinder.

Councillor Foster responded by expressing his appreciation of the community-based work being undertaken in Fullarton and Vineburgh with modest CIF funding support and agreed that there was potential to explore using Irvine as a pathfinder.

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

“Gourock has long been the Port of Refuge when the Arran Ferry could not dock at Ardrossan. In appendix A of schedule 5 of the 2016 Clyde and Hebrides Ferry Services contract (C&HRS 2016), it states that ‘Gourock is included in our solution as an important port of refuge for some of the busiest routes on the CHFS network’. However, Gourock is not available as a port of refuge due to the reported lack of maintenance by Caledonian Marine Limited (CMAL) on the link span.

In addition, the second pier (Irish berth) at Ardrossan is also out of action due to lack of maintenance on the link span.

Both Gourock and the Irish Berth were used when certain weather conditions meant that the main Arran berth at Ardrossan was not usable. The only option Calmac has now is to cancel the service. One must also remember that alternative ports and berths are also an integral part of the safety policies should an emergency happen at sea (1.3.6 C&HFS 2016).

Does the Member agree that this is an unacceptable situation that compromises both the reliability of the Arran ferry service and the safety of passengers in the event of an emergency? Will he also agree that the Council will write to the Cabinet Secretary for Transport stating that this is an unacceptable situation and that immediate action is taken to provide the Arran ferry service with appropriate ports of refuge?"

Councillor Burns sought advice on the competence of the final paragraph of the question, given that it appeared to invite a Cabinet Member to write a letter on behalf of the Council without a Council decision to do so.

The Head of Democratic Services advised he was satisfied that, although somewhat ambiguous, the matter had been framed as a question and was, therefore, competent. He sought, and received, confirmation from Councillor Marshall that the purpose of his question was to seek the opinion of the Cabinet Member rather than to propose any action. Councillor Marshall then intimated his wish to withdraw the phrase "the Council will write to the Cabinet Secretary for Transport stating that" from the final paragraph of his question.

Councillor Burns raised a point of order in respect of Councillor Marshall's preamble to his question, on the basis that it extended beyond the provisions of Standing Order 12.2 in terms of setting the context of the question. The Provost invited Councillor Marshall to draw his preamble to a conclusion.

Councillor Gallagher thanked the Member for his question, as amended, and responded in the following terms:

"We agree that this is an unacceptable situation. The Gourock linkspan has reached the end of its design life but CMAL has advised that they are undertaking work which will bring it back into full use at the end of 2020.

At Ardrossan, Peel Ports Group (PPG) has advised that the Irish Berth linkspan has been available for the last two months for use in situations where the Arran Berth is unavailable. A letter has already been written to the Minister and when we have a meeting with him, we will ensure that this subject is on the agenda."

- (5) a question by Councillor Donald L. Reid to the Leader of the Council in the following terms:

“It is my belief that Councils should be able to charge a fee for answering Freedom of Information requests. Charging for some requests would deter individuals from ‘misusing’ FOI regulations for their personal benefit. Whilst members might support the overall aim of FOI in ensuring councils and other public bodies are open and accountable, current legislation makes it too easy for people to make requests that might not serve the public interest, including ‘serial requesters’ who make frivolous and vexatious requests placing additional burdens on council information officers. Whilst it is likely that the majority of requests are submitted within the spirit of the legislation, it has been suggested that some of the original policy intentions have been lost because of the way the Act is being used by certain individuals.

Against that backdrop, can the Leader clarify:

1. How many FOI requests were made to NAC in 2019 or earlier period for which figures are readily available?
2. The number of serial or vexatious requests received.”

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

“1. 2018/19 – 1636 and 2019/20 – 1170*

*Please note Quarter 4 has to be added to 2019/2020 figures and 1170 is Quarter 1-Quarter 3.

2. It is important to recognise that the use of FOI legislation by the public or press is only rarely misused. Applying the very strict Scottish Information Commissioner Section 14 Vexatious Complaints exemption, there were 0 vexatious requests. No figures are held for serial complaints, as in practice such requests tend to be variants of the original request.”

- (6) a question by Councillor Gallacher to the Cabinet Member for the Economy in the following terms:

“At the Rural Economy and Connectivity Committee earlier this month it became clear that after 4 years the basic design of the Glen Sannox ferry is still not complete. It was stated that 95% of the stage two design sign-offs have not been completed, and that these would normally expect to be signed off within the first 6 to 9 months of a contract. It was clear listening to this initial inquiry meeting that there was a lack of coordination between the various parties involved that led to conflicts, delays, and mistakes.

The current new ferries are less than half built but the estimated cost of completion at £110 million is more than the original projected costs for the two ferries. This is an obvious waste of public money. Given that there is another privately-run ferry service in Scotland that has procured a new environmentally efficient ferry in a 28-month timescale at a cost of £14 million, does the Member agree that serious consideration should be given to starting again from scratch?”

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

“The procurement of new ferry vessels is a matter for Transport Scotland/CMAL.

It is noted that the Rural Economy and Connectivity Committee’s (RECC) inquiry into the construction and procurement of ferry vessels in Scotland is on-going. Evidence is still to be considered from representatives of Caledonian Maritime Assets Limited (CMAL), Transport Scotland officials, the Cabinet Secretary for Finance, Economy and Work; and Minister for Energy, Connectivity and the Islands. It is therefore not possible at this stage to determine the outcome of this process or any associated recommendations.

The service between Brodick and Ardrossan is of critical importance and council officers will continue to seek reassurance from the Scottish Government that the new ferry will be brought into service as soon as possible and that the Council is kept fully informed of progress.”

(7) a question by Councillor Ferguson to Councillor McMaster as the Council's representative on the Arran Ferry Committee, in the following terms:

“When Bute’s Wemyss Bay ferry service is cancelled travellers have the option to go via the Colintrave route. As this involves a 63-mile drive, Calmac offers compensation to offset the additional expense. However, if the Arran Brodick service is cancelled and travellers can still use the Lochranza route, even though this involves a 130-mile journey, no similar compensation is offered.

Does the Member agree that this unfairly discriminates against Arran, and will she work with Calmac and the Scottish Government to get similar compensation arrangements for Arran?”

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

“Caledonian MacBrayne’s (CalMac) compensation arrangements are detailed within their Passenger Rights charter. This states that if a passenger’s sailing is disrupted for any reason, their journey is re-routed, and they incur additional mileage costs that CalMac will reimburse mileage if the departure or arrival port is changed.

Compensation is capped to 63 miles; however, this does not prevent passengers submitting a claim where the journey is over this distance. CalMac advise that this is informed by the provisions of EU Regulation 1177/2010. If the additional mileage incurred exceeds this limit and the reason for the disruption is something other than weather, claims will be considered based on the circumstances of the disruption.

Passengers travelling with a commercial vehicle/coach tickets are not entitled to reimbursement for additional mileage costs incurred as a result of being re-routed. Full details of the claims process are provided on CalMac’s website.

I agree it appears to be unfair to residents of Arran that a higher level of compensation is not available in the event of cancellation and an alternative route being used. This is already a live issue with the Arran Ferry Committee and I refer him to the available Minutes.”

(8) a question by Councillor McNicol to the Leader of the Council in the following terms:

“Will the Leader of the Council inform Members of all interventions by the Council to improve the three Major North Ayrshire Town Centres of Irvine, Saltcoats and Largs between May 2017 until present? Will he also provide details of all costs associated with each specific intervention?”

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

“Since May 2017, the following investments have been made within the North Ayrshire town centres of Irvine, Saltcoats and Largs:

Irvine:

- Development of The Circuit business and sports facilities at Quarry Road, with the first phase completed in early 2018 at a cost of £3M and the second phase sports facilities completed in August 2019 at a cost of £5.6M. The total project value of £8.6M was supported by external funding of around £4M.
- Improvements to the public realm at High Street and Bank Street are due for completion in March 2020. Cost of £3.3M, supported by external funding of around £2.6M.

Saltcoats:

- Improvements to the public realm at Countess Street, completed in November 2017 at a cost of £865k.
- Development of Saltcoats Training Station project to provide a community, active travel hub and karate centre, which has secured funding of £400k including contributions of £150k from the Scottish Government and £50k from the Community Investment Fund.

Largs:

- Improvements to the public realm at Gallowgate Square and Largs Promenade completed in March 2018 at a cost of £560k.

In addition, a total of £788k has been invested in improving road infrastructure in and around the town centres of Irvine, Saltcoats and Largs through footway and carriageway resurfacing works since May 2017.”

As a supplementary question, Councillor McNicol referred to the £1m allocated by the Cabinet to Stevenston and Dalry town centres and the lack of an allocation to Saltcoats, and asked for what plans the Administration had for inward investment to regenerate Saltcoats town centre and secure the employment of over 2000 North Ayrshire residents.

Councillor Cullinane responded by advising that the vast majority of the Town Centre Regeneration Fund had been allocated to Dalry and Stevenston because these towns had not benefitted from previous town centre investments by the Council and did not have particular projects associated with the Ayrshire Growth Deal. The Leader referred to reductions in town centre footfall elsewhere in North Ayrshire and nationally and advised that the Administration was pursuing a Community Wealth Building strategy aimed at regenerating towns and working with communities to bring investment, including utilising land and assets owned by the Council and other public bodies and exploring opportunities to invest in commercial properties. Councillor Cullinane invited the Member to take part in this work to identify projects which could make a difference or bring in external funding.

(9) a question by Councillor Gurney to the Leader of the Council in the following terms:

“In December 2019 the Labour administration issued a statement to local press stating that, “Last year, Police Scotland were asked to carry out an investigation into allegations made in 'The Only Game In Town' documentary. Following this investigation, the Council was again cleared of any wrongdoing.”

In fact, last year Police Scotland declined to carry out an investigation into allegations made in 'The Only Game In Town'. There was no police investigation and, therefore, the Council was not cleared of any wrongdoing. Any potential criminality may not lie with North Ayrshire Council, but until there is a full and thorough Police investigation into the North Ayrshire Council Schools PPP procurement process approved by the Labour administration, we will not know the truth.

Why was this misleading statement issued and would the Leader care to apologise for doing so?”

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

“The statement referred to in the Member’s questions was provided by Council Officers, not the Labour Administration, and was in response to a press enquiry.

Therefore, is the Member’s question misleading and will he take opportunity to apologise for questioning the integrity of the Council’s officers by tweeting that they were lying?”

As a supplementary question, Councillor Gurney suggested that, in the absence of any denial, the statement was misleading and asked what steps were being taken to prevent the release of further misleading statements by the Administration.

Councillor Cullinane responded by referring to Councillor Gurney's failure to apologise for questioning the integrity of Council officers, and invited him to consider whether his use of language on social media was consistent with the Councillors Code of Conduct.

Councillor Easdale joined the meeting during consideration of this item.

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

"When CalMac Ferries Ltd was awarded the 8-year contract to provide ferry services to the western isles, the company published a glossy brochure in which it listed the 5 key objectives for Scottish transport and the company's commitment to contributing to these objectives (see below for reference). Reading these objectives now it is almost laughable how poorly the current Arran ferry service fails to meet them. We are half-way through the 8 years and it is time to consider the options for the next contract.

Within the Clyde there is a ferry operator that provides an efficient, reliable, and frequent service across the upper Clyde from McInroy's Point to Hunter's Quay. Western Ferries, unlike CalMac, receives no public sector subsidy and does not benefit from the Road Equivalent Tariff. (RET). Does the Member agree that we should start engaging with Western Ferries to attempt to provide the Arran people with a reliable service?"

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

"No, I don't. I want to see a quality, reliable ferry service for our island communities that is publicly owned and run and that was the position this Council adopted prior to the last procurement process for the Clyde and Hebrides ferry contract.

I am aware that the rate of cancellations on the Ardrossan to Brodick route is higher than most other parts of the Clyde and Hebrides network but as has been stated previously in this Chamber these ferry services are not like-for-like services.

What I think we need to do is push for action from Scottish Government, Transport Scotland and others to improve the reliability of the ferry services to our islands. That is what we have been trying to do, despite our many frustrations, to date. We must secure formal approval as soon as possible for the major capital investment needed at Ardrossan Harbour and we must have a resolution to the unacceptable delay, and the numerous issues, with the Glen Sannox.

We are aware the Scottish Government is reviewing its ferry procurement policy and the Council has previously indicated that we are happy to assist with this review. As part of that we will reiterate our position on public ownership and the importance of reliability on this lifeline service."

(11) a question by Councillor Stephen to the Cabinet Member for the Economy in the following terms:

“Cancellations of the ferry service causes delays, inconvenience and financial loss to passengers. In addition, there is a commercial financial cost to Arran as a whole when a ferry is delayed or cancelled, but there is no agreed method to quantify these costs. Without this information, the Scottish government does not appreciate the hardship that ferry issues cause and the impact delays and cancellations have on the island's economy.

Is the Council working with Arran businesses to quantify the losses incurred by ferry cancellations and, if so, will it make the data public to ensure that the full cost of ferry cancellations is known?”

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

“The Business Growth Team within the Council works with a number of Arran businesses. This covers a wide range of relevant advice and interventions that relate to operating a business from an island location including consideration of the operational impact of ferry cancellation. There is currently no research being undertaken that seeks to quantify this on a financial basis.

We are aware that the Arran Economic Group (AEG), of which the Council is a partner, is currently investigating methods of quantifying the financial and operational impact of ferry disruption although this work is at an early stage. The Council is happy to support this work which needs to be led by Scottish Government and its agencies as the responsible bodies for the provision of ferry services.”

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

“The Council has been updated on the Ardrossan Harbour redevelopment. The costs for redevelopment have grown from £8 million pounds to around £35 million. One may remember that originally we were assured that the new ferry was designed to handle the constraints of Ardrossan with minimal modification. However, this became clear that this was not the case and that without substantial changes to the Port the service reliability would be adversely affected. The current proposed work was agreed after computer modelling of the proposed ferry.

Given that there is so much of the Glen Sannox that is still not been designed, what assurances do you have that the computer modelling was correct and that the proposed work will actually increase the reliability of Ardrossan?”

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

“The upgrade to the existing marine and landside infrastructure at Ardrossan was originally envisaged at a cost of around £15M, inclusive of marine and landside works (as with the £35M figure quoted).

Subsequently, Transport Scotland accepted that, to secure the long-term resilience of Ardrossan Harbour, a more comprehensive redevelopment of the harbour was required. The preferred option proposes a realignment of the Arran berth to improve manoeuvrability of vessels and increase service reliability. This has increased the project cost to £35m.

The revised design has been informed by extensive computer modelling which is the most accurate information currently available to CMAL and CalMac. The modelling and simulations used state of the art facilities at Glasgow Nautical College and this is supported by TRANSAS, the premiere global provider of such services.

It is intended to ensure that Ardrossan is fit for use by any vessel in the fleet and its future prolonged."

As a supplementary question, Councillor Glover asked if the Cabinet Member had any regrets about the lavish party held in Ardrossan Civic Centre in October 2017 to celebrate Ardrossan's victory over Troon in securing the ferry and questioned whether it may have been better to hold off until the new ferry actually arrived.

Councillor Gallagher responded by indicating he was intrigued by Councillor Glover's definition of "lavish".

(13) a question by Councillor Marshall to the Cabinet Member for Health and Social Care in the following terms:

"I am aware of recent cases within North Ayrshire where hospital patients, including one terminally-ill patient, cannot access a care at home package. This delays their hospital release for up to two months.

Since the weekly cost for a hospital patient is ca.£2,800 and for a care at home package ca £220, the provision of a package would provide a saving to the public purse of in excess of £20,000.

Can the Member:

- a. Explain why my constituent cannot access a package and thereby release a hospital bed
- b. State the current numbers of persons on waiting lists for a Care at Home place, a Care at home package and SDS (Self-Directed Support) and the average waiting times for each
- c. Estimate the additional budget that would be needed to ensure that all these waiting lists are eliminated
- d. State the number of North Ayrshire residents that are currently unable to be discharged from hospital due to lack of a care packages."

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

- “a. The particular care at home package referred to in Councillor Marshall’s question, was confirmed to commence and the lady was returned home from hospital last week. Unfortunately, the capacity within the Care at Home service both inhouse and purchased services to deliver the provision was simply not there when the original request for the service was made. Whilst much work has been done to improve recruitment, there are still some areas within North Ayrshire where it is harder to recruit staff. This clearly leaves some people waiting in hospital longer than they should and is something that the Integration Joint Board is keen to improve.
- b. Within the communities across North Ayrshire there are 10 individuals awaiting a Care Home placement with the average waiting time being 130 days.

Within the communities across North Ayrshire there are currently 159 individuals on the waiting list awaiting a care at home package with the average waiting time being 47 days

There are currently 5 individuals on the waiting list awaiting funding for Self-Directed Support with the average waiting time being 87 days.

- c. The total amount of annual budget required would be £1,216,429.00.
- d. There are currently 17 individuals awaiting a Care at Home package, within a hospital setting.

There are currently 4 individuals awaiting a Care Home placement, within a hospital setting,

(Please note the budget for these 21 individuals is also included in point c above).”

As a supplementary question, Councillor Marshall referred to the additional £2.7m to be allocated by the Scottish Government to the IJB and asked if this sum would clear the waiting lists.

Councillor Foster responded by referring to the forthcoming budget briefing and to the Council’s budget meeting in early March and expressed the hope that there would be no attempt, as previously, to take funding from the Health and Social Care Partnership. Councillor Foster advised that it would be for the IJB to decide where any additional HSCP funding was allocated.

- (14) a question by Councillor George to Councillor McMaster as the Council's representative on the Arran Ferry Committee, in the following terms:

“CMAL has built a new ferry terminal at Brodick at a cost of £33 million. After nearly two years of operation it has become very clear that when there are mild easterly winds the ferries are cancelled. This was not a feature seen with the old ferry terminal. What pressure can the Arran Ferry Committee put on CMAL to remedy these obvious design faults?”

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

“CMAL has advised that they are aware that certain wave and wind directions predominantly from the east have given rise to cancellations. CMAL is currently working with the designers of the terminal to explore mitigation measures. This work is on-going. As well as the Arran Ferry Committee continuing to work with CMAL, it is proposed that Council officers will write to the Chief Executive of CMAL seeking reassurance that the works will be implemented as soon as possible and that the Council is kept fully informed of progress.”

- (15) a question by Councillor Murdoch to the Cabinet Member for the Economy in the following terms:

“At the Council meeting held on Wednesday 25th September 2019 I asked if anyone at North Ayrshire Council had enquired either verbally or in writing regarding the availability or procurement of between 70 and 100,000 tonnes of dredged sand from the sea bed at Hunterston and, if so, what was it to be used for?”

If no one at NAC enquired verbally or in writing, what was NAC’s involvement in the proposals for the dredged sand at Hunterston?”

Councillor Gallagher thanked the Member for his question and referred to the following written response:

“No officer enquired verbally or in writing.

Council Officers are aware that as part of proposed works to the dry dock at Hunterston, that dredging would be required. This has not been carried out. It is common for such material to be used for other purposes, rather than land-filled. However, the material has not been dredged, is not available and the Council is not aware of any proposals to re-use such material, or the location where it might be deposited.”

Councillor Gallagher concluded his response by suggesting that, if Councillor Murdoch had any evidence that an officer had made enquiries, he should bring this to his attention or to that of an appropriate officer.

As a supplementary question Councillor Murdoch referred to an Envirocentre Limited document entitled 'The Coastal Hydronomic and Wave Assessment' (7 November 2019), page 3 of which referred to the option of using the dredged sand from the seabed at Hunterston at a site along the coast at Ardrossan. Given that the Council entered into a limited liability partnership with Peel Landholdings Ardrossan just 6 weeks prior to the decision that no EIA was required for Hunterston, Councillor Murdoch asked if there was any conflict of interest and why, in the circumstances, the Council was unaware of the potential use of the dredged sand.

Councillor Gallagher responded by expressing the view that Councillor Murdoch's explanation did not support his question. He pointed out that the document in question did not mention the Council or any officer and that Councillor Murdoch quoted a potential project which had not happened. The Cabinet Member suggested that, if the Member had any concrete evidence to support suspicions he may have, it should be brought forward to allow the matter to be scrutinised.

13. Motion

In terms of Standing Order 13, submitted:

- (1) a motion by Councillor Murdoch, seconded by Councillor Hill, in the following terms:

"Council notes that EDF have recommended that the boundary of the Detailed Emergency Planning Zone (DEPZ) around Hunterston B shall be 2km from the plant. Within the DEPZ, Iodine tablets are kept at home by all residents. This compares with the situation in France, where those living within 20km of a nuclear power station are offered the option of keeping iodine tablets at home. To enable all Members to be involved in this important decision, Council agrees that the determination of the DEPZ be remitted to the next Council."

The Provost advised that the Cabinet on 21 January 2020 had agreed to "continue consideration of this matter to the next meeting to allow for further discussions to take place between Elected Members and the Office for Nuclear Regulation." The motion was, therefore, contrary to the Cabinet's decision and the suspension of Standing Orders would be required before it could be considered

Councillor Murdoch intimated that he wished to withdraw his motion.

The Head of Democratic Services advised that, as the motion formed part of the Agenda, it was competent for any Member to move it, subject, in this case, to the suspension of Standing Orders. Councillor Hill requested, and received, clarification of this in the context of Standing Order 14.5. The Head of Democratic Services referred Members to Standing Order 13.1,

Councillor Gallagher, seconded by Councillor Foster, moved the motion.

On a show of hands, there voted to suspend Standing Orders, 17. Accordingly, having failed to find the support of the required two thirds of Members present and voting, the Council agreed not to suspend Standing Order 23 to allow consideration of the motion.

The meeting ended at 3.40 p.m.

North Ayrshire Council
5 March 2020

IRVINE, 5 March 2020 - At a Special Meeting of North Ayrshire Council at 2.00 p.m.

Present

Ian Clarkson, John Bell, Timothy Billings, Joy Brahim, Marie Burns, Joe Cullinane, Scott Davidson, Anthea Dickson, John Easdale, Todd Ferguson, Robert Foster, Alex Gallagher, Margaret George, John Glover, Tony Gurney, Alan Hill, Christina Larsen, Shaun Macaulay, Tom Marshall, Jean McClung, Ellen McMaster, Ronnie McNicol, Louise McPhater, Davina McTiernan, Jimmy Miller, Jim Montgomerie, Ian Murdoch, Donald Reid, Donald L. Reid, Angela Stephen and John Sweeney.

In Attendance

C. Hatton, Chief Executive; L. Friel, Executive Director and M. Boyd Head of Service (Finance and Customer Service) (Finance and Corporate Support); S. Brown, Director (Health and Social Care Partnership); A. Sutton, Interim Executive Director (Communities); C. McAuley, Head of Service (Economic Development and Regeneration) and D. Hammond, Interim Head of Service (Commercial) (Place); and A. Fraser, Head of Democratic Services, A. Craig, Senior Manager (Legal Services); M. McColm, Senior Manager (Communications); H. Clancy, E. Gray, D. McCaw, Committee Services Officers and M. Anderson, Senior Manager (Committee and Member Services) (Chief Executive's Service).

Chair

Provost Clarkson in the Chair.

Apologies

Robert Barr and Scott Gallacher.

1. Provost's Remarks

The Provost welcomed those present to the meeting and dealt with preliminary matters, which included an announcement that the Council meeting would be webcast.

2. Apologies

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

3. Declarations of Interest

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

There were no declarations of the Party Whip.

4. General Services Revenue Estimates 2020/21 to 2022/23

Submitted report by the Executive Director (Finance and Corporate Support) on the Council's revenue spending requirements and anticipated funding for 2020/21 and 2022/23; the level of reserves and fund balances held by the Council; and options to address the funding gap. Appendices 1 and 2 to the report set out the revised expenditure requirements for 2020/21 and operational budget adjustments, respectively. Savings approved as part of the 2019/20 revenue budget and the expenditure requirements identified for 2020/21 to 2022/23, were detailed at Appendices 3 and 4, respectively. Appendix 5 summarised proposed savings, excluding the Health and Social Care Partnership, and Appendix 6 contained a list of charges to be increased with effect from 1 April 2020. The budget matrix for 2020/21 was set out at Appendix 7 to the report.

Members asked questions in respect of the following elements of the report:

- the review of the Arran Outdoor Education Centre referred to at section 2.12.1 of the report and whether it would include consideration of the user and wider community benefits of the service, as well as its costs; and
- the anticipated impact on the workforce (in terms of whole-time equivalent posts) of investment in the Health and Social Care Partnership, as referred to at section 4.2 of the report.

Councillor Cullinane thanked officers for their work in preparing the report and addressed the meeting on the Administration's budget proposals.

Thereafter, Councillor Cullinane, seconded by Councillor Bell, moved as follows:

“That the Council approve the proposals set out in the report, subject to the following changes:

- (a) remove of the Review of Primary & Secondary School Staffing savings option, £0.850m;
- (b) reduce resources allocated via the Devolved School Management (DSM) Scheme by £0.750m;
- (c) reduce the Infrastructure Fund by £0.186m from £2.786m to £2.600m; and
- (d) establish a Drugs Emergency Fund of £0.086m

and approve a Council Tax increase in 2020/21 of 4.84%.”

In terms of Standing Order 14.7, Members sought clarification from the mover of the motion in respect of the following:

- whether the sum of £0.086m referred to at (d) should read £0.186m; and
- whether confirmation had been sought that the reduced resources referred to at (b) could be accommodated given the early stage of the current review of the DSM Scheme.

Councillor Larsen then addressed the Council on behalf of the Opposition, thanking officers for their work.

Thereafter, as an amendment, Councillor Larsen, seconded by Councillor Burns, moved as follows:

“That the Council approve the recommendations set out in the report, subject to the following changes:

- (a) consolidate the Climate, Infrastructure and Community Wealth Funds into a single Investment Fund with the same objectives; and
- (b) allocate resources to two initial projects from the new Investment Fund:
 - £500,000 towards achieving the required carbon absorption through tree planting in recognition of the importance of this as part of the Council’s overall approach to becoming net zero;
 - £250,000 for specific actions in relation to asset-based community economic development to support community asset transfer and other related activity with community organisations to sustain services provided locally by community and voluntary groups

and approve a Council Tax increase in 2020/21 of 4.84%.”

In terms of Standing Order 14.7, Members sought clarification from the mover of the amendment in respect of the following:

- whether plans were in place with regard to the proposed locations for the tree planting referred to at (b); and
- if any projections were available in respect of the level of income likely to be generated by the two projects set out at (b)

Councillor Marshall then addressed the Council on behalf of the Conservative and Unionist Group, thanking officers for their support.

Thereafter, as a further amendment, Councillor Marshall, seconded by Councillor Ferguson moved as follows:

“That the Council approve the recommendations set out in the report, subject to the following changes:

- (a) limit the Council tax increase to 3%, reducing income by £1.072m; and
- (b) reduce the Climate Fund by £1.072m from £5.000m to £3.928m.”

In terms of Standing Order 14.7, Members sought clarification from the mover of the amendment on whether the terms of the amendment would increase the projected funding gap in 2021/22 to over £10.2m and, if so, how this would help save Largs library.

As a further amendment, Councillor Billings, seconded by Councillor Donald L. Reid, moved as follows:

“That the Council approve the recommendations set out in the report, subject to the following changes:

- (a) increase the additional funding to the Health and Social Care Partnership by £1.072m, which is the difference between a 3% increase in Council Tax and 4.84% increase in Council Tax, with the result that the additional funding contribution to the Health and Care Partnership will increase from £3.257m to £4.329m, with the additional £1.072m funding being on a non-recurring basis;
- (b) to fund this additional £1.072m non-recurring allocation by reducing the value of the Climate Fund by £1m to £4.000m and the Infrastructure Fund by £0.072m to £2.714m; and
- (c) in addition, approve the £1.119m non-recurring element of the Health and Social Care Partnership funding as set out within the report, as a recurring increase to the baseline budget of the IJB

and approve a Council Tax increase in 2020/21 of 4.84%.”

The Provost intimated a short recess at 3.00 p.m. to allow Members to consider the terms of the motion and amendments. The meeting reconvened at 3.25 p.m. with the same Members and Officers present and in attendance.

The Provost invited the Head of Service (Finance and Customer Service) to provide information on a revision to Appendix 6 (Fees and Charges) to the report. Members were asked to disregard the reference to school meal charges and were advised that this did not form part of the recommendations of the report.

The Provost then sought clarification on whether there were any further amendments, or alteration or withdrawal of the motion or any amendment in terms of Standing Order 14.5.

Councillor Billings intimated, with the consent of his seconder, that he wished to withdraw his amendment.

Thereafter, Councillors Cullinane and Larsen advised, in terms of Standing Order 14.5, that they wished to withdraw their motion and amendment, respectively, in favour of the following motion, proposed by Councillor Cullinane and seconded by Councillor Larsen:

“That the Council accept the recommendations of the report, subject to the following changes:

- (a) remove the Review of Primary and Secondary School Staffing savings option, £0.850m;

- (b) reduce resources allocated via the Devolved School Management (DSM) Scheme by £0.750m;
- (c) establish a Drugs Emergency Fund of £0.086m;
- (d) reduce the Infrastructure Fund by £0.186m from £2.786m to £2.600m;
- (e) consolidate the Climate, Infrastructure and Community Wealth Funds into a single Investment Fund at a reduced value of £8.800m with the same objectives;
- (f) allocate resources to two initial projects from the new Investment Fund:
 - £500,000 towards achieving the required carbon absorption through tree planting in recognition of the importance of this as part of the Council's overall approach to becoming net zero;
 - £250,000 for specific actions in relation to asset-based community economic development to support community asset transfer and other related activity with community organisations to sustain services provided locally by community and voluntary groups.

and approve a Council Tax increase in 2020/21 of 4.84%”.

The Provost sought, and received, confirmation from the respective seconders that they consented to the withdrawal of the original motion and amendment.

There followed debate and summing up.

Thereafter, on a division and roll call vote, Councillor Murdoch abstaining, there voted for the amendment by Councillor Marshall, seconded by Councillor Ferguson, Councillors Billings, Ferguson, George, Glover, Marshall, McNicol, Donald L Reid and Stephen, and for the motion by Councillor Cullinane, seconded by Councillor Larsen, Councillors Bell, Brahim, Burns, Clarkson, Cullinane, Davidson, Dickson, Easdale, Foster, Gallagher, Gurney, Hill, Larsen, Macaulay, McClung, McMaster, McPhater, McTiernan, Miller, Montgomerie, Donald Reid and Sweeney, and the motion was declared carried.

5. Capital Investment Programme 2020/21 to 2027/28

Submitted report by the Executive Director (Finance and Corporate Support) on the draft Capital Investment Programme to 2027/28. The current capital programme for 2020/21 to 2027/28, proposed changes to the programme and details of the revised programme, were set out at Appendices 1-3 to the report.

Members asked questions in respect of the following elements of the report:

- whether the report's recommendations should be revised in light of the earlier decision to consolidate the Climate, Infrastructure and Community Wealth Funds into a single Investment Fund; and
- how the Lamlash Early Years service would be delivered in the interim, pending capital investment in 2021/21

Councillor Cullinane, seconded by Councillor Bell, moved that the Council approve the revised recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed as follows:

- (a) to approve the Capital Investment Programme to 2027/28 as set out at Appendix 3 to the report; and
- (b) to note (i) that the programme would be updated on an on-going basis with the next major review in 2020/21, including a refresh of the Capital Investment Strategy and (ii) the recommendation to earmark funds within the General Services Revenue Estimates 2020/21 to 2022/23 report to Council for the purpose of creating an Investment Fund (comprising Climate, Community Wealth Building and Infrastructure)."

6. Revenue Estimates 2020/21 - Common Good Funds and Trusts

Submitted report by the Executive Director (Finance and Corporate Support) on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and seek approval for the level of grant funding to be made available for disbursement in 2020/21. The remaining smaller trusts administered by the Council were listed at Appendix 1 to the report. Appendix 2 set out the 2020/21 revenue estimates for the Common Good Funds and registered charitable Trusts.

Members asked questions in respect of the following elements of the report:

- what might constitute a trust with a smaller or insignificant balance;
- whether trusts from one settlement were likely to be merged with those of another; and
- the application of administration charges and the disparity in the charges applied to the various trusts.

The Head of Service (Finance and Customer Service) undertook to provide Members with further information on the administration charges applied to the various trusts.

Councillor Cullinane, seconded by Councillor Bell, moved that the Council approve the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed as follows:

- (a) to approve the 2020/21 revenue estimates for the Common Good Funds and registered charitable Trusts detailed in Appendix 2 to the report;

- (b) to approve the allocation of funds from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle, as noted at section 2.3 of the report;
- (c) to approve the amounts available for disbursement noted at section 2.10 of the report; and
- (d) to approve capital spend from the dormant and low value Trusts, Irvine Common Good Fund and Largs Common Good Fund and instruct officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust.

The Provost took the opportunity, on behalf of Members, to extend his thanks to the officers responsible for preparing all of the various budget papers.

Councillor Donald L. Reid left the meeting during consideration of this item.

7. Treasury Management and Investment Strategy 2020-21

Submitted report by the Executive Director (Finance and Corporate Support) on the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2020/21. The draft Strategy document was attached as an appendix to the report.

Councillor Cullinane, seconded by Councillor Bell, moved that the Council approve the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed to approve the Treasury Management and Investment Strategy for 2020/21 set out at Appendix 1 to the report.

Councillor Macaulay left the meeting during consideration of this item.

The meeting ended at 4.15 p.m.



PROVOST'S REPORT

For the period covering: 3 February 2020 – 13
September 2020

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

PROVOST'S REPORT

For the period covering: 3 February 2020 – 13 September 2020

Since the last meeting of the Council I have attended various events throughout North Ayrshire.

Irvine Lasses Founders' Celebration, Irvine Townhouse, 6 February

On 6 February, I was invited to officially open the exhibition in Irvine Townhouse marking Irvine Lasses Burns Club's 45th anniversary. Entertainment was provided by Ayrshire Fiddle and we heard from a variety of speakers on the night. I was delighted to attend and show my support for all the excellent work that is carried out in our local communities.

Kilwinning Burns Club Burns Supper, Nethermains Institute, Kilwinning, 7 February

On 7 February, I was a guest of Kilwinning Burn Club at their annual celebration which took place in Nethermains Institute, Kilwinning. The event was a great success and my congratulations go out to the organisers. Events like these take place every year throughout North Ayrshire celebrating the birth of our National Bard, Robert Burns.

Chinese New Year Celebration, Loon Fung Restaurant, Glasgow, 10 February

I attended a Chinese New Year Celebration in Glasgow on 10 February, which was hosted by the Association of Chinese Entrepreneurs in Scotland and the Kut O Benevolent Society. This event gave me the opportunity to show our support to the Chinese community as well as promoting North Ayrshire to a wider audience.

Reception hosted by Consul General of Japan, Assembly Rooms, Edinburgh, 20 February

On 20 February, the Consul General of Japan hosted a reception in the Assembly Rooms, Edinburgh on the 60th Birthday of the Emperor of Japan. Among the guests were MPs, MSPs, Lord Provosts and Provosts from throughout Scotland.

Diamond Wedding Anniversary, Mr and Mrs Smith, Irvine, 21 February

As Provost it is my duty to acknowledge special anniversaries and birthdays namely Diamond Weddings and 100th Birthdays. I attend various celebrations throughout North Ayrshire along with a representative of the Ayrshire and Arran Lieutenancy. On 21 February Mr and Mrs Smith from Irvine celebrated their Diamond Wedding Anniversary in the Riverside Lodge Hotel. I was delighted to be able to visit them and pass on my congratulations on behalf of North Ayrshire Council.

Cordiners' Burns Supper, Heckling Shed, Irvine, 21 February

Continuing the Robert Burns celebrations I attended a Burns Supper on the evening of 21 February in the Heckling Shed, Irvine where Robert Burns worked in 1781. The event was hosted by the Cordiners Trade and was a fitting tribute to Burns and his connection to Irvine.

Visit to Fullarton Guild, Fullarton Church, Irvine, 24 February

I was guest speaker at the Fullarton Guild on 24 February in Fullarton Church. I am always pleased to be able to visit various community groups and organisations and highlight the exceptional work they carry out and the important role they play in their local community.

Fairtrade Fortnight Photocall, Cunninghame House, 27 February

On 27 February, I attended a photocall to help raise awareness of Fairtrade products and the people who supply them. For two weeks every year, thousands of individuals, businesses and community organisations come together to highlight Fairtrade.

Irvine Seagate Rotary Sportsman's Dinner, Fullarton Community Hub, Irvine, 28 February

Irvine Seagate Rotary's annual Sportsman's dinner was held in the Fullarton Community Hub on 28 February. Representatives from several local organisations attended this entertaining event, which I was a guest at. The event was arranged by volunteers and is another example of the vibrant communities we have here in North Ayrshire.

WW100 Exhibition, Irvine Townhouse, 2 March

On 2 March, I officially opened the WW100 Exhibition at Irvine Townhouse. WW100 Scotland was set up by the Scottish Government and aims to inform people about Scotland's contribution to World War One and help them discover the effects the war had on their local communities and its lasting impact on life in Scotland today. This unique exhibition, consisted of original print artworks created by young people aged 14+ mounted onto 100 plinths, that telling the stories of people and events from World War One. The plinths fitted together to form an abstract outline of a map of Scotland. From acts of heroism on the battlefield to naval tragedies, from thousands of workers in factories at home to brave members of the hospitals at the Western Front, this exhibition shares a wide range of stories.

PoppyScotland International Women's Day, Welfare Centre, Kilmarnock, 6 March

I attended PoppyScotland's International Women's Day event in Kilmarnock on 6 March. The event celebrated the achievements of women in the Armed Forces community. Whether this is serving/reservists, veterans, or spouses, women are pivotal to the diversity and strength of our Armed Forces.

Ayrshire Chamber Annual Dinner, Trump Turnberry, 6 March

I was a guest at the Ayrshire Chamber Annual Dinner which was held in Trump Turnberry on 6 March. This is a key event for the Ayrshire business community and it was a great opportunity for me to meet various businesses based in North Ayrshire.

Ayrshire Association of Burns Clubs Schools Competition, Irvine Royal Academy, 7 March

Ayrshire Association of Burns Club held their annual schools' competition in Irvine Royal Academy on 7 March. The competition was very successful with many entrants from throughout Ayrshire. I was only too delighted to attend and present the prizes.

Scottish Schools Pipe Band Championships Reception, William McIlvaney Campus, Kilmarnock, 8 March

I attended a reception on 8 March in William McIlvaney Campus Kilmarnock, hosted by the Provost of East Ayrshire Council and The Scottish Schools Pipe Band Championships. Schools from throughout Scotland competed at the event with some excellent performances.

Diamond Wedding Anniversary, Mr and Mrs Kerr, Irvine, 10 March

Mr and Mrs Kerr of Irvine celebrated their 60th Wedding Anniversary on 10 March. It was a pleasure to be able to visit Mr and Mrs Kerr on their special day and offer my congratulations on behalf of the Council.

Ayrshire Music Festival Piping Event, Stanley Primary School, Ardrossan, 14 March

On 14 March, I attended a piping event in Stanley Primary School, Ardrossan. The event was part of the Ayrshire Music Festival and arranged by Caledonian Piping Club. The event was very well attended, and my congratulations go to the organisers for arranging the event and for their commitment in developing traditional music in North Ayrshire.

Covid 19

As the global pandemic started to make its mark throughout Scotland and the world many of our annual events and activities were either cancelled or rescheduled. The fantastic efforts of our staff and people throughout North Ayrshire continue as we keep our communities safe and well and provide support to many sectors as we come to terms with a 'new normal'. The resilience of volunteers continues to be nothing short of remarkable and my heartfelt thanks go out to every one of them. In July, I attended virtual visits to our Community Hubs with the Leader of the Council and was able to pass on my thanks directly to some of those amazing people. My thoughts go out to all those who have been affected by Coronavirus.

John Galt Day, 2 May

In recent years, renewed interest has been shown in one of Scotland's "forgotten" literary figures, John Galt who was born in Irvine on 2 May 1779 and died in Greenock on 11 April 1839. Writing in Scots and in English, Galt is credited with being the first socio-political author to comment on society in the post Agrarian and Industrial Revolution era, but was much more than a literary figure. For John Galt was also an entrepreneur who opened up parts of Western Ontario and funded the city of Guelph in what was known as Upper Canada.

Irvine Burns Club, of which Galt became its first Honorary Member in 1828, are members of the John Galt Society. I would normally take part in a wreath laying ceremony, on the day of John Galt's birth. Instead, in order to mark the occasion, I recorded a special message on social media, noting this special day and sent greetings to the people of Guelph, Canada.

VE Day, 8 May

8th May was the 75th anniversary of Victory in Europe Day. This year's significant anniversary was to have been commemorated with events across the UK but the pandemic meant that most public events were cancelled.

I was disappointed that we were unable to gather together and pay homage to the men and women who gave so much for the generations which followed. Millions of them paid the ultimate price and we cannot forget their sacrifice. Even though we could not gather to publicly honour them, we paid tribute from our own homes by taking part in the Nation's Toast to the Heroes. It was a chance for us to reflect on what they went through 75 years ago and how – even despite the current lockdown – we are very fortunate today and continue to owe them a colossal debt of gratitude.

I pay tribute to the many groups in North Ayrshire and farther afield who had planned events to mark the 75th anniversary of VE Day. It's a pity that we will not be able to share our appreciation in person but their dedication and commitment to mark the occasion will not be for nothing. I'm sure we will get the chance at some point soon to come together and pay our respects collectively.

Thanks to North Ayrshire Council's Heritage and Cultural Services who helped commemorate VE Day 75 online and for the opportunity to send a special message on this special day.

Armed Forces Day, 27 June

On 27 June, I raised the Armed Forces Day Flag at Cunninghame House. Armed Forces Day gives us all the chance to show our support to those men and women who make up our Armed Forces community. This day is celebrated nationally.

Irvine Burns Club, Founder's Day, 2 June

Irvine Burns Club, founded in 1826, hold a Founders' Day event in June each year. The organisers were reluctant to cancel this annual celebration and thought to do a 'virtual' celebration instead. I was delighted to take part in the celebration from the comfort of my own home. Not only was the event a great success, many people took part that wouldn't normally be able to, this included Henry Cairney, President of Robert Burns Association of North America, Brian Goldie, President of Robert Burns World Federation, Andrew O'Hagan, author and George Masson son of Past President Charles Masson and now resident in Atlanta, Georgia. David Burns, President of Irvine Burns Club hosted the event.

VJ Day, Saltcoats and Stevenston, 15 August

I visited the war memorials in Saltcoats and Stevenston to mark the 75th Anniversary of VJ Day, on 15 August. VJ Day marks the surrender of Japan and the end of the Second World War.

Marymass Festival, Irvine, 13- 24 August

This year's Marymass Festival took place from 13 – 24 August. Irvine Carter's Society and the Marymass Festival Committee staged the event online via Facebook and in doing so managed to reach out to over 130,000 people. As well as an alternative online opening ceremony, many events and features took place including interviews and coverage from past Festivals, flower show, live music, exhibitions, virtual tours and so much more. I was delighted to officially acknowledge the start of the Festival and take part in a special feature with the Captain of the Carters' Danny Kerr, on the history of Seagate Castle. A host of people were involved this year in delivering these events, largely volunteers. The Festival was certainly missed, however the online events were a great success with definite opportunities to develop the Festival programme to a wider audience in future years.

Merchant Navy Day, 3 September

On 3 September, we took part in Merchant Navy Day by flying the Red Ensign outside Cunninghame House. This is to honour Seafarers past and present who have served their country over the years and I was only too delighted to take part.



A handwritten signature in black ink that reads "Ian Clarkson". The signature is written in a cursive, flowing style.

Councillor Ian Clarkson
Provost North Ayrshire Council



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

LEADER'S REPORT

For the period covering: 3 February – 13
September 2020

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

LEADER'S REPORT

For the period covering: 3 February – 13 September 2020

VISIT TO ESOL, WALKER HALL, KILBIRNIE, 5 February

On 5 February, I was delighted to meet members of some of the Syrian families who have left their war-torn country and found new lives here in North Ayrshire. The event was hosted at an English for Speakers of Other Languages (ESOL) event in Walker Hall in Kilbirnie. I am hugely proud of the fact that North Ayrshire Council was one of the first Local Authorities in Scotland to resettle Syrian families, in total 41 families since the end of 2015.

Our North Ayrshire communities have welcomed our Syrian families and helped them to settle into our schools and places of work. These families are now contributing socially and economically to North Ayrshire and I look forward to building on that further as we continue to welcome more families over the coming months.

FAIR FOR ALL COMMISSIONER MEETING, 6 February

On 6 February, I attended the Fair For All Commissioner meeting held at Fullarton Connexions. There are now seven Community Commissioners who volunteer their time to attend the Fair For All Commission and are representative of communities that are struggling against poverty and insecurity. FFA Commissioners will continue to meet until May 2020 before a report will be submitted to the Scottish Government.

“THIS IS NORTH AYRSHIRE” PROMOTIONAL FILM AND LAUNCH, 7 February

I was pleased to attend the launch of our new, “This is North Ayrshire” promotional film and website for business and inward investment at the Harbour Arts Centre on 7 February. Both the film and the website have been positively received and we will continue to work closely with our partners and the local business community to promote North Ayrshire as a great place to do business. It is hoped that this new campaign will help attract new businesses and activity to the area.

POLICY ADVISORY PANEL, 13 February

I attended the Policy Advisory Panel on 13 February here in Cunninghame House where attendees heard a presentation on the budget update from our Executive Director for Finance and Corporate Support, Laura Friel.

SHARPHILL GROUNDBREAKING, 14 February

On 14 February I was delighted to attend Cunninghame Housing Association's groundbreaking ceremony at Sharphill in Dalry. North Ayrshire Council, Cunninghame Housing Association and the Scottish Government have been involved in developing this £12.3m housing project, which will deliver a total of 76 new homes, a mixture of 2, 3 and 4 bedroom houses with some cottage flats and houses designed specifically to meet the needs of wheelchair users.

The main contractor for the work is the local company, Ashleigh (Scotland) Ltd, who will continue to deliver some of our new house building projects in the coming years while at the same time delivering community wealth benefits to North Ayrshire, including offering Modern Apprenticeships to our young people and organising careers events in our secondary schools.

DALRYMPLE PLACE GROUNDBREAKING, 17 February

I attended our own groundbreaking ceremony at Dalrymple Place in Irvine on 17 February. This new project will continue the Council's ambitious affordable house building programme in North Ayrshire providing 33 new homes including sheltered housing and wheelchair liveable bungalows.

SCOTLAND EXCEL INCLUSIVE GROWTH CONFERENCE, 20 February

On the 20 February, I gave a presentation on Community Wealth Building at the Scotland Excel Inclusive Growth Conference at the Radisson Hotel in Glasgow. Over the past few months I have been asked to speak at various Conferences about Community Wealth Building, a key strategic and transformative piece of work which North Ayrshire Council has been leading on. Community Wealth Building has the potential to reconnect the local economy with economic and social justice, putting fair work at the heart of the local economy and supporting alternative, more inclusive forms of business ownership.

ARDROSSAN TASK FORCE MEETING, 25 February

I attended a meeting of the Ardrossan Task Force meeting at Atlantic Quay on the 25 February. The meeting was chaired by the Minister for Energy, Connectivity and the Islands, Paul Wheelhouse. Attendees heard updates on the vessel including Marine Works, works landside, service continuity during construction, communications and engagement strategy, funding, governance and risks.

1st TIER JOINT CONSULTATIVE COMMITTEE & CORPORATE HEALTH AND SAFETY GROUP, 27 February

On 27 February, I chaired the 1st Tier Joint Consultative Committee and Corporate Health and Safety Group held in Cunninghame House. Attendees heard updates on the health and safety plans from our PLACE, Communities and HSCP directorates. There was also an update from the work of our Livewell team.

MODERN APPRENTICESHIP PRESENTATIONS, 2 March

Together with our Chief Executive, Craig Hatton, I was delighted to present some of our talented Modern Apprentices with presentations in recognition of some of the outstanding work they have been involved in since starting at North Ayrshire Council. The "Talent Without Limits" presentation took part on 2 March in Cunninghame House and I would like to congratulate all the winners but more importantly, acknowledge all the great work carried out by our Modern Apprentices.

FAIR FOR ALL ADVISORY PANEL, 11 March

On 11 March, I chaired the Fair For All Advisory Panel held here in Cunninghame House. Attendees heard several presentations and updates on some of our key pieces of work, one of which included an update on the GET HEARD sessions that were carried out by the Poverty Alliance throughout North Ayrshire. These findings will now be used and presented in a report to the Scottish Government in the next few months.

COMMUNITY WEALTH BUILDING COMMISSION, 12 March

On 12 March, the Community Wealth Building (CWB) mission met for the third time to continue developing its plans for community wealth building in North Ayrshire. One of the five pillars of CWB includes procurement, and the Commission heard from our NAC Business Development

team on the progress that has been made around this so far. The Commission also saw the final draft of the CWB Strategy for North Ayrshire and the feedback on engagement.

Work will continue to develop and strengthen over the coming months and I am excited about the positive outcomes this work can have for the benefit of everyone in North Ayrshire.

CLIMATE CHANGE CONVENTION, 12 March

On 12 March, I was delighted to speak at our first Climate Change Convention at Saltcoats Town Hall. The event drew more than 100 attendees from a wide range of the community including schools, young people, community organisations, Elected Members and local businesses. Other speakers included, Kate Dapr , Chair of the Sustainability Network Scotland and Ellie Murtagh who works on the Adaptations Scotland Programme.



(Left to Right, Kate Dapr , Ellie Murtagh, Council Leader, Cllr Cullinane and David Hammond, North Ayrshire Council Head of Commercial Services)

North Ayrshire Council declared a Climate Emergency in June last year, committing to achieve 'net-zero' emissions by reducing these across the area by 2030. This means that there are only 10 years remaining to reduce and absorb emissions before climate change impacts become irreversible. We are one of many local authorities to have done this, but we have gone one step further and committed to achieving this ambitious goal by the year 2030 having set aside £8.8million in our budget to specifically target Climate Change, infrastructure and Community Wealth Building.

I would like to thank all those who took part in the event, the speakers, officers and attendees. The issues that were discussed at the roundtable discussions have been worthwhile and these will be looked at in more depth and incorporated into our next Environmental Sustainability & Climate Change Strategy (2020-23). This strategy will reflect the priorities of our young people, residents and businesses, and detail specific carbon reduction and absorption actions.

COVID-19 LOCKDOWN WORKING, 23 March

Obviously, this year has been unlike any other. Following the declaration on the 23 March by the Scottish Government that the country was to go into Lockdown due to the COVID-19 pandemic, North Ayrshire Council acted swiftly and effectively to put in necessary measures for our workforce, Elected Members and communities, to keep them safe and informed on a regular basis. For many of our community, North Ayrshire Council was able to provide access to essential necessities like food and medicine that are needed to survive. I will say more at the end of the report and thank a range of people but I wanted to take the opportunity here to say how appreciative I am to our Chief Executive, Craig Hatton and his Executive Leadership Team, for their incredible work over the past few months. They have implemented crucial and necessary measures at such short notice. They have done this so effectively. It has been exemplary.

Following lockdown, all of us had to adapt to a new way of "normal" daily life, with many of us fortunate enough to be able to work from home. For other essential staff, this was not an option as they continued to provide many frontline essential services to our communities.

In the first instance, most of our Council and Committee meetings were cancelled but subsequently these have been reinstated using the power of technology. A new way of working has evolved. Virtual meetings have now become the norm and I have been impressed with the significant amount of work that has been achieved under these unique circumstances. Here are a few of the highlights since 23 March:

COMMUNITY WEALTH BUILDING STRATEGY LAUNCH, 14 May

On 14 May I took part in the virtual launch of our Community Wealth Building strategy which was streamed live on the Council's Facebook page and reached an audience of over 11,000. Joining me was a great line-up of speakers including Matthew Brown, Leader of Preston Council, Neil McInroy, Centre for Local Economic Strategies, Sarah McKinley, The Democracy Collaborative and Donna Fitzpatrick, from the Fullarton Community Hub, Irvine.

I am proud to lead a council that has become the first in Scotland to adopt a radical economic strategy and one that will build back better, fairer and greener in the immediate future and post COVID-19. Community Wealth Building is about working in partnership with communities and businesses to build a strong local economy which supports fair work, encourages local spend and uses the land and property we own for the common good so that wealth stays local. We will achieve that by working together with our "anchor" organisations such as NHS Ayrshire and Arran, Ayrshire College and wider partners to support more local business to bid for public sector contracts. In addition, we will look to encourage businesses based in North Ayrshire to spend locally to support local supply chains and the recovery of our economy.

The current approach to the economy has left behind certain places and people and we must ensure that we have a recovery that is inclusive and tackles current inequalities. We also need to create an economy that is more resilient and sustainable, and ensure North Ayrshire is ready to deal with future challenges, including the Climate Emergency. We know that fragile regions like North Ayrshire and Ayrshire are hit hardest by economic shocks, so we must be prioritised for investment moving forward if we are serious about achieving an inclusive economy in Scotland.

An £8.8 million Investment Fund will support a series of Community Wealth Building projects, including the development of infrastructure to support business growth, with an emphasis also on climate change after the Council declared a Climate Emergency in 2019.

The full Strategy can be viewed at **www.north-ayrshire.gov.uk/cwb**

COMMUNITY WEALTH BUILDING EXPERT ADVISORY PANEL, 20 May

In tandem with our CWB strategy, the Council has also set up an independent CWB Expert Advisory Panel whose primary remit will be to advise and challenge the wider CWB delivery of North Ayrshire and Ayrshire anchors participating in the CWB Commission. The Expert Panel held their first meeting on 20 May and includes the following members:

- **Sarah Deas**, Trustee, Wellbeing Economic Alliance (Scotland) and Visiting Professor, Hunter Centre for Entrepreneurship, University of Strathclyde & Chair of Panel
- **Joe Guinan**, Vice President of Theory, Research, and Policy and Executive Director of The Next System Project, The Democracy Collaborative
- **Laurie Macfarlane**, Fellow, Institute for Innovation and Public Purpose, University College London (UCL) and Economics Editor, Open Democracy
- **Neil McInroy**, Chief Executive, Centre for Local Economic Strategies (CLES)
- **Sarah McKinley**, Director of European Programs and Next System Project European Representative, The Democracy Collaborative
- **Ian Mitchell**, Chief Executive, Community Enterprise in Scotland (CEIS)
- **Miriam Brett**, Director of Research and Advocacy, Common Wealth
- **Roz Foyer**, General Secretary of Scottish Trade Unions Congress (STUC)

The Panel have extensive knowledge on a range of subjects relating to the five pillars of CWB and can bring ideas and lessons from CWB best practice from elsewhere in the UK and internationally to share with our CWB Commission. I look forward to learning from them and using their wider policy knowledge on the wellbeing economy, fair work and climate change.

My thanks to the Panel for their support so far and commitment to help us going forward. And of course, a huge thanks to all the officers who have been working diligently on our CWB strategy over the past year.

AYRSHIRE ECONOMIC PARTNERSHIP BOARD MEETING & AYRSHIRE ECONOMIC JOINT COMMITTEE, 22 June

On 22 June I attended the Ayrshire Economic Partnership Board Meeting followed by the Ayrshire Economic Joint Committee where Board members heard presentations on Ayrshire-wide Business Recovery and Renewal and an update on the Ayrshire Growth Deal Programme.

Since the lockdown was initiated, a number of negative economic impacts have emerged in Scotland, which are likely to result in a deep recession. Latest estimates from the Scottish Government indicate a potential decrease of 33% in Scotland's GDP as a result of lockdown. There has also been a significant increase in unemployment levels, people claiming universal credit has increased and local businesses have had to close.

Support for local businesses has been an important element of the response of all three Ayrshire Councils and Scottish Enterprise to the pandemic. This support has been provided in conjunction with the Scottish Government, public sector partners and the local business communities, building on a well-established network of contacts and drawing upon a range of expertise to help protect and support businesses.

North Ayrshire Council's Business Support Team has engaged extensively with local businesses throughout the pandemic in a number of ways, including:

- Working with those businesses that remained operational, providing support and advice to enable compliance with Government requirements, assessing their ability to meet demand and maintain supply chains and future planning to enable continued response to the demands placed upon them by the pandemic.
- For those businesses that were subject to suspension, providing advice on grants and funding streams, supports to employees, assessing post-lockdown requirements and impact upon longer term plans and future viability.
- Identifying opportunities to diversify products and services to meet new and increased demands arising from the pandemic.

I would like to thank all the staff who were involved in providing timely financial support and guidance to local businesses and individuals over the past few months.

COMMUNITY WEALTH BUILDING COMMISSION, 23 June

I chaired a meeting of the CWB Commission on 23 June. Attended by some of our "anchor" organisations, the Commission heard presentations on CWB Stakeholder mapping and Regeneration of Land and Assets. There was also discussion when I attended the Ayrshire Economic Partnership Board Meeting and at the Ayrshire Economic Joint Committee Board members heard presentations on Ayrshire-wide Business Recovery and Renewal and an update on the Ayrshire Growth Deal Programme.

ECONOMIC, REGENERATION AND DEVELOPMENT BOARD, 9 July

On 9 July the Economic, Regeneration and Development Board met, and Board members heard updates on the Ayrshire Growth Deal and the Ayrshire Regional Economic Strategy including its related programme of action. It was also agreed by Board members to bring the Board to an end. On behalf of North Ayrshire Council, I would like to thank the Board members for their invaluable contribution to North Ayrshire's economic development over the years. The Board has achieved a great deal, not least the success of our Team North Ayrshire which has been rightly viewed as a leading approach to business support across Scotland.

Some of the Board members will continue to work with us as we develop our new regional economic boards and commissions and I look forward to continuing to build on our existing working relationship as we face the unprecedented economic challenges from Covid-19 that lie ahead.

SUMMER RECESS COMMUNITY VISITS

Usually, over summer recess I like to take the opportunity to meet some of the community groups throughout North Ayrshire and find out more about some of the outstanding work they are doing throughout our communities. This year although unable to do physical visits, I was able to do “virtual” visits with some of our community hubs who have been at the forefront of providing food parcels, hot food, prescriptions, advice and a whole lot more to our North Ayrshire residents who needed it over the past few months. These visits included the following:

- Fullarton Community Hub (13 July)
- PRYDE in Kilwinning (16 July)
- Three Towns Community Hub (16 July)
- Kilwinning Community Hub (17 July)
- Cranberry Moss in Kilwinning (21 July)
- Irvine Community Hub (22 July)
- Arran Community Hub (22 July)
- North Coast Community Hub (4 August)

On some of the “virtual” visits, I was joined by our Chief Executive, Craig Hatton and on a few others, I was also accompanied by our Provost, Ian Clarkson.

The Covid-19 lockdown has been extremely challenging, but it has highlighted how powerful and resilient our communities are.

The efforts of Council staff, community groups and volunteers in responding to the crisis has been incredible. Within a short space of time, staff adapted to the situation and focused on supporting our most vulnerable residents. How they have worked together, in the face of adversity, has been inspiring.

These meetings are giving myself, senior officers and the Provost, the opportunity to personally thank the teams for their efforts and listen to the many incredible stories they have from the last few months. It has been a truly humbling experience, but I have been struck by some of the positives to have come out of it all. How Council staff and volunteers have learned about themselves as individuals. How they have adapted to form new and lasting bonds with each other and how they have recognised that their daily work has been making such a difference to

so many people's lives, in some cases, providing the lifeline to keep them going when at times it has been too much for some.

It is apparent to me that we need to use the energy and efforts of our staff and the volunteers to create a better normal after Covid because no one I have spoken to wants a return to the old normal. They have seen the difference that working together, across council departments and in partnership with community organisations, has made during lockdown and they don't want to lose that.

Going forward I am determined that our Council will build on the lessons learned from our shared working at these hubs and facilitate partnership working going forward.

MEMBERSHIP OF THE WELLBEING ECONOMIC ALLIANCE, 14 August

On 14 August, I am delighted to say that North Ayrshire Council became the first local authority in Scotland to join "The Wellbeing Economic Alliance (WEAll)". The Wellbeing Economic Alliance is a global organisation dedicated to developing 'wellbeing' economies with a focus on social justice and environmental change.

The catalyst for this has been the launch of our new Community Wealth Building Strategy and plans to build back better, fairer and greener as part of our economic recovery.

The Community Wealth Building approach is key for North Ayrshire in its bid to create a real wellbeing economy - an economic system purpose-built to deliver social justice on a healthy planet where humanity dictates economics, not the other way around. WEAll is a collaboration of organisations, alliances, movements and individuals working towards this goal.

Their Scottish hub, Wellbeing Alliance Scotland, was established in 2018 and brings together like-minded economic thinkers to coordinate strategic direction to help lead the way towards fundamental system change. Through participating in the WEAll network, the Council will inspire others to adopt similar pioneering approaches while benefiting from ideas and innovations from across the world

I look forward to speaking to a range of influential thinkers, like Sarah Deas, chair of North Ayrshire's expert advisory group on Community Wealth Building and a trustee of Wellbeing Economy Alliance (Scotland), who can help inspire us as we look to radically overhaul what we are doing here in North Ayrshire.

FAIR FOR ALL ADVISORY PANEL, 27 August

On 27 August, the Fair for All Advisory Panel met to hear updates on the Child Poverty Action Plan (CPAP), the Fair For All (FFA) Commission and our Food Forum. Our CPAP has now been reviewed by the Poverty and Inequality Commission and it has highlighted that employability and employment support, CPP focus, Fair For All Strategy and Fair For All Commission were all clear examples of good practice.

It is now three years since the formation of the Fair For All Commission which has enabled our Civic Commissioners to look at what is working, what is not and what people would like to see changed to tackle poverty going forward. This is information gathered from those who have first-hand experience of living in poverty, our Community Commissioners.

Our Food Forum continues to focus on ensuring the people of North Ayrshire can access safe, affordable and nourishing food. North Ayrshire Council is also in the process of establishing a Food Growing Strategy which will support the development of sustainable local food production which links into our local community food provision supporting our FFA strategy.

CEIS ANNUAL POLICY AND PRACTICE CONFERENCE, 2 September

Over the past few months I have been asked to talk about Community Wealth Building at several events, one of most recent ones was the Community Enterprise in Scotland (CEIS) Policy and Practice Conference held on 2 September.

I gave a summary of North Ayrshire Council's implementation of the strategy looking at how CWB can create opportunities for enterprising third sector organisations – social enterprises, co-operatives and community owned bodies. I also spoke about the concept of anchor organisations and the process of commissioning services.

My thanks again to Neil McInroy, Chief Executive at the Centre for Local and Economic Strategies (CLES), who also spoke at this event on CWB in general and used NAC as an example of what is being and can be done.

KILWINNING LOCALITY PARTNERSHIP MEETING, 3 September

I attended the Kilwinning Locality Partnership meeting on 3 September. Attendees heard a presentation on community support, an update on traffic and parking in the area and a further update on the Kilwinning Locality Plan. Superintendent Derek Frew advised that he would investigate further traffic issues which were causing some concerns on Kilwinning's Main Street.

COMMUNITY PLANNING PARTNERSHIP BOARD, 9 September

LEADER'S REPORT



On 9 September I Chaired a meeting of the North Ayrshire Community Planning Partnership Board meeting. Board members heard presentations on a range of subjects including the Health and Social Care Partnership Strategic Plan, our Recovery and Renewal plan and a “state of the economy” update from our Head of Service, Caitriona McAuley.

Our Recovery and Renewal Paper has recently been approved by Cabinet and I am positive that the strategies outlined within this paper will be successful in building a better, fairer and greener North Ayrshire.

FINALLY

I have already commented above on the great work of our Council officers and volunteers throughout the past few months. I would like to once again, reiterate those sentiments and thank you all for the hard work, dedication and support you have given.

There is no award that could be bestowed on a Council that could encapsulate the gratitude and pride I have in leading one with such hard-working and dedicated staff; one which has communities that care for one another and hold each other up during hard times. To every one of you, please accept my sincerest thanks.



A handwritten signature in black ink, reading "Joe Cullinane".

Councillor Joe Cullinane
Leader North Ayrshire Council

NORTH AYRSHIRE COUNCIL

23 September 2020

North Ayrshire Council

Title:	Appointment of Statutory Officers- Chief Finance Officer and Chief Planning Officer
Purpose:	To approve the appointments of the Head of Service (Finance) as Chief Financial or Section 95 Officer, and the Senior Planning Services Manager as Chief Planning Officer, and to amend the Scheme of Delegation to Officers to reallocate functions previously delegated to the Executive Director (Finance and Corporate Support).
Recommendation:	To (1) approve the appointment of Mr Mark Boyd, Head of Service (Finance) as Chief Financial or Section 95 Officer in terms of Section 95 of the Local Government (Scotland) Act 1973; (2) to note the appointment of Mr James Miller, Senior Manager (Planning) as interim Chief Planning Officer and to agree to appoint Mr Miller to the post of Chief Planning Officer when section 50 of the Planning (Scotland) Act 2019 is brought into force, (3) to agree that the Financial Regulations are updated to refer to the appointment of the Head of Service (Finance) as Chief Financial or Section 95 Officer and (4) agree to amend the Scheme of Delegation to Officers to delegate functions previously delegated to the Executive Director (Finance and Corporate Support) to the Heads of Service for Finance, People and ICT, and Recovery and Renewal as set out in paragraph 2.3

1. Executive Summary

1.1 The Council is obliged by section 95 of the Local Government (Scotland) Act 1973 to appoint a Chief Financial or Section 95 Officer. Following the retirement of the previous postholder, this report seeks to appoint a replacement. It also makes changes to the Scheme of Delegation to Officers which arise from the deletion of the post of Executive Director (Finance and Corporate Support).

1.2 Section 50 of the Planning (Scotland) Act 2019 also introduces a new statutory officer post of Chief Planning Officer. This report seeks to appoint that officer

2. Background

- 2.1 In terms of Section 95 of the Local Government (Scotland) Act 1973 a local authority is required to make arrangements for the proper administration of their financial affairs. It is also required to secure that a Proper Officer of the authority has responsibility for the administration of those affairs. This post is known as the Chief Financial or Section 95 Officer. The duties of this post are set out in Section 11 of the Council's Scheme of Delegation to Officers.
- 2.2 Previously this post was held by Laura Friel as Executive Director (Finance and Corporate Support). On her retirement, this Executive Director post was deleted from the Council's establishment. The post which now has responsibility for the Council's financial affairs is the Head of Service (Finance), the postholder for which is Mark Boyd.
- 2.3 The Council's Scheme of Delegation to Officers currently delegates certain functions, including finance functions, to the Executive Director (Finance and Corporate Support). While a full review of the Scheme of Delegation will be brought to Council later in the year as part of the annual review of Governance Documents, in the interim it is recommended that Council agree that the delegations to the former Executive Director (Finance and Corporate Support) which are contained in Section 6 of the Scheme of Delegation to Officers, are amended as follows:-
- To the Head of Service (Finance) – the functions of Finance, Treasury Management, Procurement, Revenue, Health and Safety, Insurance, Audit
 - To the Head of Service (People & ICT) -the functions of People Services, IT and Digital, Customer Services, Benefits and Council Tax
 - To the Head of Service (Recovery and Renewal)- The functions of Transformational Change, Risk and Business Continuity
- 2.4 If Council confirms the appointment of the Head of Service (Finance) as Chief Financial or Section 95 Officer, the Council's Financial Regulations would also require to be updated to refer to this appointment.
- 2.5 The statutory post of Chief Planning Officer is new, introduced by Section 50 of the Planning (Scotland) Act 2019. The role of the post is to advise about the carrying out of functions conferred by the Planning Acts, or functions which relate to development. The aim is to help ensure that the spatial consequences of corporate service delivery and investment are considered as an integral part of the Council's strategic decision-making processes. This helps ensure that the development and land use implications of decisions are anticipated and planned for.
- 2.6 While the Planning (Scotland) Act 2019 received Royal Assent on 25th July 2019, the requirement to appoint a Chief Planning Officer is not yet in force. Nevertheless, as the rationale and need for the post is current, it would be beneficial to make an appointment immediately. On that basis, James Miller, Senior Manager (Planning) has been appointed to the post on an interim basis. It is recommended that Council notes this interim appointment and agrees to appoint Mr Miller to the post of Chief Planning Officer when the legislation is brought into force.

3. Proposals

- 3.1 It is recommended that Council agree to (1) approve the appointment of Mr Mark Boyd, Head of Service (Finance) as Chief Financial or Section 95 Officer in terms of Section 95 of the Local Government (Scotland) Act 1973; (2) to note the appointment of Mr James Miller, Senior Manager (Planning) as interim Chief Planning Officer and to agree to appoint Mr Miller to the post of Chief Planning Officer when section 50 of the Planning (Scotland) Act 2019 is brought into force, (3) to agree that the Financial Regulations are updated to refer to the appointment of the Head of Service (Finance) as Chief Financial or Section 95 Officer and (4) to agree to amend the Scheme of Delegation to Officers to delegate functions previously delegated to the Executive Director (Finance and Corporate Support) to the Heads of Service for Finance, People and ICT, and Recovery and Renewal as set out in paragraph 2.3

4. Implications/Socio-economic Duty

Financial

- 4.1 The Council has a statutory duty to appoint a Chief Financial or Section 95 Officer who has responsibility for the proper administration of the Council's financial affairs.

Human Resources

- 4.2 It is important to clarify the destination of delegations formerly held by the Executive Director

Legal

- 4.3 The Council has a statutory duty to appoint a Chief Financial or Section 95 Officer who has responsibility for the proper administration of the Council's financial affairs. It is expected that the duty under section 50 of the Planning (Scotland) Act 2019 to appoint a Chief Planning Officer will come into force soon.

Equality/Socio-economic

- 4.4 There are no significant equalities, socio-economic or island-proofing impacts.

Environmental and Sustainability

- 4.5 The appointment of a Chief Planning Officer should bring greater focus to issues of place and spatial planning, integral to which are use and impacts on the environment, as well as sustainability.

Key Priorities

- 4.6 The role of both appointments is far wider than either finance or planning, and these posts will support all of the Council's priorities

Community Wealth Building

4.7 There are no direct implications although the work of both officers will be key to supporting community wealth building in areas such as procurement, inclusive growth and land use.

5. Consultation

5.1 There has been consultation with the relevant officers

Andrew Fraser
Head of Democratic Services

For further information please contact Andrew Fraser, **Head of Democratic Services**, on **01294 324125**.

Background Papers

1- Scheme of Delegation to Officers

NORTH AYRSHIRE COUNCIL

23 September 2020

North Ayrshire Council

Title: **Review of the Standing Orders for Contracts**

Purpose: To review the Standing Orders for Contracts

Recommendation: To review and approve with effect from 24 September 2020 the revised Standing Orders for Contracts attached at Appendix 1.

1. Executive Summary

- 1.1 This report suggests revisals to the Standing Orders for Contracts to remove the requirement for Cabinet to approve tenders, to enable an expedited procedure for urgent Works contracts under £5000, to strengthen provisions on conflict of interest and to address tender issues that have arisen during the current pandemic.

2. Background

- 2.1 Audit Scotland in their report "Roles and Working Relationships- Are you Getting it Right" stress the importance of having governance arrangements that are fit for purpose and up to date. Contract Standing Orders were last reviewed by Council on 28 June 2018.

- 2.2 The review of the Standing Orders for Contracts was not included in the annual review of governance documents reported to Council on 25 September 2019. This was to enable the review to have regard to developments in Community Wealth Building, particularly its procurement strand. The Centre for Local Economic Strategies (CLES) identified that "Progressive procurement develops dense local supply chains of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community owned enterprise". The CLES diagnostic report identified 6 procurement related recommendations for the Council.

- 2.3 On 17 March 2020 Cabinet considered a report on Delivering Community Wealth Building through Procurement. This highlighted Community Wealth Building

progress to date, both in relation to Council contracts and those let by Community Planning Partners. It also considered future actions and contract reporting, both in terms of reporting to Cabinet and publicly, on the Council's webpage.

2.4 Cabinet also considered proposed changes to the Standing Orders for Contracts. A review of Standing Orders had highlighted three areas of proposed change to the current processes, namely Cabinet Approval, Works purchases threshold and Conflict of Interest.

2.5 Currently contracts above £1m go to Cabinet for approval to award. In the last year, 12 requests for approval to award contract have been taken to Cabinet. In the same timeframe a further 40 tenders, 47 Mini- Competitions and 75 Quick Quotes, not requiring Cabinet approval, were awarded by the Procurement Team.

2.6 In practice, Cabinet's role in relation to approving contracts is restricted in scope. If correct procurement processes have been carried out, they have very limited, if any, scope to refuse to award a contract to the top scoring tender. As a result, Cabinet has approved all the contract recommendations proposed.

2.7 Taking these contracts to Cabinet for approval has several potential disadvantages. Firstly, seeking Cabinet approval adds 6-8 weeks to an already lengthy legislative procurement process and prevents suppliers from knowing the outcome of their tenders in a timely manner. Secondly, there is always a danger that the outcome of the procurement exercise will become known before the "call in" period or standstill period has elapsed. As procurement legislation states that, each tenderer should be informed at the same time of the outcome, this can cause upset to unsuccessful suppliers and in some cases, Service Users. This could potentially lead to legal challenge. Thirdly it is arguable that If Cabinet's role is limited to checking that correct processes have been followed, this is an operational role normally carried out by officers. Based on the above it is recommended that Cabinet is no longer required to approve contract awards.

2.8 In relation to works purchase thresholds, the current Standing Orders state that for expenditure between £1000 and £5000, for which there is no contract in place, 3 verbal quotes are required. In most cases this process offers both control and value for money. However, there are rare instances where the need to seek 3 quotes has caused on-site delays when an unexpected requirement is identified. It is therefore proposed, for Works contracts only, that in order to prevent an on-site delay, only 1 quote is required for urgent remedial work up to a value of £5000.

2.9 In April 2019 Audit Scotland published an audit report "Audit Review of the Investigation of Tendering and Contracting Practices in Roads and Greenspace Services" within West Dunbartonshire Council. An issue with the employee Code of Conduct, regarding Conflict of Interest within the Procurement Process was highlighted in the report. After reviewing the Audit Scotland report, it is proposed that Standing Orders be amended to expand on and formalise the Conflict of Interest approach across the Council regarding Procurement activity.

2.10 On 17 March Cabinet agreed to (a) note the procurement progress towards Community Wealth Building; (b) to recommend the changes in Standing Orders relating to Contracts to Council and (c) to receive a regular procurement report. The decision on (b) had regard to the considerations set out in paragraphs 2.3 to 2.10 of this report.

2.11 Various other more minor changes are also proposed. These include a change at 5.1.13 to exclude from the Standing Orders cases where an urgent response is required due to circumstances out with the Council's control, the most obvious example of which is a pandemic. There are also amendments which provide for offers for land or property to be delivered electronically, bringing this into line with other tenders. The proposed Standing Orders for Contracts are attached at Appendix 1.

3. Proposals

3.1 It is recommended that Council review and approve with effect from 24 September 2020 the revised Standing Orders for Contracts attached at Appendix 1.

4. Implications/Socio-economic Duty

Financial

4.1 Approval of the Contract Standing Orders is an essential component of the Council's financial governance arrangements

Human Resources

4.2 None.

Legal

4.3 Approval of the key governance documents is an essential component of the Council's legal and administrative arrangements

Equality/Socio-economic

4.4 None.

Environmental and Sustainability

4.5 None.

Key Priorities

- 4.6 Clear, transparent governance arrangements promote good decision making. In turn this supports the achievement of all the key priorities

Community Wealth Building

- 4.7 Procurement is a key driver of Community Wealth Building as set out in paragraph 2.2

5. Consultation

- 5.1 At its meeting on 17 March 2020, Cabinet agreed to recommend the changes in Standing Orders relating to Contracts to Council.

Craig Hatton
Chief Executive

For further information please contact Andrew Fraser, Head of Democratic Services, on 01294 324125.

Background Papers

Appendix 1 Standing Orders for Contracts



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Standing Orders Relating to Contracts and Contract Procedure Rules for North Ayrshire Council

23 September 2020

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Introduction

- 1.1. The Standing Orders Relating to Contracts (the Standing Orders) set out how the Council will invite tenders and let contracts for the supply of goods, works or services. The purpose of the Standing Orders which are made under Section 81 of the Local Government (Scotland) Act 1973, is to ensure that contracts are appropriate for their purpose, provide the right balance between price and quality, and are procured in an open way that demonstrates probity and compliance with the Council's policies. The Standing Orders also apply to the sale/lease of property and the disposal of surplus or scrap materials/equipment.
- 1.2. Every contract whether authorised by the Council, the Cabinet, a Committee, Sub-Committee, Officer or other person engaged by the Council to which the power of entering into contracts has been delegated, shall comply with these Standing Orders and
 - a) The Revenue or Capital Budgets as approved by the Council
 - b) The Financial Regulations of the Council
 - c) The Scheme of Delegation to Officers
 - d) The Procurement Reform (Scotland) Act 2014
 - e) The Public Contract (Scotland) Regulations 2015
 - f) The Procurement (Scotland) Regulations 2016
 - g) Construction contracts, other than those expressly excluded under the Construction Contracts Exclusion Order 1998, must comply with the requirements of the Local Democracy, Economic Development and Construction Act 2009 Commencement no. 2 (Scotland) Order 2011
 - h) North Ayrshire Council's Procurement Strategy
 - i) North Ayrshire Council's Procurement Manual
- 1.3. Due consideration should also be given to all Guidance and Policy Notes issued by the Scottish Government, Scottish Procurement Directorate in respect of procurement matters.

2. Definitions

- 2.1. In these Standing Orders the following words and phrases shall have the meaning hereinafter assigned to them, that is to say:
 - a) "the 1973 Act", means the Local Government (Scotland) Act 1973
 - b) "the 2003 Act", means the Local Government in Scotland Act 2003
 - c) "the Scheme of Delegation", means the Scheme of Delegation to Officers approved by the Council on 25 September 2019 or any subsequent amendment
 - d) "the 2015 Regulations" means the Public Contracts (Scotland) Regulations 2015
 - e) "the Reform Act" means the Procurement Reform (Scotland) Act 2014
 - f) "the SDS 2013 Act" means the Procurement and Social Care Self Directed Support (Scotland) Act 2013
 - g) "Cabinet" means the Cabinet of North Ayrshire Council

- h) “Chief Officer”, means the Chief Executive, Executive Director, or Head of Service of the Council
- i) “Designated Officer”, means any Officer authorised in writing by any Chief Officer for the purposes of these Standing Orders
- j) “ESPD” means the European Single Procurement Document
- k) “Mandatory contract standstill period” means a period of not less than 10 calendar days following communication by electronic means of the award decision to all tenderers as provided for in Public Contracts (Scotland) Regulations 2015
- l) “OJEU” means the Official Journal of the European Union. Tenders over the OJEU threshold will be published in the OJEU
- m) “Post tender negotiations”, means any communication between a Chief or Designated Officer and a tenderer subsequent to the return date for the tender and the acceptance of any such tender
- n) “PCS” means Public Contracts Scotland this is the national tender advertising portal
- o) “Procurement Exercise” – is a general term used to describe any appropriate procurement procedural route followed to obtain goods, services or works. This can include a direct award, Quick Quote, mini-competition, award without competition, regulated procurement, non-regulated procurement or OJEU tender.
- p) “Quick Quote” means an invitation only procurement exercise, published on Public Contract Scotland or Public Contract Scotland Tender required where the estimated value is between £10,000 and £50,000 (Supplies and Services) and between £10,000 and £100,000 (Works).
- q) “Services”, means any service as defined by the Public Contracts (Scotland) Regulations 2015 and any subsequent amendments thereof
- r) “Supplies”, means any supplies as defined by the Public Contracts (Scotland) Regulations 2015 and any subsequent amendment thereof
- s) “Tender” means any procurement exercise published on Public Contract Scotland with a value greater than £50,000 (supplies and services) and £100,000 (works)
- t) “Trading Activities” refers to when the Council bids for or is awarded contracts to deliver goods, service or works to other public sector bodies or private sector organisations.
- u) “Works”, means any works defined in the Public Contracts (Scotland) Regulations 2015 and any subsequent amendment thereof.

3. Extent and Application

- 3.1 These Contract Standing Orders are made under Section 81 of the Local Government (Scotland) Act 1973 as amended and, subject to the provisions of Contract Standing Order 5 (Exempted Contracts), shall apply to all contracts made by or on behalf of the Council for the provision of Supplies or Services and the execution of Works.
- 3.2 The Contract Standing Orders shall be applied having regard always to the key principles of:
 - Transparency

- Equal Treatment
- Non-discrimination
- Proportionality

- 3.3 The Contract Standing Orders are subject to the over-riding provisions of European Union, United Kingdom or Scottish legislation, including the EU Procurement Directives and EU Regulations. They are also subject to any EU Commission, UK Government or Scottish Government guidance on public procurement that may be issued from time to time.
- 3.4 All Council employees engaged in procurement on behalf of the Council must comply with the duty to secure best value in accordance with the 2003 Act.
- 3.5 All Council employees shall comply with the terms of the Contract Standing Orders and any failure to do so may result in disciplinary action.
- 3.6 Any Council employee who is contract managing a third party or agent that is procuring on behalf of the Council must ensure that the third party complies with the terms of the Contract Standing Orders and any failure to do so may result in disciplinary action.
- 3.7 Other than alterations of a minor or technical nature or such as are required to be enacted immediately to ensure compliance with statutory obligations that do not have a policy impact ("minor changes"), the Contract Standing Orders may only be varied or revoked by the Council and any motion to vary or revoke these Standing Orders shall conform to the requirements of Standing Order No. 22 of the Standing Orders Relating to Meetings and Proceedings of the Council. Any minor changes must be approved by the Cabinet and reported to the next meeting of the Council.
- 3.8 It is the responsibility of each Chief Officer to ensure officers within their Directorates who are involved in procurement comply with the Standing Orders.
- 3.9 Any query regarding the application or interpretation of these Contract Standing Orders must be referred in the first instance to the Head of Democratic Services.

4. Health and Social Care Services

- 4.1 These Contract Standing Orders shall apply to contracts for all Health and Social Care Services subject to the special procedures set out in Annex C.
- 4.2 All Health and Social Care procurement will be undertaken by the Corporate Procurement Unit with the agreement of the Senior Manager Corporate Procurement.

5. Exempted Contracts

- 5.1 Subject to the continued application of Standing Order 3.2 (key principles), and 5.2 to 5.6 (which apply in all cases), these Contract Standing Orders shall not apply to:

- 5.1.1 Any contract of employment; this exemption does not extend to any arrangements for the employment of staff on an agency basis.
- 5.1.2 Any contract or type of contract which the Council or any Committee of the Council declare to be exempt, upon declaration that it is satisfied that the exemption is justified by special circumstances. Note: lack of forward procurement planning does not constitute special circumstances.
- 5.1.3 Any contract with a value less than £1M. which a Chief Officer in consultation with the relevant Portfolio Holder and after obtaining the agreement of the Chief Executive, considers may be exempted by virtue of any special circumstances. Special circumstances do not extend to lack of forward planning for the appropriate procurement exercise.
- 5.1.4 Any contract for the supply of goods or materials or for the provision of services or for the execution of works which in the opinion of any Chief Officer, are urgently required for the prevention of damage to life or property.
- 5.1.5 Any contract or framework arrangement, that has been deemed appropriate by the Senior Manager Corporate Procurement, entered into on the Council's behalf by a consortium, partnership, company or similar body of which the Council is a member or user, where such body has invited Tenders for the provision of Supplies, Services or works, including for example the Scottish Government, Crown Commercial Services and Scotland Excel.
- 5.1.6 Any individual mini- competition exercises undertaken by the Council against an approved framework, where the contract award value is above £500K will be approved by the Chief Executive.
- 5.1.7 Any contract entered into by Hub South West Scotland (Hub) on behalf of the Council. The Hub is a public-private partnership that enables design and construction of community facilities within South West Scotland, the Council is one of seventeen participants of the Hub.
- 5.1.8 Any individual contract (less than £1m) awarded under a Dynamic Purchasing System (DPS) subject to the award of the overarching DPS being approved in accordance with clause 23 All individual contracts associated with the DPS must be advertised through Public Contracts Scotland.
- 5.1.9 Any contact for the purchase of a specific piece of land or building where there is a unique owner and therefore not open to a competitive procurement process.
- 5.1.10 Any contract relating to the disposal or lease of land and buildings where offers have been invited and a closing date set. Such offers relating to property shall be invited and accepted in accordance with the provisions as set out in the Procedure for Disposal of Surplus Land and Property Assets (set out in Annex B) to the Council's Policy for Property Acquisitions and Disposals.

- 5.1.11 All contracts for the supply of goods or materials (including second-hand goods or materials) and the provision of services including consultancy services where the total estimated contract value does not exceed £50,000, subject always to the need to demonstrate value for money and probity when entering into any such contracts, see 5.2 below
- 5.1.12 All contracts for the execution of works where the total estimated contract value does not exceed £100,000, subject always to the need to demonstrate value for money and probity when entering into any such contracts, see 5.2 below
- 5.1.13 Any contract or purchase urgently required to react to any unprecedented external factors, out with the control of the Council, deemed appropriate by the Senior Manager Corporate Procurement taking cognisance of procurement legislation and supply market forces.
- 5.1.14 Subject to Council or Cabinet approval any contract where the appropriate Executive Director is satisfied (a) that the requirement is not readily obtained from more than one supplier, service provider or contractor and it can be demonstrated that no equivalent is available or (b) the prices of the supplies, services or works are wholly controlled by trade organisations or government order and it can be demonstrated that no equivalent is available or; (c) the requirements are subject to intellectual property rights and it can be demonstrated that either no suitable alternative is available or that exposure to competition of an item covered by copyright, patent or trademark would breach such rights.
- 5.2 Where a contract is exempt due to the value, in accordance with the clause 5.1.11 and 5.1.12 above, the following will apply to ensure value for money is achieved:

<u>Type of Contract</u>	<u>Threshold (excluding VAT)</u>	<u>Procedure</u>
Supplies, Services & Works	< £1,000	Single quotation.
Supplies, Services & Works	£1,000 - £4,999*	Minimum 3 verbal quotes
Supplies, Services & Works	£5,000 - £9,999	Minimum 3 written quotes.
Supplies & Services	£10,000 - £49,999	Quick Quote via Corporate Procurement

Works	£10,000 - £99,999**	Quick Quote via Corporate Procurement
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* Works only – if during an on-site Works programme unforeseen requirement are identified that could cause delay, then in these particular instances the threshold for a single verbal quote can be raised to £5000 Records should be kept supporting the use of the increased limit.

**Where transparency, non-discrimination and equal treatment are not compromised the Senior Manager Corporate Procurement retains sole discretion to increase the threshold for Works up to £2,000,000.

5.3 Trading Operations in accordance with clause 8 below.

5.4 Where a contract is exempt under clauses 5.1.2 or 5.1.3 then a Single Tender Action Request form (see Annex A) is required to be authorised prior to any contractual commitment being made to a supplier. The Single Action Request Form will be amended from time to time, the latest version is available on Connects.

5.5 Where a contract is exempt under clause 5.1.4 then a retrospective Single Tender Action Request form is required to be completed.

5.6 Any contract exempted from these standing orders shall still:-

- Comply with the duty to achieve Best Value.
- Comply with all legal procurement requirements, including the terms of the Public Procurement Regulations.

6. Disaggregation

6.1 Contracts must not be disaggregated, packaged or split into separate smaller contracts or requirements to avoid the application of any provision of the Contract Standing Orders, the EU Regulations or any other legislative provisions. The aggregate value of any single requirement for works, services or supplies across the whole Council must be taken into account in determining whether it exceeds the threshold for application of the EU Regulations or the thresholds stated within the Standing Orders.

6.2 Where specialist consultancy services are required, whether through an existing Framework Agreement or as a new tendering process, at the initial stage, costs must be obtained for all potential stages of the project to ensure that the award decision is based on total potential costs rather than the initial stage only.

7. Authority to Invite Tenders

- 7.1 Tenders for the provisions of Services, Supplies and Works may be invited by a Chief Officer or Designated Officer where-
- authority for the project to which the tender relates has been granted, either through delegated powers, the Capital Plan or Revenue Estimates or specific Committee authority and;
 - where they are satisfied, after proper project appraisal, that the cost of the contract can be met within the approved budget for the project.

8. Trading Activities

- 8.1 Notwithstanding anything to the contrary under these Standing Orders, it is recognised that the Council when carrying out its function in terms of Trading Activities recognised by the Council from time to time, will be entering into contractual relationships related to those trading activities (such as appointing sub-contractors, ordering materials or other supplies, etc.) and the following procedures shall apply:-
- The Chief Officer or Designated Officer may invite, accept and/or negotiate offers from proposed contractors or suppliers for the supply of goods or materials or for the execution of works or for the provision of services to third parties. In exercising powers under this paragraph they must, unless satisfied that an exemption is justified by special circumstances, secure competition for contracts and regulate the manner in which tenders are invited by securing compliance as far as considered practicable with the terms of these Standing Orders.
 - In undertaking trading activities on behalf of the Council all employees are subject to the duty to secure best value in accordance with the 2003 Act.

9. Collaborative Procurements including Joint Commissioning of Social Care

- 9.1 Where the relevant Chief Officer considers it to be in the best interests of the Council and in accordance with Best Value to do so, he/she may seek to enter into a collaboration with one or more other public authorities in respect of the procurement of a requirement for Supplies, Services or Works, subject to the following provisions.
- 9.2 Every Collaborative procurement exercise shall require to be approved in advance by the Senior Manager Corporate Procurement and the procurement process shall be undertaken in conjunction with the Corporate Procurement Team.
- 9.3 Every Joint Commissioning exercise shall require to be approved in advance by the Executive Director (Social Services & Health) or their Designated

Officer and the commissioning process shall be undertaken in conjunction with the Senior Manager Corporate Procurement.

- 9.4 A business case shall be prepared in respect of every Collaboration/Joint Commissioning exercise to establish the justification for this and shall be approved in advance by the Senior Manager Corporate Procurement.
- 9.5 Where it is proposed that the Council shall act as “Lead Authority” in a Collaborative procurement/Joint Commissioning exercise with one or more public authorities, the terms of these Contract Standing Orders shall apply to the procurement process and the written agreement of the other parties to the Collaboration, in the form of a Memorandum of Understanding, shall be obtained to this effect.
- 9.6 Where another authority acts as “Lead Authority” in a Collaborative procurement/Joint Commissioning exercise for a contract on behalf of two or more public bodies, including the Council, the procurement and award process shall be conducted in accordance with the Standing Orders of the “Lead Authority”. In every such case however, the appropriate Chief Officer or Designated Officer must first be satisfied that the procurement and award of any such contract ensures that the principles of Best Value are adhered to and the best interests of the Council are served at all times in Collaboration/Joint Commissioning.
- 9.7 Prior to commencing any Collaborative Procurement/Joint Commissioning exercise, the appropriate Chief Officer shall agree the parameters for this with the appropriate officers in the public authorities and shall record this in writing. Appropriate monitoring arrangement shall be put in place by the appropriate Chief Officer to ensure the agreed terms for the Collaboration/Joint Commissioning exercise are adhered to by all parties.

10. Delegation of Procurement Activity

- 10.1 Each Chief Officer may nominate, in writing, such other properly qualified officers as they consider appropriate to undertake any of the duties as set out in these Contract Standing Orders who will then have delegated authority to act in lieu of them in respect of the prescribed duties.
- 10.2 No officer may award a contract greater than £10,000 without written delegated purchasing authority from the relevant Chief Officer and only after consultation with Corporate Procurement to ensure that a robust procurement process has been undertaken.
- 10.3 Note of all written nominations made in terms of Standing Order 10.2 shall be provided to the Senior Manager Corporate Procurement for retention.

11. Conflicts of Interest

- 11.1 No officer who has a potential conflict of interest or a direct or indirect pecuniary interest in any procurement exercise is permitted to be involved in the specification development, contract strategy development, tendering or contract management process.
- 11.2 If any officer has a conflict of interest in any aspect of the procurement process, they must declare this interest as soon as it arises. The interest must be declared to the line manager and the Senior Manager Corporate Procurement using the conflict of interest declaration form (Annex E) available on Connects.
- 11.3 Examples of Conflicts of Interest include members of the evaluation panel or procurement team processing the procurement exercise, having a financial interest or having a relationship (spouse, partner, family member, close friend etc.) with someone in the bidder's organisation.

Failure to declare a conflict of interest in advance of any involvement in a procurement exercise may result in disciplinary action.

12. Procedures prior to Commencing Procurement Exercise

- 12.1 Prior to commencing with a Procurement Exercise, any Officer shall consult with the Corporate Procurement Unit to establish whether any existing contracts or Framework Agreements accessible to the Council might fulfil their requirement.
- 12.2 No Tender shall be invited, or any contract negotiations commenced, unless:
 - i. The estimated expenditure thereon is within the budgetary provision previously approved by the Council and in compliance with the Council's Financial Regulations. The Officer shall be responsible for ensuring that sufficient funds are available prior to the commencement of any Procurement Exercise.
 - ii. A Request for Procurement Action (RPA) (see Annex D) has been completed and authorised by the requesting Service and authorised by Financial Management prior to being submitted to the Corporate Procurement Unit.
 - iii. The RPA document will be amended from time to time, the latest document is available on Connects.
 - iv. A Contract Strategy has been prepared by Corporate Procurement in consultation with the Service representative
 - v. In cases of Collaborative Procurement, the terms of Standing Order 9 have been complied with.

13. Advertising of Contracts

- 13.1 In terms of the EU Procurement Directive, The Reform Act and 2015 Regulations, the Council has a duty to ensure that contracts are procured in accordance with the principles of non-discrimination on grounds of nationality, equal treatment and transparency.
- 13.2 Contract opportunities that are subject to the requirements of the Reform Act or the 2015 Regulations must comply with the provisions relating to advertising of contracts set out in that legislation.
- 13.3 All contract opportunities shall be advertised using Public Contracts Scotland, unless a decision has been reached by reason of either Standing Order 5 or Standing Order 14 that the contract opportunity is to be awarded without advertising.

14. Tendering Procedures

- 14.1 Subject to the provisions of clause 5.2 above, where the total contract value exceeds £50,000 (supplies and services) and £100,000 (works) formal tenders will be obtained by one of the following methods:

Type of Contract	Threshold (exc VAT)	Procedure
Supplies & Services	£50k – OJEU	<ul style="list-style-type: none">• Single Stage tendering• Two Stage tendering
Works	£100k – OJEU	<ul style="list-style-type: none">• Single Stage tendering• Two Stage tendering
Supplies, Services & Works	>OJEU	<ul style="list-style-type: none">• Open tendering;• Restricted tendering;• Negotiated Procedure without Prior Publication of a Notice• Competitive Procedure with Negotiation• Competitive Dialogue Procedure• Innovation Partnerships

14.2 The relevant Chief Officer in consultation with Corporate Procurement will determine through market research which procedure will be used to maximise competition.

14.3 For Open and Restricted Tenders, the relevant Chief Officer shall seek tenders from any Organisations registered on Public Contracts Scotland.

14.4 Single Stage tendering (below OJEU threshold)

This procedure shall apply when after consultation Corporate Procurement and the Chief Officer decide that tenders for a contract shall be obtained by open competition.

Corporate Procurement shall publish a contract notice on Public Contracts Scotland.

The notice shall:

- Specify the nature and purpose of the contract;
- Include an ESPD;
- Contain all tender documentation (including tender award criteria);
- Clearly identify any selection criteria;
- Include the tender return deadline;
- Allow at least 21 days between the published date of the notice and the Tender return deadline.

14.5 Two Stage Tender (below OJEU threshold)

This procedure shall apply when after consultation Corporate Procurement and the Chief Officer decide to use a shortlisting process which limits invitations to tender to the applicants responding to a notice

Before inviting tenders, Corporate Procurement shall publish a notice on Public Contracts Scotland.

The notice shall:

- Specify the nature and purpose of the contract;
- Include a European Single Procurement Document (ESPD);
- include selection criteria;
- include the ESPD return deadline;
- allow at least 14 days between the published date of the notice and the ESPD return deadline (unless otherwise agreed with the Senior Manager Corporate Procurement or Designated Officer).

After the ESPD return deadline an Invitation to Tender document shall be issued by Corporate Procurement via Public Contracts Scotland to at least

five providers, where possible. Where less than five ESPD returns are received from providers advice must be sought from the Senior Manager Corporate Procurement or Designated Officer before proceeding.

As soon as practical after deciding to exclude applicants from the Tender list unsuccessful applicants must be given a notice of:

- The names of the applicants proceeding to the second stage;
- The criteria used to exclude the applicant;
- The Council's scoring (if any), against those criteria, of the

applicant.

The Invitation to Tender document shall:

- Specify the nature and purpose of the contract;
- Contain all tender documentation (including award criteria);
- Include the tender return deadline;
- Allow at least 21 days between the published date of the notice and the tender return deadline (unless otherwise agreed by the Senior Manager Corporate Procurement or Designated Officer).

14.6 Negotiated Tendering (below OJEU Threshold)

Negotiated tendering allows the Council to negotiate directly with a supplier or limited number of suppliers in order to award a contract. It is a procedure which should only be used in limited circumstances, for example in cases of extreme urgency or when a single stage or two stage tendering process has been discontinued.

As such the use of Negotiated tendering is strictly limited to exceptional circumstances as inappropriate use of the Negotiated tendering may lead to legal challenge.

Any negotiated tendering below the OJEU threshold must be approved by the Senior Manager Corporate Procurement, prior to negotiation commencing.

14.7 Open tendering (above OJEU threshold)

This procedure shall apply when after consultation Corporate Procurement and the Chief Officer decide that tenders for a contract shall be obtained by open competition.

Corporate Procurement shall publish a contract notice on Public Contracts Scotland

The notice shall:

- Specify the nature and purpose of the contract;
- Include an ESPD;

- Contain all tender documentation (including tender evaluation criterion)
- Clearly identify any selection criteria
- Include the tender return deadline
- Allow at least 30 days between the published date of the contract notice and the tender return deadline or at least 21 days if Prior Information Notice (not a call for competition) has been published within 35 days and 12 months from date of contract notice.

14.8 Restricted tendering (above OJEU threshold)

This procedure shall apply when after consultation Corporate Procurement and the Chief Officer decide to use a shortlisting process which limits invitations to tender to the applicants responding to a notice.

Corporate Procurement shall publish a contract notice on Public Contracts Scotland

The notice shall:

- Specify the nature and purpose of the contract;
- Include an ESPD;
- Include selection criteria;
- Clearly identify selection criteria;
- Include the ESPD return deadline;
- Allow at least 25 days between the published date of the notice and the ESPD return deadline.

After the ESPD return deadline an Invitation to Tender document shall be issued by Corporate Procurement via Public Contracts Scotland to at least five providers. Where less than five expressions of interest/questionnaires are received from provider's advice must be sought from the Senior Manager Corporate Procurement before proceeding. The Senior Manager Corporate Procurement will either authorise accepting less than five expressions of interest/questionnaires or require a re-tender.

As soon as practical after deciding to exclude applicants from the Tender list unsuccessful applicants must be given a notice of:

- The names of the applicants proceeding to the second stage;
- The criteria used to exclude the applicant;
- The Councils scoring (if any), against those criteria, of the applicant.

The Invitation to Tender document shall:

- Specify the nature and purpose of the contract;
- Contain all tender documentation (including award criteria);
- Include the tender return deadline;
- Allow at least 25 days between the published date of the contract notice and the tender return deadline or at least 10 days if Prior Information Notice (not a call for competition) has been published within 35 days and

12 months from date of contract notice.

14.9 Negotiated Procedure without Prior Publication of a Notice (Above OJEU)

Negotiated Procedure without Prior Publication should only be used in very exceptional circumstances. These exceptions should be limited to cases where publishing a call for competition (e.g. Contract Notice) is not possible such as:

- Where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted for a previous Open or Restricted tender exercise, provided that the initial conditions of the contract are not substantially altered. A tender shall be considered not to be suitable where it is irrelevant to the contract, being manifestly incapable, without substantial changes, of meeting the Organisation's needs and requirements as specified in the procurement documents. A request to participate shall be considered not to be suitable where the bidder has been or would have been excluded or where it does not meet the selection criteria.
- Where the supplies or services can be supplied only by a particular supplier for any of the following reasons:
 - i. The aim of the procurement is the creation or acquisition of a unique work of art or artistic performance;
 - ii. Competition is absent for technical reasons (only if it is not caused by artificial narrowing down of the parameters of the procurement and no reasonable alternative or substitute exists);
 - iii. The protection of exclusive rights, including intellectual property rights (only if it is not caused by artificial narrowing down of the parameters of the procurement and no reasonable alternative or substitute exists).
- Where it is strictly necessary for reasons of extreme urgency (where the time limits for the Open or Restricted Procedure or Competitive Procedure with Negotiation cannot be complied with) brought about by events unforeseeable and not attributable to the Organisation, such as emergency situations affecting the public e.g. flooding.

Negotiated Procedure without Prior Publication in case of **goods**:

- Where the products involved are manufactured purely for the purpose of research, experimentation, study or development, but not including quantity production to establish commercial viability or to recover research and development costs. Note this should not be abused to allow a single

supplier to be approached to design an item which must subsequently be purchased as a result of proprietary rights;

- Where a change in supplier(s) would mean that the Organisation would have compatibility issues or disproportionate technical difficulties; this procedure can be used to acquire additional deliveries from the original supplier when needed to replace or increase supplies or installations. In this case, the contract or recurrent contract length must not exceed three years, other than in exceptional circumstances.;
- For supplies quoted and purchased on a commodity market;
- For the purchase of supplies on particularly advantageous terms, from either a supplier which is definitively winding up its business activities, or the liquidator in an insolvency procedure, an arrangement with creditors, or a similar procedure under national laws or regulations.

Negotiated Procedure without Prior Publication in case of **services**:

- Where the contract concerned follows a design contest organised in accordance with the Public Contracts (Scotland) Regulations 2015 and where the contract concerned is to be awarded as part of the design contest to the winner or winners. Where there is more than one winner of the design contest, all of them must be invited to participate in the negotiation;
- In instances when all the following apply:
 - i. Where it is for new services consisting of the repetition of similar services performed by the supplier to which the Organisation awarded an original contract, provided that such services are in conformity with the basic project for which the original contract was awarded and the award indicated the extent of possible additional services and the conditions under which they would be awarded;
 - ii. The possible use of this procedure was disclosed in the Procurement Documents and the total estimated cost of subsequent services was taken into consideration by the Organisation when applying the thresholds in relation to the original contract; and
 - iii. Not more than three years have elapsed following the conclusion of the original contract.

As with all aspects of the Procurement Journey, the activities at this stage must be carried out in a carefully managed manner that supports the Principles of Procurement. As a minimum the processes must be carried out in a transparent way that ensures there is no distortion of the market place, the outcome cannot be a procurement that unduly favours or disadvantages a particular supplier and it is the responsibility of the Organisation to make sure that these requirements are met.

Use of this procedure must be justified ;, it can only be used in situations

which have not been created by the Council. Reasons why there are no reasonable alternatives or substitutes such as using alternative distribution channels including outside the UK or considering functionally comparable supplies and services. Where the situation of exclusivity is due to technical reasons, they should be rigorously defined and justified on a case-by-case basis. Technical reasons may also derive from specific interoperability requirements which must be fulfilled in order to ensure the functioning of the works, supplies or services to be procured.

Timescales:

When fixing any time limits the Council must take account of the complexity of the contract.

A Contract Notice will not be published in this procedure. The only procurement documents which may be published would be a Voluntary Ex-Ante Transparency (VEAT) Notice which an Organisation can use to protect itself by sending a VEAT Notice to OJEU prior to entering the contract. It is still mandatory to publish a Contract Award Notice with this procedure.

14.10 Competitive Procedure with Negotiation

Competitive Procedure with Negotiation can be used:

- Where the needs of the public body cannot be met without adaptation of readily available solutions;
- The works, supplies or services required include design or innovative solutions;
- A contract cannot be awarded without prior negotiation because of the nature or complexity of the works, suppliers or services;
- The technical specifications of the works, supplies or services cannot be established by sufficient precision by the public body;
- The public body has already tried to procure the goods, works or services using the open or restricted procedure but only received irregular or unacceptable tenders.

Under this procedure:

- The contract notice will make it clear that the competitive procedure with negotiation is being used;
- Any supplier may make a request to participate;
- The request to participate must be accompanied by an ESPD;
- Following assessment of the submitted ESPDs, the buyer will invite suppliers that meet the selection criteria to the initial tender phase;
- This can be followed by several rounds of negotiation for the public body to seek approved offers;
- This may result in a new or revised tender being issued.

- Finally, leading to a contract award

A record of clear reasons for selecting this approach is required and commercial confidentiality is of key importance in employing this procedure.

14.11 Competitive Dialogue Procedure

Competitive Dialogue can be used:

- Where the needs of the public body cannot be met without adaptation of readily available solutions;
- The works, supplies or services required include design or innovative solutions;
- A contract cannot be awarded without prior negotiation because of the nature or complexity of the works, supplies or services;
- The technical specifications of the works, supplies or services cannot be established by sufficient precision by the public body;
- The public body has already tried to procure the goods, works or services using the open or restricted procedure but only received irregular or unacceptable tenders.

Under this procedure:

- The contract notice will make it clear that the competitive dialogue procedure is being used and will also set out the award criteria which the public body will apply during the dialogue stage;
- Any supplier may make a request to participate;
- The request to participate must be accompanied by an ESPD;
- Following assessment of the submitted ESPDs, the buyer will conduct a dialogue with the suppliers which meet the selection criteria. The aim of the dialogue will be to develop one or more suitable alternative solutions capable of meeting the requirements;
- Based on this dialogue the buyer will select suppliers to invite to tender.

A record of clear reasons for selecting this approach is required and commercial confidentiality is of key importance in employing this procedure.

14.12 Innovation Partnerships

Innovation Partnerships can be used where there is no existing product or solution currently available on the market.

Under this procedure:

- The contract notice will make it clear that the innovation partnership procedure is being used;
- Any supplier may make a request to participate;
- The request to participate must be accompanied by an ESPD;
- Following assessment of the submitted ESPDs, the buyer will use a negotiated approach to invite suppliers to submit ideas to develop innovative works, supplies or services aimed at meeting a need for which there is no suitable existing 'product' on the market;
- The public body is allowed to award partnerships to more than one supplier;

A record of clear reasons for selecting this approach is required and commercial confidentiality is of key importance in employing this procedure.

14.13 Public Social Partnerships (PSP)

A PSP is a strategic partnering arrangement which involves the third sector earlier and more deeply in the design and commissioning of public services.

The third sector is often best placed to interact closely with communities and its involvement can mean that people have more choice and control over what services are delivered locally. A PSP differs from other commissioning approaches in that it starts with the need to be addressed, not the services available.

A PSP typically comprises 3 stages:

- Third sector organisations work with the public sector purchasers to design a service;
- A short-term pilot may be run to help refine the service delivery parameters;
- The Service is further developed to maximise community benefit before being competitively tendered, typically within three-four years.

The Senior Manager Corporate Procurement or Designated Officer must be consulted and agree that a PSP is the correct approach.

15. Electronic Tendering

- 15.1 All tenders must be advertised by electronic means through Public Contracts Scotland (PCS) and the tender process will be managed through the Public Contracts Scotland Tender (PCS-t) e-tendering system. All Quick Quotes will be invited, and submission accepted via PCS or PCS-t.

16. Submission of Tenders

- 16.1 The Invitation to tender shall state that a tender will not be considered unless it is received electronically by the date and time stipulated in the invitation to Tender. No Tender delivered in contravention of this clause shall be considered.
- 16.2 All invitations to tender shall include the following:-
- (i) A specification that describes the Council's requirements in sufficient detail to enable the submission of competitive offers;
 - (ii) A requirement for tenderers to declare that the tender content, price or any other figure or particulars concerning the Tender have not been disclosed by the tenderer to any party (except where such a disclosure is made in confidence for a necessary purpose);
 - (iii) A requirement for tenderers to complete fully and sign all tender documents including a form of tender and certificates relating to canvassing and non-collusion;
 - (iv) Notification that tenders are submitted to the Council on the basis that they are compiled at the tenderer's expense;
 - (v) A description of the award procedure and evaluation criteria (including quality/price ratio, weighted quality criteria and price scoring model). The award procedure and evaluation criteria must remain unchanged throughout the tender process.
 - (vi) The method by which any arithmetical errors discovered in the submitted tender is to be dealt with. In particular, whether the overall price prevails over the rates in the tender or vice versa.
- 16.3 All Invitations to Tender or Quotations must specify the goods, services or works that are required, together with the terms and conditions of contract that will apply.
- 16.4 The Invitation to Tender or Quotation must state that the Council is not bound to accept any Quotation or Tender.
- 16.5 All candidates invited to tender, or quote must be issued with the same information at the same time and subject to the same conditions through PCS

or PCT-t. Any supplementary information must be provided on the same basis.

- 16.6 Candidates invited to respond must be given an adequate period in which to prepare and submit a proper Quotation or Tender, consistent with the urgency of the contract requirement. Normally at least 3 weeks should be allowed for submission of tenders. For all tenders that exceed the EU threshold, the EU timescales will apply.

17. Late Tenders

- 17.1 No tenders received after the closing date and time for submission shall be considered.

Where a tender is late due to a failure or lack of availability of the electronic tendering platform, and which is not attributable to the tenderer or as the case may be their agent, the express approval of the Senior Manager Corporate Procurement shall be required to admit the tender for consideration.

18. Opening of Tenders

- 18.1 Due to the system controls in place all tenders shall be opened by an authorised user, using the parallel opening functionality on PCS or PCS-t, as soon as it is practical to do so.
- 18.2 The Senior Manager Corporate Procurement or Designated Officer shall ensure that for each e-tendering project, the system shall keep and, if required, produce a record showing the date and time when tenders were opened.

19. Checking of Tenders

- 19.1 All Tenders shall be subject to checking for completeness and errors by an appropriate officer nominated by the Chief Officer of the service concerned. Any arithmetical errors that result in a change to the pricing submitted must be documented.
- 19.2 Tenders for construction works shall be checked in accordance with current industry best practice and relevant practice notes, such as JCT Tendering 2017 Practice Note, where deemed appropriate to do so.

20. Evaluation of Tenders

- 20.1 Apart from the notification required or permitted by Standing Order 20.3:

- (i) Confidentiality of Quotations, Tenders and the identity of candidates must be preserved at all times.
- (ii) Information about one candidate's response must not be given to another Candidate.

- 20.2 During the evaluation process, Officers will be given access to information

about the tender responses or the identity of tenderers. Some of this information may be commercially sensitive, confidential or subject to a non-disclosure agreement. This information must not be shared outwith those involved in the evaluation or decision approval process.

- 20.3 Contracts must be evaluated and awarded in accordance with the Award Criteria stated in the contract notice or tender documents and in compliance with Order 16.2 (v).
- 20.4 Where genuine pricing errors are found, they should be notified to the tenderer, who should be requested to confirm or withdraw their Tender. Alternatively, if the individual figures in the Tender, rather than the overall price, were stated within the Invitation to Tender as being dominant, an amended Tender price may be requested to accord with the figures given by the tenderer.
- 20.5 Chief Officers shall ensure that submitted tender prices are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily.
- 20.6 Where changes to the tender are reasonable by the tenderer, and where such change is viewed to be reasonable by Council staff, erroneous figures shall be adjusted, and the tender documents recalculated arithmetically. Changes to the tender document's figures should be signed by the tenderer. A letter from the tenderer, confirming and agreeing to the changes in erroneous figures shall also be appended to the tender documents.
- 20.7 The original tender form shall be amended to reflect the outcome of any new tender offer and the changes shall be signed by the tenderer.
- 20.8 At the end of the evaluation process, tender evaluation summary sheets shall be endorsed by the Evaluation Panel.

The evaluation panel must be made up a panel of at least 2 for tenders over the value of £50K for Supplies and Services and £100K for works

- 20.9 Quotations and Tenders received in respect of proposed contracts should only be accepted where they have been sought and evaluated fully in accordance with these Standing Orders.

21. Post Tender Communication

- 21.1 Between the last date and time for the receipt of Tenders and the date on which a decision is taken as to which, if any, Tender is to be accepted, the Senior Manager Corporate Procurement or any Procurement Officer designated by them may contact a Tenderer in respect of any Tender submitted in order to seek clarification on the terms of the tender.
- 21.2 Where any factor giving rise to post Tender communications is not specific to one Tenderer, all Tenderers must be invited to participate in such

communications. There must be no material change to the specification(s) and/or criteria on which Tenders are to be evaluated. If it becomes apparent that a material change is required, the Tendering process must be recommenced with a revised specification or award criteria.

- 21.3 A full written record shall be kept of all such communications and shall be retained with the original Tender.
- 21.4 This provision shall not be used in any way to permit any Tenderer to amend their bid in a manner that allows them to improve their offer, nor to put other Tenderers at a disadvantage nor to distort competition. All Tenderers must be treated at all times equally and in an open, transparent and fair manner.
- 21.5 For all EU tenders a mandatory standstill period must be observed before a contract can be awarded, see paragraph 23.8.

22. Post Tender Negotiations

- 22.1 Once the evaluation of tenders has been completed in accordance with Standing Order 20, the Chief Officer may request the Senior Manager Corporate Procurement, or any Procurement Officer designated by them to enter into post Tender negotiations. Such negotiations shall take place with the tenderer who has submitted the Most Economically Advantageous Tender for a contract; and where there is scope for improvement in the Tender received and that such negotiations will be in the best interests of securing Best Value and improved terms and conditions for the Council.
- 22.2 Where it is considered possible that post Tender negotiations might apply, a clear indication will be given to prospective contractors in the instructions to tenderers that post tender negotiations might be considered.
- 22.3 A full record (which shall include copies of all written communications) shall be kept by Procurement of all contracts where post Tender negotiations have been used and the written record will be retained with the original Tender. The written record will include the justification for authorising post Tender negotiations, the nature of the negotiations undertaken, the outcome of such negotiations and shall detail any additional terms agreed by the Council.
- 22.4 This Standing Order 22 shall not be used in any way to put any tenderer at a disadvantage or to distort competition, and it shall not be used to make any change to the specification(s) and/ or criteria on which the identified Tender is to be assessed.

23. Acceptance of Tender

- Every Tender issued shall state the award criteria as the Most Economically Advantageous Tender (lowest price is no longer legally compliant). The evaluation of all bids received shall take place in accordance with the criteria specified in the Tender documentation.

- No Tender shall be accepted unless:
- The appropriate Chief Officer is satisfied that the selection criteria stated within the tender have been met;
- The appropriate Chief Officer is satisfied, in accordance with the award criteria, that the Tender is the Most Economically Advantageous Tender and technically compliant proposal for the Council.
- Tenders for contracts where the total contract value (including optional extensions) does not exceed £500,000 shall be accepted upon written approval of the appropriate Chief Officer, subject always to confirmation that the tender has been issued in compliance with the provisions of paragraphs 7 and 8 of the Standing Orders.
- Where the value of the tender is more than £500,000 (including optional extensions), a tender outcome report will be prepared setting out the details of the tenders received. A tender shall be accepted upon the written approval of the Chief Executive or any Executive Director. Subject to the procedures at paragraph 23.3 to 23.4 being adhered to, the contract acceptance and award letter will be issued by the Senior Manager Corporate Procurement or their designated officer
- For all tenders over the EU threshold a mandatory standstill period must be observed prior to the award of contract. . The mandatory standstill period must be for a period of at least 10 calendar days.

24. Nomination of Sub-Contractors

- Where the Council nominates a sub-contractor or supplier to a main contractor, in the absence of any statutory requirements setting out different procedures, all tenders must be invited by the Council in accordance with the relevant tendering procedures laid down in these Standing Orders.
- The terms of the invitation will require an undertaking by the tenderer that, if selected, they will be willing to enter into a contract with the main contractor in terms which may indemnify the main contractor against their own obligations under the main contract for the work goods or services included in the sub-contract.

25. Contract Register

- The Reform Act requires the Council to publish an external Corporate Contract Register. The Corporate Procurement Unit shall be responsible for updating the Council's Contracts Register.

- The contract register must include the:
 - i. Contract name, description and unique reference number
 - ii. Contractor details
 - iii. Commencement date for contract
 - iv. Termination date for contract
 - v. Trigger date for renewal/retender of contract
 - vi. Annual value of contract
- It is the responsibility of Chief Officers or their Designated Officer to regularly review the contract register to ensure that the register accurately reflects all known contracts including Direct Award contracts eg SW Hub. Chief Officers or their Designated Officer should notify the Corporate Procurement Unit of any new contracts or required amendments in order that the Council can meet the legal requirement of publishing an accurate complete Corporate Contract Register.

26. Purchase of Goods, Service or Works

- Prior to purchasing any Goods, Services or Works, Officers are required to check the Contract Register or consult with the Corporate Procurement Unit to establish whether any existing contracts or Framework Agreements accessible to the Council might fulfil their requirement.
- If a contract exists for the specific goods and services required, Officers must use the contract, unless agreed otherwise with the Corporate Procurement Unit. In order to utilise an existing contract, a purchase order should be raised in advance of making any commitment to suppliers. The purchase order should make reference to the contract number being used to ensure that the Council received the agreed contractual terms and conditions.
- If no contract exists and the value is below £10K then clause 5.2 must be followed.
- The use of retrospective orders is not good practice and should only be used when an extreme emergency arises.

The Council is working towards “No PO – No Pay” this means that any invoice received from a Supplier without a valid Purchase order will be returned to the Supplier. Officers are therefore responsible for ensuring that suppliers are given a valid purchase order to quote on their invoices to ensure that suppliers are paid on time.

27. Variations to Contract

- Consideration must be taken of the value of variation, type of variation and scope of variation relevant to the original contract. Variations cannot be considered if the terms and conditions of the contract do not allow for this or if the value and/or scope of the variation are significantly different from the original contract
- Variations to contract, greater than 10% of the original contract value, should not be agreed without the prior approval of the Senior Manager Corporate Procurement or Designated Officer and without having necessary budget provision. If the variation to contract is approved, the Corporate Procurement Unit will issue contract variation letters.
- Details of all variations to contract must be held in writing by the relevant Directorate and a summary forwarded to Corporate Procurement on a monthly basis.

28. Termination of Contracts

- Every contract shall contain a provision allowing for the contract to be terminated.
- The Chief Officer may request to terminate any contract or the Council's participation in a Framework Agreement, subject to consultation with the Head of Democratic Services and the Senior Manager Corporate Procurement.
- Any termination shall be subject to the Head of Democratic Services and the Senior Manager Corporate Procurement being satisfied that it is reasonable and in the interests of the Council to exercise that power.
- Details of all terminations to contract must be held in writing and copies forwarded to the Corporate Procurement Unit.

29. Form of Contract

- Except where otherwise agreed by the Executive Director (Finance & Corporate Support) and the Head of Democratic Services every contract shall be in writing, shall be signed by the appropriate Executive Director or other officer specifically authorised by him/her for this purpose and shall be subject to the laws of Scotland and the jurisdiction of the Scottish Courts.

30. EC Standards

Where an appropriate and recognised international or European Standard or British Standards Specification or British Standard Code of Practice is current at the date of the Invitation to Tender, every contract shall require that, as the case may be, all goods and materials used or supplied and all workmanship shall at least meet the requirements of that EC Standard or alternatively

British Standard, unless otherwise approved by the appropriate Chief Officer. In the absence of any such recognised European or other standard, the Tender document shall require an appropriate equivalent standard be used.

31. Copyright

The Chief Officer shall, in so far as practicable, ensure that in contracts for the commissioning of reports, research, graphics, design, media and other consultancy services to which copyright applies, that whilst copyright in the work vests in the Contractor, the Council has royalty free rights to utilise the information provided in relation to the continued development of the specific project and subsequent related projects.

32. Prevention of Collusion and Corrupt Illegal Practices

Every contract shall contain a clause entitling the Council to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or his representative (whether with or without the knowledge of the contractor) shall have practised collusion in tendering for the contract or any other contract with the Council or shall have employed any corrupt or illegal practices either in the obtaining or execution of the contract or any other contract with the Council, or have been convicted of an offence under Section 1 of the Bribery Act 2010.

North Ayrshire Council supports the Scottish Governments policy on ensuring that public contracts are awarded to legitimate businesses and has signed up to an Information Sharing Protocol with Police Scotland to share information about organisations who bid for public contracts.

33. Equal Opportunity in Employment

Before entering into a contract the Council shall obtain from the Contractor an assurance in writing that, to the best of its knowledge and belief it has complied with all statutory requirements in respect of ensuring equal opportunity in employment; and that it is not unlawfully discriminating within the meaning and scope of the provisions of the on the Equality Act 2010 (or any statutory modification or re-enactment thereof) including but not limited to discrimination on grounds of gender, marital or civil partnership status, race, disability, gender reassignment, religion or belief, sexual orientation, age, pregnancy or maternity leave.

34. Freedom of Information

- The Freedom of Information (Scotland) Act 2002 came into force on 1st January 2005. The Act gives a statutory right of access to all information held by Scottish Public Authorities, except where an exemption can be applied. All invitations to tender, invitations to negotiate and ESPD documents should, accordingly, give notice of this.

- On occasions, parties with whom the Council contracts will seek to incorporate stipulations that all or some information is provided in confidence. No such provision should be accepted without the prior approval of the Head of Democratic Services.
- In all cases other than those specifically approved by the Head of Democratic Services all contract conditions should include the following provision:-

“All information submitted to the Council may need to be disclosed and/or published by the Council. Without prejudice to the foregoing generally, the Council may disclose information in compliance with the Freedom of Information (Scotland) Act 2002. The decision of the Council in the interpretation thereof shall be final and conclusive in any dispute, difference or question arising in respect of disclosure under its terms, any other law or as a consequence of judicial order or order by any court, tribunal or body with the authority to order disclosure (including the Scottish Information Commissioner). Further, the Council may also disclose all information submitted to them to the members, employees, agents and contractors of the Council”.

35. Sustainability

- Sustainable procurement incorporates environmental, economic and social considerations. The Council is legally bound by the Sustainable Procurement duty in the Reform Act to consider sustainability and procure responsibly and in a way that delivers community well-being, minimises use of resources and prevents environmental degradation. Where relevant to the subject matter of the contract, consideration should be given to:
 - Limiting energy and water consumption during delivery of the requirement;
 - The use of non-toxic substances and renewable materials;
 - Disposal, reuse and recycling options at the end of life;
 - Incorporation of recycled or part recycled goods and energy efficient products;
 - Encouraging local recruitment and training of staff employed in the delivery of the contract;
 - Involving Small and Medium Enterprises (SME's), Third Sector Bodies and Supported Business;
 - Promoting innovation – Innovation in design and delivery of public services, procurement of innovative goods and services and use of innovative procurement processes.
- Every contract shall provide that no goods, products or services shall be supplied which may endanger the health of any person, cause significant damage to the environment during manufacture, use or disposal, which consume a disproportionate amount of energy during manufacture, use or disposal, which cause unnecessary waste, or which contain materials derived from threatened species or

environments.

36. Assignment

In every contract, there shall be included a provision whereby:

- The Contractor shall be prohibited from transferring, assigning or sub-contracting a contract or any part thereof without the prior written consent of the Council; and
- The Contractor shall be prohibited from changing any sub-contractors from those noted in the Contract Documents without the prior written consent of the Council.

37. Interest of Members

- A member of the Council with a personal interest in a matter who attends the meeting of the Council at which the matter is considered must disclose to that meeting the existence and nature of that interest at the beginning of that meeting or when the interest becomes apparent, all in compliance with the Councillor's Code of Conduct in terms of Section 1 of the Ethical Standards in Public Life etc. (Scotland) Act 2000.
- A member with a personal interest in a matter also has a prejudicial interest if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard the interest as so significant that it is likely to prejudice the member's discussion or decision making in their role as a Councillor.

A member with a prejudicial interest in any matter must:

- Withdraw from the room where a meeting is being held whenever it becomes apparent that the matter is being considered at that meeting; and
- Not seek improperly to influence a decision about that matter.

38. Interest of Officers

- In addition to his or her duty under Section 81 of the 1973 Act and the requirements of the 2003 Act, if any officer of the Council finds that he or she has a disclosable financial interest in any contract which has been or is proposed to be entered into by the Council or in some other matter which is to be considered by the Council or any of its Committees or Sub-Committees other than:
 - A contract of employment under which he or she serves the authority or;
 - The tenancy of a dwelling provided by the Authority;

He or she must as soon as practicable give notice of the fact in writing to the Chief Executive.

- For the purpose of this section, a disclosable financial interest is an interest that, if the officer were a member of the Council and if the contract or other matter were to be considered at a meeting of the Council at which he or she were present, he or she would have to disclose under the provision of the Councillor's Code of Conduct referred to in section 36 above.
- The Chief Executive shall record in a register to be kept for the purpose, particulars of any notice of a financial interest given by an officer under Section 81 of the 1973 Act or under paragraph 37.1 of the Standing Orders.

39. Health & Safety

- Every Contractor appointed by or on behalf of the Council shall be required to comply with current Health and Safety legislation and approved Codes of Practice, as may be applicable to the contract. The Chief Officer will have the ultimate decision as to whether a Contractor's Health and Safety qualification is equal to that required by the Council or in an approved form.
- In the case of contracts for construction type works, in addition to the aforementioned, contractors appointed by or on behalf of the Council shall be required to hold either Contractors Health and Safety Scheme (CHAS), Safety Schemes in Procurement (SSIP) or equal and shall be required (prior to entering a contract) to exhibit an approved letter of compliance or accreditation certificate.

40. Insurance

Every contract shall contain a clause requiring the Contractor to take out and maintain, for the duration of the contract, such insurance cover for such amounts as the Chief Officer may deem relevant to the contract, including, if appropriate, but not restricted to:

- Employers Liability Insurance;
- Public (Third party) Liability Insurance;
- Professional Indemnity Insurance, which shall remain in force for a period of six years beyond the end of the contract;
- Other such specialist classes of insurance as advised by the Senior Manager (Internal Audit, Risk and Fraud).

41. Performance Bonds and Parent Company Guarantees

Where considered necessary by the Chief Officer, the Council shall require the Contractor to take out a bond, obtain and deliver a formal parent company guarantee or provide other sufficient security for the due performance of the contract.

42. Disposal of Surplus or Scrap Materials/Equipment

These standing orders also apply for the disposal of surplus of scrap materials and equipment. The Chief Executive may authorise the adoption of an appropriate method of doing so following a recommendation from the Chief Officer of the Service concerned. This method should be adopted in line with the provisions contained within these standing orders and where more than one offer is received, the highest satisfactory offer will be accepted.

43. Disposal of Interest in Land and Building

The Policy for Property Acquisition and Disposal as set out in Annex B shall apply to the making of contracts for the disposal by the Council of its interest in land or buildings (including the disposal by lease thereof, other than leases by the Council for periods not exceeding 5 years) where the interest has been declared surplus to the Council's requirements. Except in cases of community transfers (in accordance with the Council's policy for the Transfer of Assets to the Community), or otherwise in accordance with the Disposal of Land by Local Authorities (Scotland) Regulations 2010 where more than one offer is received the highest satisfactory offer shall be accepted. Any disposal for less than the recorded value must fulfil the requirements of the Disposal of Land by Local Authorities (Scotland) Regulations 2010.

44. Post Contract Monitoring and Evaluation

During the life of the Contract the Contract and Supplier Management Policy contained within the Procurement Manual will apply.

45. Variation and Revocation

These Standing Orders may be varied or revoked by the Council and any motion to vary or revoke these Standing Orders (which motion shall conform to the requirements of Standing Order 22 of the Standing Orders Relating to Meetings and Proceedings of the Council and Committees) shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

46. Thresholds and VAT

All monetary thresholds contained within the Standing Orders are exclusive of

VAT.

47. Commencement

These Standing Orders Relating to Contracts shall apply and have effect from 1 April 2020. These Orders supersede the Standing Orders approved by the Council on 27 June 2018.

Annex A

Single Tender Action Request

Section 1 – Service Requestor Details

1.1 Service:

1.2 Service Officer Name (Block Capitals):

1.3 Telephone Number:

1.4 Date of Request:

Section 2- Project Details

2.1 Project Title:

2.2 Project Description:

2.3 Supplier/Service Provider Details:

Do you have a Supplier/Service Provider Quotation

Yes/No

If yes please attach a copy

2.4 Category - Supplies/Services/Works/Health & Social Care Services:

2.5 Project Status - New Requirement, Renewal or Variation of Existing Contract:

2.6 Proposed Contract Start Date and duration:

2.7 State reason for requesting a Single Tender Action (see section 3. Single Sourcing Validity)

2.8 Provide justification/business case why a competitive quote/tender is not an option

How have you evidenced value for money in the absence of a competitive process?

2.9 Please state the exemption reason from the Procurement (Scotland) Regulations 2016 for requesting a Single Tender Action (please see exemptions in Part 3, section 6 below)
The Procurement (Scotland) Regulations 2016

Section 3 – Budget Details

3.1 Total Value (ex VAT) of this Procurement Exercise (only) - including all extensions if appropriate.

£

3.2 Breakdown of Value by Financial Year (amend FYs as necessary):

FY 2019 / 2020	£
FY 2020 / 2021	£
FY 2021 / 2022	£
FY 2022 / 2023	£

3.3 Type of Expenditure - Capital/Revenue:

3.4 Cost Centre:

3.5 Account Code:

Section 4 – IT Security

Please provide a Yes or No reply to every question.

	Question	Yes/No
1	Will Council official-protect ¹ information be hosted or held external to the Council by another party? (this includes both paper and electronic formats)	
2	Will you be requiring the supplier/service provider to connect to the Council network to provide support for an application / system residing within the Council? (this includes connecting from a remote location or physically coming into NAC premises)	
3	Are you requiring the supplier/service provider to develop an application / system that will host or hold Council information?	
4	Are you procuring an application / system that the supplier/service provider already has available / developed that will host or hold Council information? (includes situations where changes will be made on the Council's behalf)	
5	Will the supplier/service provider be providing access to a system via the Internet to hold Council information?	

¹ Official-protect covers business sensitive data and data that identifies a living individual. Please note that extracts of Council email addresses would be official-protect.

If you answer **yes** to any of the questions above you will be required to engage with the Council's ICT Security Officer, itsecurityofficer@north-ayrshire.gov.uk, 01294 324250, for guidance on questions to be included as part of your procurement exercise.

You are also required to indicate that you have undertaken the following:

	Only complete if answered YES to any of the questions above	Yes

- 1 If you replied **Yes** to any of the questions above please confirm that you have engaged with the ICT Security Officer
- 2 Enter the number of documents to be included within your procurement exercise
- 3 Confirm you have booked diary time with the ICT Security Officer to review your security returns or that you are aware of this requirement and will schedule in advance.

Section 5 – Information Governance

Does your purchase have information governance implications?

Yes / No

If no please confirm you have contacted the Information Governance Manager on 01294 324128 to agree that there are no implications:

If yes please provide details of requirements to be included in the tender if applicable:

Section 6 - Approvals

6.1 Budget Holder

Name of Officer (Block Capitals):

*****Signature:***

Date:

6.2 Financial Management

Please sign below to confirm all information detailed in Section 3

Name of Officer (Block Capitals):

*****Signature:***

Date:

6.3 Head of Service

Please sign below to confirm all information detailed in Section 2 & 3. If the requirement is >£50k Supplies & Services or >£100k Works, sections 6.3.1 and 6.3.2 must be completed

6.3.1 Please confirm that the Head of Service or Director or Executive Director have consulted with the Portfolio Holder, Chair of Cabinet and Chief Executive

Yes/No

Date of consultation with Portfolio Holder

Date of consultation with Chair of Cabinet

Name of Chief Officer (Block Capitals):

****Signature:**

Date:

Chief Executive

Name of Chief Executive or Designated Officer (Block Capitals):

****Signature:**

Date:

Senior Manager Corporate Procurement Please sign below to confirm decision:

Decision	Signed	Date
STA Request Authorised with no conditions.		
STA Request Authorised subject to conditions. <u>Conditions</u>		
STA Rejected <u>Details of reason for rejection</u>		

<u>STA Reference Number*</u>

*To be completed by CPU

** Internal Audit requirement – original signature required; type signed is not acceptable

Annex B

Disposal of Property / Land

PROCEDURES FOR INVITING AND OPENING OFFERS RELATING TO THE SALE/LEASE OF PROPERTY WHERE A CLOSING DATE HAS BEEN FIXED.

1. Introduction

- 1.1 In all cases where offers for the sale or lease of Council property have been invited following appropriate authorisation from the relevant Committee or the Chief Executive in terms of the Scheme of Delegation to Officers, and a closing date has been fixed, the procedures set out below must be followed.
- 1.2 Prior to carrying out the sale or lease of the property, the Head of Physical Environment or Designated Officer shall obtain from the relevant Planning Officers, a report on the planning history of the property, including a development brief document, where appropriate, which information where relevant, will be incorporated into any marketing material which shall be used as part of the evaluation process of offers.
- 1.3 No proposal for the development of or investment in land, property or building fabric shall be made to the Council or Cabinet without prior approval of the Executive Director of Place or an officer designated by them.

2. Invitation to Submit Offers

- 2.1 When inviting offers it is important that uniform instructions are given, and the following information must therefore be included in all instructions:
 - 2.1.1 Interested parties shall be notified by the Head of Physical Environment or Designated Officer that a closing date, including the date and time for submission has been fixed.
 - 2.1.2 Interested parties must be informed that it is their responsibility to have the offer, in Scottish legal form emailed to the specified email address, on the instructions by 12 noon on the designated day. Under no circumstances will a late offer be considered, and any offer arriving after the specified time will not be accepted. The principal offer should also be sent to the Council but this will not need to be received by the deadline for email submission. No contract will be concluded until the principal offer is received.

3. Offer Return and Notification Record

- 3.1 The Head of Physical Environment or Designated Officer must prepare an offer return form for every sale or lease.

4. Procedure for Considering Offers

- 4.1 The Senior Manager, Legal Services or Designated Officer will collate offers received in the email inbox by the deadline for submission. Any offers arriving after the specified time will be highlighted as late offer.
- 4.2 The Senior Manager, Legal Services or Designated Officer will, as soon as possible after the closing of offers, collate the offers received, complete the offer return form and circulate all offers received to the Executive Director (Finance and Corporate Support) or their nominee who along with the Senior Manager, Legal Services or their nominee shall verify the validity of the offers.

5. Acceptance of Offers

- 5.1 Offers received and verified as provided for above, shall be evaluated jointly by representatives of the Head of Physical Environment and the Head of Democratic Services prior to any further action being taken. In the event that it is determined to proceed to accept an offer received, it will then be accepted in the following manner:
 - 5.1.1 Where the value of the offer to purchase or the annual rental does not exceed £300,000 or £120,000 respectively, acceptance of the offer may be authorised by the Executive Director (Place) in terms of the Scheme of Delegation to Officers;
 - 5.1.2 Where the value of the offer to purchase or lease exceeds the respective limits set in 5.1.1 above, a report shall be submitted to the Cabinet for authorisation to accept the offer.
- 5.2 All formal legal documentation in respect of offers relating to the sale or lease of property shall be undertaken by the Head of Democratic Services or his nominee.
- 5.3 Unsuccessful parties will be notified that their offer has not been successful.

Annex C

Health and Social Care Services

Procedures for Commissioning of Health and Social Care Services

1. Introduction

- 1.1 In accordance with Standing Order 4, the Contract Standing Orders shall apply to the procurement of contracts for Health and Social Care Services subject to the special procedures set out in this Annex.
- 1.2 These procedures are intended to accord with and reflect the principles set down in the Statutory Guidance issued by Scottish Ministers in terms of the Procurement Reform (Scotland) Act 2014 as well as the Best Practice Guidance on the Procurement of Care and Support Services 2016 issued in terms of the Procurement Reform (Scotland) Act.
- 1.3 All Health and Social Care Services procurement will be undertaken by the Corporate Procurement Unit.
- 1.4 The Director of Health and Social Care Partnership or designated Officer must satisfy themselves that all procurement has been undertaken and authorised by the Corporate Procurement Unit in terms of these standing orders

2. Governing Bodies (Care Inspectorate)

- 2.1 Any tenderers wishing to provide Health and Social Care Services to the Council must be registered with Care Inspectorate (or its statutory successor(s)) or any other relevant regulatory bodies that are a mandatory requirement to the service provision, where required in terms of the contract.

3. Procedures for Procuring Contracts for Health and Social Care Services

- 3.1 In accordance with Standing Order 12.2, a contract for Health and Social Care Services that has an estimated value in excess of the EU Threshold for Social and Other Specific Services must be procured by following a procedure that satisfies the Council's duties set out in the 2015 Regulations.
- 3.2 In cases of procuring a contract for Health and Social Care Services that has an estimated value below the EU Threshold for Social and Other Specific Services, the Director - Health and Social Care Partnership in conjunction with the Senior Manager Corporate Procurement shall be responsible for deciding whether the particular contract is one which may be awarded without advertisement and competition, in accordance with section 12 of the Reform Act.

- 3.3 In determining whether a contract for Health and Social Care Services may be awarded without advertisement and competition in terms of paragraph 3.2, the Director - Health and Social Care Partnership shall take account of the individual circumstances of the contract, including the subject matter and estimated value of the contract, the specifics of the service sector concerned and the geographic location of the place of performance of the contract to firstly identify whether there is likely to be a cross-border interest in the contract. The Director - Health and Social Care Partnership, following consultation with the Senior Manager Corporate Procurement, may determine that there is no cross- border interest in the contract where:
- 3.3.1 It can be demonstrated that the contract is of no interest to service providers in other EU member states; and/ or
 - 3.3.2 The total sum to be paid under the contract is so low that service providers located in other EU member states would not be interested in bidding for the contract; and/ or
 - 3.3.3 The service is of such a specialised nature that no cross-border market of suitable service providers exists; and/ or
 - 3.3.4 Advertising the contract would result in the loss of a linked service and/or
 - 3.3.5 The service is one that in accordance with the SDS 2013 Act the individual service user has a choice in selecting the provider.
- 3.4 Where the Director - Health and Social Care Partnership decides under paragraphs 3.2 and 3.3 above that a contract is likely to attract a cross-border interest, it should be procured by way of a competitive process and it will be advertised in accordance with Standing Order 12 unless the Director - Health and Social Care Partnership with the agreement of the Senior Manager Corporate Procurement decides that there are special circumstances justifying a departure from that requirement. Such decisions will be taken on a case by case basis and advertising may not be required where, for example:
- 3.4.1 The needs of the service user(s) concerned would be best met by a particular service provider; and/ or
 - 3.4.2 The existing service provider(s) are the only service provider(s) capable of delivering the service to meet the needs of the individual(s) concerned; and/ or
 - 3.4.3 the nature of the service is such that it should not or cannot be adequately specified in advance because of the nature of the social care needs of the service user(s) concerned; and/ or
 - 3.4.4 There are special circumstances such as ownership of land or property, geographic locations or particular skills or experience of service providers of social care which limit the choice to one service provider; and/ or

- 3.4.5 There are reasons of extreme urgency, brought about by unforeseen events which are not attributable to the Council.
- 3.5 Where the Director - Health and Social Care Partnership decides under paragraphs 3.2 and 3.3 above that EU Treaty Principles do not apply to a contract for Health and Social Care Services, he/ she may also decide with the agreement of the Senior Manager Corporate Procurement that Standing Order 12 shall not apply to that contract.
- 3.6 The Director - Health and Social Care shall be required to maintain a list of all proposed contracts which he/ she decides do not require to be advertised on the basis of the determinations made under paragraphs 3.2, 3.3, 3.4 or 3.5 above. He/ she shall provide a copy of that list to the elected members on an annual basis. Any decisions taken under paragraphs 3.2, 3.3, 3.4 or 3.5, that neither advertising nor competition will be required for a particular contract shall be subject to review by the Director - Health and Social Care Partnership at regular intervals (and at least annually).
- 3.7 The decisions (and subsequent review of those decisions) taken by the Director - Health and Social Care Partnership under this Annex will all be fully documented. Any reasons for deciding that a proposed contract will not be advertised must be recorded and included on the list which is to go to the elected members under paragraph 3.6.
- 3.8 In addition to demonstrating how Best Value will have been achieved, the contracting service will be responsible for evidencing the reasons referred to under paragraph 3.6.



North Ayrshire Council

Comhairle Siorrachd Àir a Tuath

CORPORATE PROCUREMENT UNIT (CPU)
REQUEST for PROCUREMENT ACTION (RPA) FORM

Section 1 – Service Details**Service:****Service Officer Name (Block Capitals):****Telephone Number:****Date of Request:****Section 2- Project Details****Project Title:****Category - Supplies/Services/Works:****Project Status - New Requirement or Renewal of Existing Contract:****Proposed Advertisement Date:****Deadline Date for Questions:****Proposed Contract Start Date and duration:****Section 3 – Budget Details**

Total Value (ex VAT) of this Procurement Exercise (only) - including all extensions if appropriate.
£

Breakdown of Value by Financial Year (amend FYs as necessary):

FY 2019 / 2020	£
FY 2020 / 2021	£
FY 2021 / 2022	£
FY 2022 / 2023	£
FY 2023 / 2024	£

Type of Expenditure - Capital/Revenue:**Cost Centre:****Account Code:**

Section 4 – ICT Security

Please provide a Yes or No reply to every question

	Question	Yes/No
1	Will the service or product being procured include any IT related services or data hosting solutions? A 'Request for Service' must be logged with the IT Service Desk, EHD-itservicedesk@north-ayrshire.gov.uk , 01294 324290. Please give as much details as possible to enable the request to be sent to the relevant person.	
2	Will the service or product being procured include a requirement for remote network access to the Council's PSN accredited network? Include the form Remote Network Access for Suppliers/Vendors/3rd Parties in the tender documentation.	
3	Will the service or product being procured include a requirement for non-Council owned equipment to be connected to the Council's PSN accredited network? Include the form Transfer of Equipment Control in the tender documentation.	

If you answered No to all questions, there are no ICT security implications however there may be Information Governance concerns. Please complete the Information Governance questions

If you answer Yes to any of the questions above you must also include the [IT, Cyber and Information Security Schedule](#) within your procurement exercise.

Section 5 – Information Governance

Please provide a Yes or No reply to every question

	Question	Yes/No
1	Will the service or product include the sharing and/or processing of personal information? <i>i.e. data that relates to a living individual or can identify an individual (see the Data Protection Policy for full definition)</i>	
2	Will the service or product include the sharing and/or processing of business sensitive information? <i>i.e. where unauthorised disclosure would cause harm to the interests or security of the Council</i>	

3	Will the successful supplier create and/or manage Council Records as part of delivering a Council function? i.e. recorded information, digital or paper, create or received in the transaction of business and kept as evidence of such activity	
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If you answered No to all questions, there are no information governance implications however there may be ICT, Cyber or Information Security concerns.
[Please go to Section 2.](#)

If you answered Yes to any or all of the questions, there are information governance implications. You must now complete the IGPF steps to ensure you have identified all relevant requirements to include in the procurement process. You must not proceed with the procurement until you have completed the IGPF.
[Please go to Section 1 to start.](#)

Section 6 - Disclosure Checks

If applicable, please indicate what level of disclosure check is required for this procurement exercise. Please note, it is an offence to ask someone to apply to join the PVG Scheme or make a disclosure application in relation to work which is not regulated work under the PVG Act.

If you are unsure, please contact Disclosure Scotland on 0300 020 0040 or email <mailto:info@disclosurescotland.gov.scot> with details on your procurement exercise including the nature and scope of the contract who will be happy to advise if a disclosure check is appropriate.

Type	Description	Yes/No
Basic disclosure	Anyone can apply for a basic disclosure certificate. A basic disclosure can be used for any purpose and is often used by employers for roles not exempt from the Rehabilitation of Offenders Act. It includes information on any 'unspent' convictions the person has. Disclosure Scotland basic disclosure certificates is considered up to date upon completion of the relevant checks.	
Standard and enhanced disclosure	Standard and enhanced disclosures involve higher level checks . They are for people doing certain prescribed types of work or looking to adopt and are applied for by the Council or a registered body representing the organisation the individual is working for. standard disclosure is for specific prescribed roles such as solicitors, accountants or providing a care service. enhanced disclosure applies to specific prescribed roles or circumstances such as checking people are suitable for adoption or applying for certain gaming or lottery licences.	

Protecting Vulnerable Groups (PVG) Scheme	<p>The PVG Scheme is for people doing 'regulated work' with children and/or protected adults.</p> <p>A PVG certificate contains all unspent and certain spent conviction information. It also contains any other non-conviction information that the police or other government bodies think is relevant.</p> <p>Disclosure Scotland continually monitor PVG scheme members' records for vetting information (or for any other reason) including criminal convictions that may affect their suitability to work with vulnerable groups.</p> <p>Disclosure Scotland only notify organisations if an individual comes under consideration for listing or listed. If new information does not affect their PVG Membership status organisations are not notified.</p>	
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Section 7 - Approvals

7.1 Budget Holder

Name of Officer (Block Capitals):

****Signature:**

Date:

7.2 Finance Manager

Please sign below to confirm all information detailed in Section 3

Name of Officer (Block Capitals):

****Signature:**

Date:

7.3 Category Manager

Please sign below to confirm all information detailed in the RPA

Name of Officer (Block Capitals):

****Signature:**

conflicy

Date:

7.3 PO/APO Allocated

Name:

Date:

Note:

* All boxes are required to be completed by the person completing the form. On completion the RPA should be sent to CPU at: Procurement@north-ayrshire.gov.uk

** Internal Audit requirement – original signature required, type signed is not acceptable



North Ayrshire Council

Comhairle Siorrachd Àir a Tuath

CORPORATE PROCUREMENT UNIT (CPU)
CONFLICT OF INTEREST DECLARATION

Section 1 – Individuals Details**Service:****Name (Block Capitals):****Telephone Number:****Date of Declaration:****Section 2- Conflict of Interest Details**

Description of the conflict of interest: *E.g. In a relationship with one of the supplier's members of staff (married, personal relationship, close friend, family member etc.), have a financial interest in the supplier's organisation etc.*

Section 3- Procurement Activity Details**Procurement Title:****Procurement Reference No.**

Procurement activity undertaking: *E.g. Developing specification, market engagement, evaluating bids etc.*

Section 4- Line Manager Notification**Name of Officer (Block Capitals):****Details of possible risk mitigation:*****Signature:****Date:****Section 5- Approvals****Senior Manager (Corporate Procurement)****Name of Officer (Block Capitals):**

Accepted ☐ Yes ☐ No

Rejected ☐ Yes ☐ No

Provide details:***Signature:**

Date:

* Internal Audit requirement – original signature required, type signed is not acceptable
On completion the Conflict of interest declaration should be sent to CPU at: Procurement@north-ayrshire.gov.uk

NORTH AYRSHIRE COUNCIL

23 September 2020

North Ayrshire Council

Title: Treasury Management and Investment Annual Report 2019/2020

Purpose: To report to Council on the Treasury Management and Investment Annual Report and Prudential Indicators for 2019/20

Recommendation: That Council notes (a) the Treasury Management and Investment Annual Report for 2019/20 (Appendix 1); and (b) the Prudential and Treasury Indicators contained therein

1. Executive Summary

- 1.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities. The purpose of the annual review is to report the performance of the Council's treasury operations and how this measures up against the Council's Treasury Management and Investment Strategy 2019/20. This is done through the publication of the annual report which contains the actual prudential and treasury indicators for 2019/20.
- 1.2 This Treasury Management and Investment Annual Report meets the requirements of the Scottish Government's investment regulations, the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.3 The Treasury Management and Investment Annual Report 2019/20 for North Ayrshire Council is attached at Appendix 1. Key points to note from the report are as follows:
 - During 2019/20, the Council complied with its legislative and regulatory requirements in relation to treasury activities;
 - Capital expenditure was below the level anticipated at the start of the year due to changes in the profile of projects;
 - Gross borrowing was higher than anticipated as a result of additional PWLB borrowing taken out to safeguard the Council against any potential cashflow impacts of Covid-19 and to reduce the Council's exposure to Interest rate risk;
 - The average loans fund pool rate reduced slightly from 4.00% to 3.97%; and

- During the year, a review of the methodology for loans fund advances was undertaken. The changes identified resulted in reductions in payments over the period of the current General Services Capital programme and the equivalent period of the HRA Capital programme of £11.117m and £7.036m, respectively. Over the full period of advance repayments, the changes will result in an estimated overall increase in interest costs of £2.820m for the General Fund and £5.652m for the HRA based on the current Capital Programmes as approved by Council.

2. Background

2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management requires elected members to be provided with regular reports on treasury management activities. The 2019/20 Annual Treasury Management and Investment Strategy was approved by Council on 27 February 2019 and the mid-year report was submitted to the Cabinet on 26 November 2019. This final outturn report ensures full compliance with the CIPFA Code of Practice.

2.2 Current Position

The 2019/20 annual report is attached at Appendix 1 and covers:

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

2.3 Statutory Requirements

During 2019/20 the Council complied with its legislative and regulatory requirements. It is a statutory duty for the Council to determine and keep under review its approved borrowing limits and prudential indicators. Details within the report demonstrate that the Council has operated within the treasury limits and prudential indicators as set out in the Council's 2019/20 Annual Treasury Management and Investment Strategy Statement (TMSS).

2.4 General Services and Housing Revenue Account (HRA)

2.4.1 **Capital Financing Costs** - the General Fund had a revised budget of £16.144m for financing costs and expenses on debt for 2019/20. Following the planned contribution to the Loans Fund Reserve of £3.179m, related to the continuing strategy to delay new external borrowing by utilising cash balances, the use of temporary borrowing from other local authorities and the impact of the review of loans fund repayments carried out during the year, no variances were reported for year to 31 March 2020. For the HRA, an overspend of £0.110m against a budget of £8.455m was reported, resulting from the corporate debt reprofiling exercise and the review of loans fund repayments.

2.4.2 **Interest on Revenue Balances** - the General Fund revised budget of £0.065m for interest on its revenue balances, reported no variances for the year. The comparative information for the HRA was a budget of £0.058m with a reported over-recovery of £0.036m. The performance against budget reflects the increased diversification of the Council's investment portfolio which maximises returns whilst minimising risks.

3. Proposals

- 3.1 That Council notes (a) the contents of the Treasury Management and Investment Annual Report for 2019/20 (Appendix 1); and (b) the Prudential and Treasury Indicators contained therein.

4. Implications/Socio-economic Duty

Financial

- 4.1 Within the General Fund the £3.179m planned underspend has been transferred from Capital Financing to the Loans Fund Reserve in line with the agreed policy.

Within the HRA, the overspend of £0.074m has been met from the overall HRA budget in 19/20.

Human Resources

- 4.2 None.

Legal

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

Equality/Socio-economic

- 4.4 None.

Environmental and Sustainability

- 4.5 None.

Key Priorities

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

Community Wealth Building

- 4.7 None.

5. Consultation

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

Mark Boyd
Head of Service (Finance)

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

Background Papers

None



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Annual Treasury Management and Investment Report

2019/20



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Annual Treasury Management and Investment Report 2019/20

1. Purpose

The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities. The purpose of this annual review is to report the performance of the Council's treasury operation and how this measures up against the Council's Treasury Management and Investment Strategy 2019/20. This is done through the publication of the annual report and actual prudential and treasury indicators for 2019/20.

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

During 2019/20 the minimum requirement was that the following reports should be submitted to Elected Members:

- an annual treasury management and investment strategy (submitted to the Council on 27 February 2019)
- a mid-year treasury update report (submitted to the Cabinet on 26 November 2019)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

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

2. Executive Summary

During 2019/20, the Council complied with its legislative and regulatory requirements.

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

TABLE 1

Prudential and treasury indicators	2018/19 Actual £m	2019/20 * Estimate £m	2019/20 Actual £m
Capital expenditure (Indicator 1)			
General services	32.006	42.766	33.039
HRA	28.990	41.935	37.759
Total	60.996	84.701	70.798
Capital Financing Requirement (CFR):			
General services	187.368	187.044	184.896
HRA	120.312	127.346	124.554
Total	307.680	314.390	309.450
Gross borrowing (Indicator 4)	256.016	264.390	279.493
Operational Boundary (Indicator 5)	327.895	338.333	330.009
Authorised Limit (Indicator 6)	360.684	372.166	363.010
Investments (Indicator 7)			
• Longer than 1 year	-	-	-
• Under 1 year	21.850	25.000	39.657
• Total	21.850	25.000	39.657

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

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

The **Capital Financing Requirement (CFR)** is the underlying borrowing requirements of the Council. The reduction to the requirement during 2019/20 reflects the change in profile of the capital programme.

Gross Borrowing reflects the actual borrowing which has been undertaken, this was higher than anticipated as a result of additional PWLB borrowing taken out to safeguard the Council against any potential cashflow impacts of Covid-19 and to reduce the Council's exposure to Interest rate risk.

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

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

As noted above, the Council continues to use its internal funds to delay borrowing to minimise costs but balances this with long term borrowing to support the agreed Capital Investment Programme and to reduce the Council's exposure to interest rate risk. During 2019/20 the Council undertook long term borrowing of £40m. This has allowed the Council to benefit from low borrowing costs and has contributed to the long term stability of our debt

portfolio, while continuing to maintain borrowing levels well within the operational boundaries set by the Treasury Management and Investment Strategy.

The **average loans fund pool rate** is the total interest paid during the year as a percentage of the total loans fund advances. In 2019/20 this marginally decreased from 4.00% to 3.97%.

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

Affordability of borrowing is measured by the percentage of financing costs relative to the net revenue stream of the General Fund and Housing Revenue Account; the percentage values were lower than estimated for both the General Fund and the Housing Revenue Account. Actuals for 2019/20 were 4.5% for the General Fund and 17.1% for the Housing Revenue Account. Capital expenditure impacts on the revenue budget through financing charges so it is essential the Council ensures the financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available. From a General Fund perspective, the Scottish Local Authority average was 7.58%, therefore demonstrating a prudent borrowing policy. For the HRA, the level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

The **average internal investment** rate was 0.80% compared to a target of 0.65%. The rate secured in 2018/19 was 0.65%. The higher return secured in 2019/20 reflects the increased diversification of the Council's investment portfolio to maximise return whilst minimising risk.

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

Conclusion

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

3. Prudential and Treasury Indicators for 2019/20

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

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

- The Council's Capital Expenditure and Financing (section a);
- The Council's Overall Borrowing Need (section b);
- Limits to Borrowing Activity (section c);
- Treasury Position at 31 March 2020 (section d); and
- Affordability Prudential Indicators (section e);

(a) The Council's Capital Expenditure and Financing 2019/20 (Prudential Indicator 1)

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

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

The tables below show the actual capital expenditure incurred in 2019/20 compared with the planned investment alongside the amount financed immediately and the amount which gave rise to borrowing.

TABLE 2

General Fund	2018/19 Actual £m	2019/20 Estimate £m	2019/20 Actual £m
Capital expenditure (Indicator 1)	32.006	42.766	33.039
Financed in year	10.701	34.811	27.232
Unfinanced capital expenditure	21.305	7.955	5.807

HRA	2018/19 Actual £m	2019/20 Estimate £m	2019/20 Actual £m
Capital expenditure (Indicator 1)	28.990	41.935	37.759
Financed in year	24.687	31.633	30.249
Unfinanced capital expenditure	4.303	10.302	7.510

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

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

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

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

The total CFR can also be reduced by:

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

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

Table 3 shows that, based on historic capital expenditure and this year's capital expenditure, the Council has a cumulative underlying need to borrow £309.450m at 31 March 2020.

TABLE 3

CFR	2018/19 Actual £m	2019/20 Estimate £m	2019/20 Actual £m
Opening balance	293.271	307.680	307.680
Add new PPP/NPD liability	107.896	102.459	107.013
Revised Opening Balance	401.167	410.139	414.693
Add unfinanced capital expenditure (General Fund)	21.305	7.955	5.807
Add unfinanced capital expenditure (HRA)	4.303	10.302	7.510
Less Loans Fund Principal Repayments	(11.199)	(11.547)	(11.547)
Sub-total	415.576	416.849	416.463
Less PPP/NPD lease repayments	(107.896)	(102.459)	(107.013)
Closing balance (Indicator 2)	307.680	314.390	309.450
Annual Change (Indicator 3)	14.409	6.710	1.770

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

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

Gross borrowing and the CFR

There is a need to ensure that gross debt does not, except in the medium term, exceed the total CFR (i.e. the Council does not borrow more than it needs to fund its capital programme). In exceptional circumstances Councils are allowed to borrow to cover the current financial year plus the next two financial years (i.e. to 2021/22). This provides some flexibility to borrow in advance where this is appropriate.

Table 4 highlights the Council's gross borrowing position against the CFR and confirms that the Council has complied with this prudential indicator as gross borrowing is currently within the CFR. The Council is currently under borrowed by £29.957m due to the continuing strategy to delay new external borrowing by utilising internal cash balances. The reduction in the under borrowed position reflects additional PWLB borrowing taken out to safeguard the Council against any potential cashflow impacts of Covid-19 and to reduce the Council's exposure to Interest rate risk.

TABLE 4

	2018/19 Actual £m	2019/20 Estimate £m	2019/20 Actual £m
Gross borrowing position (Indicator 4)*	256.016	264.390	279.493
CFR	307.680	314.390	309.450
(Under)/Over Borrowed Position	(51.664)	(50.000)	(29.957)

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

The Operational Boundary (Indicator 5)

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

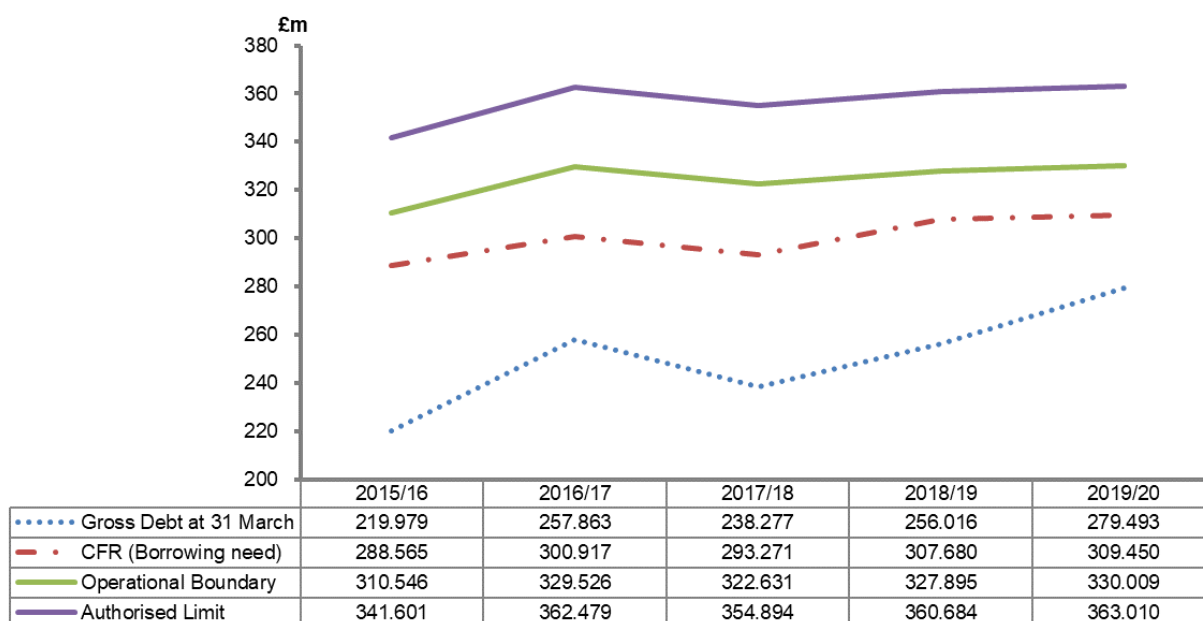
The Authorised Limit (Indicator 6)

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

The following graph shows the trend of the Council's gross borrowing against approved limits. This demonstrates that during 2019/20 the Council's gross borrowing was within both the operational boundary and the authorised limit by a very significant margin, due to the continuing strategy to delay new external borrowing by utilising internal cash balances and due, also, to some slippage in the overall capital programme which has reduced the requirement for borrowing.

Further information on capital slippage can be found in the 'Capital Programme Performance to 31 March 2019' report, presented to Cabinet on 30 June 2020.

Borrowing Projection v Approved Limits



(d) Treasury Position at 31 March 2020 (Prudential Indicators 7 -9)

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

Borrowing Strategy for 2019/20

The borrowing strategy for 2019/20 anticipated a gradual rise in both bank interest rates and medium and longer term fixed borrowing rates during 2019/20. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued economic uncertainty promoted a cautious approach, whereby investments continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

On 9 October the treasury raised the margin that applies to new loans from the PWLB by one percentage point. The impact of this was to make long term borrowing less attractive and as a result the Council continued its strategy of using internal resources and temporary borrowing to minimise costs.

However, the Chancellor's March 2020 budget statement announced that from 12 March, new HRA loans could be taken out at 1 percentage point lower than the standard PWLB rate. Taking into consideration these lower borrowing rates, the Council's significant HRA investment programme and the impending lockdown as a result of Covid-19, the Council undertook additional PWLB borrowing to safeguard the Council against any potential cashflow impacts of Covid-19 and to manage the Council's exposure to Interest rate risks.

Borrowing Outturn for 2019/20

At the beginning and end of 2019/20, the Council's treasury position was as follows:

TABLE 5

	31 March 2019 Principal £m	Rate/ Return %	31 March 2020 Principal £m	Rate/ Return %
Fixed rate funding:				
- PWLB	174.135	5.52%	201.831	4.95%
-Local Authorities	28.000	0.70%	25.000	0.76%
-Market	1.931	0.00%	1.712	0.00%
Variable rate funding:				
- Market	51.950	5.35%	50.950	5.33%
Total debt	256.016	4.92%	279.493	4.61%
CFR	307.680		309.450	
Over / (under) borrowing	(51.664)		(29.957)	
Investments:				
- Internally managed	21.850	0.65%	39.657	0.80%
Total investments	21.850		39.657	

The Council's gross debt position Increased by £23.477m during 2019/20. A summary of the movement is outlined below.

Category of Debt	Activity	£m
Fixed - PWLB	New Borrowing	27.696
Fixed - Local Authorities	Repayment	(3.000)
Fixed - Market	Recategorisation and New Borrowing	(0.219)
Variable - Market	Recategorisation	(1.000)
Net Increase in Debt		23.477

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

Rescheduling

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

All investments at 31 March 2020 mature within one year in line with the Annual Treasury Management and Investment Strategy. (Indicator 7)

The maturity structure of the debt portfolio (Indicator 8) at 31 March 2020 is included in Table 6 and shows the period when the Council is required to repay and/or refinance debt. It is important to ensure a reasonable spread of debt to mitigate against high exposure levels in respect of refinancing. The current profile ensures this:

TABLE 6

	31 March 2019 Actual £m	31 March 2019 Actual %	31 March 2020 Actual £m	31 March 2020 Actual %
Under 12 months	66.908	26%	81.838	29%
12 months and within 24 months	16.091	6%	2.888	1%
24 months and within 5 years	3.205	1%	8.819	3%
5 years and within 10 years	11.469	4%	20.995	8%
10 years and within 20 years	24.830	62%	33.640	59%
20 years and within 30 years	-		12.425	
30 years and within 40 years	103.512		106.887	
40 years and within 50 years	20.000		2.000	
50 years and above	10.000		10.000	
Total Borrowing	256.016	100%	279.493	100%

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

TABLE 7

	2018/19 Actual £m	2019/20 Limit £m	2019/20 Actual £m
Limit on fixed rate (principal)	204.066	306.895	228.543
Limit on variable rate (principal)	51.950	60.000	50.950

Estimates of prudent Loans Fund repayment

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

The above regulations state that Council's may vary the period and/or amount of the repayments if they consider it prudent to do so. Following consideration of the revised Regulations, a review of the current methodology determined that, in line with the Council's existing policy, all current and future loans fund advances should be calculated using the Asset Life method, which aligns the repayment of advances to the Useful Economic Life (UEL) of the assets to be acquired, and should be calculated using an annuity rate linked to the average interest rate of borrowing undertaken by the Loans Fund, currently 5% p.a. Based on having sufficient detailed records, it was agreed that advances made since 2008/09 would also be recalculated using the above method.

Although there was no change in the overall level of Loans Fund advances to be repaid, this resulted in the reprofiling of the principal and interest payments based on the review of the UEL of the assets with a resulting increase in the interest calculations over the period of the advances. Over the period of the current General Services Capital programme, and the equivalent period of the HRA Capital programme, reductions in repayments of £11.117 and £7.036m will be realised. Over the full period of advance repayments, the changes will result in an overall increase in interest costs of £2.820m for the General Fund and £5.652m for the HRA based on the current Capital Programmes as approved by Council. Any changes to the approved Programmes will impact on the movement.

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

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment by HRA £m	Closing Balance £m
2018/19 actual	293.271	21.305	4.303	-8.806	-2.393	307.680
2019/20	307.680	5.807	7.510	-8.279	-3.268	309.450
2020/21 - 24/25	309.450	98.370	144.441	-26.759	-28.987	496.516
2025/26 - 29/30	496.516	0.224	0.000	-22.323	-38.984	435.432
2030/31 - 34/35	435.432	0.000	0.000	-24.883	-42.700	367.849
2035/36 - 39/40	367.849	0.000	0.000	-29.881	-45.959	292.009
2040/41 - 44/45	292.009	0.000	0.000	-32.195	-34.220	225.594
2045/46 - 49/50	225.594	0.000	0.000	-27.676	-20.293	177.625
2050/51 - 54/55	177.625	0.000	0.000	-27.170	-21.864	128.591
2055/56 - 59/60	128.591	0.000	0.000	-29.849	-22.787	75.955
2060/61 - 64/65	75.955	0.000	0.000	-30.572	-13.202	32.181
2065/66 & later	32.181	0.000	0.000	-32.181	0.000	0.000

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

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

Actual financing costs as a proportion of net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream and is a measure of affordability for debt repayment. For 2019/20 this shows marginal reductions in both General Services and HRA from 2018/19. Capital expenditure impacts on the revenue budget through financing charges so it is essential the Council ensures the financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available. From a General Fund perspective, the Scottish Local Authority average was 7.58%, therefore demonstrating a prudent borrowing policy. For the HRA, the level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

TABLE 8

Estimate of ratio of financing costs to net revenue stream	2018/19 Actual	2019/20 Estimate	2019/20 Actual
General Services	4.9%	4.8%	4.5%
HRA	15.0%	17.6%	17.1%

4. Investment Rates and Outturn 2019/20

Interest Rates

The Bank of England base remained steady at 0.75% for most of 19/20 until March when the rate was dropped to 0.25% then swiftly brought down further to the record low of 0.1%. Current indicators anticipate the rate remaining low during 20/21. As a result, deposit rates were marginally higher during 2019/20 but are anticipated to reduce during 20/21.

Investment Policy

The Council's investment policy is governed by Scottish Government investment regulations, which have been implemented in the annual investment strategy approved by the Council on 27 February 2019. This policy sets out the approach for choosing investment counterparties and is based upon: new bank resolution regulations, where failing banks will not be bailed-out but 'bailed-in' by unsecured investors that can include local authorities; the capacity of banks to absorb unexpected losses; and credit ratings provided by the leading credit rating agencies. This is supplemented by additional market data (such as economic data, credit default swaps, bank share prices etc.).

Resources

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

TABLE 9

Cash Balances	2018/19 Actual	2019/20 Actual
	£m	£m
1 April	26.000	21.850
31 March	21.850	39.657
Change in year	(4.150)	17.807

Investments held by the Council

The Council maintained an average balance of £25.963m of internally managed funds and utilised cash balances during the year in support of the under-borrowed position. The internally managed funds, primarily invested in call accounts with banks, Money Market Funds and other UK local authorities, earned a weighted average rate of return of 0.80%. This compares to a rate of 0.65% in 2018/19. Performance was above the target rate of 0.65% and reflects the UK Bank Rate, by remaining steady at 0.75% for most of 19/20, and the short term nature of our investments and our overall investment objectives of security and liquidity.

5. Performance Measurement

One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide.

The Council's treasury management advisors are Arlingclose Limited. Arlingclose has six Scottish Local Authorities in their client group and provide regular investment benchmarking information to the Council. In terms of performance in 2019/20, North Ayrshire Council's average weighted rate of return on investments during 19/20 was 0.80% (18/19 0.65%) The actual rate of return on investments as at 31 March for North Ayrshire Council was 0.66% compared to the group average rate of 0.54%. This reflects the increased diversification of the Council's portfolio to maximise returns whilst minimising risk.

Emphasis will continue to be placed on investing with approved counterparties in accordance with the approved strategy.

NORTH AYRSHIRE COUNCIL

23 September 2020

North Ayrshire Council

Title:	North Ayrshire Charitable Trusts: Unaudited Trustees' Annual Report 2019/20
Purpose:	To present the unaudited Trustees' Annual Report for the year to 31 March 2020 to the Council, as trustees, for approval.
Recommendation:	That Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2019/20, subject to audit.

1. Executive Summary

- 1.1 The Council administers a number of charitable trusts including a number of Town Trusts, which amalgamate various bequests made in relation to specific localities; the North Ayrshire Charitable Trust, which collates bequests which are not specific to any particular location within North Ayrshire; and three specific trusts, including the Anderson Park Trust, the Douglas Sellers Trust and the Margaret Archibald Trust. All of these trusts are charities registered with the Office of the Scottish Charity Regulator (OSCR).
- 1.2 During 2019/20 North Ayrshire Council (Beith & Gateside) Charitable Trust exhausted its capital through the disbursement of grants and, with the agreement of OSCR, has been wound up.
- 1.3 The financial statements within this report have been prepared in accordance with the Charities Accounts (Scotland) Regulations 2006. The statements are subject to audit by the appointed auditor, Deloitte LLP, and a report on the outcome of the audit will be presented to the Audit and Scrutiny Committee on completion.

2. Background

- 2.1 All charitable trusts registered with the Office of the Scottish Charity Regulator at 31 March 2020 are required to prepare Trustees' Reports for 2019/20, which must be independently audited. The report attached at Appendix 1 presents the Trustees' Annual Report and Financial Statements for all of North Ayrshire Council's charitable trusts and Deloitte LLP have been appointed as external auditors for 2019/20.

- 2.2 The Council, as trustees of the North Ayrshire Council charitable trusts, has delegated authority for the approval of individual disbursements from all Trusts to the relevant Locality Partnerships.
- 2.3 During 2019/20 officers have continued to seek options for the appropriate use of these funds, including any options which could deplete the available capital and result in the winding up of the trust, subject to approval by OSCR.
- 2.4 During 2019/20 grant disbursements were approved in relation to the North Ayrshire Council (Beith & Gateside) Charitable Trust which resulted in the exhaustion of the available capital and, with the agreement of OSCR, the trust has been wound up.
- 2.5 At 31 March 2020, three Trusts and two bequests registered to the North Ayrshire Charitable Trust have been identified as dormant, having made no disbursements for at least one year. The period of dormancy for each trust is detailed in the attached Trustees' Annual Report. The dormant trusts are;
- Anderson Park Trust;
 - Douglas Sellers Trust;
 - North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust;
 - Largs War Memorial Bequest (included within the North Ayrshire Charitable Trust); and
 - North Ayrshire Museum Bequest (included within the North Ayrshire Charitable Trust)
- 2.6 Officers will continue to seek appropriate options going forward. However, if no options are identified for the use of these funds, the funds may be exhausted through the application of external audit fees and administration costs.

3. Proposals

- 3.1 It is proposed that Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2019/20, subject to audit.

4. Implications/Socio-economic Duty

Financial

- 4.1 The cost of the audit for 2019/20 was £1,200, which has been borne by the charitable trusts.

Human Resources

- 4.2 None.

Legal

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

Equality/Socio-economic

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

Environmental and Sustainability

- 4.5 None.

Key Priorities

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

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 Legal Services were consulted during the preparation of the Trustees' Annual Report 2019/20.

Mark Boyd
Head of Service (Finance)

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

Background Papers

None



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

**NORTH AYRSHIRE COUNCIL TRUST FUNDS
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 March 2020**

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Trustees' Annual Report for the Year Ended 31 March 2020

1. INTRODUCTION

The Trustees present the annual report together with the financial statements and the Auditor's Report for the year ended 31 March 2020.

ADMINISTRATION INFORMATION

The following charities' financial statements are included in this report:

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

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Auditor Deloitte LLP
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Current Trustees Robert Barr
John Bell
Timothy Billings
Joy Brahim
Marie Burns
Ian Clarkson
Joe Cullinane
Scott Davidson
Anthea Dickson
John Easdale
Todd Ferguson
Robert Foster
Scott Gallacher
Alex Gallagher
Margaret George
John Glover
Tony Gurney

Alan Hill
Christina Larsen
Shaun Macaulay
Tom Marshall
Jean McClung
Ellen McMaster
Ronnie McNicol
Louise McPhater
Davina McTiernan
Jimmy Miller
Jim Montgomerie
Ian Murdoch
Donald L Reid
Donald Reid
Angela Stephen
John Sweeney

2. STRUCTURE AND GOVERNANCE

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

The governing documents are:

Charity Number	Charity Name	Governing Document	Dated
SC042136	Anderson Park Trust	Trust Disposition and Settlement	8 July 1960
SC042101	Douglas Sellers Trust	Trust Disposition and Settlement	21 January 1955
SC042117	Margaret Archibald Bequest	Trust Deed	22 July 1992
SC025083	North Ayrshire Council Charitable Trust	No overall governing documents. Available documents include: Spier's Trust: Trust Scheme North Ayrshire Museum: Scheme of Administration and Minute of Agreement Hugh Watt Bursary: Deed of Trust John Hugh Watt Scholarship Prize: Deed of Gift McGavin Park: Trust Disposition and Settlement	1978 1958 1974 1873 1920 1881
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Trust Deed	26 November 2012
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	Trust Deed	23 October 2012
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Trust Deed	20 July 2012
SC043494	North Ayrshire Council (Largs) Charitable Trust	Trust Deed	7 September 2012

During 2019/20 North Ayrshire Council (Beith & Gateside) Charitable Trust was wound up, with the agreement of the Office of the Scottish Charity Regulator, following the exhaustion of its capital through the disbursement of grants.

The trustees of the charitable trusts are the elected members of North Ayrshire Council and are appointed through their election to the Council.

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

Trustees' Annual Report for the Year Ended 31 March 2020

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

3. MANAGEMENT OF FUNDS AND INVESTMENT POLICY

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

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

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

4. OBJECTIVES AND ACTIVITIES

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

Trustees' Annual Report for the Year Ended 31 March 2020

Charity Number	Charity Name	Objectives
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust)	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.
SC043494	North Ayrshire Council (Largs) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

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

5. PERFORMANCE

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

In the year to 31 March 2020, 16 awards of grant totalling £31,285.62 were disbursed.

6. FINANCIAL REVIEW

Overview

In the year to 31 March 2020, the charitable trusts made a deficit of £15,870 (2018/19 Deficit of £81,783).

The trusts held cash and bank balances at 31 March 2020 of £168,697 (2018/19 £191,213). The reduction in balances relates to the utilisation of funds through the disbursement of grants noted above.

In addition, the trusts held investments in the form of stocks and shares in a variety of companies with a market value of £272,112 at 31 March 2020 (2018/19 £311,610), (see note 8).

Future Plans

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

Trustees' Annual Report for the Year Ended 31 March 2020

The ongoing Covid-19 pandemic has resulted in a greater than normal degree of uncertainty within financial markets and may result in significant, adverse impacts on the value of stocks and shares held by the Trusts over the course of 2020/21. However, given the current levels of Bank and Cash balances available to the Trusts, it is not anticipated that this potential volatility will have any impact on the ability of the Trusts to disburse grants during 2020/21.

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

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

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

Reserves Policy

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

7. DECLARATION

This report was signed on behalf of the Trustees on _____ by:

Mark Boyd
Head of Service, Financial and Customer Services
North Ayrshire Council

Councillor Joe Cullinane
Leader
North Ayrshire Council

Independent auditor's report to the trustees of North Ayrshire Council Trust Funds and the Accounts Commission

The audit of the Trust's Accounts for 2019/20 is not yet complete. The certified accounts will be presented to Council for approval post audit.

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Statement of Receipts and Payments for year ended 31 March 2020

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

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

2019-20		Receipts				Payments			Surplus / (Deficit)
Charity	Description	Investments	Property Rents	Grant Repayment	Total Receipts	Charitable Activities	Governance Costs	Total Payments	
		£	£	£	£	£	£	£	£
SC042136	Anderson Park Trust	5	-	-	5	-	153	153	(148)
SC042101	Douglas Sellers Trust	7	-	-	7	-	154	154	(147)
SC042117	Margaret Archibald Bequest	10,882	-	-	10,882	8,400	360	8,760	2,122
SC025083	North Ayrshire Council Trust	3,671	2,660	-	6,331	3,973	621	4,594	1,737
SC043644	Dalry Trust	20	-	-	20	1,264	162	1,426	(1,406)
SC043600	Kilbirnie & Glengarnock Trust	28	-	-	28	-	167	167	(139)
SC043374	Kilwinning Trust	214	-	-	214	16,549	328	16,877	(16,663)
SC043494	Largs Trust	56	-	-	56	1,100	182	1,282	(1,226)
Total		14,883	2,660	-	17,543	31,286	2,127	33,413	(15,870)

2018-19		Receipts				Payments			Surplus / (Deficit)
Charity	Description	Investments	Property Rents	Grant Repayment	Total Receipts	Charitable Activities	Governance Costs	Total Payments	
		£	£	£	£	£	£	£	£
SC042136	Anderson Park Trust	5	-	-	5	-	204	204	(199)
SC042101	Douglas Sellers Trust	8	-	-	8	730	208	938	(930)
SC042117	Margaret Archibald Bequest	9,938	-	151	10,089	8,660	383	9,043	1,046
SC025083	North Ayrshire Council Trust	3,201	2,660	-	5,861	2,910	595	3,505	2,356
SC043498	Beith & Gateside Trust	46	-	-	46	3,006	244	3,250	(3,204)
SC043644	Dalry Trust	34	-	-	34	1,835	226	2,061	(2,027)
SC043600	Kilbirnie & Glengarnock Trust	28	-	-	28	1,250	222	1,472	(1,444)
SC043374	Kilwinning Trust	687	-	-	687	77,095	785	77,880	(77,193)
SC043494	Largs Trust	48	-	-	48	-	236	236	(188)
Total		13,995	2,660	151	16,806	95,486	3,103	98,589	(81,783)

A significant deficit has been reported in relation to Kilwinning Town Trust as a result of the Council's agreed policy to encourage the utilisation of funds in support of suitable projects within the relevant communities. In addition, significant disbursements have been made in relation to the Beith & Gateside Town Trust, resulting in the Trust being wound up during 2019/20 following the exhaustion of its capital.

Statement of Balances as at 31 March 2020

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

2019-20		Bank and Cash in Hand			Land and Buildings	Investments
Charity	Description	Opening Balance	Surplus / (Deficit)	Closing Balance	Book Value at 31 March	Market Value at 31 March
		£	£	£	£	£
SC042136	Anderson Park Trust	609	(148)	461	-	-
SC042101	Douglas Sellers Trust	890	(147)	743	-	-
SC042117	Margaret Archibald Bequest	42,363	2,122	44,486	-	202,417
SC025083	North Ayrshire Council Trust	70,917	1,737	72,654	145,000	69,695
SC043644	Dalry Trust	3,737	(1,406)	2,331	-	-
SC043600	Kilbirnie & Glengarnock Trust	3,572	(139)	3,433	-	-
SC043374	Kilwinning Trust	54,495	(16,663)	37,831	-	-
SC043494	Largs Trust	7,986	(1,226)	6,760	-	-
Total		184,568	(15,871)	168,697	145,000	272,112

2018-19		Bank and Cash in Hand			Land and Buildings	Investments
Charity	Description	Opening Balance	Surplus / (Deficit)	Closing Balance	Book Value at 31 March	Market Value at 31 March
		£	£	£	£	£
SC042136	Anderson Park Trust	808	(199)	609	-	-
SC042101	Douglas Sellers Trust	1,820	(930)	890	-	-
SC042117	Margaret Archibald Bequest	41,317	1,046	42,363	-	233,613
SC025083	North Ayrshire Council Trust	68,561	2,356	70,917	150,000	77,997
SC043498	Beith & Gateside Trust	9,849	(3,204)	6,645	-	-
SC043644	Dalry Trust	5,764	(2,027)	3,737	-	-
SC043600	Kilbirnie & Glengarnock Trust	5,016	(1,444)	3,572	-	-
SC043374	Kilwinning Trust	131,687	(77,193)	54,494	-	-
SC043494	Largs Trust	8,174	(188)	7,986	-	-
Total		272,996	(81,783)	191,213	150,000	311,610

The reduction in balances is primarily related to the agreed disbursement of grants in relation to the Kilwinning and Beith & Gateside Town Trusts.

The unaudited accounts were issued on the

Signed on behalf of the Trustees on by:

Mark Boyd
Head of Service, Financial and Customer Services
North Ayrshire Council

Councillor Joe Cullinane
Leader
North Ayrshire Council

1. Basis of Accounting

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

2. Reorganisation

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

Name of Trust Fund	Purpose
McGavin Park	Upkeep of McGavin Park, Kilwinning
North Ayrshire Museum	For Benefit of North Ayrshire Museum
War Memorial Fund	Largs War Memorial Fund
Sir James Dyer Simpson	Educational Prize for Largs Academy
Spier's Trust	Educational Prize for the Garnock Valley
Robert Fleck Award	Educational Prize for Saltcoats schools
Hugh Watt Bursary Fund	Educational Prize for Irvine schools
John Hugh Watt Scholarship Prize	Educational Prize for Irvine Royal Academy

3. Taxation

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

4. Trustee Remuneration, Expenses and Related Party Transactions

- No remuneration or expenses were paid to the trustees or any connected persons during the year 2019/20;
- The Trusts received interest of £1,246 (2018/19: £1,494) from North Ayrshire Council at 31 March 2020 and all transactions incoming and outgoing are made via the Council's bank accounts;
- From 2019/20 charges for administration costs of £798 (2018/19: £1,212) have been levied by North Ayrshire Council.

5. Grants

16 awards of grant, totalling £31,285.62, were awarded to individuals and community groups during 2019/20 (2018/19: 33 grants totalling £95,486 were awarded).

6. Audit Fee

The audit fee for the year was £1,200, allocated across all trusts.

7. Cash and Bank Balances

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

8. Investments

Two of the trusts hold the following investments:

Margaret Archibald Bequest	Nominal Value	Market Value at 31 March 2020	Market Value at 31 March 2019
	£	£	£
GlaxoSmithKline plc	1,183	71,690	75,570
Marks & Spencer plc	400	1,460	4,115
Diageo plc	400	36,994	44,873
Barclays plc	336	1,263	2,083
Royal Dutch Shell plc	563	8,786	15,685
Unilever plc	37	49,116	52,959
British American Tobacco plc	300	33,108	38,328
		202,417	233,613

North Ayrshire Council Charitable Trust	Purchase Price / Nominal Value	Market Value at 31 March 2020	Market Value at 31 March 2019
	£	£	£
JPM UK Higher Income Fund	1,790	5,532	7,486
Merchants Trust	406	6,013	7,963
Alliance Trust	73	18,618	21,663
Zeneca Group plc	68	19,483	16,565
Diageo	217	20,049	24,320
		69,695	77,997

Total Investments		272,112	311,610
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9. Land and Buildings

Income from property relates to grazing rents at Marshallands Grazings, Barrmill Road, Beith. The land was purchased for £25,000 in 2004 by the Spier's Trust and was last revalued in 2019/20 to a current book value of £145,000. No depreciation is charged.

NORTH AYRSHIRE COUNCIL

23 September 2020

North Ayrshire Council

Title:	Local Government Boundary Commission for Scotland- Consultation on Review of North Ayrshire Ward Boundaries
Purpose:	To consider the Council's response to the Local Government Boundary Commission for Scotland's consultation on the review of North Ayrshire ward boundaries.
Recommendation:	It is recommended that Council agrees (a) to support the Commission's proposals to align ward boundaries with those of Localities; (b) to recommend that the small variation between ward and Locality boundaries between the Garnock Valley and North Coast is aligned along the watershed boundary of the Localities; (c) to otherwise support the Commission's proposals for the Irvine, Kilwinning, Three Towns, Garnock Valley and North Coast and Cumbræes wards; (d) to note the Commission's proposals regarding the islands and to re-iterate our view that they be given appropriate representation that reflects their nature; and (e) authorise the Head of Democratic Services to finalise the response to the Commission in accordance with Council's decision and thereafter forward the response to the Commission for the deadline of 30 September 2020.

1. Executive Summary

1.1 Under the Islands (Scotland) Act 2018, the Local Government Boundary Commission for Scotland are obliged to review the ward boundaries of island authorities in time for the 2022 Local Government Election. The Commission have sought the views of the Council on their initial proposals.

1.2 The Council's response to the last Commission review of ward boundaries focussed on ensuring that ward boundaries aligned with those of Localities. As a result of legislative changes relating to the number of Members in each ward, the Commission's current proposals now align ward boundaries with those of the six North Ayrshire Localities.

1.3 The report recommends that Council supports the Commission's proposals to align wards with Locality boundaries. It also provides information on other potential issues, such as the number and size of wards within each Locality and the Commission's proposal for a single Member Arran ward. The response is due for submission by 30 September and the response will be informed by Council's decision.

2. Background

- 2.1 Currently North Ayrshire has ten wards, comprising 33 Members in total. The last Local Government Boundary Review (the Fifth Review) took place in 2015 and came into effect in time for the 2017 Local Government Elections. At that time, legislation provided that wards could only comprise three or four Members. As part of the Fifth Review, a 10% cap was imposed on any variation to Councillor numbers. This meant that while the Commission's methodology, (details of which are set out on 2.6), would have recommended 36 Councillors for North Ayrshire, the 2017 increase from 30 to 33 Councillors was capped at that level.
- 2.2 The Islands (Scotland) Act 2018 allowed island wards to also comprise of one or two Members, in addition to the normal three- or four-Member ward.
- 2.3 The Islands (Scotland) Act 2018 also required the Local Government Boundary Commission for Scotland to undertake a review of the ward boundaries of island authorities in time for the 2022 Local Government Election. North Ayrshire as a whole is an 'island authority' as defined in the Act, and the review therefore applies to the whole of North Ayrshire. Accordingly, the reason for this review is the Islands (Scotland) Act.
- 2.4 The Scottish Elections (Reform) Act 2020 also now allows mainland wards to comprise 2 or 5 Members. While the relevant provision is not yet in force, it is expected that this will come into force prior to finalisation of the Commission's review. For that reason, the Commission have based their recommendations on the assumption that mainland wards can comprise two or five Members, in addition to the current three- and four-Member provision.
- 2.5 The Commission's initial proposals are set out in Appendix 1. There are two consultation stages. This is the first stage when the Commission consult with the relevant local authority. The Council's response is due by 30 September 2020, the Commission having extended the consultation period to enable Council to agree a response. After the Commission consider whether to make changes to their proposals, there is then a further public consultation. It is understood the Commission aim to put recommendations to Scottish Ministers in May 2021, thereby ensuring the new wards are in place for the 2022 Local Government Elections. The final decision on ward boundaries is by Scottish Ministers.
- 2.6 Prior to detailing the Commission's proposals it may help to explain the rules under which the Commission operate when proposing ward boundaries. To have any chance of success, any proposals by the Council must also have regard to these rules. In terms of the Local Government (Scotland) Act 1973, the primary consideration is that the number calculated by dividing the total local government electors in each ward by the number of councillors to be returned in that ward, shall be, as nearly as may be, the same. It needs to be the same across the whole Council area, but different Councils will have a different ratios of electorate per councillor, depending on the degree of rurality and deprivation in that Council area. North Ayrshire has a ratio of 3000 electorate per councillor, whereas the purely island authorities have a ratio of 800 electorate per councillor. Subject to this overriding consideration, the Commission must have regard to—
- (a) the desirability of fixing boundaries which are and will remain easily identifiable;
 - (b) any local ties which would be broken by the fixing of any particular boundary.

- 2.7 As detailed in 2.1, the Commission's methodology would recommend that there are 36 Councillors in North Ayrshire. Clearly every ward cannot achieve an absolute parity or 0% variation from the figure of 3000 electors per councillor. Where possible the Commission try to keep this as low as possible and within 10% variation from parity. In addition, the Commission are of the view that the intention behind the introduction of 2 Member wards in the Scottish Elections (Reform) Act was that the Commission must have a strong reason for recommending a 2-member mainland ward i.e. its remoteness or local community ties. This suggests there would need to be compelling reasons for a 2 Member urban ward
- 2.8 The Commission's proposals retain 33 Members in total. Subject to one exception, the Commission align ward boundaries with those of the six North Ayrshire Localities. The proposals for each Locality are: -
- Irvine- no change. This would remain as 10 Members in total, based on two 3 Member wards and one 4 Member ward. The existing boundaries would remain
 - Kilwinning- no change. This would remain as a single, 4 Member ward with the existing boundaries
 - Garnock Valley- a single 5 Member ward aligned to the Locality boundary, subject to a small variation at the watershed between Fairlie and Dalry, discussed at 2.23
 - North Coast and Cumbraes- a single 5 Member ward aligned to the Locality boundary, subject to the same variation at the watershed between Fairlie and Dalry, discussed at 2.23
 - Arran- a single Member ward covering Arran, Holy Island and Pladda.
 - Three Towns- a 3 Member ward for Ardrossan and a 5 Member ward for Saltcoats and Stevenston, which the Commission have attempted to align along the Ardrossan/Saltcoats boundary.
- 2.9 In considering a response to the Commission, there are a number of issues which Council may wish to consider. These are detailed in the following paragraphs, and are:
- The principle of aligning wards with Localities;
 - The total number of Councillors in North Ayrshire
 - Arran- a 1- or 2-Member ward?
 - The small boundary discrepancy between the North Coast and Garnock Valley wards;
 - Whether it would be preferable to split the 5 Member Garnock and North Coast wards into two wards in each Locality?
 - The split of wards within the Three Towns.

It would also be open to Council not to submit a response at this stage, and to await the second stage of public consultation before submitting a response

Aligning Wards with Localities

- 2.10 The previous review of ward boundaries was considered by Council at its meeting on 25th May 2015. The key ask of Council's response to the Commission was that ward boundaries should be aligned with Localities. Detailed proposals were made on this basis, while recognising the legislative restrictions in force at that time which restricted wards to having 3 or 4 Members. The need to align wards with the 6 Localities of North Ayrshire recognised that increasingly the business of the Council, Community Planning Partners and community organisations would be done on a Locality basis. This has proved to be the case and the report on the Council's recent Best Value Report which appears elsewhere on the agenda, notes that our approach to community

empowerment through Locality Planning is recognised by the Scottish Government and Convention of Scottish Local Authorities (CoSLA) as sector leading.

2.11 At its heart Locality Planning is about all Community Planning Partners and Communities agreeing the priorities relevant to the needs of their individual Locality. Thereafter everyone, Council, CPP and Community Groups, work together to deliver outcomes which address the agreed priorities. The reasons why wards and Locality boundaries need to align are: -

- Increasingly service delivery and resource allocation by the Council and Community Planning Partners will be aligned along Locality boundaries.
- Councillors need to be able to work along Locality boundaries. Where Councillors represent more than one Locality, not only do they have responsibilities to different Localities (which may even conflict), but time constraints make it difficult for them to be fully involved in the overall planning and allocation of resources to different Localities. For example, the current Ward 6, cuts across three separate Localities, each of which have differing needs and priorities.
- As communities with similar interests become empowered, and work in partnership with Council and CPP, it will be essential that Members are able to find time to support communities and their joint working in the Locality. This becomes difficult if Members are split across different Localities.
- The Boundary Commission need to have regard to fixing boundaries which are and will remain easily identifiable, and to local ties. The six Localities of North Ayrshire do exactly this. They are not merely areas which share a common demographic profile. The reason that they share a common demographic profile is often due to geographical factors, such as the hill barrier lying between the North Coast and the Garnock Valley or the geographical separation of Arran. That in turn has led to historical differences and local ties in terms of industry and agriculture, such as the development of Irvine as a port and the development of the ICI Ardeer munitions factory on a more isolated promontory. These are areas which have easily identifiable boundaries, local ties and special geographical considerations, not just similar demographic profiles.
- The fact that Locality boundaries were subject to extensive public consultation and acceptance, is relevant to the legislative factor of 'local ties'.

The Total Number of Councillors in North Ayrshire

2.12 As mentioned in 2.1, North Ayrshire Council currently has 33 Councillors, whereas an application of the Commission's methodology of 3000 electorate per councillor would result in 36 councillors. This means that North Ayrshire is under-represented in comparison to neighbouring local authority areas. The shortfall arises due to a cap of 10% on any increase which was applied as part of the previous Fifth Review of ward boundaries. This cap also applies to the current review, meaning that the Commission will not recommend any more than 36 councillors in total. However, this also means that if Council wishes to propose extra Members for specific wards, an extra three Members can be accommodated within the 10% cap. For example, an extra Member for the North Coast and Arran would not reduce representation elsewhere, but increase the overall number of Members to 35, still within the 10% cap.

2.13 Any overall increase in the number of councillors, will inevitably result in some extra cost. However, this is in the context that Scotland has, by some way, the least number of councillors per head of population across Europe.

Arran

- 2.14 The Commission propose an Arran ward with a single Member. It is important not to forget that the current boundary review of North Ayrshire is required because we are an 'islands authority' in terms of the Islands (Scotland) Act. This review is linked to the principle of 'island proofing' in the Act, which recognises that the needs of islands can be different from those of the mainland, and regard should be had to the needs and impacts of islands, rather than simply adopting a 'one-size-fits-all' solution driven by mainland needs. This aligns with Locality Planning in North Ayrshire, which embeds this principle in all six of our Localities.
- 2.15 The proposal in the Islands (Scotland) Bill to allow a 1- or 2-Member ward for islands arose from a commitment by the then Local Government Minister to Arran community groups to include this in the consultation on the Bill. The concern by Arran groups, common to islands elsewhere, was that if part of a mixed mainland/island ward it could end up with no resident councillors. As much of the community work of the island takes place in the evening when ferries no longer run, it would be difficult for non-resident councillors to fully engage in that work.
- 2.16 At this stage it should be noted that any island ward is subject to the same constraint as the rest of North Ayrshire, that there should as far as possible be a ratio of 3000 electorate per councillor. These issues were considered by Cabinet on 27 September 2017 when it agreed the terms of the Council's response to stage 1 of the Islands Bill. Council's response sought changes to the Bill to allow the ratio to be altered for islands, on the basis that a ratio of 3000-1 for North Ayrshire reflected the profile of the mainland population, contrary to the principle of island proofing. In practice the likely effect of this provision would be to half number of ward councillors currently resident in Arran and give none to the Cumbraes.
- 2.17 The amendment did not succeed. The result of this is that with an electorate of approximately 1000, it will not be possible for the Cumbraes to be a ward in their own right. Arran also has a forecast electorate of 3858, which would result in a 1 Member ward having a variation from parity (i.e. under-represented) of 18%, and a 2 Member ward having a variation from parity (i.e. over-represented) of 39%.
- 2.18 Nevertheless, during discussions on the amendment a number of relevant points were made by both the Boundary Commission Chair and the Minister. These made it clear that a greater than normal variation from parity is possible in relation to island wards, and either a 1- or 2-Member ward in Arran is possible. For example, the Minister, Humza Yousaf, during the stage 2 debate on 30 May 2018 at the Rural Economy and Connectivity Committee reiterated earlier comments by Ronnie Hinds, Local Government Boundary Commission Chair: -
 "Our feeling is that in the spirit of what the Bill is seeking to achieve, the ability to have a choice between one or two Member wards in the island areas would probably get us to a position comparable to what is being sought. For example, we can readily construe a means by which we would change the current representation in Arran. That might mean that a ratio applied in Arran that was different from the ratio that applied in the rest of North Ayrshire, but to achieve such an end there would be no need for a new provision in the Bill, it could be done by means of what is being offered in the Bill".
- 2.19 The Commission's proposal for an Arran ward meets the Council's previous aspiration that wards should be aligned with Locality boundaries. Regardless of whether it is a 1- or 2-Member ward there will be a variation from parity (i.e. variation from the figure of

3000 electorate per councillor). While the variation from parity would be greater under the two Member solution, taking a purposive interpretation to the Islands Act amendment might imply that wherever possible the Commission's proposals should aim to address the specific needs of islands, rather than being based on the needs of the mainland. For example, based on Arran's profile of rurality and deprivation, had it been located in one of the purely island authorities, it would have had a ratio of 800 electorate per councillor, entitling it to 5 councillors. Because it is located in a predominantly mainland authority, its ratio is driven by the mainland population, contrary to the principle of island proofing. Having regard to this, if it is in the interests of Arran that there are two Members rather than one, there should be scope for the Commission to exercise greater latitude than normal.

2.20 In developing the current proposals, the Commission on 7 April 2020 noted that "a single-member Arran ward with variation from electoral parity of +18% but a 2-member Arran ward would offer variation from electoral parity of -39%. On balance the Commission believed that a single-member Arran ward offered more acceptable variation from electoral parity. In terms of effective and convenient local government, Arran enjoys good quality transport links both to and from the mainland and within the island compared to other island communities." It is also understood that the Commission was keen to understand the views of the Arran community before considering a two Member ward.

2.21 While Arran groups were anxious to ensure that there was a resident councillor, this can never be guaranteed. Electoral law allows candidates to stand for any Council ward as long as they either live or work within North Ayrshire or an immediately adjoining authority. Nevertheless, if Arran was a ward in its own right, only Arran voters would determine this.

2.22 In summary, the key considerations for Arran are: -

- An Arran ward aligns with the Council's previous aspiration of having wards which align with Localities;
- While either a 1- or 2-Member ward is significantly adrift of parity, in the context of an island ward and 'island proofing', this is permissible to an extent which would not be possible on the mainland;
- A two Member ward has a greater variation from parity and will require something extra to justify it. Arran's degree of rurality could be such a factor in arguing that it needs to be over-represented, not under-represented. Equally, community views at the second stage of the consultation are likely to be an important consideration.
- It would be open to Council not to respond to this issue at this stage in order to better gauge community views during the stage 2 public consultation.

The small boundary discrepancy between the North Coast and Cumbraes and Garnock Valley wards

2.23 Detailed analysis of the Commission's proposals have shown that there is a small boundary discrepancy between the ward and Locality boundaries between the North Coast and Garnock Valley. The Locality boundaries follow the watershed. A reason for this is to ensure that if there are windfarm community benefit monies to be distributed by a Locality Partnership, these benefits are distributed by the Locality which is overlooked and impacted by the windfarm. The Commission's proposals depart from this in a small area south of the Largs-Kilbirnie road, resulting in the North Coast ward including ground beyond the watershed, which looks onto Dalry. It is recommended this

is realigned to the watershed. There will be no impact on electorate numbers and parity as there are no residents living in this ground. Nor will this impact on community benefit monies currently distributed. There are two wind turbines on the ground but community benefits from these turbines are distributed by a private trust, not a Locality Partnership.

The 5 Member Garnock and North Coast wards

2.24 The Commission has proposed a single 5-Member ward for each of the Garnock and North Coast wards. Arguably there are benefits to this as it means that each Member represents the entirety of the Locality, supporting their ability to focus on strategic issues which effect the whole of the Locality. This is likely to be more of an issue than currently in the Irvine and Three Towns Localities, as the North Coast and Garnock Valley comprise a number of very distinct communities.

2.25 The following information is provided in case Council wish to consider any alternative proposals, such as two smaller wards in place of the 5 Member ward. Any such proposal will have to address the following issues: -

- The extent to which any proposal varies from parity (the % difference between the figure of 3000 electors per councillor);
- The Commission generally try to avoid variations from parity beyond 10%; This is also suggested by the Venice Commission's 'Code of Good Practice in Electoral Matters'.
- If the variation from parity is worse than the Commission's proposals, what are the extra advantages which outweigh this?
- The need to avoid splitting communities. This runs contrary to the following factors which the Commission must have regard to- "the desirability of fixing boundaries which are and will remain easily identifiable; and local ties";
- The intention behind the introduction of 2 Member wards in the Scottish Elections (Reform) Act was that the Commission must have a strong reason for recommending a 2-member mainland ward i.e. its remoteness or local community ties. This suggests there would need to be compelling reasons for a 2 Member urban ward

2.26 In relation to the North Coast, a 2+3 ward solution would inevitably involve splitting Largs. Otherwise this would result in a variation from parity of over 25% compared to the Commission's proposed variation from parity of 9.7%. In order to bring the electoral parity figures for two wards back to the 9.7% for the 5-member ward would mean moving approximately 1,545 Largs electors from Largs to the West Kilbride & Fairlie ward. An alternative would be for a larger part of Largs to be added to a 3 member West Kilbride/Fairlie ward with the smaller 2-member ward comprising of Skelmorlie and the northern part of Largs. Again, there would remain the same issue of splitting Largs into two uneven parts, in the absence of any rational physical boundary.

2.27 An alternative option for the North Coast which would avoid splitting towns might be a 2+4 solution, increasing the overall number of Councillors to 34. Appendix 2 demonstrates this. This results in a 2.8% variation from parity for the 4 Member ward and 11.7% for the 2 Member ward, which is in line with the Commission's current proposal. While a 2 Member ward would also need a justification based on rurality, this is easier to do for a West Kilbride/Fairlie ward than many other parts of North Ayrshire.

2.28 The Cumbraes have an electorate of approximately 1000. As the North Ayrshire ratio is 3000 electorate per councillor, it will not be possible for the Cumbraes to form a ward in their own right. They will have to be linked to a mainland ward. In light of the 'local ties' consideration, the Commission have, as usual, linked the islands to the mainland

port which is their transport link. This is logical, especially as this Review is driven by the Islands Act. Any proposal which involved splitting the North Coast ward on a basis which did not link the Cumbraes with Largs would be very unlikely to find favour with the Commission.

- 2.29 Options for a 3/2 ward split in the Garnock Valley could involve a 2 Member ward for either Beith or Kilbirnie, with Dalry forming part of a ward with the other town. A Kilbirnie, 2-Member ward would have a variation from parity of 11.5% and a Beith, 2-Member ward would have a variation from parity of 11.8%. A 2 Member Dalry ward is not an option as this gives a variation from parity of 27.5%. This is because Dalry's electorate is about 1000 less than either Kilbirnie or Beith. It should be noted that both alternative options have at least one ward with a variation from parity greater than the Commission's 10% criteria. Although two are only just over this limit, the Commission's 5-Member option has almost exact parity with North Ayrshire as a whole. Therefore, it would seem unlikely that the Commission would want to make any changes from their proposals unless a very strong argument could be made relating to why one town should be allowed a stand-alone ward.
- 2.30 As regards a Garnock solution of 4+2, to avoid splitting towns, this would result in a maximum variation from parity of 17%, compared to the Commission's proposals which have a variation from parity of 2.7%. This is unlikely to be acceptable. An option of having three 2 member wards, would result in a variation from parity of 27.5% for Dalry which is even less acceptable. The reason why the 6 Member option is not possible for the Garnock Valley but is possible for the North Coast, is that the North Coast has 1600 more electorate than the Garnock Valley.

The split of wards within the Three Towns

- 2.31 The Commission have proposed a 3 Member ward for Ardrossan and a 5 Member ward for Saltcoats and Stevenston, which attempts to follow the Ardrossan/Saltcoats boundary, albeit at the expense of a variation from parity of -13.2 for the Ardrossan ward. An obvious question is whether there could be three wards, aligned to the town boundaries of Ardrossan, Saltcoats and Stevenston. Interestingly the papers put to the February 2020 Commission meeting included an option which included 3, three Member wards in the Three Towns, with variations of 9.9%, 6.75 and 8.4% from parity. However, that option took a significant part of Stevenston east of Dalry Road into the Saltcoats ward. On that basis it is arguably no better than the Commission's current proposals. A 3-Member Stevenston ward which aligned to that town's boundaries would have a variation from parity of 24%, which would be unacceptably high.
- 2.32 Another option might be a 3 Member Saltcoats ward, a 3 Member Ardrossan ward and a 2 Member Stevenston ward. This would result in Stevenston having an electoral parity of 14.2%, significantly under-represented compared to North Ayrshire as a whole. Saltcoats on its own is close to parity at +3.2% and Ardrossan would remain as per the Commission's current proposals. Regard also needs to be had to the Commission's view that a very strong justification would be needed for a 2-Member ward in an urban area. While Stevenston does have a rural hinterland, the methodology which the Commission applies to determine rurality is based on the % of the population which lives in a built-up area. On that basis, Stevenston is an urban area, and it is difficult to see any convincing argument which could persuade the Commission otherwise. Therefore a 2 Member Stevenston ward is unlikely to find favour with the Commission, particularly when the variation from parity is worse than that of the Commission's current

proposals. For all these reasons, any alternative proposals which try to split the Three Towns along town boundaries are unlikely to be justifiable. The basic problem is that Stevenston with a population of 7393 is midway between being a 2- or 3-Member ward. Accordingly, unless part is added to or from another ward, (bearing in mind that avoidance of this is the whole point of the exercise) the % variation from parity will always be too high.

3. Proposals

3.1 In relation to each of the foregoing issues, the recommendations are: -

- 3.1.1 To support the Commission's proposals to align ward boundaries with those of Localities, including an Arran ward.
- 3.1.2 To support the Commission's proposals to make no changes to the Irvine and Kilwinning wards.
- 3.1.3 To recommend that the small variation between ward and Locality boundaries between the Garnock Valley and North Coast is aligned along the watershed boundary of these Localities
- 3.1.4 Arran- It is recommended that Council notes the respective arguments in favour of a 1- or 2-Member ward and re-iterate its view that they be given appropriate representation that reflects their nature. In doing so, the Commission should have regard to responses from the Arran community in response to the second public stage of consultation.
- 3.1.5 North Coast- to support the Commission's proposals for a 5 Member ward. In the event that Council wish to consider a two-ward solution, the proposal for two 3 Member wards is the better option
- 3.1.6 Garnock Valley -to support the Commission's proposals for a 5 Member ward. Alternatively, if Council wish to consider a two-ward solution, the proposal for a 2-Member Kilbirnie ward and 3-Member Beith and Dalry ward is marginally the better option. Insofar as this has a higher variation from parity than the Commission's proposals, a clear justification in terms of geography and/or local ties will be required to substantiate this.
- 3.1.7 Three Towns- to support the Commission's proposals.
- 3.1.8 That the Head of Democratic Services is authorised to finalise the response to the Commission in accordance with the Council's decision and thereafter forward the response to the Commission by the deadline of 30 September 2020.

4. Implications/Socio-economic Duty

Financial

- 4.1 Any increase in the total number of Councillors will involve payment of an additional salary and expenses in respect of the additional Members. This requires to be balanced against the factors set out in 2.13

Human Resources

- 4.2 There are no human resources implications.

Legal

- 4.3 The Boundary Commission is obliged to carry out this review by virtue of the provisions of the Islands (Scotland) Act 2018. A combination of that Act and the Scottish Elections

(Reform) Act 2020 now provide the Commission with greater flexibility in terms of the number of councillors in each ward, which in turn gives it greater latitude in the design of ward boundaries. This has enabled it to align ward boundaries with those of Localities, which was the Councils' key request at the last boundary review. The factors the Commission must consider when determining boundaries are set out in 2.6 and 2.7. The key factor relates to parity, the aim being to have as close to 3000 electors per councillor as possible. There is greater scope to vary from this on islands.

- 4.4 Electorate and Population Projections continue to be published on an ongoing basis. As a result, some of the figures contained in Appendix 1 and 2 and this report differ slightly. The calculations in 2.24 to 2.31 are based on a best fit basis using data zone populations adjusted to match the Commission's electorate figures. While these may not be identical, the variations are slight and do not make any material difference to the projected variations from parity or the conclusions of this report.

Equality/Socio-economic

- 4.4 There are no significant equalities or socio-economic implications. There are implications for the islands and these are considered in paragraphs 2.14 to 2.22. The ultimate decision will require to be island-proofed as part of the Scottish Government's final decision.

Environmental and Sustainability

- 4.5 There are no significant environmental or sustainability implications

Key Priorities

- 4.6 Having ward boundaries aligned to Localities supports Active and Strong Communities as well as a Council for the Future.

Community Wealth Building

- 4.7 There are no implications.

5. Consultation

- 5.1 This is the first stage of the Commission's consultation. A further public consultation stage will follow, and the Council will have a further opportunity to respond at that stage. This report has also been informed by consultation with individual Groups and Independent Members.

Andrew Fraser
Head of Democratic Services

For further information please contact Andrew Fraser, **Head of Democratic Services**, on **01294 324125**.

Background Papers

**Thistle House,
91 Haymarket Terrace,
Edinburgh, EH12 5HD**

Chair: Ronnie Hinds CPFA
Secretary: Isabel Drummond-Murray

Craig Hatton
Chief Executive
North Ayrshire Council
Cunninghame House
Irvine KA12 8EE

16 July 2020

Dear Mr Hatton

2019 Review of Electoral Arrangements – North Ayrshire council area

I am writing to you with the Local Government Boundary Commission for Scotland's proposals for electoral arrangements in North Ayrshire council area.

As you know, we are required to consult councils on our proposals for a period of at least 2 months before seeking the views of others who have an interest. We are very aware of the pressures councils are under during the Covid-19 pandemic and the Commission has agreed that the consultation with you should run to 30 September 2020. We trust that this allows sufficient time for the Council to give us its considered response and would ask that if possible you submit this to us as soon as practicable and certainly no later than 30 September. I would also remind you that the Council, and individual councillors, will have a second opportunity to comment, during the public consultation which we will commence in the Autumn.

The attached appendix, shapefiles and maps describe our proposals which have been prepared following consideration of both the Islands (Scotland) Act 2018 which allows use of 1, 2, 3 or 4 member wards where a ward contains an inhabited island, and the Scottish Elections (Reform) Act 2020 which will allow use of 2, 3, 4 or 5 member wards across Scotland.

Further information concerning the reviews is available on our website: www.lgbc-scotland.gov.uk. You may wish to know that the Commission is also commencing its consultations with Argyll and Bute and Highland Councils today.

If you have any questions at this stage then please do not hesitate to contact me.

Yours sincerely



Isabel Drummond-Murray
Secretary

CC Andrew Fraser, Head of Service, Democratic Services

Enclosures:
Appendix explaining our proposals
PDF maps and GIS data of our proposals



2019 Review of Electoral Arrangements

North Ayrshire Council area

Initial Proposals Consultation

July 2020

Thistle House, 91 Haymarket Terrace, Edinburgh EH12 5HD

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Membership of the Commission

Chair: Mr Ronnie Hinds

Deputy Chair: Prof. Ailsa Henderson

Commissioners: Mr Roland Bean

Mr Jonathan Collins

Mr Gordon Macmillan

Dr Susan Walker

Secretary to the Commission: Ms Isabel Drummond-Murray

Introduction

1. The Local Government Boundary Commission for Scotland is an independent, non-political body with responsibility for:
 - carrying out reviews of electoral wards for local authorities;
 - carrying out reviews of the boundaries of local authority areas; and
 - carrying out reviews of constituencies and regions for the Scottish Parliament.
2. We are tasked by the Local Government (Scotland) Act 1973 to undertake reviews of local government electoral arrangements in Scotland every 8 to 12 years. North Ayrshire council area was last reviewed during the 5th Reviews of Electoral Arrangements which reported in 2016. A further review is now required under the Islands (Scotland) Act 2018. The Act recognises the importance of the Scottish Islands and the particular challenges they face. It offers additional flexibility to allow the Commission to recommend wards that elect 1 or 2 councillors as well as 3 or 4 councillors where such a ward contains an inhabited island.
3. The Scottish Elections (Reform) Act, which has recently completed its passage through the Scottish Parliament, allows us to recommend two and five member wards, in addition to three and four member wards, throughout Scotland. We considered the Act in developing our proposals while bearing in mind that the relevant sections of the legislation are not yet commenced.

This review

4. This review uses the same methodology for determining overall councillor numbers as was used in the 5th Reviews of Electoral Arrangements.
5. We decide the number of councillors for each council by placing it into a category with similar councils. North Ayrshire council area is grouped with other more urban council areas with above average levels of deprivation according to the Scottish Index of Multiple Deprivation (SIMD), with a ratio of electors per councillor of 3,000.
6. We are aware that a large change of councillor numbers in a council area can be disruptive, therefore our methodology also incorporates a 10% change rule. This means that we will not normally propose increasing or decreasing the total number of councillors in a council area by more than 10% as an immediate consequence of a review.
7. For each electoral ward, we make recommendations about its boundary, its name and the number of councillors to represent the ward.
8. When reviewing electoral arrangements the legislation requires us to take account of the following factors:
 - the interests of effective and convenient local government;
 - within each council, that each councillor should represent the same number of electors as nearly as may be;
 - local ties which would be broken by making a particular boundary;
 - the desirability of fixing boundaries that are easily identifiable; and
 - special geographical considerations.
9. We developed our proposals using electorate data from 1 December 2018 but must also consider the likely change in the number of electors forecast within a 5 year period. We have prepared our forecasts using data supplied by councils as well as population forecasts from National Records of Scotland.

Consultation

10. The legislation states that we must first of all consult on our proposals with councils for at least two months. We agreed to a period of consultation and that period runs from 16 July until 30 September 2020. After consideration of responses received, we will conduct a public consultation on our proposals commencing in the autumn of 2020. After considering all the responses to our consultations, we will submit our final recommendations to Scottish Ministers.
11. All comments we receive in response to our consultations will be available to view on our website in due course.

Next steps

12. We intend to submit a report containing our recommendations for electoral arrangements for North Ayrshire council area to Scottish Ministers by May 2021, in time for implementation for the next local government elections in May 2022.

Proposals for North Ayrshire council area

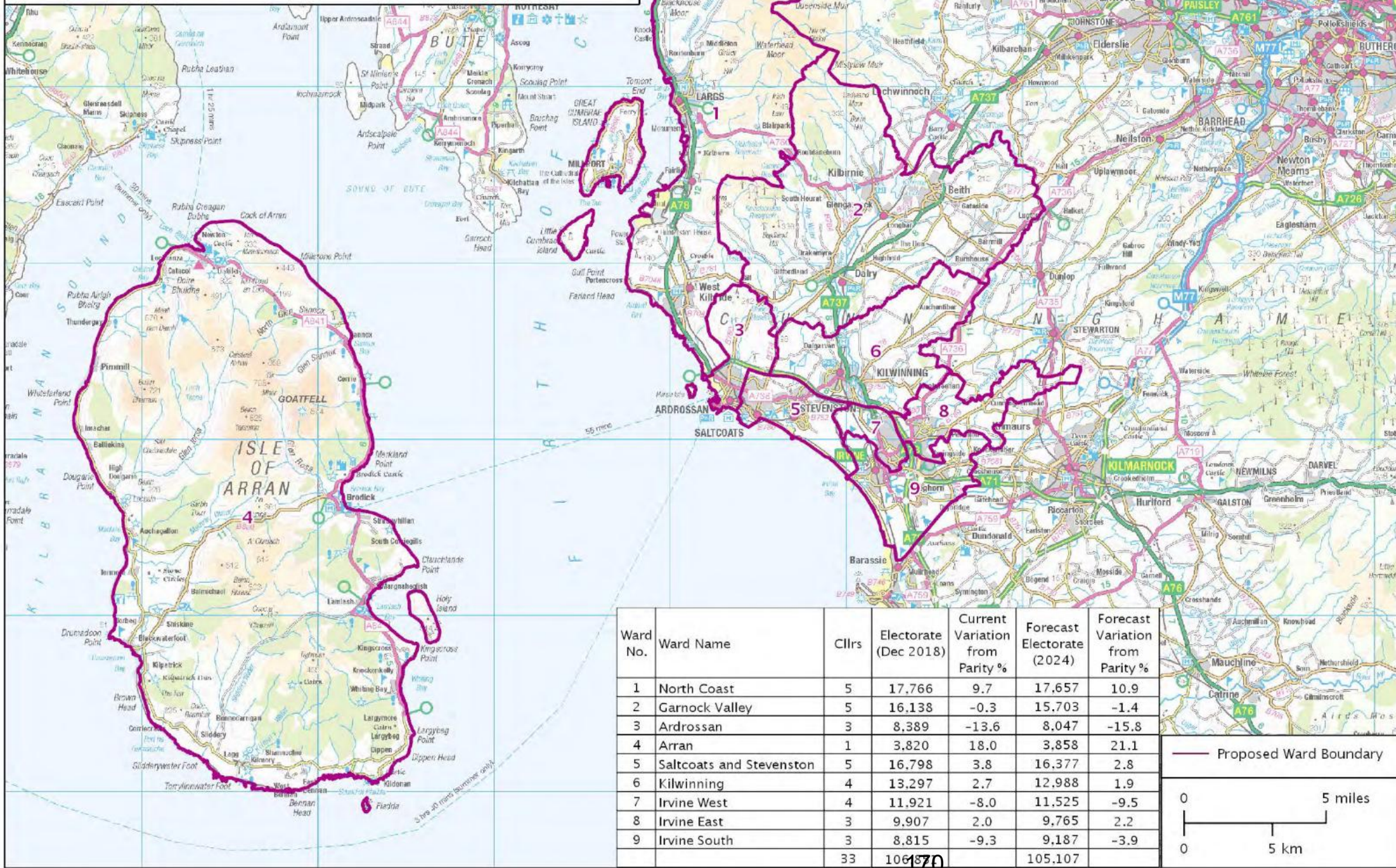
13. Our methodology for determining councillor numbers proposed 36 councillors for North Ayrshire council area. However, in developing our proposals, a better ward design was achievable with 33 councillors and accordingly we present an electoral arrangement for 33 councillors representing three 5-member wards, two 4-member wards, three 3-member wards and a single 1-member ward, maintaining existing councillor numbers
14. We have prepared maps which illustrate our proposals for wards in North Ayrshire council area and these are attached.
15. Our proposals for the council area:
- take into account North Ayrshire Council's localities and the local ties and communities that they represent;
 - present a single member Arran ward reflecting its island status. We considered the case for a 2-member Arran ward but concluded that the special geographic circumstances of Arran did not justify a forecast variation from parity of -39%. An alternative would have been to retain the link between Arran and the mainland but this did not seem to us to recognise the importance of Arran's island communities in light of the Islands (Scotland) Act;
 - take account of the Scottish Elections (Reform) Act that will allow the use of 2-member and 5-member wards to design that wards that better reflect local ties in the Garnock Valley, North Coast and Three Towns;
 - present a ward boundary between Ardrossan (ward 3) and Saltcoats and Stevenston (ward 5) that follows local community council area and historical burgh boundaries; and
 - make no changes to the boundaries for the existing Irvine and Kilwinning wards.
16. The table below details the electorates with actual and forecast variation from parity of the proposed wards.

Ward No.	Ward Name	Cllrs	Electorate (Dec 2018)	Variation from Electoral Parity (%)	Forecast Electorate (2024)	Forecast Variation from Electoral Parity (%)
1	North Coast	5	17,766	9.7	17,657	10.9
2	Garnock Valley	5	16,138	-0.3	15,703	-1.4
3	Ardrossan	3	8,389	-13.6	8,047	-15.8
4	Arran	1	3,820	18.0	3,858	21.1
5	Saltcoats and Stevenston	5	16,798	3.8	16,377	2.8
6	Kilwinning	4	13,297	2.7	12,988	1.9
7	Irvine West	4	11,921	-8.0	11,525	-9.5
8	Irvine East	3	9,907	2.0	9,765	2.2
9	Irvine South	3	8,815	-9.3	9,187	-3.9
		33	106,851		105,107	

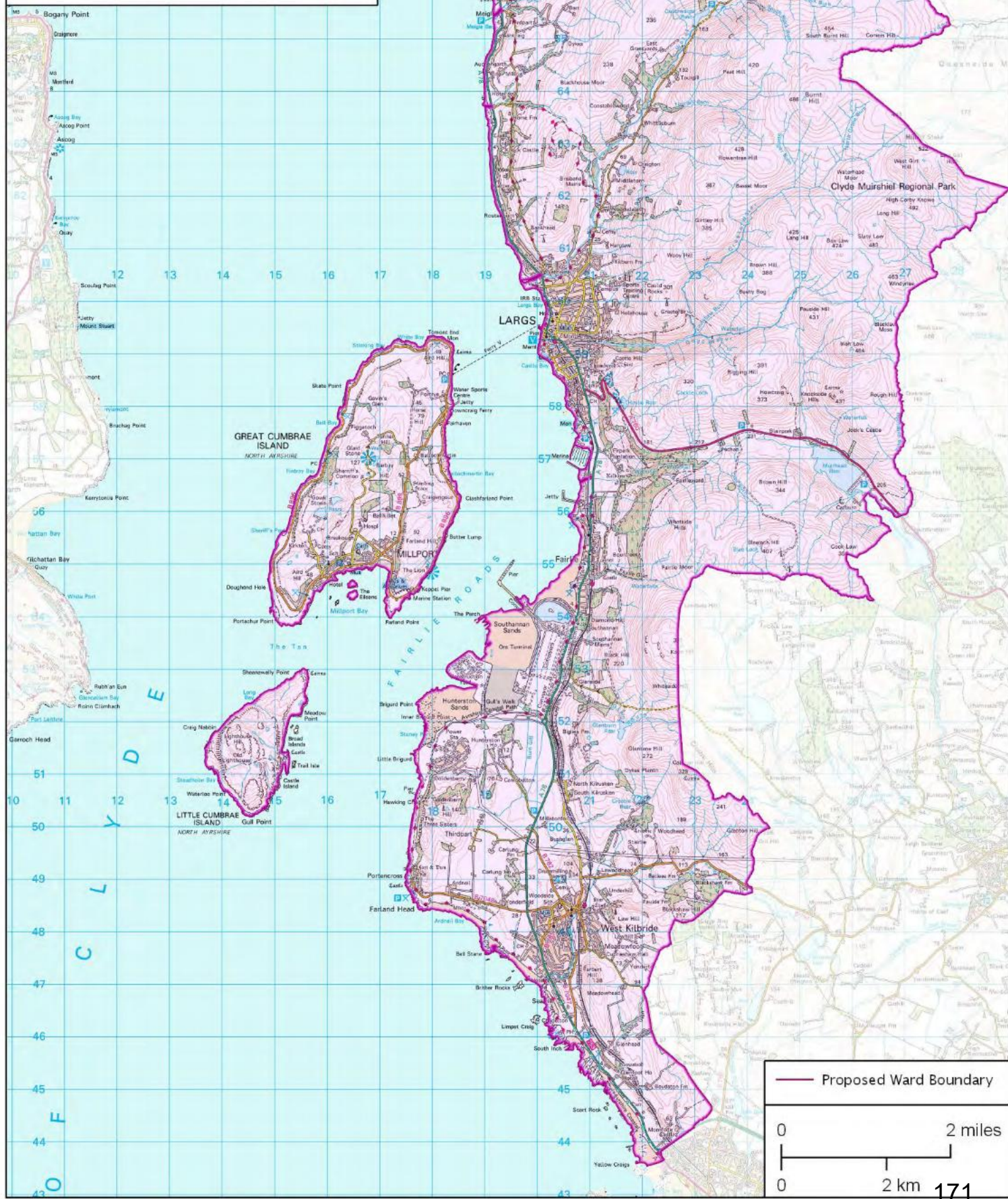
Local Government Boundary Commission for Scotland 2019 Review of Electoral Arrangements North Ayrshire Council Area Existing Wards

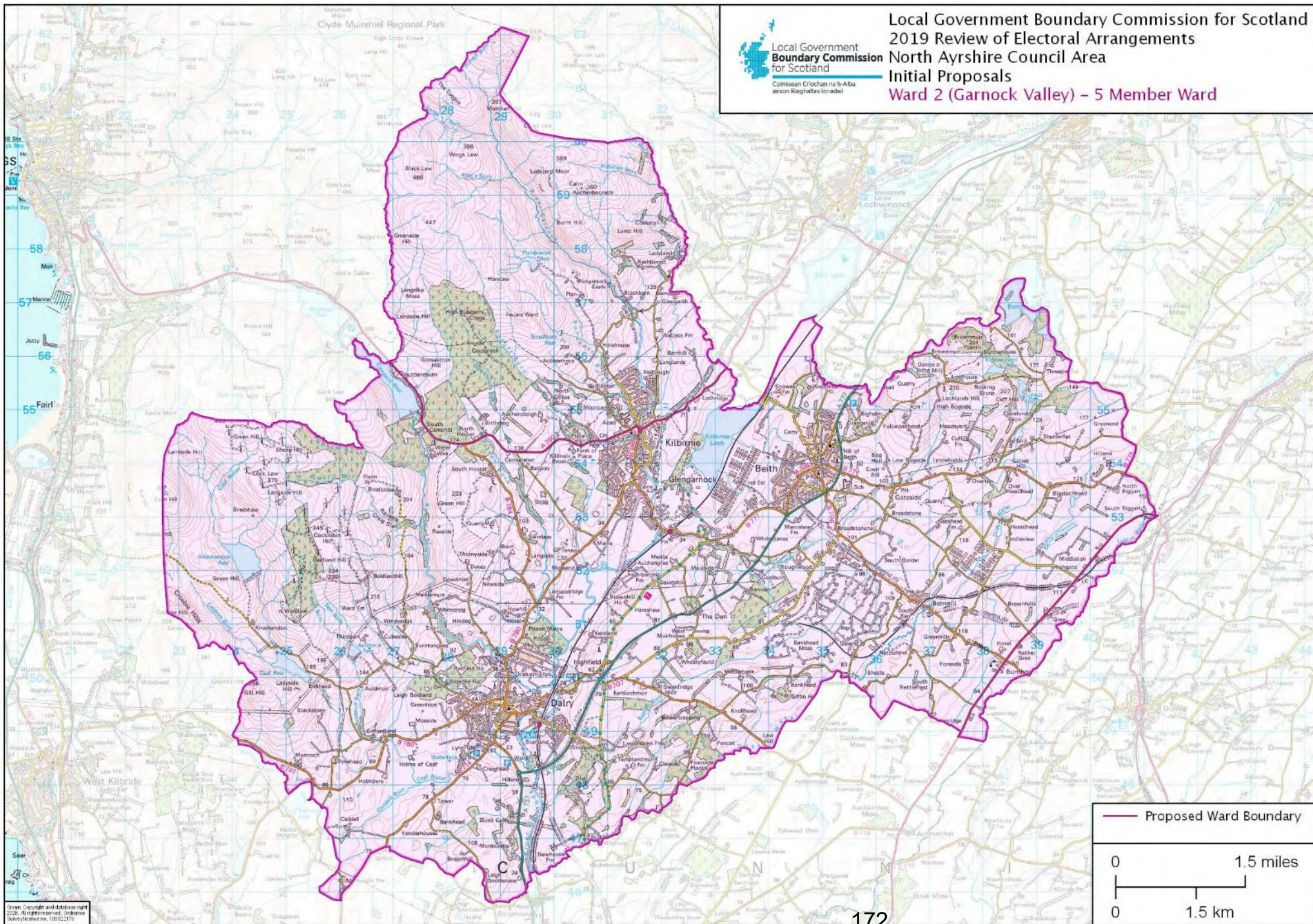


Local Government Boundary Commission for Scotland 2019 Review of Electoral Arrangements North Ayrshire Council Area Initial Proposals – All Wards



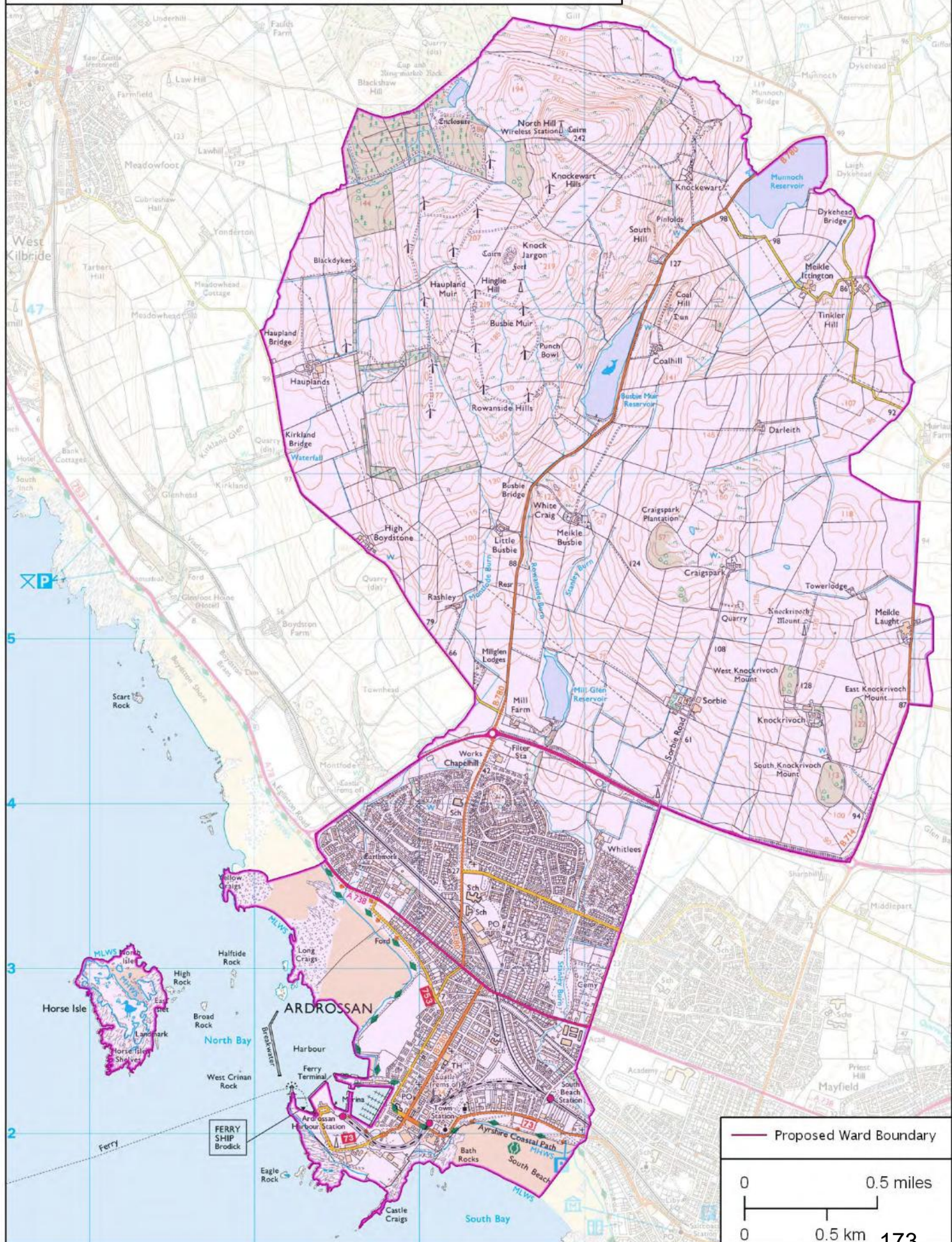
Local Government Boundary Commission
for Scotland
2019 Review of Electoral Arrangements
North Ayrshire Council Area
Initial Proposals
Ward 1 (North Coast) – 5 Member Ward

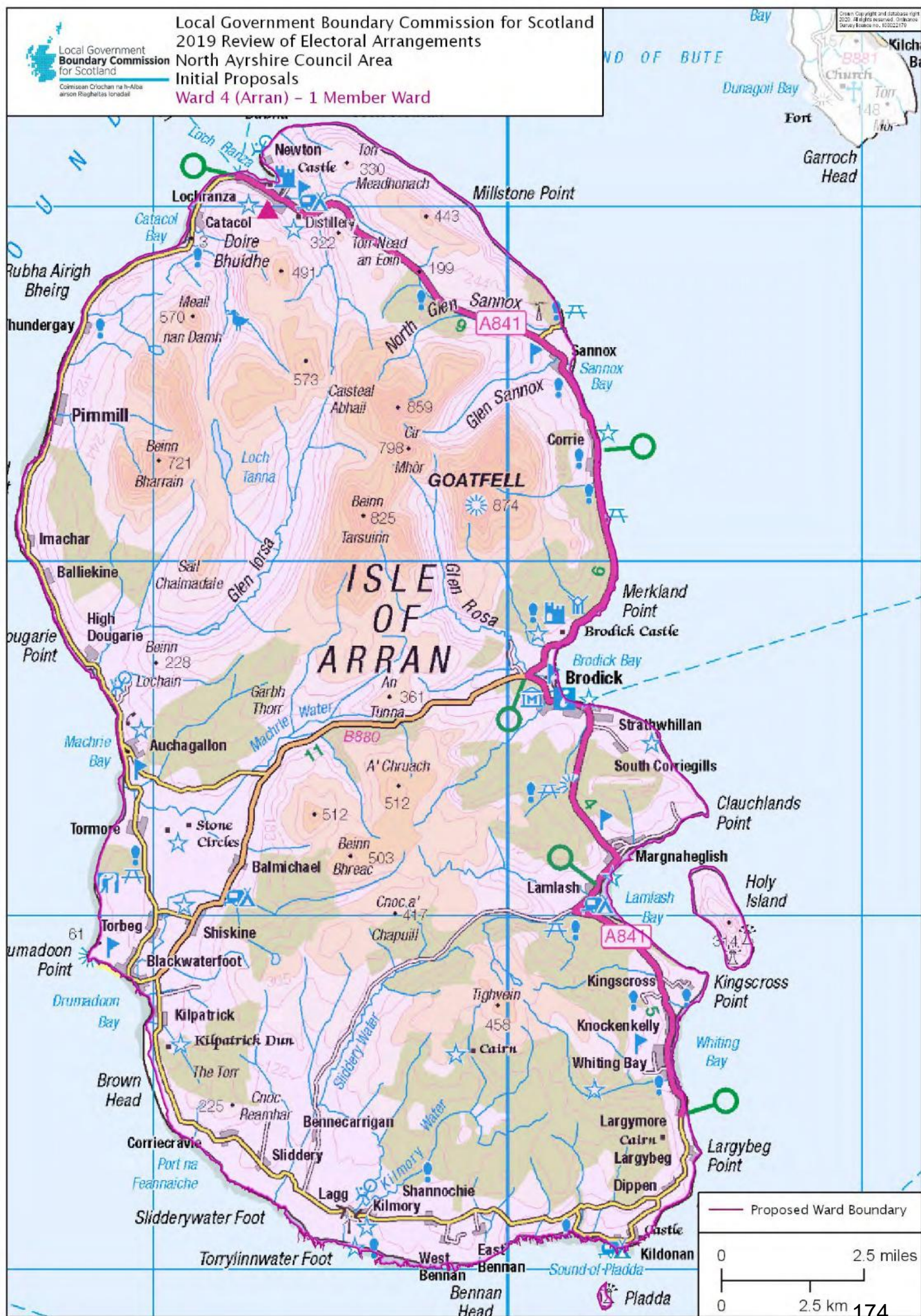


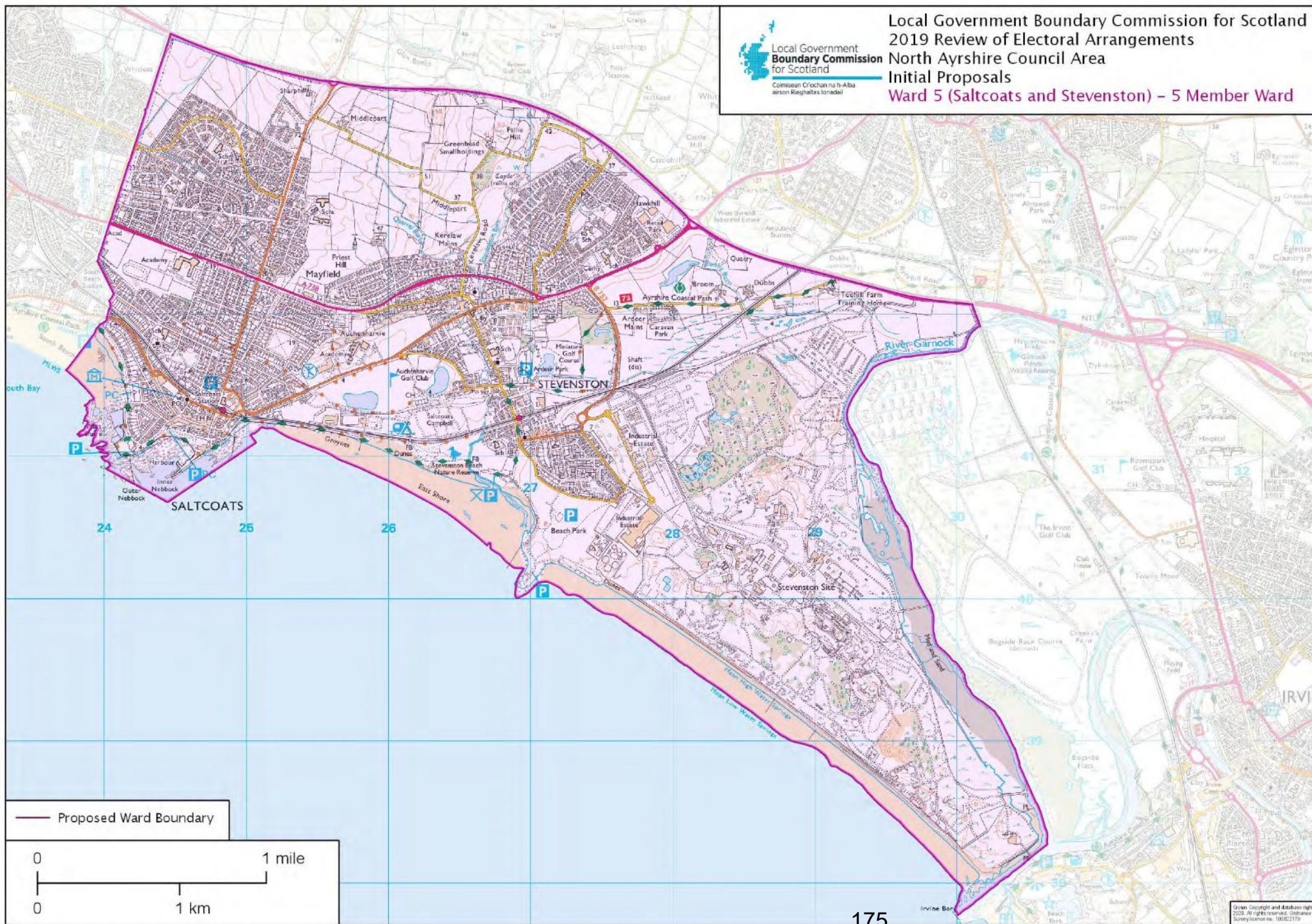


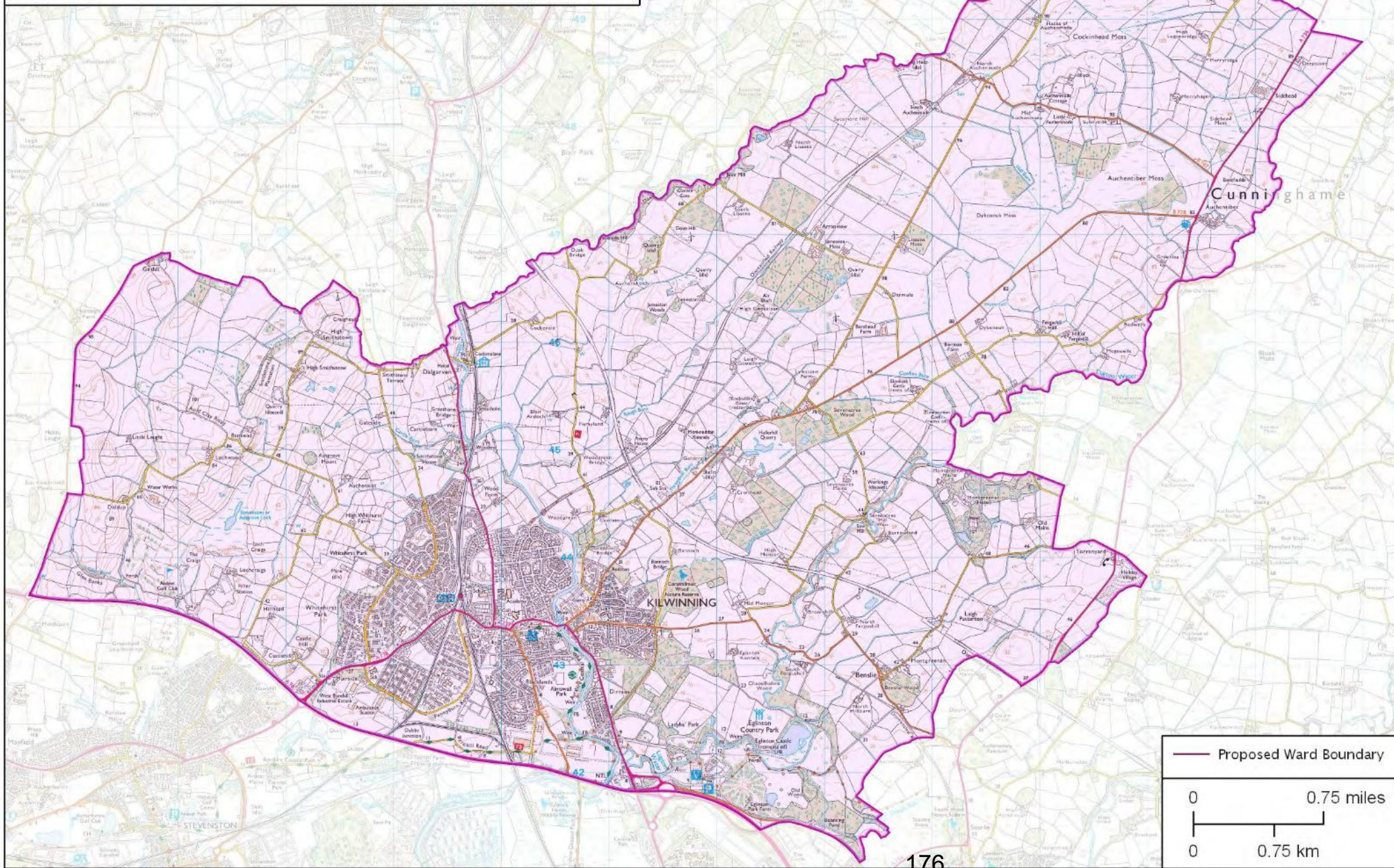
Local Government Boundary Commission for Scotland 2019 Review of Electoral Arrangements North Ayrshire Council Area Initial Proposals Ward 3 (Ardrossan) – 3 Member Ward

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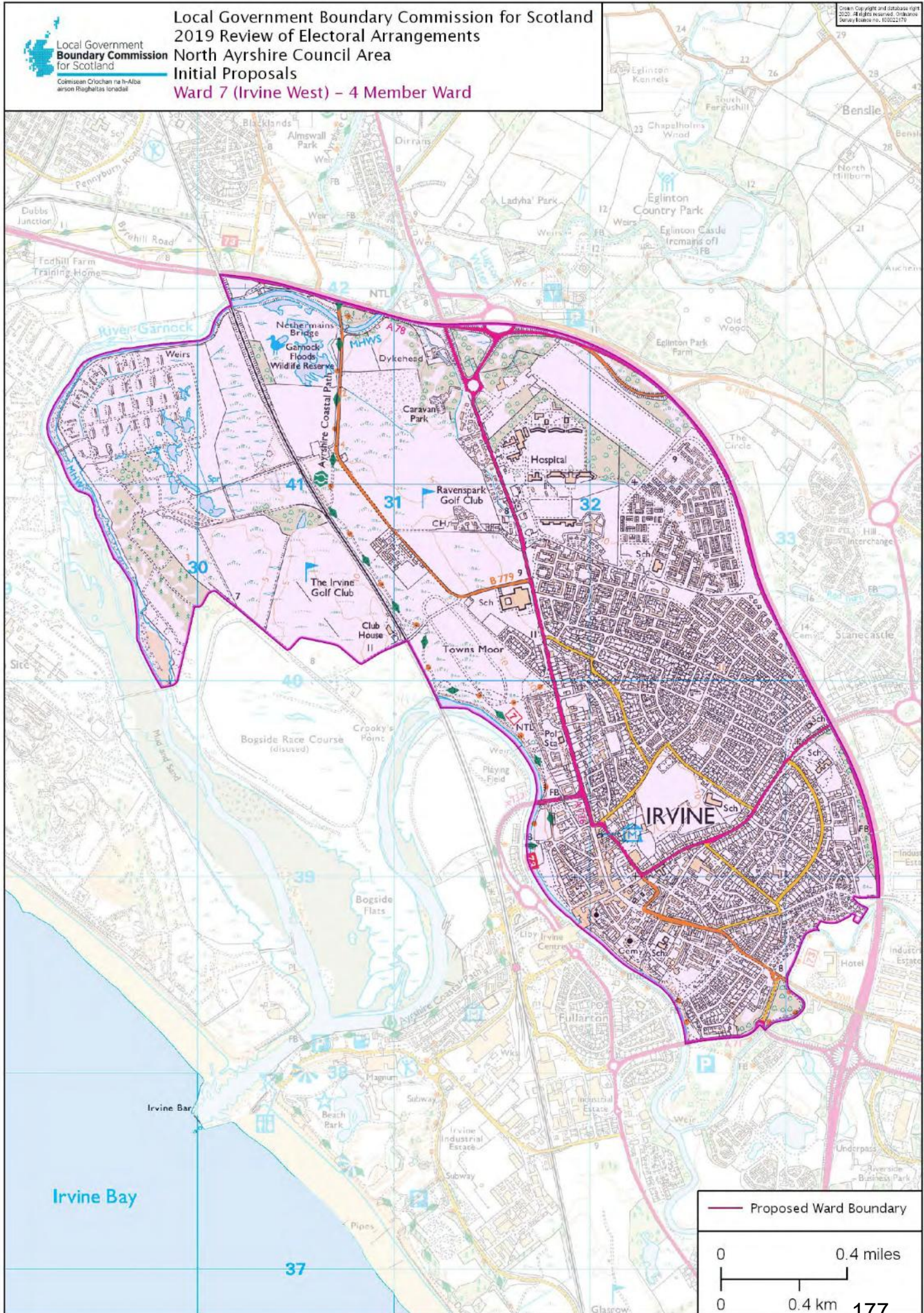


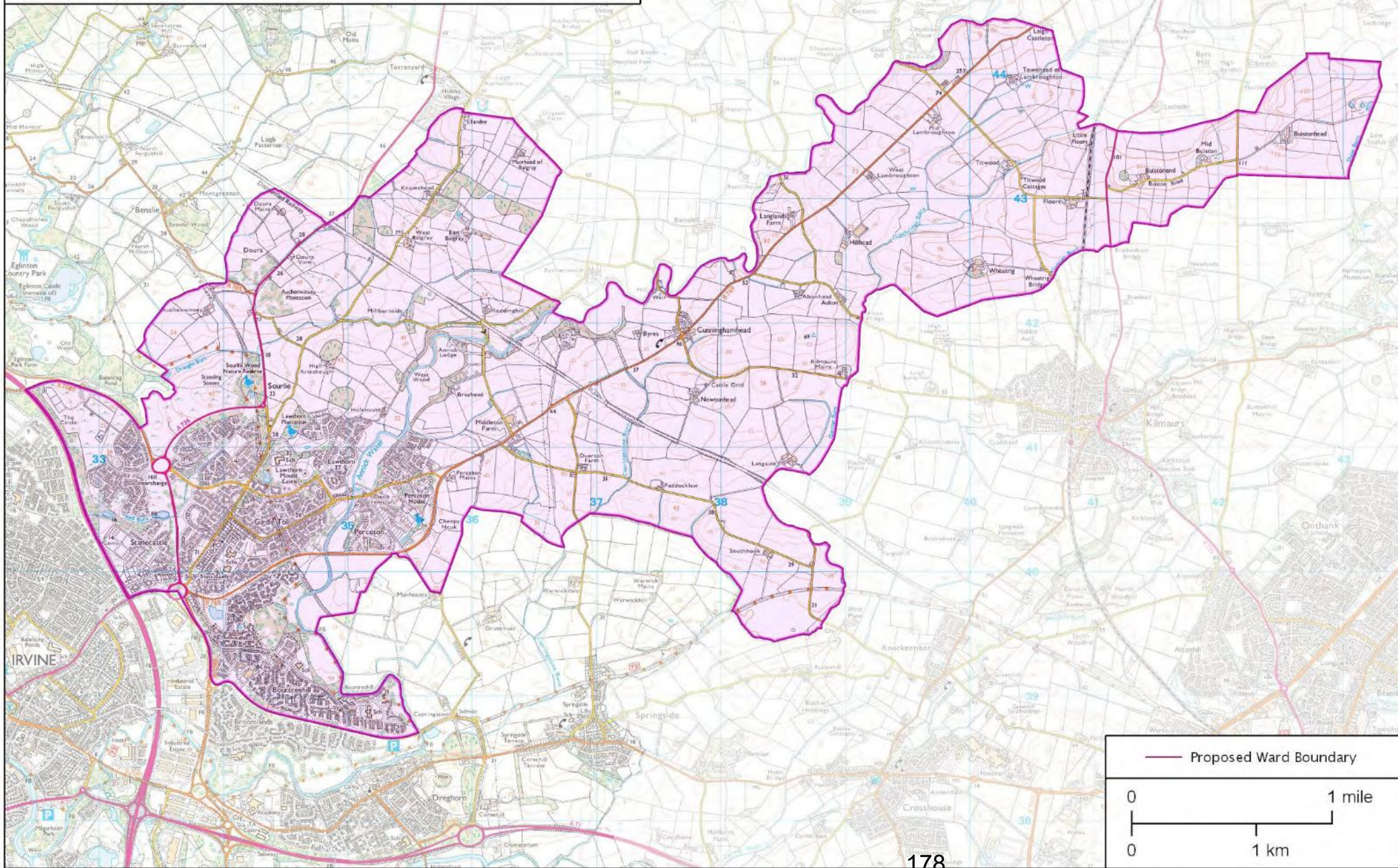


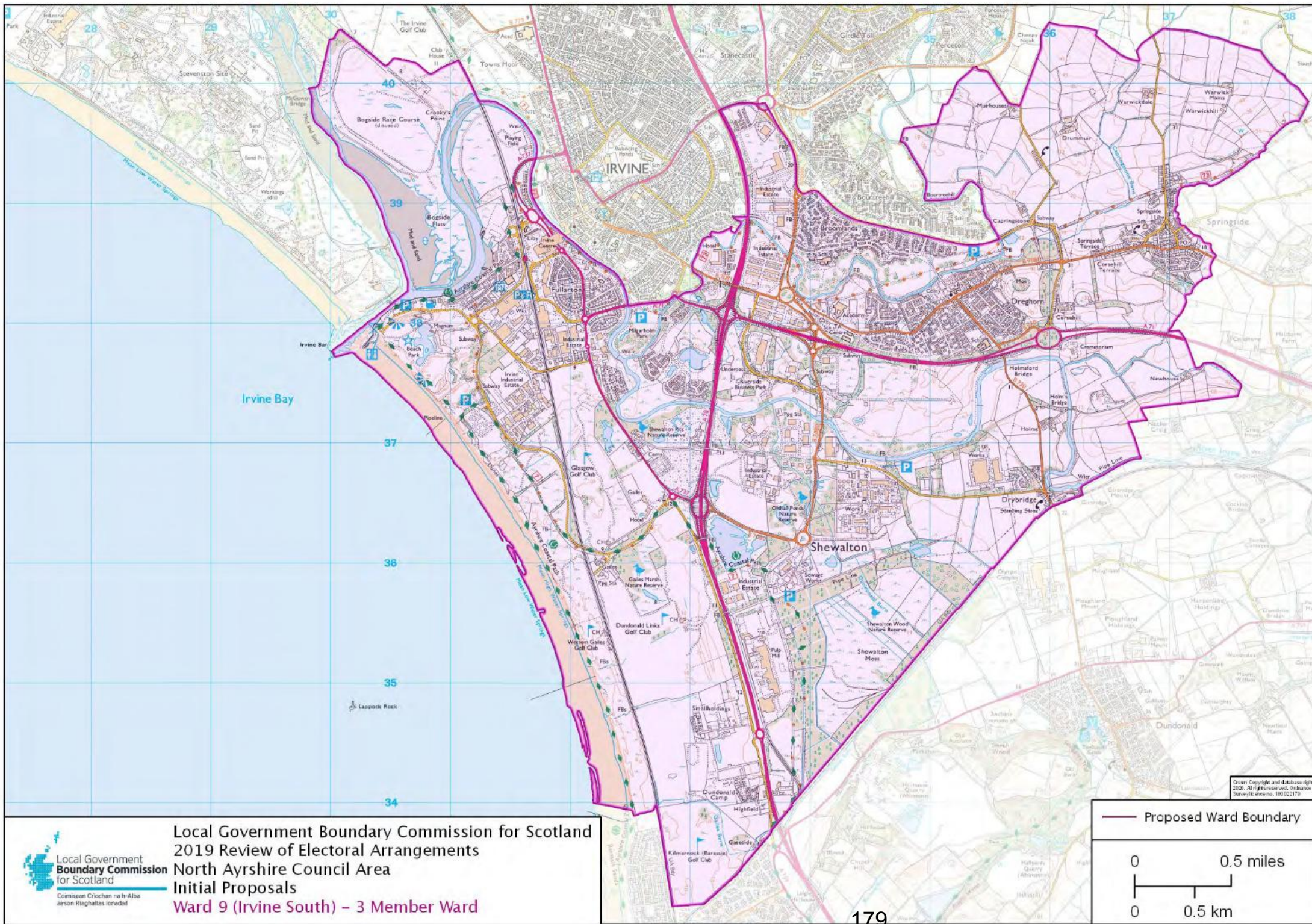


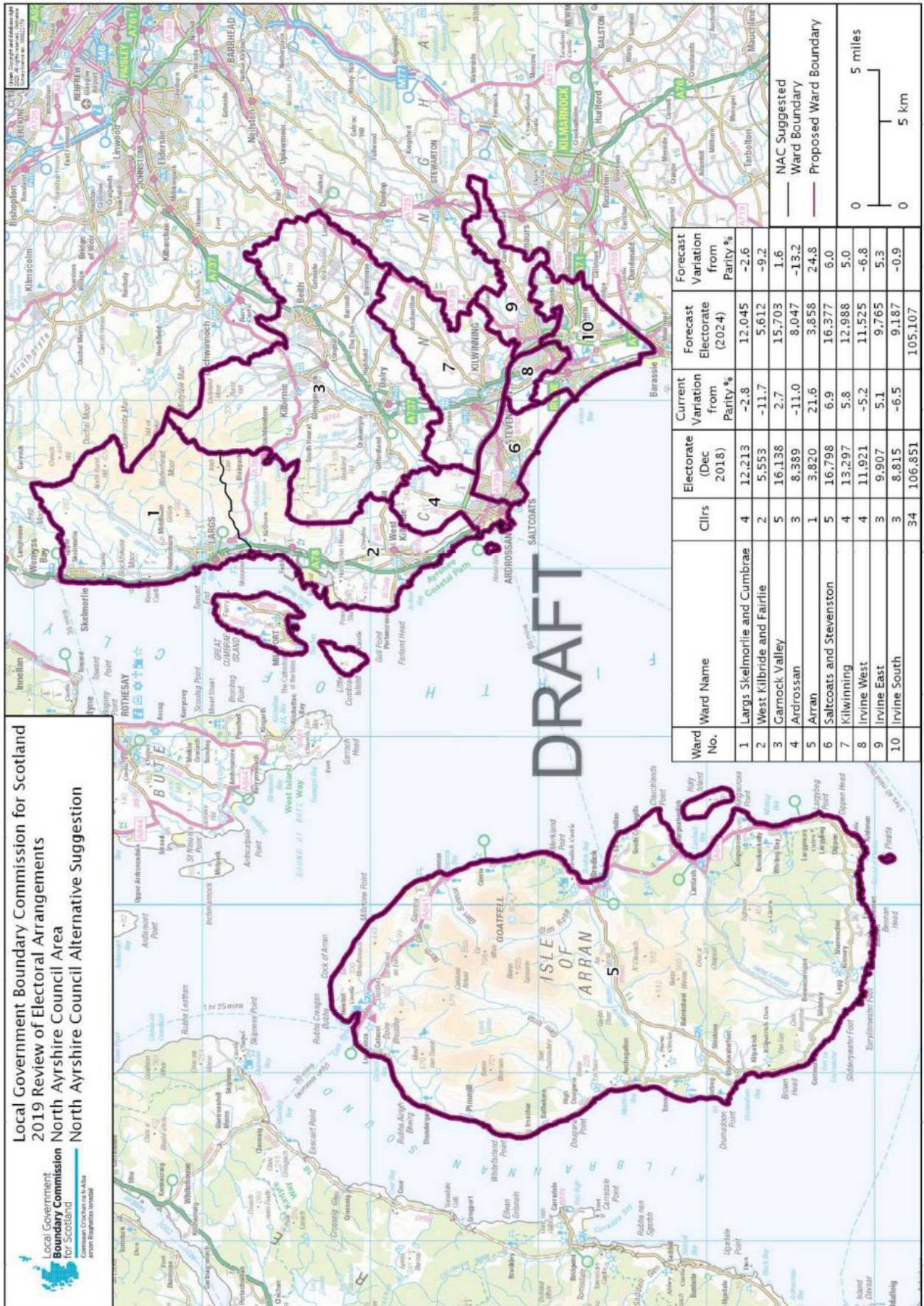
Local Government Boundary Commission for Scotland
2019 Review of Electoral Arrangements
North Ayrshire Council Area
Initial Proposals
Ward 7 (Irvine West) – 4 Member Ward

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NORTH AYRSHIRE COUNCIL

23 September 2020

Title:	Best Value Assurance Report: North Ayrshire Council (2020)
Purpose:	To advise Council of the findings of the Best Value Review of North Ayrshire Council.
Recommendation:	Council to (a) note the good progress since the last Best Value Audit in 2011; (b) note the key messages and recommendations arising from the Best Value Review; (c) note the proposed Action Plan for implementing further improvements; and (d) agree to receive further updates as improvement work progresses.

1. Executive Summary

- 1.1. The Best Value Assurance report considers the Council's compliance with its statutory duty of Best Value as set out in the Local Government (Scotland) Act 2003. This report presents to Council the findings of the Best Value Audit carried out in February and March 2020 before Coronavirus, with the Assurance Report noting the potential significant implications of this for the Council. The previous Best Value Audit took place in 2011.
- 1.2. The Best Value Assurance Report, which was presented by the Controller of Audit to the Accounts Commission in June 2020, sets out;
 - The focus of the audit across six key themes;
 - Key messages, supplemented in Parts 1 to 5 of the Report; and
 - Recommendations for further improvement.
- 1.3. The Best Value Assurance Report 2020 is extremely positive and demonstrates significant improvement since the previous Best Value Audit in 2011 and provides significant assurance that North Ayrshire Council complies with its statutory obligations to secure Best Value.
- 1.4. There are four recommendations for improvement, these are set out in Appendix 2 together with details of Lead Officers and timescales for improvement action to be taken. Follow up of the recommendations will be considered as part of the Council's future Annual External Audits.

2. Background

Introduction

- 2.1. The Best Value Assurance Report, which is attached at **Appendix 1** to this report, complements the best value audit work undertaken each year as part of the Annual External Audit. The fieldwork for the audit was carried out in February and March 2020 before the Coronavirus outbreak in Scotland and as such does not consider the implications of this.
- 2.2. The report notes the progress in North Ayrshire Council since the previous Best Value Audit in 2011.

Accounts Commission Findings

- 2.3. The Commission commends the significant progress made since the 2011 Best Value report. *“The core of this progress has been a good sense of self-awareness: The Council has been clear on how and where it can improve, has a well-defined strategy, and shares with its partners a strong vision for North Ayrshire. This strategic direction is reinforced by a record of collaboration: between Elected Members and officers; in engaging with staff in improvement; and in the empowering approach taken by the Council in its relationship with its communities.”* (The Accounts Commission). The Commission state this is particularly encouraging due to the challenging demographic context of deprivation and demography in North Ayrshire.
- 2.4. Though acknowledging good performance and practice, the Commission encourages the Council to focus on areas of poorer performance such as a recent decline in performance in relation to low levels of self-directed support and in education. However, they do acknowledge the recent actions to address the decline in educational attainment and positive external inspection reports.
- 2.5. The Commission references the recruitment of Chief Officers whilst acknowledging the effectiveness of the Executive Leadership Team. In the absence of any legal obligation, recruitment is a matter for the Staffing and Recruitment Committee based on what constitutes Best Value in each case.
- 2.6. The Commission emphasises the need to fully develop workforce plans and monitor and report on benefits from transformation plans due to the challenging financial environment likely to be exacerbated by Covid-19.

Areas of Focus

- 2.7. The Areas of Focus of the Best Value assessment are;



Council vision and strategic direction – how clear are the Council's priorities and how well does the leadership work together to deliver these.



Council performance - an overall assessment of outcomes and performance, reporting of these and how the Council uses information to support improvements.



Planning use of resources - how the Council plans its use of resources, including asset management, financial and workforce planning, and transformational change to support the delivery of its priorities.



Delivering services with partners - how well the Council works with partners and delivers services through partnership and collaborative working, including progress with health and social care integration.



Community engagement and empowerment - how these impact the Council's priorities and actions.



Continuous improvement - how the Council approaches continuous improvement, including how it uses self-assessment and external scrutiny to drive improvements.

Key Messages

2.8. The Key Messages are;

- The Council has a strong culture of continuous improvement. It has significantly improved and continued to make progress since the last Best Value report in 2011. Council priorities, plans, actions, and outcomes are clearly linked. Staff play an active role in identifying and driving improvement and the Council is delivering improvements for communities and residents.
- There is a strong culture of collaborative working at North Ayrshire Council. Elected Members and officers work well together, and the Council works effectively with a wide range of partners including the Community Planning Partnership (CPP), the Integrated Joint Board (IJB) and private business. There is joint ownership of, and commitment to, delivering agreed strategic priorities. The Council Plan, the Local Outcomes Improvement Plan and local Community Plans are all clearly aligned and focussed on addressing North Ayrshire's key challenges.

- Despite significant economic and demographic challenges, the Council is performing well and is a frequent award winner and early adopter for national pilots. Council performance over the last five years has been improving, although it has levelled off in the last year, this is similar to other councils as noted in the Local Government Benchmarking Framework (LGBF) National Benchmarking Overview Report 2018/19. Priority areas are generally performing well with the exception of education. Performance management arrangements are clearly focused on priority areas and data is used to drive improvements.
- The Council's arrangements for financial planning and management are good overall and it has significantly improved its asset management and procurement arrangements since the last Best Value Report. While the Council has made clear progress with its transformation agenda, including setting aside money to fund projects, its savings plans fall short of the estimated funding gap.
- The Council is committed to community empowerment and is recognised by the Scottish Government and Convention of Scottish Local Authorities (CoSLA) as a sector leader. The Council's approach is focused on embedding community empowerment in every-day business. The Council works well with a wide number of communities and groups including young people and tenants.

Part 1 – Does the Council have a clear strategic direction?

2.9. This section identifies a number of the challenges faced in North Ayrshire including the fragile local economy, high unemployment, demographics and the levels of deprivation including child poverty. A summary of the assessment and findings are set out below;

- The vision and priorities as set out in the Council Plan 2019-24 is shared by partners with clear links to The Local Outcomes Improvement Plan (LOIP), the Fair for All Strategy, operational plans and staff roles. The approach to engaging key stakeholders in the development of the new Council Plan priorities and the alignment of the organisational structure to these is recognised.
- There is a strong culture of collaboration, including elected members and officers working well together, with ownership of and commitment to delivery of the Council Plan, achieved through formal council meetings and less formal engagement. Elected Member's knowledge is secured via comprehensive induction arrangements and continuing professional development by a flexible programme of events.
- Open and transparent decision making via the Council's committee structure with a number of committee meetings being webcast and information sharing and development of policy being considered by the all Member Policy Advisory Panel.

- The Executive Leadership Team (ELT) is considered to be effective with a continuing focus on strategic priorities.

2.10. The Case Study in Part 1 of Appendix 1 sets out the Council's progress and commitment to sustainable development and its ambitious approach to tackling climate change through the climate emergency declaration.

Part 2 – How well is the Council performing?

2.11. The report states that performance management arrangements are robust, clearly focused and show that the Council is performing well in most priority areas with the following key findings;

- Despite the challenges faced by the Council it is performing well, is a frequent award winner and is often selected as an early adopted of national pilots. Examples of this include; APSE Council of the Year in 2018, Team North Ayrshire, Inclusive Growth Diagnostic and Locality Partnerships
- There are a number of strands to the assessment of the Council's performance;
 - The performance trend is one of improvement over the last five years with this levelling off last year, similar to other councils as noted in the Local Government Benchmarking Framework (LGBF) National Benchmarking Overview Report for 2018/19. The Council performs well compared to other councils in most service areas. The deterioration in performance within education is noted, a position aligned to a previous year budget decision which has been addressed with an anticipated improvement in performance filtering through over time.
 - Service satisfaction levels show that this has declined across Scotland, including North Ayrshire, however North Ayrshire exceeds the national average in five of the nine indicators. Where satisfaction levels are below the Scottish average the Council understands the reasons for this.
 - Scrutiny bodies have reported positively on North Ayrshire in recent years, with a number of examples, including Education, set out in the Report.
- There is a focussed approach to target setting and performance reporting, including the LGBF, and this is readily available in a variety of user-friendly formats. There is recognition of the alignment between the Council and Operational Plans and the focussing of the Council Plan on the key measures of success, with the majority of these showing good performance. The positive evolution of performance reporting is noted with some small areas of potential improvement suggested. **(Recommendation 3).**

Part 3 – Is the Council using its resources effectively?

2.12. The overarching message is that the Council has a good approach to financial planning, and effective financial management arrangements, this and other key points are set out below;

- The Council's Financial Framework, including the Long-Term Financial Outlook, the Medium Term Financial Plan and the Annual Budget, help manage the financial challenge and ensure well informed decisions are taken; a key element of this is engagement with key stakeholders, including Elected Members and communities which continues to evolve. Both the revenue budget and the Council's capital investment programme align with the Council Plan priorities.
- Good progress in transformation, which was the focus of recent budget engagement, supports the Council's financial challenge, however further action is required to help address the estimated future funding gap (**Recommendation 1**). The current transformation programme and new service delivery models emerging from Coronavirus require to progress at scale and pace.
- The Council has a good track record in delivering services within budget and savings but needs to fully develop its plans to bridge its medium to long term financial challenge.

2.13. Other key aspects of resource management are also considered;

- The significant improvement in asset management and procurement since the 2011 report with procurement being externally assessed as performing in the highest band;
- The Council's coordinated approach to workforce planning was highlighted including;
 - The evolving approach to workforce planning supporting transformational change, with **Recommendation 2** noting the opportunity to enhance this;
 - The approach to recruitment and retention;
 - Developing leadership capacity and succession planning including the reorganisation of the Executive Leadership Team.
- The results of the Council's most recent staff survey (2019) showing a significantly increased response rate whilst improving on the level of staff engagement.

Part 4 – Is the Council working well with its partners?

2.14. The report highlights that the Council is working effectively with its partners to improve outcomes and address significant economic and demographic challenges including;

- The Community Planning Partnership which has improved since the 2011 Best Value Audit with effective governance, clear alignment between the Council Plan and the Local Outcomes Improvement Plan (LOIP) and effective performance management arrangements with a general trend of improvement. Case Study 2 in Appendix 1 sets out examples of joint working initiatives across the LOIP outcomes.
- The Council commitment to and embedding of community empowerment, including hard to reach groups, is recognised as being sector leading. The Council's approach to the development of the six Locality Partnerships and locality plans is recognised, noting there is scope for increasing the clarity of impact in some of the plans (**Recommendation 3**). Examples of locality partnership work including community asset transfer and the national recognition of the approach to mainstreaming of participatory budgeting are noted.
- The partnership approach to developing the local economy is recognised including the Economic Development and Regeneration Board with private, public and third sector members, the Ayrshire Growth Deal and Team North Ayrshire
- The strong partnership with the Health Board and Health and Social Care Partnership despite the scale of the financial challenge. Examples of new service delivery models including Trindlemoss (Case Study 3) are exemplified noting the need to increase the pace of transformation with the "Think Different, Doing Better" supporting this. The increased financial scrutiny by the Council due to the deficit position of the Integrated Joint Board is noted.

Part 5 – Is the Council demonstrating continuous improvement

2.15. The key message is that the Council has a strong culture of continuous improvement which has significantly improved and been maintained since the Best Value report in 2011. There is evidence of the Council as a lean, flexible and innovative organisation, supported by fully engaged elected members and a strong ELT and recognition that;

- Continuous improvement is embedded in the Council's culture with skilled and confident staff having an active role in identifying improvement and being empowered to make change. Service improvement and transformation opportunities are identified through a number of routes including data, evidence and performance improvement. A robust framework is in place to

track performance and address areas for improvement including peer review, benchmarking, self-assessment and external audit and inspection.

- The Council has developed a clear link between plans, actions, spending and outcomes. Improvement activity is aligned with priorities and there is evidence of improvement activity resulting in better outcomes for residents. Case study 4 in Appendix 1 on the wider partnership approach to tackling child poverty is an example of the Council's focus on improving outcomes. Community Wealth Building is cited as one of the Council's innovative approaches to addressing some of its biggest challenges.

Summary of the Controller of Audit's judgement

- 2.16. Exhibit 8 sets out the Controller of Audit's assessment of the Council in 2011 and the updated assessment in 2020. This demonstrates that the Council has made significant progress addressing all of the concerns raised in 2011.

Recommendations

- 2.17. There are 4 recommendations arising from the current Best Value Audit, these are summarised below. **Appendix 2** provides the Council with an Action Plan for implementing further improvements including details of lead officers and timescales.

- Acceleration of the scale and pace of transformation ensuring the right resources and skills mix support this and that benefits are tracked
- Fully embed workforce planning
- Clarify intended impacts across all Locality Plans
- Improve North Ayrshire Performs, the on-line portal, to make it more user friendly and accessible

3. Proposals

- 3.1. Council to (a) note the good progress since the last Best Value Audit in 2011 (b) note the key messages and recommendations arising from the Best Value Review and (c) note the proposed Action Plan for implementing further improvements; and (d) agree to receive further updates as improvement work progresses.

4. Implications/Socio-economic Duty

Financial

- 4.1 There are no direct financial implications arising from the report. The Best Value Report notes the Council's effective Financial Framework and track record in delivering savings and services within budget.

Human Resources

- 4.2 There are no direct human resource implications arising from the report. Embedding the council's workforce planning is one of the recommendations of the Best Value Report.

Legal

- 4.3 The Controller of Audit's Report demonstrates that the Council is effective in meeting its statutory duty to deliver Best Value and is sector-leading in some areas.

Equality/Socio-economic

- 4.4 There are no direct implications arising from the Report. A number of examples within the Best Value Report demonstrate the Council's commitment to addressing equality / socio-economic issues.

Environmental and Sustainability

- 4.5 There are no direct implications arising from the Report. A number of examples within the Best Value Report demonstrate the Council's commitment to environmental and sustainability issues.

Key Priorities

- 4.6 Evidence set out in the Best Value Report demonstrates the Council's approach to establishing and delivering its key priorities.

Community Wealth Building

- 4.7 There are no direct implications arising from the Report. The Best Value Audit recognises the contribution that Community Wealth Building can make to address North Ayrshire's economic challenge.

5. Consultation

5.1. No specific consultation has been required in the production of this report.

Craig Hatton
Chief Executive

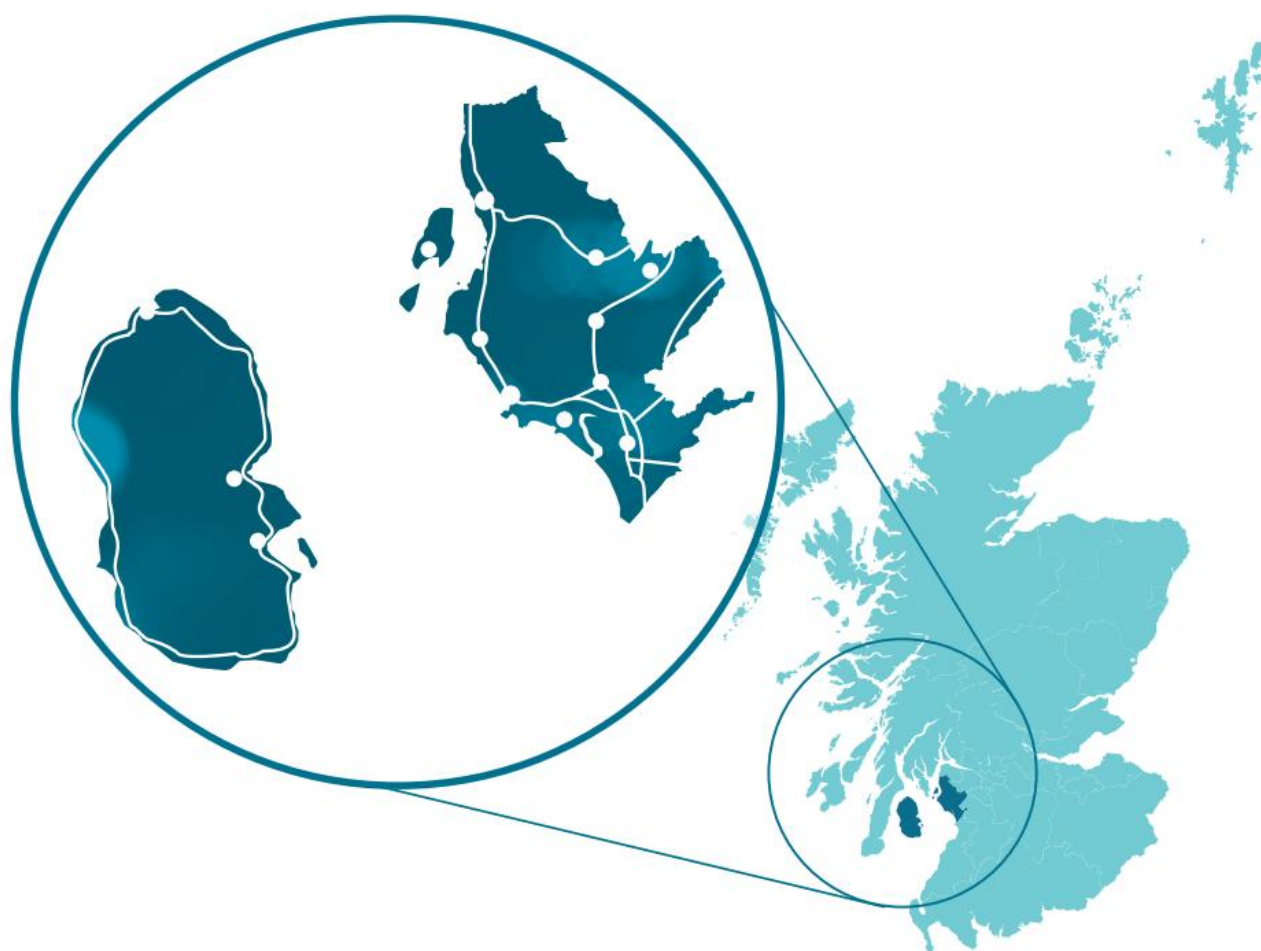
For further information please contact Barry Tudhope, Senior Manager (Corporate Policy, Performance & Elections) on (01294) 324113 .

Background Papers

The Audit of Best Value and Community Planning: North Ayrshire Council, Audit Scotland (March 2011)
Local Government Benchmarking Framework National Benchmarking Overview Report 2018/19

Best Value Assurance Report

North Ayrshire Council



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
June 2020

The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

You can find out more about the work of the Accounts Commission on our website: www.audit-scotland.gov.uk/about-us/accounts-commission 

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Links

-  PDF download
-  Web link

Key facts



340
square
miles

Area

135,280

Population
(as of June 2018)

5,890

Workforce
(number of full-time
equivalent employees)

33

Elected members
11 Scottish Labour Party
11 Scottish National Party
7 Conservative and Unionist
4 Independent

£357.9
million

2020/21
revenue budget¹

£269.1
million

2020/21 to 2027/28
capital budget²

£9.25
million

Budget gap
2021–22
(2.6 per cent of budget)

£9.82
million

Budget gap
2022–23
(2.8 per cent of budget)

1. Revenue budget covers day-to-day costs like wages.

2. Capital budget covers the cost of major projects such as schools and roads.

Commission findings



- 1** The Commission accepts the Controller of Audit's report on Best Value in North Ayrshire Council and we endorse his recommendations.
- 2** The work for this audit was done prior to the onset of the current COVID-19 emergency and thus does not consider the impact of COVID-19 on the council. The Commission recognises the significant pressures under which local government finds itself in this current situation. Equally the Commission is of the firm view that the principles of sound financial management, good governance, public accountability and transparency remain vital.
- 3** The Commission, having consulted with the Controller of Audit and North Ayrshire Council on the current situation, has proceeded with considering the Controller's report and publishing these findings. This is to allow the council to use these findings and recommendations to inform decisions on how it provides services to the people of North Ayrshire.
- 4** We commend the significant progress made by the council since the previous Best Value report in March 2011. The core of this progress has been a good sense of self-awareness: the council has been clear on how and where it can improve, has a well-defined strategy, and shares with its partners a strong vision for North Ayrshire. This strategic direction is reinforced by a record of collaboration: between elected members and officers; in engaging with staff in improvement; and in the empowering approach taken by the council in its relationship with its communities.
- 5** We are particularly pleased with progress given the challenging context in North Ayrshire of deprivation and demography. We acknowledge good performance and much good practice across many of the council's services, and we encourage the council to continue its focus on areas of poorer performance, notably in a recent decline in education indicators and low levels of self-directed support.
- 6** While we acknowledge the effectiveness of the executive leadership team of officers, we note the lack of external competition in the recruitment of the new chief executive in late 2018. We reiterate our position that public confidence is best served when recruitment of chief officers is subject to external competition.
- 7** As the council moves to further transform, the way ahead will be challenging with budget gaps of more than £9 million to be addressed in each of the two years to 2022/23. The size of this task will likely be exacerbated by the effects of the COVID-19 emergency. We would therefore give weight to the Controller's recommendation that the council fully develops workforce plans and arrangements to monitor and report the benefits from its transformation plans.
- 8** We encourage the council to continue its good progress and address these findings and the Controller's recommendations. The Controller of Audit will monitor progress through the annual audit and inform us appropriately.

Audit approach



1. The statutory duty of Best Value was introduced in the Local Government Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Findings are reported each year through the Annual Audit Report. In addition, the Controller of Audit will present a Best Value Assurance Report to the Accounts Commission at least once during the five-year audit appointment for each council. This is the first assurance report on North Ayrshire Council. Previous Best Value reports on the council are summarised in the [Appendix \(page 48\)](#).

2. This report seeks to provide the Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's strategic audit priorities. We are looking for councils to demonstrate Best Value by showing continuous improvement in how they deliver services. The pace and depth of this improvement is key to how well councils meet their priorities in the future.

3. Our audit approach is proportionate and risk based, so it reflects the context, risks and performance of the individual council. It also draws on the intelligence from audit and scrutiny work carried out in previous years. In keeping with this approach, we conducted some initial work to identify risks and council initiatives to build into the scope of our audit. This included a review of previous audit and inspection reports and intelligence, a review of key council documents, initial meetings with senior officers and reflection on our wider public sector knowledge and experience. Key areas of focus for our audit are listed in [Exhibit 1 \(page 7\)](#).

4. The detailed audit work for this report was undertaken in February and March 2020. Our audit work included:

- interviews with elected members and senior officers
- observing a range of council and community meetings
- document review
- data analysis.

5. The fieldwork for this report was conducted before the COVID-19 (coronavirus disease) outbreak in Scotland. The outbreak has brought unprecedented challenges to organisations around the country. It is not yet known what long-term impacts these will have on populations and on the delivery of public services, but they will be significant and could continue for some time. The report does not consider the impact of COVID-19 on the council, or the implications for the audit findings and conclusions. However, the principles of sound financial management, good governance, public accountability and transparency remain vital.

Exhibit 1

Key areas of focus for our audit



Council vision and strategic direction

How clear are the council's priorities and how well does the leadership work together to deliver these.



Council performance

An overall assessment of outcomes and performance and the reporting of these. We also looked at how the council uses information to support improvements.



Planning use of resources

How the council plans its use of resources, including asset management, financial planning, workforce planning and transformational change to support the delivery of its priorities.



Delivering services with partners

How well the council works with partners and delivers services through partnership and collaborative working, including progress with health and social care integration.



Community engagement and empowerment

How these impact the council's priorities and actions.



Continuous improvement

How the council approaches continuous improvement, including how it uses self-assessments and external scrutiny to drive improvements.

Source: Audit Scotland

6. We will continue to audit Best Value at the council in the remaining year of the audit appointment. This will include a follow-up on the findings from this report as well as more detailed audit work on other Best Value characteristics as appropriate.

7. We gratefully acknowledge the cooperation and assistance provided to the audit team by all elected members and officers contacted during the audit.

Key messages



- 1** The council has a strong culture of continuous improvement. It has significantly improved and continued to make progress since the last Best Value report in 2011. Council priorities, plans, actions, and outcomes are clearly linked. Staff play an active role in identifying and driving improvement. The council is delivering improvements for communities and residents.
 - 2** There is a strong culture of collaborative working at North Ayrshire Council. Elected members and officers work well together, and the council works effectively with a wide range of partners including the CPP, the IJB and private business. There is joint ownership of, and commitment to delivering, agreed strategic priorities. The Council Plan, the Local Outcome Improvement Plan and local community plans are all clearly aligned and focused on addressing North Ayrshire's key challenges.
 - 3** Despite significant economic and demographic challenges, the council is performing well and is a frequent award winner and early adopter for national pilots. Council performance over the last five years has been improving, although it has levelled off in the last year. Priority areas are generally performing well, with the exception of education. Performance management arrangements are clearly focused on priority areas and data is used to drive improvements.
 - 4** The council's arrangements for financial planning and management are good, overall, and it has significantly improved its asset management and procurement arrangements since our last Best Value report. While the council has made clear progress with its transformation agenda, including setting aside money to fund savings projects, it still faces a significant shortfall and savings plans fall short of the estimated funding gap.
 - 5** The council is committed to community empowerment and is recognised by the Scottish Government and COSLA as a sector leader. The council's approach is focused on embedding community empowerment in everyday business. The council works well with a wide number of communities and groups including young people and tenants.
-

Part 1

Does the council have clear strategic direction?



The council has a clear vision, set out in the Council Plan 2019-2024. This vision is shared by the council's partners and aligns with the vision set out in the Local Outcome Improvement Plan. There is a clear link between council plans and priorities to operational service plans and individual actions and staff roles.

North Ayrshire Council has a strong culture of collaborative working. Elected members and officers work well together and there is joint ownership of, and commitment to delivering, the Council Plan.

The council is open and transparent in its decision-making. It streams full council and cabinet meetings on its website. A new chief executive started in 2018 and the executive leadership team (ELT) is currently being restructured.

The local context

8. North Ayrshire is located on the south-west coast of Scotland and is the 16th largest and 15th most populated Scottish council area. It covers an area of about 340 square miles, and about 50 per cent of its land mass is on the islands of Arran and Great Cumbrae. Most of its people live in towns but there are also areas with more dispersed populations such as the islands of Arran and Great Cumbrae.

9. North Ayrshire's economy was historically built around heavy industry, including manufacturing and construction, all of which have been in decline in Scotland for many years. This has had a noticeable impact on productivity in North Ayrshire. Gross value added (GVA) is a measure of the value of goods or services produced per person. In 2016 GVA in East and North Ayrshire was the lowest in Scotland at around £15,000 compared to a Scottish average of around £25,000.¹

10. In 2018, the council commissioned the Fraser of Allander Institute to write a North Ayrshire Economic Review. It identified that North Ayrshire was the fifth most deprived council in Scotland, with the second highest rate of child poverty and high rates of unemployment.² The deprivation in North Ayrshire is also reflected in health outcomes with a lower healthy life expectancy than the Scottish average (62 years compared to 64), and the highest rate of avoidable deaths in Scotland.³

11. North Ayrshire also faces significant demographic challenges. Its overall and working-age populations declined from 1998 to 2018 and are expected to continue to decline between 2018 and 2028. At the same time, the 65-and-over age group is rising and is projected to continue to rise. By 2028 this group will represent 27 per cent of North Ayrshire's population.

The Council Plan sets out a clear vision and direction for the council

12. Elected members and the Executive Leadership Team (ELT) have set out a consistent, clear vision and direction for the council. The council's vision is set out in the Council Plan 2019-2024 - *A North Ayrshire that is Fair for All* - and is focused on improving wellbeing, prosperity and equity.

13. The council has identified three priorities in its Council Plan:

- **Aspiring communities** – this includes priority outcomes centred on giving children the best start in life, inclusive economic growth, good health and wellbeing, community safety and strong active communities.
- **Inspiring places** – this includes priority outcomes on infrastructure, digital advances, affordable housing, attractive places and a sustainable economy.
- **A council for the future** – this is about how the council will transform and improve services through innovation and reshaping its approach, to ensure that council services are accessible, efficient and sustainable.

14. Sustainable development is embedded within the council's strategic priorities and underpins the Council Plan. The council declared a climate emergency in 2019 and changed its aim to reduce carbon emissions by 40 per cent by 2030 to the aim of becoming carbon neutral by 2030 ([Case study 1, page 11](#)).

The council consulted widely to develop the Council Plan and restructured its leadership team to focus on delivery

15. The council has a good understanding of the challenges facing North Ayrshire. Elected members and officers agree that the Council Plan reflects local needs. The plan is focused on addressing North Ayrshire's high levels of deprivation, demographic and economic challenges. The council has maintained the same strategic priorities over several years despite changes in the administration and in senior staff, reflecting the consensus on the key challenges facing the council.

16. The priorities set out in the Council Plan were developed between October 2018 and March 2019 and involved:

- discussion with elected members
- the development of options at a leadership conference
- lead officers working with colleagues across the council to refine these options
- discussion with community planning partners
- community consultation on draft priorities.

Case study 1



North Ayrshire Council has a proactive and ambitious approach to tackling climate change

The council has long been committed to pursuing environmental sustainability. It achieved a 35.79 per cent (22,668 tonnes) reduction in carbon emissions from 2009/10 to 2018/19 and has been engaging with communities on the latest update to its Environmental Sustainability and Climate Change Strategy (first published in 2014 and last updated in 2017). The council engaged with communities on updating this strategy for 2020 through its 'climate change - just cool it' consultation. The responses will be reflected in specific action points in the strategy.

The council's sustainability ambitions are underpinned by a cohesive range of complementary plans and strategies, including the Zero Waste Strategy and the Plastic Waste Prevention Plan. The council declared a state of climate change emergency in May 2019 and, in January 2020, announced its aim to be carbon-neutral by 2030. Several transformation initiatives are linked to reducing carbon emissions. The council approved an £8.8 million investment fund for climate change, infrastructure and community wealth building (CWB) in its 2020-21 budget. Climate change initiatives financed by the fund are expected to achieve the dual objectives of reducing carbon and generating revenue for the council. The council's carbon-reducing initiatives include:

- planting three hectares of woodland at Ardeer Quarry
- the construction of wind turbines and solar panels at Nethermain
- installing solar panels on 500 council house roofs
- rolling out a low-emission fleet and the use of electric vehicles and other vehicles powered by alternative fuels.

Although ambitious, the council's environmental targets build on what has already been achieved and reflect what the council believes can be achieved in the future.

Source: Audit Scotland, 2020

17. The leadership team is in the process of being restructured. The new chief executive, who was appointed in 2018, decided that all services should be clearly aligned to the priorities in the Council Plan. The council no longer produces directorate plans, using service-level operational plans instead, which clearly align to the Council Plan and priorities. Staff understand how their individual roles contribute to the council's priorities, and day-to-day work is directly connected to the priorities in the plan.

The Council Plan is clearly aligned with the Local Outcome Improvement Plan and locality plans

18. The Community Planning Partnership (CPP) published its Fair for All Strategy - 'A strategy to reduce inequality in North Ayrshire' - in March 2016 with regular updates provided to the Community Planning Partnership Board. The strategy focuses on the impact of poverty on communities and identifies

opportunities where the CPP can have the biggest impact on reducing inequality. The development of the strategy was supported by the Fair for All Advisory Panel, which includes representatives from external bodies such as the Joseph Rowntree Foundation, the Carnegie Trust and University of Glasgow. The panel holds two meetings per year to provide governance and direction to the CPP.

19. In 2017, the CPP published its Local Outcomes Improvement Plan (LOIP) 2017-22. The Community Empowerment (Scotland) Act requires that every CPP publishes a LOIP to outline how it will work with communities to improve outcomes.

20. The CPP used a wide range of data and evidence to develop and inform the LOIP, including the Fair for All analysis and SIMD analysis. The CPP also consulted with communities to ensure that the LOIP priorities aligned with local needs and expectations.

21. The Council Plan and the LOIP are clearly aligned. Tackling inequality is the overarching theme of both plans. The four LOIP priority areas and supporting strategies are:

- A Working North Ayrshire (underpinned by the Economic Development and Regeneration Strategy 2016-25).
- A Healthier North Ayrshire (underpinned by the Health and Social Care Partnership Strategic Plan 2018-21).
- A Safer North Ayrshire (underpinned by the North Ayrshire Antisocial Behaviour Strategy 2015-18, superseded by the draft Safer North Ayrshire Strategy 2020-25).
- A Thriving North Ayrshire – Children and Young People (underpinned by North Ayrshire's Children's Services Plan 2016-20).

The leadership team and elected members work very well together

22. The ELT is effective. There is a good level of debate and scrutiny at ELT meetings and all members come to meetings fully prepared. The ELT works well with elected members, and senior staff routinely engage with members outside of formal meetings. Members were very positive about relationships with staff, and the support and information that staff provide.

23. There was a comprehensive induction programme for elected members after the last election. This induction involved elected members visiting council services and meeting staff and service users. This was welcomed by elected members, as it helped put decisions into context and gave them a deeper understanding of the work of the council. It also helped to build working relationships between staff and elected members from the outset. In addition, there continue to be regular briefings and updates available for members on a range of subjects, such as the Health and Social Care Partnership and the services it provides.

24. Each year, the Audit and Scrutiny Committee considers the development needs of elected members. The latest report found that, on average, each member attended 16 development sessions, equating to approximately 23.4 hours of CPD a year plus online training and attendance at external events and conferences. However, individual member attendance at training varied significantly and those members who also work full-time find it more difficult to attend. In response, the council has worked to rearrange training to better suit working members by reviewing the programme of events and, at the suggestion of Audit and Scrutiny Committee members, establishing a more mixed approach including videos, briefing notes, face-to-face training and online learning.

The council's decision-making structure is effective

25. North Ayrshire Council operates a cabinet system. This is the main decision-making body and is made up of the administration. This system works well and is supplemented by a policy advisory panel that provides all elected members with an opportunity to influence strategic and policy developments.

26. Council business is transparent, with all decisions being made in public, unless they are commercially sensitive. Full council meetings, cabinet meetings and Integration Joint Board (IJB) meetings are streamed online and all reports are uploaded to the website three working days before meetings. Elected members also update community councils and local community groups. The council has worked on making documents more readable and providing good online search functions so that the public can easily find information.

Part 2

How well is the council performing?



North Ayrshire has one of the highest rates of deprivation in Scotland. It also has a shrinking population, particularly among the economically active. These factors present significant challenges for the council. Despite this, the council is performing well and is a frequent award winner and early adopter of national pilots.

Council performance has improved over the last five years, though, like other councils, it has levelled off in the last year. There has been a deterioration in most education performance indicators, which the council is working to address.

Performance reporting systems are clearly focused on priority areas. Targets are realistic and kept under review. Performance information is readily available in a variety of formats. Reports have become more user-friendly and focused in recent years.

Apart from a recent decline in education indicators, the council is performing well

27. Despite facing deprivation, demographic and economic challenges, the council is a frequent award-winner and early adopter of national pilots. For example, in 2017, the council was awarded two gold and two bronze COSLA awards and was named 'Council of the Year' at the Association for Public Service Excellence (APSE) awards. In 2018, the council's partnership with businesses and other public sector organisations to drive business growth in North Ayrshire (Team North Ayrshire) won an APSE award for the best public/private partnership, and the council won two COSLA bronze awards for its Inclusive Growth Diagnostic pilot and its locality partnerships. The council was also the first in Scotland to secure an Investors in People platinum award for its housing service.

28. The Improvement Service's Local Government Benchmarking Framework (LGBF) brings together a wide range of information about how all Scottish councils perform in delivering services, including cost of services and residents' satisfaction. The framework also enables one council to compare its performance with the Scottish average and with other councils. Relative performance can be assessed by dividing performance into four quartiles. Quartile 1 contains the best-performing councils and quartile 4 contains the poorest-performing councils.

29. North Ayrshire council compares its performance annually against LGBF indicators. It compares with the prior year and the five-year trend. The council's LGBF analysis of 69 comparable indicators showed that, in the five years from 2014/15 to 2018/19, performance improved for 49 per cent of indicators in absolute terms. In terms of relative performance, there was a slight improvement over the five-year period. In 2018/19, the proportion of indicators in the top two quartiles was the same as five years ago, and there are fewer indicators in the bottom quartile. However, the council's analysis shows a decline in performance in the last year, with more indicators in the bottom quartile compared to 2017/18.

30. Audit Scotland's analysis of LGBF indicators is based on 49 indicators, which are measured annually and have been in place for the five-year period from 2014/15 to 2018/19. At the time of writing, the 2018/19 data for five of these indicators was still to be released. For consistency, we have analysed trend data for the 44 remaining indicators. The five indicators excluded from the analysis all sit within children's services and the council's performance in these indicators has previously been strong.

31. Our analysis shows the same trends as the council's analysis. The council performed above the national average for most indicators between 2014/15 and 2018/19. Performance improved overall during this period, with more indicators in the top two quartiles. However, in 2018/19, there were more indicators in the bottom quartile than there had been in the previous year or five years ago ([Exhibit 2, page 16](#)). According to the most recent Improvement Service report, a pattern is emerging across councils in Scotland where performance improvements gained in recent years are beginning to slow or decline in all key service areas.⁴

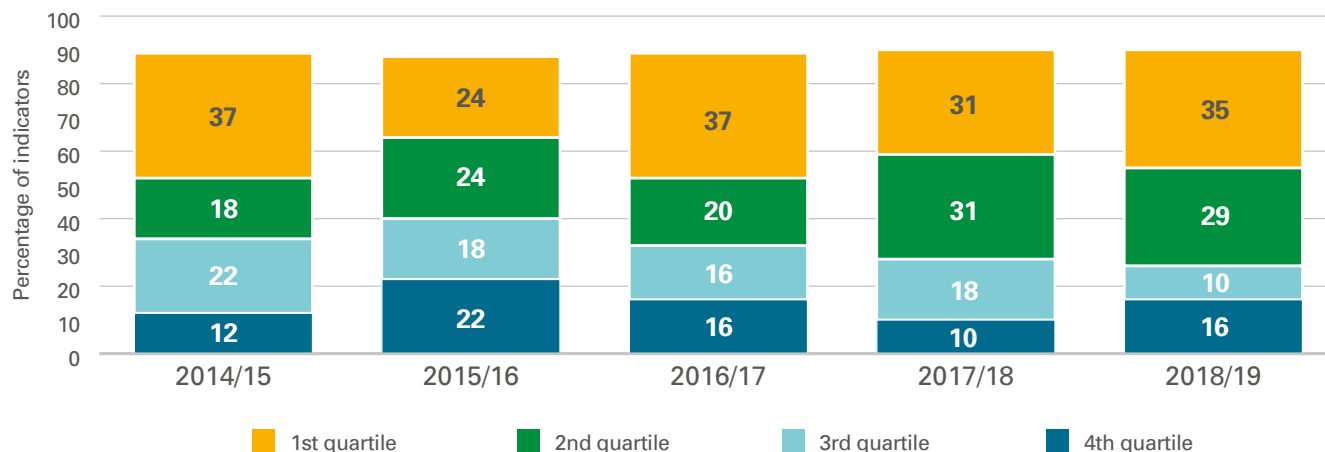
32. The council performs well compared to other councils in most service areas:

- Performance is consistently strong for housing services, which is one of the council's priority areas. All indicators sit in the top quartile.
- The council performance is strong and improving in culture and leisure services and corporate services. The majority of indicators are in the top two quartiles for both these service areas.
- Economic services are a priority area for the council. Overall performance has improved in recent years, and most indicators are in the top two quartiles. Procurement spent on local enterprises currently sits in the bottom quartile, but the council aims to address this with its Community Wealth Building strategy (discussed in [Part 5](#)).
- Performance is more mixed but still improving in social work and environment. In social work, the proportion of spending on self-directed support is low and the council is reviewing this. In environment, the council is performing well except in relation to road condition. The council took a decision, based on a consideration of council priorities, to invest to maintain roads in their current condition rather than investing to improve their condition.

Exhibit 2

The council's LGBF relative performance, 2014/15–2018/19

During this period, the council performance was above average for the majority of indicators.



Notes:


1. Measuring council performance involved considering how all councils in Scotland are performing, ranked from lowest to highest, for each indicator. Relative performance against other councils was divided into four equal bands, or quartiles. The first quartile contains the best-performing councils for that indicator and the fourth quartile contains the poorest performing councils.

2. The analysis is based on 44, mainly outcomes-based, indicators which were reported every year within the five-year period. The analysis excludes satisfaction or cost-based indicators where high or low cost cannot be easily determined as positive or negative. As data for five of these indicators is still to be released for 2018/19 these were excluded from the analysis, which is why the total is 90 per cent rather than 100 per cent.

Source: Audit Scotland analysis of LGBF indicators

33. In children's services, there has been a recent decline in performance in most LGBF education indicators ([Exhibit 3, page 17](#)). In 2018/19, all tariff scores declined. The council believes that a decision to reduce subject choices in 2016, to help deliver necessary budget savings, may have contributed to the decline in tariff scores. In response to this, the council provided head teachers with the option to increase subject choices in 2018 and most schools have now done so. Improvements will take time to filter through as students move through the senior phase. Despite this decline in LGBF indicators, in-depth reports from Education Scotland are generally positive ([paragraph 38](#)). Other children's service indicators are generally performing well compared to the Scottish average although 2018/19 data is not currently available.

Service satisfaction exceeds the national average for five of the nine LGBF indicators

34. LGBF  data shows that satisfaction with council services has declined across Scotland, including in North Ayrshire, however, the council is still performing better than the Scottish average for satisfaction with libraries, refuse collection, street cleaning, local schools and adult care ([Exhibit 4, page 18](#)). It performs below the average for overall satisfaction with social care and social work services, and with museums and galleries.

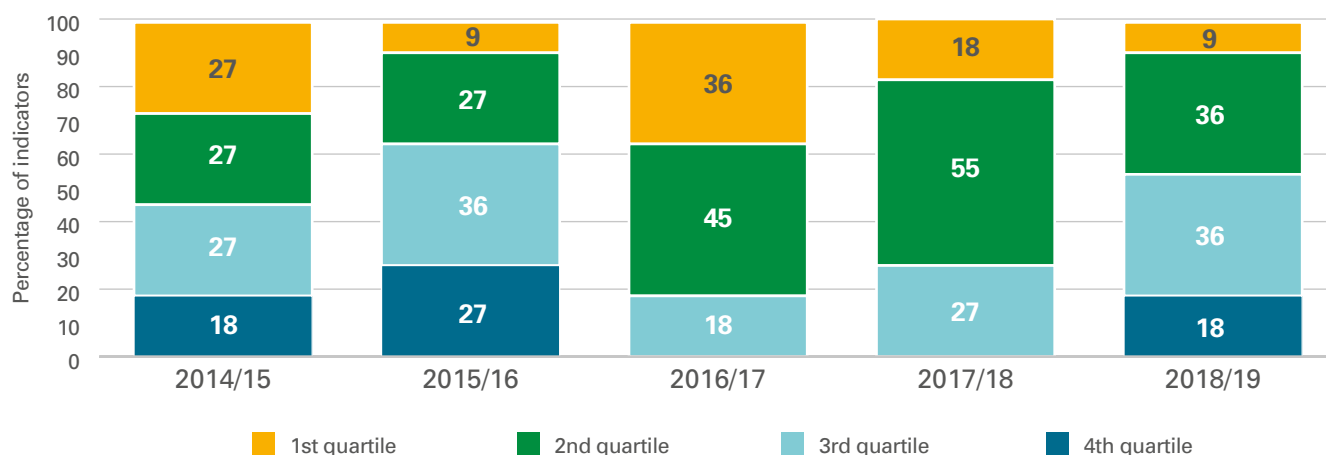


LGBF includes indicators to assess customer satisfaction with council services. These are based on results from national surveys such as the Scottish Household Survey (SHS) and the Scottish Health & Care Experience Survey.

Exhibit 3

North Ayrshire Council comparative education performance 2014/15–2018/19

Performance has fallen in the last year.



Notes:

1. This analysis excludes the non-education children's service indicators and the indicator for the proportion for positive destinations performance of education services.
2. Totals do not always add up to 100 due to rounding.

Source: Audit Scotland analysis of LGBF indicators

35. North Ayrshire is one of the poorest performing councils in Scotland for satisfaction with leisure facilities and parks and open spaces. The council believes that its decision, in line with its priorities, to disinvest in open spaces alongside the permanent closure of one facility and the temporary closure of another for remedial works soon after opening, contributed to the decline in satisfaction. However, the number of visits to leisure facilities continued to increase in 2018/19 and turnover increased by 4.3 per cent compared to the previous year.

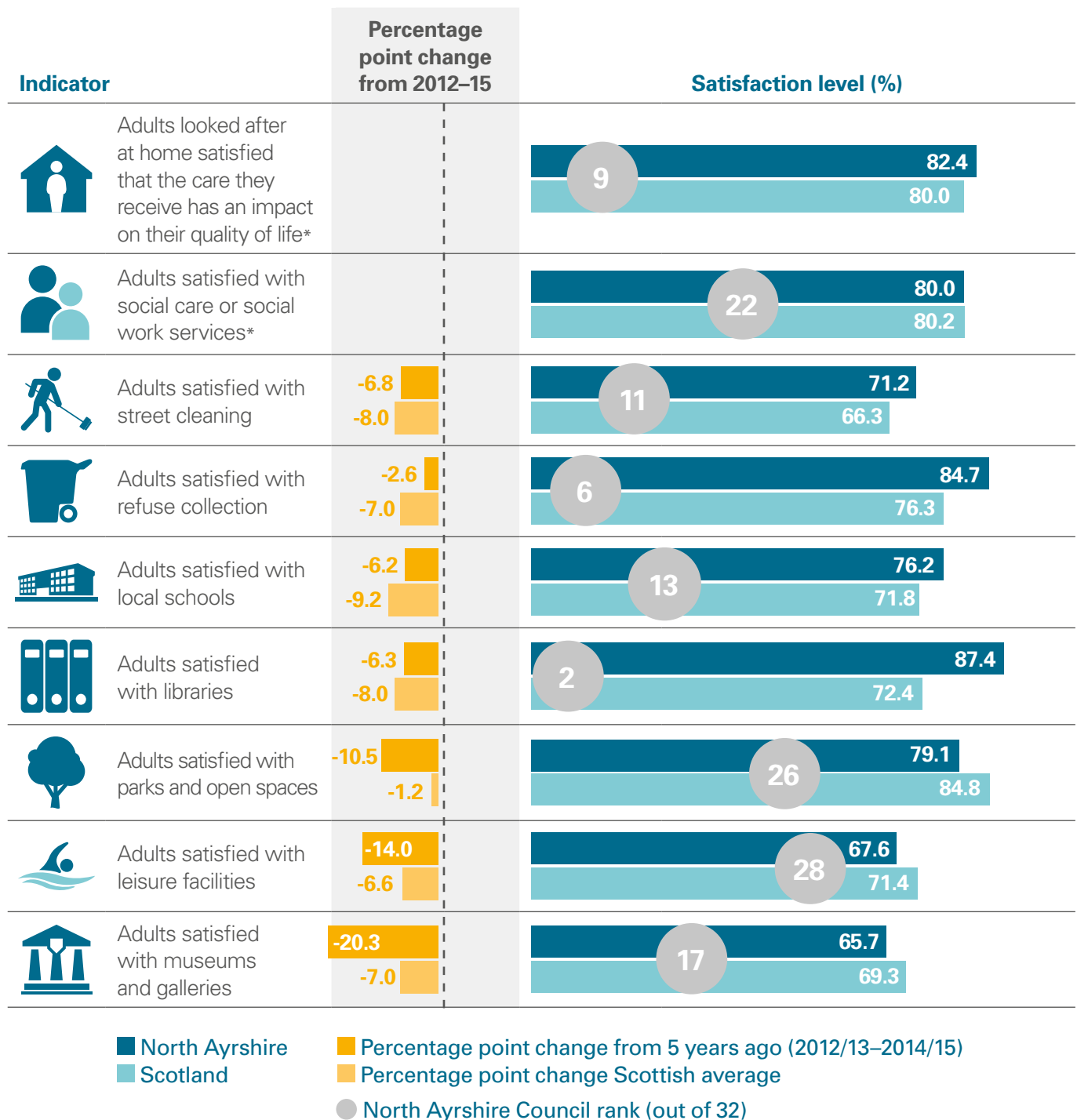
36. The council carries out tenant satisfaction surveys every two years. The most recent survey (2018) involved 1,500 face-to-face interviews. Overall satisfaction increased by five per cent to 91 per cent between 2016 and 2018. Satisfaction improved for six of the seven key tenant satisfaction indicators. The percentage of gypsies/travellers satisfied with the landlord's management of the Redburn site declined. Although satisfaction declined, the council had achieved the June 2018 target for minimum site standards for gypsy/traveller sites set out in the Scottish Government guidelines.

37. The council also has its own satisfaction measures for overall customer service, and for community participation and decision-making. Despite a decline in 2018/19, the council's performance portal shows that the customer service satisfaction measure, 'percentage of customers delighted with the overall customer service', has performed ahead of target for the last three years.

Exhibit 4

North Ayrshire Council performance against LGBF service satisfaction indicators, 2016–19

North Ayrshire Council's satisfaction rates are above the national average in five indicators.



Notes:

1. Satisfaction levels are based on three-year rolled average responses to Scottish Household Surveys, with the exception of indicators marked '*'.

2. Indicators marked '*' are from the Scottish Health and Care Experience Survey and presented for 2017/18.

Source: Audit Scotland using the LGBF satisfaction measures from 2016-19 and the Scottish Health and Care Experience Survey from 2017/18

Scrutiny bodies are positive about North Ayrshire Council

38. Scrutiny bodies have reported positively on North Ayrshire Council in recent years:

- Education Scotland's inspections of Education Psychology Services (August 2016), Community Learning and Development (July 2018) and Education Services (July 2019) were generally very positive and include examples of sector-leading practice. Two of these reports highlighted the council's commitment to self-evaluation, commenting that the council's approach is robust and leads to service improvements. In 2018/19, five of the nine Education Scotland inspections of schools and early years settings were graded as 'good' or 'very good' and one was graded as 'weak'.⁵
- The Care Inspectorate and Healthcare Improvement Scotland conducted a joint inspection on the effectiveness of (adult) strategic planning in North Ayrshire Partnership in March 2019. It concluded that the partnership had made progress in developing a performance reporting framework, and that it had clear strategic leadership and direction and a positive culture. Operational, strategic planning and commissioning arrangements were assessed as good, and the partnership was assessed as 'adequate' for its key performance outcomes.
- In 2018/19, the Care Inspectorate awarded North Ayrshire Council 13 'very good' or 'excellent' gradings from its 14 social care inspections, and six 'very good' or 'excellent' gradings from its seven early learning and childcare inspections. It also awarded the council and partners the highest accreditation possible for its housing support services and hostel provision.
- The Scottish Housing Regulator produces an annual landlord report for each council, which analyses performance against the standards set out in the Scottish Housing Charter. The 2018/19 report for North Ayrshire Council shows that the council is performing better than the Scottish average for all aspects of tenant satisfaction and value for money. The council is also performing better than average for five of the six aspects of quality and maintenance of homes.
- Following benchmarking against all other Scottish social landlords, the Scottish Housing Network, a consortium of Scottish social landlords, found North Ayrshire to be the top performer in terms of both level of service and value for money in 2018/19.

39. Two of the council's key committees are the Cabinet and the Audit and Scrutiny Committee. Both committees consider external reports and scrutiny where appropriate. Following the recommendations for improvement set out in the External Audit Interim Report 2018/19, the Audit and Scrutiny Committee carried out a self-evaluation to assess its effectiveness. The self-assessment was based on 67 questions and 14 improvement actions were identified through the exercise. The committee agreed to repeat this self-assessment on an annual basis.

Performance management arrangements are robust, clearly focused and show that the council is performing well in most priority areas

40. Performance management arrangements are strong. The council produces a range of service-level operational plans that are clearly aligned with and support the Council Plan. These operational plans define the actions being taken to achieve the council's priorities. The council has developed a range of performance measures and regularly monitors progress.

41. The council monitors and reports on 34 performance measures, including nine measures from the LGBF, which it considers key in providing a high-level overview of the council's performance against the Council Plan. These indicators are closely aligned with the Council Plan's priorities and are set out in the performance management framework. The relatively small number of indicators demonstrates focus and allows clarity of reporting. In total, the council reports on 97 performance measures through its North Ayrshire Performs portal, as part of its public performance reporting duties.

42. The council's 2019/20 mid-year progress report shows good performance against most of the 34 indicators, with only four indicators slightly adrift of their targets. Only one of 116 associated actions were reported as being significantly adrift of target, with a further two slightly adrift of target. Where performance was adrift of target, the report provided both an explanation and details of the proposed response.

43. The council is clear about what is included in each indicator and has a list of sources to ensure that progress against each indicator is measured consistently. The council has set targets which are regularly reviewed and are designed to be both ambitious but also realistic. For example:

- Ambitious five-year housing targets - a 99 per cent increase in empty homes back into use by 2024 and an additional 1,575 council houses by 2025 - reflect planned housing investments.
- The target for employee engagement was 72 per cent in 2024, based on actual performance of 71.2 per cent in 2017/18. The low stretch reflects the council's current strong performance and the council's aim to maintain this.

44. The council also uses the LGBF as a tool to assess performance annually and track progress relative to other councils. The LGBF data for 2017/18 was analysed and reviewed by the ELT in April 2019. This formed the basis of reports that went to the council's Cabinet and Audit and Scrutiny Committee, both in May 2019. These reports showed the results of the LGBF indicators for 2017/18 and highlighted indicators which reflect council priorities. A summary of the council's performance and detailed commentary on performance, improvement activity and future aspirations were given for each indicator. The council highlighted areas of declining performance in addition to reporting on areas of good performance.

45. The LGBF family groups are groups of councils facing similar challenges based on population density and deprivation. The council compares its performance against councils in its LGBF family group for a selection of indicators that it deems to be appropriate.

The council's public performance reporting is continuously improving but there is scope to further enhance the online portal

46. The council provides a range of performance information online and has worked to improve both the content and the accessibility of information over time. Recent annual performance reports have provided a balanced view of the council's progress towards achieving its priorities. The council highlights its key achievements and uses case studies effectively to demonstrate the impact that council initiatives are having on improving outcomes. In 2018/19, the council added an extra element to the report, named 'Areas of Focus', which details how the council plans to improve performance and deliver on its priorities in the next reporting period. The mid-year progress update for 2019-20 builds on this and gives a balanced view of performance in terms of key achievements and areas of focus.

47. In addition to publishing annual performance reports, members of the public can access more detailed performance information through an online portal, North Ayrshire Performs. Performance information in the portal gives a comprehensive picture of performance across the council. The portal uses a traffic-light system which shows how the council is performing against various indicators. The council gives a balanced commentary on performance against each indicator and, where relevant, outlines the steps taken to address underperformance.

48. The overall design of the North Ayrshire Performs tool could be improved to increase usability. The tool does not have a search function and this can make it difficult to find specific performance information quickly. Moreover, the tool does not scale properly to mobile screens, making it less user-friendly.

49. North Ayrshire Council has improved its engagement with the public in relation to performance. The performance team is currently investigating the best ways to reach different demographic and social groups. The council has increased its social media presence, and these channels are being used to raise awareness of performance to a younger audience. The council also continues to use more traditional methods to share information, for example messages displayed in public buildings such as libraries and town halls.

Part 3

Is the council using its resources effectively?



The council has a good approach to financial planning, and effective financial management arrangements.

The council has a ten-year long-term financial outlook (LTFO), which estimates a potential funding shortfall of £156 million over the period. This sets the context for more detailed medium-term financial plans and annual budgets.

There are budget gaps of £9.248 million in 2021/22 and £9.817 million in 2022/23 that still need to be addressed.

The council has a history of delivering services within budget. However, detailed savings plans are not fully developed to address the predicted funding gap over the medium to long term.

The council has a good approach to financial planning, with strong engagement with elected members and communities

50. The council has a ten-year long-term financial outlook (LTFO) covering the period 2018/19 to 2027/28. This identified an estimated funding shortfall of £156 million over this period. The Local government in Scotland: financial overview 2018/19 reported that only ten councils in Scotland conducted financial planning covering more than five years. The approach taken by North Ayrshire Council is a positive step to help manage the financial challenges and to make well-informed decisions which are aligned to council priorities.

51. The council's analysis highlighted the implications of changes to the underlying assumptions, estimating that the funding shortfall could be between £49 million and £264 million. The LTFO provided the context for a more detailed medium-term financial plan (MTFP) and annual budgets.

52. The latest MTFP, covering the period 2020/21 to 2022/23, builds on the previous year's MTFP and the analysis within the LTFO. The council agreed a balanced budget for 2020/21. This included planned savings of £4.330 million; however, gaps of £9.248 million and £9.817 million remain for 2021/22 and 2022/23, respectively.

53. The council engaged well with elected members and communities as part of the budget process and is continually looking for ways to improve its budget engagement.

54. The council provided elected members with an updated financial outlook for the period 2020/21 to 2022/23 in December 2019. This updated the assumptions set out in the LTFO covering: the economic outlook; the Scottish landscape; the financial outlook for North Ayrshire; the Health and Social Care Partnership; and the council's approach to ensuring future sustainability and the alignment of resources with key priorities and the Capital Investment Programme. Officers provided information through members' seminars. The council shared information on the financial pressures it faced and options to reduce expenditure. The options were aligned with the priorities in the Council Plan.

55. The council carried out a programme of engagement with communities. These sessions were delivered by the chief executive and senior officers through November and December 2019. This engagement sought views on the new council transformation themes (discussed further in [paragraph 108](#)) to help inform the MTFP. Each savings proposal put forward as part of the 2020-21 budget was aligned with both council priorities and the new transformation themes. In addition, building on the innovative development introduced in the 2019/20 budget-setting process, officers assessed the impact that each savings proposal would have on communities, ranging from no impact through low to high negative impact to positive impact.

Effective financial management arrangements are in place

56. The council has effective financial management arrangements in place and has a good track record of delivering services within budget. The council reported a break-even position in 2018/19 and achieved its budgeted savings of £5.094 million. Underspending had been reported in previous years, which was carried forward and earmarked for specific purposes.

57. The council reviews its reserves policy on an annual basis, taking account of known commitments, potential liabilities and the risk profile of the council. It has used reserves in recent years when required. This included reducing unearmarked reserves to the current minimum level of 2 per cent of net expenditure ([Exhibit 5, page 24](#)).

The council has made good progress with its transformation agenda; however, it still faces a significant shortfall and detailed plans are not yet in place

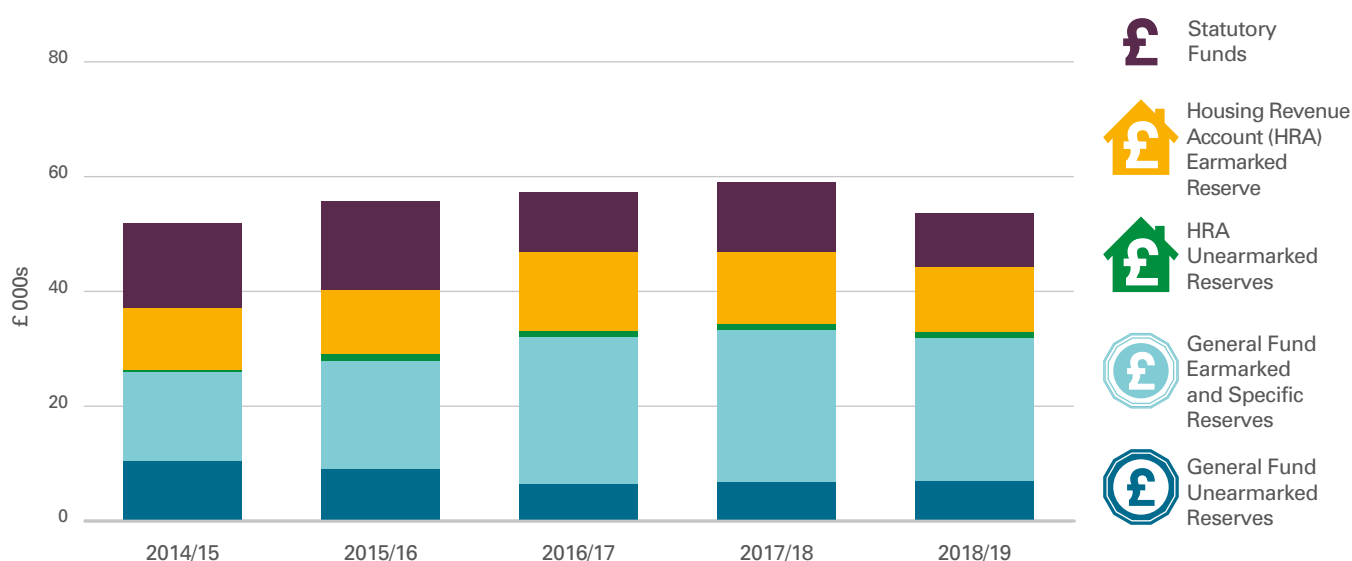
58. The cabinet approved the previous transformation programme (T2) in November 2015, with an aspiration of going from 'Good' to 'Great' to 'Leading'. Activities described as transformational and which delivered savings in the short to medium term accounted for £6.7 million over the T2 period, representing 23 per cent of the total savings delivered during that period (2015-18). The remaining savings over this period, which the council did not classify as transformational, were achieved through a combination of income generation and reducing or stopping services. Transformation activities included:

- mitigating demand within a range of services including care at home

- applying digital and technology strategies to support streamlined and more efficient ways of working
- creating more efficient integrated teams to deliver a better outcome for customers.

Exhibit 5

North Ayrshire Council Reserves, 2014/15–2018/19



Source: North Ayrshire Council

59. In addition to identified savings, the council has plans for further development in its next stage of transformation:

- the development of organisational capacity to support transformational activity
- enhanced collaboration, to harness skills and experience from across the council
- empowering citizens, colleagues and communities to reimagine the relationship they have with the council.

60. In 2017, APSE awarded the council an award for the best efficiency and transformation initiative in the UK. The latest transformation programme, approved in June 2019, sits alongside the Council Plan and specifies projects aligned to the core transformational themes. The projects were informed by community engagement on the budget. The savings estimates for the projects identified to date amount to £15.463 million. There is therefore still a shortfall of £25.403 million (54 per cent) required to fill the gross funding gap for the period 2020/21 to 2021/22.⁶

61. The transformation themes developed as part of the 2020/21 budget are:

- caring for people - through the Health and Social Care Partnership (HSCP)
- land and property assets
- service delivery models
- transport and travel
- charging for services
- children, young people and communities.

62. In addition to earmarking reserves for the transformation projects, the council has earmarked reserves specifically for supporting transformation and reducing the medium-term funding gap. This has largely been possible as a result of a review of loans fund advances following a change in regulation which allowed the council to revise its debt-repayment timelines. While there is no change in the overall level of loans fund advances that the council needs to repay, the re-profiling of the principal and interest payments allowed the council to transfer £8.8 million to reserves.

63. The specific earmarked funds include:

- **The Change and Service Redesign Fund (£2.3 million)** – set up in previous years to support delivery of significant change and transformation activities.
- **The Investment Fund (£8.8 million)** – to support Community Wealth Building activity, deliver sustainable investment in the environment and support the economy. The council has recognised that this fund will need to cover the cost of any necessary workforce changes. Community Wealth Building is discussed in more detail in [paragraph 113-116](#).

64. Given the scale of the changes required, it is important that the council ensures that an adequate supporting infrastructure is in place to deliver the changes planned. The council is refining the governance and monitoring framework to support the transformation programme for 2020/21 onwards. It already has a number of processes in place, including: monthly meetings between the chief executive and transformation theme leads and supporting chief officers; bi-monthly meetings of the Chief Officers Leadership Team (COLT), where transformation is a standing agenda item; and support from the corporate change team. The council has not yet identified the skills necessary to implement the plan. Tools and templates have still to be fully developed to assess whether the intended benefits of change have been achieved.

The capital planning process clearly aligns investments with the council's priorities

65. In its ten-year Capital Investment Strategy, the council sets out how its spending on its land, buildings, housing, and plant and equipment is intended to benefit communities and citizens. The strategy provides a framework to support the Capital Investment Programme which is updated annually as part of the budget-setting process. In 2020-21, this will be carried out alongside an update of the Capital Investment Strategy.

66. The Capital Investment Programme, approved in March 2020 and covering the period to 2027/28, included investment plans of £269 million. The most significant elements of the programme, aligned with the priorities of the council ([Exhibit 6, page 27](#)), are set out below:

- Ardrossan Community Campus (£70 million)
- the completion of a school for those with additional support needs (£17 million)
- Moorpark Primary School (£9.2 million)
- Montgomerie Park School (£9.6 million)
- Upper Garnock Flood Protection Scheme (£14.9 million)
- Millport Coastal Flood Protection Scheme (£26.8 million)
- Ayrshire Growth Deal projects (£49.8 million).

The council has significantly improved its procurement arrangements

67. The council has significantly improved its procurement arrangements since the previous Best Value report in 2011:










- A corporate procurement strategy is in place (last updated in December 2018). This highlights the council's aim to make smarter use of its resources and recognises that procurement is an essential part of support services across the council.
- In accordance with the Procurement Reform (Scotland) Act 2014, the council publishes an annual report on its procurement. This reviews whether its procurement complies with its procurement strategy and highlights any areas for future development.
- Scotland Excel carried out a focused Procurement and Commercial Improvement Programme assessment of the council in December 2018, as part of its second round of such assessments of local authorities in Scotland. The council received an overall score of 77 per cent, placing it in the highest performance band.

The council has a coordinated approach to workforce planning and is developing workforce plans to support transformational change

68. The council carries out workforce planning at service level, with guidance in place to direct a consistent approach throughout the council, while also allowing flexibility for individual service needs. The HR team reviews plans to ensure the guidance is being applied consistently. It has completed PESTLE (political, economic, social, technological, legal and environment) analysis, which will help the council understand external factors which can impact on strategies and future plans. Templates have also been prepared for each service outlining areas of known growth or decline together with factors relating to talent and succession consideration. The council has also developed an approach to help it determine if the ratio between the number of direct line employees to managers is appropriate. This is used during service reviews and service redesigns and is amended as appropriate to different services.

Exhibit 6

Capital investment is clearly linked to the council priorities

Council Plan 2019-24 Priorities		Sum of Investment £ million
A Council for the Future		6.201
	An efficient council that maximises resources and provides value for money	6.201
Aspiring Communities		87.985
	Children and young people experience the best start in life	83.462
	Inclusive, growing and enterprising local economy	0.431
	Residents and communities are safe	0.092
	Residents and communities enjoy good life-long health and wellbeing	4.000
Inspiring Place		174.952
	A sustainable environment	53.373
	Homes that meet residents and needs	4.600
	Vibrant, welcoming and attractive environment	0.744
	Well connected and effective infrastructure	116.235
	Total Investment (2020/21 to 2027/28)	269.138

Source: North Ayrshire Council

69. The ELT receives regular reports from HR on progress with workforce planning carried out at service level. This allows senior management to have clear oversight on the challenges and opportunities across the council including redeployment to areas with specific need. Examples of successful redeployment include:

- Following the Community Warden Service ceasing, the council redeployed five Community Wardens into a new Environmental Team.
- The Trainee Early Years Practitioner (EYP) Programme provided an opportunity for staff across the council to retrain as an EYP. Twenty-nine employees successfully completed the programme and took up posts from July 2019 which contributed to the workforce planning needs of the early-years expansion programme.

70. Service workforce plans are at different stages of development. As future service models emerge from the council's transformation activity, the workforce plans will be developed further. Services utilise data such as demographic projections and workforce costs, to inform decisions on the current and future workforce, and to ensure alignment with the council's financial challenges and transformation activity. Clear alignment is needed with the council's transformation projects, to allow the council to have information on the numbers, cost and skills of the current and desired workforce and facilitate the transition from the current workforce composition to the desired workforce.

The council has taken a 'grow your own talent' approach in response to difficulties with recruitment and retention

71. In specific areas where it has faced difficulties with recruitment and retention, the council has applied a 'grow your own talent' approach. Examples of this across the council include the following:

- In response to the nationwide deficit in qualified and experienced planners, the planning service re-designated planning officer posts to planning assistants and recruited new graduates. The council continuously supports staff development which has resulted in successful progression within the team.
- A restructure within the payroll team has created entry-level posts and a career path to allow progress into more senior roles within the payroll team.
- Within education, the council is encouraging probationers to stay, promoting career changes into early years education and working to upskill teaching assistants.

72. The previous chief executive left in 2018 through voluntary early retirement. As part of this process the council proposed a wider restructure to streamline the extended executive leadership team and to align it with the structure of the council plan. This was supported by a business case setting out the financial and legal implications, with overall savings at that time estimated to be around £258,000. The costs associated with the departure of the previous chief executive were £29,000.⁷ While the savings to the council were recurring savings, the costs associated with the departure of the chief executive were a one-off. The final decision for the wider restructure was left to the new chief executive.

73. To ensure succession planning, the previous chief executive had been developing and coaching executive directors on various aspects of the role of the chief executive. An internal recruitment process was therefore conducted targeted at executive directors. If this process had been unsuccessful, it would have then moved to a full external recruitment process. While there are disadvantages to restricting the pool to internal candidates the ELT is effective, as reported in [paragraph 22](#).

74. The wider restructure has taken longer than initially anticipated, with a two-phase implementation plan agreed. Phase 2 is due to be fully implemented by the end of June 2020, and takes account of further changes in senior posts, with savings now estimated to be around £400,000.

75. The council has used a series of tools and approaches to develop leadership capacity, including the following:

- Its Leadership Academy was set up to develop the council's leadership capacity. It provides skills, knowledge and behavioural development for leaders at all levels.
- In 2018, the council introduced a 'Blue Wave of Change' programme, to further develop strategic leadership. It involves fundamentally changing leadership thinking, integrating more effective team working, with a view to improving the experience of people who use council services. Case studies are now being shared with teams across the council.
- The council is introducing its 'Connected Leadership' programme in April 2020, to build on the work initiated through the 'Blue Wave of Change' programme. The programme will continue to focus on the council's overall leadership development, to help support delivery of the Council Plan priorities.

76. Staff feel valued and speak positively about working for the council and about its supportive culture.

77. The 2019 staff survey showed a response rate of 46.2 per cent compared with 35.5 per cent in 2017 and the percentage of staff that felt they were engaged stayed consistent at 71 per cent. Four engagement factors are used to measure engagement:

- **Identification:** How much employees relate with what the council aims to achieve
- **Advocacy:** Whether employees speak positively about the council
- **Retention:** How much employees want to stay with the council
- **Commitment:** The drive to go above and beyond what is required for the good of the council.

78. Similar areas of strength to previous years were noted from the 2019 survey, including clarity and purpose of job roles, teamwork, effective relationships, development opportunities, terms and conditions, support available and flexible working.

79. Since the initial survey in 2012, the council has identified a series of key themes for improvement and carried out related actions. This is reflected in the improved results in 2019. Specific examples include:

- Previous surveys highlighted the effectiveness of communication from managers as an area for improvement. Actions taken to ensure employees receive consistent information include creation of focus groups, a new staff news website and use of digital methods of engagement and communication. As a result of these actions, the percentage of employees responding positively to effectiveness of communication has increased from 49.6 per cent to 61.9 per cent.
- Manager skills in communicating, motivating and developing employees was identified as an area for improvement in 2012. The council introduced its Leadership Academy, Leadership Conferences and platforms to encourage managers to share learning and support each other. This was not identified as an area of improvement in the 2019 results.

80. The 2019 survey also identified areas for improvement, particularly around staff having sufficient time to do their job and multiple demands on their time. The detailed findings from the 2019 survey were shared with senior staff in late November 2019 and senior managers are working with teams to identify strengths and areas for improvement relevant to their own areas.

Part 4

Is the council working well with its partners?



The council is working effectively with its partners to improve outcomes and address significant challenges.

The CPP works well as a partnership. There is a clear sense of ownership of the vision and an established culture of working together to address priority areas.

The council is committed to community empowerment and its work to mainstream community input into day-to-day decision-making is recognised nationally. Despite challenges, the council has worked to engage with hard-to-reach groups.

The council is working with partners to tackle the region's economic challenges through, for example, the Ayrshire Growth Deal and the business-led Team North Ayrshire.

The council and NHS Ayrshire and Arran have a strong partnership. The IJB works well despite financial challenges and is improving outcomes for local communities.


The CPP has a clear strategic direction and partners are committed to working together to improve outcomes

81. Our 2011 Best Value report on North Ayrshire Council noted that the council and its partners worked well together and had a shared vision. It also identified three recommendations for improvement, which were to:

- develop a set of principles and framework for effective partnership working including performance indicators to measure overall effectiveness
- undertake a governance review of the CPP to further improve its effectiveness and secure increased elected member involvement
- work with partners to prioritise and refine the performance indicators used.

We carried out a separate audit of community planning in North Ayrshire in 2013 and found evidence of improvement. Since then, the CPP has carried out significant improvement work and has made good progress against the 2011 recommendations.

82. The CPP agrees performance indicators and targets, and these are clearly aligned with the ambitions and outcomes identified in the LOIP and the Council Plan. Performance is reported annually, and action is taken when performance is below target.

83. Elected member engagement with the CPP is well established. Eight elected members sit on the **CPP board** , and all elected members are kept informed of CPP activity through briefings.

84. Positive working relationships continue to be central to the work of the CPP. The CPP Senior Officers Group - which comprises senior members of the partnership's organisations such as chief executives and directors - meets regularly. Members are enthusiastic about working together and sharing knowledge, and feel supported by the CPP and the council. The Senior Officers Group makes use of an activity tracker, which makes responsibility for each CPP initiative clear and ensures that all priority areas are subject to appropriate scrutiny and review. [Case study 2 \(page 33\)](#) provides some examples of the council's work with its partners to improve jointly agreed outcomes.

85. The CPP has an effective governance structure that facilitates the identification and delivery of priority outcomes. Engagement with communities and the third sector is enhanced through the Third Sector Interface, which is a member of the CPP Board and has a representative in the Senior Officers Group. It also chairs the CPP's Community Engagement Network.

CPOP analysis shows a general trend of improvement but there are areas where North Ayrshire falls behind the Scottish average

86. The CPP submits data to the Improvement Service's Community Planning Outcomes Profile (CPOP). The CPOP is a collection of measures designed to help determine whether residents' lives are improving. These measures are also known as outcomes.

87. North Ayrshire's performance across the range of CPOP indicators shows a general improvement in outcomes over the ten years 2007/08 to 2017/18 ([Exhibit 7, page 34](#)). Performance is below the national average for employment indicators and some health indicators (increasing emergency admissions rates and unplanned hospital attendances), reflecting demographic and economic challenges. These are priority areas for the council and partners.

The council is committed to community empowerment and is recognised as a sector leader

88. The aim of the Community Empowerment (Scotland) Act 2015 is to encourage and empower people to be more engaged with local politics and policy. At the heart of this is an intent to reduce disadvantage and inequality. The council seeks to embed community engagement and empowerment in every-day business, and to allow communities and elected members to have equal access to local decision-making.



CPP board membership

- Jobcentre Plus
- NHS Ayrshire & Arran
- North Ayrshire Council
- Scottish Enterprise
- Skills Development Scotland
- Strathclyde Partnership for Transport
- Scottish Fire and Rescue
- Police Scotland
- Third Sector Interface
- Ayrshire College
- KA Leisure (ALEO)
- North Ayrshire Health and Social Care Partnership

Case study 2

Examples of CPP joint working initiatives



- **A Working North Ayrshire**

Skills for Life is a programme aimed at helping long-term unemployed lone parents who had not been in education or training for some time. Participants attend a skills and training academy at Ayrshire College, gaining SQA (Scottish Qualifications Authority) qualifications. They then progress to a 26-week work placement with the council to gain work experience. Outcome: 78 per cent of participants secured employment or enrolled in further education after completing the programme.

- **A Safer North Ayrshire**

Operation Moranda is a joint campaign between Police Scotland and the council's protective service, aimed at protecting people targeted by fraudulent tradespeople and online and telephone scammers. The operation involved police and council officers engaging with 1,700 residents and providing them with preventative advice. Call blocking devices were also provided to vulnerable residents.

- **A Thriving North Ayrshire**

'Bullying - it's never acceptable' is a strategy devised by young people, parents, carers and education staff, and provides advice to North Ayrshire schools to ensure that there is a consistent and structured approach to dealing with bullying across all educational institutions.

Source: Audit Scotland

89. Some examples of the council's commitment to community empowerment include:

- 150 staff from CPP bodies have been trained in best practice community engagement techniques.
- The council and its communities are working together to develop a community charter. This is intended to establish a new relationship between communities and the council, including how the council serves and empowers its communities.
- There is good communication through the CPP website including the publication of plans, meeting papers and events calendars. Each locality partnership also has its own Facebook page.
- The council worked with the Consultation Institute to develop an approach to developing locality partnerships that enabled co-design and co-delivery with communities.

Exhibit 7

Change in performance for North Ayrshire's community planning outcomes, 2007/08–2017/18



















Indicator			North Ayrshire score in 2017/18	North Ayrshire absolute change	Scotland 2017/18	Scotland absolute change
Health		% of Babies with a Healthy Birthweight	89.9%	1.9	90.1	1.0
		Primary 1 healthy Body Mass Index (%)	81.7%	-1.9	84.3	0.1
		Emergency Admissions	29,313.6	3,297.1	25,614.6	907.5
		Unplanned Hospital Attendances	28,460.1	724.1	24,928.7	-1,380.2
		Early Mortality	445.5	-116.3	425.2	-91.6
Education		Educational Attainment	5.5	0.2	5.5	0.1
		Positive Destinations (%)	93.1%	7.2	94.1	7.6
Employment		Employment rate (%)	66.5%	-1.4	73.6	-0.2
		Median Earnings (£)	£441.0	99.0	442.3	81.4
		Out of work benefits (%)	15.5%	-1.8	10.9	-2.8
		Business survival (%)	62.4%	-0.4	60.4	-6.5
Community safety		Crime rate (per 10,000)	449.7	-296.2	450.2	-343.1
		Dwelling fires (per 100,000)	119.3	-11.2	98.0	-34.4
Cont.						

Exhibit 7 (continued)

Indicator		North Ayrshire 2017/18	North Ayrshire absolute change	Scotland 2017/18	Scotland absolute change
Environment	 Carbon Emissions	6.1	-4.2	4.4	-4.4
Other	 Fragility Index	107.5	5	101.7	1.9
	 Wellbeing	24.8	-7.6	24.4	-0.7
	 Fuel Poverty (%)	26.3%	-26.2	27.3	-21.6
	 Child Poverty (%)	23.3%	-1.5	16.0	-4.1

Note: The publication of 2018/19 data was delayed due to disruption caused by Covid-19. At the time of this report, the Improvement Service has not indicated when the 2018/19 data will be published.

Source: Audit Scotland and Community Planning Outcomes Profile, Improvement Service, 2017/18

90. The council approved the terms of reference for six locality partnerships in 2016. Membership of all six consists of an equal number of elected members and local people, as well as CPP representatives and a senior lead officer. The LOIP outlines how the partnership priorities address the CPP's Fair for All strategy.

91. The locality partnerships have all produced locality plans, which include actions intended to address their priorities. Most actions incorporate timescales and designate groups responsible for delivery including community stakeholders and partnership organisations, but some could be clearer about the impact they are expected to achieve. While all plans were published, they are not all still available online and are not all easily accessible.

92. Examples of locality partnership work include:

- Over 400 people took part in workshops in 2017 to identify priorities for locality plans.
- Over £1.4 million of Community Investment Funding has been agreed by locality partnerships, leveraging in over £0.9 million in external funding.
- The North Coast locality partnership funded a £100,000 skatepark to support its priority for young people's health and wellbeing.

93. There are many examples of the council transferring money, assets, and power to communities, including:

- The council published its community asset transfer policy and guidance on its website in 2017. The Council Plan reports that, to date, 18 asset transfers have been successfully completed and sustained. One successful transfer is Fullarton Community Hub, which is run by members of the community and includes facilities such as an employability hub, a youth club space, and a community café.
- The council earmarks portions of service budgets for participatory budgeting. Street Scene, which is the council's grounds maintenance service, allocated £750,000 of its budget to participatory budgeting. This approach was piloted in the Three Towns locality and received over 600 responses, with six key ideas being implemented.
- The Alcohol and Drugs partnership allocated £50,000 to engage with people with experience of substance misuse and identify new ideas and suggestions for tackling drug misuse.
- Over 250 people attended workshops and over 600 engaged digitally to restructure library services, using the available £1.4 million resource budget to reshape library opening hours to better suit the needs of local communities.

94. The council is working to mainstream participatory budgeting in its everyday business. The council's approach to community empowerment is recognised by COSLA, the Local Governance Review Team and the Scottish Government as good practice and earned the council a place in the finals in the 2017 APSE awards.

The council proactively engages with communities, including hard-to-reach groups

95. The council has engaged well with specific groups. For example, the council's Tenant Information Service holds a gold accreditation for the work it does in partnership with North Ayrshire communities. The local youth panel has taken on a lot of responsibility and receives good support from the council. The council uses a variety of techniques to get community feedback, including 'Chit-Chat', an informal way for people to discuss local issues with the council face-to-face.

96. The council strives to engage well with some of its most vulnerable communities, including people who are long-term unemployed or who have issues with substance misuse. Where possible, the council seeks to identify people who can act as advocates for these under-represented groups. This has worked well in some cases, for example, engagement with Syrian refugees.

97. In response to a sharp increase in drug-related deaths in 2019, the North Ayrshire Alcohol and Drugs Partnership (ADP), a multi-agency group committed to reducing drug and alcohol misuse, took the following actions:

- Held a summit in January 2020 to discuss potential ideas for interventions. There were 120 attendees who were either CPP members or who were members of the community with experience of substance abuse.

- Recruited several peer recovery workers onto its staff. These are people with experience of substance misuse. The peer recovery workers have allowed better engagement with people who have substance misuse issues. The ADP plans to expand this programme.

The council is working well with partners to improve the economy

98. The council has a clear understanding of the economic challenges that exist within North Ayrshire and published the Economic Development and Regeneration (EDR) strategy in 2010 to address them. The council recognised from the outset that private sector participation would be key to the successful delivery of a strategy. The strategy was developed by the EDR Board, which includes members from the private, public, and third sectors. The revised 2016 strategy's mission, 'to have created the most improved local economy by 2025', is supported by four strategic outcomes and six strategic objectives. The board reviews progress twice a year, and approves new action plans every two years.

99. One of the strategy's flagship initiatives is Team North Ayrshire (TNA). TNA was developed to address North Ayrshire's job density figure of 0.5 (one job for every two people of working age population), by providing local businesses with tailored support to help them develop and grow. Businesses are given a single point of contact from which they can access all the support available to them through the council and other EDR partners.

100. The approach provides tailor-made support that reflects the specific needs of businesses, and an external evaluation conducted in 2018 showed that TNA delivered £19 million in additional wages, £39.5 million in GVA and 590 jobs. The model is recognised as best practice by the Scottish Government and is an APSE award-winner.

101. The Ayrshire Growth Deal (AGD) is another key component of the EDR strategy. The Growth Deal was developed by the Ayrshire Regional Economic Partnership. It represents a £250 million investment across North Ayrshire, East Ayrshire and South Ayrshire and addresses local economic challenges with its strong focus on inclusive growth. The council worked closely with a range of partners to develop the proposal for the Growth Deal.

102. The Ayrshire Economic Joint Committee is responsible for the governance of the Growth Deal and the Ayrshire Regional Economic Partnership. The committee has 13 members, including three from each council, as well as representatives from the education and business sectors, Scottish Enterprise, and Skills Development Scotland. There is also a subcommittee which has higher levels of representation from the business and education sectors.

103. The Growth Deal has yet to be signed off, so it is clearly too early to report on the progress of deal projects. There is a strong collaborative ethos, however, within the Ayrshire Regional Economic Partnership, and members from all sectors are committed to the development and delivery of the deal.

The council and the NHS have a well-established partnership, strengthened by the North Ayrshire Integration Joint Board

104. North Ayrshire was one of the first areas in Scotland to form an IJB, in April 2015, and there is strong partnership working between the council and NHS Ayrshire and Arran as well as work pan-Ayrshire. The IJB is committed to continuous improvement and performed a self-evaluation against the Ministerial Strategic Group Review in May 2019. This identified improvement actions locally to increase the pace of transformation. These actions included:

- A pan-Ayrshire review developed the approach to 'Directions'. These tell the health board and council what the IJB will deliver with the integrated budget, and so help empower IJBs to use the totality of resources at their disposal to better meet the needs of the population. This approach was supported by the Scottish Government and resulted in guidance being issued to all IJBs by the Scottish Government in January 2020.
- Ayrshire and Arran was identified as a pilot board area to develop arrangements to fully implement the requirements for NHS boards to set aside a budget for large hospital services that are used by the associated IJB population (often referred to as the 'set aside budget').

105. The IJB has made good progress and there are examples of changes to models of service delivery designed to improve outcomes for residents. These include:

- the pan-Ayrshire model for enhanced intermediate care and rehabilitation, focused on high-quality care and support through early intervention and prevention action
- the Trindlemoss facility, which is discussed in [Case study 3 \(page 39\)](#)
- Kilwinning Academy, which piloted basing a child and adolescent mental health services (CAMHS) worker and social worker in the school, with a focus on early intervention and preventing crisis; after a significant fall in crisis interventions and referrals this pilot is now being rolled out to other schools.

106. In response to the need to increase the pace of delivery of transformation, the IJB is progressing its 'Think Different, Doing Better' experience. This is an innovative approach to engaging with all staff and community groups. The objective is to empower them to meet individual outcomes in a more creative, person-centred way. The ideas and outputs from each session are being collated and will be used to determine how services will look like in the future.

107. The financial position of the IJB continues to be challenging. Because of overspending in previous years, there is an outstanding loan amount of £5.1 million owed to the council. Repayment is unlikely in 2019/20 because of ongoing pressures within the IJB. The council has increased its level of scrutiny of the IJB's financial position, with regular reports to the council's Cabinet and to its Audit and Scrutiny Committee.

Case study 3



Trindlemoss

The IJB has developed a new model of service delivery for learning disability day services, designed to improve local outcomes and achieve financial savings.

A new, state-of-the-art day centre with residential accommodation was opened in January 2020 for North Ayrshire residents with learning disabilities. Run by the Health and Social Care Partnership, Trindlemoss will offer people with learning disabilities the chance to take part in a host of activities and learn new skills, as well as offering hydrotherapy, sensory experiences and outdoor spaces.

Part of the former Red Cross House at Tarryholme Drive in Irvine, Trindlemoss has been newly extended and fully refurbished to provide inclusive and enabling day activities in the heart of the community.

The central location of the facility will provide residents with opportunities to get involved in local activities, with plans for open days and community events at which activities can be shared with the community.

Estimated capital expenditure for this project is £7.402 million, which is being funded by both the council and NHS.

Savings of £578,000 were budgeted for 2019-20. These savings have not been fully achieved, however, because of a delay in the project. The estimated full-year saving is £848,000 across the council and the NHS.

Source: North Ayrshire Health and Social Care Partnership

Part 5

Is the council demonstrating continuous improvement?



The council has a strong culture of continuous improvement. It has significantly improved and has maintained progress since the last Best Value report in 2011.

Continuous improvement is embedded in the council's culture. Staff play an active role in identifying areas for improvement and are empowered to make changes.

The council has developed a clear link between plans, actions, spending and outcomes. Improvement activity is aligned with priorities and there is evidence of improvement activity resulting in better outcomes for residents.

The council has a flexible approach to continuous improvement which is resulting in improved services and outcomes

108. The council has made a deliberate decision not to have systematic service reviews. Instead, reviews are prompted by poor or declining performance, potential opportunities for transformation, external scrutiny and staff suggestions. Continuous improvement activity is focused, and evidence led. Decision-making is data driven. The council uses data to identify areas for improvement (for example the speed at which new child protection cases are investigated) and to inform changes to service delivery (eg, to inform changes to library opening times).

109. The council uses a framework of tools and regular activities to monitor performance and identify areas for improvement. These are:

- **Progress monitoring** – ongoing monitoring of progress against the Council Plan, operational service plans, individual work and development plans and financial plans. Quarterly Council Plan updates involve peer challenge, normally led by the chief executive, and annual progress reports are produced by each directorate.

- **Performance monitoring** – all progress monitoring reports contain performance data. In addition, trends are monitored on a quarterly basis by the performance team. This is taken to ELT for discussion and action as required. The council also monitors performance against the Council Plan delivery framework.
- **Benchmarking** – the council compares its performance with other councils and identifies areas for improvement. It uses the LGBF for some indicators and Insight and APSE where more appropriate.
- **Self-evaluation** – the council uses the Public Sector Improvement Framework and an EFQM tool for self-assessment. It also uses 'How Good is our...' self-evaluation frameworks to assess the performance of specific services such as schools and libraries.
- **Lean reviews** – the council has invested in Lean Six Sigma training for managers and staff. This quality improvement methodology is intended to enable staff to lead improvement processes and eliminate waste.
- **External audits and inspections** – the council acts on reports and recommendations from external bodies. For example, in its 2018/19 Annual Audit Report, the auditor found that there were effective governance and scrutiny arrangements in place and a culture of openness and transparency.⁸ The auditor recommended that, to ensure that the governance and scrutiny framework continually improves, the council should consider an annual self-assessment of governance arrangements. The council introduced this assessment in 2019/20.
- **Community and customer views** – the council regularly engages with communities on a range of issues (see [Part 4](#) for more information) and reviews customer complaints. Council services also gather customer views and feedback through a range of methods such as tenants participation groups, Consul (an online tool) and the People's Panel surveys.
- **Staff suggestions** also drive improvement activity at the council. The council encourages staff to question, challenge and collaborate to improve services and outcomes. Staff are empowered to make changes that improve the way services are delivered. This has given the council a very real culture of continuous improvement. There is an ethos of going from 'good to great' among staff.

110. The council's efforts to continually improve services and outcomes is resulting in good services. North Ayrshire council has been recognised by Education Scotland, the Scottish Housing Regulator and the Care Inspectorate for its good work across a range of services. The Association of Public Sector Excellence (APSE), which considers the quality of frontline services provided by all UK councils, named North Ayrshire Council the council of the year in 2017. In 2018/19, the appointed auditor concluded that the council's approach to focused performance improvement in specific areas is effective, as evidenced by the improvement in local performance indicators.⁹

111. The council's focus on continuously improving priority areas runs through its work. This can be seen in the council and Community Planning Partnership's work to reduce child poverty, which is explored in greater detail in [Case study 4](#).

Case study 4



Tackling child poverty in North Ayrshire

North Ayrshire has one of the highest rates of child poverty in Scotland. In order to tackle this issue, the CPP and the council have increased their focus on child poverty in recent years. In 2017/18, the council led the way in becoming a 'Child-Centred' council and celebrated the Year of Young People in 2018, which was aimed at giving young people new opportunities, celebrating their achievements and giving them opportunities to influence decision making on issues affecting their lives. Young People were included in developing the Year of Young People activities.

The council and the CPP have focused their efforts across a range of services, in the short and longer term, to address child poverty, and examples include:

- The Skills for Life Programme supports long term unemployed lone parents into employment, giving them a six-month mentored vocational placement within the council.
- The We Work for Families programme is a specialist employability and skills service for vulnerable families.
- As part of the Scottish Attainment Challenge, the council set up the Professional Learning Academy (PLA) in November 2016. The prime purpose of the PLA is to support class teachers to close the poverty related attainment gap by ensuring their practice is of the highest quality.
- The renewal of Free School Meals and the School Clothing & Footwear Grant is now an automated process. This has helped to reduce the cost of processing applications while simultaneously improving outcomes for some of the poorest families in North Ayrshire by giving them access to a benefit they are entitled to at the earliest opportunity.


Research conducted by the End Child Poverty Coalition indicates that the number of children living in poverty in North Ayrshire fell from 30.4 per cent of children in 2016/17 to 26.6 per cent in 2017/18.

Source: Audit Scotland, 2020

The council takes an innovative approach to addressing some of its biggest challenges

112. The council seeks external advice and support when needed. For example, the Fraser of Allander Institute's North Ayrshire economic review in 2018 noted that councils have limited tools available to them to improve economic outcomes

and drive inclusive growth, and that central government investment and support is needed to create fundamental shifts in regional economic outcomes. The council believes that it needs more central government support to address the deep-rooted challenges in the local economy. However, it is using the tools that it does have in innovative ways, to maximise the pace of change and deliver improvements.

113. The council, along with the CPP, has explored different options from around the world to address its approach to economic development and believes that the **Community Wealth Building**  (CWB) model is well suited to the economic environment in North Ayrshire. CWB is an innovative economic model that is designed to improve outcomes in areas affected by high levels of economic deprivation and low job density.

114. The CWB concept is centred on the idea of 'anchor institutions', which are defined as institutions with a fixed geographical presence in a region. These include councils and the NHS but can also include private sector companies and charities. The CWB model relies on anchor institutions using the levers that are available to them to improve wellbeing and increase levels of inclusion at a local level. It identifies five pillars that anchor institutions can utilise to harness change:

- **Procurement:** increase local procurement and develop local supply chains
- **Fair employment:** recruit from lower income areas and improve scope for employee progression
- **Land and assets:** seek uses for underused land and assets to help communities
- **Financial power:** Invest locally, encouraging regional and national institutions to invest too
- **Plural ownership:** promote the local economy through a variety of business models.

115. At the time of writing, the council was finalising its CWB strategy for 2020-2025. While the council had been pursuing some elements of the strategy previously, such as Skills For Life ([Case study 2, page 33](#)) and the promotion of the Living Wage, the strategy brings these together and makes clear that CWB is a strategic priority for the council, and emphasises the role that anchor institutions have to play in its delivery. The strategy is designed to help deliver key priority outcomes and performance measures in the Council Plan and LOIP.

The council has significantly increased its pace of improvement since our last BV in 2011 and this has been maintained.

116. The 2011 Best Value report concluded that the council 'did not have a culture of continuous improvement systematically embedded across the organisation' and raised concerns about the capacity of the council to drive change. It highlighted that the council was embarking on an ambitious change programme to become 'a leaner, more innovative and flexible organisation which is better able to respond to the future change and challenges' but that there were risks that the council lacked the skills needed to achieve this.



Community Wealth Building

was developed in Cleveland in 2007. The Centre for Local Economic Strategies (CLES) defines Community Wealth Building as a 'people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people'. Preston Council was the first UK council to adopt the approach, in 2011.

117. The report identified two areas for improvement related to continuous improvement:

- The council needs to ensure that it develops internal capacity for its improvement agenda and embeds improvement in its culture in the medium and longer-terms.
- Elected members and senior officers need to show leadership to ensure that a culture of continuous improvement is developed across the organisation.

118. We found a strong culture of continuous improvement, driven by effective evidence and staff who are empowered to make decisions in their area and to propose changes. The council has delivered on its ambitions in 2011 and is now a lean, flexible and innovative organisation. The council has worked to improve the skills and capacity of its staff at all levels. There is collaboration and a culture of shared learning across the council. Staff are key to improvement activity at the council and are supported by a strong ELT and fully engaged elected members. The council uses data and staff suggestions to identify and improve outcomes in line with priorities. The council has made significant progress since 2011 ([Exhibit 8, page 45](#)).

Exhibit 8

Comparison of Best Value judgements

A comparison of Controller of Audit judgements in 2011 and 2020 shows that North Ayrshire Council has made significant progress since 2011.

Controller of Audit judgement  2011	Controller of Audit judgement  2020
Strategic direction <p>The council has recently strengthened its leadership arrangements with officers and members working better together. Political leadership is improving through more cross-party working.</p>	<p>Elected members and the ELT have set a consistent, clear vision and direction for the council. Elected members, across all parties, and the ELT work well together, and are committed to the successful delivery of the council's priorities.</p>
Performance <p>There are some areas of good performance in the key services of education, social work and housing. The condition of local roads and the use of sports and leisure facilities need to improve. Performance management arrangements are underdeveloped.</p>	<p>Council performance over the last five years has been improving, although it has levelled off in the last year. Priority areas are generally performing well. Performance management arrangements are robust and clearly focused on priority areas.</p>
Resources <p>The council is improving its approach to resource management. Some key financial plans and processes are in place but there is not an overarching financial strategy to support medium and long-term decisions. Workforce planning is improving and there is good alignment between it and the change programme. Significant improvements are still needed in tendering and procurement and asset management.</p>	<p>The council has a good approach to financial planning, and has effective financial management arrangements in place, including a 10-year financial outlook. There are no longer concerns about asset management or procurement at the council. The council has a coordinated approach to workforce planning and is developing plans to support transformational change. The council faces significant financial challenges and needs to increase the pace of its transformation agenda. The council has invested in an invest to save fund, which is welcomed.</p>
Working with partners <p>The council shares a clear strategic focus with its partners on addressing the challenges they face. There are tensions in the relationship between the council and NHS Ayrshire and Arran.</p>	<p>The council works well with a range of partners, is strong on multi-agency working and has a good relationship with NHS Ayrshire and Arran. The CPP is particularly strong and the IJB is engaging innovatively to improve outcomes.</p>
Community empowerment <p>The council has introduced arrangements for consulting with its service users. It needs to ensure these are embedded across the organisation.</p>	<p>The council has a strong focus on community empowerment. Its approach to embedding community empowerment into everyday council business has been recognised nationally.</p>
Continuous improvement <p>The chief executive is leading a challenging change programme and has brought renewed vigour in improvement activity across all services. It is at the early stages of implementation and is not consistent across the organisation. The council does not have a culture of continuous improvement.</p>	<p>The council has built on the early progress noted in 2011. The council now has a strong culture of continuous improvement driven by evidence and genuine staff empowerment. The council has significantly increased its pace of improvement since 2011, and this increase in pace has been maintained.</p>

Source: Audit Scotland

Recommendations



The council should fully develop and deliver detailed transformation plans to meet the current estimated funding shortfall. To achieve this, it should ensure sufficient arrangements are in place to support, monitor and deliver the expected outcomes. This includes:

- developing the transformation themes into projects and further developing the governance arrangements to ensure the council has the skills needed to implement the next stage of transformation
- developing a robust benefits realisation tracker to assess whether the council has achieved its aims. [\(paragraphs 58–64\)](#)

The council must evolve workforce planning across all services, and clearly align service workforce plans to the transformation projects, in order to:

- identify the numbers, cost and skills of the current and desired workforce
- effectively facilitate the transition from the current workforce composition to the desired workforce. [\(paragraphs 68–70\)](#)

The council should work with locality partnerships to make clear what the intended impacts are of locality plans and make them publicly available. [\(paragraphs 90–91\)](#)

The council should review its Public Reporting online portal, North Ayrshire Performs, to make it more user friendly and accessible. [\(paragraphs 46–49\)](#)

Endnotes



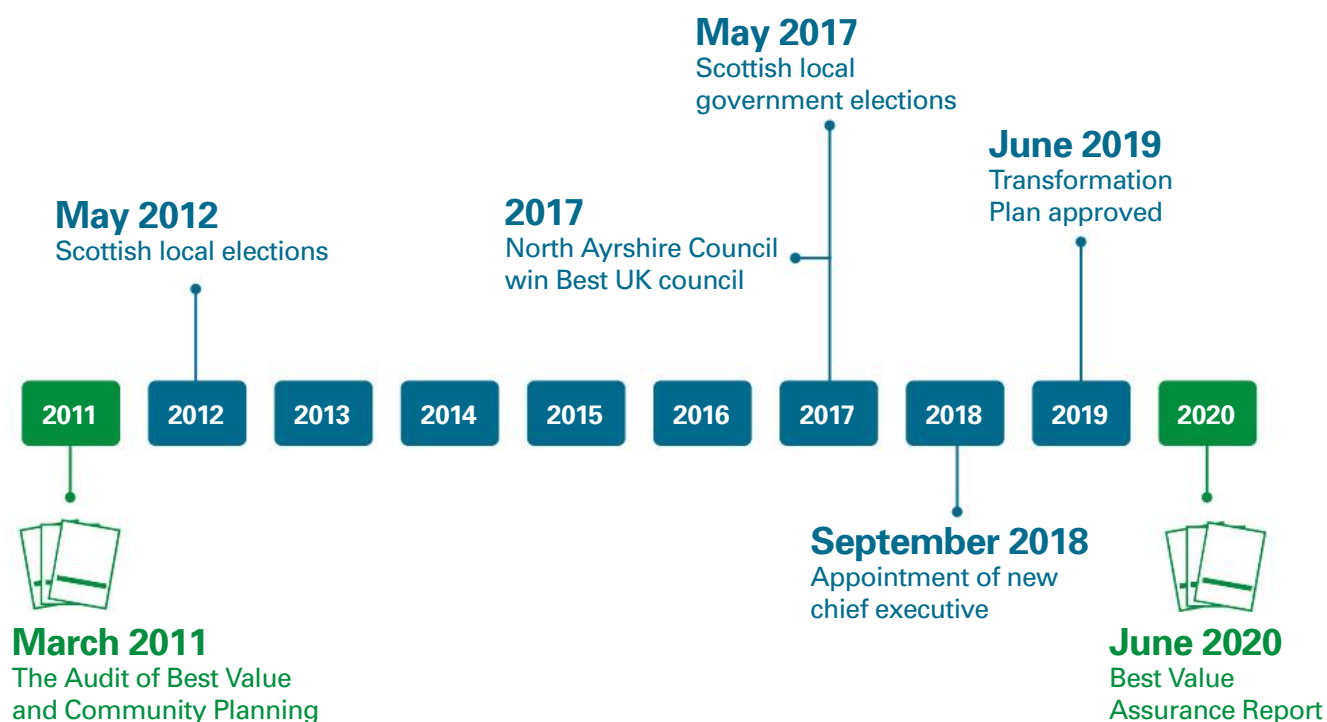
- 1 North Ayrshire Economic Review, Fraser of Allander Institute, November 2018.
- 2 Based on the Scottish Index of Multiple Deprivation (SIMD). SIMD is a tool developed by the Scottish Government to identify areas of poverty and inequality across Scotland. It ranks 6,976 data zones (small geographic areas) from most deprived to least deprived. Updated SIMD data was published in January 2020 showing that North Ayrshire has increased by one the number of data zones that sit within the 15 per cent most deprived nationally.
- 3 Avoidable deaths are classed as those that may have been prevented using either healthcare or public health interventions.
- 4 Local Government Benchmarking Framework, National Benchmarking Overview Report 2018-19.
- 5 Of the three remaining reports, two were graded as wholly 'satisfactory' and the third was graded as 'satisfactory' for two of the Education Scotland quality indicators and 'weak' for the other two indicators.
- 6 This was the gross shortfall for 2021/22 and 2022/23 when setting the 2019/20 budget in February 2019. This was reviewed as part of the 2020/21 budget process, where a net gap of £9.248m remains for 2021/22 and £9.817m for 2022/23.
- 7 2018/19 Annual Audit Report, Deloitte.
- 8 Ibid.
- 9 Ibid.

Appendix

Best Value audit timeline



Council timeline



March 2011. North Ayrshire Council: the audit of Best Value and Community Planning

The council has shown an increased commitment to providing Best Value, but for some of its improvement activities, it is too early to judge how effective they will be. The council's overall performance is satisfactory, and it has fair prospects for future improvement.

May 2012. Scottish local government elections

SNP form a minority administration.

2017. North Ayrshire Council win best UK council at the 2017 APSE awards

May 2017. Scottish local government elections

Labour minority administration formed. Elected members – 11 Scottish Labour; 11 SNP; 7 Scottish Conservatives and 4 Independents.

September 2018. Appointment of new chief executive

The new chief executive was announced in September 2018 after the previous chief executive announced she was retiring after nine years in the role.

June 2019. Transformation Plan approved

Plan was approved at a meeting of North Ayrshire Council on 26 June. Phase one of the restructure to be completed in 2019-20 and Phase two to be completed in 2020-21.

June 2020. Best Value Assurance Report

The Controller of Audit will present a Best Value Assurance Report to the Accounts Commission at least once during the five-year audit appointment for each council. This is the first of its kind. The report seeks to provide the Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's Strategic Audit Priorities.

Best Value Assurance Report

North Ayrshire Council

This report is available in PDF and RTF formats at:

www.audit-scotland.gov.uk 

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500

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Recommendations, Timescales and Lead Officer(s) for Improvement Actions

No.	Recommendations	Service Action	Timescales	Lead Officer(s)
1	<ul style="list-style-type: none"> The Council should fully develop and deliver detailed transformation plans to meet the current estimated funding shortfall. To achieve this, it should ensure sufficient arrangements are in place to support, monitor and deliver the expected outcomes. This includes: Developing the transformation themes into projects and further developing the governance arrangements to ensure the council has the skills needed to implement the next stage of transformation. Developing a robust benefits realisation tracker to assess whether the council has achieved its aims. 	<p>a) Develop a Recovery and Renewal Strategy outlining key principles for renewal arising from the pandemic.</p> <p>b) Further develop and review current transformation themes, with reference to the Recovery and Renewal Strategy, into delivery projects within a three year programme as part of the budget setting exercise for 2021/22.</p> <p>c) Identify resources and skills required to deliver transformation projects and put in place appropriate arrangements, including review of governance framework and benefits tracker, to enable delivery and monitoring of the transformation programme.</p>	<p>8 September 2020</p> <p>March 2021</p> <p>March 2021</p>	<p>Head of Recovery & Renewal</p>



No.	Recommendations	Service Action	Timescales	Lead Officer(s)
2	<ul style="list-style-type: none"> The Council must evolve workforce planning across all services, and clearly align service workforce plans to the transformation projects, in order to: <ul style="list-style-type: none"> Identify the numbers, cost and skills of the current and desired workforce. Effectively facilitate the transition from the current workforce composition to the desired workforce. 	<p>a) Further develop Workforce Planning detailing the overall implications for the next three years, aligned with the Medium Term Financial Outlook, transformation programme and budget setting exercise. Plan will consider future workforce skills and development.</p> <p>b) Utilise Workforce profiles for each Service to inform succession planning, required future workforce, review of job roles and impact of living wage.</p>	<p>March 2021</p> <p>Ongoing and reviewed annually in line with budget process.</p>	<p>Head of People & ICT</p>



No.	Recommendations	Service Action	Timescales	Lead Officer(s)
3	<ul style="list-style-type: none"> The Council should work with locality partnerships to make clear what the intended impacts are of locality plans and make them publicly available. 	a) Review existing Locality Planning priorities reflecting the impact of the pandemic, during the autumn 2020 Locality Partnership Meetings prior to wider community engagement. b) Develop action plans based on Locality Planning priorities. c) Publish resulting Locality Plans on CPP website.	1 November 2020 30 June 2021 30 June 2021	Head of Connected Communities
4	<ul style="list-style-type: none"> The Council should review its Public Reporting online portal, North Ayrshire Performs, to make it more user friendly and accessible. 	a) Explore options for displaying performance information in an accessible, interactive and attractive format that supports existing publications. b) Develop and publish a refreshed online portal to view performance information.	December 2020 February 2021	Head of Democratic Services



NORTH AYRSHIRE COUNCIL

23 September 2020

North Ayrshire Council

Title: Committee Timetable 2021

Purpose: To present a proposed committee timetable for 2021, for consideration by the Council.

Recommendation: That the Council agrees (a) to approve the committee timetable for 2020 set out in Appendix 1; (b) to note (i) that the dates for meetings referred to at Section 2 are subject to confirmation separately, in addition to those for any ad hoc committees and Special Meetings which may be required over the course of the year and (ii) assumptions about the likely format of meetings, as set out at Section 2.6.

1. Executive Summary

- 1.1 The current committee timetable was approved by the Council in September 2019.
- 1.2 A draft 2021 timetable has been prepared on the basis of a similar pattern of meetings, amended to accommodate an election recess period for the 2021 Scottish Parliamentary elections in May.

2. Background

- 2.1 The proposed committee timetable for 2021 is set out at Appendix 1.
- 2.2 The draft has been prepared around the principle of a six-week cycle of meetings, with recess periods for Easter, the Scottish Parliamentary Elections, Summer, October and Winter.
- 2.3 Dates for the undernoted will be set by the committees/board in question and will be the subject of separate notification:
 - Locality Planning Partnerships;
 - Ayrshire Regional Economic Joint Committee (and sub-committee/Partnership Board);
 - Ayrshire Shared Services Joint Committee
 - Integration Joint Board and IJB Performance and Audit Committee; and
 - Community Planning Partnership Board.

- 2.4 In addition, meetings of the Education Appeals Committee, Council (Planning), Local Development Plan Committee and Staffing and Recruitment Committee will take place on an ad hoc basis, as required. From time to time, Special Meetings of the Council or its committees may also require to be called.
- 2.5 The provisional date of the Special Meeting of Council for the Budget is included in the draft timetable. Arrangements for this meeting will be confirmed when the Scottish Parliament budget-setting timetable is known. Similarly, the date of the September meeting of the Audit and Scrutiny Committee will require to be confirmed following discussion with the Council's external auditors.
- 2.6 In terms of the format of meetings of the Council and its committees, on basis of the Scottish Government's Routemap and health and safety risk assessment, remote working remains the default position for those who can do so. This will continue to be the case until the end of Phase 4 of the Routemap, when either a vaccine has been rolled out or there is no longer any significant risk from COVID-19. It is, therefore, likely that Council and committee meetings will continue to take place by remote access for the earlier part of 2021. Thereafter, the new Public-i hardware (which is currently being installed but will not be operational immediately) will allow hybrid (both physical and remote) access to meetings. This will be of particular benefit to Members unable to access meetings due to weather or transport/ferry difficulties. The exact timing of the move from remote to hybrid will be dependent on Scottish Government guidance

3. Proposals

3.1 The Council is invited to:

- (a) approve the committee timetable for 2020 set out in Appendix 1; and
- (b) note (i) that the dates for the committees/boards referred to at Section 2 are subject to confirmation separately, in addition to those for any ad hoc committees and Special Meetings which may be required over the course of the year and (ii) assumptions about the likely format of meetings, as set out at Section 2.6.

4. Implications/Socio-economic Duty

Financial

4.1 None arising from this report.

Human Resources

4.2 None arising from this report.

Legal

4.3 None arising from this report.

Equality/Socio-economic

4.4 None arising from this report.

Environmental and Sustainability

4.5 None arising from this report.

Key Priorities

4.6 None arising from this report.

Community Wealth Building

4.7 None arising from this report.

5. Consultation

- 5.1 Political Group Leaders, Independent Members and Executive Directors have been consulted on the proposed timetable of meetings.
- 5.2 The draft timetable has been revised to take into account Elected Member feedback in respect of the May meeting of Cabinet.
- 5.3 Provisional dates for meetings of the IJB and IJB PAC have been amended in light of feedback from the IJB Chair and the Director (Health and Social Care Partnership). These dates will be subject to consideration by the IJB.

Craig Hatton
Chief Executive

For further information please contact Melanie Anderson, Senior Manager (Committee and Member Services), on Tel: 01294 324131.

Background Papers

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Draft Committee Timetable January - December 2021

Based on Six 6-Weekly Cycles, with 2 weeks of Easter Recess, 2 Weeks of Election Recess and 7-week Summer Recess

Meeting Cycle 1

Week Beginning	Week	Monday	Tuesday	Wednesday	Thursday	Friday
4 January		Public Holiday	11.00 a.m. Audit & Scrutiny Pre-Agenda		10.00 a.m. Policy Advisory Panel	
11 January	1		10.00 a.m. Audit & Scrutiny	10.00 a.m. Licensing	10.00 a.m. IJB Budget Briefing TBC	
18 January	2		2.30 p.m. Cabinet Pre-Agenda		10.00 a.m. Appeals (if required)	
25 January	3		2.30 p.m. Cabinet (Education)	2.00 p.m. Planning 2.30 p.m. LRB		
1 February	4	NHS Board (for info) TBC	10.00 a.m. IJB Pre-Agenda TBC		10.00 a.m. Policy Advisory Panel	
8 February	5		2.00 p.m. Police & Fire & Rescue	10.00 a.m. Licensing	10.00 a.m. Integration Joint Board TBC	
15 February	6	1.00 p.m. Council Pre-Meeting	2.30 p.m. Cabinet Pre-Agenda	2.00 p.m. Council	10.00 a.m. Appeals (if required)	

Meeting Cycle 2

Week Beginning	Week	Monday	Tuesday	Wednesday	Thursday	Friday
22 February	1		2.30 p.m. Cabinet	2.00 p.m. Special Council (Budget) (TBC)	2.00 p.m. Planning 2.30 p.m. LRB	
1 March	2	1.00 p.m. Council Pre-Meeting	11.00 a.m. Audit & Scrutiny Pre-Agenda		10.00 a.m. Policy Advisory Panel	10.00 a.m. IJB PAC TBC
8 March	3		10.00 a.m. Audit and Scrutiny 2.00 p.m. IJB Pre-Agenda TBC	10.00 a.m. Licensing		10.00 a.m. Ayrshire Shared Services Joint Cttee TBC
15 March	4		2.30 p.m. Cabinet Pre-Agenda		10.00 a.m. Integration Joint Board TBC	
22 March	5		2.30 p.m. Cabinet (Education)	2.00 p.m. Planning 2.30 p.m. LRB	10.00 a.m. Appeals (if required)	
29 March	6	NHS Board (for info) TBC 1.00 p.m. Council Pre-Meeting		2.00 p.m. Council	10.00 a.m. Policy Advisory Panel	Public Holiday
5 April		Public Holiday		Easter Recess		
12 April						

Meeting Cycle 3

Week Beginning	Week	Monday	Tuesday	Wednesday	Thursday	Friday
19 April	1		2.30 p.m. Cabinet Pre-Agenda	10.00 a.m. Licensing		
26 April	2		2.30 p.m. Cabinet		10.00 a.m. Appeals (if required)	10.00 a.m. Ayrshire Shared Services Joint Cttee TBC
3 May		Public Holiday	10.00 a.m. IJB Pre-Agenda TBC	Election Recess	Scottish Parliamentary Election	
10 May					10.00 a.m. Integration Joint Board TBC	
17 May	3	2.00 p.m. Police & Fire & Rescue		2.00 p.m. Planning 2.30 p.m. LRB		
24 May	4	NHS Board (for info) TBC	11.00 a.m. Audit & Scrutiny Pre-Agenda		10.00 a.m. Policy Advisory Panel	
31 May	5		10.00 a.m. Audit and Scrutiny	10.00 a.m. Licensing	10.00 a.m. Appeals (if required)	10.00 a.m. Ayrshire Shared Services Joint Cttee TBC
7 June	6	1.00 p.m. Council Pre-Meeting	10.00 a.m. IJB Pre-Agenda TBC 2.30 p.m. Cabinet Pre-Agenda	2.00 p.m. Council		

Meeting Cycle 4

Week Beginning	Week	Monday	Tuesday	Wednesday	Thursday	Friday
14 June	1		2.30 p.m. Cabinet (Education)	2.00 p.m. Planning 2.30 p.m. LRB	10.00 a.m. Integration Joint Board TBC	
21 June	2	NHS Board (for info) TBC 1.00 p.m. Council Pre-Meeting		2.00 p.m. Special Council (accounts)	10.00 a.m. Appeals (if required)	10.00 a.m. IJB PAC
28 June						
5 July						
12 July						
19 July				Summer Recess		
26 July						
2 August						
9 August					10.00 a.m. Policy Advisory Panel	
16 August	3	NHS Board (for info) TBC	10.00 a.m. IJB Pre-Agenda TBC 2.00 p.m. Police & Fire & Rescue	10.00 a.m. Licensing	10.00 a.m. Appeals (if required)	
23 August	4		2.30 p.m. Cabinet Pre-Agenda		10.00 a.m. Integration Joint Board TBC	
30 August	5		2.30 p.m. Cabinet	2.00 p.m. Planning 2.30 p.m. LRB		10.00 a.m. IJB PAC 10.00 a.m. Ayrshire Shared Services Joint Cttee TBC
6 September	6	1.00 p.m. Council Pre-Meeting	11.00 a.m. Audit & Scrutiny Pre-Agenda	2.00 p.m. Council	10.00 a.m. Policy Advisory Panel	

Meeting Cycle 5

Week Beginning	Week	Monday	Tuesday	Wednesday	Thursday	Friday
13 September	1		10.00 a.m. Audit and Scrutiny (TBC) 2.00 p.m. IJB Pre-Agenda TBC	10.00 a.m. Licensing	10.00 a.m. Appeals (if required)	
20 September	2	Public Holiday	2.30 p.m. Cabinet Pre-Agenda		10.00 a.m. Integration Joint Board TBC	
27 September	3		2.30 p.m. Cabinet (Education)	2.00 p.m. Planning 2.30 p.m. LRB		
4 October	4	NHS Board (TBC)			10.00 a.m. Policy Advisory Panel	
11 October			10.00 a.m. IJB Pre-Agenda TBC	October Recess		
18 October	5			10.00 a.m. Licensing	10.00 a.m. Integration Joint Board TBC	
25 October	6	1.00 p.m. Council Pre-Meeting	2.30 p.m. Cabinet Pre-Agenda	2.00 p.m. Council	10.00 a.m. Appeals (if required)	

Meeting Cycle 6

Week Beginning	Week	Monday	Tuesday	Wednesday	Thursday	Friday
1 November	1		2.30 p.m. Cabinet	2.00 p.m. Planning 2.30 p.m. LRB		10.00 a.m. Ayrshire Shared Services Joint Cttee TBC
8 November	2		10.00 a.m. IJB Pre-Agenda TBC 11.00 a.m. Audit & Scrutiny Pre-Agenda		10.00 a.m. Policy Advisory Panel	
15 November	3	2.00 p.m. Police & Fire & Rescue	10.00 a.m. Audit and Scrutiny	10.00 a.m. Licensing	10.00 a.m. Integration Joint Board TBC	
22 November	4		2.30 p.m. Cabinet Pre-Agenda		10.00 a.m. Appeals (if required)	10.00 a.m. IJB PAC TBC
29 November	5	NHS Board (for info) TBC	2.30 p.m. Cabinet (Education)	2.00 p.m. Planning 2.30 p.m. LRB		10.00 a.m. Ayrshire Shared Services Joint Cttee TBC
6 December	6	1.00 p.m. Council Pre-Meeting	10.00 a.m. IJB Pre-Agenda TBC	2.00 p.m. Council		
13 December					10.00 a.m. Integration Joint Board TBC	
20 December				Winter Recess		
27 December						

To be added – Ayrshire Regional Economic Joint Committee and Partnership Board (dates to be advised) and any ad hoc meetings including Education Appeals, Staffing and Recruitment, Local Development Plan Committee and Council (Planning)