



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Ayrshire Economic Joint Committee

A meeting of the **Ayrshire Economic Joint Committee** of North Ayrshire Council will be held remotely on **Monday, 22 February 2021 at 14:00** to consider the undernoted business.

Arrangements in Terms of COVID-19

In light of the current COVID-19 pandemic, this meeting will be held remotely in accordance with the provisions of the Local Government (Scotland) Act 2003. This meeting will not be live streamed/recorded for access by the public.

1 Minutes

The accuracy of the Minutes of meeting of the Joint Committee held on 14 September 2020 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

2 Ayrshire Growth Deal Programme Update

Submit report by David McDowall, Interim Head of Planning and Economic Development East Ayrshire Council on the Ayrshire Growth Deal (copy enclosed).

3 Working for a Healthy Economy – Final Business Case

Submit report by Craig Hatton, Chief Executive North Ayrshire Council on the Final Business Case for the Ayrshire Growth Deal, Working for a Healthy Economy Project (copy enclosed).

4 Community Wealth Building Project – Final Business Case

Submit report by Craig Hatton, Chief Executive North Ayrshire Council on the Final Business Case for the Ayrshire Growth Deal, Community Wealth Building Project (copy enclosed).

- 5 Ayrshire Economic Partnership Board Minutes**
Submit, for information, the minutes of the meeting of the Ayrshire Economic Partnership Board held on 29 January 2021 (copy enclosed).
- 6 Ayrshire Economic Partnership Board**
Verbal update by David McDowall, Interim Head of Planning and Economic Development East Ayrshire Council on the meeting of the Ayrshire Economic Partnership Board held on 29 January 2021.
- 7 Urgent Items**
Any other items which the Chair considers to be urgent.

Ayrshire Economic Joint Committee Sederunt

Joe Cullinane (Chair)	North Ayrshire Council	Chair:
Marie Burns	North Ayrshire Council	
Alex Gallagher	North Ayrshire Council	
Craig Hatton	North Ayrshire Council	
Karen Yeomans Council	North Ayrshire Council	
		Apologies:
Siobhian Brown	South Ayrshire Council	Attending:
Brian Connolly	South Ayrshire Council	
Peter Henderson	South Ayrshire Council	
Donald Gillies	South Ayrshire Council	
Eileen Howat	South Ayrshire Council	
Tom Cook	East Ayrshire Council	
John McGhee	East Ayrshire Council	
Douglas Reid	East Ayrshire Council	
Allison Craig	East Ayrshire Council	
Eddie Fraser	East Ayrshire Council	
David McDowall	East Ayrshire Council	
Simon Foster	Spirit AeroSystems	
Katie Hutton Scotland	Skills Development Scotland	
Jane Martin	Scottish Enterprise	
Carol Turnbull	Ayrshire College	

**MINUTES OF MEETING HELD ON MONDAY 14 SEPTEMBER 2020 AT 1530 HRS
BY MICROSOFT TEAMS**

PRESENT: Councillors Douglas Reid, East Ayrshire Council; Councillor Siobhan Brown, South Ayrshire Council; Councillor Marie Burns, North Ayrshire Council; Councillor Brian Connolly, South Ayrshire Council; Councillor Tom Cook, East Ayrshire Council; Councillor Joe Cullinane, North Ayrshire Council; Simon Foster, Director of Engineering, Spirit Aerosystems; Councillor Alex Gallagher, North Ayrshire Council; Donald Gillies, Director - Place, South Ayrshire Council; Andrea Glass, Regional Skills Planning Lead (South West Scotland and Forth Valley), Skills Development Scotland; Craig Hatton, Chief Executive, North Ayrshire Council; Councillor Peter Henderson, South Ayrshire Council; Eileen Howat, Chief Executive, South Ayrshire Council; Fiona Lees, Chief Executive, East Ayrshire Council; Councillors John McGhee, East Ayrshire Council; Alex McPhee, Depute Chief Executive and Chief Financial Officer: Economy and Skills, East Ayrshire Council; Mark Newlands, Head of Partnerships, Scottish Enterprise; and Karen Yeomans, Executive Director of Economy and Communities, North Ayrshire Council.

OFFICERS ATTENDING: Allison Craig, Programme Manager, Ayrshire Growth Deal, South Ayrshire Council; David McDowall, Interim Head of Planning and Economic Development, East Ayrshire Council; and Julie Nicol, Service Lead, Planning and Building Standards, South Ayrshire Council.

ATTENDING: Gillian Hamilton, Democratic Services Officer, East Ayrshire Council.

APOLOGY: Katie Hutton, Director of National Training Programmes, Skills Development Scotland.

CHAIR: Alex McPhee, Depute Chief Executive and Chief Financial Officer: Economy and Skills for Items 1 - 2 below and Councillor Joe Cullinane, North Ayrshire Council thereafter.

EXCLUSION OF PRESS AND PUBLIC

1. The Committee agreed to pass the following Resolution:- "That under Section 50A(3A) of the Local Government (Scotland) Act 1973, as amended, the Press and public be excluded from the meeting for the following items of business on the grounds that if members of the public were present, there would a real and substantial risk to public health due to infection or contamination with coronavirus".

APPOINTMENT OF CHAIR OF AYRSHIRE ECONOMIC JOINT COMMITTEE

2. It was noted that under the Terms of Reference for the Ayrshire Economic Joint Committee, the Chair of the Joint Committee was due, from September 2020, to rotate to North Ayrshire Council for the period up until September 2021.

It was unanimously agreed to appoint Councillor Joe Cullinane as Chair of the Joint Committee for the period up until September 2021.

RATIFICATION OF APPOINTMENT OF CHAIR OF AYRSHIRE ECONOMIC PARTNERSHIP BOARD

- 2.2** It was noted that the Ayrshire Economic Partnership Board on 14 September 2020 had unanimously agreed to recommend the appointment of Councillor Peter Henderson, South Ayrshire Council as Chair of the Partnership Board for the period up until September 2021. The appointment was approved.

MINUTES OF PREVIOUS MEETING

- 3.** There were submitted and approved as a correct record the Minutes of the previous meeting held on 22 June 2020 (circulated).

3.1 ACTIONS LOG

There was submitted and noted a list of actions from the previous meeting.

AYRSHIRE GROWTH DEAL - PROGRAMME UPDATE

- 4.** There was submitted a report (circulated) by the Depute Chief Executive and Chief Financial Officer: Economy and Skills, East Ayrshire Council which advised on the progress of the Ayrshire Growth Deal and the development of its component projects as at 24 August 2020 and set out the principal Ayrshire Growth Deal package of documents for consideration and agreement by the Joint Committee prior to formal joint sign off by the three Councils and by the UK and Scottish Governments. The report also provided the draft spend profile for the Deal over its lifetime. This was a draft estimate based on current activities and implementation plans and would be subject to review as Outline Business Cases (OBCs) were finalised. This profile would also be subject to negotiation with both the UK and Scottish Governments and would form a key part of the Deal documents which would require to be signed prior to full Deal implementation.

It was agreed:-

- (i) to note the updates provided in the report;
- (ii) to note the progress across the Ayrshire Growth Deal Programme;
- (iii) to note the key elements of work that should be concluded prior to Growth Deal implementation;
- (iv) to note the tentative date of late September 2020 for signing of the Ayrshire Growth Deal and that both UK and Scottish Governments remained fully committed to the growth deals programme across Scotland;
- (v) to note the Agreement between East, North and South Ayrshire Councils;
- (vi) to note the Ayrshire Growth Deal Communications Action Plan for 2020/21;
- (vii) to note the progress with the design and development of an Ayrshire Growth Deal website;
- (viii) to note that a minor textual amendment required to be made to the Deal Document, as highlighted at the meeting; and
- (ix) otherwise to note the report.

INDICATIVE AYRSHIRE REGIONAL SPATIAL STRATEGY (iARSS)

5. There was submitted a report (circulated) by the Service Lead (Planning and Building Standards), South Ayrshire Council on behalf of the Chief Executives of South, East and North Ayrshire Councils which advised on the requirement for and progress made on the preparation of a Regional Spatial Strategy (RSS) for Ayrshire.

It was agreed:

- (i) to note the requirement to prepare a Regional Spatial Strategy;
- (ii) to note the contents of the Indicative Ayrshire Regional Spatial Strategy appended to the report;
- (iii) to note that the iARSS had been reported to East and North Ayrshire Councils in advance of submission to the Scottish Government and South Ayrshire Council would consider the iARSS on 15 September 2020; and
- (iii) otherwise to note the report.

AYRSHIRE ECONOMIC PARTNERSHIP BOARD - 22 JUNE 2020

6. There were submitted and noted Minutes of meeting of the Ayrshire Economic Partnership Board held on 22 June 2020 (circulated).

AYRSHIRE ECONOMIC PARTNERSHIP BOARD - 14 SEPTEMBER 2020

7. The Depute Chief Executive and Chief Financial Officer: Economy and Skills, East Ayrshire Council provided the Joint Committee with a verbal update on the meeting of the Ayrshire Economic Partnership Board held on 14 September 2020.

It was noted that consideration had been given to:-

- The above Ayrshire Growth Deal Programme Update;
- The above Indicative Ayrshire Regional Spatial Strategy;
- Community Wealth Building and establishing an Anchor Charter;
- Aerospace and the opportunity to establish an aircraft decommissioning centre of excellence at Prestwick Airport, subject to harnessing resources;
- Visitor Economy, range of grant support and establishment of an Ayrshire Destination Management Organisation (DMO);
- Freeports, expressions of caution and requirement to complement Ayrshire Growth Deal and Community Wealth Building;
- Food and Drink and Food Tourism Co-ordinator posts; and
- Labour market and the impact of Covid-19.

DRAFT MEETINGS CALENDAR

8. It was agreed that future meetings of the Ayrshire Economic Joint Committee would be held as follows:-

Monday, 22 February 2021 at 1400 hours;
Monday, 24 May 2021 at 1400 hours;
Monday, 13 September 2021 at 1400 hours; and
Monday, 29 November 2021 at 1400 hours.

The meeting terminated at 1630 hrs.

MEETING – 22 FEBRUARY 2022

REPORT BY INTERIM HEAD OF PLANNING AND ECONOMIC DEVELOPMENT:
EAST AYRSHIRE COUNCIL

SUBJECT: AYRSHIRE GROWTH DEAL - PROGRAMME UPDATE

PURPOSE OF REPORT

1. To advise the Economic Joint Committee Members of the progress of the Ayrshire Growth Deal and the development of its component projects as at 11 January 2021 (Appendix 1).

RECOMMENDATIONS

2. It is recommended that Members:
 - (i) Note the updates provided in the attached report;
 - (ii) Note the progress across the Ayrshire Growth Deal Programme;
 - (iii) Note the finalised Deal Documents;
 - (iv) Note Agreement between East, North and South Ayrshire Councils;
 - (v) Note the Ayrshire Growth Deal Communications Action Plan for 2020 - 23;
 - (vi) Note the risks included in the current risk register;
 - (vii) Note progress with the development of a regional community benefits tracker;
 - (viii) Note progress with the performance management system;
 - (ix) Note progress with the design and development of an Ayrshire Growth Deal website.

INTRODUCTION

3. The formal virtual signing of the Ayrshire Growth Deal took place on 19 November 2020. For those who missed the event or would like to watch again, a recording of the event and a link to the signed Deal Document can be found on the [AGD Story Map](#). The final version of the suite of Deal documents which were signed off on 19 November are attached (Appendices 2 - 8).
4. The documents currently demonstrate a high degree of ambition for the Ayrshire Growth Deal delivery and business cases continue to be updated by project leads to reflect this. The Deal documents will be subject to annual review to take account of project variances.
5. Agreement has been reached with partners around an approach to management of cash flows in respect of government grant funding. An Agreement between East

Ayrshire Council, North Ayrshire Council and South Ayrshire Council around governance, finance and reporting arrangements has now been agreed in essence and awaits signing. The finalised Agreement is attached for information (Appendix 9).

6. The PMO has continued to provide guidance to project leads whilst also progressing the governance, reporting, communications and resourcing issues associated with the effective management of the overall Deal programme. Recruitment to the roles within the PMO is now complete.
7. The attached report seeks to provide an overview of progress made and provide assurance that efforts are on track to address all elements of the current work programme, recognising that some issues may be significantly impacted by Covid-19 which cannot be fully quantified at present. The format of the report follows a Red/Amber/Green (RAG) exception reporting approach. The table below details the 'colour scheme' associated with each banding.

RAG Status	Projects/Programme Status	Action Required
Green	In line with timeline set out in business case and no issues identified	No management action required
Amber	Issues identified with no / minimal change to timeline in business case & acceptable by PMO	Management action is in place by PMO and/or senior management to address issues
Red	Delay to timeline in business case significant	Immediate action required by senior management and relevant Boards as appropriate to address issues

8. In this update, the overall status is assigned at 'amber' and there are no actions required from the Partnership Board at present.

KEY POINTS

9. In terms of the overall Ayrshire Growth Deal programme, progress has been made over the last quarter putting in place processes and procedures to support the reporting requirements of governments.
10. Project activities will be monitored using the Pentana Performance Management system and the AGD project milestones, outputs and targets within the Implementation Plan have been added to Pentana. The PMO is working with project leads and system administrators to ensure accurate input of monitoring data to the system.
11. A regional community benefits tracker has been developed by the AGD Procurement Sub-Group to monitor the delivery of community benefits and capture community wealth building pledges made by organisations involved with AGD projects, as well as others across the region.
12. The design and development of the AGD website was procured locally and is currently being tested, with an estimated launch date of the end of February 2021.

The bespoke website will host all Ayrshire Growth Deal information including reports, press coverage and an image gallery.

13. The AGD Communications Group are working with project leads to define marketing and communications requirements for each project and populate the AGD Communications Action Plan. The latest version of the plan is attached (Appendix 10).
14. Projected spend in 2020/21 is £5.35m predominantly relating to the HALO Kilmarnock project (£5.05m), with the remainder for this year made up of enabling works (design/feasibility studies) in relation to the National Energy Research Demonstrator (NERD) project and the Working for a Healthy Economy project.
15. The HALO Kilmarnock, on the former Johnnie Walker site in Kilmarnock, was the first project to commence with contractors starting on site in October 2019. The target date for completion and opening of the Enterprise and Innovation Hub is mid-April 2021. The final drawdown claim of AGD grant funding has been submitted to Scottish Government.
16. The spend of £200k for 2020/21 associated with the design/feasibility study works for the National Energy Research Demonstrator (NERD) project has been incurred. Further enabling/design works are underway, with the project team continuing to engage with stakeholders around potential operational models for the Centre and develop initial project proposals for early Demonstrator projects.
17. The 'Working for a Healthy Economy' pan-Ayrshire project is the only project scheduled to move into delivery this financial year. As soon as the Outline Business Case (OBC) is approved by Scottish Government and the Final Business Case (FBC) is approved by the Economic Joint Committee (EJC), a contract will be issued within weeks and preparatory work can begin. Delays incurred in receiving business case approvals has meant that project implementation and associated spend is not estimated to begin until April 2021. Should approvals be delayed beyond February 2021, the delivery schedule will require to be adjusted further. A report seeking EJC approval of the FBC for the project is being considered elsewhere on the Agenda of this meeting.
18. The Community Wealth Building (CWB) project team are currently making preparations to begin delivery in April 2021. Planning for the recruitment of CWB officers is underway with job descriptions being produced by the working group ahead of role evaluation where required as per the recruiting Council's HR Policies and Procedures. This timeline is dependent on the Scottish Government approving the OBC in February and the EJC approving the FBC in February. A report seeking EJC approval of the FBC for the project is being considered elsewhere on the Agenda of this meeting.
19. It should be noted that any delays to finalising business cases and governments approving the same for early implementation projects will affect the ambitious spend profiles we are currently working with and will impact on drawdown of funding from government. Monitoring of performance is therefore an essential component of the work of partners.

20. The Ayrshire and Arran Regional Transport Working Group (RTWG) continue to work with colleagues in Transport Scotland to draw together the Strategic Transport Projects Review (STPR2), utilising this to assess, prioritise and bring forward investment proposals in transport, infrastructure and connectivity, which are necessary to maximise the impact of the AGD. The RTWG met in December with Transport Scotland to discuss the Phase 1 option sifting process associated with STPR2. Some concerns around the methodology adopted have been raised with Transport Scotland. The Chief Executive Officers sent a letter in January to Mr Michael Matheson MSP, Cabinet Secretary for Transport, Infrastructure and Connectivity, seeking a meeting to ensure that emerging priorities support economic recovery and alignment of work associated with the AGD.
21. Although Covid-19 has introduced uncertainty around how projects will fit with the new economic realities, there is no proposal at this stage in relation to project substitution. It seems likely, however, that some projects may have to be adjusted going forward.

PROGRAMME RISKS

22. Strategic and operational risk registers continue to be developed, reviewed and updated for the Ayrshire Growth Deal Programme (Appendix 11). It is recognised that in pursuit of the Partnership's commitment to achieving positive outcomes from the Ayrshire Growth Deal, it may choose to accept an increased degree of risk. The risk registers will be a key element of that decision making process, ensuring that potential benefits and risks are fully understood before actions are authorised and that sensible measures to mitigate risk are established.
23. The main strategic risks associated with the Deal at present relate to the impact of Covid-19 and the potential consequences of Brexit. Operationally, delays to the development and submission of business cases and any associated delays to sign off of Deal documents would adversely impact on the ambitious plans for implementation.

LEGAL IMPLICATIONS

24. The legal implications arising from this report are covered through the Agreement between Ayrshire's Councils detailed in Appendix 9 and the Governance Document detailed within Appendix 5.

HUMAN RESOURCES IMPLICATIONS

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

FINANCIAL IMPLICATIONS

26. The financial implications arising from this report are covered through the Financial Plan detailed within Appendix 4.

27. A signed Tripartite Financial Agreement remains outstanding. Our principal contact in Scottish Government has confirmed that the delay is not an Ayrshire issue and is hopeful that the Agreement will be issued shortly. Our contact has also confirmed that the Agreement will incorporate the latest government financial profile which was approved by the Section 95 Officers on 10th November 2020.
28. A letter from the three Council Leaders was sent to Mr Alister Jack MP, Secretary of State for Scotland at the end of last year, asking that Ayrshire's UKG funding be accelerated from 15 years to 10 years in line with the four City and Growth Deals announced in the recent Spending Review. Mr Jack's response acknowledges that the Growth Deals programme is a key pillar of the strategy for recovery and renewal in Scotland and he will continue to discuss opportunities with the Chancellor and others to ensure these are as flexible as possible to successfully respond to challenges and deliver our shared ambitions.

EQUALITY IMPACT ASSESSMENT

29. Project leads will be required to complete an Equality Impact Assessment for their project and append to the associated business case. Project leads have received Equality Impact Assessment training organised by Scottish Government. Project Leads are being encouraged by the PMO to link up as soon as possible with their Equalities Officer within their authority who will be able to assist with this matter.

APPENDICES

Appendix 1: Ayrshire Growth Deal Quarterly Update of Programme and Projects

Appendix 2: Ayrshire Growth Deal Document

Appendix 3: Implementation Plan

Appendix 4: Financial Plan

Appendix 5: Governance Document

Appendix 6: Communications Protocol

Appendix 7: Communications Core Script

Appendix 8: Communications Q and A

Appendix 9: Agreement between East, North and South Ayrshire Councils around governance, finance and reporting arrangements

Appendix 10: Communications Action Plan 2020 - 23

Appendix 11: Risk Register

Background Papers:

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

[Deal Document](#), signed by both the UK and Scottish Governments and Ayrshire's Councils on 19 November 2020

Members requiring further information should contact:

Allison Craig, Ayrshire Growth Deal - Strategic Manager
allison.craig@south-ayrshire.gov.uk

Implementation Officer:

Allison Craig, Ayrshire Growth Deal - Strategic Manager
allison.craig@south-ayrshire.gov.uk

Overall Status Last Period	Overall Status This Period
Amber	Amber

AGD Dashboard – 11 January 2021 Sub-Programme/Project Updates - Guidelines

RAG Status	Projects/Programme Status	Action Required
Green	In line with timeline set out in business case and no issues identified	No management action required
Amber	Issues identified with no / minimal change to timeline in business case & acceptable by PMO	Management action is in place by PMO and/or senior management to address issues
Red	Delay to timeline in business case significant	Immediate action required by senior management and relevant Boards as appropriate to address issues

PMO = Programme Management Office
PBC = Programme Business Case
SBC = Strategic Business Case
OBC = Outline Business Case
FBC = Full Business Case
Milestones – defined by financial year

AGD Dashboard – 11 January 2021

Programme Management Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
Governance	G	<ul style="list-style-type: none"> • Joint Committee and Ayrshire Regional Economic Partnership formed • Chair of Joint Committee – Cllr Cullinane, NAC for year to 31/08/21 • Chair of Regional Partnership – Cllr Henderson, SAC for year to 31/08/21 • Admin for both Committees with North Ayrshire Council until 31/08/21 	
Growth Deal and Associated Documents	A	<ul style="list-style-type: none"> • Regional Economic Strategy agreed June 2020 and sector-based groups setup to support economic recovery and renewal • Inclusive Growth Action Plan agreed and will link in with Regional Economic Strategy • Deal Documents signed off by both Governments – 19th November 2020 • Tripartite Financial Agreement awaits signing, with SG currently chasing finance colleagues in SG • Agreed implementation and spend profiles for each project • Programme Risk Register reviewed and updated • Monitoring and evaluation framework requirements being discussed with SG 	<ul style="list-style-type: none"> • Tripartite Financial Agreement – Q4 2020/21 • Draft Monitoring and Evaluation Framework – Q4, 2020/21 • Draft Benefits Realisation Plan – Q4, 2020/21
Finance	A	<ul style="list-style-type: none"> • Individual partner agreement prepared, terms finalised and agreed – signed on behalf of EAC and awaits signing on behalf of NAC and SAC • Agreement reached with Finance Directors around approach to management of cash flows in respect of government grant funding • Project Leads reviewed and confirmed accuracy with expenditure profiles pre Deal signing • Claim submitted by HALO to EAC December 2020 for final drawdown of AGD grant funding • Council Leaders have sent letter to Secretary of State for Scotland asking that Ayrshire’s UKG funding be accelerated from 15 years to 10 years in line with other Deals recently announced 	<ul style="list-style-type: none"> • Partnership Agreement to be signed off – Q4 2020/21
Reporting	A	<ul style="list-style-type: none"> • Timescales and process for reporting to governments has been agreed • Weekly calls between PMO and both governments continue - updates provided & any issues addressed • All project leads continue to provide PMO with project update quarterly and reported to REP • Projects in delivery will require to provide PMO with project update monthly, quarterly, annually, including risk register • PMO in receipt of project risk registers • All current programme and project milestones, targets and outcomes will be monitored and reported using Pentana. The information has been uploaded to Pentana • PMO will work with Project Leads to ensure accurate input of monitoring data to Pentana • A regional community benefits tracker has been developed by the AGD Procurement Sub-Group and is currently being tested. EAC will host and maintain the system. 	<ul style="list-style-type: none"> • Pentana adopted by PMO and Project Leads – Q4 2020/21 • Regional community benefits approach / tracker adopted by Procurement & PMO – Q4 2020/21

AGD Dashboard – 11 January 2021

Programme Management Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
Business Cases	A	<ul style="list-style-type: none"> • Letter from SG around business case process – simplifying approvals process • Project leads updated business cases July/August 2020 taking account of government feedback received and project developments. • Awaiting further business case feedback from government, as well as an indication on how close/far OBCs are from government approval • UKG & SG economists have confirmed agreement with PMO proposed economic appraisal methodology for land use projects • Economic modelling for land use projects and current associated options completed January 2020. These will require to be updated as business cases develop • Business case training provided to project leads – January & October 2019 • Information session with project leads to discuss equalities, procurement and Inclusive Growth Action plan took place December 2019 • Further equalities training provided by SG to Project Leads in Autumn 2020 • Regular meetings taking place between PMO and three Equalities Officers • Business Case guidance sessions provided to Project Leads in November 2020. The sessions discussed: business case format; approvals process; project interdependencies; and inclusive growth objectives • Awaiting further clarity from SG around business case format for revenue projects • Where appropriate, roundtable discussions being arranged with both governments, PMO and project leads to thrash out any issues, including business case format • PMO continue to provide support and advice around business case development 	<ul style="list-style-type: none"> • Working for a Healthy Economy OBC completed/presented to REP/approved by Government – January 2021 • Working for a Healthy Economy FBC completed/approved by EJC – February 2021 • CWB OBC completed/presented to REP/approved by Government – January 2021 • CWB FBC completed/approved by EJC – February 2021
Communications	A	<ul style="list-style-type: none"> • Communications protocol with both governments in place and forms suite of Deal documents agreed by Joint Committee, UKG and SG • Communications Action Plan for 2020/21 will continue to be populated • Weekly meetings taking place with local authority Communications Leads to progress the Communications Action Plan • The development and design of AGD website is underway, with expected launch date being end of February 2021. A web domain name has been purchased – ayrshiregrowthdeal.co.uk • AGD Story Map will continue to be maintained prior to website being launched • AGD Information Portal supported by SAC allows sharing of documentation with project leads and partners 	<ul style="list-style-type: none"> • Website launched – end of February 2021
Resource	A	<ul style="list-style-type: none"> • Programme and project management arrangements in place for each council area • SAC currently recruiting new officer posts • Permanent PMO staffing structure agreed to support next phase and staff have been appointed 	

AGD Dashboard – 11 January 2021

Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
AEROSPACE & SPACE PROGRAMME	A	<ul style="list-style-type: none"> • AGD (SAC) Programme Management established • Monthly programme portfolio review in place. Programme plan updated on 15 July • All OBCs submitted to PMO incorporating feedback from PMO • Awaiting feedback from UKG on Spaceport – received November 2020 • The impact of Covid19 on the aviation industry and the related aerospace sector means that we are currently reviewing projects to assess the impact on activities. For example, this has resulted in a delay in the commissioning of the economic impact assessment for the programme and individual projects until November 2020. • Council approval to recruit dedicated Programme staff resource • Update business cases to include any comments from the UKG (20/21) • Incorporate updated risk registers into business cases (20/21) • Economic Impact Assessment – Report January 2021 • Skills Action Plan – Commission in December 2020 and report • Equality Impact & Fairer Scotland Assessment (20/21) • Overarching Aerospace & Space Programme Summary update (20/21) • Programme Plan updated (20/21) • Recruit staff to Team – March 2021 	
SPACEPORT INFRASTRUCTURE Project Lead: Jim Johnstone	A	<ul style="list-style-type: none"> • Detailed programme of work has been established • Updated OBC was provided to PMO July 2020 – UK Government feedback in November • work packages and risk register reviewed with key delivery partners and updated • Ongoing discussions with potential air launch service providers (LSP) and human spaceflight provider. • new contact developing hypersonic flight capabilities from Prestwick • Status of GPA with regards to ownership to be confirmed – sale process has been recommenced; expressions of interest due by 26 November and hope to conclude sale by end of March • GPA executive team activity participating in the development of the spaceport through the Site/LSP baseline & Operational Plan study and RIBA Stage 1 study • Market opportunities study completed and outputs from study to be included in next version of business case • Researching opportunities with Scottish Enterprise in respect of microgravity services and activities • On-going monthly liaison with the UK Space Agency and Civil Aviation Authority • Space Industry Act secondary legislation published for consultation on 29 July 2020 – detailed response from Prestwick Team • RIBA Stage 1 Report commencing on 25 August 2020 reporting January 2021 • RIBA Stage 2 Gate review February 2021 	<ul style="list-style-type: none"> • Update OBC - March 2021 to reflect development activities undertaken & government feedback

AGD Dashboard – 11 January 2021

Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
COMMERCIAL SPACE – HANGAR / INDUSTRIAL UNITS Project Lead: Calum McPhail	A	<ul style="list-style-type: none"> • Due to Covid19, the timeline for individual developments has moved. In parallel, new enquires and opportunities have emerged in response to Covid19. These opportunities will be examined and the programme updated accordingly • Updated OBC submitted to PMO and governments August 2020 - awaiting further feedback • Risk Register and project work packages reviewed and updated • Development options study to be reviewed – tender December 2020 • Revisit demand forecast to consider impact of Covid 19 on the project plan – commence December 2020 • Agree development approach for Prestwick International Aerospace Park with SE • Monthly project meetings and governance established - ongoing • Update programme of activity, in response to Covid19 • Amend elements of the development strategy to reflect shift in market conditions as a result of Covid19, finalise strategy by end of March 2021 • Utilities study complete for PIAP – January 2021 • Design and programme for phase 1 agreed – March 2021 • Development Agreement MoU with SE – March 2021 • Demand forecast – February 2021 • Programme plan – update by March 2021 	<ul style="list-style-type: none"> • Revised OBC – March 2021 • FBC – June 2021
PRESTWICK INFRASTRUCTURE – ROADS Project Lead: Alison Blair	A	<ul style="list-style-type: none"> • Aerodrome Safeguarding study completion further extended into December to enable consideration of impact of space launch activities • Commission of completion of Phase 1 route design (Station Road by-pass to PEAP) scheduled to start when Aerodrome Safeguarding study is received. • Phase 1 Orangefield Culvert Catchment Study completed • Meeting with TS regarding OBC comments February 2021 • Completion of Aerodrome Safeguarding report - end of January 2021 • Drainage solution optioning commence January 2021 • Phase 2 Road Alignment Study end February 2021 • Route design for phase 1 completed – extended to end February 2021 • Land assembly (phase 1) commences mid March 2021 • South Ayrshire Council Leadership Panel approvals February 2021 	<ul style="list-style-type: none"> • Revised OBC - March 2021 • Complete Phase 1 development - FBC November 2022
AEROSPACE & SPACE INNOVATION CENTRE (ASIC) including Visitor Centre Project Lead: Calum McPhail	A	<ul style="list-style-type: none"> • Response to Covid19 required. Focus on MRO / Decommissioning through regional and Scottish Government ministerial working groups - ongoing input • Commenced delivery of the supply chain and AVS projects – supported via the SG Advancing Manufacturing Fund, commenced August 2020 • Consideration of outputs from the Spaceport market opportunities study that may sit better within ASIC; January 2021 • Risk Register and project work packages reviewed and updated • Feasibility Study for decommissioning / MRO, including dependencies to Commercial infrastructure project commenced November 2020. Report due January 2021. 	<ul style="list-style-type: none"> • Decommissioning / MRO feasibility study report – January 2021 • Updated OBC - end of March 2021

Checked & validated by PMO: S MacMillan

Date: 11 Jan 21

AGD Dashboard – 11 January 2021

Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
ECONOMIC INFRASTRUCTURE PROGRAMME	A	<ul style="list-style-type: none"> • Predominantly project approach for this theme 	
HALO Kilmarnock Ltd Project Lead: Gary Deans	G	<ul style="list-style-type: none"> • Scheduled to complete Phase 1 (Innovation Hub) mid-April 2021 • Claim submitted by HALO to EAC December 2020 for final drawdown of AGD grant funding • Final drawdown claim of AGD grant funding submitted to Scottish Government January 2021 • PMO working with HALO to ensure we capture the current and future benefits associated with the delivery and objectives of the project 	

Checked & validated by PMO: Allison Craig

Date: 14 January 2021

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Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
Amber	Amber

Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
ECONOMIC INFRASTRUCTURE PROGRAMME	A	<ul style="list-style-type: none"> • Predominantly project approach for this theme 	
AYRSHIRE ENGINEERING PARK (MOORFIELD) Project Lead: Fiona Paterson	A	<ul style="list-style-type: none"> • Updated Draft OBC submitted to PMO & SG July 2020 –Awaiting further feedback • Economic modelling completed – further analysis will be carried out as inputs are refined • In discussions with two landowners regarding the purchase of identified site • Land acquisition – Q1/Q2, 2021/22 • Issue tender brief for site access options Q4 2020/21 • Licence to occupy signed by landowners to permit access for site investigations. Site investigations commenced on Monday 9th Nov and report expected early February 2020. • Brief currently being drafted to appoint Traffic Consultant to understand access opportunities to site. Tender will be issued once we receive confirmation of satisfactory site investigations. 	<ul style="list-style-type: none"> • Update OBC Q1 2021/22
AYRSHIRE MANUFACTURING INVESTMENT CORRIDOR (AMIC) Project Lead: Gillian Morton	A	<ul style="list-style-type: none"> • Updated Draft OBC submitted to PMO & both governments Sept 2020 – Awaiting further feedback • Phasing/profiling pushed back 3 years following concerns raised by Transport Scotland regarding impact of development on the safe & efficient operation of the A77(T) Bellfield Junction. Transport Scotland raised further concerns with regards to Bellfield in feedback Aug 2020. • Meeting held with Transport Scotland & Scottish Government in Aug 2020 which resulted in an updated OBC in Sept 2020. • Bellfield was our preferred site for the project however we are actively looking at other sites to ensure the best site possible is chosen and the project is delivered. • Economic inputs revised to take account of build out aligned to spend - this information will inform further economic analysis • Ambition/objective setting workshop took place on 10th November 2020. Subsequent session to be undertake targeted at smaller businesses in January 2021. There have been delays completing this work due to the Food & Drink sector addressing challenges caused by Covid -19. • Tender brief being drafted to appoint agent to undertake business engagement/market research to inform next iteration of OBC this tender will be issued following a review of the ambition research report. • Steering group participants being considered. Invitations will be issued following the Ambition setting workshop and receipt of report from Consultants, expected Q4 2020/21. • Considerable networking and engagement with other Food & Drink Centres across the UK and Ireland underway to act as lessons learned, inform options and explore operational models and consultation with industry to support project development. • Further discussions with NMIS regarding links and being part of networking alliance. Discussions will continue with the view to formalising relationship between NMIS and AMIC through MoU. NMIS participated in Ambition setting workshop 	<ul style="list-style-type: none"> • Update OBC Q1 2021/22

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Sub-Programme/Project Updates

Overall Status Last Period	Overall Status This Period
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Theme	RAG Status	PMO – Key Task Updates	Next Milestones (financial year)
I3	A	<ul style="list-style-type: none"> • Programme board established; masterplan team preparing layout options for location of Digital Hub and flexible space phases; green energy scoping exercise planned to support masterplan. • Requires clarification from PMO/Govt on estimated timing and information required for OBC sign-off following PMO/Govt information session from 6th Nov 	
I3 FLEXIBLE BUSINESS SPACE Project Lead: Marnie Ritchie	A	<ul style="list-style-type: none"> • Project informed by Ryden research, highlighting market circumstance, scale, configuration of flexible space. This is built into OBC as options to inform economic modelling. • Delivery due to commence 2022 • Austin Smith Lord leading masterplan process for i3. • Revised OBC was submitted to PMO and government August 2020 – all feedback to date addressed in updated OBC • Project development progressing including preparation of scoping for technical works and masterplanning. 	<ul style="list-style-type: none"> • OBC Q4 2020/21
I3 DIGITAL AUTOMATION & TESTING CENTRE Project Lead: Marnie Ritchie	A	<ul style="list-style-type: none"> • A joint outline business case is being prepared for a digital process manufacturing centre between NAC and NMIS. • NMIS partnership identified market gap for NMIS national facility – Digital Process Manufacturing Centre (DPMC). • OBC currently under preparation and targeted for Dec completion for first draft for partner review. Exp capex cost circa £10-11m. NMIS developing commercial model. Anticipated NAC lead on capex and NMIS to be facility operator. • Steering group targeting phase 1 of DPMC to open in Sept 2021 to meet demand; with phase 2 in 2024. • O'Herlihy & Co completed demand assessment to supplement business case. Indication of strong support for facility with some interest in immediate take up. • Further economic analysis required to support business case and being developed. • Consideration of benefits realisation of digital infrastructure programme to take place. • Once OBC is approved, pilot phase can begin 	<ul style="list-style-type: none"> • OBC Q4 2020/21

Checked & validated by PMO: S MacMillan

Date: 11 Jan 21

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Overall Status Last Period	Overall Status This Period
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Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
ENERGY, CIRCULAR ECONOMY & ENVIRONMENT	A	<ul style="list-style-type: none"> Project approach only for this theme 	
NATIONAL ENERGY RESEARCH DEMONSTRATOR (NERD) Project Lead: Lorna Clark	A	<ul style="list-style-type: none"> Updated OBC sent to PMO at end of July 2020 addresses SBC feedback from SG OBC feedback responses returned to PMO- June 2020 A representative from BEIS UKG sits on the Steering Group Economic inputs will be revised again to take account of build out aligned to spend - this information will inform further economic analysis EAC appointed Faithful and Gould as Passivhaus specialists. Project workshops ongoing to develop design, layout, concept, costings and delivery programme for NERD Centre with RIBA Stage 2 report to be published 11th January 2021. Design team will progress to RIBA Stage 3 designs from Feb 2021 with completed report and drawings expected early summer 2021. EAC Members' stakeholder briefing session arranged for 19th January 2021 and paper going to EAC Cabinet 3rd February 2021 seeking approval of spend for RIBA Stage 3 Ongoing consideration and discussions regarding operational models for the Centre Meeting held on 24th Nov 2020 with University of Strathclyde to further discuss operational model and USP of NERD. Agreed outcome is to prepare a presentation/pitch to present to Senior Management at Strathclyde University/PNDC (Power Networks Demonstration Centre) Present to Strathclyde University/PNDC on operational model Q4 2020/21 Project team continuing to develop initial project proposals for early Demonstrator projects with a range of internal Council Departments and external stakeholders Confirmation received in November 2020 that the Stage 2 application submitted in partnership with Energy Technology Partnership to the Low Carbon Challenge Fund was unsuccessful 	<ul style="list-style-type: none"> Updated OBC Q4 2020/21

Checked & validated by PMO: SMacMillan

Date: 11 Jan 21

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Overall Status Last Period	Overall Status This Period
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Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
ENERGY, CIRCULAR ECONOMY & ENVIRONMENT	A	<ul style="list-style-type: none"> Project approach only for this theme 	
CENTRE FOR RESEARCH INTO LOW CARBON ENERGY & CIRCULAR ECONOMY (CECE) AT HUNTERSTON Project Lead: George Hunter	A	<ul style="list-style-type: none"> Strategic Business Case feedback from UK Govt broadly supportive of proposals and strategic case for investment. NAC letter issued to Scot Govt seeking ministerial Taskforce for Hunterston to integrate decommissioning impact with AGD programme as part of decommissioning strategy NAC developing governance proposals/workplan for provisional taskforce. Engagement with SE has taken place (Nov 2020) to seek support and resource input to taskforce operation. Further engagement to take place with Peel Ports Group Partnership development strategy under development to form the basis of partnership discussion with Peel, with a view to identifying a partnership development approach. NAC/SE discussions took place Nov 2020 as a catalyst for activity in the form of an industry-led innovation centre has taken place through engagement with SE. Following partnership model being in place an OBC to be developed for initial phase. Ongoing discussion with Nuclear Decommissioning Authority to position impact of decommissioning within wider context of Hunterston development proposals. Blue Economy Ekosgen strategic development critical to Hunterston in terms of defining the synergy across IMSE and Hunterston, and providing strategic support for Parc innovation project. 	<ul style="list-style-type: none"> OBC Q1 2021/22
INTERNATIONAL MARINE SCIENCE & ENVIRONMENTAL CENTRE (IMSE) Project Lead: George Hunter	A	<ul style="list-style-type: none"> Revised SBC submitted to PMO and governments August 2020 – all feedback received reflected in recent submission and positive feedback received from UKG in recent feedback Detailed brief for research issued to define market and growth opportunities in marine science sector - to provide further definition on strategic context for IMSE IBioIC conference (Feb 2020) for industry engagement to inform strategic context Development of strategic action plan for Blue Economy underway partnership to provide expertise and route map for development and provide sectoral analysis of role of IMSE. Engagement with Scottish Enterprise Cluster Builder programme ongoing. Engagement with academic contacts has advanced and academic interests to engage with action plan development and scoping of future stages of IMSE business case development. 	<ul style="list-style-type: none"> OBC Q1 2021/22

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Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
TOURISM	A	<ul style="list-style-type: none"> Agreed at recent OCEA meeting that quantitative targets and wider benefits for tourism projects should be based on evidence available, with the wider benefits articulated within the qualitative narrative. OCEA confirmed that a full CBA is not necessary for projects <£10m Requires clarification from PMO/Govt on estimated timing and information required for OBC sign-off following PMO/Govt information session from 6th Nov. 	
THE GREAT HARBOUR AT IRVINE HARBOURSIDE & ARDEER Project Lead: George Hunter	A	<u>Maritime Mile (Critical Path):</u> <ul style="list-style-type: none"> Advisors appointed to provide RIBA Stage 2 concept design cost analysis Gateway stage 1 review (Project Board sign off of concept design & OBC) exp Jan 21 Design team appointment for detailed design proposals exp Q1 21 S Govt feedback Positive. Awaiting PMO/SG clarifying Next Steps to advance Regional Approvals <u>Great Harbour Related Project Development and Meeting Strategic Objectives:</u> <ul style="list-style-type: none"> Ironside Farrar developing masterplan. Initial stakeholder engagement including with NMMS Intended to undertake CWB Team workshop to identify key opportunities and CWB approaches 	<ul style="list-style-type: none"> OBC Q4 2020/21
MARINE TOURISM Project Lead: George Hunter	A	<ul style="list-style-type: none"> Revised OBC reflected all feedback to date submitted August 2020 Delivery due to begin 2022/23 Technical support work progressing to detailed scope, in tandem with cost plan review and MOU with partners for project Gateway governance system developed and in place. 	<ul style="list-style-type: none"> OBC Q1 2021/22

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Theme	RAG Status	PMO - Key Task Updates	Next Milestones
DIGITAL PROPOSAL	A	<ul style="list-style-type: none"> • Digital Oversight Group met on 28 May 20. Confirmed refreshed ToR and membership • Further discussions with private sector investor continue. Awaiting proposal from partners • Review of resource requirements and Governance. Chair and support agreed. • Alignment of Regional Economic Strategy digital work stream and AGD • No significant progress with the projects since last update in August • Receipt of FarrPoint gap analysis and incorporate findings into OBC • Business case and investment requirements from Private Sector 	
SUBSEA FIBRE OPTIC CABLE Project Lead: Theo Leijser (interim)	A	<ul style="list-style-type: none"> • OBC updated April 2020 following feedback from UKG and SG • SFT leading on negotiations on new cables to ensure further resilience for Scotland • SFT leading on further discussion with UKG in relation to OBC feedback • Engage with Government as commercial opportunity may require rapid confirmation of funding and additional project development resource • Complete gap analysis to be incorporated into next OBC iteration – Q3 2020/21 	<ul style="list-style-type: none"> • Revised OBC – Q1, 2021/22
KEY DIGITAL INFRASTRUCTURE Project Lead: Theo Leijser (interim)	A	<ul style="list-style-type: none"> • OBC updated April 2020 following feedback from UKG and SG • Discussions with private operator regarding land connectivity ongoing • Proposal being developed to establish edge data centre capability in Ayrshire, on a hub and spoke model, in order to secure economic benefit from subsea cable. • Bid submitted to SFT for low carbon funding to help with resource • Complete gap analysis to be incorporated into next OBC iteration – Q3 2020/21 	<ul style="list-style-type: none"> • Revised OBC – Q1, 2021/22

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Overall Status Last Period	Overall Status This Period
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Theme	RAG Status	PMO - Key Task Updates	Next Milestones (financial year)
REGIONAL SKILLS & INCLUSION PROGRAMME Project Lead: Greig Robson	A	<ul style="list-style-type: none"> • Project rather than programme approach being adopted for Regional Skills & Inclusion programme – proposed elements being developed • Discussions currently taking place with SG around project elements/proposals • Draft project elements include: Working for a Healthy Economy; and Skills Fund • Consulted with EAC, NAC, SAC, SDS, College around Skills Fund proposals • Need to understand whether current OBCs are sufficient for each project or whether FBC is required 	
WORKING FOR A HEALTHY ECONOMY Project Lead: Greig Robson	A	<ul style="list-style-type: none"> • Latest updated OBC submitted to SG 20/21. • SG have indicated satisfied with OBC and will check whether FBC is required. • Discussed implications of Covid with SG and agreed that while project approval should proceed asap – the contract implementation perhaps should be delayed to end of 2020 or early 2021. This is because approach is somewhat reliant on face-face contact and a supportive jobs market. • Delay to project implementation will have minimal impact on financial profile as only £100k profiled for 20/21. • Procurement framework for Health project was issued during January and has now been scored, and health/employability lot was awarded to NHS/Salus • Review of project implementation plan held with contractor and PMO in December • Project spend in Quarter 4 of 2020/21 may be possible subject to receiving OBC approval in January • Currently working on an FBC 	<ul style="list-style-type: none"> • OBC approval Q4 2020/21
AYRSHIRE SKILLS FUND Project Lead: Greig Robson	A	<ul style="list-style-type: none"> • Latest updated OBC submitted to SG Q2 20/21 • SG seem satisfied that OBC is sufficient for time being and that governance decisions for Skills Fund can be taken at FBC stage. • Discussed Covid implications with SG. Agreed that there is an argument to accelerate approval if possible. National resources for skills have already been announced and project will need to react to this as it emerges. 	<ul style="list-style-type: none"> • OBC approval Q4 2020/21

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Sub-Programme/Project Updates

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Theme	RAG Status	PMO - Key Task Updates	Next Milestones
<p>COMMUNITY WEALTH BUILDING (CWB)</p> <p>Project Lead: Julie McLachlan</p>	A	<ul style="list-style-type: none"> • Revision of OBC submitted in August . • Various OBC versions have reflected PMO & Government feedback in March 2020, May 2020 (to update financial profile and risk register drafted May 2020 taking Covid-19 into account); and additional comments through May/June. Total comments from SG received is now around 250 despite overall positive feedback. • Working group in place since May 2019 and identified 3 key project areas: CWB Business Locality Officers, CWB Fund, Fair Work Ayrshire • Working group met November 2020. FW Ayrshire financial profile to be revised back to pre-Covid financial profile now economic impact of Covid-19 on business base clearer. • Job descriptions will be processed however lack of clarity on OBC sign off and FBC requirement impacting development of recruitment timeline. • OBC updated and sent to SG on 12 Jan 21 • Need clarity on whether FBC required and process for sign off so recruitment process can commence ahead of delivery Q1 2021/22 	<ul style="list-style-type: none"> • OBC Q4 2020/21

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Theme	RAG Status	PMO – Key Task Updates	Next Milestones
<p>STRATEGIC TRANSPORT PROJECTS REVIEW (STPR2)</p> <p>Project Lead: Kevin Braidwood</p>	A	<ul style="list-style-type: none"> Regional transport working group (RTWG) established Growth Deal ambitions captured AGD land use assumptions fed back to Transport Scotland Stakeholder engagement from summer 2019 to September 2020 to inform the development of STPR2 resulted in a wide range of transport options being generated Two phased approach has been agreed to the development of STPR2 in light of the pandemic restriction with Phase 1 reporting late 2020/early 2021 on options that align with NTS, can be delivered or substantially progressed in the next 2/3 years and will support recover. Phase 2 will report in Autumn 2021 on investment over the longer term An options sifting process has commenced and the RTWG are being consulted on whether any options that have been sifted out prematurely or if potential options have been missed The RTWG will prepare a co-ordinated regional response to options sifting outlining the region's rationale for the inclusion of projects currently sifted out where appropriate To enable an informed response, the RTWG wrote to AECOM (consultants for TS) 26 November 2020 seeking clarity on a number of points relating to the options sifting pack A meeting with Mr Michael Matheson MSP is being sought to ensure that emerging priorities from the Phase 1 option sifting process support economic recovery and alignment of work associated with the AGD 	<ul style="list-style-type: none"> Phase 1 report to SG – Q4, 2020/21 Phase 2 report to SG – Q3, 2021/22

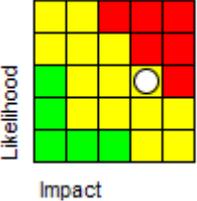
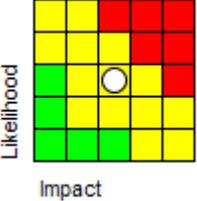
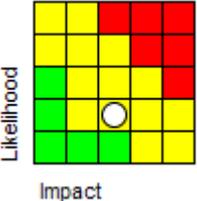
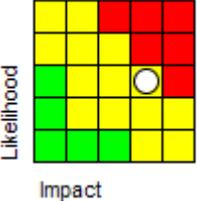
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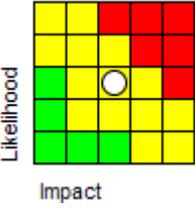
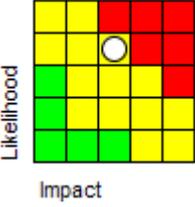
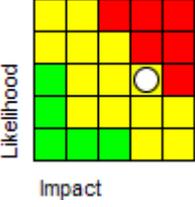
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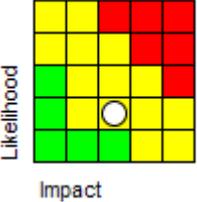
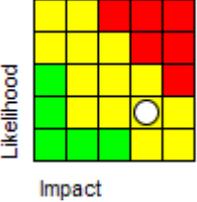
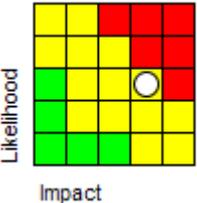
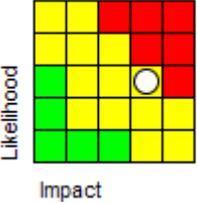
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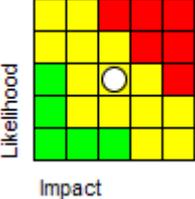
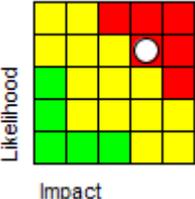


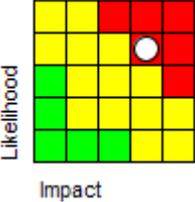
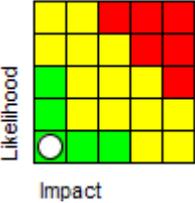
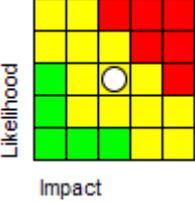
Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK01	Failure to achieve AGD programme objectives	PMO working on monitoring and evaluation processes to ensure overall objectives are captured and any project failing to achieve and contribute to these is flagged and issues addressed as quickly as possible. Monitoring and Evaluation Framework will be developed and implemented.		15-Jan-2021	12	12	AGD Steering Group and other governance arrangements are in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery
	AGDRISK02	Failure to provide accurate projections for programme spend	Outline business cases were updated July/August 2020 as part of the iterative process of negotiations with SG and UKG and spend profiles have been reviewed. Project Leads have confirmed accuracy and made minor adjustment where necessary.		15-Jan-2021	12	12	OBCs/FBCs include an optimism bias factor; Inflationary factor included in cost estimations; Challenge panel led by PMO exists to review and scrutinise spend profiles. Issues to be escalated to CEOs and Regional Partnership as appropriate.
	AGDRISK03	Failure to drawdown full AGD funding	Regularly review and agree financial profiling/phasing with Project Leads and Finance Directors and ensure drawdown projections align with delivery timescales. Annual review of Financial Plan and Implementation Plan. The Scottish Government's Financial Reporting Requirements will be implemented.		15-Jan-2021	9	12	Internal procedures, financial controls and audit processes being put in place to mitigate this risk

Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK04	Delays in development and approval of business cases	All projects now have either an SBC or an OBC in place and these are subject to focused discussions with SG and UKG – Covid-19 had caused delays with negotiations and sign offs.		15-Jan-2021	16	12	PMO working closely with project leads and policy leads within UKG and SG to support business case development and approval to an agreed timeline
	AGDRISK05	Failure to capture accurate baseline data	Post Covid-19 data will provide a more accurate baseline. Over the coming weeks and months, the volume of economic and labour market data that captures 2020 (and beyond) is likely to increase. This will enable us to have more robust evidence on the economic and labour market impact of Covid-19.		15-Jan-2021	6	9	Project leads required to establish appropriate baseline in business cases
	AGDRISK06	Failure to deliver community benefits from AGD	PMO and Procurement managers from 3 Councils have developed and agreed a single mechanism to monitor delivery of community benefits so that remedial action can be taken if required. PMO working with Project Leads to develop consist approach to embedding inclusive growth, equalities and community wealth building within business cases.		15-Jan-2021	6	6	Procurement working group has been established to support delivery of community benefits
	AGDRISK07	Failure to deliver individual projects within the AGD programme	Regular dialogue/reporting around progress takes place between PMO and Project Leads where issues are raised in advance and if appropriate escalated to Government, Regional Economic Partnership and Regional Economic Joint Committee. Regular review of outputs and timelines for delivery of benefits in light of Covid-19. A Monitoring and Evaluation		15-Jan-2021	9	12	AGD Steering Group and other governance arrangements in place to monitor project development. PMO will escalate any issues relating to individual projects to existing governance arrangements

Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
			Framework which will include a change management process will be developed and implemented, as will a Benefits Realisation Plan.					
	AGDRISK08	Inadequate recognition of interdependencies and/or knock-on impacts between parts of the programme leading to issues with delivery and/or lost opportunities	Programme meeting/workshop facilitated by PMO and attended by Project Leads and partners took place early November 2020 to ensure interdependencies are recognised and considered. The PMO continue to work with project leads to develop and articulate the interdependencies within the project business cases.		15-Jan-2021	9	9	PMO working closely with project leads to ensure interdependencies are fully articulated within business cases
	AGDRISK09	Lack of resource within partner organisations to deliver projects in line with AGD programme	Each Council has appointed staff and/or consultants to support project development and delivery. Each project currently has a Project Lead in place. Partners including SE are providing additional resource to the majority of projects. The draft programme of delivery is very ambitious and further resource commitment may be required.		15-Jan-2021	9	12	Formal approvals of Councils' resources are now in place for AGD projects. Other funding streams will be explored to support ongoing revenue costs. Anticipated revenue streams will be subject to constant review through the monitoring procedures in place for AGD.
	AGDRISK10	Lack of resource in PMO	A permanent PMO structure has been agreed and staff appointed. The PMO is being supported by colleagues in each of the Councils in a number of work streams. Re-assess capacity and skill sets regularly in line with changing requirements.		15-Jan-2021	9	12	

Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK11	Inadequate governance arrangements to support AGD delivery	Joint Committee and Ayrshire Regional Economic Partnership formed and regular meetings in place. The Scottish Government's Financial Reporting Requirements have been implemented. A partner agreement between EAC, as lead authority for the Deal and North and South Ayrshire Councils has been drawn up and terms agreed. A Monitoring & Evaluation Framework and Benefits Realisation Plan will be developed and implemented.		15-Jan-2021	6	6	Ayrshire Regional Partnership and Joint Economic Committee now in place. AGD is standing item on CEOs' monthly meeting agenda.
	AGDRISK12	Monitoring & Evaluation Framework is not sufficiently defined	Framework will be co-produced with Government. The PMO is currently working with colleagues nationally to develop and agree a consistent approach with Government. Framework will be considered/agreed by Joint Committee.		15-Jan-2021	8	8	
	AGDRISK13	Failure to attract commercial interest in AGD	Market campaigns will target potential investors. Wider Ayrshire Economic Growth Strategy is in place to ensure wider growth ambitions for Ayrshire are articulated to stakeholders and investors.		15-Jan-2021	12	12	
	AGDRISK14	Programme not communicated effectively to stakeholders outwith Governance structure	Communications Action Plan continues to be developed and updated, including launch of AGD website, increased use of social media platforms, pipeline of project specific communications plans. Regular briefings with elected members. Communications Protocol in place. Internal communications		15-Jan-2021	9	12	Comms protocol in place; Resource within AGD to market and promote activities and overall programme; Comms plan will be put in place for each project

Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
			plan being developed.					
	AGDRISK15	Supply phasing within overall programme	Early engagement with the construction sector will be required to ensure a greater understanding of the AGD Programme for project implementation and the nature of projects; to ensure industry is able to respond to ITTs; and that the capacity exists to deliver AGD activities. Market engagement through Meet the Buyer events.		15-Jan-2021	9	9	Governance arrangements in place will support the sharing of market intelligence and the phasing of development activity
	AGDRISK16	Potential impact of Brexit on economic prosperity of region	On 24 December 2020, the UK Government and the EU announced agreement on core elements of the future relationship. The impacts of Brexit on the UK economy have yet to be realised. Monitoring of the external environment will continue.		15-Jan-2021	16	16	Regional Economic Strategy will be implemented; Regional Skills Investment Plan developed and implemented and directed at both employer and resident needs; Regional Economic Partnership will provide voice for Ayrshire to press the case for government intervention investment, incentives and other forms of assistance to complement the AGD and to simulate greater economic activity; robust data analysis, shared amongst key partners and stakeholders to reach common understanding of local economic conditions, leading to early identification of real threats and opportunities; achieving consensus with partners and stakeholder on strategic objectives for inclusive and sustainable economic growth, with effective action planning and monitoring.

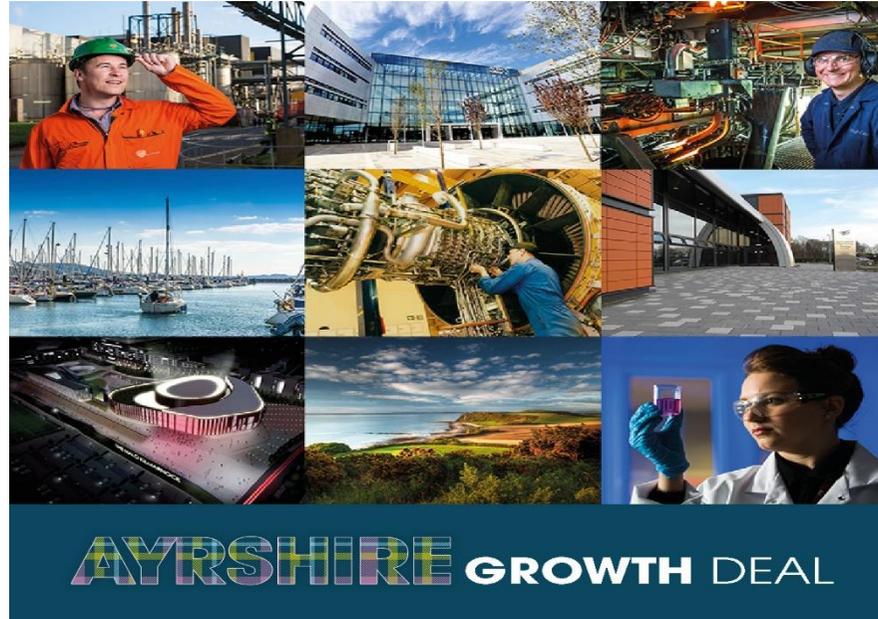
Risk Status	Code	Risk Title	Latest Note	Current Risk Matrix	Last Review Date	Original Risk Score	Current Risk Score	Internal Controls
	AGDRISK17	Covid-19 impacting on the AGD projects resulting in potential delays and cost increases	Regular dialogue takes place between PMO and Project Leads where issues are raised in advance and if appropriate escalated to Government, Regional Economic Partnership and Regional Economic Joint Committee. Regular review of outputs and timelines for delivery of benefits in light of Covid-19. A Monitoring and Evaluation Framework will be developed which will include a change management process.		15-Jan-2021	16	16	
	AGDRISK18	Delays in reaching agreement with UKG in relation to economic appraisal methodology	Agreement has been reached with both governments in relation to this work.		04-May-2020	9	1	Regular dialogue with UKG and discussion between project leads and government's policy leads designed to support business case development and approval
	AGDRISK19	Loss of IT systems	Corporate IT recovery protocol and security systems limit the risk. Contingency Plans in place.		15-Jan-2021	9	9	AGD team will be supported by IT recovery protocols and security systems of EAC to limit risk

Risk Status	
	Alert
	High Risk
	Warning

	OK
	Unknown

AYRSHIRE GROWTH DEAL

IMPLEMENTATION PLAN



Scottish Government
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AYRSHIRE
GROWTH DEAL

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1. INTRODUCTION

This document sets out the detail of how each project within the Ayrshire Growth Deal is expected to be implemented. This information should be read in conjunction with the Ayrshire Growth Deal Financial Agreement, Financial Plan, Governance Plan and Deal Document and will be subject to annual review and updating.

Contained within this implementation plan are the details of the key milestones, outputs and outcomes and risks associated with the development and delivery of each Growth Deal project. Also included are details of the key themes of each project and the inclusive growth barriers it seeks to target. Details of the interdependencies between projects and their links to inclusive growth are set out in the appendices to this document.

Further details relating to each project are contained within project business cases which are subject to detailed discussion with governments.

2. AYRSHIRE GROWTH DEAL PROGRAMME

Ayrshire's Councils all recognise the importance of a regional approach to growing the economy and have been working together and with partners and stakeholders to develop this Ayrshire Growth Deal, anchored in a commitment to creating a growing, innovative, more productive and inclusive economy, developing Ayrshire's core strengths and ensuring that communities benefit from economic growth.

Collectively, the partnership has identified the regional priorities which will create the best environment for people and business. This has been a robust process reflecting good practice methodologies, including analysis to understand the best interventions and projects which will facilitate a step-change for the Ayrshire and Scottish economies, while creating greater opportunity for all communities.

The vision is for Ayrshire to be ***'a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being, and leading the implementation of digital technologies and the next generation of manufacturing.'***

Targeted investment, coordinated throughout Ayrshire, will act as a powerful catalyst stimulating growth and resulting in increased prosperity for local people, for Scotland and for the UK as a whole.

While proposals reflect the strengths and opportunities which exist in Ayrshire, economic baseline analysis shows that the regional economy has been underperforming and recent job losses point to a loss of confidence and investment being diverted to other areas. The strategic objectives underpinning the Growth Deal projects are to:

- Attract and develop more innovative and internationally focused companies that are more likely to have higher levels of productivity through developing key infrastructure and targeted business support programmes;
- Position Ayrshire as the 'go-to' region for smart manufacturing and digital skills;
- Improve key elements of strategic transport and digital infrastructure to help businesses get goods to market and people to work (physically and virtually);
- Work with communities to raise aspiration and ambition, provide employment and skills support, and improve access to jobs through innovative community empowerment and employability programmes.

The partnership firmly believes that Ayrshire will be recognised for leading the successful implementation of key technologies in manufacturing sectors that are important to Scotland, for its world class digital and physical infrastructure and the quality of life it can provide.

This Deal will help drive inclusive economic growth across the region. The economy of Ayrshire has under-performed over a substantial period of time, leading to Ayrshire having one of the highest unemployment rates in Scotland and the UK, particularly among younger people. This will be exacerbated by the impact of the Covid-19 pandemic. This Deal will enable the creation of new high quality jobs and opportunities across Ayrshire, which will help secure the future prosperity of its many communities.

Building on the Heads of Terms signed off in March 2019, the Implementation Plan sets out how the individual projects within the Deal will be delivered and how they will contribute to a step change on our regional economy.

Project proposals and associated Outline Business Cases have been prepared, reviewed, assessed and refined following feedback received from policy leads within each government and these now form the overall programme business case.

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Approval of Deal Documents		2020/21
Full Deal Sign-off		2020/21
Develop and agree Monitoring & Evaluation Framework		2020/21
Develop and agree Benefits Realisation Plan		2020/21
Performance management system/s established		2020/21
AGD website developed, designed and launched		2020/21

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
New jobs created (construction, direct, indirect)	7,000 Jobs	2035/36
Facilitate private sector investment	£300m	2044/45

RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to achieve AGD programme objectives	<ul style="list-style-type: none"> • PMO developing monitoring and evaluation processes to ensure overall objectives are captured and any project failing to achieve and contribute to these is flagged and issues addressed as quickly as possible • PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal • AGD Steering Group in place to monitor progress and to address any weaknesses or issues that could impact on overall delivery
Failure to provide accurate projections for programme spend	<ul style="list-style-type: none"> • Business cases have been updated as part of the iterative process of negotiations with both governments and spend profiles have been reviewed • Project Leads have confirmed accuracy and made minor adjustment where necessary • PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads and Finance Directors and ensure drawdown projections align with delivery timescales • Annual review of Financial Plan and Implementation Plan
Failure to drawdown full AGD funding	<ul style="list-style-type: none"> • PMO will regularly review, challenge and agree financial profiling/phasing with Project Leads and Finance Directors and ensure drawdown projections align with delivery timescales • Annual review of Financial Plan and Implementation Plan • The Scottish Government's financial reporting requirements will be implemented • Internal procedures, financial controls and audit processes being put in place to mitigate this risk
Delays in development and approval of business cases	<ul style="list-style-type: none"> • PMO working closely with Project Leads and Policy Leads within both governments to support business case development and approval • Project Leads have received Green Book business case training • Project Leads' toolkit in place

	<ul style="list-style-type: none"> • Other partners assisting in developing business cases where capacity is low • PMO will arrange/facilitate workshops with Project Leads to ensure reporting requirements are understood
Failure to capture accurate baseline data	<ul style="list-style-type: none"> • Post Covid-19 data will provide a more accurate baseline. Over the coming weeks and months, the volume of economic and labour market data that captures 2020 (and beyond) is likely to increase.
Failure to deliver community benefits from AGD	<ul style="list-style-type: none"> • PMO and procurement managers from three Councils working on a single mechanism to monitor delivery of community benefits so that remedial action can be taken if required • PMO working with Project Leads to develop consist approach to embedding inclusive growth, equalities and community wealth building within business cases
Failure to deliver individual projects within the AGD programme	<ul style="list-style-type: none"> • Regular dialogue/reporting around progress takes place between PMO and Project Leads where issues are raised in advance and if appropriate escalated to government, Regional Economic Partnership and Regional Economic Joint Committee • AGD Steering Group and Project Boards in place to monitor project development • Regular review of outputs and timelines for delivery of benefits in light of Covid-19 • PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal. This will include a change management process • Partners will work together with both Governments to develop an approved Benefits Realisation Plan
Inadequate recognition of interdependencies and/or knock-on impacts between parts of the programme leading to issues with delivery and/or lost opportunities	<ul style="list-style-type: none"> • Programme meetings/workshops to be arranged and facilitated with PMO, Project Leads and partners to ensure interdependencies are recognized and considered
Lack of resource within partner organisations to deliver projects in line with AGD programme	<ul style="list-style-type: none"> • Each Council has appointed staff and/or consultants to support project development and delivery • Each project currently has a Project Lead in place • Partners including SE are providing additional resource to the majority of projects • Other funding streams will be explored to support ongoing revenue costs • Anticipated revenue streams will be subjects to constant review through the monitoring procedures in place for AGD

Lack of resources in PMO	<ul style="list-style-type: none"> • A new permanent PMO structure has been agreed and recruitment will take place during September 2020 • The PMO is being supported by colleagues in each of the Councils in a number of work streams • The capacity and skill sets will regularly be re-assessed in line with changing requirements
Inadequate governance arrangements to support AGD delivery	<ul style="list-style-type: none"> • Ayrshire Economic Joint Committee and Ayrshire Regional Economic Partnership has been formed and regular meetings are in place • Scottish Government's financial reporting requirements will be implemented • Partner agreement between EAC, as Accountable Body for the Deal and North and South Ayrshire Councils being developed • PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal. • Partners will work together with both governments to develop an approved Benefits Realisation Plan • AGD is standing item on CEOs' meeting agenda
Monitoring and Evaluation Framework is not sufficiently defined	<ul style="list-style-type: none"> • Framework will be co-produced with both governments • Frameworks developed by other Deals will be considered and utilized where relevant • Framework will be considered/agreed by Regional Economic Joint Committee
Failure to attract commercial interest in AGD	<ul style="list-style-type: none"> • Market campaigns will target potential investors • Wider Ayrshire Economic Strategy will be put in place to ensure wider growth ambitions for Ayrshire are agreed and articulated to stakeholders and investors
Programme not communicated effectively to stakeholders outwith Governance structure	<ul style="list-style-type: none"> • Communications Action Plan being developed, including launch of AGD website, increased use of social media platforms, pipeline of project specific communications plans • Regular briefings with elected members • A Communications Protocol and Comms Script developed with both governments and will support shared communications designed to build stakeholder confidence • Internal communications plan being developed
Supply phasing within overall programme	<ul style="list-style-type: none"> • Early engagement with the construction sector will be required to: ensure a greater understanding of the AGD programme for project implementation and the nature of projects; industry is able to respond to Invitations to Tender; and that the capacity exists to deliver AGD activities

	<ul style="list-style-type: none"> • Market engagement through Meet the Buyer events • Governance arrangements in place will support the sharing of market intelligence and the phasing of development activity
Potential impact of Brexit on economic prosperity of region	<ul style="list-style-type: none"> • Continued monitoring of external environment and government relations • Regional Economic Strategy will be implemented • Regional Economic Partnership will provide voice for Ayrshire to press the case for government intervention investment • Incentives and other forms of assistance to complement the AGD and stimulate greater economic activity
Covid-19 impacting on the AGD projects resulting in potential delays and cost increases	<ul style="list-style-type: none"> • Regular dialogue takes place between PMO and Project Leads where issues are raised in advance and if appropriate escalated to government, Regional Economic Partnership and Regional Economic Joint Committee • Regular review of outputs and timelines for delivery of benefits in light of Covid-19 • PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal. This will include a change management process

STRATEGIC LEAD: ALLISON CRAIG, EAST AYRSHIRE COUNCIL – ALLISON.CRAIG@EAST-AYRSHIRE.GOV.UK

3. PROJECT: SPACEPORT INFRASTRUCTURE

PROJECT SUMMARY: Establishing technically feasible and financially viable space launch services from Glasgow Prestwick Airport (GPA). The investment will be a catalyst to establishing GPA as the leading horizontal launch Spaceport in Europe, providing by 2035 a range of services including micro gravity flights, air launch of satellites up to a mass of 800kg, human space flight and hypersonic flights services. This builds on Prestwick's unique combination of attributes: latitude, over sea take off, metrological conditions plus the strong cluster of innovative aerospace companies located adjacent to GPA.

The investment will be in infrastructure to ensure that GPA is able to operate as a spaceport this includes fuel storage and mixing areas, blast protection. In addition, there will be investment to provide infrastructure for launch service providers (LSP) including a satellite integration facility, payload processing facility, mission control and range management systems.

PROJECT THEMES: high value manufacturing, aerospace and space, innovation, internationalisation, inclusive growth, employability and skills.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate and advanced jobs
- Local jobs
- Soft and basic skills
- Business support (non-financial)
- Sustainable working population
- Structure of the economy
- Inward investment
- Advanced digital skills/innovation
- Business premises

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Feasibility study completed		2020/21
Consenting and licensing plan sign off		2020/21
RIBA Stage 3		2021/22
Environmental Impact Assessment		2021/22
FBC Submission		2021/22
Launch Service Operator secured		2021/22
Safety Case		2022/23
Air Space Change Agreed		2022/23
Range management		2022/23
Secured licences		2022/23
Spaceport Infrastructure complete		2023/24
First Commercial Launch		2023/24
Full project completed/final drawdown		2025/26

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Operational spaceport	1	2023/24
Launch service providers at Prestwick	2	2025/26
New jobs created (direct and indirect)	100	2025/26
Construction jobs	75	2025/26
Private sector investment	£3m	2025/26

RISKS AND MITIGATIONS

RISK	MITIGATION
Design fails to meet requirements for Spaceport operations	<ul style="list-style-type: none"> • Liaise with CAA and Health and Safety Executive via UKSA workshops and 1-2-1 discussions on anticipated requirements • GPA senior team are in the Spaceport development team
Contractors identified for invitation to tender do not meet the brief	<ul style="list-style-type: none"> • Designs are informed by technical studies and surveys to ensure that the tender is detailed and appropriate for the project. Continued consultation with CAA and Health and Safety Executive

Contractors selected not meeting construction timelines	<ul style="list-style-type: none"> • Ensure robust contract management process in place
Cost overruns due to time delays, materials costs, poor specification or unforeseen circumstances	<ul style="list-style-type: none"> • Project costs will be managed by a quantity surveyor or equivalent and all contract amendments/engineers instructions that impact on cost to be approved by SAC. • Ensure sufficient optimism bias in costing of the project
Lack of use of UK assets for range control	<ul style="list-style-type: none"> • Strong working relationship between the Project team and expert panel to maintain a focus on this work • Engagement with Ministry of Defence and NATs is in place
Regulation and policy delays	<ul style="list-style-type: none"> • Continue to work closely with CAA to reduce deviation from CAA requirements while regulations are finalised
Safety delays and overruns including ITAR regulation (US export license)	<ul style="list-style-type: none"> • Close working with CAA, UK Government, Ministry of Defence and all other partners involved in developing regulations and licensing
Industry predictions for investment in satellite launches prove to be over-optimistic	<ul style="list-style-type: none"> • Project team continue to monitor satellite launch market; maintain dialogue with current and potential service providers • Team investigating wider market opportunities such as microgravity experimentation, human spaceflight and hypersonic flights • Strong working relationship between the project team and Scottish Enterprise and SDI to maintain a focus on this work
Covid 19 - Weaknesses emerge in supply chain companies after contract awards/construction delays due to social distancing	<ul style="list-style-type: none"> • Appropriate financial checks in place and will be carried out as part of procurement processes and contracts will make provision to mitigate this issue • Procurement will work with contractors to address issues of social distancing and how to resolve this in a manner that keeps timeline on track as far as possible

PROJECT LEAD: JIM JOHNSTONE, SOUTH AYRSHIRE COUNCIL – JIM.JOHNSTONE@SOUTH-AYRSHIRE.GOV.UK

4. **PROJECT: PRESTWICK COMMERCIAL BUILD**

PROJECT SUMMARY: Creation of additional high quality, secure, landside and airside commercial, office and hangar space to meet projected future growth in the aerospace, maintenance, repair and overhaul (MRO), aircraft decommissioning and new space markets. Accommodation will be built to 'Factory of the Future' standards and designed to accommodate new production techniques to support diversification and evolution of aerospace and space in Prestwick and provide commercial floor space to meet the growth demand from mobile global investors.

PROJECT THEMES: high value manufacturing, aerospace and space, innovation, internationalisation, inclusive growth, employability and skills.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Local Jobs
- Sustainable working population
- Structure of the economy
- Advance digital skills
- Business premises
- Transport (people to jobs)
- Transport (goods to market)
- Inward investment
- Intermediate and advanced skills
- Soft and basic skills

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Agreement on development strategy		2020/21
Financial model agreed and approved		2020/21
Land assembly		2021/22
Planning permission – Outline for masterplan area. Permission for each individual building to follow as and when required		2021/22
FBC submission		2021/22
Procurement of contractors for phase 1		2021/22
First commercial unit completed		2022/23
First hangar facility completed		2022/23
Full project completed		2031/32
Final financial drawdown		2031/32

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created (net internal area)	75,671 sqm	2031/32
New jobs created (direct and indirect)	1,177	2031/32
Construction jobs created	1,005	2031/32
GVA (direct and indirect – 25 year NPV)	£667.14m	2044/45
Private sector investment	£71.5m	2031/32

RISKS AND MITIGATIONS

RISK	MITIGATION
Planning Approval <ul style="list-style-type: none"> Delays in planning process due to capacity constraints Objections to proposed route 	<ul style="list-style-type: none"> Programme recognised by Planning Department as a major project and given priority Prestwick Campus Masterplan incorporated in development of LDP2 via main issues report and subsequent consultation with residents and other parties On-going community consultation
Delays in provision of utilities	<ul style="list-style-type: none"> Site energy strategy to be put in place and early engagement in place across utilities companies
Delays to design and build procurement processes <ul style="list-style-type: none"> Challenges to the process Availability of contractors 	<ul style="list-style-type: none"> External expert advisers have been procured to support the project team and will adhere to the procurement policies of South Ayrshire Council Timescales have been set to ensure that there is a sufficient pool of suppliers to undertake the activities and are interested in providing a competitive tender
Failure to Secure Private Sector Investment	<ul style="list-style-type: none"> External support has been secured to consider options for attracting the private sector investments Council to consider extending its own investment in this programme of build
Delays in site acquisition/agreement with Scottish Enterprise	<ul style="list-style-type: none"> Project team preparing proposal for Scottish Enterprise and project team will monitor progress with negotiation and take remedial action should timelines slip
Economic downturn	<ul style="list-style-type: none"> Early engagement with market indicates that this investment is an important part of recovery and engagement with market will be maintained
Impact on timelines from Covid-19 lockdown and social distancing	<ul style="list-style-type: none"> Project team will work with contractors to find innovative solutions designed to minimise delays

PROJECT LEAD: CALUM MCPHAIL, SOUTH AYRSHIRE COUNCIL – CALUM.MCPHAIL@SOUTH-AYRSHIRE.GOV.UK

5. **PROJECT: PRESTWICK ROADS**

PROJECT SUMMARY: Creation of an effective network of internal roads to enable the growth potential from the aerospace-space and related sectors. There are three elements to this project as follows:

- Work package 1 - Prestwick East Aerospace Park Link Road - new and upgraded road infrastructure to link the B739 Station Road from a redesigned roundabout junction on the A79 to the Prestwick East Aerospace Park which includes Spirit Campus and the airport development land to the north of the main runway, by-passing Monkton village.
- Work package 2 - A new route corridor to extend the link road infrastructure from Prestwick East Aerospace Park to link to the northern edge of the airport site and connect the Gannet site.
- Work package 3 - A new road infrastructure to service Spaceport development land from Sandyford Toll roundabout and link to Prestwick East Aerospace Park.

PROJECT THEMES: Enabling infrastructure, connectivity

INCLUSIVE GROWTH BARRIERS TARGETED:

- Transport (people to jobs)
- Transport (good to market)
- Inward investment
- Business premises
- Structure of economy
- Local jobs
- Soft and basic skills
- Advanced digital skills

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Community consultation complete		2020/21
Planning and regulatory consent achieved - Phase 1		2020/21
FBC submission – Phase 1		2020/21
Land assembly and site preparation – Phase 1		2021/22
Complete Work Phase 1		2022/23
FBC submission for Phases 2/3		2022/23
Procurement of contractors – Phases 2/3		2022/23
Commence Works – Phases 2/3		2022/23

Complete Phases 2/3		2025/26
Final financial drawdown		2025/26

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
New roadway created	3.5km	2025/26
Roadway upgraded	1km	2025/26
New roundabouts	4	2025/26
Upgraded roundabouts	3	2025/26
Footway/cycleway created/upgraded	4.5km	2025/26
Reduction of commuter vehicles routing through Monkton Village	75%	2025/26

RISKS AND MITIGATIONS

RISK	MITIGATION
<p>Route Design</p> <ul style="list-style-type: none"> • Fails to meet demands from current occupiers in relation to future productivity • Fails to support the development of available land • Doesn't support the volumes of future traffic • Community resistance 	<ul style="list-style-type: none"> • Used external consultancy service for a technical study to design and detail the road scheme • Route has been designed within the context of a Prestwick Campus masterplan which considers location of plots and utility services • On-going discussions with the current operators at Prestwick in respect of future plans • On-going community consultation
<p>Planning Approval</p> <ul style="list-style-type: none"> • Delays in planning process due to capacity constraints • Objections to proposed route 	<ul style="list-style-type: none"> • Programme recognised by Planning Department as a major project and given priority • Prestwick Campus Masterplan incorporated in development of LDP2 via main issues report and subsequent consultation with residents and other parties • On-going community consultation

<p>Delays to procurement processes</p> <ul style="list-style-type: none"> • Challenges to the process • Availability of contractors 	<ul style="list-style-type: none"> • Ayrshire Roads Alliance will provide expert support to the project team and will adhere to the procurement policies of East Ayrshire Council • Timescales have been set to ensure that there is a sufficient pool of suppliers to undertake the activities and are interested in providing a competitive tender
<p>Land Assembly Delays – Phase 1</p>	<ul style="list-style-type: none"> • Alternative options for the route have been developed
<p>Cost overruns</p>	<ul style="list-style-type: none"> • Project delivery will be led by a qualified project manager following established process for road construction • Costs will be monitored against progress and reported to the programme board • Any additional costs will be absorbed where possible by project redesign and/or re-prioritisation
<p>Covid-19 – slippage in construction timelines</p>	<ul style="list-style-type: none"> • Project team will work contractors to find solutions designed to minimise impact of social distancing and maintain pace of project

PROJECT LEAD: ALISON BLAIR, SOUTH AYRSHIRE COUNCIL – ALISON.BLAIR@SOUTH-AYRSHIRE.GOV.UK

6. PROJECT: PRESTWICK – AEROSPACE & SPACE INNOVATION CENTRE incorporating VISITOR CENTRE

PROJECT SUMMARY: The design, development, build and fit-out of an in-situ “innovation” centre to enable the delivery and manufacture of new flight products in Scotland providing a focus for the supply chain for the aerospace sector, Vertical and Horizontal Platforms, Satellite and other payloads and Research and Development both academic and industrial. Focused on industrialisation and implementation of industry 4.0 across whole supply chain groupings relating to new innovations, the project will focus on productivity innovation and industrialisation of new technologies at TRL 5 and above. The initial focus will be on the introduction of Industry 4.0 techniques and processes and related skills development requirements to the Maintenance, Repair and Overhaul (MRO) sector. This includes the establishment of an aircraft decommissioning facility which provides the project with “live” aircraft that supports the development of the skills required for MRO at Prestwick to remain competitive as well as providing opportunities for staff retention at a time when there is pressure to reduce costs and employee numbers across the cluster. The second phase will support the development of launch and in space capability and other related opportunities such as unmanned air vehicles.

The centre aims to support UK Aerospace and Space suppliers in exploiting opportunities arising for technology changes which disrupt established supply chains. The project will provide a means to engage higher proportions of SME’s in the innovation process, driven by centres such as the Spirit Aerospace Innovation Centre, NMIS and the wider catapult network.

PROJECT THEMES: STEM, high value manufacturing, aerospace and space, innovation, internationalisation, inclusive growth, employability and skills.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate and Advanced Skills
- Local jobs
- Business Support (non-financial)
- Sustainable working population
- Structure of the economy
- Advanced digital skills/innovation
- Inward investment
- Business premises
- Basic digital skills
- Soft and basic skills

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Pilot Aerospace and Space Supply Chain Programme		2020/21
Pilot Aerospace Digital Visualisation Suite Programme		2020/21
Complete final project design and procurement documentation		2020/21
Secure planning and building warrant approvals		2020/21
Appoint contractor to deliver facility build and general outfitting		2020/21
FBC submission		2020/21
Identify specialist equipment suppliers and procure		2021/22
Complete and commission facility		2022/23
Start first technology project		2022/23
Hold first event		2022/23
Hand-over (Phase 1) to operational organisation		2024/25
Completion of Phase 2 (National Flight Centre)		2029/30
Final financial drawdown		2029/30

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created (NIA)	4,390 sqm	2029/30
New jobs created (direct and indirect)	68	2029/30
Construction jobs created	110	2029/30
GVA (direct and indirect – 25 year NPV)	£27.28m	2044/45

RISKS AND MITIGATIONS

RISK	MITIGATION
Proposal not supported by local businesses	<ul style="list-style-type: none"> Industrial engagement to be carried out to identify what specifics ASIC will deliver Start-up industrial partners confirmed before project full approval
NMIS proposal seen as conflicting with ASIC	<ul style="list-style-type: none"> Discussion with AFRC/Strathclyde University and Scottish Government to position ASIC as being compatible with the overall NMIS objectives

	<ul style="list-style-type: none"> Local support to NMIS projects – providing a benefit to NMIS from: alternative funding route; and aerospace expertise and experience
ASIC not effective quickly to support urgent industrial needs	<ul style="list-style-type: none"> Core capabilities already available Skills development and training already established Phased approach to support priority actions first Utilise experience and resource from project partners
Sustainable funding model not achieved	<ul style="list-style-type: none"> Market survey required to determine medium term support Initial projects success will demonstrate viability of ASIC proposal Development of a large membership/engagement set Limit the scale of ASIC to match projected workload Model allows for facilities re-use as technology and business needs mature
Failure to attract external investors into this facility	<ul style="list-style-type: none"> Project team focused on ensuring business model and design can react to changing industry and technology demands Stakeholder management Marketing and promotional campaigns to be put in place
Economic and social benefits not delivered	<ul style="list-style-type: none"> PMO will work with both governments to agree a Monitoring and Evaluation Framework for the Deal Partners will work together with both Governments to develop an approved Benefits Realisation Plan
Commercial viability and impact of economic downturn	<ul style="list-style-type: none"> Project team focused on maintaining first mover advantage through close engagement with all stakeholders; focus on TRLS with university and catapult networks, ensure business model and design can react to changing industry and technology demands
Covid-19 – construction timeline slippage	<ul style="list-style-type: none"> Project team focused on working with contractor and HSE to minimise impact of social distancing and monitoring processes in place to identify issues as they arise and to address them

PROJECT LEAD: CALUM MCPHAIL, SOUTH AYRSHIRE COUNCIL – CALUM.MCPHAIL@SOUTH-AYRSHIRE.GOV.UK

7. PROJECT: THE HALO, KILMARNOCK

PROJECT SUMMARY: The development of a fully integrated Enterprise and Innovation Hub which will establish an entrepreneurial ecosystem to stimulate innovative business practices between new and established businesses. In turn this will create new jobs, as well as delivering 'workforces of the future' retraining in digital skills with key partners. This ecosystem is intended to encourage the development of new digital and cyber security products and services, responding in particular to the needs of the energy, health and space/aerospace sectors.

PROJECT THEMES: enterprise, manufacturing, innovation, internationalisation, inclusive growth, employability and skills.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate and advanced jobs
- Local jobs
- Health
- Business support (non-financial)
- Childcare
- Sustainable working population
- Structure of the economy
- Advanced digital skills/innovation
- Business premises
- Transport (people to jobs)
- Housing
- Inward Investment
- Digital connectivity

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Contractor start on site	complete	2019/20
Build complete (phase 1)	Delays due to site shutdown between March and May. Works re-commenced on site – June 2020	2021/22
Building open to occupants (phase 1)	Revised target date for completion and opening of the building is mid-April 2021. The delay is a consequence of the Covid lockdown and site closure.	2021/22
Payment of retentions and final drawdown	It is forecast that final drawdown of the Ayrshire Growth Deal grant funding will be in November 2020.	2021/22

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
New jobs created (direct and indirect) – Phases 1 & 2	532	2025/26
Construction jobs – Phases 1 & 2	715	2023/24
GVA (direct and indirect – 25 year NPV) – Phases 1 & 2	£224.56m	2044/45
Private sector investment	£62.5m	2023/24

RISKS AND MITIGATIONS

RISK	MITIGATION
Failure in financial management and reporting	<ul style="list-style-type: none"> The Board of HALO Kilmarnock Ltd receives monthly reports on all financial aspects of the project and address any significant variances from the approved full business case. Robust financial systems and controls are in place and the Board of HALO Kilmarnock Ltd retains oversight of these.
Failure of contractor	<ul style="list-style-type: none"> Contractor has been required to pass stringent financial tests Measures have been put in place to limit the impact of any failure include the provision

	of financial guarantees and insurance indemnities
Construction costs overrun	<ul style="list-style-type: none"> • Contract price has been agreed and an appropriate contingency figure added for a degree of flexibility • Any changes to construction specification will be subject to approval by the project director and variations in costs reported to the Board of HALO Kilmarnock Ltd for consideration
Economic downturn caused by Covid-19/Brexit or both	<ul style="list-style-type: none"> • Strong agreements with private sector partners underpin this project and a robust project monitoring regime ensure that any issues are addressed and the project remains a key component of Ayrshire’s recovery plan
Delays to project completion due to Covid-19 lockdown	<ul style="list-style-type: none"> • The Board of HALO Kilmarnock Ltd and project management team are in continued dialogue with the contractor to ensure the site re-opens as soon as is permissible and the contractor is addressing the need to adhere to social distancing whilst providing a revised project plan designed to mitigate against any significant delays – site may have to operate over different hours with contractors on shift work and 7 day weeks.
Reputational	<ul style="list-style-type: none"> • Specialist advisers have been appointed to deal with media enquiries and to communicate on any issue which is deemed to potentially impact on the reputation of the project and the Board of HALO Kilmarnock Ltd

PROJECT LEAD: GARY DEANS, HALO KILMARNOCK LTD, GARY.DEANS@HALO-PROJECTS.COM

8. PROJECT: AYRSHIRE ENGINEERING PARK (MOORFIELD PHASE 3)

PROJECT SUMMARY: Provision of high quality industrial premises for engineering and manufacturing companies; a fully-developed site with the required access and utilities infrastructure, high-spec digital connectivity and up to 10,576m² of units for growth and expansion of the existing engineering business base, and to attract inward investment.

PROJECT THEMES: inclusive growth, innovation, internationalisation, high value manufacturing.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate and advanced skills
- Local jobs
- Soft and basic skills
- Business support (non-financial)
- Sustainable working population
- Structure of the economy
- Advanced digital skills
- Business premises
- Inward investment

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Land purchase completed		2021/22
Full planning application submitted		2021/22
Developed Design (RIBA Stage 3) Report		2022/23
Planning permission secured		2022/23
FBC submission		2022/23
Main contractor procurement commences		2022/23
Main contractor appointed		2022/23
Main contracts work commence		2022/23
Initial business premises operational		2023/24
First tenants move in		2023/24
Practical completion of the full facility		2026/27
Final financial drawdown		2028/29

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created (NIA)	10,576 sqm	2028/29
Construction jobs created	160	2028/29
No of jobs delivered (direct and indirect)	136	2026/27
GVA (direct and indirect – 25 year NPV)	£78.90m	2044/45

RISKS AND MITIGATIONS

RISK	MITIGATION
Design does not meet with Planning requirements/specification of buildings is flawed	<ul style="list-style-type: none"> • Design work to be carried out by appointed consultants as part of the scheme development • Secure appropriate planning consents prior to commencement of development Undertake appropriate environmental and flood risk assessments to ensure SEPA approval • Undertake ground survey to mitigate potential unforeseen ground conditions on greenfield site
Change management and project management failures	<ul style="list-style-type: none"> • Inclusion of project within directorate business plans, Council corporate plans, etc. • Establishment of AGD Programme board and adoption of project within work programme
Cost risks	<ul style="list-style-type: none"> • Ensure the development of a robust business case, so that AGD funding is secured • Ensure sufficient internal and external (partner) resources/budget in place to carry out project functions (e.g. political/operational commitment to AGD and constituent projects) • Ensure sufficient optimism bias built into costing of the project • Take a strategic approach to identifying other sources of funding, building an integrated funding 'package'
Failure to deliver community benefits from project	<ul style="list-style-type: none"> • Procurement team in EAC will support the tender process to ensure that community benefits are a key aspect of the ITT and are in line with agreed procurement regulations and principles

Failure to provide accurate projections for project spend	<ul style="list-style-type: none"> • Ensure sufficient optimism bias built into costing of the project • Inflationary factor included in cost estimations • Challenge panel led by PMO exists to review and scrutinise spend profiles
Failure to achieve more inclusive growth	<ul style="list-style-type: none"> • Work with Ayrshire College and private sector to increase Apprenticeship opportunities. Work closely with local academic institutions and Skills Development Scotland to mitigate this risk arising.
Supply phasing	<ul style="list-style-type: none"> • Regional governance arrangements in place will support the sharing of market intelligence and the phasing of development activity
Economic downturn relating to Brexit	<ul style="list-style-type: none"> • The development of an Ayrshire Economic Recovery Plan and Economic Strategy will provide a voice for Ayrshire to press the case for intervention and additional investment as well as incentives that complement the AGD projects and stimulate greater economic activity
Covid-19 affects confidence levels and interest from the private sector	<ul style="list-style-type: none"> • Structure in place to work with wider economic development teams to support this sector rebuild markets and supply chains • Strong links in place with the Ayrshire Engineering Alliance
Delays in construction – Covid-19	<ul style="list-style-type: none"> • Project management regime in place to monitor impacts • Working with contractors to address concerns and to devise solutions designed to minimise delays
Failure to attract commercial interest	<ul style="list-style-type: none"> • Success in this type of project to date demonstrates that EAC is adept at knowing how to target commercial interest and will develop a robust marketing campaign to underpin this as well as working closely with SE and SDI to secure investment

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9. **PROJECT: AYRSHIRE MANUFACTURING INVESTMENT CORRIDOR (AMIC)**

PROJECT SUMMARY: The Ayrshire Manufacturing Investment Corridor (AMIC) project will establish a Centre of Excellence with on-site support and start-up units to support the creation of new businesses and growth of existing businesses in the Food and Drink sector as well as Advanced Manufacturing sector. It will also address market failure with investment in commercial space and will deliver on the need for high quality premises to support business growth and internationalisation opportunities. The Centre of Excellence will concentrate on Food & Drink as a key sector for Ayrshire and will have a complementary focus on dairy innovation as a niche sub-sector supporting the proposed Borderlands Dairy Innovation Centre.

PROJECT THEMES: inclusive growth, innovation, internationalisation, high value manufacturing.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate and advanced skills
- Local jobs
- Soft and basic skills
- Business support (non-financial)
- Sustainable working population
- Structure of the economy
- Advanced digital skills
- Business premises
- Inward investment

MILESTONES

DELIVERABLE	STATUS	DUE DATE
FBC submission		2023/24
Land purchased		2023/24
Full planning application submitted and secured		2024/25
Procurement commences		2025/26
Access and infrastructure works commence		2026/27
Phase 1 works commence		2027/28
Initial premise operational		2027/28
Phase 2 works commence		2028/29
Phase 1 – first tenant secured		2028/29
Practical completion of phase 1		2028/29

Phase 2 initial premises operational		2029/30
Phase 2 fully operational at capacity		2032/33
Final financial drawdown		2034/35

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created (NIA)	10,546 sqm	2034/35
Construction jobs created	235	2034/35
No of jobs delivered (direct and indirect)	138	2033/34
GVA (direct and indirect – 25 year NPV)	£68.35m	2044/45

RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to provide accurate projections for project spend	<ul style="list-style-type: none"> • Ensure sufficient optimism bias built into costing of the project • Inflationary factor included in cost estimations • Project will be managed by project team in line with PRINCE 2 principles – any issues will be monitored and remedial action agreed to ensure delivery remains in line with the BC projections • Issues to be escalated PMO in first instance to agree remedial actions as appropriate
Failure to deliver community benefits from project	<ul style="list-style-type: none"> • Procurement colleagues will support the tender process to ensure that community benefits are a key aspect of the ITT and are in line with agreed AGD procurement principles
Quantity and availability of resource within partner organisations to deliver AMIC project in line with AGD programme	<ul style="list-style-type: none"> • Formal approvals of EAC's resources are now in place for AMIC project • Other funding streams will be explored to support ongoing revenue costs • Anticipated revenue streams will be subject to constant review through the monitoring procedures in place for AGD
Potential impact of Brexit on economic prosperity of region	<ul style="list-style-type: none"> • Development of Ayrshire Economic Growth Strategy • Ayrshire Regional Economic Partnership will provide voice for Ayrshire to press the case for government intervention investment, incentives and other forms of assistance to complement the AGD and to simulate greater economic activity

Failure to achieve more inclusive growth	<ul style="list-style-type: none"> • AMIC building will provide training and skills support opportunities for a broad section of the community from school leavers, to upskilling manufacturing employee • Apprenticeship opportunities across a wide range of categories • Work closely with local academic institutions and skills development Scotland to mitigate this risk arising
Delay or failure delivering project due to concerns around transport implications	<ul style="list-style-type: none"> • Undertake all Transport Assessments and reports as required by LDP • Continue to liaise with Transport Scotland • Continue to progress all site options proposed in BC to ensure best site possible is chosen and the project can be delivered
Failure to attract commercial interest in this project	<ul style="list-style-type: none"> • Market campaigns for AMIC will target potential investors. • Wider Ayrshire Economic Growth Strategy will be put in place to ensure wider growth ambitions for Ayrshire are agreed and be articulated to stakeholders and investors
Failure to attract businesses to locate within the centre due to uncertainty brought about by Covid-19	<ul style="list-style-type: none"> • Strong partnership approach in place to identify and work with potential external tenants and robust links to business support teams across Ayrshire to engage with existing and new start businesses for whom the research facility/incubator space would be ideal
Economic instability as a result of Covid-19	<ul style="list-style-type: none"> • The Ayrshire Economic Recovery Plan will focus on a greener and a fairer economy and this project is key to these two issues • The project team and wider partnership are focused on ensuring that the value of this project to those issues is maximised • The project team will also monitor any potential delays to the project in terms of construction timelines and will seek to address these as quickly as possible and with contractors
Duplication with projects being developed in other Deals in the UK	<ul style="list-style-type: none"> • Governance arrangements for this project link to other Deals to ensure that projects that appear to be similar are actually complementary and there will be a series of joint steering group meetings and ongoing discussion to ensure the added value of this project
Supply phasing	<ul style="list-style-type: none"> • Governance arrangements in place will support the sharing of market intelligence and the phasing of development activity

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10. PROJECT: i3 DIGILAB & FLEXIBLE BUSINESS SPACE

PROJECT SUMMARY: The creation of a Digital Laboratory (DigiLab) at i3, Irvine Enterprise Area to provide a Centre of Excellence for digital automation and approximately 8,830 sqm of flexible advanced manufacturing space serving digital process industries, building on current Life Science Clustering at the site, and facilitating R&D activity, start up, spin out, and growth of Life Science businesses and other advanced manufacturing opportunities.

PROJECT THEMES: Digital, innovation, Productivity / Open Access; Internationalisation; Transforming Business / Inclusive Growth, Skills.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate & Advanced Skills
- Local Jobs
- Soft & Basic skills
- Childcare
- Sustainable working population
- Structure of economy
- Advanced digital skills
- Business premises
- Transport (people to jobs)
- Transport (goods to market)
- Inward investment

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Site purchase		2020/21
Site investigations		2020/21
Procurement of professional team		2020/21
Preparation of detailed masterplan and phased proposals		2020/21
Planning permissions/consents (flexi space)		2020/21
Delivery of DigiLab pilot phase		2020/21
Planning permissions/consents – Service Hub (DigiLab)		2021/22
FBC submission (flexi space)		2020/21
Site clearance works		2020/21

Works tender process		2020/21
Construction works commence, phase 1 flexi space		2021/22
Construction works complete, phase 1 flexi space		2021/22
FBC submission (DigiLab)		2021/22
Completion and handover of phase 1 flexi space		2022/23
Operational facility – phase 1 flexible space		2022/23
Delivery of subsequent phase (DigiLab)		2022 - 2025
Completion and Handover (DigiLab)		2025/26
Final financial drawdown for DigiLab		2025/26
Final financial drawdown for flexi space		2029/30

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Vacant and derelict land brought back into use	20 Ha	2026/27
Business Space Created	10,648 sqm	2026/27
New Jobs Created (direct and indirect)	146	2026/27
Construction Jobs Created	210	2026/27
GVA (direct and indirect – 25 year NPV)	£81.33m	2044/45

RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to deliver anticipated outputs and outcomes	<ul style="list-style-type: none"> • Ensure BC addresses sensitivity of outcomes • Clear Evaluation & Monitoring Framework
Delays to procurement processes	<ul style="list-style-type: none"> • Seek early agreement on appropriate procurement routes and early notification of contract opportunities
Planning approval/statutory consents delays	<ul style="list-style-type: none"> • Zoned & allocated site • Early engagement with planning and building standards • Assess Protected Species/Habitat risk at early stage • Review and commission all relevant site studies • Review planning challenge/ appeals • Formally agree programme for consents • Advance programme of Local & Stakeholder Engagement

	<ul style="list-style-type: none"> • LDP supports development of site for use • Ensure local members well briefed and updated on project
Compliance with State Aid regulations	<ul style="list-style-type: none"> • Engagement with State Aid unit
Cost overruns	<ul style="list-style-type: none"> • Develop and validate Project Brief and Specification • Benchmark costs • Ensure early infrastructure cost tested/ informed SI • Provide Green Book compliant optimism bias allowances • Provide for contingency
Rental income is lower than forecast	<ul style="list-style-type: none"> • Market review and comparator analysis will be used to identify appropriate rental levels and project board will retain close oversight of market demand
Change management issues	<ul style="list-style-type: none"> • Clear and agreed procedures in place for internal change management and for external processes with design team and contractor
Failure to deliver community benefits – training, employment	<ul style="list-style-type: none"> • Incorporate appropriate community benefits into contract terms and re-source appropriately
Detailed Business Case fails	<ul style="list-style-type: none"> • Development of OBC/FBC in accordance with Green Book • Partner/Stakeholder Risk Assessment • Early Market Input/ Partner & Commercial Input • Review CAPEX and OPEX costs • Review Governance Arrangements • Adjustments to design spec at each phase to meet changing demands.
Demand – no interest from occupiers	<ul style="list-style-type: none"> • Flexible design to maximise potential interest from occupiers • Continue to establish strategic relationship with national sector (including links with NMIS)
Project delays and economic impact of Covid-19 and recovery	<ul style="list-style-type: none"> • Early analysis has identified that the need for this project is unlikely to be diminished and in fact may be even greater • Project team will continue to focus on economic analysis and the development of recovery plans will incorporate this as a key project for implementation as part of that wider plan • Work with contractors to devise solutions designed to minimise impact of social distancing – such as different work patterns

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11. PROJECT: NATIONAL ENERGY RESEARCH AND DEMONSTRATOR CENTRE (NERD)

PROJECT SUMMARY: This project will create a Centre of Excellence and supporting demonstrator projects which aim to overcome through research and design a range of technical challenges that currently prevents the harnessing of local but intermittent energy generation, and its storage and subsequent transmission onto the grid during periods of high demand. The project will provide solutions to energy supply and storage challenges in urban and non-urban locations, with the Cumnock area providing a unique location to investigate a wide mix of solutions due to its unique geography, landscape and the way the land has been exploited in the past for mining. The NERD will design, develop and construct a local electricity distribution network within the Cumnock area whilst utilising existing grid infrastructure, so that the area becomes effectively energy "self-sufficient" with the integration of a range of energy generating systems and the development of new, locally sited energy storage facilities that fully link with and support the national and regional electricity grid network.

PROJECT THEMES: energy, inclusive growth, innovation, internationalisation, high value manufacturing.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate and advanced skills
- Local jobs
- Health
- Business support (non-financial)
- Sustainable working population
- Structure of the economy
- Business premises
- Digital connectivity
- Transport (people to jobs)
- Inward investment
- Advanced digital skills/innovation

MILESTONES

DELIVERABLE	STATUS	DUE DATE
FBC submission		2021/22
Developed design report		2021/22
Planning Permission secured		2021/22
Land purchased/secured		2022/23
Procurement commences		2022/23

Contractors appointed		2022/23
Access and infrastructure works commence		2022/23
Construction complete		2024/25
100% occupancy of research space		2028/29
90% occupancy of business/office space		2029/30
All phases of project complete		2031/32
Retentions paid and final financial drawdown		2033/34

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business space created	1,633 sqm	2030/31
Construction jobs created	159	2032/33
No of net jobs delivered (direct and indirect)	61	2029/30
GVA (direct and indirect – 25 year NPV)	£26.27m	2044/45
No of MAs/PHDs created	20	2032/33
Energy cost savings over the project lifespan	£1.5m	2032/33
Rents being paid in absence of voids	£88,000	2032/33

RISKS AND MITIGATIONS

RISK	MITIGATION
Failure to secure appropriate site for this development	<ul style="list-style-type: none"> • Early dialogue has been initiated with respective land owners and more than one site is under consideration • Estates team involved at this stage to ensure timely negotiation and conclusion of land transaction
Cost overrun	<ul style="list-style-type: none"> • Ensure sufficient optimism bias built into costing of the project • Detailed work will be carried out prior to procurement by professional cost specialists, both from the construction and energy sectors, to ensure accurate cost estimates are in place • Subsequent contracts will be robustly managed by qualified professional team and in accordance with EAC contract management protocols
Demonstrator projects / research does not deliver outcomes that are viable to be deployed and extended to other locations.	<ul style="list-style-type: none"> • The risk will be reduced by (i) working from the outset with energy specialists at the Energy Technology Partnership to identify priorities for research based on both the needs and physical assets of the local area and taking account of what research is going on elsewhere; (ii) ensure the

	<p>project undertakes a wide range of research; limited success in some aspects may be balanced out by big wins in other areas; and (iii) ensuring flexibility is built in to the project to allow the direction of research to change to take account of emerging technology and the findings of initial stages of research.</p>
Existing infrastructure constraints are too significant to overcome, preventing the development of a new energy system for the Cumnock area.	<ul style="list-style-type: none"> • Early engagement and involvement with Scottish Power Energy Networks (SPEN) will be a key cornerstone of project development • A key component of all research and demonstrator projects will be the ability of existing distribution infrastructure to accommodate new energy generation and the viability of upgrading the infrastructure where required
Failure to attract investors and new businesses to locate within the Centre of Excellence	<ul style="list-style-type: none"> • Project team will work collaboratively with specialist partners, including Scottish Enterprise and Energy Technology Partnership, from an early stage to identify and work with potential investors • At a local level, the Council will work with existing businesses and start-ups to explore how they can benefit from the project, a potential arm of which could be to locate into the research facility/incubator space
Lack of community buy-in. Residents not willing for adaptations to be made to their homes to transition to a low carbon energy system.	<ul style="list-style-type: none"> • Continued programme of engagement throughout the project, to ensure the community are an integral part of the programme • Engagement should focus on a combination of (i) localised and personal financial benefits; and (ii) the wider contribution of the project to a low carbon economy and to addressing the climate emergency
Failure to achieve more inclusive growth and/or reduce poverty by increasing the income of people in deprived areas or protected characteristic groups	<ul style="list-style-type: none"> • Ensure that the project attempts to tackle other inclusive growth drivers such as educational attainment, skills gaps, employment rate for females and percentage of people who have been out of work for a long period of time • Work with relevant partners to build in inclusive growth into each Demonstrator project and ensure that the projects are addressing a number of equalities ambitions • Monitor and review regularly the inclusive growth drivers, community wealth building indicators and equality impact assessment for the wider project and each demonstrator project
Covid-19 – delays to build programme	<ul style="list-style-type: none"> • Project team in discussion with a range of contractors to understand the potential problem and to identify solutions designed to minimise impact • Contractors positive about ability to maintain pace on sites • Financial profile has been adjusted to reflect a slightly slower build rate

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12. PROJECT: HUNTERSTON PORT & RESOURCE CENTRE

PROJECT SUMMARY: Hunterston is a strategic site within NPF3/NPF4. Offering a unique industrial capacity associated with strategic infrastructure (rail/utilities/ grid connections /access) deep water marine access and proximity to key academic/research and innovation resources across the City Region. Hunterston exploits these key assets to address larger scale and energy and decarbonisation infrastructures associated with marine renewable energy (3rd generation); energy storage and production and circular economy drivers. Activities align with national strategy (Zero Carbon 2045) including transitional arrangements associated with decarbonised energy including manufacturing and servicing support for offshore renewable energy development.

PROJECT THEMES: Regeneration; Energy, decarbonisation, innovation, internationalisation, zero carbon, industrial ecology, inclusive growth, employability and skills.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate & Advanced Skills
- Local Jobs
- Health
- Soft & basic Skills
- Business Support (non-financial)
- Sustainable Working Population
- Structure of Economy
- Advanced digital skills/innovation
- Digital connectivity
- Transport (people to jobs)
- Transport (goods to market)
- Inward Investment

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Planning Permission/ statutory consents		2021/22
Phase 1 – FBC submission (Innovation Park)		2021/22
Phase 1 - Construction / Contract Works		2022/23
Phase 1 - Completion & Handover		2022/23
Phase 1 - Operational Facility		2022/23
Phase 2 - Planning Permission/Consents/ Marine Licence/ CE		2023/24
Phase 2 - FBC submission (Marine/Dry Dock)		2024/25
Phase 2 - Procurement and contract Award		2024/25
Phase 2 - Construction / Contract Works		2025-2029
Phase 2 - Completion & Handover		2025-2029
Phase 2 - Operational Facility		2025-2029
Phase 3 – FBC submission (Port/Energy)		2025-2029
Phase 3 Parallel Phase 2 – Operational Facility		2025-2029
Final financial drawdown		2029/30

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business Space Created	15,000 sqm	2029/30
No of SMEs Supported	4	2040/41
Vacant and Derelict Land Brought Back into use	21 Ha	2028/29
Leverage Funding	£200m	2040/41

RISKS AND MITIGATIONS

RISK	MITIGATION
Concept not supported by Partners and evidence of investment/market support not forthcoming	<ul style="list-style-type: none"> Project team/Peel Port Group/SE developing and promoting an investment model to secure major inward investment plus academic partners and industry Dialogue being progressed around role, responsibilities and funding commitments
Concept development with ORE Catapult / Other Industry	<ul style="list-style-type: none"> Peel Port Group and SE seeking Proof of Concept funding and special research funding to frame strategic innovation proposition for Hunterston PARC and to identify leading inward investment/academic partners and industry

/ Institute partners delayed – requires additional studies	
Concept and Operational Management revised /amended	<ul style="list-style-type: none"> • Project team/Peel Port Group developing a partnership/investment model to secure inward investment/academic partners and industry
Project fails to secure necessary consents	<ul style="list-style-type: none"> • Project team is in early dialogue with key regulatory partners and stakeholders
Other Development/Investment/ Proposals impact on capacity/deliverability	<ul style="list-style-type: none"> • Project team/Peel Port Group seeking to collaborate with major partners to develop a clear investment strategy/masterplan and investment led project proposition for AGD
Unforeseen project complexities that require additional funding	<ul style="list-style-type: none"> • Provide Green Book compliant optimism bias allowances • Provide for contingency • Project monitoring will track potential impacts and create ability to respond
Ground conditions and historical legacy of site infrastructure create major burdens for development	<ul style="list-style-type: none"> • Project team is working with Peel Port Group to understand the development issues/infrastructure/utilities impacting onsite re-development
Major event/disruption including Covid-19 impacts on concept/partners/delivery	<ul style="list-style-type: none"> • Early analysis identifies that the need for the project is unlikely to be diminished – in fact the need may be greater • Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs • Strong project governance in place to maintain a focus on this issue and to monitor its longer term impact so that mitigations can be implemented in a systematic and effective manner • Project is later in AGD programme and social distancing is not expected to be an issue by then

PROJECT LEAD: GEORGE HUNTER, NORTH AYRSHIRE COUNCIL – GEORGEHUNTER@NORTH-AYRSHIRE.GOV.UK

13. PROJECT: INTERNATIONAL MARINE SCIENCE AND ENVIRONMENT CENTRE (IMSE), ARDROSSAN

PROJECT SUMMARY: The International Marine Sciences & Environment (IMSE) project is a Centre of Excellence & Innovation developed between industry and academic partners to develop and capture innovation in marine sciences; marine spatial planning; marine technology; and marine education and training and ensure that the Firth of Clyde is recognised as an exemplar in marine sustainability.

PROJECT THEMES: Innovation; Skills Development; Regeneration; Internationalisation; Employability and skills; Education; Research; Industry Partnered

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate & Advanced Skills
- Local Jobs
- Health
- Soft & basic Skills
- Business Support (non-financial)
- Sustainable Working Population
- Structure of Economy
- Business premises
- Transport (people to jobs)
- Inward Investment

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Planning Permission / Consents / Marine Licence / CE		2028/29
FBC submission		2029/30
Procurement		2029/30
Construction		2030/31
Completion & Handover		2033/34
Operational Facility		2033/34
Final financial drawdown		2033/34

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Business Space Created	6,175 sqm	2033/34
No of SMEs Supported	4	2033/34
Vacant and derelict land brought back into use	0.6 Ha	2033/34
No of new jobs (direct and indirect)	75	2034/35
Construction jobs	105	3032/33
GVA (direct and indirect – 25 year NPV)	£19.39m	2044/45

RISKS AND MITIGATIONS

RISK	MITIGATION
Concept not supported by Partners	<ul style="list-style-type: none"> Project team developing a partnership model with leading academic partners and industry Dialogue being progressed around role, responsibilities and funding commitments
Strategic need and consolidation in sector advises Co-Location with wider projects	<ul style="list-style-type: none"> Project team developing a partnership model with leading academic partners and industry
Concept and Operational Management revised /amended	<ul style="list-style-type: none"> Project team developing a partnership model with leading academic partners and industry
Unforeseen project complexities that require additional funding	<ul style="list-style-type: none"> Provide for contingency Provide Green Book compliant optimism bias allowances Project monitoring will track potential impacts and create ability to respond
Programme delay created within wider strategic delivery plan for Ardrossan	<ul style="list-style-type: none"> Project team undertaking masterplanning process to identify all project requirements and spatial needs
Project cannot secure necessary consents	<ul style="list-style-type: none"> Project team in early dialogue with key regulatory partners and stakeholders to address any concerns
Covid-19 impacts on concept/partners/delivery	<ul style="list-style-type: none"> Early analysis identifies that the need for the project is unlikely to be diminished – in fact the need may be greater Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs

	<ul style="list-style-type: none">• Covid-19 may have long term ramifications for investment and good governance and project management processes will monitor regularly to identify required mitigations• Project is later in AGD programme and is not expected to be impacted by social distancing measure
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PROJECT LEAD: GEORGE HUNTER, NORTH AYRSHIRE COUNCIL – GEORGEHUNTER@NORTH-AYRSHIRE.GOV.UK

14. PROJECT: THE GREAT HARBOUR, IRVINE HARBOURSIDE AND ARDEER

PROJECT SUMMARY: The project comprises part of an expansive investment programme to secure The Great Harbour (Harbourside/Ardeer) as a major regional destination.

Growth Deal components of the investment programme will commit £14m to a phased programme of works which will lead the physical transformation of the wider location by implementation of the maritime mile project. Additional growth deal funding will create capacity to support community participation in commercial opportunities at the maritime mile through creation of a nationally unique, all-age outdoor recreation facility and community enterprise fund and community marina and workshop space.

PROJECT THEMES: Creative places, cultural innovation, area regeneration, play, heritage, environment, tourism, inclusive growth, employability and skills.

INCLUSIVE GROWTH BARRIERS TARGETED:

- Local Jobs
- Health
- Soft and Basic skills
- Sustainable working population
- Business Premises
- Housing
- Inward investment
- Business support (non-financial)
- Structure of the economy
- Transport (people to jobs)

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Planning permission/consents (Maritime Mile and Gateways)		2020/21
Tender Process /Tender Return		2020/21
FBC submission		2020/21
Construction / Contract Works		2021/22
Completion & Handover		2022/23
Operational Facility		2022/23
Planning Permission/Consents (for community marina)		2021/22
Submission of FBC		2021/22

Construction / Contract Works		2024/25
Completion & Handover		2024/25
Operational Facility		2024/25
FBC submission for Enterprise Fund		2023/24
Establish Community Enterprise Fund (procurement & consultancy to run scheme)		2024/25
Planning permission/consents (Workshops/artisan units)		2022/23
FBC submission		2023/24
Construction / Contract Works (workshops/artisan units)		2025/26
Operational Facility		2025/26
FBC submission for coastal walk/COIG		2023/24
Full project complete/final drawdown		2027/28

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Vacant and derelict land brought back into use	6 Ha	2027/28
Public realm created/enhanced	8,000 sqm	2027/28
Construction jobs	50	2027/28
No of new jobs (direct & indirect)	145	2027/28
GVA (direct and indirect – 25 year NPV)	£60m	2044/45
Increase in day visitor numbers per year	134,000	2027/28
Increase in overnight visitor numbers per year	66,000	2027/28
No of SMEs Supported	5	2027/28
Private sector investment	£2m	2027/28
Private sector investment (follow-on development)	£70m	2044/45
Cycle routes created/enhanced	1,500m	2027/28
Pedestrian routes enhanced	1,500m	2027/28

RISKS AND MITIGATIONS

RISK	MITIGATION
Partnership – partners’ objectives and operational needs are incompatible	<ul style="list-style-type: none"> • Heads of Terms have been agreed • Operational arrangements in place based on a Development Agreement • Partner’s Board being provided with regular updates on progress and final partnership details/lease agreement to be concluded • Core elements of the project have been agreed
Environmental – statutory consultees raise concerns regarding key elements of the project	<ul style="list-style-type: none"> • EIA scoping complete • All statutory consultees been engaged • Technical studies complete • Phase 1 Habitat and Protected Species Survey complete • Appointed specialist advisors • Project team undertaking further environmental assessments
Financial – increase in capital costs; extra-ordinary costs during construction	<ul style="list-style-type: none"> • Cost estimates based on current market • Project management established to monitor costs • Optimism bias built into costings
People/Social - Stakeholder and community needs not aligned with the project	<ul style="list-style-type: none"> • Project team to undertake extensive engagement and consultation with partners, stakeholders and communities
Planning consents not secured	<ul style="list-style-type: none"> • Dialogue with statutory/regulatory bodies is well advanced and will continue to ensure full understanding of project objectives and plans – pre-application consultation has been completed
Health & Safety - Construction of quay/boardwalk creates issues regarding public access	<ul style="list-style-type: none"> • Full review of access underway to address any concerns
Economic downturn as a result of Covid-19	<ul style="list-style-type: none"> • Robust project management in place to analyse impact on this project and wider sector and focus will be placed on this project as an important element of the recovery agenda in Ayrshire • Project team will work with contractors to understand the impact of social distancing on the labour force but expected to be minimal given this is land based

PROJECT LEAD: GEORGE HUNTER, NORTH AYRSHIRE COUNCIL – GEORGEHUNTER@NORTH-AYRSHIRE.GOV.UK

15. **PROJECT: MARINE TOURISM**

PROJECT SUMMARY: The Marine Tourism project is a tourism development and place project that develops the essential infrastructure supporting marine tourism (mainland / island / Outer Clyde) building significant additional capacity within the region and Outer Clyde. The components of the marine tourism investment are the provision of a major extension to Ardrossan Marina and step-ashore facilities at both Cumbrae and Arran.

PROJECT THEMES: Tourism, active leisure, place, regional regeneration, enterprise, environment, inclusive growth, employability and skills

INCLUSIVE GROWTH BARRIERS TARGETED:

- Local jobs
- health
- soft & basic skills
- business support (non-financial)
- sustainable working population
- inward investment

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Planning Permission/Consents/Marine Licence/CE (Ardrossan)		2020/21
Procurement		2020/21
FBC submission		2020/21
Construction / Contract Works		2021/22
Operational Facility		2022/23
Planning Permission/Consents/ Marine Licence/CE (Arran)		2022/23
Procurement		2022/23
FBC submission		2022/23
Construction / Contract Works		2023/24
Operational Facility		2024/25
Planning Permission/Consents/ Marine Licence/ CE (Cumbrae)		2023/24
Procurement		2023/24
FBC submission		2023/24
Construction / Contract Works		2026/27
Operational Facility		2026/27
Final drawdown		2029/30

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Vacant and derelict land brought back into use	0.1 Ha	2029/30
Marina extensions / new berths	350	2029/30
Increase in day visitor numbers per year	67,000	2029/30
Increase in overnight visitor numbers per year	33,000	2029/30
Public realm improvements	1,500 sqm	2029/30
Visitor berth value	£487,000	2029/30
Resident berth value	£2.2m	2029/30
Construction jobs	30	2029/30
No of new jobs (direct & indirect)	30	2029/30
GVA (direct and indirect - 25 year NPV)	£17m	2044/45
No of SMEs supported	3	2029/30
Private sector investment	£5m	2040/41
Private sector investment (follow-on development)	£3m	2044/45

RISKS AND MITIGATIONS

RISK	MITIGATION
Agreements including Development and Operating Agreements between commercial partners and community interest company cannot be secured	<ul style="list-style-type: none"> North Ayrshire Council seeking to advance formal Development Agreement between NAC/NPL and agree a joint masterplan approach
Planning, licenses and consents for the scheme are not secured or are delayed	<ul style="list-style-type: none"> Address need for range of consents/licences including Planning; Marina Licence potentially including EIA and HRA/AA Early EIA scoping and screening Early review of risk of planning challenge/appeals Ensure project plans allow for delay to consents Advance programme of local and stakeholder engagement
Changes to capital costs or inappropriately quantified cost provisions	<ul style="list-style-type: none"> Detailed technical studies in place to inform design Design team includes a cost consultancy and detailed assessment of contingency and optimism bias is in place
Site/ground conditions are inadequate to provide cost certainty	<ul style="list-style-type: none"> Full SI/GI and bathy surveys will be undertaken at an early stage in project development

Agreement on technical approach to quays/pontoons and land connections cannot be agreed with stakeholders	<ul style="list-style-type: none"> • Development of partnership/operator plan. Marketing with partners NPL/NMMS
Development agreement and market economy investor principle for Ardrossan fails to secure support	<ul style="list-style-type: none"> • Project team taking legal advice in terms of state aid and agreement will be based on commercial lease terms required for Ardrossan
Wider stakeholder and community interests not fully engaged with project	<ul style="list-style-type: none"> • Early consultation has identified that communities and stakeholders are supportive • Project team will devise engagement strategy to ensure appropriate engagement with stakeholders/operators/user groups
Third party operators not forthcoming	<ul style="list-style-type: none"> • Detailed discussions with Clyde Marine ongoing in relation to service delivery
Weak economic conditions relating to Covid-19	<ul style="list-style-type: none"> • Project is part of a wider Clyde Islands and Coast Renaissance – cross sector spatial tourism initiative and will be part of the region’s recovery work

PROJECT LEAD: GEORGE HUNTER, NORTH AYRSHIRE COUNCIL – GEORGEHUNTER@NORTH-AYRSHIRE.GOV.UK

16. PROJECT: DIGITAL – SUBSEA CABLE AND INFRASTRUCTURE

PROJECT SUMMARY: This project will target three strands of work all of which will contribute to the success of the other projects within the Ayrshire Deal, already articulated in other business cases submitted. Ayrshire will no longer lag behind by being at the forefront of digital connectivity and will present an agile ubiquitous digital infrastructure, to encourage indigenous and future investors to the region: The three strands of work are as follows:

- £11m towards a subsea fibre optic cable system and associated infrastructure;
- £1m enhancing 4G Infill and establishing 5G capability within the rural communities
- £2m to upgrade key sites linked to the Ayrshire Growth Deal (AGD) as regional digital hubs and centres of digital excellence at Prestwick Airport, AMIC, Moorfield, NERD, HALO Kilmarnock, Hunterston and i3

PROJECT THEMES: digital, connectivity, innovation, internationalisation, inclusive growth, inward investment, sectoral development employability and skills

INCLUSIVE GROWTH BARRIERS TARGETED:

- local jobs
- advanced digital skills/innovation
- health
- housing
- business support (non-financial)
- sustainable working population
- structure of economy
- access to finance
- business premises
- digital connectivity
- transport (people to jobs)
- transport (goods to market)
- inward investment

MILESTONES

DELIVERABLES	STATUS	DUE DATE
FBCs submission (Subsea Cable & Infrastructure)		2020/21
Regulatory consents approved – specific to key site upgrades		2021/22
A fibre optic cable landing point established in Irvine Ayrshire		2022/23
New on shore infrastructure to facilitate the rollout of 5G networks		2023/24
Fibre deployment in rural locations facilitated more easily		2023/24
Agile digital platform in place both key sites and rural		2024/25
Rural Ayrshire 'switched on' to digital technology and using sensor and SMART technology		2024/25
Project completion/final drawdown		2024/25

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Fibre optic cable established	1	2022/23
Datacentre space created	3	2023 to 2025
Key sites upgrades	7	2024/25
New jobs created (indirect)	424	2030

RISKS AND MITIGATIONS

RISK	MITIGATION
Shift in project phasings	<ul style="list-style-type: none"> • Conclude discussions with commercial operators. Secure financial model
Planning/wayleave approval risks	<ul style="list-style-type: none"> • Work with appropriate authorities; key officers assigned to facilitate efficient processing of applications
Cost overruns	<ul style="list-style-type: none"> • Robust contract management in place • Appropriate procurement procedures followed and optimism bias built into business case
Delays in full business case approval	<ul style="list-style-type: none"> • Robust project management in place to address issues with business case; to monitor progress against timelines and to address any potential delays
Delays to procurement processes	<ul style="list-style-type: none"> • Early discussion with procurement colleagues to minimise delays
Legislative changes	<ul style="list-style-type: none"> • Robust management plans in place to oversee and anticipate changes • Agree tolerances and contingencies at early stage, with appropriate flexibility in place where projects can be scaled back if necessary
Project delays due to Covid-19	<ul style="list-style-type: none"> • Early analysis identifies that the need for this project may be greater as a result of Covid-19 • Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs
Market changes/wider economic issues	<ul style="list-style-type: none"> • Robust management plans in place to oversee and anticipate changes • Agree tolerances and contingencies at early stage, with appropriate flexibility in place where projects can be scaled back if necessary • Buy in additional support from mobile operators • Covid-19 impact and moves to more remote working is likely to make this investment more of a priority • Project team will work with contractors to monitor impact of social distancing on project delivery timelines and to implement remedial action if required
Competition from other areas – alternative landing sites identified	<ul style="list-style-type: none"> • Project management arrangements in place to progress Ayrshire proposition • To achieve resilience for Scotland as a whole there may be a requirement for further sites and this may not impact on proposals in Ayrshire

PROJECT LEAD: THEO LEIJSER, SOUTH AYRSHIRE COUNCIL – THEO.LEIJSER@SOUTH-AYRSHIRE.GOV.UK

17. PROJECT: SKILLS AND INCLUSION: AYRSHIRE SKILLS INVESTMENT FUND

PROJECT SUMMARY: The establishment of a responsive skills fund to drive Inclusive Growth; to support skills interventions and associated management costs. The fund will have core themes including: digital skills; in-work progression; route ways into Fair Work for excluded groups; skills support for inward investors; skills support for redundant workers; skills support aligned to AGD projects to ensure residents benefit; responses to demand identified in Regional Skills Assessment; and capacity building to ensure innovation in skills sector. The priority given to each theme will change in line with the regional economy and demands that become evident. The fund Board will assess these aims on an annual basis and prioritise them based on the available intelligence.

PROJECT THEMES: inclusive growth, inward investment, sectoral development, employability and skills

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate and advanced skills
- Local jobs
- Health
- Basic digital skills
- Business support (non-financial)
- Sustainable working population
- Structure of economy
- Advanced digital skills
- Inward investment

MILESTONES

DELIVERABLE	STATUS	DUE DATE
FBC submission		2020/21
Establishment of project board		2020/21
Development of governance documents		2020/21
Development of guidance for fund applicants		2021/22
1 st call for proposals		2021/22
Quarterly application deadlines		Ongoing
1 st annual review		2022/23
End of programme/final drawdown		2026/27

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
No of people benefiting from pre-employment upskills	500	2026/27
No of people benefiting from in work skills development	500	2026/27
People benefiting from accredited training	300	2026/27
No of businesses benefiting from employees with improved skills levels	300	2026/27
Reduction in unemployed residents	500	2026/27
No of participants progressing to living wage opportunities	200	2026/27
Increased employment rate for females, disabled, long term unemployed, parents	5%	2026/27

RISKS AND MITIGATIONS

RISK	MITIGATION
Programme does not secure sufficient partner buy in to ensure an effective set of interventions are designed and funded	<ul style="list-style-type: none"> • Early establishment of Regional Skills Board with strategic oversight • Quarterly progress reports and annual review will inform decision making processes • The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress
Failure to deliver anticipated impacts across the region in terms of Inclusive Growth	<ul style="list-style-type: none"> • Quarterly progress reports and annual review will inform decision making processes • The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress • The partnership will conduct a mid-programme evaluation to check the direction of travel is still correct
Disadvantaged residents do not see tangible benefits from projects	<ul style="list-style-type: none"> • Applicants to the fund will be required to detail how delivery against inclusion targets will be assured

	<ul style="list-style-type: none"> • Quarterly progress reports and annual review will inform decision making processes • The Skills Fund will issue calls for proposals meaning priorities can be adapted to ensure strategic fit and satisfactory progress
Inadequate project management results in failure to delivery agreed outcomes	<ul style="list-style-type: none"> • The Regional Skills Board will provide expert advice on what should be supported through the fund • Adopt programme and project management best practice • These arrangements will be reviewed on an annual basis to ensure they remain fit for purpose • The Steering Group will conduct a mid-programme evaluation and adjust project activity as appropriate
Project delays due to Covid-19	<ul style="list-style-type: none"> • Early analysis identifies that the need for this project may be greater as a result of Covid-19 • Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure the proposal meets needs

PROJECT LEAD: GREIG ROBSON, NORTH AYRSHIRE COUNCIL – GREIGROBSON@NORTH-AYRSHIRE.GOV.UK

18. PROJECT: WORKING FOR A HEALTHY ECONOMY

PROJECT SUMMARY: The importance of public health and the need for a healthy and productive workforce has never been clearer. Ayrshire needs to reduce the number of residents who cannot contribute to the economy fully and maximise their own potential, through health barriers. The links between health and economy are well evidenced. Health was assessed as the most significant barrier to Inclusive Growth in Ayrshire in the Inclusive Growth Diagnostic. This project will target large scale investment in occupational health services to ensure that Ayrshire has the requisite workforce to drive economic growth in the future. The project will offer a criteria free, single access point to work focused health support across Ayrshire for both residents and employers. This project will serve to widen the labour pool and provide the basis for the maximisation of benefits arising from Ayrshire Growth Deal capital investments.

PROJECT THEMES: inclusive growth, inward investment, sectoral development, employability and skills

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate and advanced skills
- Local jobs
- Health
- Soft and basic skills
- Business support (non-financial)
- Sustainable working population
- Structure of economy

MILESTONES

DELIVERABLE	STATUS	DUE DATE
Advert for procurement framework issued	complete	2019/20
FBC submission		2020/21
Contract award for framework		2020/21
Implementation period		January 2021 – June 2021
Quarterly steering group meetings		Ongoing
Monthly meeting with contractor		Ongoing
End of programme/final drawdown		2025/26

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
No of people accessing assessment	960	2025/26
No of people accessing full management support via telephone	1,600	2025/26
No of people accessing full case management support delivered face to face	3,839	2025/26
% of people accessing a funded treatment	70%	2025/26
No of people receiving support via Group Work	2,400	2025/26
No of people receiving Mental Health First Aid training	960	2025/26
No of people returning to work	1,293	2025/26

RISKS AND MITIGATIONS

RISK	MITIGATION
Programme design weaknesses	<ul style="list-style-type: none"> Various aspects of the model are well tested in other parts of Scotland – will continue to monitor best practice Involvement of NHS Salus has provided expertise and an experienced delivery agent
Development supplier specification, timescale and project management issues	<ul style="list-style-type: none"> Service will be competitively tendered and successful supplier will be required to detail how they will deliver and will be contractually bound to deliver and report in line with contract Capacity and expertise will be assessed as part of the tender process
Delays caused by procurement	<ul style="list-style-type: none"> Seek early agreement on appropriate procurement routes and early notification of contract opportunities Procurement framework established
Detailed Business Case fails: Concept not supported by partners	<ul style="list-style-type: none"> Strong policy support from Government and agencies Existing project in North Ayrshire has good buy in from partners, which can be built upon and expanded
Delay in the programme incurs additional costs	<ul style="list-style-type: none"> Costs will be managed through a legal contract
Unforeseen complexities that require additional funding	<ul style="list-style-type: none"> Provide for contingency Provide Green Book compliant optimism bias allowances

	<ul style="list-style-type: none"> • Similar project has been delivered previously
National programmes are introduced which result in duplication	<ul style="list-style-type: none"> • Closely monitor national developments and build in flexibility to contracting arrangements to allow us to change course at short notice
Failure to deliver anticipated outputs and outcomes	<ul style="list-style-type: none"> • Implementation will be managed following a tender process through NAC contract management procedures and will be overseen by a Programme Steering Group • Proposed targets are based on delivery experience across Scotland and the experience of delivering a case management services in North Ayrshire recently
Severe Covid-19 and/or Brexit related recession may make job outcomes into work more difficult	<ul style="list-style-type: none"> • Closely monitor national developments and build in flexibility to contracting arrangements • Covid-19 impacts on specific groups will be assessed • More targeted approach where necessary
Appointed contractor could be impacted negatively by Covid-19	<ul style="list-style-type: none"> • As part of procurement process, robust checks have been made on financial standing of delivery organisations
Project delay and macro-economic impact of Covid-19 and recovery	<ul style="list-style-type: none"> • Early analysis identifies that the need for the project is unlikely to be diminished – in fact may be greater • Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure proposal meets needs

PROJECT LEAD: GREIG ROBSON, NORTH AYRSHIRE COUNCIL – GREIGROBSON@NORTH-AYRSHIRE.GOV.UK

19. PROJECT: COMMUNITY WEALTH BUILDING

PROJECT SUMMARY: This project seeks to develop resilient, inclusive local economies, with more local employment and a large and more diverse business base. Specifically, this project will advance the procurement, employment, ownership and asset pillars of Community Wealth Building (CWB), across the public, private and social economy of the region. The project has three key elements to achieve this: CWB Business Locality Officers, a CWB Fund to support their co-produced activities and a Fair Work Ayrshire programme. The project will be developed, coordinated and implemented by a pan-Ayrshire CWB Working Group and will be the first regional place-based approach to CWB.

PROJECT THEMES: fair work, local spend, democratic ownership, local assets, inclusive economy, business led inclusive growth

INCLUSIVE GROWTH BARRIERS TARGETED:

- Intermediate and advanced skills
- Local jobs
- Health
- Soft and basic skills
- Business support (non-financial)
- Business premises
- Sustainable working population
- Structure of economy
- Access to finance

MILESTONES

DELIVERABLE	STATUS	DUE DATE
FBC submission		2020/21
Project commences		2021/22
Recruitment of staff		2021/22
Launch of CWB Fund/governance arrangements		2021/22
Project delivery		2021 - 2025
Project end date/final drawdown		2024/25

OUTCOMES AND TARGETS

OUTCOME	TARGET	DATE
Employers undertaking Fair Work Action Plans	90	2024/25
Enterprises receiving support from CWB programme	920	2024/25
Enterprises receiving financial assistance	265	2024/25
New enterprises supported	96	2024/25
Enterprises registering on Public Contracts Scotland	240	2024/25
Enterprises supported in creation or transition to employee ownership or cooperative	17	2024/25

RISKS AND MITIGATIONS

RISK	MITIGATION
Design and development – concept not supported by partners	<ul style="list-style-type: none"> Working Group established 2019, partners and other public agencies briefed Project updates to Regional Partnership Board (REP) and Economic Joint Committee (EJC)
Implementation – issues in terms of ability to deliver programme at a regional level	<ul style="list-style-type: none"> Proposals reflect lessons learnt from previous programmes such as ERDF Business Competitiveness project Project coordinator to be appointed Updates to REP and EJC
Over demand or lack of demand for support	<ul style="list-style-type: none"> Working Group will review demand across the project as a whole and will address demand issues as they arise
Slippage/delay in the programme causes additional costs to be incurred	<ul style="list-style-type: none"> Robust project management structure in place to monitor delivery and associated costs and to address any potential delays Working group will regularly review performance
Ability to delivery programme at regional level	<ul style="list-style-type: none"> Proposals reflect lessons learnt from ERDF Business Competitiveness project Project Co-ordinator factored into programme Project updates to REP and EJC
Project delays due to Covid-19	<ul style="list-style-type: none"> Development of recovery plan will focus on this project as a key component of that agenda across Ayrshire Early analysis identifies that the need for this project may be greater as a result of Covid-19

	<ul style="list-style-type: none"> Working group will give priority to minimising delays implementing remote working/online engagement
Failure to deliver anticipated outputs and outcomes	<ul style="list-style-type: none"> Working Group established and robust project management regime in place to monitor outputs and outcomes and to take remedial action if required

PROJECT LEAD: JULIE MCLACHLAN, NORTH AYRSHIRE COUNCIL – JULIEMCLACHLAN@NORTH-AYRSHIRE.GOV.UK

20. BENEFITS REALISATION

The realisation and evaluation of the impact of the Ayrshire Growth Deal is a fundamental requirement of all partners and performance monitoring will focus on measuring that:

- project and programme outputs are delivered on time, on budget and to scope; and
- anticipated outcomes are achieved for Ayrshire.

Project and programme benefits are identified in individual and programme business cases which clearly articulate the relationship between inputs, activities, outputs and outcomes.

Every output and outcome must be monitored or evaluated if the benefits of individual projects are to be demonstrated.

There will be scope for projects to report additional unintended/unanticipated benefits that arise as a result of the intervention.

While it has been the responsibility of the PMO to ensure a consistency across project in relation to how benefits are identified, it will be the responsibility of each partner and project lead to manage, monitor and maximise all benefits identified in business cases.

Partners and project leads will be expected to take action to optimise project benefits through each stage of project delivery and monitoring data will be provided to the PMO in accordance with an agreed reporting schedule to demonstrate the progress of each individual project.

Monitoring will initially relate to the delivery of project activities and outputs such as amount of land remediated or sqm of industrial space created. As projects advance the focus of monitoring information will shift to cover outcomes as they become more evident and measurable.

Each partner and project lead will be required to collate project data on a quarterly basis (over financial years). This information will be reported to the CEOs/Directors Group with summary information being provided to the Ayrshire Regional Economic Partnership Board.

Scrutinising and reviewing the delivery of benefits will be the responsibility of the PMO and monitoring data provided by project leads will be scrutinised against the content of approved business cases. The PMO will be responsible for escalating any issues of non-performance to the CEOs/Directors Group and the Ayrshire Regional Economic Partnership Board as appropriate.

The central tenet of the Ayrshire Growth Deal is inclusive economic growth and the requirement to evidence that economic impact must be captured in project and programme evaluations.

Evaluation will also be required to demonstrate that projects have delivered on the specific equalities and sustainability benefits outlined in the associated and approved business cases.

Benefits realisation logic chains for each project are included in the appendices to this document.

APPENDICES

Appendix A: Project Interdependencies

Ayrshire Growth Deal Project Name	Spaceport Infrastructure	Enabling Infrastructure - Roads	Commercial Workspace & Infrastructure	Aerospace and Space Innovation Centre (ASIC) inc Visitor/STEM Engagement Hub	i3 Advanced Manufacturing Space & Digilab	HALO Kilmarnock	Ayrshire Engineering Park (Moorfield)	Ayrshire Manufacturing Investment Corridor (AMIC)	National Energy Research Demonstrator (NERD)	Hunterston PARC (CECE)	Marine Tourism	Industrial Marine Science and Environmental Centre (IMSE)	The Great Harbour, Irvine Harbourside - Ardeer	Digital Subsea Cable	Digital Infrastructure	Working for a Healthy Economy	Ayrshire Skills Investment Fund	Community Wealth Building
	Spaceport Infrastructure		3	3	3	1	1	1	1	0	0	0	0	0	2	3	2	2
Prestwick Enabling Infrastructure - Roads	3		3	3	0	0	0	0	0	0	1	0	0	1	1	1	1	2
Prestwick Commercial Workspace & Infrastructure	3	3		3	2	1	1	1	1	1	0	0	0	2	3	2	2	2
Aerospace & Space Innovation Centre (ASIC) inc Visitor/STEM Engagement	3	3	3		1	1	1	1	1	1	0	0	0	2	3	3	3	2
i3 Advanced Manufacturing Space & Digilab	1	0	2	1		1	2	2	1	2	0	0	0	2	3	2	2	2
HALO Kilmarnock	1	0	1	1	1		1	1	1	0	0	0	0	2	2	2	2	2
Ayrshire Engineering Park, Moorfield	1	0	1	1	2	1		2	1	0	0	0	0	2	3	2	2	2
Ayrshire Manufacturing Investment Corridor (AMIC)	1	0	1	1	2	1	2		1	1	0	0	0	2	2	2	2	2
National Energy Research Demonstrator (NERD)	0	0	1	1	1	1	1	1		1	0	1	0	2	3	2	2	2
Hunterston PARC (CECE)	0	0	1	1	2	0	0	1	1		1	2	1	2	3	2	2	2
Marine Tourism	0	1	0	0	0	0	0	0	0	1		2	2	2	2	2	2	2
Industrial Marine Science and Environmental Centre (IMSE)	0	0	0	0	0	0	0	0	0	1	2		2	3	2	2	2	2
The Great Harbour, Irvine Harbourside - Ardeer	0	0	0	0	0	0	0	0	0	1	2	1		2	2	2	2	2
Digital Subsea Cable	2	1	2	2	2	2	2	2	2	2	2	2	2		3	2	2	2
Digital Infrastructure	3	1	3	3	3	2	3	2	3	3	2	3	2	3		2	2	2
Working for a Healthy Economy	2	1	2	3	2	2	2	2	2	2	2	2	2	2	2		3	3
Ayrshire Skills Investment Fund	2	1	2	3	2	2	2	2	2	2	2	2	2	2	2	2		3
Community Wealth Building	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3	3	
Relationship																		
Primary Relationship (Absolutely Contingent)																		
Secondary Relationship (Strong obvious link)																		
Tertiary Relationship (Weak link)																		
No Relationship																		

Appendix B: Project links with Inclusive Growth Barriers

Ayrshire Growth Deal Project Name	Regional Drivers to Inclusive Growth																
	Intermediate & Advanced Skills	Local Jobs	Health	Basic Digital Skills	Soft & Basic Skills (work-readiness)	Business Support (non-financial)	Childcare	Sustainable Working Population	Structure of Economy (Sectors/Industries)	Advanced Digital Skills/Innovation	Access to Finance	Business Premises	Digital Connectivity	Transport (people to jobs)	Housing	Transport (goods to market)	Inward Investment
Spaceport Infrastructure																	
Aerospace & Space Innovation Centre (ASIC) inc Visitor/STEM Engagement Hub																	
Prestwick Enabling Infrastructure - Roads																	
Prestwick Commercial Workspace & Infrastructure																	
i3 Advanced Manufacturing Space																	
i3 DigiLab																	
Industrial Marine Science and Environmental Centre (IMSE)																	
The Great Harbour, Irvine Harbourside-Ardeer																	
Marine Tourism																	
Hunterston PARC (CECE)																	
HALO Kilmarnock																	
Ayrshire Engineering Park (Moorfield)																	
Ayrshire Manufacturing Investment Corridor (AMIC)																	
National Energy Research Demonstrator (NERD)																	
Digital Subsea Cable																	
Digital Infrastructure																	
Working for a Healthy Economy																	
Ayrshire Skills Investment Fund																	
Community Wealth Building																	
Regional Transport Appraisal																	

Appendix C: Benefits Realisation Logic Chains

Benefits Realisation Logic Chain: Spaceport

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<ul style="list-style-type: none"> Officer and Development Management capacity Specialist project teams Project duration – 4 years Public sector project funding of £23 million: £18m UKG, £5m SG Private sector funding of £3 million (not committed) 	<ul style="list-style-type: none"> Design and build of infrastructure elements of the spaceport including fuel storage, vehicle integration facility, payload processing facility, Mission Control Centre Consenting process Consultation with communities of interest in and around the Prestwick Aerospace & Space Commercial negotiation with launch service providers and launch operations provider Marketing and PR 	<ul style="list-style-type: none"> Operational spaceport Established launch service operator Two launch service providers based at Prestwick Physical infrastructure for spaceport including payload processing facility, vehicle integration facility and mission control centre providing a Scottish/UK service. 	<ul style="list-style-type: none"> Scotland is globally recognised leader for space Prestwick is recognised as the a Centre of Excellence and hub for launch and in-flight capability for the space sector in Scotland and the UK 100 High value jobs at Prestwick 75 Construction jobs New job opportunities in future industry locating at Prestwick Increased growth opportunities for local companies 	<ul style="list-style-type: none"> Increase employment opportunities Increase in GVA across region Lever in private sector investment Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.

Benefits Realisation Logic Chain: Prestwick Commercial Space

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<ul style="list-style-type: none"> • Officer and Development Management capacity • Public sector project funding of £29m: £10m UKG; £12m SG; £7m SAC • Leverage £71.5m • Land <ul style="list-style-type: none"> ○ Scottish Enterprise ownership ○ Airport ownership • Pre-contract professional services 	<ul style="list-style-type: none"> • Site assembly • Design and build • Project management • Contract management • Commercial negotiation • Regulatory consents • Construction and maintenance • Estate management 	<ul style="list-style-type: none"> • 75,671 sqm business space created • Enabling work placements and training places • Creating visible development activity on a highly prominent site 	<ul style="list-style-type: none"> • New employment opportunity • Reduced commercial viability gap High growth, • High value commercial activity • Enhance the attractiveness of Prestwick as a location that meets modern business needs Multiple new investors in the area improves the perception of Ayrshire as an inward investment location • Raising the aspirations of ambitions of Ayrshire’s young people Creating supply chain links for Ayrshire businesses • 1,177 direct & indirect jobs • 1,005 construction jobs • £667.14m direct and indirect GVA 	<ul style="list-style-type: none"> • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.

Benefits Realisation Logic Chain: Prestwick Roads Infrastructure

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>Officer and specialist support</p> <p>Project Duration – 6 years</p> <p>Public sector project funding of £17m: £12m SG; £5m SAC</p>	<p>Investigation and design of roads related infrastructure</p> <p>Consultation with communities of interest in and around the Prestwick Aerospace & Space Campus</p> <p>Project management</p>	<p>Three phases of road developed</p> <p>Length of road created - 3.5km</p>	<p>Opening development opportunity and commercial growth</p>	<ul style="list-style-type: none"> • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.
<p>Land: A79 Station Road- Main Street / A77 to Tarbolton Road</p>	<p>Site Assembly</p>	<p>Length of road enhanced - 1km</p>	<p>Efficient connected road network</p>	
<ul style="list-style-type: none"> • Scottish Enterprise ownership 	<p>Route Design</p>	<p>Number of roundabouts created (new) - 4</p>	<p>Improved abnormal load capacity</p>	
<ul style="list-style-type: none"> • GPA ownership 	<p>Regulatory consents</p>	<p>Number of roundabouts upgraded (improved) - 3</p>	<p>Relief traffic congestion in Monkton village</p>	

• Residential ownership	Construction & maintenance	Cycle routes created (km) 4.5km	Mitigate road safety risks for Monkton primary
• SAC ownership	Handover	Cycle routes enhanced – 0	
• Spirit Aerosystems ownership		Pedestrian routes created / enhanced 4.5km	
• Farm Land		No of projects to improve accessibility to aerospace and Space parks - 1	
Pre-contract professional services		No of projects to service new aerospace and Space development land - 1	
Post contract professional services		No of projects to enhance cultural heritage of Monkton Village - 1	
Roads Construction Contractor		No of projects to reduce road safety risk at Monkton Village - 1	
		No of projects to reduce environmental impact from commercial traffic on Monkton Village - 1	
		Qualitative	
		Improved community morale	
		Improved perception of road safety at Monkton Primary School	
		Improved perception of accessibility to aerospace and Space parks	
		Improved perception of the attractiveness of aerospace and Space parks to inward investors	
		Improved perception of the attractiveness of the aerospace parks to incumbent companies	

Benefits Realisation Logic Chain: Aerospace & Space Innovation Centre (ASIC) incorporating Visitor Centre/STEM Hub

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>Officer and specialist support</p> <p>Project duration – 10 years</p> <p>Public sector project funding of £11m: £4m UKG; £1 SG; £6m SAC</p>	Design and development of the ASIC facilities	<ul style="list-style-type: none"> • 4390sqm of build • MRO capacity 	<p>Scotland recognised for its space/ aerospace innovation</p> <p>68 (direct & indirect) net new fte jobs of which 7 from areas of deprivation</p> <p>110 fte construction jobs</p> <p>£27.3m direct & indirect GVA</p>	<ul style="list-style-type: none"> • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.
Business advisers	<p>Business support to 50 SMEs per annum</p> <p>Commercialisation</p> <p>Engage 100 SMEs in the innovation process per annum</p>	<p>New supply chain development – with 10 SMEs sources contracts from the local cluster</p> <p>Industry 4.0 centre established and utilised by 125 SMEs</p>	GVA as above	
Academic input	<ul style="list-style-type: none"> • Workforce development • STEM outreach activity engaging with 600 people across Ayrshire • Construction 	<p>MRO innovation and skills development facility</p> <p>25 modern apprenticeships, of which 5 from areas of deprivation</p>	<p>Improved skills base in Ayrshire meeting needs of the local employers</p> <p>Increased confidence and ambition of school/College leavers.</p>	
<ul style="list-style-type: none"> • Project management • Finance 	• Design and build	Large demonstration and product adaptable workshop space	Ayrshire is an attractive inward invest location	
<ul style="list-style-type: none"> • Project management • Finance 	• Design and build	Physical infrastructure	New exciting offer to the visitor economy	

Benefits Realisation Logic Chain: Ayrshire Engineering Park (Moorfield Phase 3)

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
£16m of public sector funding: £12m SG; £4m EAC	<ul style="list-style-type: none"> Planning applications submitted 	<ul style="list-style-type: none"> Junctions (New) - One 	<ul style="list-style-type: none"> Land value uplift 	<ul style="list-style-type: none"> Increase employment opportunities Increase in GVA across region Lever in private sector investment
	<ul style="list-style-type: none"> Construction of SUDS/sewerage systems 	<ul style="list-style-type: none"> Total Area of Opportunity Sites (18.3 Ha) 	<ul style="list-style-type: none"> 18.3 Ha land unlocked for development 	
	<ul style="list-style-type: none"> New junctions to open up access to sites 	<ul style="list-style-type: none"> General Industrial (10,576 sq m) 	<ul style="list-style-type: none"> Strengthening key business clusters 	
	<ul style="list-style-type: none"> New Link/access roads developed 	<ul style="list-style-type: none"> Private businesses supported 	<ul style="list-style-type: none"> Increased employment 160 Construction jobs 136 jobs delivered (direct and indirect) 	
	<ul style="list-style-type: none"> Construction of SUDS/sewerage system 	<ul style="list-style-type: none"> Individuals supported into work 	<ul style="list-style-type: none"> £78.9m direct & indirect GVA 	
			<ul style="list-style-type: none"> Enhanced accessibility - employment/ business locations 	
			<ul style="list-style-type: none"> Businesses attracted to the locality 	
			<ul style="list-style-type: none"> Improved market sentiment 	
			<ul style="list-style-type: none"> Increased supply of commercial space 	
			<ul style="list-style-type: none"> Improved business productivity Widening of labour market 	

Benefits Realisation Logic Chain: Ayrshire Manufacturing Investment Corridor (AMIC)

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
£23.5m of funding: £13.5m SG; £10m UKG	<ul style="list-style-type: none"> • Planning applications submitted 	<ul style="list-style-type: none"> • Junctions (New) 	<ul style="list-style-type: none"> • Land value uplift 	<ul style="list-style-type: none"> • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment
	<ul style="list-style-type: none"> • Construction of SUDS/sewerage systems 	<ul style="list-style-type: none"> • Total Area of Opportunity Sites (TBC) 	<ul style="list-style-type: none"> • land unlocked for development 	
	<ul style="list-style-type: none"> • New junctions to open up access to sites 	<ul style="list-style-type: none"> • Individuals supported into work through apprenticeships created as part of construction 	<ul style="list-style-type: none"> • Strengthening key business clusters 	
	<ul style="list-style-type: none"> • New link /access roads developed 	<ul style="list-style-type: none"> • Business space (10,546 sqm) 	<ul style="list-style-type: none"> • Increased employment • 235 Construction jobs • 138 Direct and Indirect jobs 	
	<ul style="list-style-type: none"> • Construction of Innovation Centre for feed and drink centre 	<ul style="list-style-type: none"> • Private businesses supported 	<ul style="list-style-type: none"> • £68.35m direct & indirect GVA 	
	<ul style="list-style-type: none"> • Construction of advanced manufacturing units 		<ul style="list-style-type: none"> • Enhanced accessibility - employment/ business locations 	
			<ul style="list-style-type: none"> • Businesses attracted to the locality 	
			<ul style="list-style-type: none"> • Improved market sentiment 	
			<ul style="list-style-type: none"> • Increased supply of commercial space 	
			<ul style="list-style-type: none"> • Improved business productivity 	
			<ul style="list-style-type: none"> • Enhanced education and training for food and drink sector 	

Benefits Realisation Logic Chain: i3 Flexible Space & DigiLab

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>AGD £21million Scot Govt £11m NAC £5m UK Govt £5m DigiLab Ph2 £5m Flexible Space £14m Partnership agreement with NMIS</p>	<ul style="list-style-type: none"> • Planning applications submitted • Site remediation work • New link/access roads developed • Construction of SUDS/sewerage systems • Improved junctions to enhance access to sites • New junctions to open up access to sites • Construction of flexible business space in phases. • Construction of DigiLab 	<ul style="list-style-type: none"> • Digital hub offering a nationally leading R&D demonstrator and flexible business space for investment opportunities • Total Area reclaimed, (re)developed or assembled (20 Ha) as a result of the project • Total Area of Opportunity Sites (20 Ha) • New Industrial Space (9000sq m) • New Business Space (10648sq m) • Individuals supported into work • Private businesses supported • Jobs safeguarded • Wide range of employment opportunities • Improved pedestrian linkages • Vacant and Derelict Land brought back into use/removed from SVDL Register (20 ha) • Nursery/childcare space • Café facility • Conference facility • Flexible business space for start-up or needs • Well-connected flexible business space with digital Centre of Excellence, within close proximity to central belt region supply chains and workforce 	<ul style="list-style-type: none"> • Altered perception and market sentiment in regard to Ayrshire’s advance manufacturing and digital offer • Improved market sentiment • 20 Ha land unlocked for development • Increased levels of investment, including FDI • Uplift in commercial rental/sales values (£) • Increased supply of commercial space • Strengthening key business clusters • Increased employment and development of skills in local workforce • Increased GVA (direct and indirect – 25 year NPV) (£81.33m) • Reduced levels of deprivation in local areas • Enhanced accessibility - employment/business locations • Widening of labour market • Improved business productivity • Strengthening key business clusters • Businesses attracted to the locality and increase in inward investment • Reduction in level of vacant and derelict land • 210 construction jobs created • New jobs (direct and indirect) 210 • 18-35 People from Employability & Skills Programme Accessing Jobs 	

		<ul style="list-style-type: none"> • taking a small number of SMEs through an elementary introduction to digital by Ayrshire College; • 75 SMES attending a one-day “Introduction to Digital Information” session where they will be given a hands-on demonstration of digital technologies in the Hub; • 25 SMEs undertaking a digital gap analysis exercise where each company works with expert consultants and technicians to analyse their digital maturity over a 6-week time period. • 10 of these SMEs then completing a digital strategy for their company priorities on the technologies which will have the biggest impact on their business. • promotion of five exemplar (“Lighthouse”) projects which showcase the impact of digital technologies. 	<ul style="list-style-type: none"> • Sustainable work location with services and amenities to support employees (e.g. child care/creche facility/café/retail) • an increase in BERD of participating companies; • an increase in productivity of the participating SMEs through operational efficiencies • an increase in the number of new B2B customers and suppliers through improved data utilisation, measured by numbers of new contracts and the increase in the value of contracts; • an increase in the number of businesses adopting digital processes; and • an increase in the number of businesses expanding digital technology applications. 	
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Benefits Realisation Logic Chain: National Energy Research Demonstrator (NERD)

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
£24.5 million: £17m UKG; £7.5m EAC	Planning permission submitted	1,008 sqm of scientific activities and research space	£26.27m direct & indirect GVA 159 Construction jobs Increased levels of investment	<ul style="list-style-type: none"> Increased employment opportunities Increase in GVA across region Lever in private sector investment Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth. Reduce the carbon emissions of the town and the surrounding area Lowering domestic fuel bills for local people Helping to alleviate fuel poverty/ Improved health and wellbeing through active travel/path networks. Contribute to national advancements in low carbon technologies Contribute to national research in low carbon technologies and energy systems. Increase STEM education offer in Ayrshire
	Site Investigation and remediation work (if needed)	625.5 sqm of office space		
	Building of the Centre and Demonstrator House	Cycle routes/ways will be created however it is unknown at this stage how many km will be created.	Increased supply of commercial space	
	New access created to Centre from the main road or local road	Cycle routes/ways will be enhanced however it is unknown at this stage how many km will be enhanced.	Increased employment	
	Potential creation of SUDS	Path routes will be created however it is unknown at this stage how many km will be created.	Strengthening key business clusters/ Improved business productivity	
	Path networks in the area may be created and existing paths may be enhanced	Path routes will be enhanced however it is unknown at this stage how many km will be enhanced.	Increased cycle usage	
	New cycle ways may be created and existing cycle ways enhanced	We would expect 35-40 businesses operating out of the Centre of Excellence over 6-7 year period of the building being operational. These businesses will be a mix of large companies, medium sized companies, start-ups and potentially local enterprises.	Reduced levels of deprivation in local areas	
	New links created with the new Barony Campus (school)	Apprenticeships will be created with the expectation that these will be from Ayrshire.	CO2 savings via modal shift	

	Enhance existing links with Dumfries House		Enhanced accessibility - employment/ business locations	<ul style="list-style-type: none"> • Increase in the number of highly skilled jobs
			Direct local jobs (42) from the maintenance, transport and tourism sectors with around 19 Indirect jobs	
			Widening of labour market	
			There will be at least 10 PhD students studying at the Centre however this could increase as the Centre gains momentum.	
			Businesses attracted to the locality	

Benefits Realisation Logic Chain: Hunterston Port & Resource Centre (CECE)

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>AGD £18m AGD £18m (UK Govt) NAC £0.0m</p> <p>Leverage Funding Circa £200million 2020-2040 (inclusive of £10m SE contribution); with benchmark evidence from current equivalent projects</p> <p>Partnership delivery vehicle.</p>	<ul style="list-style-type: none"> • Planning applications submitted • Site remediation work • Road surface improvements • Junction improvements on motorway/major roads • New link/access roads developed • Construction of SUDS/sewerage systems • Drainage system improvement work • Implementation of Surface Water Management Plans • Improved junctions to enhance access to sites 	<ul style="list-style-type: none"> • Junctions (Improved) • Total Area reclaimed, (re)developed or assembled (55 Ha) as a result of the project • Total Area of Opportunity Sites (55 Ha) • Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (21 Ha) • Business & Industrial (15000sq m) • Individuals supported into work • Jobs safeguarded • Individuals increasing skills • Private businesses supported 	<ul style="list-style-type: none"> • Land value uplift • Improved market sentiment • 55 Ha land unlocked for development • Increased levels of investment, including FDI • Uplift in commercial rental/sales values (£) • Increased supply of commercial space • Strengthening key business clusters and creates a platform for offering repeated inward investment opportunities • Increased employment, targeted at provision of a sustainable workforce by providing skilled and local jobs, which support develop soft and basic skills for workforce entrants and attracts skilled employees. • Increased GVA • Reduced congestion • Reduced journey times • Improved road safety • Increased cycle usage • Increased footfall • Reduced levels of deprivation in local areas • Reduction in commercial property vacancy rates • Reduction in level of vacant and derelict land • Increased drainage capacity • CO2 savings via modal shift • Enhanced accessibility - employment/ business locations • Enhanced accessibility – services/ community locations • Widening of labour market • Improved business productivity • Strengthening key business clusters • Businesses attracted to the locality • 4 SMEs supported • 23-46 People from Employability & Skills Programme Accessing Jobs • Utilises Hunterston’s strategic water and rail transport infrastructure to transport goods to the market (e.g. services offshore renewables) 	<ul style="list-style-type: none"> • Establish Hunterston as a strategic national asset, with infrastructure to service national transition to zero carbon economy, thereby supporting the restructuring of the national economy • Increase employment opportunities • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth. • Providing a national clean energy hub

				which supports the transition to a low carbon, sustainable and health economy
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Benefits Realisation Logic Model: International Marine Science & Environment Centre (IMSE), Ardrossan

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>AGD £10.5m AGD £10.5 (UK Govt) NAC £0.0m</p> <p>Partnership with sector/facility operator and university presence.</p> <p>Development of regional blue economy proposition for Ayrshire.</p>	<ul style="list-style-type: none"> • Planning applications submitted • Cycle path development or improvement • Public realm improvement work • Site remediation work • Road surface improvements • New link/access roads developed • Construction of SUDS/sewerage systems • Drainage system improvement work • Implementation of Surface Water Management Plans • Improved junctions to enhance access to sites • New junctions to open up access to sites 	<ul style="list-style-type: none"> • Total Area reclaimed, (re)developed or assembled (0.6Ha) as a result of the project • Total Area of Opportunity Sites (0.6Ha) • Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (0.6Ha) • Industrial/Business/office space (6,175sq m) • Individuals supported into work • Jobs safeguarded • Individuals increasing skills • Provision of high skilled jobs • Private businesses supported • Social enterprises supported • Social enterprises created • Businesses signing up to Scottish Business Pledge per year • Provision of nationally leading Centre of Excellence, providing R&D in blue economy advancement 	<ul style="list-style-type: none"> • Land value uplift • Improved market sentiment • Increased levels of investment, including FDI • Uplift in commercial rental/sales values (£) • Increased supply of commercial space for advance marine science technology that supports inward investment • Strengthening key business clusters • Increased employment • Increased GVA (direct/indirect) £19.39m • Improved road safety • Increased footfall • Reduced levels of deprivation in local areas • Reduction in commercial property vacancy rates • Reduction in level of vacant and derelict land • Increased drainage capacity • CO2 savings via modal shift • Enhanced accessibility - employment/ business locations • Enhanced accessibility – services/ community locations • Widening of labour market • Improved business productivity • Strengthening key business clusters • Businesses attracted to the locality • 13-24 People from Employability & Skills Programme Accessing Jobs capex + follow-on • Construction jobs 105 • No new jobs (direct and indirect) • 4 SMEs supported • That Ayrshire and Ardrossan capitalise on marine assets to be a nationally recognised Centre of Excellence in blue economy sector, supporting aqua science and low carbon transition 	<ul style="list-style-type: none"> • To place Ardrossan and Ayrshire as a market leader in marine science advancement in blue economy and low carbon technology and industry • That local people benefit from employment opportunities providing a range of advance skills jobs to attract employees to the region, and low skilled opportunities to support local job market entrants develop soft and basic skills • That the facility and its location next to marine infrastructure and connectivity to the Ardrossan campus provides sustainable provision of opportunities for local workforce and • Increase in GVA across region • Lever in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth, and supporting health benefits from advancement of marine science and low carbon technology • That local businesses can benefit from R&D facilities and support local supply chains.

Benefit Realisation Logic Chain: The Great Harbour, Irvine Harbourside and Ardeer

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)
<p>£14m of funding AGD £9million NAC £ 5 million Leverage Funding £2m Private sector investment (follow on development) £70m</p> <p>Community wealth building – local community support</p>	<ul style="list-style-type: none"> • Award grant fund through Community Enterprise Fund • Planning applications submitted • Cycle path development or improvement • Develop and improve pedestrian links • New pedestrian/cycle bridges • Public realm improvement work • Site remediation work • Road surface improvements • Junction improvements on motorway/major roads • New link/access roads developed • Construction of SUDS • Drainage system improvement work • Implementation of Surface Water Management Plans • Improved junctions to enhance access to sites • New junctions to open up access to sites • New roundabouts or other traffic management schemes • Business Support 	<ul style="list-style-type: none"> • Public Realm created and Enhanced (length of 1.5km/8000sqm) • Road enhanced (1.5Km) • Junctions (5 Improved) • Cycle Routes created/enhanced (1.5km) • Pedestrian Routes enhanced (1.5km) • 1 Pedestrian/cycle bridges enhanced • 1 (potential) Road Bridge • Total Area reclaimed, (re)developed or assembled /Total Area of Opportunity Sites 6 (Ha) • Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (6Ha) • Food and Drink (2800 sq m) • Hotels and Hostels (2000 sq m) • Assembly and Leisure/shops (5000sq m) • Individuals supported into work • Jobs safeguarded • Individuals increasing skills • Private businesses supported • Social enterprises supported • Social enterprises created • Increase in visitor numbers (134000day/annum; 66000;overnight/annum) • Increase in visitor expenditure • New marina berths created • New tourism events supported 	<ul style="list-style-type: none"> • Land value uplift • Improved market sentiment • land unlocked for development • Increased levels of investment, including FDI • Uplift in commercial rental/sales values (£) • Average house price uplifts • Increased supply of commercial space • Strengthening key business clusters • Increased employment • Increased GVA (direct/indirect 25yr NPV) £60m • Reduced congestion • Improved road safety • Increased cycle usage • Increased footfall • Reduced levels of deprivation in local areas • Reduction in commercial property vacancy rates • Reduction in level of vacant and derelict land • Increased drainage capacity • CO2 savings via modal shift • Enhanced accessibility - employment/ business locations • Enhanced accessibility – services/ community locations • Widening of labour market; 50 construction jobs 145 (direct/indirect new jobs) • Improved business productivity • Strengthening key business clusters • Businesses attracted to the locality <p>Renewed & Celebrated Place & Identity</p>

			<ul style="list-style-type: none"> • Growth in local community (LOIP) / stronger neighbourhoods / inclusion • Positive feedback from local/Irvine/Visitor feedback • Increased Activity / Animation /Community Participation/etc • 1 New Waterfront Hotel/Restaurant • 3 Existing Businesses Growing/Expanding • 5+ New Small Businesses • Stronger Arts-Crafts-F&B-Retail-Visitor connections • 75+ New Affordable Homes • new Open Market homes / new residents • 1 No. Annual Festival of Irvine Event • Locals -Walk the Mile –Value & Use Asset • 200,000 additional visitors per annum (day/overnight) –voting with their feet/wallets/reviews • 15 SMEs supported • 21-43FTE People from Employability & Skills Programme Accessing Jobs
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Benefit Realisation Logic Chain: Marine Tourism

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>Capital Funding £9.5m AGD £9.5million NAC £0.0m Leverage Funding £5million Partnership with Marine operator Partnership with Crown Estates Scotland</p>	<ul style="list-style-type: none"> • Planning applications submitted • Marine licences secured • Bascule bridge • Car parking provision • Cycle path development or improvement • Public realm improvement work • Site remediation work • Road surface improvements • New link/access roads developed • Improved junctions to enhance access to sites • Develop Marina berths across programme (350) • Provide marine infrastructure at Arran and Cumbrae 	<p>Marine infrastructure (C350 berths across programme)</p> <ul style="list-style-type: none"> • Bascule bridge • Public Realm created/Enhanced (150000sqm) • Land with reduced flood risk (Ha) • Properties with reduced flood risk • Total Area reclaimed and/or formed as marina infrastructure (re)developed or assembled (3.8 Ha) as a result of the project • Vacant and Derelict Land Brought Back into Use/Removed from SVDL Register (0.1Ha) • Commercial leisure space (1000sq m) – <i>leverage impact, hence not included in finance and phasing</i> • Individuals supported into work 	<ul style="list-style-type: none"> • Land value uplift • Improved market sentiment • Increased levels of investment, including FDI • Uplift in commercial rental/sales values (£) • Average house price uplifts • Strengthening key business clusters • Increased employment (30 new construction jobs; 30 new jobs direct/indirect) • Increased GVA (direct/indirect – 25yr NPV) £17m Visitor berth value - £487,000 Resident berth value £2.2m • Reduced congestion • Increased cycle usage • Increased footfall • Reduced levels of deprivation in local areas • Reduction in commercial property vacancy rates • Reduction in level of vacant and 	<p>Increase employment opportunities</p> <ul style="list-style-type: none"> • Leverage in private sector investment • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth. • Create infrastructure at strategic locations around Clyde waters region to support strategic tourism and blue economy aspirations • Leverage private sector investment around development of key facilities • To maximise the growth opportunities in marine tourism sector building on high and sustained spend and GVA growth internationally and in West of Scotland. • To generate new employment, business

		<ul style="list-style-type: none"> • Jobs safeguarded • Individuals increasing skills • Private businesses supported <ul style="list-style-type: none"> • Social enterprises supported • Social enterprises created • Businesses signing up to Scottish Business Pledge per year • Increase in visitor numbers • Increase in visitor expenditure • 100,000 extra visitors comprising primarily boat owners / crew /sailing interests plus day visitors drawn to locations with marine activity and interest (67000day; 33000overnight – per annum) • New tourism events supported 	<ul style="list-style-type: none"> derelict land • CO2 savings via modal shift • Enhanced accessibility - employment/ business locations • Enhanced accessibility – services/ community locations • Widening of labour market • Improved business productivity • Strengthening key business clusters • Businesses attracted to the Locality • 4-8fte employees from employability/skills programmes (based only on capex construction estimate) • 3SMEs supported 	<p>start-ups and SME/ Micro enterprise opportunity supporting employability and inclusion outcomes.</p>
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Benefits Realisation Logic Chain: Digital Subsea Cable

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
Scottish Futures Trust/Scottish Enterprise	Negotiate investment with private sector	Establishment of a Cable Landing Station (CLS) in Ayrshire	Ayrshire investment ready and demonstrable links to EU/EEA/USA from Scotland/Ayrshire	Ayrshire a world-class digitally connected region
	Secure investment both public and private sector	CLS in Scotland	Provision of high-performance, high-bandwidth connectivity Scotland/rUK	Resilience for the UK as a whole
	Negotiate wider opportunities for datacentre providers to enter Scottish/Ayrshire market off the back of the Cable Landing Station (CLS)	Datacentre development/associated industries in the Ayrshire region	Retention/attraction of highly skilled data-focussed employees in the region and development of clusters of hi-tech activity.	New employment and investment opportunities in the region fully supported by underlying infrastructure
SFT/Local Authorities & Ayrshire Regional Partnership	Secure one or more anchor tenants at the landing point	Investment opportunities	New industries attracted i.e. datacentres, civtech, biotech, gaming etc. and underpin the success of the AGD programme	Economic growth and employment opportunities
Local Authorities & Ayrshire Regional Partnership	Business support to expand opportunities to supply chain	Growth in supply chain to new industries	Opportunities to expand and job creation	Future sustainability
Outcomes & Targets				
SFT/Local Authorities & Ayrshire Regional Partnership	Subsea Fibre Optic Cable established	1	1	
SFT/Local Authorities & Ayrshire Regional Partnership		Digital infrastructure		Increased GVA by 2030
SFT/Local Authorities & Ayrshire Regional Partnership	Onshore infrastructure Created	3	3	Established between 2023 to 2025
Public Sector and Private Sector Partners	Increase in jobs	424	424	Increased job opportunities by 2030 (based on Deloitte report commissioned by SFT)
Public sector funding: Costs - £11m UKG				Ayrshire a world-class digitally connected region

Benefits Realisation Logic Chain: Digital Infrastructure

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
Scottish Futures Trust/Scottish Enterprise	Completion of 4g Infill	Complete 4g coverage for rural Ayrshire	Ayrshire investment ready and demonstrable links to EU/EEA/USA from Scotland/Ayrshire	Ayrshire a world-class digitally connected region
	Secure investment both public and private sector	CLS in Scotland	Provision of high-performance, high-bandwidth connectivity Scotland/rUK	Resilience for the UK as a whole
	Negotiate wider opportunities for datacentre providers to enter Scottish/Ayrshire market off the back of the Cable Landing Station (CLS)	Datacentre development/associated industries in the Ayrshire region	Retention/attraction of highly skilled data-focussed employees in the region and development of clusters of hi-tech activity.	New employment and investment opportunities in the region fully supported by underlying infrastructure
SFT/Local Authorities & Ayrshire Regional Partnership	Secure one or more anchor tenants at the landing point	Investment opportunities	New industries attracted i.e. datacentres, civtech, biotech, gaming etc. and underpin the success of the AGD programme	Economic growth and employment opportunities
Local Authorities & Ayrshire Regional Partnership	Business support to expand opportunities to supply chain	Growth in supply chain to new industries	Opportunities to expand and job creation	Future sustainability
Outcomes & Targets				
SFT/Local Authorities & Ayrshire Regional Partnership	Key sites upgraded	7	7	Key sites upgraded with superfast digital infrastructure
SFT/Local Authorities & Ayrshire Regional Partnership	Centres of excellence	7	7	Centres of digital excellence established
SFT/Local Authorities & Ayrshire Regional Partnership	Agricultural sector switched on to SMART technology			Introduction of SMART industries into Rural Ayrshire
SFT/Local Authorities & Ayrshire Regional Partnership		Digital infrastructure	GVA	Increased GVA by 2030
SFT/Local Authorities & Ayrshire Regional Partnership	4G infill			Ayrshire rural communities digitally enabled.
Project Costs - £3m				Ayrshire a world-class digitally connected region

Benefit Realisation Logic Chain: Working for a Healthy Economy

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>Working for a Healthy Economy</p> <p>Procured service to support 1500 people a year (800 unemployed, 700 unemployed)</p> <p>Project Duration: 6 years</p> <p>AGD: £5,000,000</p> <p>All 3 authorities and partners will continue to fund surrounding employability and business support services which will support the proposals.</p>	<p>Establish a one stop health support service across Ayrshire to maximise employment and job retention.</p> <p>Although every client journey will be individual, all referrals will receive support within the following framework:</p> <ul style="list-style-type: none"> • Registration and Triage • Assessment • Full Case Management • Explore and Report • In Work Support 	<p>960 clients – Assessment & Report Only 1600 clients – Full Case Management Support via Telephone 3839 clients – Full Case Management Support delivered Face to Face 3809 (70%) of clients engaging in Full Case Management support are likely to access a funded treatment e.g. Talking Therapies, Physiotherapy etc. 2400 clients will receive support via Group Work 960 individuals will receive Mental Health First Aid Training</p> <p>Marketing will be targeted at 5,172 individuals (53%) being unemployed at the point of referral with the aim of 25% going back to work.</p> <p>The remaining 4,586 will receive support to return to or remain in employment / self-employment with the aim of 85% of clients sustaining.</p>	<ul style="list-style-type: none"> • Improved health and management of health conditions of individuals • Reduced levels of unemployment and corresponding increases in income levels. • Improved retention and progression in work and corresponding increases in income levels. • Reduced absenteeism and improved retention of staff, increasing productivity of business. • Improved uptake of training/learning opportunities through reducing health as a barrier • Improved awareness and education of employers around health and benefits of supporting employees. 	<ul style="list-style-type: none"> • To reduce poor health as a constraint on economic growth.

Benefit Realisation Logic Chain: Ayrshire Skills Investment Fund

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>Ayrshire Skills Investment Fund</p> <p>AGD - £3.5M (SG)</p> <p>£3M available as grant awards through the fund.</p> <p>Fund management supported by 1 x G12 Skills Manager post at circ £460k</p> <p>£40k resources available for Skills Board to commission additional research.</p> <p>Project Duration: 6 years</p> <p>All 3 authorities and partners will continue to fund surrounding employability and business support services which will support the proposals.</p>	<p>Establish a Regional Skills Board made up of national and regional experts.</p> <p>Board would issue guidance to partners on what the evidence means for Ayrshire and would provide guidance on priorities.</p> <p>Board would seek funding proposals which fit with the priority themes.</p> <p>The board would assess and make decisions on what activity is funded.</p> <p>Funded proposals will either support unemployed residents to access learning/training appropriate to local opportunities or would support employed residents to develop their skills, be more productive and secure better employment.</p> <p>The board would monitor progress of the funded projects.</p>	<p>500 unemployed people accessing new learning/training opportunities</p> <p>500 low paid employed accessing learning opportunities</p> <p>100 redundant workers accessing new learning/training opportunities (sub-set of above)</p> <p>300 businesses benefitting from upskilled workers</p> <p>10 large inward investors supported with their skills needs</p>	<ul style="list-style-type: none"> • Reduction in unemployment • Reduction in numbers earning below living wage • Increase in qualification/skill levels • More diverse workforces • Improved productivity for business 	<ul style="list-style-type: none"> • To reduce skills issues as the major constraint to Inclusive Growth in Ayrshire • Increase employment opportunities • Spread the benefits of economic growth across region, ensuring deprived areas benefit from this growth.

Benefits Realisation Logic Chain: Community Wealth Building (CWB) – Business Locality Officers

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities) (IG barriers targeted as per Exec Summary Ayrshire IG Diagnostic)	Programme Objective
<p>CWB Business Locality Officers</p> <p>Resource: 3xG10 officers in each LA = 9 CWB locality officers across Ayrshire £1,365,450</p> <p>Project Duration: 3 years</p> <p>CWB Fund</p> <p>Resource: £1,000,000</p> <p>Project Duration: 3 years</p>	<ul style="list-style-type: none"> • Place-based approach to CWB, working in localities to facilitate CWB thinking across public, private, and social economy on procurement, employment, assets and ownership, linking with existing local service delivery. • Looking at anchors (inc private sector) supply chains opportunities, supplier development, linking to employability pipelines, promote Fair Work and refer to Fair Work project, explore how to maximise assets including within town centres. Includes focus on AGD sites and end users. • Producing locality CWB Action Plan and promote business-led inclusive growth. • Sharing of best practice throughout the region, with measure of activity and programme reports being shared at a locality, local and regional level. <p>Specific activities across the pillars: <u>PROCUREMENT</u></p>	<ul style="list-style-type: none"> • CWB Locality Baseline and Action Plan per Ayrshire locality = 15 CWB place-bases action plans • 920 Unique Enterprises receiving support from the CWB programme • 265 Enterprises receiving financial assistance: Grant/ Consultancy support (on procurement, employment, asset or ownership pillars) • 96 New enterprises supported (<12 months old) <p>Outputs per pillar:</p> <p><u>PROCUREMENT</u></p> <ul style="list-style-type: none"> • 240 businesses registered on PCS 	<ul style="list-style-type: none"> • More diverse and resilient business base • A vibrant social economy • Improved attractiveness of local places • Skills development and fairer labour market • Economic opportunities spread more widely across the region <p style="margin-left: 20px;">➤ <i>Local Jobs</i> ➤ <i>Soft & Basic Skills</i></p>	<ul style="list-style-type: none"> • To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.

	<ul style="list-style-type: none"> • Develop locality support mechanisms for business to enhance procurement readiness including workshops (one to many), one to one surgeries • Understand locality supply chain capacity • Engage with anchor / larger businesses to understand spend profile / develop local supply chains • Prepare local businesses for the AGD procurement opportunities as per a potential AGD 'wave plan' and profiling • Work with local businesses and wider community to develop community benefit requests • Develop new initiatives on procurement activity to deepen local spend e.g. Trusted Trader, single awards, locality growth partnering • Increase numbers on PCS and develop skills <p><u>EMPLOYMENT</u></p> <ul style="list-style-type: none"> • Support business engagement on developing fair work activity and enhance awareness and understanding of principles of fair work, for example promoting the living wage • Refer to Fair Work Ayrshire programme • Work with those not eligible for Fair Work Ayrshire programme to develop knowledge and to implement practical fair work steps • Link employers to employability pipelines and skills development programmes 	<ul style="list-style-type: none"> • 265 businesses attending 1 to many procurement awareness-raising/capacity building workshops • 90 businesses accessing 1-to-1 procurement specialist help (consultancy) <p><u>EMPLOYMENT</u></p> <ul style="list-style-type: none"> • 240 businesses attending 1 to many 'fair work' related awareness-raising / capacity-building workshops held • 300 businesses referred to FW Ayrshire programme <p><u>ASSETS</u> (No quantitative measures at this stage - activity = building on current incubation facilities explore if similar approaches can be rolled out into a locality, promote assets in council ownership for asset transfer and support community groups/social enterprises in the creation of sustainable proposals)</p> <p><u>OWNERSHIP</u></p> <ul style="list-style-type: none"> • Support the creation or transition of 17 businesses 	<ul style="list-style-type: none"> ➤ <i>Intermediate & Advanced Skills</i> ➤ <i>Business Support</i> ➤ <i>Structure of Economy</i> ➤ <i>Business Premises</i> ➤ <i>Access to Finance</i> 	
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	<p><u>ASSETS</u></p> <ul style="list-style-type: none"> • Baseline assets, ownership and identify potential opportunities • Work with stakeholders including owners to develop locality asset uses • Support business (private sector, social, community enterprise) to identify assets and bring back into use <p><u>OWNERSHIP</u></p> <ul style="list-style-type: none"> • Stimulate social entrepreneurship including workshops (one to many), one to one surgeries • Baseline locality social, family owned and, employee-owned, Co-op enterprises • Develop locality-based initiatives to support Social Enterprise, employee-owned, and Co-ops • Normalise Social Enterprise / employee-owned, Co-operative models in all start up conversations • Upskill advisers to understand the social economy • Promote understanding of and opportunities for employee ownership 	<p>to employee ownership or cooperative</p> <ul style="list-style-type: none"> • 270 businesses attending 1 to many plural ownership related aware-ness raising/capacity building workshops • 90 businesses accessing 1 to 1 plural ownership specialist support (consultancy) 		
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Benefits Realisation Logic Chain: Community Wealth Building (CWB) – Fair Work Ayrshire

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities) (<i>IG barriers targeted as per Exec Summary Ayrshire IG Diagnostic</i>)	Programme Objective
<p>Fair Work Ayrshire</p> <p>Resource: 3xFW Ayrshire officers £437,270</p> <p>Project Duration:3 years</p>	<ul style="list-style-type: none"> • A dedicated Ayrshire 'Fair Work' resource to engage key employers (regionally significant businesses, 50 + employees) to ensure they recruit inclusively and provide quality and meaningful work. • Targeted support to employers in Ayrshire (including anchor institutions), who have expressed a desire to access support to recruit differently and to provide Fair Work. These employers would benefit from: • A Fair Work Audit – How inclusive is their current workforce? What issues are there with progression and retention? • How could they improve that? What do they need from external agencies to help? • Drive recruitment from excluded groups – working alongside 	<ul style="list-style-type: none"> • 90 companies undertaking FW Ayrshire programme (45 per officer x 2, 10 per manager, 10% optimum bias) • 90 FW health checks/audits • 90 FW action plans <p>Further quantitative outputs:</p> <ul style="list-style-type: none"> • ¼ would do living wage accreditation (22 companies/organisations) • ¼ would become disability confident employers (22 companies/organisations) • 1/5 of businesses who get involved with apprenticeships, foundation apprenticeships, graduate apprenticeships for first time (19 companies/organisations) • 1/5 would sign Scottish business pledge (18 companies/organisations) 	<ul style="list-style-type: none"> • Diverse and inclusive workforce • Jobs are fulfilling and secure • Increased financial security for employees • Improved wellbeing for employees • Increased opportunities and reducing barriers for excluded groups: those with health issues/disabled, those in in work poverty, females, young people • Ensuring local people and those from disadvantaged areas have access to economic opportunities • Skills development through enhanced opportunities for progression and upskilling • Support Scotland to become a Fair Work Nation by 2025 • Improved productivity and innovation for companies/organisations • Local and regional anchors enhancing their social impact <ul style="list-style-type: none"> ➤ <i>Local Jobs</i> ➤ <i>Soft & Basic Skills</i> ➤ <i>Intermediate & Advanced Skills</i> ➤ <i>Health</i> ➤ <i>Business Support</i> ➤ <i>Sustainable Working Population</i> 	<ul style="list-style-type: none"> • To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.

	<p>existing employability pipeline and initiatives in the region and the Regional Skills and Inclusion Programme.</p> <ul style="list-style-type: none"> • Help to develop 'Fair Work' policies and practice. • Practical support to link to local social enterprises/volunteering schemes. • Monitor progress towards action plan. • Position Ayrshire as a Fair Work region – facilitate workshops to promote and learn best practice, ensuring learning from the Fair Work Convention and SG Fair Work Benchmarking Tool. 			
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AYRSHIRE GROWTH DEAL

FINANCIAL PLAN



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GROWTH DEAL

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1. FINANCIAL STEWARDSHIP

- 1.1 This document sets out the detail of how the Ayrshire Economic Joint Committee (EJC) and Ayrshire Regional Economic Partnership (REP) will implement and manage financial aspects of the Ayrshire Growth Deal. This forms part a suite of documentation which should all be read together and which is designed to provide assurance to funders, stakeholders and communities that partners are committed to ensuring investment is coordinated across the region; that processes and procedures are in place to support delivery and that the benefits to be derived from the Ayrshire Growth Deal are maximised.
- 1.2 The Ayrshire Growth Deal will be subject to a tripartite agreement between the UK Government, Scottish Government and East Ayrshire Council (on behalf of the three Ayrshire Councils and partners and in the role of Accountable Body).
- 1.3 The Section 95 Officer from each Partner Authority will be tasked with providing assurance of the Ayrshire Growth Deal Programme finances and will ensure that all funding requirements are met.
- 1.4 Any grant agreement entered into by a Partner Authority shall be subject to that Authority's contract standing orders and financial regulations.
- 1.5 East Ayrshire Council, as the Accountable Body has robust financial processes and procedures in place which will be applied to the management of this Deal funding.
- 1.6 The Accountable Body will put in place an agreement with each Deal partner to ensure that the utilisation of grant funding for each individual project complies with the purpose of the grant as set out in the terms and conditions of the grant offer between the Scottish Government and the Accountable Body. Further details relating to this agreement are set out in the Deal Governance document.

2. FINANCIAL CONTROLS AND PROCEDURES

- 2.1 The Accountable Body has established and hosts a Programme Management Office and has appointed a Strategic Manager to oversee its budget and duties.
- 2.2 The Accountable Body provides support services as the Strategic Manager may reasonably require to discharge their duties on behalf of the Accountable Body which may include financial, legal, audit and other professional or technical services. Each Partner Authority shall provide the appropriate level of support services to fulfil their obligations to the Accountable Body.
- 2.3 The Accountable Body will analyse and provide reports on progress to the REP and EJC, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by these groups.
- 2.4 The Accountable Body shall allocate and account for distribution of AGD grant income to all partners. It will enter into any grant agreements on behalf of the EJC and REP, hold the AGD grant funding and make disbursements to Partner Authorities, Third Parties and other bodies as appropriate, all in accordance with the approved governance arrangements.
- 2.5 It will account for these funds under a separately identified budget line to ensure transparency and clarity, and will report to the Scottish and UK Governments as required in accordance with the Grant Offer Letter.
- 2.6 The Accountable Body and Partner Authorities will ensure compliance with confidentiality and data protection regulations in relation to the AGD Programme.
- 2.7 The Accountable Body will ensure that grant funds are disbursed legally and appropriately and, with Partner Authorities, will have the appropriate and proportionate control systems in place to prevent relevant employees breaching the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.
- 2.8 Partner Authorities will refund all amounts identified by the Accountable Body and/or funders to be ineligible.
- 2.9 In the event of the Accountable Body becoming aware of, or suspecting any irregular or fraudulent activity that may have any impact on the Project/Programme or the use of the AGD grant, or any part of it, the Accountable Body shall immediately set out a fact-finding exercise, investigate as required and, in accordance with the conditions of the Grant Offer Letter, notify the Scottish Ministers of any confirmed activity. Partner Authorities must report all cases to the Accountable Body

as soon as they become aware of suspected or actual irregular or fraudulent activity and must participate fully in any fact-finding or investigation.

- 2.10 The Accountable Body will ensure that such financial statements or relevant disclosure requirements as are required in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and proper accounting practices (section 12 of the Local Government in Scotland Act 2003) are prepared for the EJC and REP. Where these form part of the wider statutory reporting requirements of the Partner Authorities appropriate summary financial information will be consolidated and reported to the EJC and REP.
- 2.11 All partners will ensure that grant funds are used appropriately and demonstrate Best Value.
- 2.12 The Accountable Body's Chief Auditor will be appointed as Chief Auditor for the AGD to coordinate Internal Audit activity.
- 2.13 Each partner will be responsible for allocating Internal Audit resources as required for local AGD activities. The Accountable Body's Internal Audit section will reserve the right to review programme and project activities as required and request information from all partners regarding these activities.
- 2.14 Each year a consolidated Internal Audit Plan will be presented to the EJC and REP having been prepared following:
- consultation with relevant senior officers of the AGD PMO;
 - consideration of the risks affecting the AGD at programme and project level;
 - consideration of both internal and external factors affecting the AGD;
 - consideration of previous internal and external audit findings;
 - consideration of all of these elements which will inform Public Sector Internal Audit Standards (PSIAS) based risk assessments carried out locally by the Accountable Body and Partner Authorities; and
 - any relevant items subsequently included in local Internal Audit plans approved by each partner's audit committee in line with PSIAS obligations will be reflected in the consolidated AGD Internal Audit Plan.
- 2.15 All AGD Internal Audit work will be carried out in line with the PSIAS with individual Internal Audit assignment reports presented to the EJC and REP for noting.
- 2.16 The EJC and REP will be advised of the overall outcomes from Internal Audit work in an annual Internal Audit Report the timing of which is anticipated to align with the annual accounts timetable and will be reported to the EJC and REP for

noting in line with PSIAS requirements.

- 2.17 The Annual Internal Audit Report will include a summary of AGD internal audit work in year by all partners, an annual opinion for the AGD and for further assurance will also include the authority-wide Annual Internal Audit opinions prepared by each partner.
- 2.18 Actions arising from Internal Audits will be followed up by the relevant Internal Audit team in line with established arrangements in that authority and these follow-up reports will be presented to the EJC and REP for noting.
- 2.19 Further audit, advisory consultancy or investigative work may be requested by the EJC and REP.
- 2.20 The Accountable Body's Chief Auditor will liaise with partner Chief Auditors through established arrangements.
- 2.21 The annual Grant Offer Letter will outline the reporting and governance requirements for the partners.

FINANCIAL REPORTING

- 2.22 As outlined in the annual Grant Offer Letter, on a monthly basis, a Financial Forecast will be completed by the PMO, and submitted to the Scottish and UK Governments. This will include monthly expenditure by the overall Programme and individual Projects, the cumulative spend and profile spend for the remainder of the financial year.
- 2.23 As outlined in the annual Grant Offer Letter, a Quarterly Performance Report will also be completed by the PMO and reported to the Scottish and UK Governments. This report will not only report on financial information but will include a Risk Status of the overall Programme as well as each Project and highlight where underspend or overspend is predicted including narrative as to how this will be managed going forward.
- 2.24 As outlined in the annual Grant Offer Letter, an Annual Report based on the previous year's activity will be prepared. This report will form the basis for the annual conversation with Governments and should follow the Annual Report Template for City Region Deals. The final report will be approved by the Joint Committee and presented to Governments before being published.

2.25 The annual conversation will allow the Scottish City Region and Growth Deal Delivery Board to engage with each City Region Deal at senior officer level, to celebrate success and discuss progress. Annual Conversations, informed by the Annual Performance Report and the Benefits Realisation Plan, also present an opportunity to reflect and work through any concerns that local partners and governments have about the implementation of the Deal and the ambitions of the Deal going forward.

3. OVERALL GROWTH DEAL PROGRAMME EXPENDITURE PROFILE

Funding Provider	Total Government Support (including Regional Partner contribution)	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Capital																		
UK Government	103,000	0	0	3,500	2,674	8,166	12,622	11,937	17,893	8,313	10,350	9,004	5,619	3,468	3,599	2,922	1,935	1,000
Scottish Government	91,500	0	3,194	306	2,255	12,419	13,286	12,466	13,742	6,057	7,605	8,427	6,247	2,805	691	2,000	0	0
Regional Partner Contribution	45,500	755	0	1,445	1,895	5,820	6,401	6,991	6,880	3,616	2,395	1,470	3,095	1,332	1,460	1,378	565	0
Revenue																		
Scottish Government	11,500	0	0	100	2,098	2,432	2,670	2,000	1,200	1,000	0	0	0	0	0	0	0	0
Total Funding	251,500	755	3,194	5,351	8,922	28,837	34,979	33,394	39,715	18,986	20,350	18,901	14,961	7,605	5,750	6,300	2,500	1,000

- 3.1 Note: This overall profile relates to planned project delivery rather than funding draw down. In particular, UK Government funding for the Growth Deal will be delivered on a flat profile over 15 years at a rate of £6.9 million per year.
- 3.2 Consideration has been given to make sure programme delivery profiles are as realistic as possible. However, it is helpful to note that most figures in the plan are indicative based on the most current available information.
- 3.3 We understand that all forecasts will continue to be refined over the life of the Ayrshire Growth Deal as projects progress and any changes in the economic environment or other influencing factors, including further development of business cases, become clear.
- 3.4 Business cases will be reviewed annually and reported through the REP and EJC.
- 3.5 In addition, all figures shown in the Financial Plan are based on the financial year running from 1 April to 31 March, noting that due to HALO progressing prior to Full Deal, the financial plan begins in 2018/19.

Programme	AGD Project	Total Government Support £'000	Percentage of AGD Programme	UK & Scottish Governments £'000	Regional Partners £'000
CAPITAL					
Aerospace & Space	Spaceport Infrastructure	23,000	9.15%	23,000	0
	ASIC and Visitor Centre	11,000	4.37%	5,000	6,000
	Commercial Space - Prestwick - Industrial & Hangar	29,000	11.53%	22,000	7,000
	Prestwick Infrastructure - Roads	17,000	6.76%	12,000	5,000
Economic Infrastructure	HALO Kilmarnock	9,000	3.58%	7,000	2,000
	Ayrshire Engineering Park (Moorfield)	16,000	6.36%	12,000	4,000
	Ayrshire Manufacturing Investment Corridor	23,500	9.34%	23,500	0
	i3 Flexible Business Space	15,000	5.96%	11,000	4,000
	i3 Digital Automation & Testing Centre (DigiLab)	6,000	2.39%	5,000	1,000
Energy, Circular Economy & Environment	National Energy Research Demonstrator (NERD)	24,500	9.74%	17,000	7,500
	Hunterston Port & Resource Centre (CECE)	18,000	7.16%	18,000	0
	International Marine Science & Environmental Centre (IMSE), Ardrossan	10,500	4.17%	6,500	4,000
Tourism	Irvine Harbourside - Ardeer (The Great Harbour)	14,000	5.57%	9,000	5,000
	Marine Tourism	9,500	3.78%	9,500	0
Digital	Digital Subsea Cable	11,000	4.37%	11,000	0
	Digital Infrastructure	3,000	1.19%	3,000	0
REVENUE					
Regional Skills & Inclusion Programme	Working for a Healthy Economy	5,000	1.99%	5,000	0
	Ayrshire Skills Investment Fund	3,500	1.39%	3,500	0
Community Wealth Building	Community Wealth Building Fund	3,000	1.19%	3,000	0
TOTAL FUNDING		251,500	100.00%	206,000	45,500
Percentage of funding by contributor			100.00%	82%	18%

4. OVERALL GROWTH DEAL PROGRAMME DRAWDOWN BY PROJECT

Programme	AGD Project	Local Authority	Total Government Support	HALO - EAC Contribution	year 0	year 1	year 2	year 3	year 4	year 5	year 6	year 7	year 8	year 9	year 10	year 11	year 12	year 13	year 14	year 15		
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35		
Aerospace & Space	Spaceport Infrastructure	SAC	23,000	0	0	0	600	1,600	2,500	2,500	15,800	0	0	0	0	0	0	0	0	0	0	
	ASIC and Visitor Centre	SAC	11,000	0	0	0	200	1,000	1,000	1,000	1,800	1,000	1,500	1,500	2,000	0	0	0	0	0	0	
	Commercial Space - Prestwick - Industrial & Hangar	SAC	29,000	0	0	0	200	1,000	4,000	4,000	4,000	3,000	3,000	3,000	3,000	1,800	1,000	1,000	0	0	0	
	Prestwick Infrastructure - Roads	SAC	17,000	0	0	0	300	3,200	3,400	5,600	4,500	0	0	0	0	0	0	0	0	0	0	
Economic Infrastructure	HALO	EAC	9,000	755	3,194	5,051	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Ayrshire Engineering Park (Moorfield)	EAC	16,000	0	0	0	350	2,789	2,729	2,899	3,041	2,192	1,000	1,000	0	0	0	0	0	0	0	
	Ayrshire Manufacturing Investment Corridor (AMIC)	EAC	23,500	0	0	0	0	0	560	625	1,250	2,970	4,526	3,827	2,587	1,905	1,250	2,000	1,000	1,000		
	i3 Flexible Business Space	NAC	15,000	0	0	0	1,500	1,500	2,000	2,000	2,000	1,500	1,500	1,500	1,500	0	0	0	0	0	0	
	i3 Digital Automation & Testing Centre (DigiLab)	NAC	6,000	0	0	0	0	0	3,100	2,000	900	0	0	0	0	0	0	0	0	0	0	
Energy, Circular Economy & Environment	National Energy Research Demonstrator (NERD)	EAC	24,500	0	0	200	1,325	3,316	3,270	3,270	2,324	2,324	2,324	2,324	1,124	1,900	500	300	0	0	0	
	Hunterston Port & Resource Centre (CECE)	NAC	18,000	0	0	0	1,100	0	0	0	1,400	4,000	5,000	4,000	2,500	0	0	0	0	0	0	
	Ardrossan (IMSE)	NAC	10,500	0	0	0	0	0	0	0	0	0	0	250	750	2,000	3,000	3,000	1,500	0		
Tourism	Irvine Harbourside - Ardeer (The Great Harbour)	NAC	14,000	0	0	0	1,250	3,000	3,250	3,500	1,500	1,000	500	0	0	0	0	0	0	0	0	
	Marine Tourism	NAC	9,500	0	0	0	0	3,500	1,500	500	0	0	1,000	1,500	1,500	0	0	0	0	0	0	
Digital	Digital Subsea Cable	Pan	11,000	0	0	0	0	4,000	4,000	3,000	0	0	0	0	0	0	0	0	0	0	0	
	Digital Infrastructure	Pan	3,000	0	0	0	0	1,500	1,000	500	0	0	0	0	0	0	0	0	0	0	0	
Regional Skills & Inclusion Programme	Working for a Healthy Economy	Pan	5,000	0	0	100	1,125	1,125	1,125	1,125	400	0	0	0	0	0	0	0	0	0	0	
	Ayrshire Skills Investment Fund	Pan	3,500	0	0	0	150	350	500	700	800	1,000	0	0	0	0	0	0	0	0	0	
Community Wealth Building	Community Wealth Building Fund	Pan	3,000	0	0	0	823	957	1,045	175	0	0	0	0	0	0	0	0	0	0	0	
Total			251,500	755	3,194	5,351	8,923	28,837	34,979	33,394	39,715	18,986	20,350	18,901	14,961	7,605	5,750	6,300	2,500	1,000		

A summary of each project is contained with the Ayrshire Growth Deal Implementation Plan which should be read in conjunction with this Financial Plan.

Aerospace and Space Programme

Spaceport Infrastructure

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Spaceport Infrastructure	Governments	23,000	0	0	600	1,600	2,500	2,500	15,800	0	0	0	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		23,000	0	0	600	1,600	2,500	2,500	15,800	0								

Aerospace and Space Innovation Centre (ASIC) and Visitor Centre

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Aerospace & Space Innovation Centre (ASIC) and Visitor Centre	Governments	5,000	0	0	0	500	500	500	500	0	500	1,500	1,000	0	0	0	0	0
	Regional Partners	6,000	0	0	200	500	500	500	1,300	1,000	1,000	0	1,000	0	0	0	0	0
		11,000	0	0	200	1,000	1,000	1,000	1,800	1,000	1,500	1,500	2,000	0	0	0	0	0

Prestwick Commercial Space

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Development Commercial Space - Industrial Units & Hangar	Governments	22,000	0	0	100	500	3,000	3,000	2,500	2,500	2,500	2,500	2,000	1,400	1,000	1,000	0	0
	Regional Partners	7,000	0	0	100	500	1,000	1,000	1,500	500	500	500	1,000	400	0	0	0	0
Total Funding		29,000	0	0	200	1,000	4,000	4,000	4,000	3,000	3,000	3,000	3,000	1,800	1,000	1,000	0	0

Prestwick Roads Infrastructure

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Prestwick Infrastructure - Roads	Governments	12,000	0	0	0	2,000	3,000	4,000	3,000	0	0	0	0	0	0	0	0	0
	Regional Partners	5,000	0	0	300	1,200	400	1,600	1,500	0	0	0	0	0	0	0	0	0
Total Funding		17,000	0	0	300	3,200	3,400	5,600	4,500	0	0	0	0	0	0	0	0	0

Economic Infrastructure Programme

HALO Kilmarnock

Project	Source	Capital Expenditure	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																			
HALO	Governments	7,000	0	3,194	3,806	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Regional Partners	2,000	755	0	1,245	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding from Governments & Local Authorities		9,000	755	3,194	5,051	0													
Plus Private Sector Funding Committed		5,489			5,489														
Total Investment		14,489																	

The Ayrshire Engineering Park (Moorfield Phase 3)

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																			
Ayrshire Engineering Park (Moorfield)	Governments	12,000	0	0	0	1,789	1,729	2,249	2,541	1,692	1,000	1,000	0	0	0	0	0	0	
	Regional Partners	4,000	0	0	350	1,000	1,000	650	500	500	0	0	0	0	0	0	0	0	
Total Funding		16,000	0	0	350	2,789	2,729	2,899	3,041	2,192	1,000	1,000	0	0	0	0	0	0	

Ayrshire Manufacturing Investment Corridor (AMIC)

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Ayrshire Manufacturing Investment Corridor (AMIC) - Spec Build	Governments	13,500	0	0	0	0	500	0	625	1,125	2,680	2,827	1,647	1,405	691	2,000	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		13,500	0	0	0	0	500	0	625	1,125	2,680	2,827	1,647	1,405	691	2,000	0	0

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Ayrshire Manufacturing Investment Corridor (AMIC) - Innovation Centre	Governments	10,000	0	0	0	0	60	625	625	1,845	1,846	1,000	940	500	559	0	1,000	1,000
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		10,000	0	0	0	0	60	625	625	1,845	1,846	1,000	940	500	559	0	1,000	1,000

i3 DigiLab

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
i3 Digital Automation and Testing Centre	Governments	5,000	0	0	0	0	2,500	1,750	750	0	0	0	0	0	0	0	0	0
	Regional Partners	1,000	0	0	0	0	600	250	150	0	0	0	0	0	0	0	0	0
Total Funding		6,000	0	0	0	0	3,100	2,000	900	0	0	0	0	0	0	0	0	0

i3 Irvine Enterprise Area Advanced Manufacturing Space

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
i3 Advance Units (Flexible Space)	Governments	11,000	0	0	1,000	1,200	1,467	1,467	1,466	1,100	1,100	1,100	1,100	0	0	0	0	0
	Regional Partners	4,000	0	0	500	300	533	533	534	400	400	400	400	0	0	0	0	0
Total Funding		15,000	0	0	1,500	1,500	2,000	2,000	2,000	1,500	1,500	1,500	1,500	0	0	0	0	0

Tourism Programme

The Great Harbour, Irvine Harbourside and Ardeer

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Great Harbour (Irvine)	Governments	9,000	0	0	805	1,930	2,090	2,250	960	640	325	0	0	0	0	0	0	0
	Regional Partners	5,000	0	0	445	1,070	1,160	1,250	540	360	175	0	0	0	0	0	0	0
Total Funding		14,000	0	0	1,250	3,000	3,250	3,500	1,500	1,000	500	0						

Marine Tourism

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Marine Tourism	Governments	9,500	0	0	0	3,500	1,500	500	0	0	1,000	1,500	1,500	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding from Governments & Local Authorities		9,500	0	0	0	3,500	1,500	500	0	0	1,000	1,500	1,500	0	0	0	0	0
Plus Private Sector Funding Committed		5,000					1,500	3,000	500									
Total Investment		14,500																

Energy, Circular Economy and Environment Programme

National Energy Research Demonstrator Project (NERD)

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
National Energy Research Demonstrator (NERD)	Governments	17,000	0	0	1,324	2,066	2,062	2,062	1,468	1,468	2,004	2,004	804	1,488	180	72	0	0
	Regional Partners	7,500	0	200	0	1,250	1,208	1,208	856	856	320	320	320	412	320	228	0	0
Total Funding		24,500	0	200	1,324	3,316	3,270	3,270	2,324	2,324	2,324	2,324	1,124	1,900	500	300	0	0

Hunterston Port & Resource Centre (CECE) at Hunterston

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Hunterston Port & Resource Centre (CECE)	Governments	18,000	0	0	1,100	0	0	0	1,400	4,000	5,000	4,000	2,500	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		18,000	0	0	1,100	0	0	0	1,400	4,000	5,000	4,000	2,500	0	0	0	0	0

International Marine Science and Environmental Centre (IMSE) at Ardrossan

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		Capital																
International Marine Science and Environmental Centre (IMSE), Ardrossan	Governments	6,500	0	0	0	0	0	0	0	0	0	0	375	1,480	1,860	1,850	935	0
	Regional Partners	4,000	0	0	0	0	0	0	0	0	0	250	375	520	1,140	1,150	565	0
Total Funding		10,500	0	250	750	2,000	3,000	3,000	1,500	0								

Digital

Subsea Fibre Optic Cable

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Digital - subsea cable	Governments	11,000	0	0	0	4,000	4,000	3,000	0	0	0	0	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		11,000	0	0	0	4,000	4,000	3,000	0	0	0	0	0	0	0	0	0	0

Key Digital Infrastructure

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital																		
Digital - 4G infill and 5G readiness	Governments	3,000	0	0	0	1,500	1,000	500	0	0	0	0	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		3,000	0	0	0	1,500	1,000	500	0	0	0	0	0	0	0	0	0	0

Regional Skills and Inclusion Programme

Working for a Healthy Economy Project

Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue																		
Working for a Healthy Economy	Governments	5,000	0	100	1,125	1,125	1,125	1,125	400	0	0	0	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		5,000	0	100	1,125	1,125	1,125	1,125	400	0	0	0	0	0	0	0	0	0

Ayrshire Skills Investment Fund

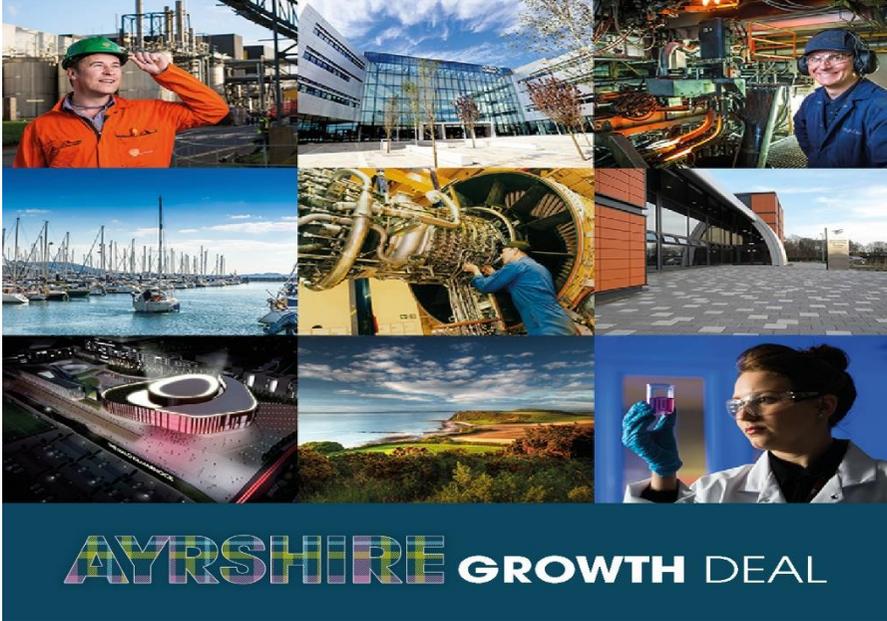
Project	Source	Capital Expenditure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue																		
Ayrshire Skills Investment Fund	Governments	3,500	0	0	150	350	500	700	800	1,000	0	0	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		3,500	0	0	150	350	500	700	800	1,000	0	0	0	0	0	0	0	0

Community Wealth Building

Community Wealth Building Fund

Project	Source	Capital	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Revenue																	
Community Wealth Building	Governments	3,000	0	0	823	957	1,045	175	0	0	0	0	0	0	0	0	0	0
	Regional Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Funding		3,000	0	0	823	957	1,045	175	0	0	0	0	0	0	0	0	0	0

AYRSHIRE GROWTH DEAL GOVERNANCE DOCUMENT



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1. AYRSHIRE GROWTH DEAL – GOVERNANCE DOCUMENT

- 1.1** This document sets out the governance arrangements which have been agreed for the Ayrshire Growth Deal (AGD). The governance arrangements will enable sound decisions to be taken in an open, inclusive and transparent way.
- 1.2** The partners involved in the Ayrshire Growth Deal are the Scottish Government, the UK Government, East Ayrshire Council, North Ayrshire Council and South Ayrshire Council. East Ayrshire Council will be the Accountable Body for the Deal. East Ayrshire Council will provide the link for all other regional partners involved in the Deal including North Ayrshire and South Ayrshire Councils.
- 1.3** Other regional partners include Scottish Enterprise, Skills Development Scotland, Ayrshire College, University of Strathclyde, University of Glasgow, University of the West of Scotland, Glasgow Prestwick Airport, Peel Holdings, HALO Kilmarnock Ltd, NPL Estates Ltd, VisitScotland and Transport Scotland together with the 3rd sector and Ayrshire’s business and resident communities.
- 1.4** The Governance Document sets out decision making structures, memberships, roles and responsibilities and how key processes will be managed to ensure accountability, probity, transparency, compliance and value for money. The governance arrangements outlined within this document will be reviewed regularly to ensure that they remain fit for purpose as the deal progresses.
- 1.5** The partnership approach to governance will promote:
- Openness of decision making focussed on clearly defined outcomes underpinned by sustainable economic, social and environmental benefits;
 - Management of risks and performance through robust internal control and strong financial management; and
 - Transparent reporting.
- 1.6** The partners believe that over the next 15 years, more than £300 million will be unlocked by the deal investment, aiming to deliver around 7,000 new jobs across a wide range of sectors in the Ayrshire region.

2. AYRSHIRE GROWTH DEAL – GOVERNANCE ARRANGEMENTS

- 2.1 In 2018, the Ayrshire Councils agreed to implement a new governance structure to oversee the delivery of the Ayrshire Growth Deal and to promote the main drivers for the Ayrshire Regional Economic Partnership, namely:
- to promote and deliver regional economic and inclusive growth on an Ayrshire-wide basis, in line with the Scottish Government's aim of having a Regional Economic Partnership for every region of Scotland;
 - to provide the robust shared governance which will enable the Scottish and UK Governments and other funding sources to dispense monies on an Ayrshire basis;
 - to encourage the meaningful involvement of private sector partners as well as the public sector; and
 - to recognise that the funding element is being delivered through Councils, and consequently democratic accountability will be required for key investment decisions.
- 2.2 The structure should be as simple as possible, but be capable of adaptation as required. What has been implemented is a structure which has a new Joint Committee with ultimate control over key strategic and investment decisions. This comprises of Councillors from the three authorities with some representation (less than one third, in line with legislative requirements) from partners and business. Below this sits the Ayrshire Regional Economic Partnership, which will progress the day-to-day business of both the Regional Economic Partnership and Growth Deal. The Regional Economic Partnership comprises members from the Joint Committee, as well as more extensive representation from other sectors.
- 2.3 The membership, remits and powers of both the Ayrshire Regional Economic Joint Committee and the Ayrshire Regional Economic Partnership are set out in Appendices A and B. Standing Orders for their meetings are set out in Appendix C. Key components of this are:
- The Ayrshire Regional Economic Joint Committee (EJC) comprises thirteen members in total, three from each Council, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS), one from the business sector and one from the education sector. The local authority Chair will rotate on an annual basis. Its core functions are:

- to approve the Ayrshire Economic Strategy;
 - to make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
 - to approve major funding decisions including approval of the Business Cases for AGD projects;
 - to approve the AGD Benefits Realisation Plan;
 - to approve major change requests;
 - to receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;
 - to make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;
 - to make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;
 - to approve operational expenditure within agreed Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.
- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix A, the EJC will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the EJC will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

- The Ayrshire Regional Economic Partnership (REP) comprises three representatives from each Council, three representatives of the business sector, three representatives of the Higher or Further Education sector and one representative from each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. There is also provision to co-opt an additional three members either from other organisations or on the basis of experience or skills. In legal terms this has to be a sub-committee as it comprises more than one-third membership who are not councillors. The Regional Economic Partnership (sub-committee) will have delegated powers, but major strategic and funding decisions will require to be remitted for approval to the Joint Committee. The functions of this Regional Economic Partnership are:
 - to oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;
 - to provide strategic oversight for the delivery of the strategic priorities and actions contained within the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;
 - to drive forward the growth of the Ayrshire economy;
 - to prioritise inclusive growth and report on progress made annually in AGD Benefits Realisation Plan in line with the Scottish Government’s Inclusive Growth Monitoring Framework;
 - to drive increased collaboration and partnership between the Ayrshire Councils, the Scottish and UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;
 - to make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
 - undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;
 - to oversee the development of the business cases of individual Ayrshire Growth Deal projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;

- to oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;
 - to make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;
 - to ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;
 - to provide strategic direction and manage the input of any Thematic or other Working Groups.
- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix B, the REP will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the REP will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

ROLES AND RESPONSIBILITIES

The Accountable Body (East Ayrshire Council):

- 2.4 The Accountable Body carries out certain legal and regulatory functions on behalf of the EJC and REP as instructed by them, where the EJC and REP do not have the requisite legal status or competence.
- 2.5 The Accountable Body has established and hosts a Programme Management Office and has appointed a Strategic Manager to oversee its budget and duties.
- 2.6 The Accountable Body provides support services as the Strategic Manager may reasonably require to discharge their duties on behalf of the Accountable Body which may include financial, legal, audit and other professional or technical services. Each Partner Authority shall provide the appropriate level of support services to fulfil their obligations to the Accountable Body.
- 2.7 The Accountable Body will analyse and provide reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by these groups.

- 2.8 The Accountable Body shall allocate and account for distribution of AGD grant income to all partners. It will enter into any grant agreements on behalf of the EJC and REP, hold the AGD grant funding and make disbursements to Partner Authorities, Third Parties and other bodies as appropriate, all in accordance with the approved governance arrangements.
- 2.9 It will account for these funds under a separately identified budget line to ensure transparency and clarity, and will report to the Scottish and UK Governments as required in accordance with the Grant Offer Letter.
- 2.10 The Accountable Body and Partner Authorities will ensure compliance with confidentiality and data protection regulations in relation to the AGD Programme.
- 2.11 The Accountable Body will ensure that grant funds are disbursed legally and appropriately and, with Partner Authorities, will have the appropriate and proportionate control systems in place to prevent relevant employees breaching the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.
- 2.12 Partner Authorities will refund all amounts identified by the Accountable Body and/or funders to be ineligible.
- 2.13 In the event of the Accountable Body becoming aware of, or suspecting any irregular or fraudulent activity that may have any impact on the Project/Programme or the use of the AGD grant, or any part of it, the Accountable Body shall immediately set out a fact-finding exercise, investigate as required and, in accordance with the conditions of the Grant Offer Letter, notify the Scottish Ministers of any confirmed activity. Partner Authorities must report all cases to the Accountable Body as soon as they become aware of suspected or actual irregular or fraudulent activity and must participate fully in any fact-finding or investigation.
- 2.14 The Accountable Body will ensure that such financial statements or relevant disclosure requirements as are required in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and proper accounting practices (section 12 of the Local Government in Scotland Act 2003) are prepared for the EJC and REP. Where these form part of the wider statutory reporting requirements of the Partner Authorities appropriate summary financial information will be consolidated and reported to the EJC and REP.
- 2.15 All partners will ensure that grant funds are used appropriately and demonstrate Best Value.
- 2.16 The Accountable Body's Chief Auditor will be appointed as Chief Auditor for the AGD to coordinate Internal Audit activity.

- 2.17 Each partner will be responsible for allocating Internal Audit resources as required for local AGD activities. The Accountable Body's Internal Audit section will reserve the right to review programme and project activities as required and request information from all partners regarding these activities.
- 2.18 Each year a consolidated Internal Audit Plan will be presented to the EJC and REP having been prepared following:
- consultation with relevant senior officers of the AGD PMO;
 - consideration of the risks affecting the AGD at programme and project level;
 - consideration of both internal and external factors affecting the AGD;
 - consideration of previous internal and external audit findings;
 - consideration of all of these elements which will inform Public Sector Internal Audit Standards (PSIAS) based risk assessments carried out locally by the Accountable Body and Partner Authorities; and
 - any relevant items subsequently included in local Internal Audit plans approved by each partner's audit committee in line with PSIAS obligations will be reflected in the consolidated AGD Internal Audit Plan.
- 2.19 All AGD Internal Audit work will be carried out in line with the PSIAS with individual Internal Audit assignment reports presented to the EJC and REP for noting.
- 2.20 The EJC and REP will be advised of the overall outcomes from Internal Audit work in an annual Internal Audit Report the timing of which is anticipated to align with the annual accounts timetable and will be reported to the EJC and REP for noting in line with PSIAS requirements.
- 2.21 The Annual Internal Audit Report will include a summary of AGD internal audit work in year by all partners, an annual opinion for the AGD and for further assurance will also include the authority-wide Annual Internal Audit opinions prepared by each partner.
- 2.22 Actions arising from Internal Audits will be followed up by the relevant Internal Audit team in line with established arrangements in that authority and these follow-up reports will be presented to the EJC and REP for noting.
- 2.23 Further audit, advisory consultancy or investigative work may be requested by the EJC and REP.
- 2.24 The Accountable Body's Chief Auditor will liaise with partner Chief Auditors through established arrangements.

Partner Authorities

- 2.25 Partner Authorities play a key role in supporting the delivery of the overall Programme through a range of activities including: delivering their Approved Projects; participating in all Support Group activities and work plans; designing and delivering Programme-wide approaches and strategies (such as the Ayrshire Economic Strategy and the Inclusive Growth Action Plan); identifying and sharing best practice; identifying and collaborating on joint working opportunities.
- 2.26 Partner Authorities shall develop Green Book compliant Business Cases and deliver Approved Projects in accordance with: their Approved Project Business Case; the terms of the grant agreement entered into with the Accountable Body; and all Programme management requirements.
- 2.27 The annual Grant Offer Letter will outline the reporting and governance requirements for the partners.
- 2.28 Any grant agreement entered into by a Partner Authority shall be subject to that Authority's contract standing orders and financial regulations.
- 2.29 Partner Authorities are responsible for ensuring the realisation of project benefits as agreed by EJC and REP and as a condition of the grant agreement.
- 2.30 Partner Authorities are required to provide a statement of compliance with the Conditions of Grant as set out in the grant letter. This will be evidenced in the certification of the final capital return made to the Scottish Government by each Partner Authority's Section 95 Officer. AGD Project income and expenditure, which is accounted for within Partner Authorities' own accounts, will be subject to audit by an individual authority's own external auditors.
- 2.31 For the avoidance of doubt, for every financial claim to be submitted by the Accountable Body each Partner Authority must provide a full audit trail by way of a certification by the Section 95 Officer of the eligible funds disbursed in a format determined by the Accountable Body.
- 2.32 Partner Authorities will be required to provide all information as required by the PMO (details of all reporting requirements are set out in the next section of this paper).
- 2.33 Partner Authorities will make their own arrangements for reporting on Projects internally within their own organisations and for approving these internal reports prior to the onward submission of information to the PMO. These internal governance structures will be documented within Project Business Cases.

- 2.34 The Partner Authorities shall provide the PMO with quarterly updates on the progress of each Approved Project, in line with the Partner Authority Report and Project Status Report template.
- 2.35 The PMO reserves the right to request copies of individual Project Status Reports, as required. Partner Authorities' Project governance arrangements may be reviewed by the PMO to ensure compliance with the requirements of funders.
- 2.36 This monitoring information will be presented to the EJC and REP by the PMO in the Programme Status Report, including advising on progress, benefits realisation, any slippage and risks in relation to any specific Projects and seeking approval for any amendments/change controls. Any concerns which the EJC and REP may have will be notified to the relevant Member Authority via the Chief Executives' Group.
- 2.37 Partner Authorities will work with relevant working groups to assist with the realisation and maximisation of relevant project benefits where required.
- 2.38 Partner Authorities will work with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the Deal to deliver inclusive growth.

Third Parties

- 2.39 Third Parties are organisations, other than Partner Authorities, which receive a grant from the Accountable Body to deliver Approved Projects as part of the Programme as agreed by the EJC and REP.
- 2.40 Third Parties will also comply with the same conditions as Partner Authorities as set out above.

THE PROGRAMME MANAGEMENT OFFICE (PMO)

- 2.41 A permanent staffing structure is being put in place within the Programme Management Office for the Ayrshire Growth Deal and the team is tasked to:
- monitor, review and update the AGD Programme Business Case;
 - scrutinise proposed business cases and make recommendations to the REP and EJC. Where necessary expertise does not exist within the team to fulfil this responsibility, external support will be commissioned and managed by the PMO;

- provide a full toolkit of documentation to partners delivering projects including business case templates and guidance on their completion; reporting templates; risk register templates, and such other documentation as is required from time to time;
- analyse and report on the impact of the delivery of AGD projects and the overall AGD, as well as reporting on the delivery of wider economic benefits agreed in business cases and grant awards, in accordance with commitments made to the UK and Scottish Governments. This reporting will be on a monthly, quarterly and annual basis and will require input from project leads;
- monitor the programme risk register and escalate any issues as they arise, reporting on risk to each EJC and REP meeting;
- prepare regular consolidated monitoring statements for consideration by the EJC and REP.

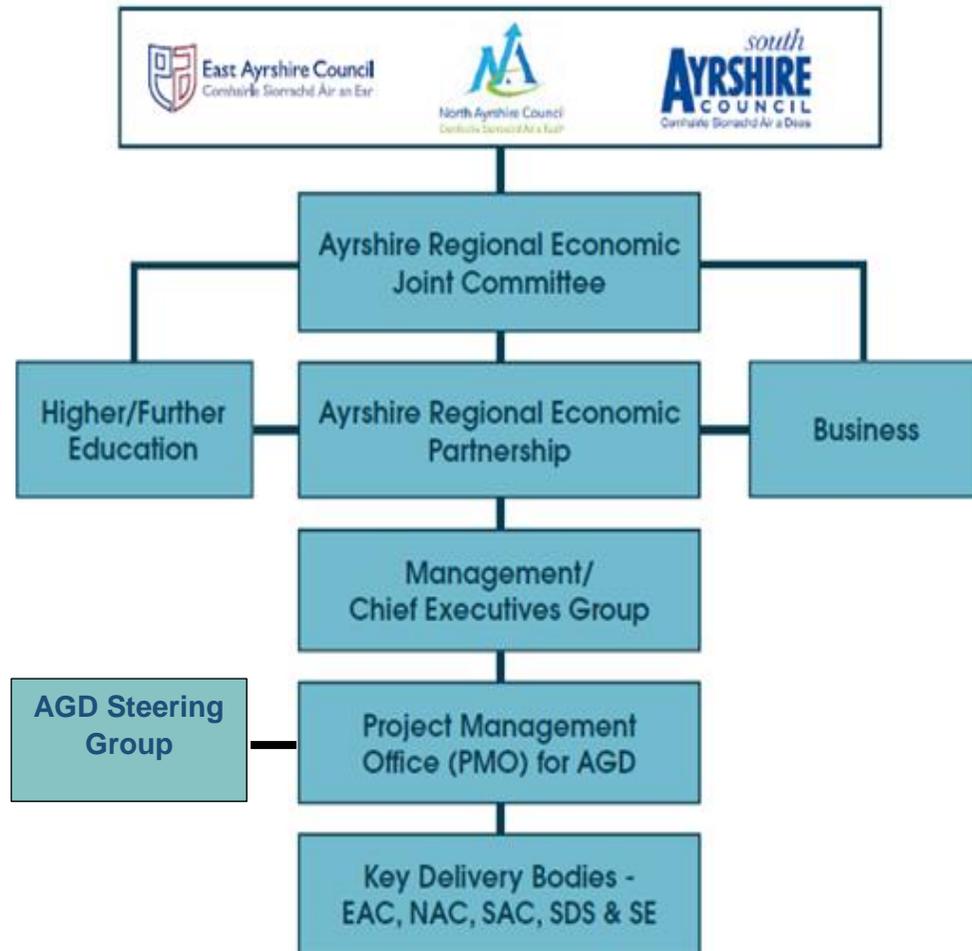
2.42 The work of the PMO is supported by the following working groups:

- Procurement – comprising procurement leads from each of the Ayrshire Councils. This group meets monthly or as often as required;
- Marketing and Communications – comprising communications leads for each of the Ayrshire Councils together with representatives from UK and Scottish Governments. This group meets monthly or as often as required;
- Ayrshire Growth Deal Steering Group – comprising representatives from each of the Ayrshire Councils, Scottish Enterprise, Skills Development Scotland and representatives from UK and Scottish Governments. This group provides support and guidance to the PMO and assists with information sharing. This group meets monthly;
- Other short-term working groups will be established as required.

Minutes of all meetings will be maintained.

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

Governance Structure



BUSINESS CASE APPROVAL PROCESSES

- 2.44 Once government is satisfied that a given project's OBC is sufficiently well developed they will inform the regional Programme Management Office that the OBC has been approved and that government is content for regional partners to proceed to full business case (FBC).
- 2.45 Government will require to see all FBCs to ensure that they continue to meet their requirements and to confirm that any outstanding issues highlighted at OBC stage have been addressed. Final Equality Impact, Fairer Scotland, and Environmental Impact Assessments should also be made available.
- 2.46 The final approval of FBCs will rest with the region's principal decision making body, the Ayrshire Economic Joint Committee. This ensures that regional partners have full ownership of the Deal and that ultimate decision making authority rests with the body that will be responsible for delivering associated outputs, outcomes, and impacts.

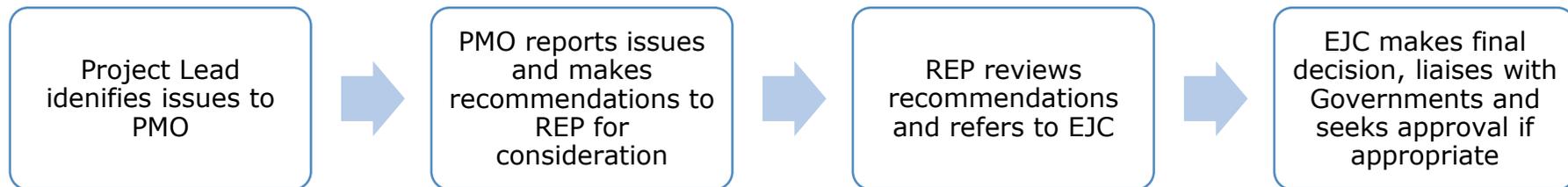
FINANCIAL REPORTING

- 2.47 As outlined in the annual Grant Offer Letter, on a monthly basis, a Financial Forecast will be completed by the PMO, and submitted to Scottish Government copied into UK Government. This will include monthly expenditure by the overall Programme and individual Projects, the cumulative spend and profile spend for the remainder of the financial year.
- 2.48 As outlined in the annual Grant Offer Letter, a Quarterly Performance Report will also be completed by the PMO and reported to Scottish Government copied into UK Government. This report will not only report on financial information but will include a Risk Status of the overall Programme as well as each Project and highlight where underspend or overspend is predicted including narrative as to how this will be managed going forward.
- 2.49 As outlined in the annual Grant Offer Letter, an Annual Report based on the previous year's activity will be prepared. This report will form the basis for the annual conversation with Government and should follow the Annual Report Template for City Region Deals. The final report will be approved by the Joint Committee and presented to Governments before being published.
- 2.50 The annual conversation will allow the Scottish City Region and Growth Deal Delivery Board to engage with each City Region Deal at senior officer level, to celebrate success and discuss progress. Annual Conversations, informed by the

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

3. **MANAGING CHANGE**

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



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

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

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

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

Appendix A: AYRSHIRE ECONOMIC JOINT COMMITTEE

Constitution

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

Chair

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

Quorum

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

Standing Orders and Meetings

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

Delegated Powers

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

Functions Referred

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

Acting in the interests of Ayrshire as a whole:-

1. To approve the Ayrshire Economic Strategy;
2. To make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
3. To approve the business cases of individual Ayrshire Growth Deal Projects;
4. To receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;
5. To make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;
6. To make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;
7. To approve operational expenditure within agreed with Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.

Appendix B: AYRSHIRE ECONOMIC PARTNERSHIP

Constitution

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

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

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

Chair

The Chair shall be appointed by the Joint Committee

Quorum

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

Standing Orders and Meetings

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

Delegated Powers

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

Functions Referred

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

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

8. To oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;
9. To provide strategic oversight for the delivery of the strategic priorities and actions contained within the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;
10. To drive forward the growth of the Ayrshire economy;
11. To prioritise inclusive growth and provide an annual report in line with the Scottish Government's Inclusive Growth Monitoring Framework;
12. To drive increased collaboration and partnership between the Ayrshire Councils, the Scottish & UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;
13. To make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
14. Undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;
15. To oversee the development of the business cases of individual Ayrshire Growth Deal Projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;
16. To oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;

17. To make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;
18. To ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;
19. To provide strategic direction and manage the input of any Thematic or other Working Groups.

Appendix C: STANDING ORDERS FOR THE CONDUCT OF MEETINGS

PRELIMINARY

COMMENCEMENT

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

DEFINITIONS

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

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

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

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

MEETING ARRANGEMENTS

Dates of Meetings

1. The Joint Committee shall meet at least twice in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Joint Committee. The Partnership shall meet at least six times in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Partnership.
2. A special meeting of the Joint Committee or the Partnership may be called at any time:
 - (a) by the incumbent Chair; or

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

Place, Time and Notice of Meetings

- 3.1 Except in the case of urgency (when the incumbent Chair may direct accordingly) three clear days at least before a meeting of the Joint Committee or the Partnership;
 - i. Notice of the time and place of the intended meeting shall be published by the Chief Executive of the incumbent Chair's Council (or if the Partnership is not chaired by a Council nominee, by the Chief Executive of the Joint Committee's incumbent Council) or an appropriate officer of that council, responsible for the administrative support of the Joint Committee or Partnership, at that Council's principal office and, where practical, at the place where the meeting will be held if the meeting is to be held outwith that Council's principal office; and
 - ii. A summons to attend the meeting, specifying the business to be transacted shall be left at or sent by post to the usual place of residence of every Member of the Joint Committee or Partnership as appropriate, or to such other address as the Member may notify in writing to the Chief Executive of the incumbent Chair's Council.

LACK OF NOTICE

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

QUORUM

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

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

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

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

CHAIR

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

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

POWERS AND DUTIES OF CHAIR

7. Deference shall at all times be paid to the authority of the Chair. When the Chair indicates a wish to speak, any Member who may be addressing the meeting shall give way. The Chair shall:-
 - (i) preserve order and ensure that every member of the Joint Committee or Partnership shall have a fair hearing;
 - (ii) decide all matters of order, competency and relevancy and the ruling of the Chair shall be final and shall not be open to discussion;
 - (iii) decide between two or more members of the meeting indicating that they wish to speak by calling on the member who has first caught the attention of the Chair;
 - (iv) ensure that due and sufficient opportunity is given to members who wish to speak to express their views on the subject under discussion;

- (v) be entitled, in the event of disorder arising, to adjourn the meeting to a time he or she may then, or afterwards, fix and his or her leaving the Chair shall indicate the meeting is adjourned; and
- (vi) the Chair shall, at his or her discretion, determine all questions of procedure for which no express provision is made under these Standing Orders with regard to the regulation of the proceedings and business of the Joint Committee meetings.

BUSINESS AT MEETINGS

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

URGENT BUSINESS

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

ORDER OF BUSINESS

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

- (i) the Sederunt shall be taken; the names of the members present at the meeting shall be recorded with the Chair at the head followed by the remaining Members;
- (ii) Minutes of the previous Joint Committee or Partnership as appropriate shall be submitted, held as read and be formally moved and be held to be approved, unless objection is taken to any portion thereof when so submitted. Any Member may request information on an item within a Minute that is before the meeting; and
- (iii) Any other competent business detailed in the Agenda or urgent business raised at the discretion of the Chair.

ORDER OF DEBATE

Motions/Amendments

- 11.1** A member of the Joint Committee or Partnership when speaking shall address the Chair and direct all remarks to the matter before the meeting by proposing, seconding or speaking to the motion or any amendment relative thereto, or to a point of order, or to propose or second a motion to adjourn the proceedings.
- 11.2** Every motion or amendment shall be moved and seconded. The terms of all motions or amendments shall always precede any remarks to be made by their proposers. No member shall speak supporting the motion or any amendment until the same shall be seconded.
- 11.3** The terms of a motion or amendment not seconded or which may be withdrawn or altered after being seconded shall not be recorded in the Minutes of proceedings.
- 11.4** Any member who has moved a motion or amendment and has failed to find a seconder may request that his or her dissent in regard to the decision in question be recorded and that dissent will be recorded in the Minutes.

Procedure on Point of Order

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

MOTION FOR ADJOURNMENT OF MEETING

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

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

VOTING

Method of Voting on Motion and Amendment

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

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

DECISIONS OF THE JOINT COMMITTEE

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

CASTING VOTE

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

ATTENDANCE BY ELECTED MEMBERS NOT A MEMBER OF THE JOINT COMMITTEE

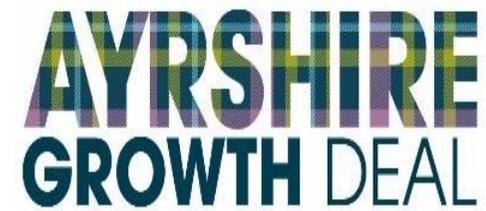
16. Members of the Constituent Authorities who are not members of the Joint Committee may be invited by the Chair of the Joint Committee to attend the meeting of the Joint Committee while there is under discussion any item in which those members have a local or other special interest. Such members shall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

ATTENDANCE BY MEMBERS OF THE PUBLIC

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

AYRSHIRE GROWTH DEAL

DEAL DOCUMENT



Signing of this document reaffirms our joint commitment to achieve full implementation of the Ayrshire Growth Deal together over the next 15 years.

.....
Rt Hon Alister Jack MP
Secretary of State for Scotland
UK Government

Mr Michael Matheson MSP
Cabinet Secretary for Transport,
Infrastructure and Connectivity
Scottish Government

.....
Cllr Douglas Reid
Leader of East Ayrshire Council

.....
Cllr Joe Cullinane
Leader of North Ayrshire Council

.....
Cllr Peter Henderson
Leader of South Ayrshire Council

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1. **AYRSHIRE GROWTH DEAL – AN OVERVIEW**

- 1.1 This document sets out the detail of how the Ayrshire Economic Joint Committee (EJC) and the Ayrshire Regional Economic Partnership (REP) will implement and manage the Ayrshire Growth Deal. This forms part of a suite of documentation designed to provide assurance to funders, stakeholders and communities that partners are committed to ensuring investment is coordinated across the region; that processes and procedures are in place to support delivery; and that the benefits to be derived from the Ayrshire Growth Deal are maximised.
- 1.2 This document specifically relates to the Growth Deal projects contained within the Heads of Terms, signed by both the UK and Scottish Governments and Ayrshire’s Councils on 8 March 2019 and which are being taken forward by the partners in Ayrshire.
- 1.3 The signing off of the Ayrshire Growth Deal is an important step in the region’s recovery from the economic shock associated with Covid-19 which has seen major swathes of the regional economy closed down for many weeks and has impacted negatively on jobs and planned investment across the business base. While time lags in data means it will be some time before the impact is fully understood, early indications are that Ayrshire as a region is particularly vulnerable and long term there may be challenges that are more acute than those that occur elsewhere.¹
- 1.4 The themes identified by the Ayrshire Regional Economic Strategy, and supported by the Ayrshire Regional Spatial Strategy, as having the greatest potential to support inclusive growth through the Inclusive Growth Diagnostic for Ayrshire, remain critical to the fortunes of the Ayrshire economy. Evidence emerging since the beginning of the Covid-19 pandemic suggests that many of the themes and sectors are critical to supporting the rescue and recovery economic phases, as well as being best positioned to support the renewal phase in the longer term. The key themes identified in the strategy as being critical to economic recovery and renewal phases are: Advanced Manufacturing; Aerospace/Space; Clean Growth; Community Wealth Building; Food and Drink; Life Sciences; Visitor Economy; Business; Connectivity; Digital; Innovation; and Skills.
- 1.5 The development of detailed actions and subsequent delivery of themes will be framed through a Community Wealth Building approach that seeks to harness assets, resources, community strength and relationships within Ayrshire to deliver improved outcomes for our communities.
- 1.6 As part of the Ayrshire Regional Economic Strategy, the Ayrshire Growth Deal is a key element of Ayrshire’s recovery and reaffirms the public sector’s commitment to the region and the collective desire to support ambitious plans for renewal and long term sustainable growth. The scale of this Deal will galvanise efforts to develop key strategic sites and key sectors in Ayrshire and aims to facilitate

¹ Skills Development Scotland, Ayrshire Regional Skills Assessment, July 2020 – Forecasts by Oxford Economics

private sector investment of more than £300m into the region and to support up to 7,000 new jobs.

- 1.7 The Ayrshire Regional Economic Strategy will inform the subsequent development of a Regional Skills Investment Plan for Ayrshire which will take account of the long term aspirations of the Ayrshire Growth Deal.
- 1.8 The partners involved in the Ayrshire Growth Deal are the Scottish Government, the UK Government and East, North and South Ayrshire Councils. East Ayrshire Council will be the Accountable Body for the Deal. East Ayrshire Council, as Accountable Body, will provide the link for all other regional partners involved in the Deal and detailed governance arrangements are set out in the Growth Deal Governance Document.
- 1.9 Other regional partners include Scottish Enterprise, Skills Development Scotland, Ayrshire College, University of Strathclyde, University of Glasgow, University of the West of Scotland, Glasgow Prestwick Airport, Peel Holdings, Halo Kilmarnock Ltd, NPL Estates Ltd, VisitScotland and Transport Scotland together with the third sector and Ayrshire's business and resident communities.
- 1.10 The UK Government's financial contribution to the Ayrshire Growth Deal will be up to £103m and similarly the Scottish Government's financial contribution will be up to £103m. This is the maximum available government funding to support Ayrshire Growth Deal projects over the 10 to 15 year timeline and will not increase relative to the cost of inflation.
- 1.11 The Ayrshire Councils will contribute a further £45.5m to the Deal. The financial profile and delivery plan for each individual project within the Deal is contained in the Financial Plan and the Implementation Plan respectively.
- 1.12 The Partnership is confident that the Growth Deal proposals represent a once in a lifetime opportunity to improve the well-being of communities and the economy and signing this Deal will allow partners to progress plans to support recovery and renewal post Covid-19 and to transform Ayrshire into a 21st century powerhouse for growth. Growth with community wealth building and inclusion at its heart; growth which will benefit all Ayrshire's communities and where no one will be left behind.

2. **AYRSHIRE GROWTH DEAL - STRATEGIC OBJECTIVES**

- 2.1 Ayrshire's Councils all recognise the importance of a regional approach to growing the economy and have been working together and with partners and stakeholders to develop this Ayrshire Growth Deal, anchored in a commitment to creating a growing, innovative, more productive and inclusive economy, developing Ayrshire's core strengths and ensuring that communities benefit from economic growth.
- 2.2 Collectively, the partnership has identified the regional priorities which will create the best environment for people and business. This has been a robust process reflecting good practice methodologies, including analysis to understand the best interventions and projects which will facilitate a step-change for the Ayrshire and Scottish economies, while creating greater opportunity for all communities.
- 2.3 The vision is for Ayrshire to be ***'a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being, and leading the implementation of digital technologies and the next generation of manufacturing.'***
- 2.4 Targeted investment, coordinated throughout Ayrshire, will act as a powerful catalyst stimulating growth and resulting in increased prosperity for local people, for Scotland and for the UK as a whole.
- 2.5 While proposals reflect the strengths and opportunities which exist in Ayrshire, economic baseline analysis shows that the regional economy has been underperforming and recent job losses point to a loss of confidence and investment being diverted to other areas. The strategic objectives underpinning the Growth Deal projects are to:
- Attract and develop more innovative and internationally focused companies that are more likely to have higher levels of productivity through developing key infrastructure and targeted business support programmes;
 - Position Ayrshire as the 'go-to' region for smart manufacturing and digital skills;
 - Improve key elements of strategic transport and digital infrastructure to help businesses get goods to market and people to work (physically and virtually);
 - Work with communities to raise aspiration and ambition, provide employment and skills support, and improve access to jobs through innovative community empowerment and employability programmes.

- 2.6 The partnership firmly believes that Ayrshire will be recognised for leading the successful implementation of key technologies in manufacturing sectors that are important to Scotland, for its world class digital and physical infrastructure and the quality of life it can provide.
- 2.7 This Deal will help drive inclusive economic growth across the region. The economy of Ayrshire has under-performed over a substantial period of time, leading to Ayrshire having one of the highest unemployment rates in Scotland and the UK, particularly among younger people. This will be exacerbated by the impact of the Covid-19 pandemic. This Deal will enable the creation of new high quality jobs and opportunities across Ayrshire, which will help secure the future prosperity of its many communities.
- 2.8 Building on the Heads of Terms signed off in March 2019, the Implementation Plan sets out how the individual projects within the Deal will be delivered and how they will contribute to a step change on our regional economy.
- 2.9 Project proposals and associated Outline Business Cases have been prepared, reviewed, assessed and refined following feedback received from policy leads within each government and these now form the overall programme business case.

3. AYRSHIRE – A REGIONAL CONTEXT

- 3.1 Ayrshire comprises the three local authority areas of East Ayrshire, North Ayrshire and South Ayrshire, with a total land area of 3,369 square km and a population of some 369,670. Ayrshire has a range of assets that make it an attractive place to live, work and do business.
- 3.2 The region's industrial heritage is a blend of modern and traditional businesses; Ayrshire is home to around 10,000 businesses across a diverse range of industries and we have considerable scope for expansion.
- 3.3 A diverse business base combines internationally renowned major employers such as Glaxo Smith Kline and Spirit Aerosystems with smaller family run businesses. Prestwick is home to the largest aerospace cluster in Scotland.
- 3.4 Ayrshire companies are involved in refurbishing the majority of the UK's rail rolling stock; producing the majority of UK fire-engines; exporting a diverse range of high quality goods across the world and our agricultural sector makes a major contribution to the UK's dairy supply.
- 3.5 The region is home to resilient communities with a working age population of more than 224,000 and a highly skilled, motivated and flexible workforce.
- 3.6 The region benefits from a strong network of training and educational establishments and high quality and affordable housing in town and village settings.
- 3.7 The cultural and built heritage include Robert Burns and Alexander Fleming, Culzean Castle, Kilwinning Abbey and Dumfries House, country parks, dark skies and protected wildlife habitats.
- 3.8 Three Ayrshire golf courses being world acclaimed have, in recent years, played host to The Open Championship, The Senior Open, The Women's British Open, and The Scottish Open (both Men's and Women's). It is also widely recognised that Ayrshire has some of the best sailing waters in the world.
- 3.9 Well connected by road and rail to Glasgow, the North of England and beyond. Access to two international airports and port facilities offer direct routes to international markets.
- 3.10 The region is however not without its challenges and Covid-19 threatens to exacerbate these.

Inclusive Growth Challenges

Weak Productivity and Low Levels of Growth

- 3.11 Ayrshire has experienced low levels of economic growth and productivity in recent years, diverging significantly from Scotland, and recovery from the 2008/09 recession has been slower than in other parts of the country.
- 3.12 The business base largely comprises SMEs and micro businesses with only 35 companies across Ayrshire employing more than 250 staff².
- 3.13 The impact of Covid-19 is not yet entirely understood but businesses and jobs have been lost; investment has been delayed or abandoned and the resilience of the business base is being tested in a way that no one has ever experienced or indeed had envisaged. Recovery will require greater collaboration; more targeted resource; and a focus on innovation and leadership.
- 3.14 The population of the region is forecast to decline over the coming decades. The forecast decline in the working age population and accompanying increase in people over retirement age will bring challenges to the Ayrshire economy and labour market over the coming decade³.

Skills, Health Outcomes and Earnings

- 3.15 There is variations in skills levels, earnings and health outcomes across the region.
- 3.16 Future growth in economic activity and employment risks being constrained by skills shortages in the area. 9.3% of Ayrshire's resident population aged between 16 and 64 years have no skills compared to 9.8% for Scotland as a whole. However, a lower level of 16-64 year olds living in Ayrshire have advanced qualifications (HNC/HND, degree level and above) at 40.8% compared with 45.3% for Scotland⁴.
- 3.17 The average wage remains below the Scottish average in some areas and on average, men across Ayrshire earn more than women, and female participation and employment rates tend to be lower.
- 3.18 Long-term disabilities and low life expectancy limit quality of life in some areas.

² Office for National Statistics, UK Business Counts 2019

³ Skills Development Scotland, Ayrshire Regional Skills Assessment, July 2020 – Forecasts by Oxford Economics

⁴ Office for National Statistics, Annual Population Survey 2019

- 3.19 Some of the highest levels of deprivation in Scotland can be found in Ayrshire, with 27% of children living in poverty (after housing costs deducted from their income) compared to 23% in Scotland as a whole⁵. 30% of Ayrshire's data zones are in the 20% most deprived in Scotland⁶. Fuel poverty is an issue in some areas.
- 3.20 Job postings data highlights that employers within the region are seeking softer skills as well as technical skills. Skills such as customer services and teamwork/collaboration feature, as do job specific skills such as teaching and health care related skills e.g. mental health and care planning⁷.
- 3.21 Covid-19 has highlighted the importance of digital skills and this could potentially benefit the Ayrshire region. The increase in the uptake of homeworking could enable more opportunities for those who live in rural areas if connectivity is strengthened. As this is an area of opportunity that could extend beyond Covid-19, this could bring a number of societal and economic benefits to the region and reduce the carbon footprint as commuting activity decreases. 'Green jobs' to support Scotland's aspirations on carbon reduction is another area of opportunity⁷.
- 3.22 Over the mid and long term the greatest requirement is forecast to be for skilled workers with higher education level (SCQF7+) qualifications. However provision at lower SCQF levels will be needed for some occupations⁷.

Employment/Unemployment

- 3.23 There is a high reliance on sectors such as healthcare, retail, manufacturing, hospitality and food services in the area.
- 3.24 54% of Scotland's workforce employed in the manufacture or repair of spacecraft or aircraft are based in Ayrshire (2,810 people)⁸.
- 3.25 The shortage of local and high value job opportunities in the area is a challenge.
- 3.26 In the year to March 2020, the Ayrshire region had the second highest unemployment rate (16+) in Scotland before the start of the Covid pandemic⁹.

⁵ End Child Poverty, September 2017

⁶ Scottish Index of Multiple Deprivation 2020

⁷ Skills Development Scotland, Ayrshire Regional Skills Assessment, July 2020 – Forecasts by Oxford Economics

⁸ Business Register and Employment Survey 2018

⁹ Skills Development Scotland, Labour Market Insights, see [here](#)

- 3.27 Covid-19 has led to increased unemployment in Scotland. There were 127,000 people unemployed in Scotland over the period February to April 2020, 30,000 more than the previous three-month period. Comparable regional data is not available yet. However, data for Pre-Covid-19 data showed that the unemployment rate for the 16-64 population in Ayrshire was 4.8% (8,100 people) compared with 3.5% in Scotland as a whole.
- 3.28 In addition, pre-Covid-19 data also showed that the unemployment rate for the 16-24 population in Ayrshire was 12.8% (3,200 people) compared with 8.3% nationally.
- 3.29 During the period from March 2020 to July 2020, some 6,000 additional people registered for benefits while 39,800 people have been furloughed. This percentage increase in the regional claimant count is slightly higher than the Scottish average¹⁰.
- 3.30 This disproportionate impact on younger people is not surprising. The service sector/economy (e.g. retail and food and drink) represents c. 25% of all jobs and is a big employer of younger people. The data shows that it is one of the sectors that has been most severely impacted e.g. fall in sales, proportion of furloughed staff, etc (especially during the lockdown period).
- 3.31 It should be noted that during this reporting period (May - August 2020), the UK Government had implemented various measures to help safeguard employment, including the Job Retention Scheme and Self-Employment Income Support Scheme. As we move out of lockdown and these schemes are adjusted (e.g. the Flexible Furlough Scheme started in June 2020 and is scheduled to end in October 2020), the full “shake out” and impact on unemployment will not likely be known until the end of 2020 / start of 2021. Early indications suggest that, in the short term at least, unemployment is anticipated to rise sharply¹¹.

GROWTH DEAL PROJECTS

- 3.32 The Ayrshire Growth Deal is based on the achievement of economic growth and inclusive growth with a clear focus on addressing the issues of innovation and productivity, and inequality across the regional economy. This Deal will tackle inequality through growing local talent, creating new connections with the world and providing new opportunities and routes into employment for people across the region.
- 3.33 The Deal will support innovative technologies, enhance productivity, develop skills and create jobs.

¹⁰ Skills Development Scotland, Ayrshire Regional Skills Assessment, July 2020 – Forecasts by Oxford Economics

¹¹ The Impacts of COVID-19: An Overview of the Research to Date, Improvement Service, see [here](#)

3.34 The table below provides a summary of the projects contained within the Ayrshire Growth Deal and specifically designed to develop key strategic sites and strategic sectors and to address the economic frailties identified above. How the projects these relate to national and regional priorities is set out in more detail in section 4 and how projects will be funded and delivered is detailed in the Financial Plan and Implementation plans that accompany this document.

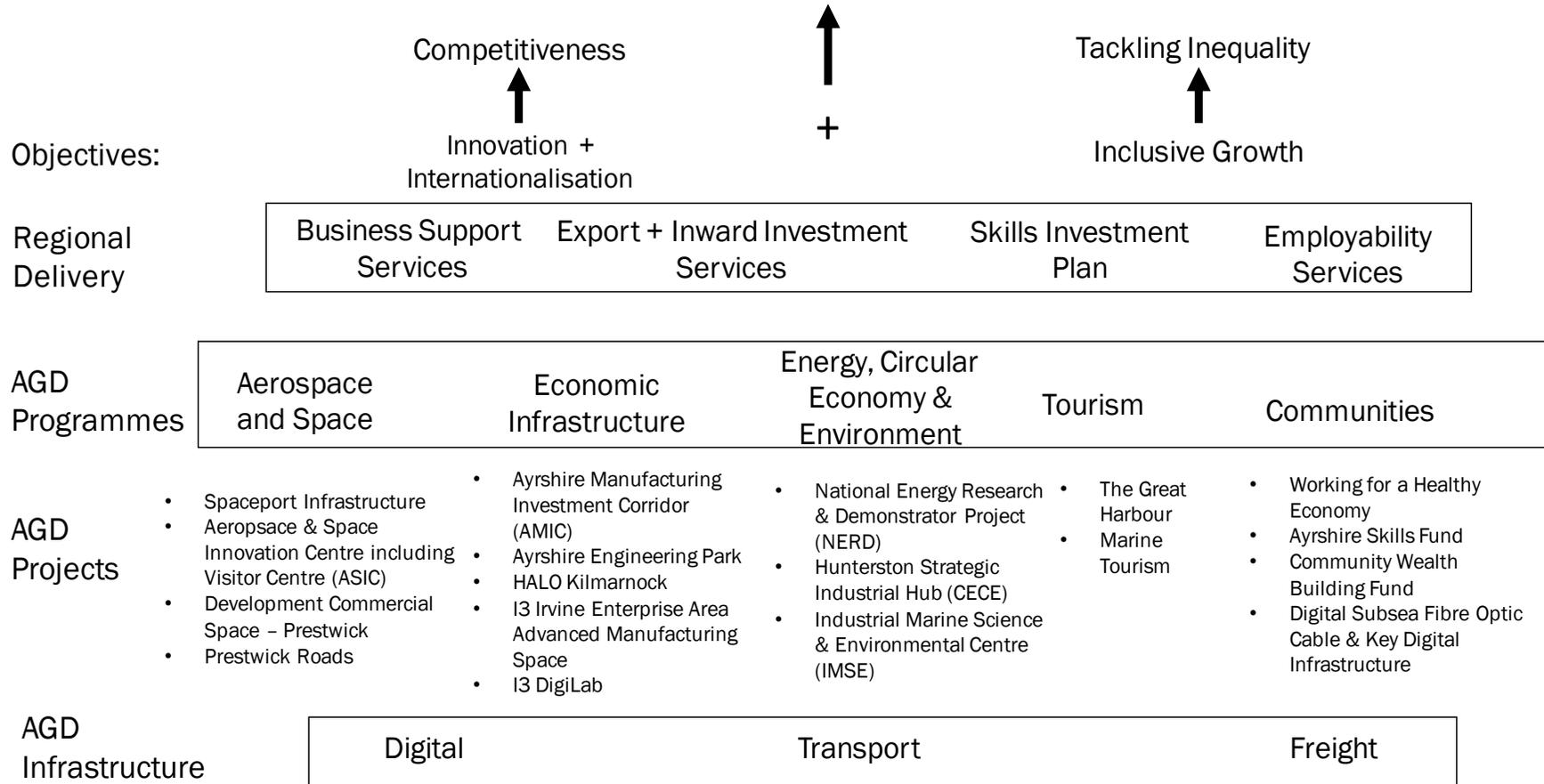
Programme	AGD Project	Total Government Support £'000	Percentage of AGD Programme	UK & Scottish Governments £'000	Regional Partners £'000
CAPITAL					
Aerospace & Space	Spaceport Infrastructure	23,000	9.15%	23,000	0
	ASIC and Visitor Centre	11,000	4.37%	5,000	6,000
	Commercial Space - Prestwick - Industrial & Hangar	29,000	11.53%	22,000	7,000
	Prestwick Infrastructure - Roads	17,000	6.76%	12,000	5,000
Economic Infrastructure	HALO Kilmarnock	9,000	3.58%	7,000	2,000
	Ayrshire Engineering Park (Moorfield)	16,000	6.36%	12,000	4,000
	Ayrshire Manufacturing Investment Corridor	23,500	9.34%	23,500	0
	i3 Flexible Business Space	15,000	5.96%	11,000	4,000
	i3 Digital Automation & Testing Centre (DigiLab)	6,000	2.39%	5,000	1,000
Energy, Circular Economy & Environment	National Energy Research Demonstrator (NERD)	24,500	9.74%	17,000	7,500
	Hunterston Port & Resource Centre (CECE)	18,000	7.16%	18,000	0
	International Marine Science & Environmental Centre (IMSE), Ardrossan	10,500	4.17%	6,500	4,000
Tourism	Irvine Harbourside - Ardeer (The Great Harbour)	14,000	5.57%	9,000	5,000
	Marine Tourism	9,500	3.78%	9,500	0
Digital	Digital Subsea Cable	11,000	4.37%	11,000	0
	Digital Infrastructure	3,000	1.19%	3,000	0
REVENUE					
Regional Skills & Inclusion Programme	Working for a Healthy Economy	5,000	1.99%	5,000	0
	Ayrshire Skills Investment Fund	3,500	1.39%	3,500	0
Community Wealth Building	Community Wealth Building Fund	3,000	1.19%	3,000	0
TOTAL FUNDING		251,500	100.00%	206,000	45,500
Percentage of funding by contributor			100.00%	82%	18%

4. AYRSHIRE GROWTH DEAL THEMES

- 4.1 Figure 1 on page 14 illustrates how the Ayrshire Growth Deal programme links to Governments' objectives of increased growth and prosperity.
- 4.2 The programme is based on the achievement of economic growth and inclusive growth with a clear focus on addressing the issues of innovation and productivity, and inequality across the regional economy.
- 4.3 Linking to the Regional Vision (see 2.3 above) assessed projects are grouped into programmes that focus on the high growth, high value sectors that Ayrshire has real opportunities in, linking to Ayrshire's general manufacturing strength, distinctive coastal opportunities and to communities.
- 4.4 The Ayrshire Growth Deal aim is to marry business growth opportunities to employment progression, developing the future workforce and community development, ensuring all communities benefit from economic growth.
- 4.5 The Ayrshire Growth Deal themes reflect the strengths and opportunities of the Ayrshire economy.

AGD Strategic Framework

UK's Industrial Strategy and Scotland's Economic Strategy



Scottish Government's Economic Strategy and Inclusive Growth Agenda

- 4.6 Scotland's Economic Strategy has the purpose of creating a more successful country with opportunities for all to flourish, through increasing economic growth whilst ensuring that everyone has the opportunity to fulfil their potential.
- 4.7 The Scottish Government is committed to exploring the potential for Community Wealth Building as an approach to delivering inclusive growth across Scotland. Community Wealth Building is 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.
- 4.8 While interdependency mapping allows an understanding of the relationships between proposals, Inclusive Growth is a key cross-cutting priority of the Ayrshire Growth Deal; and as such needs to be reflected in all of the proposals. Successful economies are inclusive economies and tackling inequality will help ensure that the region is competitive in the global market and resilient to emerging trends and technologies. To ensure explicit commitment to how the projects will achieve inclusive growth and reduce inequality, a consistent approach is being developed by the PMO and project leads to ensure that inclusive growth, equalities and Community Wealth Building outcomes are embedded in each business case.
- 4.9 Critical to Ayrshire's future prosperity is a virtuous circle of growth: growth in business, leading to growth in employment and growth in individual and household prosperity. For this reason, Inclusive Growth was included within assessment criteria for identifying the package of Ayrshire Growth Deal proposals. In addition, each proposal has reflected on how their activity can be enhanced to ensure it is inclusive and what support may be required to maximise that impact. The Ayrshire Growth Deal projects aim to have an impact across the inclusive growth drivers which were identified as part of the Ayrshire Inclusive Growth diagnostic work.

UK Government's Industrial Strategy

- 4.10 The UK Government's Industrial Strategy aims to create an economy that boosts productivity and earning power throughout the UK. The strategy is built on five foundations and four grand challenges.
- 4.11 The approach outlined refers to developing a stronger economy, building on our existing strengths to enable all regions to prosper. It aims to develop a highly skilled, competitive economy that benefits all people.
- 4.12 This approach together with Scotland's Economic Strategy reflects the desire to put Inclusive Growth at the heart of the Ayrshire Growth Deal.

4.13 The table below highlights the relationship between each project the UK Industrial Strategy and the Scottish Government’s Economic Strategy.

Project	UK's INDUSTRIAL STRATEGY								SCOTLAND'S ECONOMIC STRATEGY				
	Five Foundations of Productivity					Grand Challenges				Increasing Competitiveness			
	Ideas	People	Infrastructure	Business Environment	Places	AI & Data Economy	Clean Growth	Future of Mobility	Ageing Society	Tackling Inequality			
	The world's innovative economy	good jobs & greater earning power for all	A major upgrade to UK's infrastructure	The best places to start and grow a business	Prosperous communities across UK (inc Local Ind. Strategies)	Put UK at forefront of AI & data revolution	Maximise advantages for UK industry from the global shift to clean growth	Become world leader in way people, goods and services move	Harness power of innovation to help meet needs of ageing society	Investment	Innovation	Inclusive Growth	Internationalisation
Spaceport Infrastructure													
Aerospace & Space Innovation Centre (ASIC) inc Visitor Centre													
Development Commercial Space - Prestwick													
Prestwick Infrastructure - Roads													
i3 Advanced Manufacturing Space													
i3 Digilab													
HALO Kilmarnock													
Ayrshire Engineering Park (Moorfield)													
Ayrshire Manufacturing Investment Corridor (AMIC)													
National Energy Research & Demonstrator Project (NERD)													
Centre for Research into Low Carbon Energy & Circular Economy (CECE)													
Marine Tourism													
Industrial Marine Science and Environmental Centre (IMSE)													
The Great Harbour, Irvine Harbourside & Ardeer													
Ayrshire Skills Fund													
Working for a Healthy Economy													
Community Wealth Building													
Digital - Subsea Cable													
Digital - Infrastructure													
Regional Transport Appraisal													

5. **AYRSHIRE GROWTH DEAL - INVESTMENT AREAS**

- 5.1 Taking account of the impact of Covid-19 and its exposure of inherent weaknesses in the regional economy and to deliver the anticipated outputs and outcomes, the Ayrshire Growth Deal comprises five programmes. These programmes focus on key sectors and strategic sites across the region as well as digital infrastructure, skills, community wealth building and transport all of which will combine to facilitate sustained recovery and renewal of the regional economy. These programmes are as follows:

Aerospace and Space Programme

- 5.2 The Deal will position Ayrshire as one of the UK's leading centres of Aerospace and Space activity through an ambitious and transformational Aerospace and Space Programme. This will be supported by both the Scottish and UK Governments, with total funding for the programme of £80 million. £32 million will be invested by the UK Government and £30 million by the Scottish Government, with a further £18 million from South Ayrshire Council.

The Programme consists of four distinct interconnected elements:

- 5.3 Investment secured through the Deal will deliver **Spaceport** infrastructure to support the ambition of establishing a horizontal launch facility at Glasgow Prestwick Airport. The investment will be a catalyst to establishing GPA as the leading horizontal launch Spaceport in Europe, providing a range of services including micro gravity flights, air launch of satellites, human space flight and hypersonic flight services. This builds on Prestwick's unique combination of attributes: latitude, over sea take off, metrological condition plus the strong cluster of innovative aerospace companies located adjacent to GPA.
- 5.4 An **Aerospace and Space Innovation Centre (ASIC) incorporating a Visitor Centre** will be created to drive new technologies and skills in order to position Ayrshire and Scotland as a hub of aerospace and space technology. The ASIC will be a purpose built multi-occupancy building providing a central hub for the growing aerospace cluster, as well as key facilities and services to encourage growth, supporting aerospace and space businesses in Scotland and the UK. The facilities will focus on business development, skills development and training needs of the Aerospace and Space sector in partnership with local and national higher and further education establishments, including University of Glasgow, University of Strathclyde, University of the West of Scotland and Ayrshire College. The ASIC will work alongside existing research and innovation at Prestwick and across Scotland to provide the focus, coordination and support required to improve advanced manufacturing techniques and productivity, and sustain and grow the sector's businesses. Further value is added through the incorporation of a visitor/STEM hub which will provide opportunities for school and college students to understand potential career options in the aerospace and space sectors, alongside a dynamic innovation and training facility for the

local labour pool and educators. The facilities will also provide a unique visitor attraction for Ayrshire.

- 5.5 Developing **Prestwick's Commercial Space** will create substantial and additional high quality industrial/commercial accommodation. The project will also see the creation of airside hangar space to meet projected future growth in the aerospace, maintenance, repair and overhaul (MRO), aircraft decommissioning and new space markets. The Development of the Commercial Space project has been formulated to address market failure in the provision of commercial premises at Prestwick. The project is vital in order to capture the economic growth opportunity from the Space and Aerospace sector.
- 5.6 Funding for **Prestwick Transport Infrastructure** to create an effective network of internal roads to enable the creation of high specification industrial and office spaces to meet the needs of the growing aerospace sector, advanced manufacturing units, spaceport and launch operator infrastructure.
- 5.7 These ambitious strategic projects will build on the established business base and transform the local economy through local, high-value job creation and strong regional supply chains, tackle weak productivity, low job density, deliver skills required by the space and aerospace industries, and attract and retain talented people.

Economic Infrastructure Programme

- 5.8 This Economic Infrastructure programme will be supported by both the UK and Scottish Governments, with total funding for the programme of £69.5 million. £18.5 million will be invested by UK Government and £40 million by the Scottish Government, with a further £6 million from East Ayrshire Council and £5 million from North Ayrshire Council.
- 5.9 Both Governments will support the transformational regeneration project, **HALO Kilmarnock**, with each contributing £3.5 million of investment. East Ayrshire Council will contribute £2 million, alongside Diageo's donation of land and project development funding of £2 million towards re- establishing the 23 acre former Johnnie Walker whisky bottling site as a key centre of employment in Kilmarnock, and Ayrshire. The HALO project will look to create a green energy Hub which will stimulate entrepreneurship and support collaboration between new and existing businesses to drive the Ayrshire economy.
- 5.10 The **Ayrshire Engineering Park** will provide expansion and development of Moorfield Industrial Park in Kilmarnock, creating serviced and high quality business space, with a range of units to support the advanced manufacturing and light engineering sectors in Ayrshire. This project will be supported with £12 million of investment from the Scottish Government and £4 million from East Ayrshire Council.

- 5.11 Both Governments will offer investment to support the delivery of the **Ayrshire Manufacturing Investment Corridor (AMIC)**, with Scottish Government investment of up to £13.5 million and UK Government investment of £10 million. This will establish a new national asset in East Ayrshire which will build on Ayrshire's proud history of manufacturing.
- 5.12 This project will establish a Centre of Excellence with on-site support and start up units to support the creation of new businesses and growth of existing businesses in the Food and Drink sector, as well as the Advanced Manufacturing sector. It will also address market failure with investment in commercial space and will deliver on the need for high quality premises to support business growth and internationalisation opportunities.
- 5.13 The Centre of Excellence will be the focus within the AMIC area and will establish Ayrshire as the go-to region for smart manufacturing and digital skills. The innovation centre will be delivered in partnership with Strathclyde University and will focus on Food and Drink innovation from concept to launch.
- 5.14 Both Governments and North Ayrshire Council, will support new developments at the i3 Irvine Enterprise Area Advanced Manufacturing Space in Irvine, which will create a National Digital Processing Industry Hub and advanced manufacturing flexible space. This will serve digital processing industries, building on current Life Science Clustering at the site, and facilitate R&D activity, start up, spin out, and growth of Life Science businesses and other advanced manufacturing opportunities. This will see investment of up to £11 million from the Scottish Government, £5 million from the UK Government, and £5 million from North Ayrshire Council. The National Digital Processing Industry Hub will be developed at i3 with links to the National Manufacturing Institute for Scotland in partnership with Strathclyde University and industry. The project also includes construction of flexible business space capable of meeting the requirements of Chemical and Life Sciences manufacturing, Digital Automation and other advanced manufacturing opportunities. The combined offer at i3, centred round the National Digital Processing Industry Hub, will attract a range of supply chain and digital technology SMEs and start-up and offer strategic capacity to secure major digital process sector investment at i3.
- 5.15 These projects will create conditions for growth providing local jobs, strong regional supply chains and skills development across a number of sectors in Ayrshire.

Tourism Programme

- 5.16 Tourism is a key sector in Ayrshire and this programme will build on and strengthen the existing tourism offer to make the region a highly desirable place to visit and live, work and invest in. The programme will be supported by Scottish Government, with total funding for the programme of £23.5 million. £18.5 million will be invested by Scottish Government, with a further £5 million from North Ayrshire Council.

- 5.17 The Scottish Government will provide investment of up to £9 million for the development of The Great Harbour, at Irvine Harbourside and Ardeer, alongside an additional £5 million from North Ayrshire Council, to create a unique coastal destination comprising a number of key assets to attract new visitors to the area and create jobs. The initial investment will deliver the 'Maritime Mile', which will be the catalyst and driver for the Great Harbour transformation. The Maritime Mile will build on the unique qualities of place creating a national waterfront destination focussed on a series of dynamic event spaces linked by a floating boardwalk offering marine access and animated by boats, people, events and activities to achieve a regional waterfront destination that will transform the tourism and the visitor potential of Ayrshire and the Clyde Coast. The Maritime Mile is a critical first strategic investment to unlock a series of secondary development opportunities, which can capitalise on the coastal and community assets in the Great Harbour, to create a strong, resilient place based and a premium regional coastal destination that delivers Community Wealth Building opportunities.
- 5.18 The Scottish Government will invest up to £9.5 million in Marine Tourism, delivering critical infrastructure to enable investment to secure the development of the Marine Tourism industry in North Ayrshire. This investment will focus on securing infrastructure that supports key components such as sailing and boating, marine leisure, and recreation. Marine tourism investment at Ardrossan, Arran and Cumbrae will showcase the potential of the Clyde coast region as an inclusive and accessible place for active leisure, through the expansion of Ardrossan marina to be one of the largest marinas in Scotland, and the development of transit marinas at Arran and Cumbrae.

Energy, Circular Economy and Environment Programme

- 5.19 The Energy programme will be supported by UK Government, with total funding of £53 million into innovation in Energy products and development. £41.5 million will be invested by UK Government, with a further £7.5 million from East Ayrshire Council and £4 million from North Ayrshire Council.
- 5.20 The **National Energy Research Demonstrator Project (NERD)** will aim to overcome, through research and design, a range of technical challenges that currently prevents the harnessing of local but intermittent energy generation, and its storage and subsequent transmission onto the grid during periods of high demand. It will be supported with investment of £17 million from the UK Government, alongside £7.5 million of investment from East Ayrshire Council.
- 5.21 This project will provide solutions to energy supply and storage challenges in non-urban locations, with Cumnock providing a unique location to investigate a wide mix of solutions due to its unique geography, landscape and the way the land has been exploited in the past for mining. The NERD will design, develop and construct a local electricity distribution network within the Cumnock area whilst utilising existing grid infrastructure, so that the area becomes effectively energy "self-sufficient" with the integration of a range of

energy generating systems and the development of new, locally sited energy storage facilities that fully link with and support the national and regional electricity grid network.

- 5.22 The NERD project will reduce energy bills for local businesses and communities leading to a regional reduction in the number of people living in fuel poverty. The project will create new jobs, apprenticeships, and space for new economic activities allowing enterprises to be created in a deprived area.
- 5.23 Partners in the project include East Ayrshire Council, Strathclyde University, British Geological Survey and Scottish Power Energy Networks.
- 5.24 The UK Government will offer up to £18 million for the **Centre for Research into Low Carbon Energy and Circular Economy (CECE)** at the Hunterston Strategic West Scotland Industrial Hub.
- 5.25 Hunterston is a national strategic site as set out in the National Planning Framework. As Scotland’s largest strategic deep-water port with direct rail and grid connections, the site has a critical role in Scotland’s Energy, Blue Economy, Offshore Wind and the Circular Economy futures.

Partners in the project include Peel Ports, Scottish Enterprise, Crown Estates, Nuclear Decommissioning Authority.

- 5.26 The UK Government will offer investment of up to £6.5 million for a new **International Marine Science and Environmental Centre (IMSE)** based at Ardrossan, alongside £4 million invested by North Ayrshire Council. The International Marine Sciences and Environmental Centre (IMSE) is a Centre of Innovation developed between industry and academia to develop and capture innovation in marine sciences; marine spatial planning; marine technology; and marine education and training and ensure that the Firth of Clyde is recognised as an exemplar in the Blue Economy and marine sustainability. IMSE will be an applied sciences centre and will bring together leading academics.
- 5.27 A key element of IMSE will be providing start-up companies within the maritime sector with access to opportunities, support from industry specialists, experts and mentors, in order to develop collaborations.
- 5.28 Partners in the project include North Ayrshire Council, Field Studies Council, and the Clyde Marine Planning Partnership.

Digital Programme

- 5.29 The digital programme will be supported by UK Government, with total funding of £14 million ensure that Ayrshire has the digital infrastructure, skills and ambition which is critical to future growth and participation in the economy. This investment will put in place

a key piece of the connectivity infrastructure to help attract global businesses, enabling the potential creation of a datacentre cluster of national significance leading to the creation of high value jobs. The digital projects will make Ayrshire a world-class digitally connected region that is attractive to investors across many elements of the digital economy.

- 5.30 The UK Government will offer investment of up to £11 million for a **subsea fibre optic cable** to have its landing point in Irvine.
- 5.31 The Scottish Government will offer investment of up to £3 million for **key digital infrastructure**, regional digital hubs and 4G infill, which will ensure the economic benefits of the Ayrshire Growth Deal impacts all citizens of Ayrshire and help to create inclusive growth across the region.

Skills and Inclusion

- 5.32 Inclusive growth lies at the heart of Growth Deals. This Deal will tackle inequality through growing local talent, creating new connections with the world and providing new opportunities and routes into employment for people across the region.
- 5.33 The Scottish Government will provide up to £8.5 million for a new **Regional Skills and Inclusion Programme** which will ensure that businesses and communities throughout the entire region are given the opportunity to engage with and benefit from the opportunities arising from the investments delivered through this Deal.
- 5.34 The programme will include the establishment of a responsive skills fund to drive Inclusive Growth to support skills interventions.
- 5.35 In addition, the Working for a Healthy Economy project will target large-scale investment in occupational health services to ensure that Ayrshire has the requisite workforce to drive economic growth in the future.
- 5.36 Key to this will be an all-Ayrshire model of delivery which offers community engagement, pre-employability support, recruitment, in-work interventions and employability services; with links to employers to tailor investments to demand, and priority given to those struggling to maintain secure and meaningful work.

Community Wealth Building

- 5.37 The Scottish Government will provide up to £3 million for a regional Community Wealth Building Fund. Community Wealth Building is an alternative approach to traditional economic development, which seeks to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base.

- 5.38 Community Wealth Building seeks to use the economic levers available to local authorities and other 'Anchor Institutions' by focusing on five pillars for harnessing existing resource to support the local economy: procurement; employment; land and assets; financial power; and plural ownership of the economy. The aim of this Fund will be: 'to develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.' It will achieve this by:
- Community Wealth Building Business Locality Officers - place-based approach to CWB, working in localities alongside Anchor Institutions to facilitate CWB activities across public, private, and social economy on procurement, employment, assets and ownership, linking with existing local service delivery;
 - Community Wealth Building Fund - support place-based CWB activity, and the work of CWB locality officers, including but not limited to social enterprise support, employee ownership transition, workplace innovation, supplier development and capacity building, supporting locality entrepreneurship;
 - Fair Work Ayrshire: A dedicated Ayrshire 'Fair Work' resource to engage key employers (including Anchor Institutions) to ensure they recruit inclusively and provide quality and meaningful work and to develop practical steps with employers to position Ayrshire as a Fair Work region.

Transport

- 5.39 Transport Scotland is progressing work on the National Transport Strategy (NTS) review and the second Strategic Transport Projects Review (STPR2). This work will set the vision, policies and projects for Scotland's Strategic Transport network for the coming 20 years. As part of this work Transport Scotland has established regional Transport Working Groups, and is taking forward discussions with the Ayrshire partners on appropriate working arrangements. Transport Scotland and the recently appointed STPR consultant team will work with the regional group to develop the evidence base around problems and opportunities, define transport planning objectives and undertake regional transport appraisal work. In particular, Ayrshire Growth Deal Partners will, in consultation with Transport Scotland, undertake a transport appraisal to determine what potential transport mitigation is required to support East Ayrshire Local Development Plan allocations and the Ayrshire Manufacturing Investment Corridor (AMIC) site, alongside developing the costs of any potential mitigation, who will deliver this and an associated developer contribution strategy. Should any mitigation be identified to support development as part of this exercise, funding for this should be found from within the agreed Deal funding envelope or from developers. This work will inform the review of emerging NTS policies and the work on STPR2 and ensure that appropriate consideration is given to Ayrshire's transport infrastructure and the Growth Deal projects when setting the regional and national policy and intervention priorities.

6. AYRSHIRE GROWTH DEAL - MONITORING AND EVALUATION

- 6.1 The partnership is committed to ensuring that appropriate processes and procedures are in place to support the implementation of the Ayrshire Growth Deal and to maximise the benefit of this significant investment package. A comprehensive Governance document which sets out the roles and responsibilities of partners; the processes for financial management, audit and change are contained therein.
- 6.2 The partnership will work with both Governments to agree a Monitoring and Evaluation Framework for the Deal.
- 6.3 Partners will work together with both Governments to develop an approved Benefits Realisation Plan which will detail the realisation of benefits across the Programme, to bring focus and alignment to wider regional cohesion and economic development benefits achieved by utilising partner resources.

THE PROGRAMME MANAGEMENT OFFICE (PMO)

- 6.4 A permanent staffing structure is being put in place within the Programme Management Office for the Ayrshire Growth Deal and the team is tasked to:
- monitor, review and update the Ayrshire Growth Deal Programme Business Case;
 - scrutinise proposed business cases and make recommendations to the REP and EJC. Where necessary expertise does not exist within the team to fulfil this responsibility, external support will be commissioned and managed by the PMO;
 - provide a full toolkit of documentation to partners delivering projects including business case templates and guidance on their completion; reporting templates; risk register templates, and such as other documentation as is required from time to time;
 - analyse and report on the impact of the delivery of Ayrshire Growth Deal projects and the overall Ayrshire Growth Deal, as well as reporting on the delivery of wider economic benefits agreed in business cases and grant awards, in accordance with commitments made to the UK and Scottish Governments. This reporting will be on a monthly, quarterly and annual basis and will require input from project leads;
 - monitor the programme risk register and escalate any issues as they arise, reporting on risk to each EJC and REP meeting;

- prepare regular consolidated monitoring statements for consideration by the REP and EJC and will prepare the annual reports for the Growth Deal.

6.5 This role will include but not be limited to:

- Provision of such administrative and technical support services as may be required;
- Preparation and circulation of meeting minutes and agenda;
- Publishing of procedures and outcomes;
- Facilitating engagement by stakeholders; and
- Managing communications.

RISK MANAGEMENT

- 6.6 Each project will have its own risk register which will be subject to regular review and update. A programme risk register will also be maintained by the PMO and will be reported on to each EJC and REP meeting.
- 6.7 All partners to the Deal are responsible for responding to any recommendations set out by Audit Scotland or the National Audit Office in relation to any audit undertaken on the Deal. The partners will also take account (where appropriate) of recommendations in relation to audits of the wider City Deals programme.

BUSINESS CASE APPROVAL PROCESSES

- 6.8 Once government is satisfied that a given project's OBC is sufficiently well developed they will inform the regional Programme Management Office that OBC has been approved and that government is content for regional partners to proceed to full business case (FBC).
- 6.9 Government will require to see all FBCs to ensure that they continue to meet their requirements and to confirm that any outstanding issues highlighted at OBC stage have been addressed. Final Equality Impact, Fairer Scotland, and Environmental Impact Assessments should also be made available.
- 6.10 The final approval of FBCs will rest with the region's principal decision making body, the Ayrshire Economic Joint Committee. This ensures that regional partners have full ownership of the Deal and that ultimate decision making authority rests with the body that will be responsible for delivering associated outputs, outcomes, and impacts.

BENEFITS REALISATION

- 6.11 The central tenet of the Ayrshire Growth Deal is inclusive economic growth and the requirement to evidence that economic impact must be captured in project and programme evaluations.
- 6.12 The realisation and evaluation of the impact of the Ayrshire Growth Deal is a fundamental requirement of all partners and performance monitoring will focus on measuring that:
- project and programme outputs are delivered on time, on budget and to scope; and
 - anticipated outcomes are achieved for Ayrshire.
 - project and programme benefits are identified in individual and programme business cases which clearly articulate the relationship between inputs, activities, outputs and outcomes.
 - every output and outcome must be monitored or evaluated if the benefits of individual projects are to be demonstrated.
- 6.13 While it has been the responsibility of the PMO to ensure a consistency across project in relation to how benefits are identified, it will be the responsibility of each partner and project lead to manage, monitor and maximise all benefits identified in business cases.
- 6.14 Partners and project leads will be expected to take action to optimise project benefits through each stage of project delivery and monitoring data will be provided to the PMO in accordance with an agreed reporting schedule to demonstrate the progress of each individual project.
- 6.15 Monitoring will initially relate to the delivery of project activities and outputs such as amount of land remediated or sqm of industrial space created. As projects advance the focus of monitoring information will shift to cover outcomes as they become more evident and measurable.
- 6.16 Each partner and project lead will be required to collate project data on a quarterly basis (over financial years). This information will be reported to the CEOs/Directors Group with summary information being provided to the Ayrshire Regional Economic Partnership Board.
- 6.17 Scrutinising and reviewing the delivery of benefits will be the responsibility of the PMO and monitoring data provided by project leads will be scrutinised against the content of approved business cases. The PMO will be responsible for escalating any issues of non-performance to the CEOs/Directors Group and the Ayrshire Regional Economic Partnership Board as appropriate.
- 6.18 Evaluation will also be required to demonstrate that projects have delivered on the specific equalities and sustainability benefits outlined in the associated and approved business cases.

EVALUATION FRAMEWORK

- 6.19 The partnership will consider with Government the need to conduct check-point reviews at appropriate intervals throughout the Deal at project or thematic level. These reviews will enable progress towards prescribed milestones as set out in the Deal Implementation Plan to be reviewed and evaluated.
- 6.20 At regular intervals, to be agreed with governments, the partners will carry out a thorough review and evaluation of the Deal to capture progress and identify priorities for the next phase of delivery.
- 6.21 Both Governments will work with the Regional Economic Partnership and Joint Committee to set the terms of the evaluation and consider its recommendations. Both Governments reserve the right to request changes or halt funding in the event that outcomes and targets are not being met.

AGREEMENT

between:

EAST AYRSHIRE COUNCIL

and

SOUTH AYRSHIRE COUNCIL

and

NORTH AYRSHIRE COUNCIL

relative to the Ayrshire Growth Deal

AGD Agreement v11

17/12/2020

AGREEMENT between:

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

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

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

WHEREAS:

- (A) EAC, SAC and NAC (together with the UK and Scottish Governments) are parties to a Heads of Terms Agreement dated Friday 8 March 2019 (the "**Heads of Terms**") which confirms the joint commitment of the parties to achieve full implementation of the Ayrshire Growth Deal ("**AGD**").
- (B) Having recognised that it is a requirement of the Heads of Terms that a model of governance and supporting documentation be established that will meet the expectations set out in the Regional Partnership workstream of phase 2 of Scotland's Enterprise and Skills Review, and in furtherance of these expectations, the parties have agreed that EAC will assume the role of Lead Authority for the AGD.
- (C) The Parties have in turn therefore agreed that the governance, monitoring and reporting obligations which will fall upon EAC for the AGD, together with the concurrent obligations which will be incumbent upon both SAC and NAC, be

further detailed within the terms of this Agreement.

- (D) The Agreement recognises and anticipates that the parties may be required to enter into appropriate further agreements to regulate their respective relationships in respect of the successful delivery and implementation of the AGD.
- (E) EAC, SAC and NAC have agreed to enter into this Agreement for the purpose of recording certain key understandings that will govern their mutual relationship going forward.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

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

“AGD Strategic Manager” means the officer appointed to this post by EAC and employed by EAC;

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

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

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

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

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

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

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

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

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

“Chief Executive’s Group” means the Parties’ Chief Executives (or their nominees);

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

“Lead Authority” means East Ayrshire Council;

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

“PMO” means Programme Management Office;

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

“Schedule” means the schedule in seven parts annexed and executed as relative hereto; and

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

2. COMMENCEMENT AND DURATION

- 2.1 Notwithstanding the date or dates that these terms and conditions are received by the Lead Authority validly executed on behalf of all the Parties it is agreed that the date of commencement of this agreement shall be Nineteenth November Two Thousand and Twenty. Subscription of these terms and conditions will not impose any legally enforceable rights or obligations on the body which has executed these terms and conditions before that date.
- 2.2 Once validly executed, these terms and conditions shall be legally binding upon the Parties, subject to any lawful variation thereof, unless and until this Agreement is terminated in accordance with clause 14.

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

- 3.1 The Ayrshire Regional Economic Joint Committee (“EJC”) is responsible for strategy and policy in respect of the AGD. It comprises of thirteen members, being three nominated by each of the Parties, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS) one from the business sector and one from the education sector. Named substitutes are entitled to attend in place of any nominated Member. The local authority Chair of the Committee rotates on an annual basis between the Parties. The core functions of the EJC will be as detailed within Appendix A to the Ayrshire Growth Deal – Governance Document as contained within Part 4 of the Schedule annexed and executed as relative hereto.
- 3.2 The Ayrshire Regional Economic Partnership Sub-Committee (“REP”) is a sub-committee of EJC and comprises of three representatives nominated from each of the Parties, three representatives of the business sector selected by the REP, three representatives of the Higher or further Education sector selected by the REP and one representative nominated by each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. The EJC may also co-opt up to an additional

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

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

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

4. AYRSHIRE GROWTH DEAL – DOCUMENTS

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

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

5. EAC ROLES AND RESPONSIBILITIES

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

- The establishment and hosting of a Programme Management Office (PMO) and the appointment of a Strategic Manager to oversee its budget and duties.
- The provision of such support services as the AGD Strategic Manager may reasonably require to discharge his/her duties which may include financial, legal, audit and other professional or technical services.
- The analysis and provision of reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or the provision of any other reports or updates as may required by these groups.
- The allocation and accounting for distribution of all AGD grant income together with any grant agreements on behalf of the REP and EJC, the holding of the AGD grant funding and the making of disbursements to the Parties, Third Parties and other bodies as appropriate, all in accordance with approved governance arrangements.
- The accounting for these funds under a separately identified budget line to ensure transparency and clarity, and the reporting thereof to the Scottish and UK Governments as required in accordance with any conditions of the Grant Offer letter received from those Governments.
- Ensuring compliance with confidentiality, freedom of information and data protection regulations and progressing any complaints in accordance with the requirements of the SPSO in relation to the AGD Programme.
- Enter into grant agreements with the Parties on behalf of the EJC in respect of the approved projects required to deliver the AGD Programme and ensuring that the associated grant funds are disbursed legally and appropriately;
- Have the appropriate and proportionate control systems in place in relation to the grant funds to prevent breaches of the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.

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

6. ROLES AND RESPONSIBILITIES OF THE PARTIES

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

- the successful delivery of their Approved Projects;
- each Party taking a turn to prepare and circulate meeting agendas, reports and minutes for the ECJ and REP
- participation in all support group activities and work plans;
- designing and delivering Programme wide approaches and strategies;
- the identification and sharing of best practice; and
- the identification and collaboration on joint working opportunities.

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

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

- ensure that any grant agreement entered into with EAC as Lead Authority is subject to and compliant with its internal contractual standing orders and financial regulations;
- deliver agreed projects under the AGD Programme in accordance with the terms of their grant agreement. and use their best endeavours to realise the project benefits agreed by the REP that are set as a condition of any grant agreement;
- provide statements of compliance with conditions of grant detailed in the grant letters from the Governments and to enable certification of the final capital return made to the Scottish Government by the relevant Section 95 Officer. The Parties further agree that that the income and expenditure for any AGD project which will be accounted for within a Party's own accounts will be subject to audit by that Party's own external auditors.
- provide all information as required by the PMO within the prescribed timescales to enable the PMO to fulfil its functions.
- Ensure that all internal governance structures be documented within individual Project Business Cases;
- Provide quarterly updates to the PMO of the progress of each approved project; together with any additional project status reports which the PMO may reasonably require.
- Work collaboratively with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the AGD to deliver inclusive growth and community wealth building

- 6.3 Where a Party is failing to deliver a project under the AGD Programme in accordance with the terms of the grant agreement, the Party shall report to the PMO and agree mitigating actions to ensure successful completion of the project.
- 6.4 Subject to the provisions of the managing change process as set out in paragraph 3 of the Governance Document should a Party be in material breach of the terms or provisions of either this agreement or of the conditions of any grant agreement, and subject to the Party in breach being given a minimum period of 28 days (or such other period as the ECJ may agree), the ECJ will have the delegated power to:-
- i. Suspend any further payment of grant funding until suitable resolution is found;
 - iii. Remove the particular project from the AGD Programme;
 - iv. Cease funding or recalculate the grant award; and
 - v. Recover from the Party any grant monies already paid and additional costs incurred or losses suffered by the ECJ or the Parties arising from that failure.

7 PMO BUDGET

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

8. AUDIT

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

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

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

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

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

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

9. CONFLICTS OF INTEREST

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

- 9.2 Each member of the ECJ and REP will be required to complete a register of interests. These will be collated by the PMO for all members and substitutes and published on the [AGD] website. At all meetings, members of the ECJ and REP will be invited to declare any interests which may be relevant to discussions or decisions in relation to the AGD Programme.
- 9.3 The PMO is responsible for the assessment of individual business cases and will make independent recommendations for decision to the ECJ. Investment decisions will ultimately remain the remit of the ECJ.

10. PUBLICITY

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

11. MUTUAL OBLIGATIONS

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

12. INTELLECTUAL PROPERTY RIGHTS

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

13. DISPUTE RESOLUTION

- 13.1 If a dispute arises out of or in connection with the operation or implementation of the AGD (a "Dispute") then the Parties shall follow the procedure set out in this Clause 13.
- 13.2 Following a Dispute arising, any of the Parties shall be entitled to give to the others notice in writing of the Dispute (the "Dispute Notice") setting out the nature of the Dispute in reasonable detail. The Parties shall then seek in good faith to resolve the Dispute.
- 13.3 If the Dispute is not resolved within thirty days of receipt of the Dispute Notice, or by another date agreed in writing between the Parties, the Dispute shall be referred to the Chief Executives Group who shall attempt in good faith to resolve the Dispute as soon as reasonably practicable.
- 13.4 Any dispute between the Parties which cannot be resolved as detailed in Clauses 13.1 to 13.3 above shall be referred to an independent mediator appointed by the Law Society of Scotland. The fees and expenses of the mediator shall be borne equally by the parties involved in the mediation. In the event the parties fail to reach an agreement within 30 days after the commencement of the mediation, then the matter may be determined by an arbitrator.
- 13.5 Arbitration in terms of this clause may be initiated by any of the Parties in dispute after the 30 day period referred to in clause 13.4. The arbitrator shall be mutually agreed by the Parties in dispute failing which the arbitrator shall be

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

- 13.6 The decision of the Arbitrator on the matter in dispute and on any award of expenses relating to the arbitration shall be final and binding on all Parties involved in the arbitration.
- 13.7 The operation of Rule 69 of the Arbitration (Scotland) 2010 Act is excluded. The Parties also agree not to make a referral to the Outer House of the Court of Session all in terms of Section 41 of the Arbitration Act 2010.

14. TERMINATION

- 14.1 This Agreement shall continue in full force and effect until the whole AGD Programme has been concluded.
- 14.2 The Lead Authority shall keep or cause to be kept full and accurate accounts through the currency of this agreement, or any replacement thereof. The detailed records will be available for the following periods:
- (a) for the AGD operational Costs, detailed records will be held for a period of three years;
- (b) for Grant Receipt and allocation, detailed records will be retained for a period of twenty years.
- 14.3 The Parties shall be entitled, on giving reasonable prior notice, to inspect such accounts and records and to make any examination which they may desire and for this purpose, the Lead Authority shall forthwith on demand produce to the Members all relevant information or vouchers as a Member may reasonably request.

15 INDEMNITY AND INSURANCE

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

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

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

16 CONFIDENTIAL INFORMATION

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

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

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

- ii. or ii. already in the possession of the Receiving Party without restrictions as to its use; or
- iii. the disclosure of which is required by statute or court order; or
- iv. is provided for the purpose of obtaining professional advice; or
- v. is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or
- vi. which is information independently developed without access to the Confidential Information including audit and assessing best value.

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

17 FREEDOM OF INFORMATION

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

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

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

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

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

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

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

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

18 ASSIGNATION

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

19 SERVICE OF NOTICES

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

20 INCONSISTENCY

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

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

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

21 THIRD PARTY RIGHTS

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

22 VARIATION

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

23. COSTS

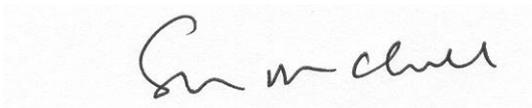
- 23.1 Each of the Parties shall meet its own costs in connection with the preparation, adjustment and completion of this Agreement.

24. LAW AND JURISDICTION

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

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

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



..... Authorised Signatory

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

.....Authorised Signatory

.....Witness

.....Witness Details

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

.....Authorised Signatory



Communications Plan 2020 - 2023

Phase 1: August 2021 – March 2021

Action	Target Due Date	Detail	Audience	Channels	Status
AGD Core Script	August 2020	Core content to be updated to reflect current position. Useful resource to include in future communications.	Businesses Investors Influencers Politicians Communities Media	All	Complete
AGD media protocol	August 2020	Core content and FAQs to be updated to reflect current position. Reference document to aid all partners in future communications.	Councils Scot Gov comms UK Gov comms	n/a	Complete
AGD Story Map	September 2020	Core content to be updated to reflect project summaries within Implementation Plan.	Businesses Investors Influencers Politicians Local communities Media	Social media	Complete
Deal Document Signing Event	Autumn 2020	Virtual signing event PR before, during and post event	Businesses Investors Influencers Politicians Local communities Press/Media	Press release Social media YouTube (if virtual)	Complete
AGD Banners	September 2020	Design and commission new banners based on previous format - AGD programmes and images, with narrative updated to reflect current projects. Banners will be used as back drop at virtual signing event.	Businesses Investors Influencers Politicians Local communities Press/Media	n/a	Complete

AGD Facebook	Autumn 2020	Obtain AGD Facebook address in order that this is available once content/resource exists The user name for the page is @ayrshiregrowthdeal https://www.facebook.com/ayrshiregrowthdeal/	Businesses Investors Influencers Politicians Local communities Press/Media	Social media	Complete
AGD Instagram	Autumn 2020	Obtain AGD Instagram address in order that this is available once content/resource exists	Businesses Investors Influencers Politicians Local communities Press/Media	Social media	Complete
AGD website development	End of February 2021	Bespoke website to host all AGD information, reports, press, image gallery. URL purchased: www.ayrshiregrowthdeal.co.uk Core content will be lifted from AGD storymap sitting with SAC https://www.ayrshire.gov.uk/AyrshireDeal/ Mailboxes info@east-ayrshire.gov.uk	Businesses Investors Influencers Politicians Local communities Press/Media	Social media posts will signpost to web content in all future communications	Contract awarded to local company. Website designed and developed and being checked in terms of content, structure and navigation.
AGD website launch	End of February 2021	Digital promotion	Businesses Investors Influencers Politicians Local communities Press/Media	Press release Social media	Details being finalised

Phase 2: April 2021 – March 2022

Define individual projects' marketing and communications requirements
Develop project specific communications plans (led by respective Council areas)

Action	Target Due Date	Detail	Audience	Channels	Status
NERD (EAC)	tbc	Key messages developed Member briefing session being arranged Video / presentation required EAC to advise (Lorna Clark – Project Lead)	Businesses Investors Influencers Politicians Local communities Press/Media	Press release Social media	Starting to scope out work with project team
HALO Kilmarnock	April 2021				
Working for a Healthy Economy (Pan Ayrshire)	February 2021 – currently waiting on government approval of business case	NAC to advise (Greig Robson – Project Lead)			
Community Wealth Building (Pan Ayrshire)	February 2021 – currently waiting on government approval of business case	NAC to advise (Greig Robson – Project Lead)			
Ayrshire Skills Fund (Pan Ayrshire)	tbc	NAC to advise (Greig Robson – Project Lead)			
Ardrossan Harbourside consultation programme (NAC)	tbc	NAC to advise (Karen Yeomans/George Hunter – Project Lead)			
Design & Feasibility Studies: Prestwick projects (SAC)	tbc	SAC to advise (Jim Johnstone)			

Phase 3: 2021 and beyond

Spades in the ground for projects

Action	Target Due Date	Detail	Audience	Channels	Status

Phase 4: 2021 and beyond

On-going promotion for construction milestones

Action	Target Due Date	Detail	Audience	Channels	Status

AYRSHIRE GROWTH DEAL: CORE SCRIPT (SEPTEMBER 2020)

Summary

The Ayrshire Growth Deal is the first non-City Region Deal in Scotland and with a financial commitment of £251.5m represents the largest ever public sector investment by the public sector into Ayrshire.

Ayrshire has particular strengths in aerospace, engineering, life sciences, manufacturing and tourism and targeted investment through the Growth Deal, across these key sectors and in strategic locations, will act as a powerful catalyst stimulating growth and resulting in increased prosperity for local people, for Scotland and for the UK as a whole.

Further information in relation to the Ayrshire Growth Deal can be found at:

<https://www.ayrshire.gov.uk/AyrshireGrowthDeal/>

Detail of the Ayrshire Growth Deal

The Ayrshire Growth Deal is the first non-City Region Deal in Scotland.

The three Ayrshire local authorities and their partners, recognise the importance of a regional approach to growing the economy and have been working together over a number of years to develop the Ayrshire Growth Deal, anchored in a commitment to creating a growing, innovative, more productive and inclusive economy; developing Ayrshire's core strengths and ensuring that communities benefit from economic growth.

The vision for Ayrshire is to be 'a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being, and leading the implementation of digital technologies and the next generation manufacturing.'

The £251.5m investment is made up of £103m from each of the governments (UK and Scottish) matched with support from the three local authorities to the value of £45.5m and will provide support to a total of 21 projects.

The majority of projects focus on infrastructure investment designed to act as a catalyst for business growth and are complemented by a Skills and Inclusion Programme and a Community Wealth Building Programme to ensure maximum benefit for Ayrshire communities, both resident and business, from large scale capital expenditure.

The programme of investment is expected to be delivered over a 10 to 15 year timeframe and has the potential to transform the fortunes of Ayrshire.

Ayrshire comprises the three local authority areas of East Ayrshire, North Ayrshire and South Ayrshire and the Ayrshire economy is integral to the strength of Scotland's overall economy.

Ayrshire has many strengths; its people, its businesses and its rich natural assets. It is home to approximately 370,000 residents and is the birthplace of a significant number of innovators and entrepreneurs including Robert the Bruce, Robert Burns, John Dunlop and Sir Alexander Fleming.

Ayrshire has strengths in aerospace, engineering, life sciences, food and drink and tourism. With a long history of manufacturing across a range of sectors, the region currently has approximately 10,000 businesses and is home to world class organisations, a highly qualified workforce and successful education institutions.

The region is however not without its challenges in terms of job density, business survival rates, long term unemployment, poverty and social exclusion.

The Ayrshire Growth Deal has inclusive growth at its core and partners are committed to ensuring that the portfolio of projects within it bolster the local and regional economies, creating high value jobs and prosperity for all.

Investments include:

- **£80 million** investment in **Aerospace and Space activity**, primarily focused around Prestwick;
- **£69.5 million** to support economic infrastructure and the **engineering and manufacturing** sectors in Ayrshire;
- **£23.5 million** for **tourism** development;
- **£53 million** investment into innovation in **energy** products and development;
- **£14 million** to support world class digital infrastructure and connectivity across the region;
- **£8.5 million** programme for **skills and employability**; and
- **£3 million** for a new **Community Wealth Building Programme**.

Further information in relation to the Ayrshire Growth Deal and the individual projects within it can be found in the Deal Document at:

<https://www.ayrshire.gov.uk/AyrshireGrowthDeal/>

Governance Arrangements

A single economic development strategy for Ayrshire provides a framework to maximise the impact of the Ayrshire Growth Deal investment.

The delivery of the Regional Economic Strategy will be guided by already approved governance structures including a formally constituted decision making forum which will also oversee the Ayrshire Growth Deal. The body includes the three Councils, Scottish Enterprise, Skills Development Scotland, Education sector and private sector representation.

The Partnership will communicate a clear vision for the area, providing strong regional leadership working with local elected leaders and other stakeholders. The partnership will provide a strong and unified voice for Ayrshire ensuring that it is heard in national debates, making the case for investment and influencing national, regional and local priorities and decision making. It will also ensure a single point of influence for business.

The governance arrangement set out above will also be the driver for maximising the Inclusive Growth benefits to be obtained from our Growth Deal. The delivery of the regional strategy will play a significant role in ensuring a wider role for Ayrshire partners, public and private, in agreeing the priorities for the regional economy.

Covid-19

The Ayrshire Growth Deal will act as a powerful catalyst to stimulate growth, increasing job opportunities and prosperity for Ayrshire, Scotland and the UK as a whole.

The COVID pandemic has highlighted the importance of targeted investment and support for our key sectors. The economic landscape will be closely monitored as we move forward to ensure that the Ayrshire Growth Deal is well placed to respond to future impacts, challenges and opportunities.

The Regional Economic Strategy provides a regional approach to supporting our economy over the next 10 years to recover and renew, recognising that collaboration, innovation and community wealth building will be the catalysts for Ayrshire's economy emerging from the global pandemic as a more resilient and sustainable economy.

BOILERPLATE LINE TO BE USED IN ALL PROJECT PRESS RELEASES:

Project x is being funded with £x million from the UK/Scottish Government(s) (and £x million from x Ayrshire Council) as part of the £251 million Ayrshire Growth Deal – a fifteen year investment programme jointly funded by the UK and Scottish governments and local authorities.

Ayrshire Growth Deal Partners Communication Protocol

For Member Authorities, Deal partners, the PMO and the UK and Scottish Governments

Partner Commitment

This document sets out an agreed framework for communication protocols around the Ayrshire Growth Deal. It is designed to ensure:

- Areas of responsibility and working practices across the partners are clearly defined;
- Effectiveness, clarity and timeliness of action when matters concerning one or more partners are deemed likely to be of public/media interest; and
- Good partner working relationships.

Scope

This protocol covers proactive and reactive communications activities in relation to the Ayrshire Growth Deal by the PMO, Member Authorities (North Ayrshire, East Ayrshire and South Ayrshire), Scottish and UK Governments, and other partners, with communications defined as:

- Press releases and written statements issued to the print, online and broadcast media.
- Interviews and opinion pieces provided to the print, online and broadcast media.
- Briefings, interviews, verbal statements and press conferences.
- Publicity material, including posters, brochures, leaflets, newsletters and reports.
- Media information, blogs and commentary released across each organisation's social media.
- Broadcast interviews, documentaries and public interest programmes.
- Information published on each organisation's website.
- Responses to FOIs, political and customer enquiries.

Lead Organisation

The Ayrshire Growth Deal PMO, with North Ayrshire Council Press Office, will together lead on / sign off Ayrshire Growth Deal programme communications in relation to output from all committees and governance groups.

Scottish and UK Governments in relation to the Ayrshire Growth Deal

The UK and Scottish Governments will be engaged as early as possible in every Ayrshire Growth Deal project milestone, to allow opportunities for attendance at events/launches and inclusion of media quotes.

The PMO will act as a liaison between individual projects and the Deal partners, and will be the primary point of contact for the UK and Scottish governments. As such the PMO should be sighted on all potential project and programme level communications activities in order to ensure the UK and Scottish Governments receive sufficient notice of, and opportunity to contribute to, any media opportunities, visits, or events.

Government partners will aim to advise the PMO in advance about proposed or planned media or visits by politicians or senior officers connected to the Ayrshire Growth Deal. They will also advise the PMO of any unplanned comments made about the deal such as at parliamentary committees, or in the chamber.

If a member authority or partner intends to invite either the UK or Scottish Government to an event or media opportunity connected to the Ayrshire Growth Deal, or to offer space for a quote in a news release, the same offer must be made to both governments.

Spokespeople

The agreed spokespeople are:

- For the Ayrshire Growth Deal programme: the Joint Committee Chair, where appropriate with UK and Scottish governments;
- For individual Ayrshire Growth Deal projects: Lead Member Authority or Partner will appoint, as appropriate. Where a project is carried out by two or more partners, it is acceptable to include quotes from the relevant spokesperson for each organisation;
- Where the subject crosses themes or more generally relates to the partnership, the Joint Committee Chair will be quoted;
- If a Joint Committee Chair is unavailable, such as in pre-election circumstances, the PMO shall liaise with the Chief Executives in relation to the spokesperson publication.

Process

An **Ayrshire Growth Deal Communications Group** shall meet quarterly to:

- Populate and agree a communications planner and upcoming activity;
- Update the communications documents set out below; and
- To discuss the handling of any forthcoming communications opportunities that have arisen since the previous meeting.

Media activity /releases

- All media releases or briefing notes relating to the Ayrshire Growth Deal should be shared in advance with the PMO and all communications leads.
- Media Releases relating to the Deal should be posted promptly on the news sections of council websites until a dedicated website/microsite for the Ayrshire Deal can be established, and signposted to the story map.
- In instances of sensitive, or conflicting, positions communication leads representing each organisation undertake to keep each other informed on a 'no surprises' basis. Any confidentiality or embargo relating to this information will naturally be upheld.
- All media releases **must** mention where projects have been funded by the UK and/or Scottish Government, as well as any other funding partners, through the Growth Deal. This must be included in the body of the release, not in the background, and must be placed early in the release so as to ensure it is picked up in coverage.
- Where appropriate, final releases should be shared with partners for wider ongoing circulation.

- The flow chart attached summarises the approvals and sign-off procedure for joint press releases and statements
- Contact details for the partner communications leads are provided below.

Media enquiries and FOI requests

The PMO and North Ayrshire Council Press Office will together lead on responding to media enquiries relating to the Programme. Member authorities / partners should direct relevant enquiries to the PMO and North Ayrshire Council Press Office. The PMO will lead on FOI enquiries relating to the programme.

Media enquiries relating to individual projects should be dealt with by the relevant lead organisation. However, all partners should be advised of and should share responses issued to the media, including relevant FOI enquiries. FOI and media enquiries will also be discussed standing agenda item at Ayrshire Growth Deal Communication Group meetings.

Communication Planner

The Communication Planner provides a forward plan of proposed communications activities by all partners and will be updated by the PMO ahead of each Ayrshire Growth Deal Communication Group meeting.

The Planner should also provide details as to the release of public information about the Ayrshire Growth Deal, such as where meeting papers will be made publically available ahead of meetings.

Comms leads should inform other partners and the PMO in advance and at the earliest opportunity of potential or actual media communication activities that are not recorded on the Planner.

Photo opportunities

These will be organised by the relevant lead organisation on the project. All partner communications leads must be informed in advance and will bear responsibility for inviting any relevant representative from their organisation to take part.

Communications documents

Partners agree to use the following communication documents in order to achieve consistency in messaging. These are:

- The **Core Script**, which provides a short description of the Ayrshire Growth Deal, how it came about, what it will do, what it hopes to achieve, and relevant details of timeframes and investment.
- **The Story Matrix**, which sets out the regional challenges, the solutions, and the proof points/case studies of what has been achieved through the Ayrshire Growth Deal. It is the responsibility of all partners to populate the matrix and keep it up to date, so that it can be reviewed and discussed at Ayrshire Growth Deal communications group meetings.
- **The Q & A**, which will capture frequently asked questions and agreed responses.

Amendments to the above suite of documents should be made in consultation with the other partners.

Escalation

If an issue arises with the partnership, the partners will work together to agree a communications strategy, messaging and spokespeople before any communication about the issue is made. If the issue is raised with one partner by a third party the partner will only offer a holding response before immediately conferring with the other partners about the appropriate course of action.

Branding

Ayrshire Growth Deal branding should be used in all communications activities, alongside that of the two governments. Member authority and partner logos should also be used where appropriate.



Review

This protocol will be reviewed annually by the Ayrshire Growth Deal communications group, for discussion/approval by the Ayrshire Growth Deal Management Group.

Ayrshire Growth Deal Communication Leads

Core comms group

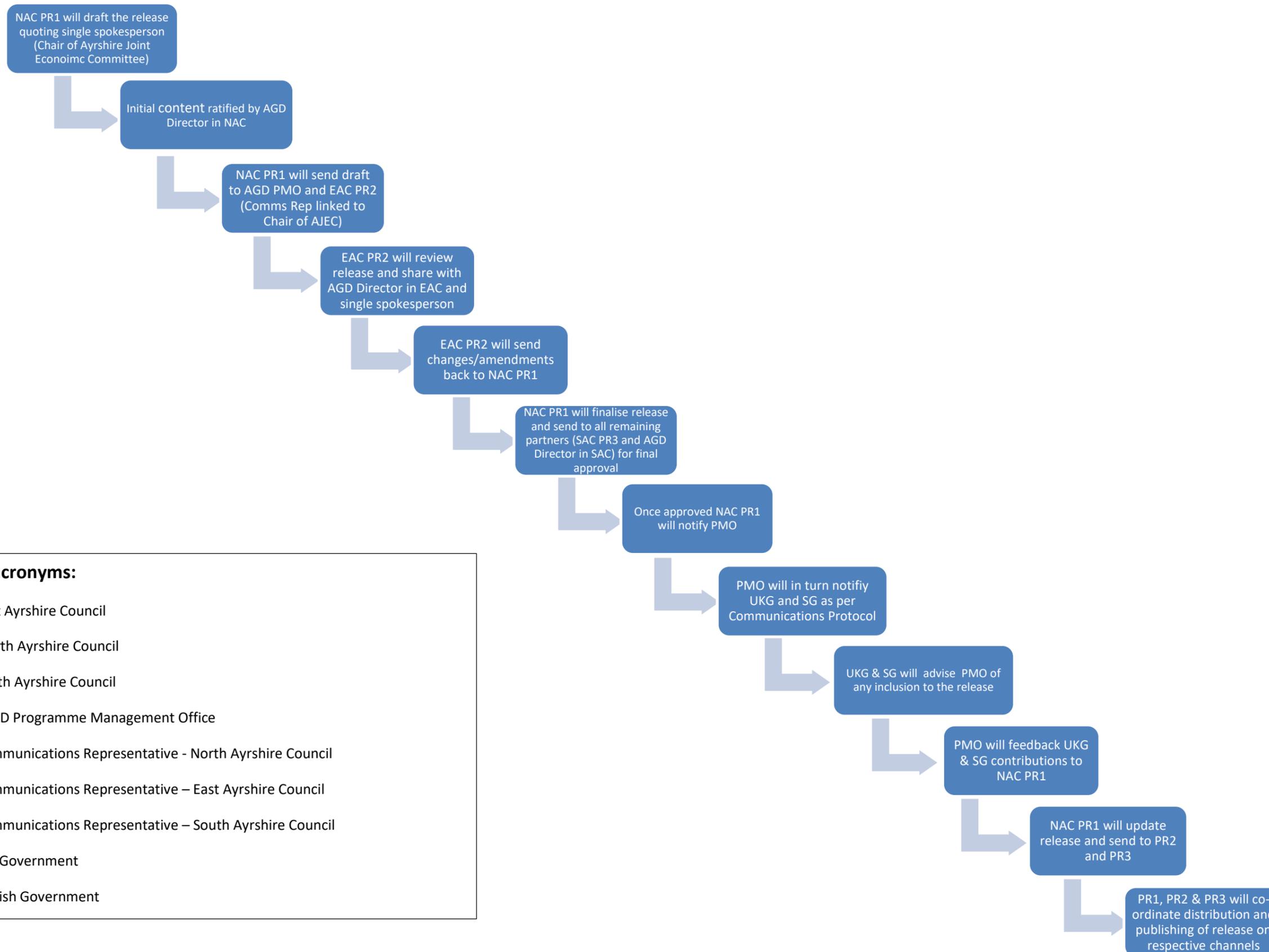
Organisation	Main Contact	Contact details
Deal PMO		
UK Government	Graham Bissell (Primary) Chris Nabney (Secondary)	Graham.Bissell@scotlandoffice.gsi.gov.uk ; 0131 244 9068 Chris.Nabney@scotlandoffice.gsi.gov.uk ; 0131 244 9054
Scottish Government	Gerard Klein (primary) Aileen MacArthur (secondary)	Gerard.Klein@gov.scot ; 07468 766494 Aileen.MacArthur@gov.scot ; 07467 447219
North Ayrshire Council	Michele McColm (primary) Mark Sugden (secondary)	MicheleMccolm@north-ayrshire.gov.uk 07766 725118 MarkSugden@north-ayrshire.gov.uk 07738 001718
East Ayrshire Council	Lynne Buchanan (primary) Caitriona Cochrane (secondary)	Lynne.Buchanan@east-ayrshire.gov.uk 07827 841176 Caitriona.Cochrane@east-ayrshire.gov.uk 07554 332374
South Ayrshire Council	Sara Burdon (primary) Jenna Robertson (secondary)	Sara.Burdon@south-ayrshire.gov.uk 01292 616622 Jenna.Robertson@south-ayrshire.gov.uk 01292 612343

Project Funding Breakdown

AYRSHIRE GROWTH DEAL				
Project	Funding Breakdown (£m)			Lead Delivery Partner
	SG	UKG	Council	
Aerospace and Space Programme	30	32	18 (SAC)	South Ayrshire Council
HALO Kilmarnock	3.5	3.5	2 (EAC)	Halo Kilmarnock Ltd
Ayrshire Engineering Park (Moorfield)	12		4 (EAC)	East Ayrshire Council
Ayrshire Manufacturing Investment Corridor (AMIC)	13.5	10		East Ayrshire Council
i3 Irvine Enterprise Area Advanced Manufacturing Space & Digital Automation and Testing Centre	11	5	5 (NAC)	North Ayrshire Council
The Great Harbour, at Irvine Harbourside and Ardeer	9		5 (NAC)	North Ayrshire Council
Marine Tourism	9.5			North Ayrshire Council
National Energy Research Demonstrator Project (NERD)		17	7.5 (EAC)	East Ayrshire Council
Hunterston Port & Resource Centre (CECE)		18		North Ayrshire Council
International Marine Science and Environmental Centre (IMSE)		6.5	4 (NAC)	North Ayrshire Council
Digital Subsea fibre optic cable		11		South Ayrshire Council
Digital infrastructure	3			South Ayrshire Council
Regional Skills and Inclusion Programme	8.5			North Ayrshire Council
Community Wealth Building Fund	3			North Ayrshire Council
TOTAL	103	103	45.5	
Grand Total	£251.5 million			

AG Communications – approvals and sign-off for joint press releases and statements

Assumes that proposals for a single spokesperson has been agreed and Chair of Ayrshire Joint Economic Committee is within EAC



Key to acronyms:

EAC – East Ayrshire Council

NAC – North Ayrshire Council

SAC – South Ayrshire Council

PMO – AGD Programme Management Office

PR1 – Communications Representative - North Ayrshire Council

PR2 – Communications Representative – East Ayrshire Council

PR3 – Communications Representative – South Ayrshire Council

UKG – UK Government

SG – Scottish Government

NB. Same day approval/turnaround required in all instances

AYRSHIRE GROWTH DEAL – Q and A for Communications Protocol

1. What is the value of the Ayrshire Growth Deal?

The total value of the Ayrshire Growth Deal is £251.5 million.

The breakdown is as follows:

Programme	AGD Project	Government Support
Aerospace & Space	Spaceport Infrastructure	23,000
	ASIC and Visitor Centre	11,000
	Commercial Space - Prestwick - Industrial & Hangar	29,000
	Prestwick Infrastructure - Roads	17,000
Economic Infrastructure	HALO	9,000
	Ayrshire Engineering Park (Moorfield)	16,000
	Ayrshire Manufacturing Investment Corridor (AMIC)	23,500
	i3 Flexible Business Space	15,000
	i3 Digital Automation & Testing Centre (DigiLab)	6,000
Energy, Circular Economy & Environment	National Energy Research Demonstrator (NERD)	24,500
	Hunterston Port & Resource Centre (CECE)	18,000
	Ardrossan (IMSE)	10,500
Tourism	Irvine Harbourside - Ardeer (The Great Harbour)	14,000
	Marine Tourism	9,500
Digital	Digital Subsea Cable	11,000
	Digital Infrastructure	3,000
Regional Skills & Inclusion Programme	Working for a Healthy Economy	5,000
	Ayrshire Skills Investment Fund	3,500
Community Wealth Building	Community Wealth Building Fund	3,000
		251,500

- EAC – £13.5m
- NAC – £14m
- SAC – £18m
- The UK and Scottish Governments will each invest £103m

2. Why is a pan-Ayrshire approach to projects being adopted?

All three Ayrshire Councils have been working together on the Ayrshire Growth Deal for a number of years. We recognise that this pan-Ayrshire

approach will allow us to deliver investment, jobs and business growth. A strong Ayrshire economy will benefit not only the local community, but also Scotland and the wider UK economy. We are working with Scottish Enterprise; Skills Development Scotland; the tertiary education and third sectors and senior business and industry leaders to deliver these projects. This is very much a team effort and all partners are working together to achieve a stronger Ayrshire. The Regional Economic Partnership provides the governance to oversee the progress of each of the projects.

3. Will the effects of COVID-19 impact on the projects?

The Ayrshire Growth Deal will act as a powerful catalyst to stimulate growth and increase job opportunities and prosperity for Ayrshire, Scotland and the UK as a whole.

The COVID-19 pandemic has highlighted the importance of targeted investment and support for our key sectors. We will be closely monitoring the economic landscape as we move forward to ensure that the Ayrshire Growth Deal is well placed to respond to future impacts, challenges and opportunities.

Although COVID-19 provides uncertainty around how projects will fit with the new economic realities, we don't foresee any project substitution at present, however, it is possible that some projects may be adjusted going forward.

4. Will Brexit have any impact on fresh investment into Ayrshire?

We want Ayrshire to be competitive within the global marketplace, and we are confident our Growth Deal will enhance our ability to do this.

We will continue to monitor the external environment and government relations. Each partner has BREXIT steering groups in place to monitor the impact of Brexit.

5. Is there an estimated start date for each project?

There is a further process we need to go through to get to the point where both governments are able to sign off on the final business cases for the individual projects and to start to release monies as the projects get under way.

We have agreed implementation and budgets for each project within the Deal and work has already started.

The HALO Kilmarnock, on the former Johnnie Walker site in Kilmarnock, was the first project to commence with contractors starting on site in October 2019.

The Working for a Healthy Economy project which will target large scale investment in occupational health services to ensure that Ayrshire has the required workforce to drive economic growth in the future hopes to commence delivery from September 2020.

Design and feasibility studies will be commissioned this financial year for the National Energy Research Demonstrator project, as well as the Commercial Space, Aerospace and Space Innovation Centre and Roads projects at Prestwick.

6. How will projects be prioritised?

Funds for each project will be released based on the sign-off of the individual business case, and the state of readiness to proceed. Relationships between interdependent projects will influence the timing as we move forward, and each Council will determine the timelines for projects in their respective areas.

7. How will the Ayrshire Growth Deal benefit my area?

The Growth Deal is all about economic growth, delivering investment, and creating jobs that will benefit all communities across Ayrshire. Growth Deal funding will be invested in Ayrshire's key assets, such as Prestwick Airport and Hunterston. Ayrshire's key business sectors including aerospace and space, engineering, manufacturing, tourism, food and drink and life sciences will also benefit from investment. It represents an excellent opportunity for us to facilitate sustainable economic growth to help our businesses, people and communities reach their full potential.

MEETING – 22 FEBRUARY 2021

REPORT BY THE CHIEF EXECUTIVE, NORTH AYRSHIRE COUNCIL

**SUBJECT: AYRSHIRE GROWTH DEAL,
WORKING FOR A HEALTHY ECONOMY - FINAL BUSINESS CASE**

PURPOSE OF REPORT

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

RECOMMENDATIONS

2. The Joint Committee is asked to:
 - (i) Consider this report and approve the FBC for “Working for a Healthy Economy” at Appendix 1;
 - (ii) Note the position regarding Scottish Government approval of the Outline Business Case;
 - (iii) Subject to obtaining Scottish Government approval to the Outline Business Case, approve the use of AGD funding for the project and implementation of its activities; and
 - (iv) Note that in the event the Scottish Government propose significant changes to the OBC, that the revised FBC will be reported back to the Joint Committee.

INTRODUCTION

3. At an early stage of developing the Ayrshire Growth Deal, it was agreed that Inclusive Growth would be an underlying principle surrounding all proposals, which will be designed to ensure that all communities can benefit from the projected opportunities.
4. North Ayrshire Council piloted the use of an Inclusive Growth Diagnostic in 2017 and this exercise was repeated for Ayrshire during 2018. The diagnostic results provide evidence of the main constraints to Inclusive Growth and as such has guided our proposals for the Ayrshire Growth Deal. The Ayrshire Diagnostic produced a prioritised list of constraints to address. Health was identified as the number one ranked constraint on Inclusive Growth in Ayrshire.
5. Like many areas that have suffered from post-industrial decline, Ayrshire has a poor health record, which not only impacts on individuals and communities but also has a cost attached for business and the taxpayer. We know that work and health are inextricably linked and that working can improve health, but we also

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

6. As we look forward to a post Covid landscape, the importance of public health and the need for a healthy and productive workforce has perhaps never been clearer.
7. Following extensive discussion, research and consultation; proposals around a Health/Employability service were developed and submitted to both Scottish and UK Governments during 2018. The project has a working title of “Working for a Healthy Economy”.
8. The project was awarded £5 million as part of the Ayrshire Growth Deal programme and the FBC sets out the plan to utilise this funding over a 5-year period.
9. The Ayrshire Regional Partnership Board agreed on 6 June 2019 that North Ayrshire Council would lead this programme development. Following Heads of Terms in March 2019, North Ayrshire Council has led discussions with Scottish Government and kept the Project Board and the Ayrshire Growth Deal Programme Management Office informed of developments. While policy leads at Scottish Government have communicated that they are in general satisfied with the OBC for this project, we have been unable to gain official approval at the time of writing. Despite this, we have confidence that this final approval of the OBC will be granted shortly.
10. The FBC is presented for approval, which if granted will enable the project to start its delivery plans and draw down the allocated funding. The FBC has been prepared in accordance with the HM Treasury 5 stage business model.
11. The project will be delivered by NHS Salus across Ayrshire. Having been approved by Scottish Government, a contract will be issued within weeks and preparatory work can begin. It is anticipated that services can be operationalised over the summer of 2021.

DESCRIPTION OF PROJECT

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

- employed residents to retain employment by addressing health barriers and
 - support local businesses to access health related supports to improve retention and productivity of their workforce.
13. NHS Salus (the delivery partner) have been at the forefront of developing and delivering health condition management services across Scotland. This approach is well tested and evidenced, however there have often been limits to the effectiveness and flexibility of the service due to funding constraints. The unique aspect of the AGD project is that it offers a person centred and criteria free, single access point to work focused health support across Ayrshire. The highly flexible model ensures the right level of support for each individual with the service range including:
- Single Intervention
 - 6 session Case Management Model delivered via telephone or face to face
 - Guided Self Help Group Work
 - Mental Health First Aid Training to raise partner and employer mental health awareness
14. The model incorporates:
- a **condition management** approach of educating clients on maximising their life and work circumstances and
 - a **case management** approach complements by adding practical problem-solving information, techniques, coaching and support. This focused approach supports clients across all aspects of their lives and is successful in maximising progress towards employment and job retention.
15. Key drivers of success will be -
- Close integration with employability services resulting in a seamless service for individuals and effective targeting of excluded groups.
 - Close integration with business engagement and support functions to ensure referrals.
 - Easy and simple referrals and local delivery to encourage uptake.
16. NHS Salus have been delivering health supports to unemployed North Ayrshire residents since 2016. The service has been extremely well received by partners such as DWP and has been consistently over-subscribed with referrals. The North Ayrshire service does not cater for employed people with health issues and does not support employers. The Ayrshire proposal adds these elements and would scale up across Ayrshire.
17. **Outputs and Targets**

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

FINANCIAL IMPLICATIONS

18. This project is currently profiled to spend a total of £5 million revenue from the Ayrshire Growth Deal funding.
19. The financial profile below illustrates the estimated funding to be drawn down. This was agreed between the partnership and Scottish Government on 19 November 2020.

Financial Profile

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

20. The actual spend profile will vary across the funding period and will be regularly updated in response to learning and changing circumstances to ensure maximum impact against the project and wider inclusive growth goals. Due to delays in the approval process to date, project delivery will now be in 21/22 and spend in 20/21 will not be as originally profiled above. In the latest version of the OBC submitted to Scottish Government, we have alerted them to this and reprofiled the spend across the 5 years. This re-profile is also reflected in the FBC.
21. It is proposed that North Ayrshire Council as lead authority of the Regional Skills and Inclusion Programme and lead contracting authority for this provision will incur costs, which will then be submitted to East Ayrshire Council as lead authority for the Ayrshire Growth Deal. East Ayrshire Council would then submit financial claims for the activity to Scottish Government and when in receipt would reimburse North Ayrshire Council.

IMPLEMENTATION PLAN

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

Partners

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

Milestones

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

Outcomes and Targets

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

Key Project Risks and Mitigations

RISK	MITIGATION
Programme design weaknesses	<ul style="list-style-type: none"> Various aspects of the model are well tested in other parts of Scotland – will continue to monitor best practice. Involvement of NHS Salus has provided expertise and an experienced delivery agent
National programmes are introduced which result in duplication	<ul style="list-style-type: none"> Closely monitor national developments and build in flexibility to contracting arrangements to

	allow us to change course at short notice
Severe Covid-19 and/or Brexit related recession may make job outcomes into work more difficult	<ul style="list-style-type: none"> • Closely monitor national developments and build in flexibility to contracting arrangements • Covid-19 impacts on specific groups will be assessed • More targeted approach where necessary
Appointed contractor could be impacted negatively by Covid-19	<ul style="list-style-type: none"> • As part of procurement process, robust checks have been made on financial standing of delivery organisations. • NHS Salus have indicated that they are ready to start development work and operationalise spring/summer.
Project delay and macro-economic impact of Covid-19 and recovery	<ul style="list-style-type: none"> • Early analysis identifies that the need for the project is unlikely to be diminished – in fact may be greater. • Continued economic analysis and development of recovery plans should be implemented and robust project scoping should continue to ensure proposal meets needs.

DECISION PATHWAY

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

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

LEGAL IMPLICATIONS

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

HUMAN RESOURCES IMPLICATIONS

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

EQUALITY IMPACT ASSESSMENT

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

CONSULTATIONS

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

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

APPENDICES

Appendix 1: FBC for Working for a Healthy Economy

Appendix 2: Local Authority AGD Agreement

Appendix 3: AGD Government Document

Background Papers:

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

[Deal Document](#), signed by both the UK and Scottish Governments and Ayrshire's Councils on 19 November 2020

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

Project Title: Working for a Healthy Economy

Full Business Case (FBC)

Version No: 0.3

Issue Date: 10 February 2021

VERSION HISTORY

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

CONTENTS

1. Executive summary
2. Project Description
3. Strategic case
4. Economic case
5. Commercial case
6. Financial case
7. Management case

APPENDICES

1. Risk register
2. Contract award information
3. Logic model
4. Detailed outputs
5. Equality Impact Assessment

1. Executive summary

1.1 Introduction

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

1.2 Strategic case.

1.2.1 The strategic context

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

“Inclusive growth lies at the heart of Growth Deals. This Deal will tackle inequality through growing local talent, creating new connections with the world and providing new opportunities and routes into employment for people across the region.

*The Scottish Government will provide up to £8.5 million for a new **Regional Skills and Inclusion Programme** which will ensure that businesses and communities throughout the entire region are given the opportunity to engage with and benefit from the opportunities arising from the investments delivered through this Deal.*

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

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

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

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

1.2.2 The case for change

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

Ayrshire has 20,910 people claiming health related benefits¹. Of the JSA/UC claimant group of 10,785², it is estimated that up to a third have health issues as a barrier to employment, even though this is not severe enough for them to qualify for a health-related benefit. Health is clearly a significant barrier to economic activity and productivity for too many people in Ayrshire. This not only has individual impacts but also increases the reliance on health and social care services and puts additional costs onto business in terms of loss of productivity and lack of access to a flexible and wide pool of labour.

1.3 Economic case

1.3.1 OBC Short list

A short list of options was identified following establishing the investment objectives:

a. Do nothing

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

b. A service to unemployed residents to return to work and support employers to keep people healthy and in-work

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

c. A service to only support unemployed residents back to work

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

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

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

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

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

² ONS, Claimant Count, November 2019 via NOMIS

1.3.2 The procurement.

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

1.3.3 Option appraisal conclusions

- Option 1: Do nothing ranks 4th
- Option 2: A service to help unemployed residents to return to work and help employers to keep people healthy and in-work – this option ranks 1st and is the preferred option
- Option 3: A service to only support unemployed residents back to work – this option ranks 2nd
- Option 4: Identify all root causes of ill health in the region and tackle each of these – this option ranks 3rd

1.3.4 Overall findings: the preferred option

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

1.4 Commercial case

1.4.1 Agreed products and services

The following goods and services are being contracted.....

- **Condition Management and Case Management Fusion**, taking the best of both models
- **Hybrid model unique to Ayrshire**, delivering the structured, modular benefits of Condition Management whilst integrating the individual, holistic and tailored approach of Case Management
- **One seamless service** for various stages of the employability pipeline including:
 - Barrier Removal stage
 - Job Brokerage stage

- In Work Support stage
- **One easy referral process** (web/fax/tele) for convenience of referring agencies, matching all clients to the correct level of service following needs assessment.
- **Local service delivery**
- **Electronic or paper delivery** of progress to work plans, progress reviews, closure reports etc.
- **Bespoke Management Information** reporting to evidence efficacy on a local and area basis
- The service will work closely with all localised employability delivery partners across Ayrshire to:
 - Provide an **integrated health related approach working on site with referrers** wherever possible
 - **Focus progress on employability goals** via the removal of health barriers
 - **Provide regular updates on client health improvement**, in a de-medicalised format, maximising the referrer's ability to support progress to work, training or education
 - **Define clear and safe parameters within which the employability organisation can challenge clients**
- The service will provide an **appropriate referral tool** across the Ayrshire Employability Framework to assist in identifying appropriate clients for referral

1.4.2 Key contractual arrangements

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

1.4.3 Agreed implementation timescales

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

Table 1: Headline outputs

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

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

Numbers accessing funded treatment, i.e. physio, talking therapies etc	3809
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1.5 Financial case

1.5.1 Financial expenditure

Table 2: Summary of financial appraisal

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

1.5.2 Overall affordability and balance sheet treatment

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

Table 3: Unit costs for delivery

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

1.6 Management case

1.6.1 Project management arrangements

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

1.6.2 Benefits realisation and risk management

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

1.6.3 Post project evaluation arrangements

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

1.7 Recommendation

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

Signed:

Date:

**Senior Responsible Owner
Project**

2. Project Description

2.1 What is this project about?

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

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

2.2 Why is it being undertaken?

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

- The need to ensure a wider group of people connect to and benefit from economic prosperity, and access work to move out of poverty and sustainably improve the quality of their lives.
- A recognition that many people more distant from the labour market experience significant mental and physical health problems and are more likely to be dependent upon social services. Moving into the right work opportunities could improve their health and reduce reliance on other services.
- Employers are increasingly seeking staff, and future local economic development aspirations depend on the right workforce being available.

2.3 How does it fit within the wider deal?

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

2.4 What is being proposed?

Based on the evidence reviewed, there is real opportunity for Ayrshire to be a pioneer in demonstrating that poor health can be mitigated to support economic participation, while efforts continue over the longer term to develop preventative health improvement measures. The service being proposed involves elements which have already been tested successfully in North Ayrshire, with

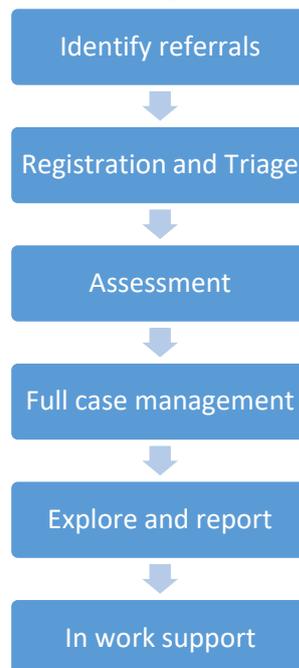
the opportunity to scale this up across Ayrshire and develop one simple model of support. The proposed service is built on the following principles:

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

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

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

The project will achieve this through the following customer journey:



2.5 How will it be delivered?

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

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

2.4 What outcomes will it deliver?

The project has identified the following aims:

Table 4: Headline Outputs

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

2.5 Who will use it, and why?

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

2.6 The headline financials

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

Table 5: Financial profile

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

3. The Strategic Case

3.0 Introduction

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

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

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

Part A: the strategic context

3.1 Organisational overview

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

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

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

3.2 Business strategies

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

“Inclusive growth lies at the heart of Growth Deals. This Deal will tackle inequality through growing local talent, creating new connections with the world and providing new opportunities and routes into employment for people across the region.

*The Scottish Government will provide up to £8.5 million for a new **Regional Skills and Inclusion Programme** which will ensure that businesses and communities throughout the entire region are given the opportunity to engage with and benefit from the opportunities arising from the investments delivered through this Deal.*

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

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

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

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

Alignment with national policies

Table 6: Scottish Government National Performance Framework

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

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

Scotland's Economic Strategy

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

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

Table 7: Scotland's Economic Strategy

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

SG Inclusive Growth Approach

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

Table 8: Inclusive Growth

IG Outcome	Description	Does Working for a Healthy Economy project help achieve this? How?
Productivity	Economic growth is resilient, sustainable and inclusive	<p>✓</p> <ul style="list-style-type: none"> • Wider labour pool, including people previously excluded from economic activity • Reduced absenteeism in the workplace • Increased resilience of the labour market by widening the pool of labour.
Population	Scotland’s population is healthy and skilled	<p>✓</p> <ul style="list-style-type: none"> • Directly improving health and management of health of unemployed and employed residents. • Building capacity with business base and residents to take control over their own health.
Participation	Inequality of opportunity to access work is addressed, jobs are fulfilling secure and well-paid, and everyone can maximise their potential	<p>✓</p> <ul style="list-style-type: none"> • Ensuring that people previously excluded from opportunity through health barriers, can now access opportunity and fulfil their potential.
People	Economic benefits and opportunities are spread more widely across Scotland’s population, with lower poverty levels	<p>✓</p> <ul style="list-style-type: none"> • Ensures that people with health barriers are not left behind.
Place	More equal economic opportunities across Scotland’s cities, towns and regions and rural areas, ensuring sustainable communities	<p>✓</p> <ul style="list-style-type: none"> • Improves equality of access to opportunity by addressing a key

		constraint to inclusive growth.
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SG Child Poverty Delivery Plan

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

Health Works Strategy

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

No-one left behind

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

UK Government Policy

Improving Lives: the future of work, health and disability

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

Industrial Strategy

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

3.3. Other organisational strategies

Alignment with regional policies-

Regional Economic Strategy

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

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

Links to Inclusive Growth Diagnostic

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

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

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

Table 9: Inclusive Growth

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

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

AGD Inclusive Growth Action Plan

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

- Maximising benefits for Ayrshire’s business base.
- Maximising benefits for business and people through skills investment.
- **Maximising benefits for people – Fair Work.**
- **Maximising benefits for places/communities.**
- **Maximising benefits for equalities groups.**
- Maximising benefits for AGD as a programme.
- **Maximising benefits by building synergies with other services.**

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

Part B: the case for change

3.4 Investment objectives

The investment objectives for this project are as follows:

Table 10: Investment Objectives

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

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

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

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

3.6 Business needs

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

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

3.7 Potential business scope and key service requirements

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

3.8 Main benefits criteria

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

Table 11: investment objectives and benefits

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

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

3.9 Main risks

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

For further details, please see the attached risk register.

Table 12: main risks and counter measures

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

3.10 Constraints

No significant constraints have been identified for the project.

3.11 Dependencies

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

- Robust and effective referral routes
- Effective engagement with local businesses and employers
- Establishing appropriate mechanisms to respond to Covid

4. The Economic Case

4.1 Introduction

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

4.2 Critical success factors

The critical success factors (CSFs) shown within the OBC were as follows:

- Volume and appropriateness of referrals to service
- Engagement with customer groups
- Measurable and material health improvement
- Effective links to employability infrastructure
- Good links to business community

4.3 Short-listed options

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

1. Do nothing

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

2. A service to unemployed residents to return to work employers to keep people healthy and in-work

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

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

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

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

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

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

Preferred option

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

This was the solution we went to procurement for.

4.5 The procurement process

We used the following procurement route:

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

4.5.1 Contract Information

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

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

4.6 Economic appraisal

4.6.1 Introduction

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

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

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

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

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

Table 13: Financial benefit of people moving into work

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

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

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

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

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

Table 15: Cost and benefit analysis of project

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

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

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

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

Table 16: Investment objectives and short list options

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

Table 17: Critical success factors and short list options

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

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

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

5. THE COMMERCIAL CASE

5.1 Introduction

This section of the FBC sets out the negotiated arrangements.

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

5.2 Required services

The products and services under contract are as follows:

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

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

Table 18: Client journey

Client Journey stage	Detail
Identification of referrals	<p>Referral agencies will be asked to target those most in need. Local Employability Partnerships have existing criteria in terms of eligibility, so will only be referring people who have multiple barriers to employment. Agencies outwith the pipeline will be asked to target referrals on those who are most excluded from the labour market.</p> <p>The types of referrals being received will be monitored closely to ensure that the most apt people are being referred. While the service is being set up as criteria free as possible, if apt referrals become an issue, this will be amended.</p>
Registration and Triage	<p>Enrolment and identification of client need; including service description and client consent. Progression to relevant service (Case Management, Explore and Report or In Work Support) based on client & referrer's information</p>
Assessment	<p>Service provides a detailed biopsychosocial assessment exploring the individual's:</p> <ul style="list-style-type: none"> • Medically diagnosed conditions • Physical health and pain • Mental and emotional difficulties • Current life circumstances • Impact of conditions/circumstances on daily life and ability to progress • Work history • Work barriers <ul style="list-style-type: none"> • Collaborative action planning • Delivery of the identified level of support (detailed overleaf) • Receipt of a programme report for both individual client and referrer

Full Case Management	<ul style="list-style-type: none"> • Detailed, holistic assessment • Support for up to 18 weeks for individuals experiencing multiple health, wellbeing and employability barriers • Structured delivery of tailored modular support combined with hands on practical progression sessions • Provision of therapies such as Counselling & Physiotherapy where required to enhance progress • Close partnership working with employability referrer ensuring joint goals and outcomes • Regular feedback for both client and referrer at agreed intervals • Clinically validated progress measures utilised to evidence progress
Explore and Report	<ul style="list-style-type: none"> • Detailed, holistic assessment • Informative and defining report provided for both client and referrer • Medical information provided in non-medical language • Provision of information on the application of the Equality Act 2010 • Clear, concise recommendations for future progress towards employment
In Work Support	<ul style="list-style-type: none"> • Will fill gaps in existing fit for work model by supporting all sizes of business to improve their retention of staff with health issue • Detailed holistic assessment • On-going support for up to 12 weeks • Support with all aspects of moving into employment e.g. financial, establishing routine, managing new relationships, etc • Information and advice on any necessary workplace accommodations e.g. free workstation assessment to maximise productivity/minimise pain • Employer/employee mediation (where required and mutually consented) • Provision of therapies such as Counselling & Physiotherapy where required to enhance sustainability • Clinically validated progress measures utilised to evidence progress

5.3 Agreed charging mechanisms

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

Table 19: Unit cost of interventions

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

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

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

5.4 Agreed contract length

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

5.5 Personnel implications (including TUPE)

There are no TUPE implications/

5.6 Procurement route and implementation timescales

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

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

Table 20: Implementation timescales

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

6.0 The Financial Case

6.1 Introduction

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

6.2 Impact on the organisation's income and expenditure account

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

Table 21: summary of financial appraisal

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

6.3 Overall affordability

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

7. The Management Case

7.1 Introduction

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

7.2 Programme governance and project management arrangements

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

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

The governance for the AGD programme includes the following:

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

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

The project will align with local authority existing resource, locally and regionally, including business development teams, employability programmes, regeneration activities, community development and locality/area partnerships. Subject to the agreement of the programme, the REP will play a key role in the governance of the programme, receiving quarterly project updates, outlining project highlights, performance and opportunities for wider collaboration.

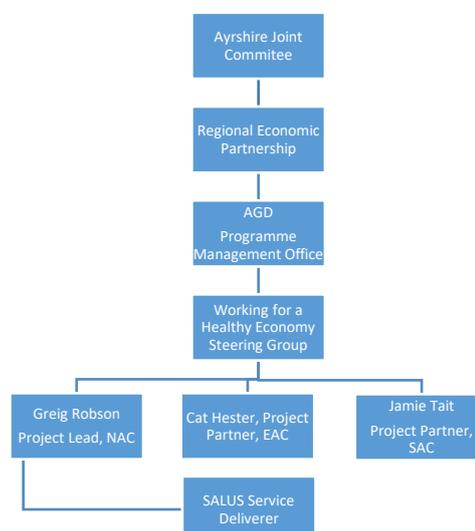
The Steering Group will meet quarterly. Its key role will expand from the development of the project to a coordination and governance role. Scottish Government participation on the Steering Group as a partner or observer is optional. Primary responsibilities will be:

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

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

7.3.1 Project reporting structure

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



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

Table 22: Project roles and responsibilities

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

7.3.3 Arrangements for benefits realisation

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

7.3.4 Project plan

This is as set out in the following table.

Table 23: project plan

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

7.4 Arrangements for change management

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

7.5 Arrangements for progress monitoring

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

- Registration information
- Referrals

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

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

7.6 Arrangements for risk management

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

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

7.7 Arrangements for post project evaluation

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

7.8 Contingency plans

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

- Regular review and progress meetings
- Steering Group in place to manage the project activity
- Clear contract management processes as part of local authority standard protocols

Signed:

Date:

Senior Responsible Owner

Project Team

Appendix 1: Working for a Healthy Economy Risk Register

Objectives & Project Outcomes Risks

Risk Ref	Risk Description	Impact	Probability	Counter Measure	Owner	Date Reviewed
R1	Failure to deliver anticipated outputs and outcomes. Failing to achieve more inclusive growth and/or reduce poverty by increasing the income of people in deprived areas or protected characteristic groups	High	High	Severe Covid-19 and/or Brexit related recession may make job outcomes into work more difficult but we will closely monitor national developments and have built in flexibility to contracting arrangements to allow us to change course at short notice to respond to programme impact. Covid-19 impacts on specific groups will be assessed. Early indications are that young people, females, those with health issues or disabilities will be disproportionately impacted by recession, therefore more targeted approach may be required.	Project Lead/Director	Ongoing monitoring and reporting to Regional Partnership. Ongoing working group to review. NAC internal governance arrangements

Schedule / Timescales Risks

Risk Ref	Risk Description	Impact	Probability	Counter Measure	Owner	Date Reviewed
R2	Delays to overall project programme and key milestones.	High	High	Covid-19 is making planning of anything extremely difficult. Prepare a detailed project programme with considered time allowances and review regularly. Retain under continuous review to respond to Covid-19. Ensure finance profile is as accurate as possible.	Project Lead/Director	Ongoing review – as above.

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

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

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

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

Appendix 2: Contract Award Information

Contract award notice

Results of the procurement procedure

Directive 2014/24/EU - Public Sector Directive

Directive 2014/24/EU

Section I: Contracting entity

I.1) Name and addresses

North Ayrshire Council

Cunninghame House, Friars Croft

Irvine

KA12 8EE

UK

Contact person: Christopher Turner

Telephone: +44 1294324062

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

NUTS: UKM93

Internet address(es)

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

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

I.1) Name and addresses

South Ayrshire Council

County Buildings, Wellington Square

Ayr

KA7 1DR

UK

Telephone: +44 3001230900

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

NUTS: UKM94

Internet address(es)

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

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

I.1) Name and addresses

East Ayrshire Council

Corporate Procurement Team, London Road HQ

Kilmarnock

KA3 7BU

UK

Telephone: +44 1563576183

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

NUTS: UKM93

Internet address(es)

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

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

I.2) Joint procurement

The contract involves joint procurement

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Framework Agreement for Provision of Employability and Skills

Reference number: NAC/1137

II.1.2) Main CPV code

79414000

II.1.3) Type of contract

Services

II.1.4) Short description

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

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

The requirement will be delivered across 3 lots

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

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

II.1.6) Information about lots

This contract is divided into lots: Yes

Lot No: 3

II.2.1) Title

Addressing Health Issues as a Barrier to Employment

II.2.2) Additional CPV code(s)

79414000

II.2.3) Place of performance

NUTS code:

UKM93

II.2.4) Description of the procurement

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

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

This lot will be a sole supplier agreement

II.2.5) Award criteria

Quality criterion: Quality / Weighting: 60

Price / Weighting: 40

II.2.11) Information about options

Options: No

II.2.13) Information about European Union funds

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

Section IV: Procedure

IV.1) Description

IV.1.1) Type of procedure

Open procedure

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

The procurement involves the establishment of a framework agreement

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

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number in the OJ S:

2020/S 034-081729

Section V: Award of contract

Lot No: 3

Title: Addressing Health Issues as a Barrier to Employment

A contract/lot is awarded: Yes

V.2 Award of contract

V.2.1) Date of conclusion of the contract

29/06/2020

V.2.2) Information about tenders

Number of tenders received: 1

Number of tenders received from SMEs: 1

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

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

Number of tenders received by electronic means: 1

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

V.2.3) Name and address of the contractor

Salus Return to Work Services

14 Beckford Street

Hamilton

ML3 0TA

UK

Telephone: +44 1698759327

NUTS: UK

The contractor is an SME: Yes

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

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

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

V.2.5) Information about subcontracting

Appendix 3: Logic Models

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities)	Programme Objective
<p>Working for a Healthy Economy</p> <p>Procured service to support 1500 people a year (800 unemployed, 700 unemployed)</p> <p>Project Duration: 5 years</p> <p>AGD: £5,000,000</p> <p>All 3 authorities and partners will continue to fund surrounding employability and business support services which will support the proposals.</p>	<p>Establish a one stop health support service across Ayrshire to maximise employment and job retention.</p> <p>Although every client journey will be individual, all referrals will receive support within the following framework:</p> <ul style="list-style-type: none"> • Registration and Triage • Assessment • Full Case Management • Explore and Report • In Work Support 	<p>960 clients – Assessment & Report Only 1600 clients – Full Case Management Support via Telephone 3839 clients – Full Case Management Support delivered Face to Face 3809 (70%) of clients engaging in Full Case Management support are likely to access a funded treatment e.g. Talking Therapies, Physiotherapy etc. 2400 clients will receive support via Group Work 960 individuals will receive Mental Health First Aid Training</p> <p>Marketing will be targeted at 5,172 individuals (53%) being unemployed at the point of referral with the aim of 25% going back to work.</p> <p>The remaining 4,586 will receive support to return to or remain in employment / self-employment with the aim of 85% of clients sustaining.</p>	<ul style="list-style-type: none"> • Improved health and management of health conditions of individuals • Reduced levels of unemployment and corresponding increases in income levels. • Improved retention and progression in work and corresponding increases in income levels. • Reduced absenteeism and improved retention of staff, increasing productivity of business. • Improved uptake of training/learning opportunities through reducing health as a barrier • Improved awareness and education of employers around health and benefits of supporting employees. 	<ul style="list-style-type: none"> • To reduce poor health as a constraint on economic growth.

Appendix 4: Specific Outputs

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

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

Numbers accessing funded treatment, i.e. physio, talking therapies etc	3809
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**Ayrshire Growth Deal
Equality Impact Assessment including Fairer Scotland Duty**



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

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

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

If you require assistance, please contact:

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

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

[South Ayrshire Council Geraldine McGivern](#) Geraldine.McGivern@south-ayrshire.gov.uk

Section One: Project Details*

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

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

Will the project impact upon the whole population of Ayrshire or a specific council area and/or particular groups within the population (please specify the equality groups)	The project will cover the Ayrshire region.
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Consider the 'Three Key Needs' of the Equality Duty

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

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

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

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

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

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

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

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

Island Proofing

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

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

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

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

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

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

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

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

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

<p>Children's Rights Issues and impacts affecting children's rights* *for more information please email – andrewhale@north-ayrshire.gov.uk</p>	<p>By supporting parents into work there will be an indirect benefit on children, with more likely to achieve the right to have a proper house, food and clothing.</p>	<p>Positive</p> <p>Children living in poverty as a result of parental unemployment are expected to be most impacted As the service could benefit parents of Syrian refugees in particular, then there could be a positive impact on the wellbeing of refugee children.</p>							
<p>Health Issues and impacts affecting people's health</p>	<p>Population aged 16-64 who are EA core or work-limiting disabled (July 18- June 19)</p> <table data-bbox="667 603 1041 703"> <tr> <td>Ayrshire</td> <td>25%</td> </tr> <tr> <td>Scotland</td> <td>21.6%</td> </tr> <tr> <td>United Kingdom</td> <td>20.0%</td> </tr> </table>	Ayrshire	25%	Scotland	21.6%	United Kingdom	20.0%	<p>Positive</p> <p>This project is all about improving health and removing any health-related barriers to work.</p>	
Ayrshire	25%								
Scotland	21.6%								
United Kingdom	20.0%								

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

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Socio-Economic Disadvantage											
	Evidence	Impact	Mitigating Factors								
<p>Low Income/Income Poverty: Issues: cannot afford to maintain regular payments such as bills, food and clothing.</p>	<p>Ayrshire has a significantly higher share of datazones in 20% most deprived than Scotland average</p> <p>Local share of datazones in 20% most deprived</p> <ul style="list-style-type: none"> • Ayrshire: 29.8% • Scotland: 16.4% 	<p>Positive</p> <p>Sustaining people in employment and assisting into employment will help address this issue.</p>									
<p>Low and/or no wealth: Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future</p>	<p>Ayrshire has higher proportions of children living in poverty than Scotland</p> <p>% of children in poverty (after housing costs)</p> <table> <tr> <td>East Ayrshire</td> <td>28%</td> </tr> <tr> <td>North Ayrshire</td> <td>30%</td> </tr> <tr> <td>South Ayrshire</td> <td>26%</td> </tr> <tr> <td>Scotland</td> <td>22%</td> </tr> </table>	East Ayrshire	28%	North Ayrshire	30%	South Ayrshire	26%	Scotland	22%	<p>Positive</p> <p>Sustaining people in employment and assisting into employment will help address this issue.</p>	
East Ayrshire	28%										
North Ayrshire	30%										
South Ayrshire	26%										
Scotland	22%										
<p>Material Deprivation: Issues: being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies</p>	<p>Statistic forthcoming</p>	<p>Positive</p> <p>Sustaining people in employment and assisting into employment will help address this issue.</p>									

<p>Area Deprivation: Issues: where you live (rural areas), where you work (accessibility of transport)</p>	<p>Statistics forthcoming</p>	<p>Positive</p> <p>Sustaining people in employment and assisting into employment will help address this issue.</p>	
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Section Three: Evidence Used in Developing the Project

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

Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?	
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Section Four: Detailed Action Plan to address identified gaps in:

A) EVIDENCE AND

B) TO MITIGATE NEGATIVE IMPACTS

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

Note: Please add more rows as required.

Section Five - Performance monitoring and reporting

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

When is the project intended to come into effect?	The project will begin its implementation phase in April 2021
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When will the project be reviewed?	The project is monitored quarterly and there is an annual review
Which Panel will have oversight of the project?	The Regional Economic Partnership will have a strategic overview of the project.

Section 6

Ayrshire Growth Deal



Summary Equality Impact Assessment Implications & Mitigating Actions

Name of Project: Working for a Healthy Economy

Name of Project Lead: Greig Robson

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

Date of Assessment: 10 February 2021

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

1. Summary of project aims

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

2. Summary of how the project will eliminate discrimination

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

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

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

4. Summary of how the project will foster good relations

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

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

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

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

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

7. Summary of Key Action to Mitigate Negative Impacts

a. Actions and Timescales

Project Lead ...Greig Robson.....

Signed ...10 Feb 2021.....

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AGREEMENT

between:

EAST AYRSHIRE COUNCIL

and

SOUTH AYRSHIRE COUNCIL

and

NORTH AYRSHIRE COUNCIL

relative to the Ayrshire Growth Deal

AGD Agreement v11

17/12/2020

AGREEMENT between:

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

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

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

WHEREAS:

- (A) EAC, SAC and NAC (together with the UK and Scottish Governments) are parties to a Heads of Terms Agreement dated Friday 8 March 2019 (the "**Heads of Terms**") which confirms the joint commitment of the parties to achieve full implementation of the Ayrshire Growth Deal ("**AGD**").
- (B) Having recognised that it is a requirement of the Heads of Terms that a model of governance and supporting documentation be established that will meet the expectations set out in the Regional Partnership workstream of phase 2 of Scotland's Enterprise and Skills Review, and in furtherance of these expectations, the parties have agreed that EAC will assume the role of Lead Authority for the AGD.
- (C) The Parties have in turn therefore agreed that the governance, monitoring and reporting obligations which will fall upon EAC for the AGD, together with the concurrent obligations which will be incumbent upon both SAC and NAC, be

further detailed within the terms of this Agreement.

- (D) The Agreement recognises and anticipates that the parties may be required to enter into appropriate further agreements to regulate their respective relationships in respect of the successful delivery and implementation of the AGD.
- (E) EAC, SAC and NAC have agreed to enter into this Agreement for the purpose of recording certain key understandings that will govern their mutual relationship going forward.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

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

“AGD Strategic Manager” means the officer appointed to this post by EAC and employed by EAC;

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

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

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

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

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

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

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

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

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

“Chief Executive’s Group” means the Parties’ Chief Executives (or their nominees);

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

“Lead Authority” means East Ayrshire Council;

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

“PMO” means Programme Management Office;

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

“Schedule” means the schedule in seven parts annexed and executed as relative hereto; and

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

2. COMMENCEMENT AND DURATION

- 2.1 Notwithstanding the date or dates that these terms and conditions are received by the Lead Authority validly executed on behalf of all the Parties it is agreed that the date of commencement of this agreement shall be Nineteenth November Two Thousand and Twenty. Subscription of these terms and conditions will not impose any legally enforceable rights or obligations on the body which has executed these terms and conditions before that date.
- 2.2 Once validly executed, these terms and conditions shall be legally binding upon the Parties, subject to any lawful variation thereof, unless and until this Agreement is terminated in accordance with clause 14.

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

- 3.1 The Ayrshire Regional Economic Joint Committee (“EJC”) is responsible for strategy and policy in respect of the AGD. It comprises of thirteen members, being three nominated by each of the Parties, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS) one from the business sector and one from the education sector. Named substitutes are entitled to attend in place of any nominated Member. The local authority Chair of the Committee rotates on an annual basis between the Parties. The core functions of the EJC will be as detailed within Appendix A to the Ayrshire Growth Deal – Governance Document as contained within Part 4 of the Schedule annexed and executed as relative hereto.
- 3.2 The Ayrshire Regional Economic Partnership Sub-Committee (“REP”) is a sub-committee of EJC and comprises of three representatives nominated from each of the Parties, three representatives of the business sector selected by the REP, three representatives of the Higher or further Education sector selected by the REP and one representative nominated by each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. The EJC may also co-opt up to an additional

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

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

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

4. AYRSHIRE GROWTH DEAL – DOCUMENTS

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

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

5. EAC ROLES AND RESPONSIBILITIES

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

- The establishment and hosting of a Programme Management Office (PMO) and the appointment of a Strategic Manager to oversee its budget and duties.
- The provision of such support services as the AGD Strategic Manager may reasonably require to discharge his/her duties which may include financial, legal, audit and other professional or technical services.
- The analysis and provision of reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or the provision of any other reports or updates as may required by these groups.
- The allocation and accounting for distribution of all AGD grant income together with any grant agreements on behalf of the REP and EJC, the holding of the AGD grant funding and the making of disbursements to the Parties, Third Parties and other bodies as appropriate, all in accordance with approved governance arrangements.
- The accounting for these funds under a separately identified budget line to ensure transparency and clarity, and the reporting thereof to the Scottish and UK Governments as required in accordance with any conditions of the Grant Offer letter received from those Governments.
- Ensuring compliance with confidentiality, freedom of information and data protection regulations and progressing any complaints in accordance with the requirements of the SPSO in relation to the AGD Programme.
- Enter into grant agreements with the Parties on behalf of the EJC in respect of the approved projects required to deliver the AGD Programme and ensuring that the associated grant funds are disbursed legally and appropriately;
- Have the appropriate and proportionate control systems in place in relation to the grant funds to prevent breaches of the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.

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

6. ROLES AND RESPONSIBILITIES OF THE PARTIES

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

- the successful delivery of their Approved Projects;
- each Party taking a turn to prepare and circulate meeting agendas, reports and minutes for the ECJ and REP
- participation in all support group activities and work plans;
- designing and delivering Programme wide approaches and strategies;
- the identification and sharing of best practice; and
- the identification and collaboration on joint working opportunities.

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

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

- ensure that any grant agreement entered into with EAC as Lead Authority is subject to and compliant with its internal contractual standing orders and financial regulations;
- deliver agreed projects under the AGD Programme in accordance with the terms of their grant agreement. and use their best endeavours to realise the project benefits agreed by the REP that are set as a condition of any grant agreement;
- provide statements of compliance with conditions of grant detailed in the grant letters from the Governments and to enable certification of the final capital return made to the Scottish Government by the relevant Section 95 Officer. The Parties further agree that that the income and expenditure for any AGD project which will be accounted for within a Party's own accounts will be subject to audit by that Party's own external auditors.
- provide all information as required by the PMO within the prescribed timescales to enable the PMO to fulfil its functions.
- Ensure that all internal governance structures be documented within individual Project Business Cases;
- Provide quarterly updates to the PMO of the progress of each approved project; together with any additional project status reports which the PMO may reasonably require.
- Work collaboratively with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the AGD to deliver inclusive growth and community wealth building

- 6.3 Where a Party is failing to deliver a project under the AGD Programme in accordance with the terms of the grant agreement, the Party shall report to the PMO and agree mitigating actions to ensure successful completion of the project.
- 6.4 Subject to the provisions of the managing change process as set out in paragraph 3 of the Governance Document should a Party be in material breach of the terms or provisions of either this agreement or of the conditions of any grant agreement, and subject to the Party in breach being given a minimum period of 28 days (or such other period as the ECJ may agree), the ECJ will have the delegated power to:-
- i. Suspend any further payment of grant funding until suitable resolution is found;
 - iii. Remove the particular project from the AGD Programme;
 - iv. Cease funding or recalculate the grant award; and
 - v. Recover from the Party any grant monies already paid and additional costs incurred or losses suffered by the ECJ or the Parties arising from that failure.

7 PMO BUDGET

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

8. AUDIT

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

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

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

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

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

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

9. CONFLICTS OF INTEREST

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

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

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

10. PUBLICITY

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

11. MUTUAL OBLIGATIONS

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

12. INTELLECTUAL PROPERTY RIGHTS

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

13. DISPUTE RESOLUTION

- 13.1 If a dispute arises out of or in connection with the operation or implementation of the AGD (a "Dispute") then the Parties shall follow the procedure set out in this Clause 13.
- 13.2 Following a Dispute arising, any of the Parties shall be entitled to give to the others notice in writing of the Dispute (the "Dispute Notice") setting out the nature of the Dispute in reasonable detail. The Parties shall then seek in good faith to resolve the Dispute.
- 13.3 If the Dispute is not resolved within thirty days of receipt of the Dispute Notice, or by another date agreed in writing between the Parties, the Dispute shall be referred to the Chief Executives Group who shall attempt in good faith to resolve the Dispute as soon as reasonably practicable.
- 13.4 Any dispute between the Parties which cannot be resolved as detailed in Clauses 13.1 to 13.3 above shall be referred to an independent mediator appointed by the Law Society of Scotland. The fees and expenses of the mediator shall be borne equally by the parties involved in the mediation. In the event the parties fail to reach an agreement within 30 days after the commencement of the mediation, then the matter may be determined by an arbitrator.
- 13.5 Arbitration in terms of this clause may be initiated by any of the Parties in dispute after the 30 day period referred to in clause 13.4. The arbitrator shall be mutually agreed by the Parties in dispute failing which the arbitrator shall be

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

- 13.6 The decision of the Arbitrator on the matter in dispute and on any award of expenses relating to the arbitration shall be final and binding on all Parties involved in the arbitration.
- 13.7 The operation of Rule 69 of the Arbitration (Scotland) 2010 Act is excluded. The Parties also agree not to make a referral to the Outer House of the Court of Session all in terms of Section 41 of the Arbitration Act 2010.

14. TERMINATION

- 14.1 This Agreement shall continue in full force and effect until the whole AGD Programme has been concluded.
- 14.2 The Lead Authority shall keep or cause to be kept full and accurate accounts through the currency of this agreement, or any replacement thereof. The detailed records will be available for the following periods:
- (a) for the AGD operational Costs, detailed records will be held for a period of three years;
- (b) for Grant Receipt and allocation, detailed records will be retained for a period of twenty years.
- 14.3 The Parties shall be entitled, on giving reasonable prior notice, to inspect such accounts and records and to make any examination which they may desire and for this purpose, the Lead Authority shall forthwith on demand produce to the Members all relevant information or vouchers as a Member may reasonably request.

15 INDEMNITY AND INSURANCE

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

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

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

16 CONFIDENTIAL INFORMATION

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

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

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

- ii. or ii. already in the possession of the Receiving Party without restrictions as to its use; or
- iii. the disclosure of which is required by statute or court order; or
- iv. is provided for the purpose of obtaining professional advice; or
- v. is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or
- vi. which is information independently developed without access to the Confidential Information including audit and assessing best value.

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

17 FREEDOM OF INFORMATION

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

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

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

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

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

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

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

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

18 ASSIGNATION

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

19 SERVICE OF NOTICES

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

20 INCONSISTENCY

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

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

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

21 THIRD PARTY RIGHTS

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

22 VARIATION

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

23. COSTS

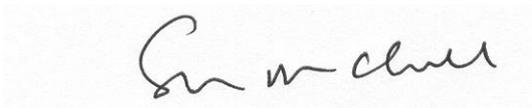
- 23.1 Each of the Parties shall meet its own costs in connection with the preparation, adjustment and completion of this Agreement.

24. LAW AND JURISDICTION

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

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

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



..... Authorised Signatory

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

..... Authorised Signatory

..... Witness

..... Witness Details

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

.....Authorised Signatory

AYRSHIRE GROWTH DEAL GOVERNANCE DOCUMENT



Scottish Government
Riaghaltas na h-Alba
gov.scot

AYRSHIRE
GROWTH DEAL

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1. AYRSHIRE GROWTH DEAL – GOVERNANCE DOCUMENT

- 1.1** This document sets out the governance arrangements which have been agreed for the Ayrshire Growth Deal (AGD). The governance arrangements will enable sound decisions to be taken in an open, inclusive and transparent way.
- 1.2** The partners involved in the Ayrshire Growth Deal are the Scottish Government, the UK Government, East Ayrshire Council, North Ayrshire Council and South Ayrshire Council. East Ayrshire Council will be the Accountable Body for the Deal. East Ayrshire Council will provide the link for all other regional partners involved in the Deal including North Ayrshire and South Ayrshire Councils.
- 1.3** Other regional partners include Scottish Enterprise, Skills Development Scotland, Ayrshire College, University of Strathclyde, University of Glasgow, University of the West of Scotland, Glasgow Prestwick Airport, Peel Holdings, HALO Kilmarnock Ltd, NPL Estates Ltd, VisitScotland and Transport Scotland together with the 3rd sector and Ayrshire’s business and resident communities.
- 1.4** The Governance Document sets out decision making structures, memberships, roles and responsibilities and how key processes will be managed to ensure accountability, probity, transparency, compliance and value for money. The governance arrangements outlined within this document will be reviewed regularly to ensure that they remain fit for purpose as the deal progresses.
- 1.5** The partnership approach to governance will promote:
- Openness of decision making focussed on clearly defined outcomes underpinned by sustainable economic, social and environmental benefits;
 - Management of risks and performance through robust internal control and strong financial management; and
 - Transparent reporting.
- 1.6** The partners believe that over the next 15 years, more than £300 million will be unlocked by the deal investment, aiming to deliver around 7,000 new jobs across a wide range of sectors in the Ayrshire region.

2. AYRSHIRE GROWTH DEAL – GOVERNANCE ARRANGEMENTS

- 2.1 In 2018, the Ayrshire Councils agreed to implement a new governance structure to oversee the delivery of the Ayrshire Growth Deal and to promote the main drivers for the Ayrshire Regional Economic Partnership, namely:
- to promote and deliver regional economic and inclusive growth on an Ayrshire-wide basis, in line with the Scottish Government's aim of having a Regional Economic Partnership for every region of Scotland;
 - to provide the robust shared governance which will enable the Scottish and UK Governments and other funding sources to dispense monies on an Ayrshire basis;
 - to encourage the meaningful involvement of private sector partners as well as the public sector; and
 - to recognise that the funding element is being delivered through Councils, and consequently democratic accountability will be required for key investment decisions.
- 2.2 The structure should be as simple as possible, but be capable of adaptation as required. What has been implemented is a structure which has a new Joint Committee with ultimate control over key strategic and investment decisions. This comprises of Councillors from the three authorities with some representation (less than one third, in line with legislative requirements) from partners and business. Below this sits the Ayrshire Regional Economic Partnership, which will progress the day-to-day business of both the Regional Economic Partnership and Growth Deal. The Regional Economic Partnership comprises members from the Joint Committee, as well as more extensive representation from other sectors.
- 2.3 The membership, remits and powers of both the Ayrshire Regional Economic Joint Committee and the Ayrshire Regional Economic Partnership are set out in Appendices A and B. Standing Orders for their meetings are set out in Appendix C. Key components of this are:
- The Ayrshire Regional Economic Joint Committee (EJC) comprises thirteen members in total, three from each Council, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS), one from the business sector and one from the education sector. The local authority Chair will rotate on an annual basis. Its core functions are:

- to approve the Ayrshire Economic Strategy;
 - to make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
 - to approve major funding decisions including approval of the Business Cases for AGD projects;
 - to approve the AGD Benefits Realisation Plan;
 - to approve major change requests;
 - to receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;
 - to make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;
 - to make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;
 - to approve operational expenditure within agreed Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.
- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix A, the EJC will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the EJC will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

- The Ayrshire Regional Economic Partnership (REP) comprises three representatives from each Council, three representatives of the business sector, three representatives of the Higher or Further Education sector and one representative from each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. There is also provision to co-opt an additional three members either from other organisations or on the basis of experience or skills. In legal terms this has to be a sub-committee as it comprises more than one-third membership who are not councillors. The Regional Economic Partnership (sub-committee) will have delegated powers, but major strategic and funding decisions will require to be remitted for approval to the Joint Committee. The functions of this Regional Economic Partnership are:
 - to oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;
 - to provide strategic oversight for the delivery of the strategic priorities and actions contained within the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;
 - to drive forward the growth of the Ayrshire economy;
 - to prioritise inclusive growth and report on progress made annually in AGD Benefits Realisation Plan in line with the Scottish Government’s Inclusive Growth Monitoring Framework;
 - to drive increased collaboration and partnership between the Ayrshire Councils, the Scottish and UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;
 - to make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
 - undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;
 - to oversee the development of the business cases of individual Ayrshire Growth Deal projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;

- to oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;
 - to make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;
 - to ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;
 - to provide strategic direction and manage the input of any Thematic or other Working Groups.
- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix B, the REP will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the REP will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

ROLES AND RESPONSIBILITIES

The Accountable Body (East Ayrshire Council):

- 2.4 The Accountable Body carries out certain legal and regulatory functions on behalf of the EJC and REP as instructed by them, where the EJC and REP do not have the requisite legal status or competence.
- 2.5 The Accountable Body has established and hosts a Programme Management Office and has appointed a Strategic Manager to oversee its budget and duties.
- 2.6 The Accountable Body provides support services as the Strategic Manager may reasonably require to discharge their duties on behalf of the Accountable Body which may include financial, legal, audit and other professional or technical services. Each Partner Authority shall provide the appropriate level of support services to fulfil their obligations to the Accountable Body.
- 2.7 The Accountable Body will analyse and provide reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by these groups.

- 2.8 The Accountable Body shall allocate and account for distribution of AGD grant income to all partners. It will enter into any grant agreements on behalf of the EJC and REP, hold the AGD grant funding and make disbursements to Partner Authorities, Third Parties and other bodies as appropriate, all in accordance with the approved governance arrangements.
- 2.9 It will account for these funds under a separately identified budget line to ensure transparency and clarity, and will report to the Scottish and UK Governments as required in accordance with the Grant Offer Letter.
- 2.10 The Accountable Body and Partner Authorities will ensure compliance with confidentiality and data protection regulations in relation to the AGD Programme.
- 2.11 The Accountable Body will ensure that grant funds are disbursed legally and appropriately and, with Partner Authorities, will have the appropriate and proportionate control systems in place to prevent relevant employees breaching the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.
- 2.12 Partner Authorities will refund all amounts identified by the Accountable Body and/or funders to be ineligible.
- 2.13 In the event of the Accountable Body becoming aware of, or suspecting any irregular or fraudulent activity that may have any impact on the Project/Programme or the use of the AGD grant, or any part of it, the Accountable Body shall immediately set out a fact-finding exercise, investigate as required and, in accordance with the conditions of the Grant Offer Letter, notify the Scottish Ministers of any confirmed activity. Partner Authorities must report all cases to the Accountable Body as soon as they become aware of suspected or actual irregular or fraudulent activity and must participate fully in any fact-finding or investigation.
- 2.14 The Accountable Body will ensure that such financial statements or relevant disclosure requirements as are required in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and proper accounting practices (section 12 of the Local Government in Scotland Act 2003) are prepared for the EJC and REP. Where these form part of the wider statutory reporting requirements of the Partner Authorities appropriate summary financial information will be consolidated and reported to the EJC and REP.
- 2.15 All partners will ensure that grant funds are used appropriately and demonstrate Best Value.
- 2.16 The Accountable Body's Chief Auditor will be appointed as Chief Auditor for the AGD to coordinate Internal Audit activity.

- 2.17 Each partner will be responsible for allocating Internal Audit resources as required for local AGD activities. The Accountable Body's Internal Audit section will reserve the right to review programme and project activities as required and request information from all partners regarding these activities.
- 2.18 Each year a consolidated Internal Audit Plan will be presented to the EJC and REP having been prepared following:
- consultation with relevant senior officers of the AGD PMO;
 - consideration of the risks affecting the AGD at programme and project level;
 - consideration of both internal and external factors affecting the AGD;
 - consideration of previous internal and external audit findings;
 - consideration of all of these elements which will inform Public Sector Internal Audit Standards (PSIAS) based risk assessments carried out locally by the Accountable Body and Partner Authorities; and
 - any relevant items subsequently included in local Internal Audit plans approved by each partner's audit committee in line with PSIAS obligations will be reflected in the consolidated AGD Internal Audit Plan.
- 2.19 All AGD Internal Audit work will be carried out in line with the PSIAS with individual Internal Audit assignment reports presented to the EJC and REP for noting.
- 2.20 The EJC and REP will be advised of the overall outcomes from Internal Audit work in an annual Internal Audit Report the timing of which is anticipated to align with the annual accounts timetable and will be reported to the EJC and REP for noting in line with PSIAS requirements.
- 2.21 The Annual Internal Audit Report will include a summary of AGD internal audit work in year by all partners, an annual opinion for the AGD and for further assurance will also include the authority-wide Annual Internal Audit opinions prepared by each partner.
- 2.22 Actions arising from Internal Audits will be followed up by the relevant Internal Audit team in line with established arrangements in that authority and these follow-up reports will be presented to the EJC and REP for noting.
- 2.23 Further audit, advisory consultancy or investigative work may be requested by the EJC and REP.
- 2.24 The Accountable Body's Chief Auditor will liaise with partner Chief Auditors through established arrangements.

Partner Authorities

- 2.25 Partner Authorities play a key role in supporting the delivery of the overall Programme through a range of activities including: delivering their Approved Projects; participating in all Support Group activities and work plans; designing and delivering Programme-wide approaches and strategies (such as the Ayrshire Economic Strategy and the Inclusive Growth Action Plan); identifying and sharing best practice; identifying and collaborating on joint working opportunities.
- 2.26 Partner Authorities shall develop Green Book compliant Business Cases and deliver Approved Projects in accordance with: their Approved Project Business Case; the terms of the grant agreement entered into with the Accountable Body; and all Programme management requirements.
- 2.27 The annual Grant Offer Letter will outline the reporting and governance requirements for the partners.
- 2.28 Any grant agreement entered into by a Partner Authority shall be subject to that Authority's contract standing orders and financial regulations.
- 2.29 Partner Authorities are responsible for ensuring the realisation of project benefits as agreed by EJC and REP and as a condition of the grant agreement.
- 2.30 Partner Authorities are required to provide a statement of compliance with the Conditions of Grant as set out in the grant letter. This will be evidenced in the certification of the final capital return made to the Scottish Government by each Partner Authority's Section 95 Officer. AGD Project income and expenditure, which is accounted for within Partner Authorities' own accounts, will be subject to audit by an individual authority's own external auditors.
- 2.31 For the avoidance of doubt, for every financial claim to be submitted by the Accountable Body each Partner Authority must provide a full audit trail by way of a certification by the Section 95 Officer of the eligible funds disbursed in a format determined by the Accountable Body.
- 2.32 Partner Authorities will be required to provide all information as required by the PMO (details of all reporting requirements are set out in the next section of this paper).
- 2.33 Partner Authorities will make their own arrangements for reporting on Projects internally within their own organisations and for approving these internal reports prior to the onward submission of information to the PMO. These internal governance structures will be documented within Project Business Cases.

- 2.34 The Partner Authorities shall provide the PMO with quarterly updates on the progress of each Approved Project, in line with the Partner Authority Report and Project Status Report template.
- 2.35 The PMO reserves the right to request copies of individual Project Status Reports, as required. Partner Authorities' Project governance arrangements may be reviewed by the PMO to ensure compliance with the requirements of funders.
- 2.36 This monitoring information will be presented to the EJC and REP by the PMO in the Programme Status Report, including advising on progress, benefits realisation, any slippage and risks in relation to any specific Projects and seeking approval for any amendments/change controls. Any concerns which the EJC and REP may have will be notified to the relevant Member Authority via the Chief Executives' Group.
- 2.37 Partner Authorities will work with relevant working groups to assist with the realisation and maximisation of relevant project benefits where required.
- 2.38 Partner Authorities will work with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the Deal to deliver inclusive growth.

Third Parties

- 2.39 Third Parties are organisations, other than Partner Authorities, which receive a grant from the Accountable Body to deliver Approved Projects as part of the Programme as agreed by the EJC and REP.
- 2.40 Third Parties will also comply with the same conditions as Partner Authorities as set out above.

THE PROGRAMME MANAGEMENT OFFICE (PMO)

- 2.41 A permanent staffing structure is being put in place within the Programme Management Office for the Ayrshire Growth Deal and the team is tasked to:
- monitor, review and update the AGD Programme Business Case;
 - scrutinise proposed business cases and make recommendations to the REP and EJC. Where necessary expertise does not exist within the team to fulfil this responsibility, external support will be commissioned and managed by the PMO;

- provide a full toolkit of documentation to partners delivering projects including business case templates and guidance on their completion; reporting templates; risk register templates, and such other documentation as is required from time to time;
- analyse and report on the impact of the delivery of AGD projects and the overall AGD, as well as reporting on the delivery of wider economic benefits agreed in business cases and grant awards, in accordance with commitments made to the UK and Scottish Governments. This reporting will be on a monthly, quarterly and annual basis and will require input from project leads;
- monitor the programme risk register and escalate any issues as they arise, reporting on risk to each EJC and REP meeting;
- prepare regular consolidated monitoring statements for consideration by the EJC and REP.

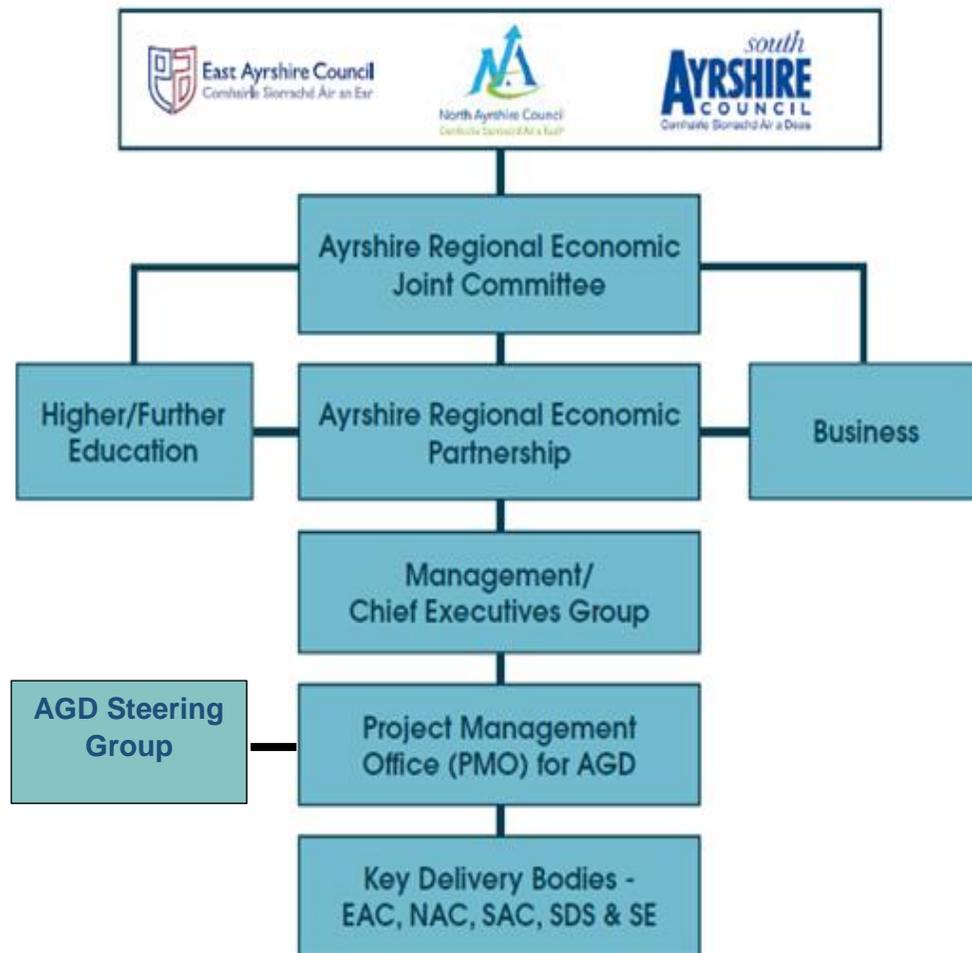
2.42 The work of the PMO is supported by the following working groups:

- Procurement – comprising procurement leads from each of the Ayrshire Councils. This group meets monthly or as often as required;
- Marketing and Communications – comprising communications leads for each of the Ayrshire Councils together with representatives from UK and Scottish Governments. This group meets monthly or as often as required;
- Ayrshire Growth Deal Steering Group – comprising representatives from each of the Ayrshire Councils, Scottish Enterprise, Skills Development Scotland and representatives from UK and Scottish Governments. This group provides support and guidance to the PMO and assists with information sharing. This group meets monthly;
- Other short-term working groups will be established as required.

Minutes of all meetings will be maintained.

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

Governance Structure



BUSINESS CASE APPROVAL PROCESSES

- 2.44 Once government is satisfied that a given project's OBC is sufficiently well developed they will inform the regional Programme Management Office that the OBC has been approved and that government is content for regional partners to proceed to full business case (FBC).
- 2.45 Government will require to see all FBCs to ensure that they continue to meet their requirements and to confirm that any outstanding issues highlighted at OBC stage have been addressed. Final Equality Impact, Fairer Scotland, and Environmental Impact Assessments should also be made available.
- 2.46 The final approval of FBCs will rest with the region's principal decision making body, the Ayrshire Economic Joint Committee. This ensures that regional partners have full ownership of the Deal and that ultimate decision making authority rests with the body that will be responsible for delivering associated outputs, outcomes, and impacts.

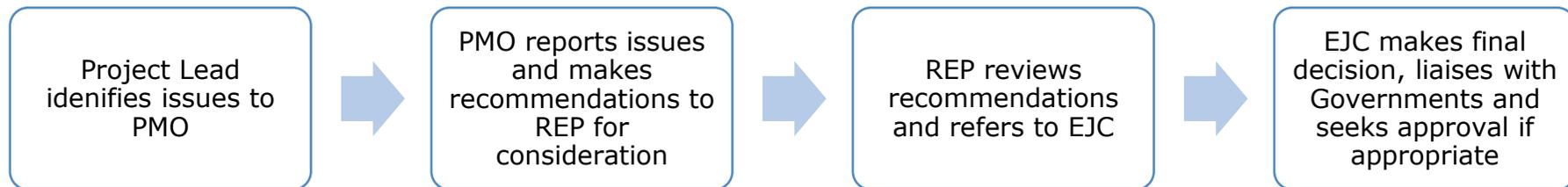
FINANCIAL REPORTING

- 2.47 As outlined in the annual Grant Offer Letter, on a monthly basis, a Financial Forecast will be completed by the PMO, and submitted to Scottish Government copied into UK Government. This will include monthly expenditure by the overall Programme and individual Projects, the cumulative spend and profile spend for the remainder of the financial year.
- 2.48 As outlined in the annual Grant Offer Letter, a Quarterly Performance Report will also be completed by the PMO and reported to Scottish Government copied into UK Government. This report will not only report on financial information but will include a Risk Status of the overall Programme as well as each Project and highlight where underspend or overspend is predicted including narrative as to how this will be managed going forward.
- 2.49 As outlined in the annual Grant Offer Letter, an Annual Report based on the previous year's activity will be prepared. This report will form the basis for the annual conversation with Government and should follow the Annual Report Template for City Region Deals. The final report will be approved by the Joint Committee and presented to Governments before being published.
- 2.50 The annual conversation will allow the Scottish City Region and Growth Deal Delivery Board to engage with each City Region Deal at senior officer level, to celebrate success and discuss progress. Annual Conversations, informed by the

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

3. **MANAGING CHANGE**

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



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

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

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

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

Appendix A: AYRSHIRE ECONOMIC JOINT COMMITTEE

Constitution

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

Chair

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

Quorum

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

Standing Orders and Meetings

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

Delegated Powers

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

Functions Referred

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

Acting in the interests of Ayrshire as a whole:-

1. To approve the Ayrshire Economic Strategy;
2. To make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
3. To approve the business cases of individual Ayrshire Growth Deal Projects;
4. To receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;
5. To make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;
6. To make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;
7. To approve operational expenditure within agreed with Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.

Appendix B: AYRSHIRE ECONOMIC PARTNERSHIP

Constitution

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

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

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

Chair

The Chair shall be appointed by the Joint Committee

Quorum

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

Standing Orders and Meetings

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

Delegated Powers

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

Functions Referred

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

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

8. To oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;
9. To provide strategic oversight for the delivery of the strategic priorities and actions contained within the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;
10. To drive forward the growth of the Ayrshire economy;
11. To prioritise inclusive growth and provide an annual report in line with the Scottish Government's Inclusive Growth Monitoring Framework;
12. To drive increased collaboration and partnership between the Ayrshire Councils, the Scottish & UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;
13. To make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
14. Undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;
15. To oversee the development of the business cases of individual Ayrshire Growth Deal Projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;
16. To oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;

17. To make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;
18. To ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;
19. To provide strategic direction and manage the input of any Thematic or other Working Groups.

Appendix C: STANDING ORDERS FOR THE CONDUCT OF MEETINGS

PRELIMINARY

COMMENCEMENT

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

DEFINITIONS

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

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

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

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

MEETING ARRANGEMENTS

Dates of Meetings

1. The Joint Committee shall meet at least twice in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Joint Committee. The Partnership shall meet at least six times in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Partnership.
2. A special meeting of the Joint Committee or the Partnership may be called at any time:
 - (a) by the incumbent Chair; or

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

Place, Time and Notice of Meetings

- 3.1 Except in the case of urgency (when the incumbent Chair may direct accordingly) three clear days at least before a meeting of the Joint Committee or the Partnership;
 - i. Notice of the time and place of the intended meeting shall be published by the Chief Executive of the incumbent Chair's Council (or if the Partnership is not chaired by a Council nominee, by the Chief Executive of the Joint Committee's incumbent Council) or an appropriate officer of that council, responsible for the administrative support of the Joint Committee or Partnership, at that Council's principal office and, where practical, at the place where the meeting will be held if the meeting is to be held outwith that Council's principal office; and
 - ii. A summons to attend the meeting, specifying the business to be transacted shall be left at or sent by post to the usual place of residence of every Member of the Joint Committee or Partnership as appropriate, or to such other address as the Member may notify in writing to the Chief Executive of the incumbent Chair's Council.

LACK OF NOTICE

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

QUORUM

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

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

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

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

CHAIR

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

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

POWERS AND DUTIES OF CHAIR

7. Deference shall at all times be paid to the authority of the Chair. When the Chair indicates a wish to speak, any Member who may be addressing the meeting shall give way. The Chair shall:-
 - (i) preserve order and ensure that every member of the Joint Committee or Partnership shall have a fair hearing;
 - (ii) decide all matters of order, competency and relevancy and the ruling of the Chair shall be final and shall not be open to discussion;
 - (iii) decide between two or more members of the meeting indicating that they wish to speak by calling on the member who has first caught the attention of the Chair;
 - (iv) ensure that due and sufficient opportunity is given to members who wish to speak to express their views on the subject under discussion;

- (v) be entitled, in the event of disorder arising, to adjourn the meeting to a time he or she may then, or afterwards, fix and his or her leaving the Chair shall indicate the meeting is adjourned; and
- (vi) the Chair shall, at his or her discretion, determine all questions of procedure for which no express provision is made under these Standing Orders with regard to the regulation of the proceedings and business of the Joint Committee meetings.

BUSINESS AT MEETINGS

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

URGENT BUSINESS

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

ORDER OF BUSINESS

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

- (i) the Sederunt shall be taken; the names of the members present at the meeting shall be recorded with the Chair at the head followed by the remaining Members;
- (ii) Minutes of the previous Joint Committee or Partnership as appropriate shall be submitted, held as read and be formally moved and be held to be approved, unless objection is taken to any portion thereof when so submitted. Any Member may request information on an item within a Minute that is before the meeting; and
- (iii) Any other competent business detailed in the Agenda or urgent business raised at the discretion of the Chair.

ORDER OF DEBATE

Motions/Amendments

- 11.1** A member of the Joint Committee or Partnership when speaking shall address the Chair and direct all remarks to the matter before the meeting by proposing, seconding or speaking to the motion or any amendment relative thereto, or to a point of order, or to propose or second a motion to adjourn the proceedings.
- 11.2** Every motion or amendment shall be moved and seconded. The terms of all motions or amendments shall always precede any remarks to be made by their proposers. No member shall speak supporting the motion or any amendment until the same shall be seconded.
- 11.3** The terms of a motion or amendment not seconded or which may be withdrawn or altered after being seconded shall not be recorded in the Minutes of proceedings.
- 11.4** Any member who has moved a motion or amendment and has failed to find a seconder may request that his or her dissent in regard to the decision in question be recorded and that dissent will be recorded in the Minutes.

Procedure on Point of Order

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

MOTION FOR ADJOURNMENT OF MEETING

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

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

VOTING

Method of Voting on Motion and Amendment

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

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

DECISIONS OF THE JOINT COMMITTEE

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

CASTING VOTE

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

ATTENDANCE BY ELECTED MEMBERS NOT A MEMBER OF THE JOINT COMMITTEE

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

ATTENDANCE BY MEMBERS OF THE PUBLIC

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

MEETING – 22 FEBRUARY 2021

REPORT BY THE CHIEF EXECUTIVE, NORTH AYRSHIRE COUNCIL

**SUBJECT: AYRSHIRE GROWTH DEAL,
COMMUNITY WEALTH BUILDING FUND – FINAL BUSINESS CASE**

PURPOSE OF REPORT

1. This report seeks approval of the Final Business Case (FBC) for the Ayrshire Growth Deal Community Wealth Building Fund project.

RECOMMENDATIONS

2. The Joint Committee is asked to:
 - (i) Consider this report and approve the FBC for “Community Wealth Building Fund” at Appendix 1;
 - (ii) Note the position regarding Scottish Government approval of the Outline Business Case;
 - (iii) Subject to obtaining Scottish Government approval to the Outline Business Case, approve the use of AGD funding for the project and implementation of its activities; and
 - (iv) Note that in the event the Scottish Government propose significant changes to the OBC, that the revised FBC will be reported back to the Joint Committee.

INTRODUCTION

3. Community Wealth Building (CWB) is an alternative approach to traditional economic development, which seeks to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base. Community Wealth Building seeks to use the economic levers available to local authorities and other ‘Anchor Institutions’ by focusing on five pillars for harnessing existing resource to support the local economy: procurement; fair employment; land and assets; financial power; and plural ownership of the economy.
4. The AGD Heads of Terms (HoT) included a £3 million fund for an Ayrshire approach to Community Wealth Building agreed in March 2019 and the AGD Community Wealth Building Fund was also included as part of the Final Deal Documents signed in November 2020.
5. The Ayrshire Regional Partnership Board agreed on 6 June 2019 that North Ayrshire Council would lead this specific project. Following Heads of Terms in

March 2019, North Ayrshire Council has led discussions with Scottish Government and kept the Ayrshire Regional Economic Partnership and the Ayrshire Growth Deal Programme Management Office (PMO) informed of developments. To ensure a regional approach to the development of the project, an AGD CWB Project Working Group was established in May 2019 comprising officers from the three Ayrshire Councils and the PMO.

6. The Regional Skills and Inclusion Programme Project Lead is also part of the Working Group to ensure alignment between the Community Wealth Building Fund and the Regional Skills and Inclusion Programme to maximise investment and resource to deliver an inclusive economy. Wider engagement has taken place with procurement colleagues within each of the Local Authorities, Scottish Government policy leads and with Scottish Enterprise (including Cooperative Development Scotland) and Skills Development Scotland through the CWB Project Working Group and an initial version of the OBC was submitted to Scottish Government early 2020 with further refinement taking place over the past 12 months to reflect feedback and wider regional developments.
7. The Ayrshire PMO have had verbal communication that the OBC has been approved by policy leads at Scottish Government however at the time of writing the PMO is still waiting on written confirmation that this has been approved at Scottish Government director level. Despite this, we have confidence that this final approval of the OBC will be granted shortly.
8. This project will provide resource investment to support the delivery of wider regional Community Wealth Building ambitions. Ayrshire is leading the way with Community Wealth Building in Scotland, with the following key strategic developments over recent months:
 - The expansion of the already established North Ayrshire Community Wealth Building Commission to an Ayrshire Community Wealth Building Commission in summer 2020, with the agreement of a refreshed remit and a new workplan in December 2020.
 - The launch of an Ayrshire Community Wealth Building Anchor Charter in October 2020 as part of Challenge Poverty Week which has thus far been signed by the three Ayrshire Councils; NHS Ayrshire and Arran; Ayrshire College; Scottish Enterprise; and The Ayrshire Community Trust (TACT).
 - The launch of Scotland's first Community Wealth Building strategy in May 2020 by North Ayrshire Council.
 - The PMO working with Project Leads to ensure there is a focus on the relevant Community Wealth Building pillars within projects and to capture activity and the establishment of an AGD Procurement Group which is exploring best practice including for community benefits and is finalising a regional community benefits tracker.
9. The strategic case for investment in this project is clear. Despite sectoral strengths and infrastructure and natural assets, the Ayrshire economy performs below the Scottish average on a number of socio-economic indicators. Analysis by the Scottish Government undertaken for the Advisory Group on Economic

Recovery (AGER) has shown that North Ayrshire and East Ayrshire have the least resilient economies in Scotland, with South Ayrshire below the Scottish average. The Inclusive Growth Diagnostic identified structural constraints to achieving an inclusive economy including lack of local jobs, skills and health, and the FBC (and previous OBC) outlines how the project will help achieve national Inclusive Growth outcomes. A number of recent reports have demonstrated that the social and economic impact of Covid-19 has increased the strategic case for Community Wealth Building and the central role it can play in ‘building back better’ including the Centre for Local Economic Strategies (CLES) ‘Own the Future’ report published in July 2020. The project will play a key role in the economic recovery and renewal of the Ayrshire region, helping to support local businesses and harnessing resources to create a new inclusive economy that delivers economic, social and environmental benefits for Ayrshire communities. The project will support the delivery of national and regional strategies and programmes, including:

- Scottish Government Economic Recovery Implementation Plan
- Scottish Government Fair Work Action Plan
- Scottish Government Child Poverty Delivery Plan
- Scottish Government Disability Employment Action Plan
- Enterprise and Skills Board Strategic Plan
- Place Principle
- Public Health priority five on ‘inclusive economy’
- Ayrshire Regional Economic Partnership recovery and renewal workstreams
- Ayrshire Community Wealth Building Commission workplan

DESCRIPTION OF PROJECT

10. Community Wealth Building is a new people-centred approach to local economic development, which redirects wealth back into the local economy. This project will develop a pan-Ayrshire approach to Community Wealth Building by providing ‘boots on the ground’ to engage and work with Anchor Institutions, private sector businesses and the social economy to support Community Wealth Building activities and deliver an inclusive regional economy. As developed and agreed with regional partners this project will focus on the following CWB pillars: procurement, employment, assets and ownership.
11. The overall aim of the project is: *‘To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.’*
12. The project will deliver this through three key inter-related elements:

Title	Description
CWB Business Locality Officers	<ul style="list-style-type: none"> • Place-based approach to CWB, working in localities to facilitate CWB action across

	<p>public, private, and social economy on procurement, employment, assets and ownership, linking with existing local service delivery.</p> <ul style="list-style-type: none"> • Specific focus on supply chain opportunities, linking to employability pipelines, promote Fair Work, maximise assets including within town centres. • Produce CWB locality Action Plans, sharing of best practice and approaches throughout the region.
CWB Fund	<ul style="list-style-type: none"> • Support the work of CWB locality officers, including but not limited to social enterprise fund, employee ownership transition, workplace innovation, supplier development and capacity building, supporting entrepreneurship.
Fair Work Ayrshire	<ul style="list-style-type: none"> • A dedicated Ayrshire 'Fair Work' resource to engage key employers (including Anchor Institutions) to ensure they recruit inclusively and provide quality and meaningful work. • Develop practical steps with employers to position Ayrshire as a Fair Work region.

13. The project also makes a wider policy ask of Scottish Government to explore how national body and agency spend can be used to support regional economies, particularly fragile regions, and help to achieve an inclusive economy.
14. The funding will enable the delivery of the following headline outputs and outcomes:

What will be delivered – headline outputs	
Unique enterprises receiving support from the CWB Locality Officers and Fund	920
Enterprises receiving financial assistance	265
New enterprises supported	96
Additional businesses registered on PCS	240
Enterprises provided with procurement specialist support	90
Support in the creation or transition of business to employee ownership or cooperative	17
Enterprises accessing plural ownership specialist support	90
Fair Work Action Plans produced	90

15. The project will be delivered through additional people resource at a regional and local level. This includes three CWB Business Locality Officers for each

Council supported by a £1 million CWB Fund (grant and consultancy), and a dedicated Fair Work Ayrshire team comprising of a Manager and two Officers. A Programme Manager will be employed to manage and coordinate the delivery of the programme. This is necessary to ensure a regional approach and to maximise resource across the programme. Specifically, the Programme Manager will ensure the effective governance of the CWB Fund, as well as managing project reporting and performance.

16. The FBC outlines a clear and structured approach to governance and project management. The Project Working Group established to develop the project will become the key vehicle in the delivery and management of the project and will be responsible for reporting to the PMO, Regional Economic Partnership Board and the Joint Committee, as well as preparing quarterly reports to the Ayrshire Community Wealth Building Commission to ensure the project supports the delivery of a holistic approach to Community Wealth Building across the region and provide regular oversight.

FINANCIAL IMPLICATIONS

17. This project is currently profiled to spend a total of £3 million revenue from the Ayrshire Growth Deal funding, as committed by Scottish Government. The financial profile below illustrates the estimated funding to be drawn down over a three year period.

Financial Profile

Financial Years	2021/22	2022/23	2023/24	Total
Revenue	£928,676	£1,014,791	£1,056,533	£3,000,000

18. The actual spend profile will vary across the funding period and will be regularly updated in response to learning and changing circumstances to ensure maximum impact against the project and wider inclusive economy goals.
19. Each of the three authorities will incur costs recoverable from the CWB Officers and CWB Fund. Financial Management arrangements will involve these costs being recorded by each of the three authorities and collated by North Ayrshire Council as project lead authority. The details will be submitted to East Ayrshire Council as lead authority for the Ayrshire Growth Deal by North Ayrshire Council, who will submit financial claims to Scottish Government to allow each authority's costs to be reimbursed as appropriate either via North Ayrshire Council or direct to the three authorities. This process is in line with the financial arrangements between the three authorities as part of the ERDF Business Competitiveness programme.

IMPLEMENTATION PLAN

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

Partners

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

Milestones

DELIVERABLE	STATUS	DUE DATE
Development of draft job descriptions/role profiles	complete	January 2021
OBC approval	Expected from Scottish Government w/c 8 February	February 2021
FBC approval		February 2021
Finalise documentation for £1 million Fund governance		March/April 2021
Recruitment of staff: Programme Manager, CWB Officers, FW Ayrshire Manager		March/April 2021
Staff inductions		May 2021
Formal launch of programme		June 2021
Monthly Project Working Group Meetings		Ongoing
Quarterly reporting to CWB Commission		Ongoing
Reporting to PMO and Ayrshire REP and Joint Committee		Ongoing
Annual Reports		April/May 2022/2023/2024
End of programme/final drawdown		March 2024

Outcomes and Targets

OUTCOME	TARGET	DATE
Employers undertaking Fair Work Action Plans	90	2023/24
Enterprises receiving support from CWB programme	920	2023/24
Enterprises receiving financial assistance	265	2023/24

New enterprises supported	96	2023/24
Enterprises registering on Public Contracts Scotland	240	2023/24
Enterprises supported in creation or transition to employee ownership or cooperative	17	2023/24

Detailed Output table

OUTCOME	TARGET	DATE DUE
No of unique enterprises receiving support from the CWB Locality Officers and Fund Fair Work Action Plans produced 90	920	2023/24
No of enterprises receiving financial assistance	265	2023/24
Amount of financial assistance (grant/consultancy) provided to enterprises	£1,000,000	2023/24
No of new enterprises supported (<12 months)	96	2023/24
No of additional enterprises registered on Public Contract Scotland	240	2023/24
No of enterprises attending 1 to many procurement awareness raising/capacity building workshops	265	2023/24
No of enterprises provided with procurement specialist support	90	2023/24
No of enterprises attending 1 to many 'fair work' related awareness raising/capacity building workshops	240	2023/24
No of enterprises supported in the creation of or transition to employee ownership or cooperative	17	2023/24
No of enterprises attending 1 to many plural ownership workshops	270	2023/24
No of enterprises accessing plural ownership specialist support	90	2023/24
No of Fair Work Action Plans produced	90	2023/24
No of organisations benefiting with Fair Work Action Plan becoming Living Wage accredited	22	2023/24
No of organisations benefiting from Fair Work Action Plan becoming Disability Confident employers	22	2023/24
No of organisations benefiting from Fair Work Action Plan getting involved with apprenticeships for the first time	19	2023/24

Key Project Risks and Mitigations

RISK	MITIGATION
Programme design weaknesses/failure to deliver proposed outputs	<ul style="list-style-type: none"> The project has been developed over a considerable amount of time through a regional Working Group

	<ul style="list-style-type: none"> • Responded to significant Scottish Government feedback across multiple policy areas • Project has learned lessons from pan-Ayrshire ERDF business competitiveness programme which has been recognised as best practice • Robust project management structure outlined within FBC (and previous OBC) management case • Annual report and progress reflection to evaluate progress, what has worked and any issues or changes required
Severe Covid-19 and/or Brexit related recession may achievement of outputs difficult (under-demand)	<ul style="list-style-type: none"> • Closely monitor national developments • Proactive management of risk register by Programme Manager and through Project Working Group • Working Group will review demand over project as a whole • Consider different approaches to engagement or promotion for example a launch event • Conversely, over-demand will be managed by monthly reporting and governance of fund
Project delay and macro-economic impact of Covid-19 and recovery	<ul style="list-style-type: none"> • Early analysis identifies that the need for the project is greater than pre-Covid to support economic recovery and renewal • Continued economic analysis and delivery of wider recovery and renewal plans • Regular monitoring of financial plans and resource implications • Investment in Programme Manager responsible for raising significant issues via the Project Working Group
End of project 'cliff-edge'	<ul style="list-style-type: none"> • Community Wealth Building becoming mainstream approach in region via CWB Commission • Annual reports to explore what has worked and lessons learned • This will inform what can be taken into future service design and external funding bids

DECISION PATHWAY

21. The project has met the decision pathway milestones as follows:

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

LEGAL IMPLICATIONS

22. The legal implications arising from this report are covered through the Agreement between the three partner Ayrshire's Councils. The LA Agreement and Governance Document are attached within Appendices 2 and 3 for reference.

HUMAN RESOURCES IMPLICATIONS

23. Each respective Council is responsible for the recruitment and management of the CWB Business Locality Officers (x9 FTE) in line with their HR Policies and Procedures. The Programme Manager (1 FTE) will be recruited by North Ayrshire Council in line with NAC HR Policies and Procedures. The Fair Work Ayrshire team (3 FTE – one Manager and two Officers) will be recruited by North Ayrshire Council in line with NAC HR Policies and Procedures. A structure and reporting chart is outlined within the FBC.

EQUALITY IMPACT ASSESSMENT

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

CONSULTATIONS

25. Consultation has taken place with the three project partners via the AGD CWB Fund Project Working Group established in May 2019. Engagement has taken place with the North Ayrshire Council Executive Leadership Team as the lead project authority. Consultation has taken place with relevant Scottish Government policy leads and all feedback responded to. In addition, engagement has taken place with Scottish Enterprise including Cooperative Development Scotland and Skills Development Scotland. Community Wealth Building has been subject of presentations and reports to the Regional Economic Partnership in September 2019, June 2020, September 2020 and January 2021. Previous engagement has taken place with the Community Wealth Building Commission.

APPENDICES

Appendix 1: Final Business Case for Community Wealth Building Fund

Appendix 2: Local Authority AGD Agreement

Appendix 3: AGD Government Document

Background Papers:

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

[Deal Document](#), signed by both the UK and Scottish Governments and Ayrshire's Councils on 19 November 2020

Members requiring further information should contact: Julie McLachlan, Senior Manager (Economic Policy) on 07971332909 or juliemclachlan@north-ayrshire.gov.uk

Project Title: Community Wealth Building

Full Business Case (FBC)

Version No: 1

Issue Date: 10 February 2021

VERSION HISTORY

Version	Date Issued	Brief Summary of Change	Owner's Name
Draft	08.02.21	First Draft Version	Julie McLachlan
Draft	08.02.21	Second Draft Version	Julie McLachlan
Draft	10.02.21	Third Draft Version	Stuart MacMillan
Final Draft	10.02.21	Final Draft Version	Julie McLachlan

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2. Logic Models
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1. Executive summary

1.1 Introduction

This FBC seeks approval to deliver a £3 million Ayrshire Community Wealth Building (CWB) Approach that advances the Procurement, Employment, Ownership and Asset CWB pillars across the public, private and social economy in the region, by having ‘boots on the ground’ to work with anchor institutions and businesses (with a range of ownership models) to enhance local wealth.

1.2 Strategic case.

1.2.1 The strategic context

The AGD Heads of Terms (HoT) outlined a £3m fund for an Ayrshire approach to Community Wealth Building. The HoT states the following:

‘The Scottish Government will provide up to £3 million for a regional Community Wealth Building Fund. Community Wealth Building is an approach to delivering local inclusive growth which focuses on the role of key regional “anchor” institutions such as local authorities, health boards, tertiary education bodies and other large employers in supporting and developing the local economy in which they are located (through their role as purchasers, employers, owners of assets, and enablers of wider economic activity).

This investment will be provided through a fund made available regionally, with activity co-designed between the Scottish Government and the new Ayrshire Regional Economic Partnership, with additional input from engaged private sector anchor institutions in the region. This programme will deliver inclusive growth and galvanise the regional economy through initiatives which could include:

- *Development of local skills pipelines to “anchor” employers.*
- *Development of a local SME supplier base with “anchor” employers.*
- *Increased local procurement spend.*
- *Increased support for local entrepreneurship.*
- *Community Asset Transfers.*
- *Levering of private sector funding to support community business and entrepreneurship.’*

Community Wealth Building is a key feature of the Ayrshire Regional Economic Partnership’s Economic Recovery and Renewal Workstreams and indeed of the Ayrshire Growth Deal programme. A key aim of the AGD is to marry business growth opportunities to employment, developing the future workforce and community development, ensuring that all communities can benefit from an inclusive economy. With significant investment agreed through the AGD, the CWB project has a key role in supporting local organisations and individuals to help redirect investment into the local community.

1.2.2 The case for change

Regional inequality across the UK is well documented. The Scottish Government Economic Strategy and recent work by the University of Strathclyde’s Fraser of Allander Institute (FAI) highlights levels

of significant regional inequality in Scotland. The underperformance of the Ayrshire economy provides a strong case for change. Ayrshire has remained persistently behind other regions in Scotland and doing more of the same is not an option.

The regional resilience index included as part of the Advisory Group on Economic Recovery's (AGER) report highlighted that North Ayrshire ranked last in the table of local authorities for regional resilience with a score of around 0.08, East Ayrshire ranked second last with a resilience score of roughly 0.09. South Ayrshire scored better at 0.16, while Edinburgh scored best at 0.48 – the average across the 32 local authorities was 0.186.

In summary, Ayrshire has:

- High levels of deprived areas
- High levels of child poverty
- Low employment rate
- High unemployment rate
- High unemployment for young people
- Low employment rates for females
- Low disability employment rate
- Low GVA
- Low job density
- High numbers earning less than living wage
- High numbers with no qualifications

1.3 Economic case

1.3.1 OBC Short list

A short list of options was identified following establishing the investment objectives:

- a. Do nothing** - Do not focus on any CWB pillars on a pan-Ayrshire basis
- b. Preferred** – Focus on four CWB pillars: Procurement, Employment, Ownership and Assets
- c. Alternative 1** – Focus on all five CWB pillars: Procurement, Employment, Ownership, Assets, Financial Power
- d. Alternative 2** – Focus on one CWB pillar, e.g. Procurement or Employment

1.3.2 The procurement.

There is no procurement for this project

1.3.3 Overall findings: the preferred option

The preferred option was to focus on four CWB pillars through a comprehensive Ayrshire CWB approach.

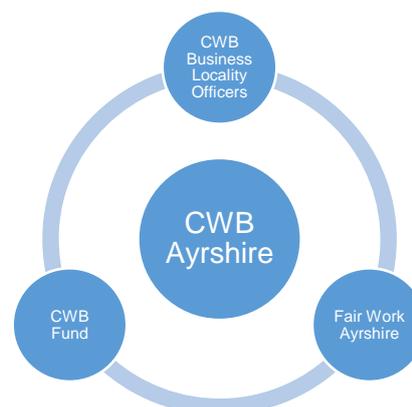
1.4 Commercial case

1.4.1 Agreed products and services

This £3 million project will develop an Ayrshire CWB Approach/Model that advances the Procurement, Employment, Ownership and Asset CWB pillars across the public, private and social economy in the region, by having ‘boots on the ground’ to work with anchor institutions and businesses (with a range of ownership models) to enhance wealth.

The project will achieve this through three key elements:

- **Business Locality Officers** who will work in Ayrshire localities and develop CWB across local organisations and work with anchor organisations
- **Community Wealth Building Fund** to support the work of the Locality Officers and the principles of CWB pillars of procurement, employment, assets and ownership
- **Fair Work Ayrshire** officers who will engage local employers and work with them to improve recruitment processes and provide Fair Work



1.4.2 Key contractual arrangements

Staff will be recruited in line with the respective Council HR Policies and Procedures.

1.4.3 Agreed implementation timescales

This is a three year project, commencing in April 2021.

The high level outputs for the project are listed below, with greater detail provided in Appendix 2:

- 90 Employers undertaking Fair Work Action Plans
- 920 Enterprises receiving support from the CWB programme
- 265 Enterprises receiving financial assistance on procurement, employment, asset or ownership pillars
- 96 New Enterprises supported
- 240 Enterprises being registered on Public Contract Scotland
- 17 Enterprises being supported in the creation or transition to employee ownership or cooperative

1.5 Financial case

1.5.1 Financial expenditure

Table 1: Summary of financial appraisal

Years	21/22	22/23	23/24	Total
Revenue	928,676	1,014,791	1,056,533	3,000,000

1.5.2 Overall affordability and balance sheet treatment

The proposed cost of the project is £3million over three years.

1.6 Management case

1.6.1 Project management arrangements

The project will be managed by North Ayrshire Council as lead authority, with overarching governance by a AGD CWB Fund Project Working Group comprising the three authorities, the Regional Skills and Inclusion Project Lead, with representation from the PMO. The overall project was developed by the Ayrshire CWB Working Group, a sub-group which has delegated authority from the REP to develop the project. In addition to the formal AGD Governance through the REP and Ayrshire Joint Economic Committee, the project will report to the Ayrshire CWB Commission.

1.6.2 Benefits realisation and risk management

The AGD CWB Fund Project Working Group will be responsible for managing risk and benefits realisation. Day to day management will, however, be the responsibility of the Project Lead and Programme Coordinator in North Ayrshire Council with delivery delegated to the three Ayrshire Councils business development teams and a new Fair Work Ayrshire service..

1.6.3 Post project evaluation arrangements

The project will have an annual review process and a final review which will evaluate the project activity and delivery against the agreed objectives.

1.7 Recommendation

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

Signed: JULIE MCLACHLAN

Date: February 2021

**Senior Responsible Owner
Ayrshire Growth Deal Community Wealth Building Fund**

2. Project Description

2.1 What is the project about?

Community wealth building is a new economic model focusing on enhancing wellbeing and inclusion. This project will develop a pan-Ayrshire approach to Community Wealth Building by providing 'boots on the ground' to engage and work with local employers, anchor institutions, private sector businesses and the social economy in developing a greater understanding and delivery Community Wealth Building and widespread commitment to its principles. This project will focus on four of the CWB pillars: procurement, employment, assets and ownership.

2.2 Why is it being undertaken?

It is clear that traditional approaches to economic development have not benefited places like Ayrshire. The Ayrshire region has struggled to adapt to a post-industrial economy, with employment and economic activity indicators faring poorly against Scottish averages along with a persistence of high levels of poverty and inequality. The Community Wealth Building approach offers an alternative mechanism to enhance local wealth and support a fairer and more inclusive local and regional economy.

2.3 How does it fit within the wider deal?

Community Wealth Building is a cross cutting theme for the Ayrshire region and the Ayrshire Growth Deal. The Ayrshire Regional Economic Partnership has endorsed a Community Wealth Building approach and Ayrshire has a Community Wealth Building Commission and Anchor Charter. A key aim of the AGD is to marry business growth opportunities to employment, developing the future workforce and community development, ensuring that all communities can benefit from economic growth. With significant investment agreed through the AGD, the CWB project has a key role in supporting local organisations to help redirect the investment into the local community.

2.4 How it will work

A Programme Coordinator will be appointed to deliver the project, working across the partnership and responsible to the CWB Working Group and Senior Officer in North Ayrshire Council.

The proposal is for three elements to deliver the project:

- **Business Locality Officers** who will work in Ayrshire localities and develop CWB across local organisations and work with anchor organisations
- **Community Wealth Building Fund** to support the work of the Locality Officers and the principles of CWB pillars of procurement, employment, assets and ownership
- **Fair Work Ayrshire** officers who will engage local employers and work with them to improve recruitment processes and provide Fair Work

Further detail of these three elements is provided in the table below:

Table 2: Three elements of the project

Element	What this element will achieve
<i>Business Locality Officers</i>	<ul style="list-style-type: none"> • Place-based approach to CWB, working in localities to facilitate CWB thinking across public, private, and social economy on procurement, employment, assets and ownership, linking with existing local service delivery. • Looking at anchors (including private sector) supply chains opportunities, supplier development, linking to employability pipelines, promote Fair Work and refer to Fair Work project, explore how to maximise assets including within town centres. • Sharing of best practice throughout the region, with measure of activity and programme reports being shared at a locality, local and regional level.
<i>Community Wealth Building Fund</i>	<ul style="list-style-type: none"> • Support place-based CWB activity, and the work of CWB locality officers, including but not limited to social enterprise fund, employee ownership transition, workplace innovation, supplier development and capacity building, supporting locality entrepreneurship. • A programme coordinator would support monitoring and alignment across the CWB programme.
<i>Fair Work Ayrshire</i>	<ul style="list-style-type: none"> • A dedicated Ayrshire 'Fair Work' resource to engage key employers to ensure they recruit inclusively and provide quality and meaningful work. • Targeted support to employers in Ayrshire (including anchor institutions), who have expressed a desire to access support to recruit differently and to provide Fair Work. • Develop practical steps with employers to position Ayrshire as a Fair Work region

2.5 How it will be delivered

As the project is delivered across the Ayrshire region, there will be partnership approach to project delivery. An Ayrshire CWB Working Group has been established to oversee the delivery of the programme, on delegated authority from the Regional Economic Partnership. Each of the Ayrshire local authorities will be responsible for the recruitment and management of the Business Locality Officers. The Programme Coordinator will report to the Senior Manager in the lead authority, North Ayrshire Council.

2.6 Outcomes

The high level outputs for the project are listed below, with greater detail provided in Appendix 3:

- 90 Employers undertaking Fair Work Action Plans
- 920 Enterprises receiving support from the CWB programme
- 265 Enterprises receiving financial assistance on procurement, employment, asset or ownership pillars
- 96 New Enterprises supported
- 240 Enterprises being registered on Public Contract Scotland
- 17 Enterprises being supported in the creation or transition to employee ownership or cooperative

2.7 Who will use it and why

Although there are some Community Wealth Building activities currently operating in Ayrshire, this project will see a step change in activity and, because this is a new approach there is not an available baseline with which to identify demand.

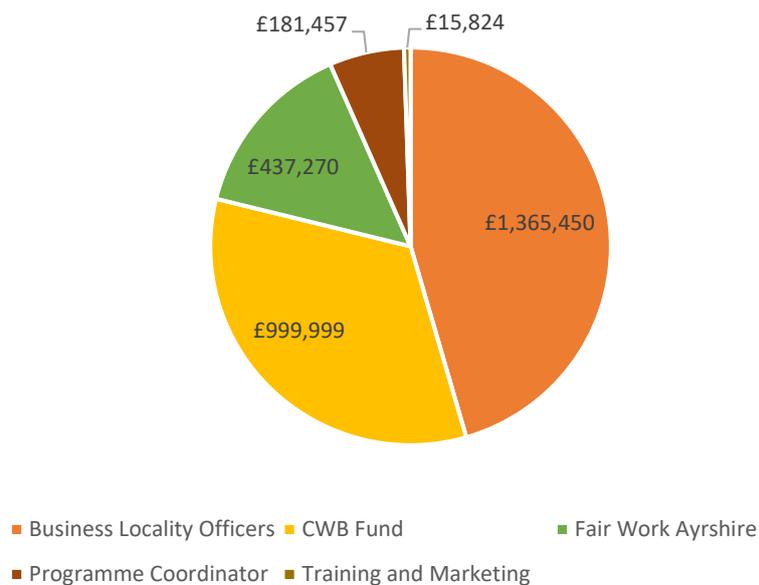
- Having officers in local areas having a presence on the ground will increase the coverage of enterprises to target.
- Several regional Anchor Institutions have committed to CWB and will be engaged in the project.
- The project will link with other AGD projects and create pipeline of referrals and contacts along with referrals from existing services.

In total, the project expects to engage almost 1,000 enterprises through the project.

2.8 The headline financials

The total value of the project is £3million, with spending allocated as below. The full £3million is from Scottish Government.

Chart 1: Project budget profile



3. The Strategic Case

Part A: the strategic context

3.1 Organisational overview

The project will be managed by North Ayrshire Council as lead authority, with overarching governance by a AGD CWB Fund Project Working Group comprising the three authorities.

The project will align with local authority existing resource, including business development teams, employability programmes, regeneration activities, community development and locality/area partnerships, as well as Enterprise Agency resource with SE, Cooperative Development Scotland and Skills Development Scotland all being engaged as part of the project development process. Subject to the agreement of the programme, the Regional Economic Partnership (REP) and the Ayrshire CWB Commission will play key roles in the governance of the programme, receiving quarterly project updates, outlining project highlights, performance and opportunities for wider collaboration.

3.2 Business strategies

The AGD Heads of Terms (HoT) outlined a £3m fund for an Ayrshire approach to Community Wealth Building. The HoT states the following:

‘The Scottish Government will provide up to £3 million for a regional Community Wealth Building Fund. Community Wealth Building is an approach to delivering local inclusive growth which focuses on the role of key regional “anchor” institutions such as local authorities, health boards, tertiary education bodies and other large employers in supporting and developing the local economy in which they are located (through their role as purchasers, employers, owners of assets, and enablers of wider economic activity).

This investment will be provided through a fund made available regionally, with activity co-designed between the Scottish Government and the new Ayrshire Regional Economic Partnership, with additional input from engaged private sector anchor institutions in the region. This programme will deliver inclusive growth and galvanise the regional economy through initiatives which could include:

- Development of local skills pipelines to “anchor” employers.
- Development of a local SME supplier base with “anchor” employers.
- Increased local procurement spend.
- Increased support for local entrepreneurship.
- Community Asset Transfers.
- Levering of private sector funding to support community business and entrepreneurship.’

The CWB programme was added to the HoT by the Scottish Government reflecting some work which had already been initiated by the Government and Ayrshire Councils. The fund was a relatively late addition to the Deal HoT and as such project development is taking place in a shorter space of time in comparison to other projects.

As part of the development of the Ayrshire Regional Economic Partnership, we have rolled out the innovative Inclusive Growth Diagnostic, first piloted in North Ayrshire with the Scottish

Government's Office of Chief Economic Advisor. By rolling this out across the region we have developed a better shared understanding of the constraints and opportunities that could help unlock Ayrshire's inclusive growth potential. The top constraints were identified as: health, skills, structure of the economy and sustainable working age population.

*Chart 2: Ayrshire Inclusive Growth Diagnostic: Identified Constraints and Opportunities (*Note that aspirations and community empowerment were not scored as part of the diagnostic prioritisation due to measurement challenges)*

Economy	Skills	Infrastructure	Social Capital
<ul style="list-style-type: none"> • Sustainable working population • Local jobs • Inward investment • Business support (non-financial) • Structure of the economy (sectors/industries) • Access to finance 	<ul style="list-style-type: none"> • Intermediate & advanced skills • Soft & basic skills (work-readiness) • Basic digital skills • Advanced digital skills/digital innovation 	<ul style="list-style-type: none"> • Digital connectivity • Housing • Business premises • Transport (people to work) • Transport (goods to market) 	<ul style="list-style-type: none"> • Health • Childcare • Aspirations • Community Empowerment

The South of Scotland Business-led Inclusive Growth (2019) report shows Ayrshire has the second lowest level of business-led inclusive growth in Scotland, highlighting a real case for change. The report stated *'Talking with businesses directly and working on the ground in real places are both essential to constructive inclusive growth policy-making'* and recommendations include: *'Grow a regional Business for Inclusive Growth (B4IG) ecosystem that supports existing businesses..., attracts new businesses into the area ('investment-readiness') and enables start-ups to scale up. A social enterprise growth fund belongs here.'*

CWB is an alternative approach to traditional economic development, which seeks to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base.

CWB seeks to use the economic levers available to local authorities and other 'anchor institutions' such as the NHS, further and higher education institutions, and larger private sector organisations, to support their local economies. The Centre for Local Economic Strategies (CLES) define anchor institutions as bringing 'wealth in the form of jobs and supply chains; they are rooted in place and as such are vital to the functioning of our local economies'.

At the centre of the CWB approach there are five pillars for harnessing existing resources. These pillars are:

1. **Procurement** - Progressive procurement develops dense local supply chains of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community owned enterprise.
2. **Employment** - Recruitment from lower income areas, commitment to paying the living wage and building progression routes for workers are all examples of the actions anchor institutions can take to stimulate the local economy and bring social improvements to local communities.
3. **Land and Assets** - Anchors are often major land holders and can support equitable land development and the development of under-utilised assets for community use.

4. **Financial Power** - CWB seeks to increase flows of investment within local economies by harnessing the wealth that exists locally.
5. **Democratic Ownership of the Local Economy** - Cooperatives, mutually owned businesses, SMEs and municipally owned companies enable the wealth generated in a community to stay in that locality.

This project will focus on four of the CWB pillars: procurement, employment, assets and ownership. Based on the evidence reviewed, we believe there is real opportunity for Ayrshire to be a pioneer in the Community Wealth Building approach in Scotland. The three Councils are already embarking on their own CWB journeys but by working together believe we can deliver change across Ayrshire as a whole by working with our shared anchor institutions and via our REP. This will be achieved through taking a pan-Ayrshire approach to shift the culture and approach of traditional economic development to enable and facilitate place based local economic development.

We have taken an evidence-based approach to project development, utilising the findings of two key reports exploring CWB and inclusive growth at the local and regional level:

- Centre for Local Economic Strategies (CLES) Community Wealth Building Diagnostic for North Ayrshire (includes wider AGD recommendations); and
- Professor Alan McGregor’s AGD Inclusive Growth Action Plan (jointly funded by SE and the University of Glasgow).

An evidence-based approach has been taken to ensure any key areas of opportunity and need are met by the fund and to ensure opportunities regarding the wider AGD programme are maximised. Similar to the Regional Skills and Inclusion Programme, the project development approach has sought to utilise the following key questions to designing the fund:

- What does our evidence base (primarily the CLES diagnostic/inclusive growth diagnostic/AGD IG Action Plan) tells us are the most important opportunities and needs surrounding CWB?
- Across these priority areas, where is additional resource most required?
- Across these priority areas, where would additional resource provide better connections to other aspects of the deal?
- Do proposals fit with key priorities of the Scottish Government?

In reviewing these questions, we have considered opportunities for a pan-Ayrshire CWB approach that can be tailored to localities.

CLES Local Wealth Diagnostic – North Ayrshire

CLES conducted this work via their ‘Community Wealth Building diagnostic’. The process involves assessing Community Wealth Building in North Ayrshire across the five pillars. The recommendations articulate what needs to happen next to make the achievement of an inclusive economy and CWB a stronger reality and also makes specific recommendations around the opportunity of the AGD to realise CWB. Recommendations in relation to the AGD are highlighted below, the report also makes wider recommendations for North Ayrshire Council to become a Community Wealth Building Council which are also relevant to the regional project (the full report is available at: www.tinyurl.com/y4v5wkkl).

Table 3: CLES Recommendations

CWB Pillar	Recommendation
Growth Deal	All Growth deal projects should follow the principles of Community Wealth Building.

CWB Council	Anchor Charter agreement for North Ayrshire. Additional possibility for Pan Ayrshire. Create Dedicated oversight of the agenda through an officer who reaches across the council. There is potential for this to be a pan Ayrshire role.
Procurement	Refine procurement analysis through a survey of suppliers and a market supply analysis
Procurement	Assess whether there is capacity for a change of approach to wave planning that enables a deeper market engagement before commissioning. May apply pan-Ayrshire.
Employment/ Workforce	Push anchors to review their corporate workforce policy and planning May apply pan Ayrshire.
Employment/ Workforce	Develop business citizenship through an employment charter or “pledge”. Could be done pan Ayrshire.
Land and Assets	Use council and other anchor assets to develop a ‘deep town approach’ within a locality.
Ownership	Actively build on the social and solidarity economy.
Ownership	Accelerate conversion of family owned businesses to employee ownership.

Covid-19 has further strengthened the rationale and need for CWB and the CLES ‘Own the Future’ report released July 2020 outlines the need to focus on local supply chains and business diversification.

3.3 Alignment with national policies

SG Inclusive Growth Approach

The AGD Inclusive Growth Action Plan and Scottish Centre for Regional inclusive Growth (SCRIG) website outline the Scottish Government’s five inclusive growth outcomes. The table below shows how the CWB project aligns to these outcomes (see Appendix 1 Logic Models for outputs and outcomes).

Table 4: Project links with Inclusive Growth outcomes

IG Outcome	Description	Does CWB project help achieve this? How?
Productivity	Economic growth is resilient, sustainable and inclusive	 <ul style="list-style-type: none"> • More diverse and resilient business base • A vibrant social economy • Improved attractiveness of local places • Skills development and fairer labour market • Economic opportunities spread more widely across the region
Population	Scotland’s population is healthy and skilled	 <ul style="list-style-type: none"> • Skills development and fairer labour market • Improved attractiveness of local places
Participation	Inequality of opportunity to access work is addressed, jobs are fulfilling secure and well-paid, and everyone is able to maximise their potential	 <ul style="list-style-type: none"> • Economic opportunities spread more widely across the region • A vibrant social economy

		<ul style="list-style-type: none"> • Skills development and fairer labour market
People	Economic benefits and opportunities are spread more widely across Scotland's population, with lower poverty levels	 <ul style="list-style-type: none"> • Skills development and fairer labour market • Economic opportunities spread more widely across the region
Place	More equal economic opportunities across Scotland's cities, towns and regions and rural areas, ensuring sustainable communities	 <ul style="list-style-type: none"> • Improved attractiveness of local places • Skills development • Economic opportunities spread more widely across the region • A vibrant social economy

SG Child Poverty Delivery Plan

One of key drivers of child poverty identified by the Scottish Government is 'increasing income from employment'. Feeding into this driver are: hourly pay; numbers of hours worked; skills and qualifications; and labour market. Given the prominence of in-work poverty, the plan states that culture of fair work has to be embedded for employment to be a solution to child poverty – 'In short, parents need to be able to access high quality jobs with a decent rate of pay, good training and support, opportunities to progress, a flexible work environment, and enough hours in work to meet basic family needs'. Fair employment is a key component of CWB.

SG Fair Work Action Plan

The Fair Work Action Plan (2018) outlines measures that SG are developing to advance Fair Work and wider inclusive growth outcomes, recognising the opportunity of Fair Work to drive productivity and enhance wellbeing. One of the Action Plan's broad themes is to 'support employers to adopt Fair Work practices'. Fair Work measures are at the heart of the National Performance Framework (NPF) including employees earning the living wage and gender pay gap. A key focus of the Action Plan is developing a Fair Work benchmarking tool. The project has engaged with the Fair Work policy lead who has agreed to share the development of the tool with the FW Ayrshire project to ensure this projects aligns with the new tool.

Good employment is also a policy focus at the UK level via the Industrial Strategy. The UK Government produced a Good Work Plan in 2018 given that 'technology and wider societal trends are changing how, when and where we work'. Carnegie UK Trust (2018) have developed recommendations on measuring job quality.

Covid-19 has highlighted the importance of a Fair Work approach. The Scottish Government released a Covid-19: fair work statement which was refreshed in July 2020. The statement outlines expectations of how fair working practices should be adopted as the economy continues to re-open. The statement also notes the importance of continued partnership working to get through the coming months and beyond - a partnership that involves business and other organisations across the public, private and third sectors, trade unions and all workers; supported by the advice of the Fair Work Convention. The Fair Work Ayrshire approach will ensure companies recovering from Covid-19 are also undertaking 'renewal' to further embed their Fair Work approach.

SG A Fairer Scotland for Disabled People: Employment Action Plan

The Plan outlines that labour market outcomes for disabled people consistently lag behind those of the wider working population. It sets out the ambition to: ‘To address barriers to employment for disabled people and seek to reduce, by at least half, the employment gap between disabled people and the rest of the working age population by 2038.’ This OBC and the Fair Work Ayrshire element in particular meets several of the drivers particularly ‘Supporting Employers to Recruit and Retain Disabled People’, and drivers outcomes, particularly: ‘Employers are supported to improve employment practices and provide inclusive workplaces’.

Enterprise and Skills Strategic Plan

The Enterprise and Skills Strategic Board’s Strategic Plan (2018) has an underpinning focus on Fair Work and ‘Business Models and Workplace Innovation’ as one of four missions. The Plan has an aim to harness ‘full potential of progressive business models, workplace innovation and fair work to enhance productivity, equality, wellbeing and sustainability’ and recognises the business benefits of fair work. The plan includes recommendations and actions to embed fair work principles across the public sector and increase conditionality within business support (the Fair Work First principle) and also promote innovating workplaces. Employment, procurement and democratic ownership of the economy are key areas of CWB.

Place Principle

The Scottish Government and COSLA have agreed to adopt the Place Principle to help overcome organisational and sectoral boundaries, to encourage better collaboration and community involvement, and improve the impact of combined energy, resources and investment. The principle aims to promote a shared understanding of place, and the need to take a more joined-up, collaborative approach to services and assets within a place to achieve better outcomes for people and communities. The principle encourages local flexibility in responding to issues and circumstances in different places – creating places which are both successful and sustainable. (Scottish Government – Place Principle: Introduction, 2019).

The place principle aligns well with several CWB pillars and the ‘anchor institution’ approach to Community Wealth Building. CWB is about keeping the wealth generated in an economy in the place that it is created, through supporting local enterprise, by developing and investing in assets that can benefit local communities, including exploring different ownership models and by encouraging local employment which helps to keep money circulating in the local economy. The place-based approach to realising and maximising the totality of assets in a place is well aligned.

Public Health Priorities

The Scottish Government and COSLA have agreed six public health priorities for Scotland. These priorities are intended to support national and local partners across Scotland work together to improve healthy life expectancy and reduce health inequalities in our communities. Priority five focuses on the economy: ‘A Scotland where we have a sustainable, inclusive economy with equality of outcomes for all’.

The majority of health differences find their root cause in differences in wealth and income. This recognises the need for whole system collaboration and better integration of national and local activities to improve wellbeing by fixing inequalities upstream (the AGD vision has a focus on local wellbeing). CWB demonstrates the ambition of this policy. It is well documented that social and economic inequalities drive inequalities in health and poverty contributes to poor health. Therefore

initiatives such as CWB that are focused on addressing economic inequalities will over the longer term.

Note on Covid-19 Recovery

The risk register below incorporates Covid-19 associated project risks. It is clear that the current economic crisis has increased the strategic case for CWB with many reports highlights this including the SG Advisory Group on Economic Recovery. This section will summarise the enhanced case for CWB.

The case for CWB in light of Covid-19 has been clearly articulated in a number of recent policy and research reports advocating the need to 'build back better'. This includes the CLES 'Own the Future' report (<https://cles.org.uk/wp-content/uploads/2020/07/Own-the-future-revised-mutuals-copy.pdf>) and which, in particular, highlights the need to enhance the footprint of Anchor Institutions.

This includes:

- Supply chain – understanding the degree to which anchor procurement and commissioning activity can be flexed to support core, key and future growth sectors and create additional opportunities for local businesses and the local workforce.
- Workforce – understanding the scope and profile of anchor workforce strategies to enable the targeting of recruitment and support activity.
- Assets – reviewing anchor asset and property portfolios to determine how they can support local economic recovery.

The CLES report also outlines the benefit of new Community Wealth Hubs – an eco-system of financial, technical and social support will be critical to the growth of generative organisations. This support can be delivered through community wealth hubs, which would repurpose existing business growth hubs and business support services to provide wrap-around support to generative organisations. This reflects the key outputs and outcomes of this projects and indeed what the roles of CWB Business Locality Officers are trying to achieve to some extent.

The Commonwealth and The Democracy Collaborative joint report 'Democratic by Design' notes that to ensure the delivery of CWB as a mainstream recovery strategy, 'the movement needs to be properly resourced and supported, both in terms of local capacity building and policy development at all levels, to scale to the challenges and the demands' (<https://www.commonwealth.co.uk/reports/democratic-by-design>).

The Scottish Government's Advisory Group on Economic Recovery (AGER) report recommends that 'The Scottish Government should support a renewed focus on place-based initiatives, building on lessons learned from initiatives on Community Wealth-Building'.

In addition, the Enterprise and Skills Strategic Board sub-group report on economic recovery actions to support the labour market notes weak demand for labour and a need to build that demand, and specifically mention a focus on shorter supply chains on part of this. It also has a focus on support to specific excluded groups.

The Scottish Government's Economic Recovery Implementation Plan, written in response to the AGER report, includes actions to embed CWB:

- We will accelerate our plans for community wealth building to retain spend within local economies to aid local job creation and drive inclusive growth, working with local partners

to leverage the purchasing power, assets and recruitment practices of our 'anchor institutions' such as colleges, universities and healthcare facilities, for the benefit of local people and businesses. As discussion with the Social Renewal Advisory Board has made clear, community wealth building is a key means to deliver many of our ambitions in Scotland in terms of strong local economies and vibrant communities.

- We will take forward our £3 million commitment to an innovative community wealth building pilot through the Ayrshire Regional Growth Deal, commencing in early 2021; and work with partners to produce community wealth building action plans setting out specific activities to strengthen local economies and engage with national bodies to consider their local impacts across the country. Drawing expertise from the Centre for Local Economic Strategies, we have increased capacity inside Scottish Government to support the roll out of the model in a number of additional areas.

AGD Inclusive Growth Action Plan

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

- Maximising benefits for Ayrshire's business base.
- Maximising benefits for business and people through skills investment.
- Maximising benefits for people – Fair Work.
- Maximising benefits for places/communities.
- Maximising benefits for equalities groups.
- Maximising benefits for AGD as a programme.
- Maximising benefits by building synergies with other services.

Relevant findings and recommendations for the CWB project include:

- At the same time as the AGD is being delivered, all public sector expenditure across Ayrshire has to be reviewed regularly through the prism of how it can contribute more effectively to inclusive economic growth. This must involve working closely with Ayrshire's private and third sectors to maximise their contribution to regional inclusive growth, and with Ayrshire's communities to gain their insights and commitment to promoting inclusive growth where they live. The growing emphasis on Community Wealth Building is a valuable organising framework helping drive this broad agenda.
- Identify, support and promote existing Ayrshire businesses which can act as suppliers into the main contractors on major infrastructure works.
- As the staffing and recruitment plans for the employers begin to firm up, opportunities will be presented to business development officers to discuss Scotland's Fair Work agenda, promote the advantages for businesses and link employers into the services and financial supports that will help them deliver Fair Work.
- Part of Scotland's Fair Work agenda involves improved access to employment opportunities for groups more disadvantaged in the labour market. At this point, connections can be

created between new employer HR departments and, for example, employability officers to promote recruitment from the unemployed, and specific priority groups. There will be opportunities here to create pathways for unemployed people and other priority groups into specific occupational categories with a mix of skills and work readiness interventions.

- Securing benefits for more disadvantaged communities is about more than securing job opportunities in the short term. Businesses can help a number of different ways as noted above, but for this to have a significant impact we need a better understanding of what more disadvantaged communities feel would help move them forward in a broader way. Officers already working with these communities should be in a position to indicate the kind of support from AGD supported businesses that would add social and economic value to these communities.

Alignment to wider Ayrshire Regional Skills and Inclusion Programme

To maximise investment the project has been developed in parallel with the RSIP and as such the Fair Work element meets both CWB ambitions and also the need for a more productive and inclusive workforce in the region. We anticipate a key role for the CWB Business Locality Officers and Fund will be to ensure local enterprises benefit from the AGD spend through supplier development.

Regional Skills and Inclusive Programme summary:

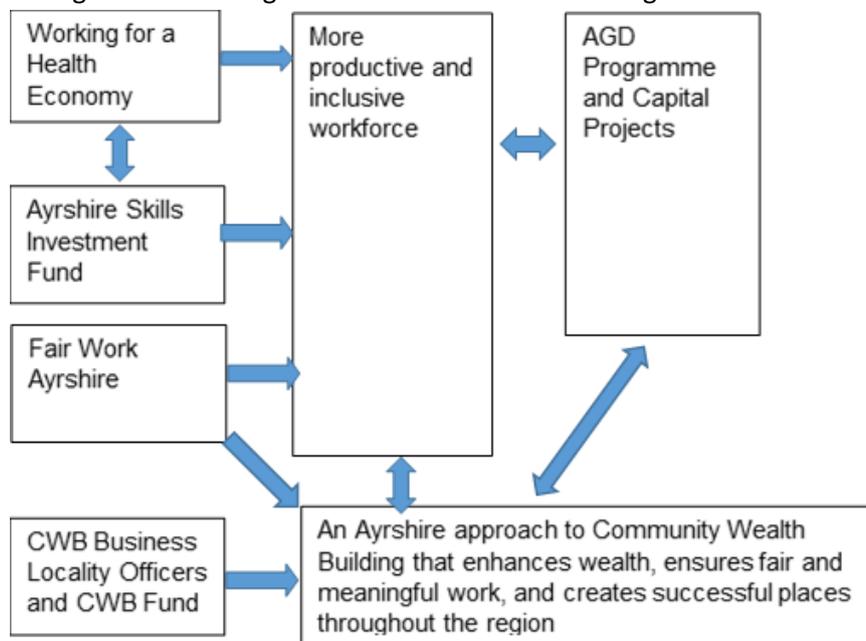
Working for a Healthy Economy – The proposal is for a condition management service which would support unemployed residents with health barriers to work, support employed people in danger of losing their jobs through ill health and support employers to keep people at their work. This aligns well to the employment pillar of CWB. In practical terms, as outlined within the Economic Case, the Fair Work Ayrshire project can work closely with the Working for a Healthy Economy project to identify opportunities for this fund to be utilised to support the delivery of Fair Work – the CWB project can refer to the Working for a Healthy Economy project and the Working for a Healthy Economy project can also identify organisations that also may benefit from the Fair Work Audit and Action Plan approach within Fair Work Ayrshire. The project business case notes the need for close integration with business engagement and support functions to ensure referrals. Working for a Healthy Economy address a key pillar of Community Wealth Building – Fair employment and just labour markets. Health is a key element of Fair Work and as such close links between the CWB project and Working for a Healthy Economy are envisaged in the following ways – CWB Fair Work project will incorporate workforce health issues into considerations when working with business and will make referrals to the Working for Healthy Economy Project And vice versa, we would expect the Working for a Healthy Economy service to engage employers who can subsequently be referred to Fair Work for support to become a Fair Work employer. Working for a Healthy economy will also be promoted through CWB locality business advisors, taking the service to small businesses who could otherwise miss out.

Ayrshire Skills Investment Fund – A skills proposal which would seek flexible and responsive funding to respond quickly to demand for skills provision. This would support responses to – retraining redundant workers, upskilling low paid workers, providing skills and support in response to the needs of inward investors; and could assist in responding to any recommendations arising from the findings of the planned Ayrshire Skills Investment Plan. Again the CWB Fund project will benefit from the relationship to this Fund – for example, Fair Work Ayrshire project beneficiaries could identify areas of support that could be met via the Skills Investment Fund where there is a gap in provision. Ayrshire Skills Investment Fund address a key pillar of Community Wealth Building – Fair employment and just labour markets. Skills are a key element of Fair Work and as such close links between the CWB project

and Ayrshire Skills Investment Fund are envisaged in the following ways – CWB Fair Work project will incorporate skills, equalities and recruitment issues into considerations when working with business and will make generate skills intelligence that can drive development of investments. Those businesses can then tap into the new skills provision developed. And vice versa, we would expect the Ayrshire Skills Investment Fund to support partners to engage employers who can subsequently be referred to Fair Work for support to become a Fair Work employer. Skills and equality issues will also be promoted through CWB locality business advisors, with intelligence gathered from local businesses and companies engaged in recruiting from the residents who will have their skills enhanced.

Whilst the delivery and resource functions of these three projects sit separately in funding terms officers will work across the three complementary projects and also with existing Council services (Employability and Business Development) and partners (SDS, SE, College) to support the realisation of the outcome of a more productive and inclusive workforce (see figure below).

Figure 1: Project alignment with Regional Skills and Investment Programme



Part B: the case for change

3.4 Existing arrangements

This CWB Fund would build on the leading work by partners in Ayrshire in Community Wealth Building. The Ayrshire CWB Commission has agreed a high level workplan in December 2020 and the contents of project will support the delivery of indicative actions as well as achieving specific place-based economic development outputs. The workplan covers procurement, fair employment and land and assets, with the Anchor Charter and the AGD CWB Fund as key enablers for the joint work of the Commission. The Ayrshire CWB Commission agreed Scotland’s first Anchor Charter in September 2020, this was published in October 2020 as part of Challenge Poverty Week and is available here: <https://www.north-ayrshire.gov.uk/news/Charter-marks-major-step-forward-in-Community-Wealth-Building-journey.aspx> Proposals for an Anchor Network led by the Commission

will be developed further over coming months and partners have submitted an expression of interest to the Health Foundation leverage additional funding.

Procurement, business support, employability and skills, social enterprise and regeneration are all parts of existing local authority service delivery. There was no holistic approach to Community Wealth Building as part of the existing relationships until the agreement of the CWB Commission workplan in December 2020 which includes the AGD CWB Fund to catalyse and accelerate regional CWB ambitions.

To further support CWB, the 3 Ayrshire Councils now have individual access to further data from Spikes Cavell, called Grow Local. Each council has a dataset that provides information on all businesses within their own council area. The NAC Procurement team have started to analyse and validate the NAC dataset, as well as working to combine and analyse the three individual Ayrshire Grow Local datasets. The outcome will be a list of all Pan Ayrshire businesses that can be used to identify potential new suppliers, as well as categories of spend where there are currently no local/Pan Ayrshire businesses.

North Ayrshire Council launched Scotland's first CWB strategy in May 2020 which is available at: <https://www.north-ayrshire.gov.uk/council/community-wealth-building.aspx>

3.5 Business needs

Although there are some Community Wealth Building activities currently operating in Ayrshire, this project will see a step change in activity and, because this is a new approach there is not an available holistic CWB baseline with which to identify demand. The strategic case of the Outline Base Case for this project demonstrated baselines for local procurement spend, Living Wage Accreditation, Disability Confident, Scottish Business Pledge and social enterprises.

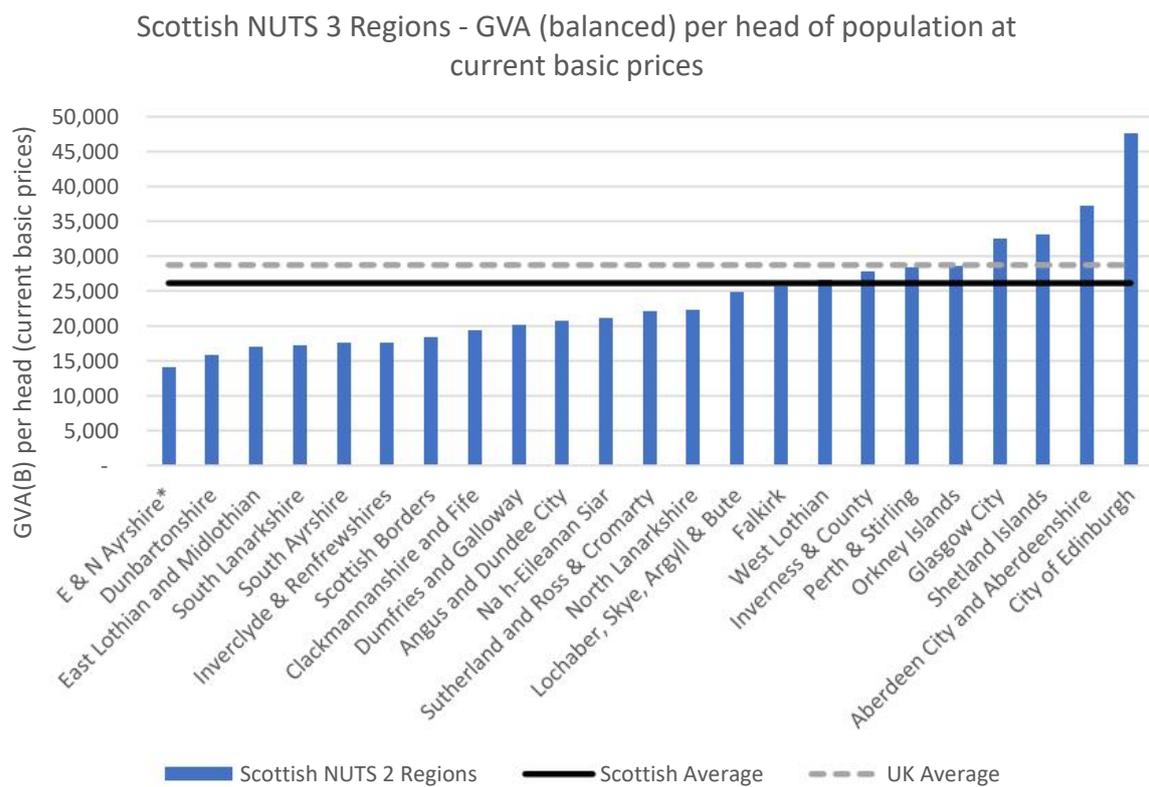
In total, the project expects to engage almost 1,000 enterprises through the project.

Socio-economic profile

Regional inequality across the UK is well documented. The Scottish Government Economic Strategy and recent work by the University of Strathclyde's Fraser of Allander Institute (FAI) highlights levels of significant regional inequality in Scotland.

The underperformance of the Ayrshire economy provides a strong case for change. Ayrshire has remained persistently behind other regions in Scotland and doing more of the same is not an option.

Chart 3: Scottish NUTS 3 Regions GVA (balanced) per head of population at current basic prices¹



Ayrshire has struggled to adapt to a post-Industrial economy and despite areas of strength, current performance levels are poor and there remain significant challenges for the Ayrshire region including disparities within the region and between groups.

¹ The names of some the NUTS 2 regions have been abbreviated due to spatial limitations.

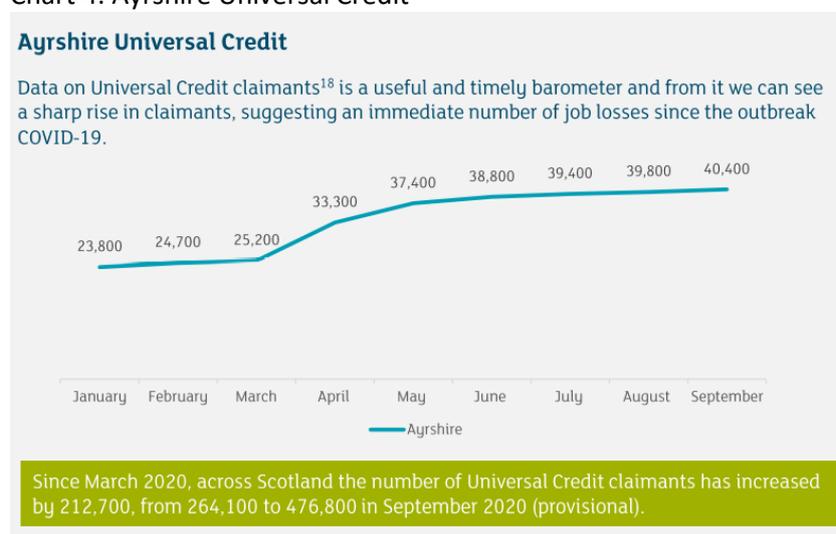
*Please note that the E & N Ayrshire Region refers only to the mainland of East and North Ayrshire; Arran and the Cumbraes are included in the Lochaber, Skye, Argyll & Bute data-zone.

Table 5: Key Socioeconomic indicators for Ayrshire and Scotland^{2,3}

	Ayrshire	Scotland
Population	369,000	5,463,300
Population Change 2018-2043	-28,400 (-7.7%)	+136,700 (+2.5%)
Share of national data zones in 10% most deprived	20.7%	100%
% of children living in poverty	27.7%	24%
Employment Rate	72%	75%
Unemployment Rate	4.5%	3.3%
Unemployment Rate (aged 16-24)	9.5%	9.6%
Economic Inactivity Rate	25%	23%
Female Employment Rate	68%	72%
EA core or Work-limited disabled employment rate	48%	50%
Total GVA	£4,826m (2020)	£142,121m (2018)
GVA per job	£29,517 (2020)	£53,866 (2018)
Number of businesses	10,015	177,075
Growth sector businesses	4,270	81,940
Job density	0.57	0.82
Business expenditure on R&D per head	£55	£248
Full-time gross weekly wages of residents (median)	£589.70	£577.70
Full-time gross weekly wages of workers (median)	£565.03	£576.70
% of employees earning less than the Living Wage	13.4%	15.2%
% of those with no qualifications (aged 16-24)	4%	8%

SIMD statistics released in January 2020 show 30% of Ayrshire's data zones are in 20% most deprived in Scotland (SIMD Index 2020).

Chart 4: Ayrshire Universal Credit



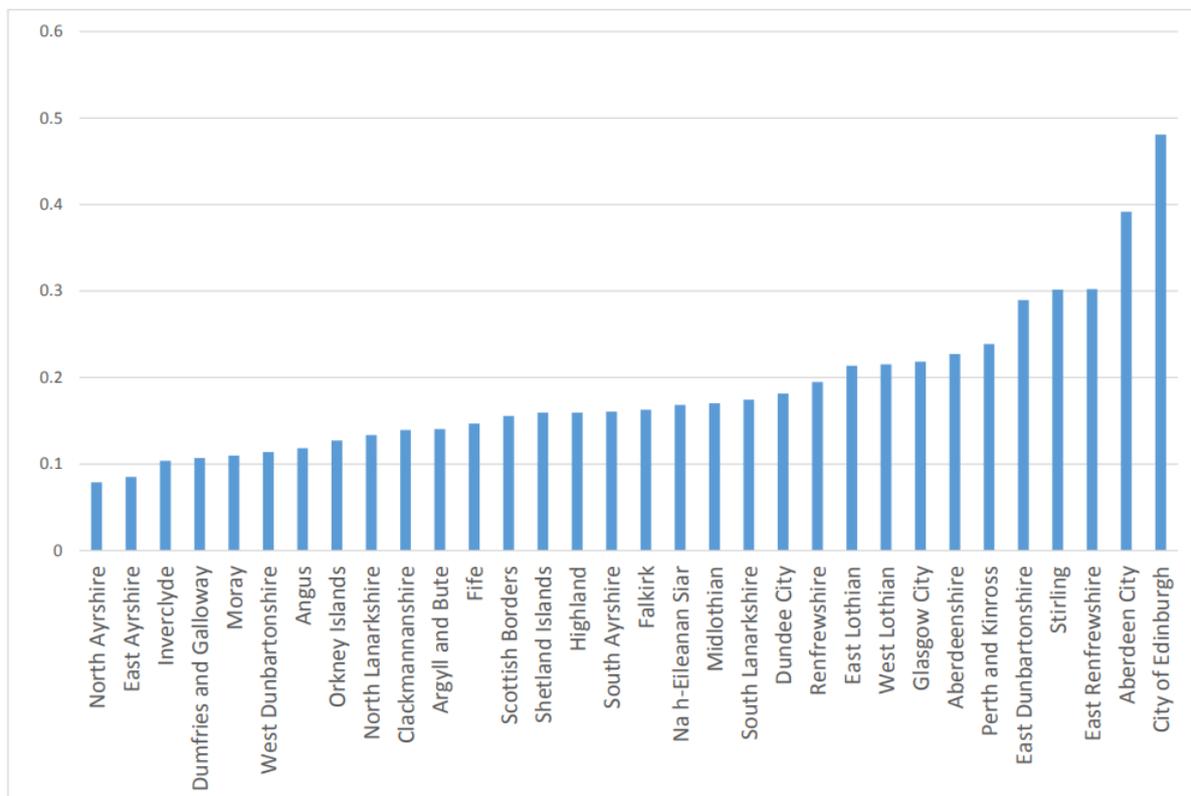
² Sources: ONS (2020) & ONS (2019), NOMIS (2020), Scottish Government (2020), RSA Data Matrix (2020), End Child Poverty (2020) & National Records of Scotland (2020)

³ Data caveats: 1) Some values, especially with reference to the Ayrshire region, had to be manually calculated due to data availability constraints. 2) Some of the values listed are for 2019, but the latest available data is used for all indicators. 3) GVA for Ayrshire region was drawn from RSA (2020) analysis and Scottish GVA was drawn from ONS (2019) data.

Scottish Government Advisory Group on Economic Recovery – Towards a robust, resilient wellbeing economy for Scotland (22 June)

- An interesting piece of original analysis included in the “Benny Higgins” report was the regional resilience index. North Ayrshire ranked last in the table of local authorities with a score of around 0.08, East Ayrshire ranked second last with of resilience score of roughly 0.09. South Ayrshire scored better at 0.16, while Edinburgh scored best at 0.48 – the average across the 32 local authorities was 0.186.
 - The index considers pre-crisis characteristics regarding the business base, existing deprivation and income levels, digital connectivity and productivity – factors which are likely to make areas more resilient to shocks. It does not account for the relative severity of the impacts that regions will face, for example due to sectoral exposure.

Chart 5: Index of Regional Resilience



In summary, Ayrshire has:

- High levels of deprived areas
- High levels of child poverty
- Low employment rate
- High unemployment rate
- High unemployment for young people
- Low employment rates for females
- Low disability employment rate
- Low GVA
- Low job density
- High numbers earning less than living wage
- High numbers with no qualifications

In terms of more specific Community Wealth Building performance, we can look closer at local procurement spend, those paid below real living wage, and social enterprise growth across the three local authorities.

The Scottish average local procurement spend has fluctuated at around a quarter of total spend over the last 5 years, showing an increase in local spend over the last 2 years. All the Ayrshire authorities have local procurement spend below the Scottish average and have had so consistently over the five year period.

There should be considerable scope for all three local authority areas to increase local spending to at least the Scottish average.

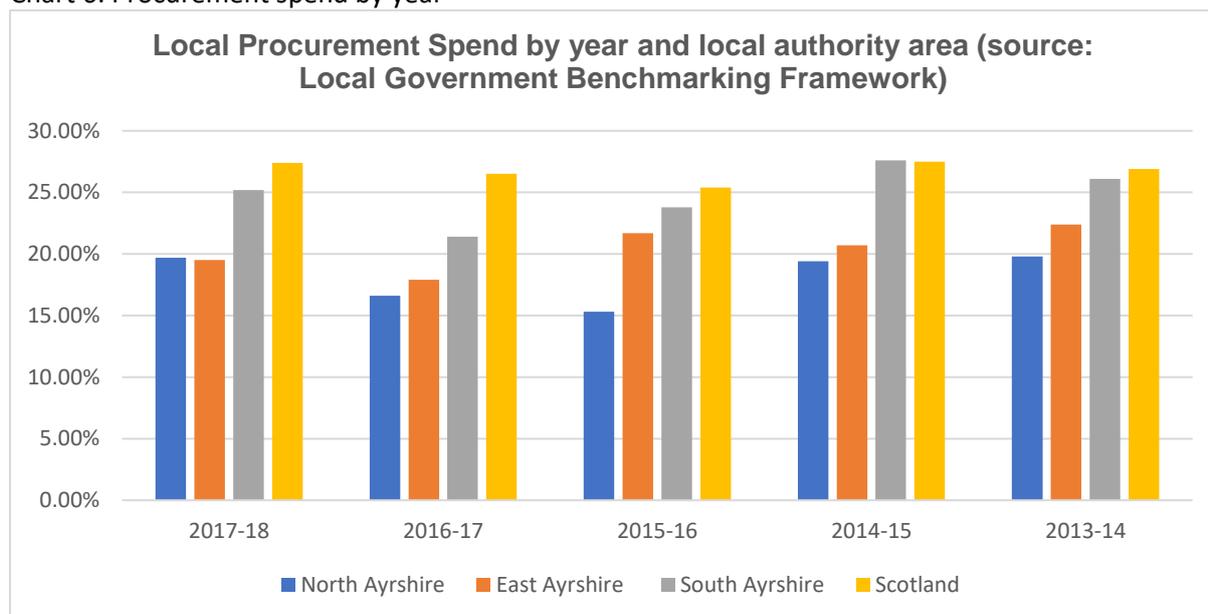
(Notes on figures below: There is significant spend where the proximity is blank. Quick scan of the suppliers with a blank indicates that they probably should be better classified. Scottish Govt have also provided figures on spend for large supplier and SMEs. The figures show that the majority of spend with large suppliers is outside of Ayrshire. The figures when broken down also highlight that the percentages go up when just including SMEs.)

Table 6: Procurement spend by local authority

Percentage of Spend where we Know Location						
Council	All					
Proximity	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Elsewhere	£4,161,449,547.88	£4,170,196,382.71	£4,506,385,296.74	£4,704,796,621.45	£4,712,100,341.62	£4,840,165,123.69
% Elsewhere	72.28%	72.48%	73.28%	72.99%	72.24%	71.17%
Local	£1,596,169,227.42	£1,583,158,198.99	£1,643,150,828.64	£1,741,354,184.24	£1,811,124,130.38	£1,960,410,510.86
% Local	27.72%	27.52%	26.72%	27.01%	27.76%	28.83%
(blank)	£111,928,290.04	£87,668,336.56	£60,680,389.06	£85,119,867.16	£55,168,090.91	£102,942,117.66
Grand Total	£5,869,547,065.34	£5,841,022,918.26	£6,210,216,514.44	£6,531,270,672.85	£6,578,392,562.91	£6,903,517,752.21
Council	East Ayrshire Council					
Proximity	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Elsewhere	£91,884,369.76	£107,470,353.09	£99,486,300.86	£119,896,837.72	£122,509,385.85	£146,961,159.22
	76.77%	78.53%	77.47%	81.23%	80.53%	82.28%
Local	£27,796,597.36	£29,390,707.15	£28,934,762.40	£27,704,578.13	£29,628,106.83	£31,651,848.25
	23.23%	21.47%	22.53%	18.77%	19.47%	17.72%
(blank)	£657,208.06	£741,454.97	£37,401.00	£46,755.00		£70,818.22
Grand Total	£120,338,175.18	£137,602,515.21	£128,458,464.26	£147,648,170.85	£152,137,492.68	£178,683,825.69
Council	North Ayrshire Council					
Proximity	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Elsewhere	£124,396,445.52	£132,674,553.92	£151,868,843.28	£143,451,915.47	£143,689,822.36	£157,883,927.42
	81.77%	81.89%	85.12%	83.94%	80.23%	82.57%
Local	£27,735,328.15	£29,335,712.57	£26,540,082.62	£27,445,590.43	£35,399,248.59	£33,322,860.49
	18.23%	18.11%	14.88%	16.06%	19.77%	17.43%
(blank)	£899,935.38	£2,580,175.45	£4,194,566.41	£3,925,048.22	£1,817,937.09	£2,846,194.25
Grand Total	£153,031,709.05	£164,590,441.94	£182,603,492.31	£174,822,554.12	£180,907,008.04	£194,052,982.16
Council	South Ayrshire Council					
Proximity	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Elsewhere	£97,510,600.98	£90,351,735.93	£116,392,935.75	£132,964,946.85	£110,329,036.79	£115,439,275.83
	75.40%	74.43%	77.10%	79.12%	74.09%	73.40%
Local	£31,812,604.91	£31,041,228.93	£34,573,796.92	£35,098,463.39	£38,590,177.18	£41,837,244.29
	24.60%	25.57%	22.90%	20.88%	25.91%	26.60%
(blank)	£660,490.21	£1,195,943.23	£52,992.78	£991,465.64	£2,346,216.78	£2,352,821.33
Grand Total	£129,983,696.10	£122,588,908.09	£151,019,725.45	£169,054,875.88	£151,265,430.75	£159,629,341.45

(Source: Scottish Government Procurement Team)

Chart 6: Procurement spend by year



(Source: LGBF, 2017/18 data)

Scotland has seen a slight reduction in employees being paid below the Real Living Wage between 2016 and 2018. All the Ayrshire authorities are consistently above the Scottish average. Again, there appears to be scope to get the Ayrshire authorities to at least the Scottish average over the next few years.

Table 7: Employees paid below the Real Living Wage 2016 and 2018

Year	North Ayrshire	East Ayrshire	South Ayrshire	Scotland
2018	24.3%	26.2%	22.6%	19.4%
2017	21.4%	23.1%	23.9%	18.4%
2016	27.1%	26.1%	28.6%	20.1%

(Source: Employees being paid below the Real Living Wage Rate by local authority area and Scotland, ONS ASHE)

The average net change in social enterprises 2015-19 in Scotland was +11 so most of Ayrshire performs relatively well but there is scope to improve this across the region as whole and bring the regional average of +17% even further above the Scottish average rate of growth.

Table 8: Net change in social enterprises 2015-19

	Number of social enterprises	% share of all social enterprises	Social enterprises per 10,000 people	Net change (2015-17)
East Ayrshire	76	1.3%	6	+7
North Ayrshire	117	1.9%	9	+19
South Ayrshire	85	1.4%	8	+24

(Source: Social Enterprise Census 2019)

It is useful also to reflect on the numbers of Ayrshire organisations that are Living Wage Accredited and signed up to the Scottish Business Pledge. There are 102 accredited Living Wage employers in Ayrshire (source: Living Wage Foundation, note: only the employers that have publicly announced their accreditation will appear on this list. This does not include data on employers that are working towards accreditation).

There are currently 50 Scottish Business Pledge businesses in Ayrshire: 20 in North Ayrshire (0.6% as share of total businesses) and 15 in East Ayrshire and South Ayrshire (0.4% as share of total businesses for each area) (source: Scottish Government, note: this number is rounded to five given the small numbers).

There are currently 80 Disability Confidential employers in Ayrshire (North – 28, South – 29, East – 23) (source: Ayrshire DICE).

(Figures as at January 2020)

3.6 Main risks

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

For further details, please see the attached risk register.

Table 9: main risks and counter measures

Main Risk	Counter Measures
<p>Objectives & Project Outcomes Risks</p> <p>Failure to deliver anticipated outputs and outcomes.</p>	<p>Working Group established May 2019 chaired by project lead. SG policy lead workshop Sept 2019. SE and SDS briefed on project. REP briefed September 2019 and February 2020. Regional Working group with revised ToR for delivery. Project updates to REP and Joint Committee. Establishment of Ayrshire CWB Commission, agreed remit, governance and workplan. Build on successful regional working from ERDF project. Robust project management structure outlined within OBC management case.</p>
<p>Schedule / Timescales Risks</p> <p>Delays to overall project programme and key milestones.</p>	<p>Prepare a detailed project programme with considered time allowances and review regularly. Retain under continuous review to respond to Covid-19. Ensure finance profile is as accurate as possible, balancing need and timing of resource. Robust project management structure outlined within OBC management case.</p>
<p>Operational Risks</p> <p>Implementation: Ability to deliver programme at regional level</p>	<p>Learn lessons from ERDF business competitiveness fund. Project Coordinator factored into programme. Working group with revised ToR for delivery. Project updates to REP and Joint Committee. Establishment of Ayrshire CWB Commission, agreed remit, governance and workplan. Robust project management structure outlined within OBC management case.</p>

3.7 Constraints

No significant constraints have been identified for the project.

3.8 Dependencies

No significant project dependencies have been identified, however, the project will benefit from a strong referral process from local partners and close integration with other Ayrshire Growth Deal projects.

4. The Economic Case

4.1 Introduction

This Economic Case outlines the costs and benefits of the preferred option and its associated components in further detail.

4.2 Short-listed options

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

1. **Do nothing** - Do not focus on any CWB pillars on a pan-Ayrshire basis
2. **Preferred** – Focus on four CWB pillars: Procurement, Employment, Ownership and Assets
3. **Alternative 1** – Focus on all five CWB pillars: Procurement, Employment, Ownership, Assets, Financial Power
4. **Alternative 2** – Focus on one CWB pillar, e.g. Procurement or Employment

4.3 Options appraisal

Preferred option

The preferred and agreed option at OBC stage was as option 2. An options appraisal was undertaken for these options in terms of advantages and disadvantages and presented in the following table:

Table 10: Advantages and Disadvantages of short list options

	Do Nothing	Preferred	Alternative 1	Alternative 2 (if required)
Description	<i>Do not focus on any CWB pillars on a pan-Ayrshire basis</i>	<i>Focus on four CWB pillars: Procurement, Employment, Ownership and Assets</i>	<i>Focus on all five CWB pillars: Procurement, Employment, Ownership, Assets, Financial Power</i>	<i>Focus on one CWB pillar: e.g. Procurement or Employment</i>
Advantages	<ul style="list-style-type: none"> • No funding required • No need for regional approach 	<ul style="list-style-type: none"> • Procurement and employment recognised via reports as being biggest opportunity • Need identified across these pillars • Coherent approach across four pillars – sum of parts • Limited funding required 	<ul style="list-style-type: none"> • Coherent approach covering all five pillars – sum of parts 	<ul style="list-style-type: none"> • Limited funding required • Focused approach • Many areas in UK have started by focusing on procurement only

	Do Nothing	Preferred	Alternative 1	Alternative 2 (if required)
		<ul style="list-style-type: none"> Financial pillar can be covered in some way by the CWB fund dedicating resource to non-traditional business models Focused approach 		
Disadvantages	<ul style="list-style-type: none"> No impetus for regional working 	<ul style="list-style-type: none"> More difficult to coordinate than focusing on one or two pillars Does not comprehensively cover financial pillar More costly than focusing on one pillar Limited funding 	<ul style="list-style-type: none"> Evidence that financial power is a more difficult to make decisive change on and a longer term objective Limited funding 	<ul style="list-style-type: none"> Missed opportunity for more coherent focus regional focus across pillars
Conclusion	This option has been discounted.	This option moves forward as the preferred option.	This option has been discounted.	This option has been discounted.

4.4 Overview of the programme

Table 6 summarises the three elements of the programme.

Table 11: Overview

Title	Description	Cost
CWB Business Locality Officers	<ul style="list-style-type: none"> Place-based approach to CWB, working in localities to facilitate CWB thinking across public, private, and social economy on procurement, employment, assets and ownership, linking with existing local service delivery. Looking at anchors (inc private sector) supply chains opportunities, supplier development, linking to employability pipelines, promote Fair Work and refer to Fair Work project, explore how to maximise assets including within town centres. This could include focus on AGD sites and end users. Producing locality CWB Action Plan and promote business-led inclusive growth. 	£1,365,450

	<ul style="list-style-type: none"> Sharing of best practice throughout the region, with measure of activity and programme reports being shared at a locality, local and regional level. 	
CWB Fund	<ul style="list-style-type: none"> Support place-based CWB activity, and the work of CWB locality officers, including but not limited to social enterprise fund, employee ownership transition, workplace innovation, supplier development and capacity building. Grant and consultancy based fund (similar to current ERDF arrangement but with CWB criteria). 	£1,000,000
Fair Work Ayrshire	<ul style="list-style-type: none"> A dedicated Ayrshire 'Fair Work' resource to engage key employers to ensure they recruit inclusively and provide quality and meaningful work. Targeted support to employers in Ayrshire (including anchor institutions), who have expressed a desire to access support to recruit differently and to provide Fair Work. These employers would benefit from: <ul style="list-style-type: none"> A Fair Work Audit – How inclusive is their current workforce? What issues are there with progression and retention? How could they improve that? What do they need from external agencies to help? Drive recruitment from excluded groups – working alongside existing employability initiatives in the region and the Regional Skills and Inclusion Programme. Help to develop 'Fair Work' policies and practice in partnership with employers and position Ayrshire as a Fair Work region. 	£437,270
CWB Project Manager/Coordinator	<ul style="list-style-type: none"> Pan-Ayrshire CWB coordinator for the programme. 	£181,457 + £15,824 marketing and training budget for CWB programme
	Total Cost:	£3,000,000

Policy ask: The project also makes a wider policy ask of Scottish Government to explore how national body and agency spend can be used to support regional economies, particularly fragile regions, and help to achieve inclusive growth. Scottish Government should work with local and regional partners in Ayrshire, including NHS Ayrshire and Arran, Police Scotland, Scottish Fire and Rescue and Scottish Enterprise to implement the findings.

4.4.1 CWB Business Locality Officers

Logic Model with activities and outputs set out within Appendix 1. Draft targets are outlined in Appendix 2. Final targets/outputs will be agreed via the Working Group.

The number of officers would ensure a consistent number of officers across each local authority reflecting the similar populations across Ayrshire. The grading of posts aligns to current business advisor type role grading.

Table 12: Cost of Business Locality officers

		FTE	2021/22	2022/23	2023/24	Totals
Business Locality Officers	Grade 10	9.0	428,599	454,365	482,486	1,365,450

Cost assumptions are set out within the Financial Case.

4.4.2 CWB Fund

Logic Model set out within Appendix 1. Targets are outlined in Appendix 2 and a financial break down within the financial case.

Criteria for fund will be agreed by the Working Group during the production of reporting and monitoring documents which will build on ERDF governance documents and will be in line with the project activities supported by CWB Business Locality Officers and outlined within the comprehensive logic chain, for example:

- Support business to enhance capacity and skills to bid for contracts
- Support business to explore alternative use for existing under-used assets, including within town centres
- Support business to transition to employee ownership
- Support social enterprise business planning
- Support workplace innovation and staff development
- Support organisations to explore the creation of a community enterprise or cooperative

4.4.3 Fair Work

The Fair Work Convention described fair work as ‘work that offers all individuals an effective voice, opportunity, security, fulfilment and respect’.

Fair Work Ayrshire which would see the establishment of a service to offer practical advice and support to anchor institutions and businesses across the regional, in order that they can offer more fair and meaningful work.

The need for investment in fair work:

- Lack of Fair Work holds back inclusive growth
- Demand needs to be addressed alongside supply

- Despite political imperative, the case for fair work still needs to be made
- In-work poverty is the big story of child poverty
- Poor labour market outcomes for excluded groups particularly those with a disability and health barriers
- Poverty rates remain higher for families in which somebody is disabled compared to those without (see Poverty and income inequality in Scotland: 2015-2018)
- Fair work positively associated with productivity and wellbeing

A recent report from JRF and the University of Strathclyde found that:

- There is a need to build on existing resources and tools that can help employers gain a better understanding of employees' financial wellbeing and/or experiences of in-work poverty.
- Business support services and other influencers need to help employers weigh the costs and benefits of taking action on low pay, and especially help business leaders to 'design in' decent pay and fair work at the early stages of their business's development.
- There is a strong business case for individual employers to act on low pay and in-work poverty, including improved recruitment and retention, increased employee performance and reputational gains with customers. For example, a number of key stakeholders and case study employers argued that the business case for addressing low pay and in-work poverty risk is perhaps strongest when engaging employers on how best to maximise discretionary effort and innovation among staff. (Report available at: <https://www.jrf.org.uk/report/influencing-employers-so-more-people-break-free-poverty-through-work>)

As noted, the business benefits of fair work are clear. The Fair Work Convention note that progressive workplace policies improve productivity and innovation (<https://www.fairworkconvention.scot/>). The Enterprise and Skills Board state that 'Fair Work is increasingly recognised as a crucial component in delivering high performing and innovative work places'. The Strategic Plan also includes further evidence from IPPR and JRF: 'While Scotland's leading firms are as productive as elsewhere, we have a long tail of lower performing business with considerable opportunities for productivity growth through adopting enhanced management practices and better utilisation of workforce skills (IPPR). Firms also often have a poor understanding of productivity and of the links between wages and productivity (Joseph Rowntree Foundation)' (Enterprise and Skills Board Strategic Plan). As such, there is a clear business case for investment in fair work for employers.

The Centre for Progressive Policy (<https://www.progressive-policy.net/publications/the-good-life-the-role-of-employers>) highlight that there is evidence linking good work and productivity:

- Focus on staff health and wellbeing = better health, lower inactivity, presenteeism and higher performance
- Career progression and training = higher quality output

The offer

- The 'Fair Work Ayrshire' service would offer expert advice and ongoing support that would allow employers to embark on an approach to fair work at low risk.

- The 'Fair Work Ayrshire' service can provide modelling for business to demonstrate how fair work could benefit their business. Monitoring systems could be established to ensure the business can fully evidence the impact of the decisions it takes.
- The 'Fair Work Ayrshire' service will work with each business to develop a SMART Fair Work Action Plan.
- The 'Fair Work Ayrshire' service will provide HR expertise, providing options for new approaches and explaining the pros and cons.
- The 'Fair Work Ayrshire' service will equip businesses with new approaches to recruit and retain staff in a competitive market.

The model

The premise of the 'Fair Work Ayrshire' service is that employers need more than encouragement and incentives in order to offer more Fair Work – they need practical guidance and support. Employers will include local and regional anchors, for example could include NHS Ayrshire & Arran, and businesses.

Our proposal is that a modular service is offered at a pace that suits the employer. A clear process would be followed, however every element would be individualised to the needs of that business. An overview of the model is set out below.

Fair Work Audit

Employers would provide data on their workforce and this would be analysed and written up into a workforce demographic report. The Audit will build on the SG/Fair Work Convention FW Self-Assessment Benchmarking tool and use this as a starter (<https://www.fairworkconvention.scot/fair-work-convention-self-assessment-tool/>). The report would look at issues such as –

- What is the gender balance of the workforce?
- How representative of the general population is the workforce?
- Which groups are under-represented, particularly health/disability?
- What is the age profile of the workforce?
- Where do the workforce live?

Policy and practice audit

The Fair Work team would look at current approaches to –

- Recruitment
- Progression
- Wages
- Health and Wellbeing

Prioritisation workshop

This report would form the basis of a workshop with Senior Management of the business, whereby discussion would take place to understand better the issues currently, how these impact the business and therefore what challenges could become priorities for action. Issues will be prioritised for action using a matrix. A high level overview of this is set out below for illustrative purposes.

Figure 2:

<p><u>Low deliverability</u></p> <div data-bbox="408 521 727 584" style="border: 1px solid black; padding: 2px; margin: 10px auto; width: 200px;">Lack of local workers</div> <div data-bbox="331 660 651 723" style="border: 1px solid black; padding: 2px; margin: 10px auto; width: 200px;">Gender segregation</div>	<p><u>High deliverability</u></p> <div data-bbox="1121 656 1390 719" style="border: 1px solid black; padding: 2px; margin: 10px auto; width: 150px;">Ageing workforce</div>
<p><u>Low impact</u></p>	<p><u>High Impact</u></p>

In using this matrix, the objective would be to identify issues which is addressed would be high impact and highly deliverable. The objective is also to be realistic about what individual businesses can do.

From this analysis, the output of the workshop would to identify a number of priorities for short, medium and long-term action.

Options analysis

The Fair Work Ayrshire service would then take the priorities identified for the business and produce a report on the options that could be considered to address these issues. This would avoid the business needing to consider the swathes of different programmes available or different approaches to solve the issues that could be considered.

Workshop 2 – options analysis and development of SMART Action Plan

All the available options would be considered, with the Fair Work Ayrshire service supporting the business to consider its options. The key output from this stage, would be a simple and SMART action plan. The business would have ownership of the Action Plan but the “Fair Work Ayrshire” service would commit resources to ensure that support is provided to put these commitments into action. The project can identify support needed and refer to various programmes locally, regionally or nationally, for example:

- Employability pipelines
- Supported employment programmes
- Working for a healthy economy (AGD)
- Regional Skills Fund (AGD)

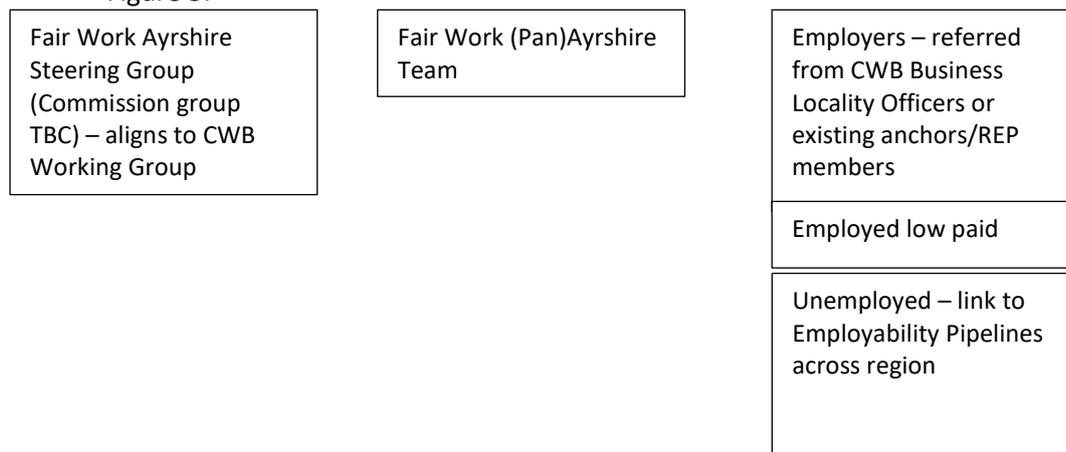
- National agency programmes for example SE Workplace Innovation and Skills Development Scotland support, support via the FW Action Plan and encouragement of Fair Work First practices
- Business development support
- CWB Business Locality Officers and CWB Fund

Ongoing support and review

The Fair Work Ayrshire service would provide ongoing support as agreed in the Action Plan and would review progress jointly with the business on a quarterly basis for a year. At the end of the year, an exit strategy would be agreed, with the expectation being that businesses will be able to continue with key initiatives without significant support. Best practice will be showcased in partnership with Locality Officers and considered as part of the Annual Report.

Delivery Overview

Figure 3:



This work could link to the EAC CPP commitment to working towards Kilmarnock becoming a Fair Work Town by 2025. It will also align to the CWB Anchor Charter being developed by NAC.

Figure 4: Lessons Learned from Glasgow City Deal In Work Progression Pilot

Officers from the AGD CWB Fund have met with the project lead for the GCR in work poverty pilot to learn lessons from this project. This included reviewing the findings of the formal evaluation process.

Key learnings that have informed the FW Ayrshire project are as follows:

- Integrating business and employee development is effective. Businesses can make operational savings which can be invested in staff development. This means that the FW Ayrshire project should work closely with the CWB Business Locality Officers and wider local authority business development teams to engage closely with employers on business

development. Relevant employers undertaken FW Ayrshire will be referred to these services (as well as these services referring to FW Ayrshire as outlined above).

- Support must include human resource interventions to ensure employee progression is individually tailored, but aligned to the company business plan. Again this reinforces the need for close working with business development and utilising any relevant consultancy spend. This will also be a factor in recruitment of FW resource to ensure they have an understanding of HR processes, skills development and business development as required.
- Integrated employer and employee focused approach based on supporting employee skills development in the workplace – we have identified a number of pathways to provide support to employees including existing employability pipeline, working for a healthy economy, regional skills fund where no existing provision, SE and SDS.
- The employee offer was not fixed during the development stage as it was intended to follow individual business consultations – this highlights the importance of co-producing FW Action plan with employer and learning from the SG FW Diagnostic tool, using a national tool in a local/regional context.
- The pilot had a noticeably positive impact on several of the participating SME's. There were clear business benefits reported by employers who participated in the pilot. They reported that the pilot offer enhanced the profiles of their homes, improved financial processes and provided tangible cost savings and care standards improvements. Even during the lifespan of the pilot, these business improvements had resulted in wider positive impacts on their organisation's financial sustainability, staff morale and recruitment and retention prospects – this highlights the importance of bottom up business development support including through the CWB Business Locality Officers and consultancy support via the CWB Fund as appropriate.

Building on GCR project, we'd be keen to explore if additional resource could be allocated for the evaluation of the FW element specifically based on the GCR learning and use this to inform further place-based FW projects and any mainstreaming or future projects as part of UK Shared Prosperity Fund.

Whilst there are some key areas of transferable learning from the pilot that have been taken into account for the FW Ayrshire proposition, there are also differences between the approaches. The GCR pilot was specifically care sector focused and keen to understand applicability to other sectors as part of GCR next steps. The project focused specifically on training and progression – FW Ayrshire focused on maximising employers role as anchor institution through the Fair Employment pillar. It is about directly supporting employers, and secondly employees, to create a Fair Work working practice and embed FW within their org – when needs are identified for employees can support organisation to access support to facilitate this via pathways outlined above.

CWB Project Manager/Coordinator

Resource is required for an overall project manager to coordinate this ambitious programme. This role is critical to ensure the coordination of a regional approach. This role is also critical to ensure

effective governance of the CWB Fund. The role of the pan-Ayrshire CWB Project Manager/Coordinator would be as follows:

- Act as the Secretariat for the CWB Working Group
- Prepare project update reports for REP
- Monthly reporting to PMO
- Monitor the CWB Fund including financial spend and compliance
- Develop templates and monitoring for CWB Action Plans
- Manage project reporting in partnership with project partners including targets, spend and performance
- Prepare annual report for Scottish Government on best practice and lessons learned which can be shared via SCRIG
- Manage project risk register
- Facilitate sharing of CWB approaches throughout region
- Coordinate marketing and training budget for project

The rationale for this post is clear above. This role is critical to ensure the coordination of a regional approach. This role is also critical to ensure effective governance of the CWB Fund.

5. The Commercial Case

5.1 Introduction

This section of the FBC sets out responses to a series of questions from Scottish Government questions regarding the risks associated with the project elements

5.2 Demand

Whilst there are already some CWB activities underway in Ayrshire, a step change is required to embed a regional approach to CWB – Scotland’s first. Given this is a new pilot approach it is difficult to undertake a robust demand assessment based on previous projects. Nevertheless, there is clear scope to enhance CWB engagement in Ayrshire as part of wider business engagement. A report by Ekosgen in 2017 for the Ayrshire Councils and Scottish Enterprise concluded that Ayrshire Councils currently engaged with, at best 15% of business base and at worst 5%, this means significant economic opportunities are potentially ‘slipping through the net’.

A key element of the project is to grow demand for CWB activities. This is a critical component of the thinking to embed CWB officers within localities. They will work with local businesses, entrepreneurs and community organisations, and wider anchor institutions to identify sustainable business opportunities to enhance local wealth. North Ayrshire Council agreed a number of CWB roles as part Council budget in March 2020 and this included several Locality Advisors focused on business. This will allow for a period of around 6-7 months to trial certain aspects of the AGD CWB Locality Business Officer role, nevertheless some of this activity has been disrupted due to Covid-19 and the focus on dispersing business grants.

Moreover, in terms of Fair Work, this scheme is vital if we are to achieve an inclusive economy. Merely encouraging employers to consider the arguments and sign pledges is on its own not enough to achieve Fair Work – FW Ayrshire will offer expert advice and ongoing support, that would allow employers to embark on this at low risk. The scheme will take referrals from anchors working in localities with CWB locality officers. It will also be open to public sector anchors. Several public sector anchors – including NHS Ayrshire and Arran and Ayrshire College have committed to undertaking a CWB approach via North Ayrshire Council’s Community Planning Partnership and as part of joining the Community Wealth Building Commission. South Ayrshire Council have engaged with regional anchors included Ayrshire College and others on procurement. EA CPP have committed to Kilmarnock becoming a Fair Work Town. The REP also offers an opportunity to engage wider private sector anchors and we would expect all REP organisations to consider participation. This will be expanded through a CWB Anchor Network associated to the Anchor Charter.

Given this novel CWB approach, we ask that Scottish Government allow a small amount of flexibility within the project budget, for example to move between the CWB locality officers, CWB Fund and FW Ayrshire if we deem the project demands vary from initial forecasts. This should be acceptable given the amount of revenue allocated and that this is a regional pilot.

It should also be possible to carry forward a small amount of the CWB Fund or FW Ayrshire allocation each year given the need for an implementation period and to raise awareness, subject to

agreement with Scottish Government. This should not drastically impact the financial phasing of the project.

5.3 Complementing existing support

Specifically we have explored the overlap of the CWB Fund with existing sources of funding and identified the need for a fund that is flexible and place-based to deliver this key regional initiative. Without a Fund, CWB officers will not have revenue to support a range of local CWB activities to create resilient local businesses and maximise opportunities that arise. A mapping exercise has taken place, supported by Scottish Government, to outline key national funds which could compete or align with the CWB Fund (see Appendix 3 of the Outline Business Case: Current Business and Entrepreneurship Support Funds).

Whilst there are number of national level funds to support business development and social enterprise, there is no fund which holistically supports the CWB pillars. Furthermore, national level funds do not have the option for regionally identified criteria. Each local authority also has programmes in place to support SMEs, working in partnership with national programmes where relevant, but there is no holistic CWB approach nor a locality based approach.

A key role of CWB locality officers could be to act as a signpost to wider national funding where appropriate (which is sometimes considered a 'cluttered landscape'), and drive their uptake at a regional level. For example, SDP will help partner our approach however we will expect increases on businesses/SEs procurement ready and actively engaged in procurement bidding. Cooperative Development Scotland have offered to support with training, information, access and expertise required to inform and support transition to employee ownership/cooperative models including capitalising on current partnerships.

5.4 Capacity

The CWB project will provide enhanced capacity, otherwise not available, to deliver regionally identified CWB priorities.

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

Subject to the agreement of the programme, the Ayrshire CWB Commission (in addition to AGD governance procedures via the REP and EJC) will play a key role in the governance of the programme, receiving project updates at each meeting, outlining project highlights, performance and opportunities for wider collaboration. CWB is beyond an AGD project, CWB is a key component of the Ayrshire Regional Economic Partnership Recovery and Renewal workstreams.

In July 2020, the Ayrshire Regional Economic Partnership Joint Committee agreed to expand the North Ayrshire CWB Commission to become an Ayrshire CWB Commission. The purpose of the CWB Commission is to drive forward the progress on Community Wealth Building across local and regional Anchor Institutions. An Ayrshire-wide Commission would have benefits including embedding the regional approach to CWB set out within the Ayrshire Growth Deal CWB Fund, and

ensuring CWB is considered as part of all regional investments. In December 2020, the Ayrshire CWB Commission agreed a revised remit and workplan.

One of the key actions within the North Ayrshire CWB strategy is to 'Develop an Anchor Charter agreement to embed Community Wealth Building principles across Anchor Institutions in the region'. Initial scoping work is taking place on this Charter, with support from the Centre for Local Economic Strategies (CLES) and the CWB Expert Panel established by North Ayrshire Council, and the expectation is that Anchor Institutions participating in the Commission sign the CWB Anchor Charter and commit to actions across the CWB pillars. The Charter was launched in October 2020 and all three Ayrshire Councils, NHS Ayrshire and Arran, Ayrshire College, Scottish Enterprise and The Ayrshire Community Trust have all committed to the Charter.

To ensure the wider commitment to the Charter the CWB Commission are developing proposals for an Anchor Network containing wider regional Anchor Institutions who have committed to the Charter with the purpose of sharing learning and best practice, expanding knowledge of the role of Anchor Institutions and monitoring and sharing progress on the implementation of the Anchor Charter. Proposals will be taken forward by the Commission Lead Officer Working Group which was agreed to be established at the Commission's meeting in December 2020. An Expression of Interest has been submitted to the Health Foundation to leverage additional funding and provide additional resource to support this approach.

The current membership of the Commission will be as follows (NAC are engaging with wider anchors and in addition engagement will take place via the REP):

- North Ayrshire Council
- East Ayrshire Council and South Ayrshire Council (joining 2020)
- NHS Ayrshire and Arran
- NHS Ayrshire and Arran
- Police Scotland
- Ayrshire College
- Scottish Fire and Rescue
- Scottish Enterprise
- The Ayrshire Community Trust (TSI)

An annual report would be submitted to Scottish Government outlining performance, lessons learned and best practice. This could include case studies and be a significant learning tool for other regions, given the interest in this CWB approach, and promoted via the SCRIG.

5.5 Agreed contract length

The length of the project is due to the limited funding available and the need to ensure a holistic regional approach. The initial 3-year programme will provide additional resource to catalyse and develop an Ayrshire approach to CWB and we would expect the CWB approach to mainstreamed into existing business and into the ethos of organisations across Ayrshire. To get to the point where a CWB approach is mainstream required additional upfront investment and 'boots on the ground' to embed the approach, working closely with local and regional anchors. The replacement for EU funding could potentially fund this type of activity as the three Ayrshire Councils have signed up to

CWB being a key approach. The Working Group will implement a review process for the project to consider opportunities moving forward, in addition to Annual Reporting and a Final Review.

Given Ayrshire is at the forefront of delivering CWB, this programme will also provide learning for other regions looking to implement CWB, thus helping mainstream CWB across Scotland. As noted above the CWB Ayrshire project could provide case studies and lessons learned for the Scottish Centre for Regional Inclusive Growth (SCRIG) (it has also been noted that this could be shared with Heads of Procurement events and annual conferences).

5.6 Personnel implications (including TUPE)

There are no TUPE implications. Staff will be recruited in line with existing Council HR Policies and Procedures.

6. The Financial Case

6.1 Introduction

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

It is not possible to outline financial benefits of this project due to its very nature.

Given the small amount of the project in relation to other AGD projects and need to ensure impact, we propose the funding is split over three years to ensure meaningful implementation right across the region and that activity is not siloed per locality or pillar.

6.2 Impact on the organisation's income and expenditure account

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

Table 13: summary of financial appraisal

£5million	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Total
	£	£	£	£
Preferred choice:				
Revenue	928,676	1,014,791	1,056,533	3,000,000
Total	928,676	1,014,791	1,056,533	3,000,000
Funded by:				
Existing				
Additional – Scottish Government	928,676	1,014,791	1,056,533	3,000,000
Total	928,676	1,014,791	1,056,533	3,000,000

Table 14: Detailed financial profile

		FTE	2021/22	2022/23	2023/24	Totals (Government Support)
Business Locality Officers	Grade 10	9.0	428,599	454,365	482,486	1,365,450
Total			428,599	454,365	482,486	1,365,450
CWB Fund			333,333	333,333	333,333	999,999
<u>Fair Work Ayrshire</u>						
Manager Post	Grade 12	1.0	56,923	60,424	64,110	181,457
Officer Posts*	Grade 10	2.0	47,623	100,970	107,220	255,813
Total			104,546	161,394	171,330	437,270
Programme Co-ordinator	Grade 12	1.0	56,923	60,424	64,110	181,457
Total			56,923	60,424	64,110	181,457
Training & Marketing Fund			5,275	5,275	5,274	15,824
Total		13	928,676	1,014,791	1,056,533	3,000,000

Key Assumptions

1. Fair Work Officer Posts are included at 6 months in year 1, all other staff are included for 3 full years
2. Each post starts at the bottom point of the grade and progresses to 3rd point over the period and all posts are 35 hours
3. Pay inflation is factored in at 3% per annum grades are inflated from 1920 to the relevant year
4. No inflation has been applied to non-staff costs
5. NI and Superannuation are factored in at 28.3%
6. IT equipment costs for staff not factored in at this stage

6.3 Overall affordability

The cost of the project is £3million over the expected lifespan of the contract period and the financial profile is shown above. Due to project timescales there may need to be minor changes to the financial profile to carry forward spend however this would not be substantive and would be agreed in advance with the PMO and SG.

7. The Management Case

7.1 Introduction

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

7.2 Programme and project management arrangements

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

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

The governance for the AGD programme includes the following:

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

The overall project will be governed by the Ayrshire CWB Working Group, a sub-group which has delegated authority from the REP to develop the project.

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

Subject to the agreement of the programme, the REP will play a key role in the governance of the programme, receiving quarterly project updates (via PMO), outlining project highlights, performance and opportunities for wider collaboration. CWB is beyond an AGD project, CWB is a key component of the RES and as such we anticipate this to be a priority for the REP.

In July 2020, the Ayrshire Regional Economic Partnership Joint Committee agreed to expand the North Ayrshire CWB Commission to become an Ayrshire CWB Commission. The purpose of the CWB Commission is to drive forward the progress on Community Wealth Building across local and regional Anchor Institutions. An Ayrshire-wide Commission would have benefits including embedding the regional approach to CWB set out within the Ayrshire Growth Deal CWB Fund, and ensuring CWB is considered as part of all regional investments. Although the REP and EJC are responsible for AGD programme and project governance, the Commission will play a key role in catalysing the delivery of this fund through oversight, scrutiny and supporting alignment with wider regional CWB ambitions and activities. The Commission agreed an updated remit and indicative workplan in December 2020.

The Working Group will meet monthly. Its key role will expand from the development of the project to a coordination and governance role. Scottish Government participation on the Working Group as a partner or observer is optional. Primary responsibilities will be:

- Preparation of updates to PMO, REP and Joint Committee, and respective Councils as required.
- Monitoring of outputs from CWB Officers. Lead Partner from each Council responsible for their Councils respective performance of CWB Officers and Fund spend.
- Agree and monitor project targets and outputs.
- Agree improvements and recommendations regarding targets.
- Overall scrutiny and monitoring of the Fund and compliance performance.
- Agree improvements and recommendations regarding financial spend.
- Overall management of the Project Coordinator.
- Expand working group or create sub group of working group to include EAC and SAC employability leads (and wider partners as required) to act as Fair Work Ayrshire project steering group.
- Manage the overall project risk register.
- Liaison with Scottish Government Lead as required.
- Prepare annual report for Scottish Government on best practice and lessons learned which can be shared via SCRIG
- Make recommendations to the PMO and REP regarding wider CWB regional working.
- Implement review process and consider 'critical friend' input to this
- Coordination of independent annual review.

7.2.1 CWB Officers

CWB officers will set within the three respective Councils in Economic Development to ensure they can embed with current local activity economic development and locality work, as well as align with wider regional working.

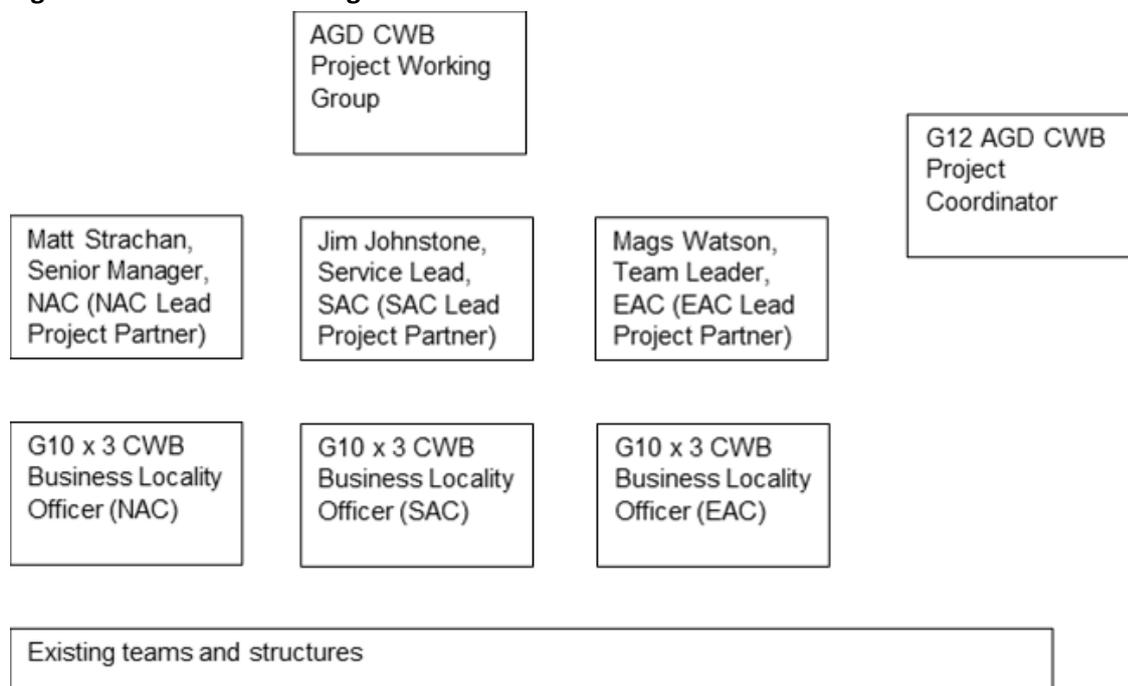
Each Council will be responsible for its own recruitment and line management in line with existing respective Council policies and processes, however consistent role profile are being finalised by the Working Group. The Working Group will consider any training requirements. Cooperative

Development Scotland have offered to support the officers through upskilling and knowledge exchange relating to plural ownership models, partnership events and inclusive growth collaboration.

This will allow for the roles to embed within current activities as well as having a consistent regional approach. Final targets/outputs will be agreed via the Working Group. Targets are outlined in Appendix 2.

The Working Group will explore a mechanism for coordination between locality officers across Ayrshire to ensure sharing of information and joining up offers to employers. Perhaps a shared comms portal such as teams or monthly CWB locality officer meetings to share activity and identify opportunities could be two potential solutions.

Figure 5: Overview of management structure of CWB officers

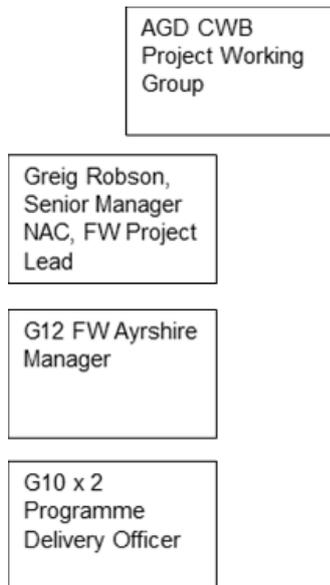


Objectives of CWB officers as per the Logic Chain within Appendix 2.

7.2.2 Fair Work Officers

The project will be recruited and managed by North Ayrshire Council as lead authority for the CWB programme, with overarching governance by the a subgroup (FW Ayrshire Steering Group) of the Working Group comprising the three authorities.

Figure 6: Overview of management structure of CWB officers:

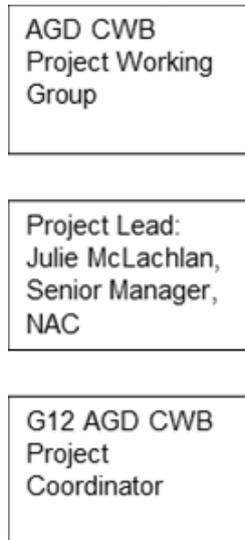


Objectives of FW officer as per the Logic Chain and project overview within the Economic Case. A role profile is being finalised by the AGD CWB Fund Working Group.

7.2.3 Project Coordinator

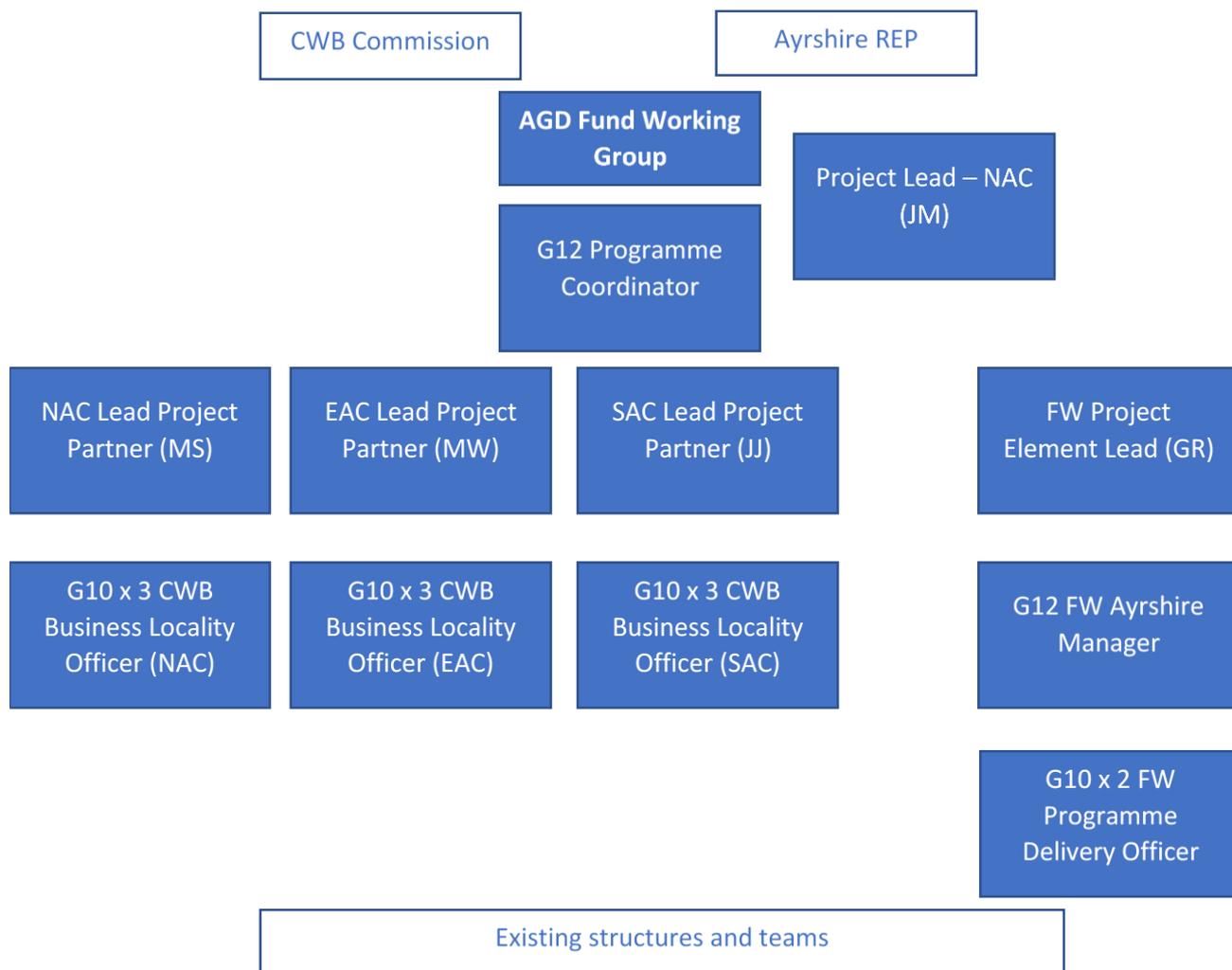
The project will be recruited and managed by North Ayrshire Council as lead authority for the CWB programme via a pan-Ayrshire Working Group. The Project Coordinator will work alongside the project team outlined in below roles and responsibilities section. The Coordinator will report to the overall Project Lead and Chair of the Working Group.

Figure 7: Project coordinator



A role profile/job description is being finalised by the AGD CWB Fund Working Group. The complete staffing structure is outlined below for completeness:

Figure 8: Staffing structure



7.2.4 CWB Fund

As set out above, the Working Group will have overall responsibility for agreeing the criteria, managing the financial performance and scrutiny of the fund.

The CWB programme will be managed by North Ayrshire Council as lead local authority for the CWB programme on behalf of the three Ayrshire Authorities. A process similar to the current pan-Ayrshire ERDF project, which is audited by Scottish Government, will be implemented as this is best practice.

In line with this approach, each Council will receive an annual target for spend, set by the Working Group. Each Council’s Project Partner will be responsible for approving spend requests in line with the Fund criteria. Officers will be required to fill in a robust grant or consultancy application form process and paperwork checklist alongside the businesses applying for funding in line with the current ERDF process, including, where applicable the conditions of the grant funding. This will also resolve any potential state aid issues.

To oversee the delivery of a successful programme which hits its outcome and expenditure profile, the following key processes will be incorporated into the projects operations/performance strategy:

- Regular formal and informal reviews of performance in relation to targets, and remedial action taken if required.
- The Partner will also be responsible for reporting actual spend performance to the Working Group and accountable for the financial performance of their authorities allocation.
- Emphasis placed on necessity of meeting Local Authority and CWB audit requirements, utilising track record and experience to develop a compliance process.
- As per Working Group role – regular strategic/reporting meetings to provide updates/gain input on CWB Funded operational elements, held with a combination of stakeholders.

North Ayrshire Council has robust financial management systems developed during EU funded programmes which will support performance compliance by regularly checking delivery, ensuring correct paperwork is in place and that all activity is eligible to allow legitimate draw down of funding. North Ayrshire Council's Corporate Finance Team will support and guide financial compliance. A 'project master spreadsheet' (including an expenditure tracker, transaction log and outcomes tracker) will be used to monitor and report on project activity.

All support will be recorded in appropriate electronic and hard-copy filing systems, with clear paper trails and evidence required for any financial transactions. All staff involved in the delivery of the project will receive training on the full compliance process, and detailed preparation will take place at the appropriate intervals to ensure efficient compliance, building on best practice from management of previous ERDF programmes which has been recognised by Scottish Government for its effectiveness.

7.3 State aid

There are key tests which need to be considered to establish whether an operation constitutes State aid. It is the applicant's responsibility to ensure that the operation adheres to State Aid rules. For further information see <http://www.gov.scot/Topics/Government/State-Aid>

1. If the operation does not constitute state aid explain why:

It is understood that the activity as a whole within this operation does not constitute State aid as there is no market for delivery of these services and the council is not an undertaking receiving state funds. Other strands of support provided to local businesses within this operation will however constitute State Aid, and be monitored in compliance with GBER regulations and De Minimis, as outlined below.

2. If the operation does constitute state aid which GBER Article provides state aid cover?

The intervention has various individual activity streams. It will consist of

- Grant funding (with varying intervention rates from 25% up to 100% of SME's project costs)
- Expert help (with varying intervention rates from 25% up to 100% of external consultant costs)

- Marketing (promotional activity and one-to-many workshops)

Compliance will be achieved wherever possible through the use of the registered Scottish local authority schemes under the General Block Exemption Regulation (GBER) covering the development and growth of SMEs (reference no SA.39212) and support for regional investment, SME investment and employment aid (reference no SA.39213). These cover the following GBER articles:

- Article 17 – Investment aid to SMES;
- Article 18 – Consultancy support for SMEs;
- Article 19 – Aid to SMEs for participation in fairs;
- Article 22 – Aid for start –ups (in first 5 years of trading); and
- Article 28 – Innovation aid for SMEs.
- Article 31 – Training Aid

Where the support cannot be given in terms of these schemes then use will be made of the De Minimis regulation.

3. How will the cumulation of funding / state aid modernisation rules be met?

A critical part of ensuring compliance when using this approach is implementing an effective prevention/monitoring system whereby company receipt of public sector intervention over a rolling three-year period is captured and recorded as being exempt under GBER or recorded under De Minimis to ensure the financial cap of 200,000 Euro is not breached.

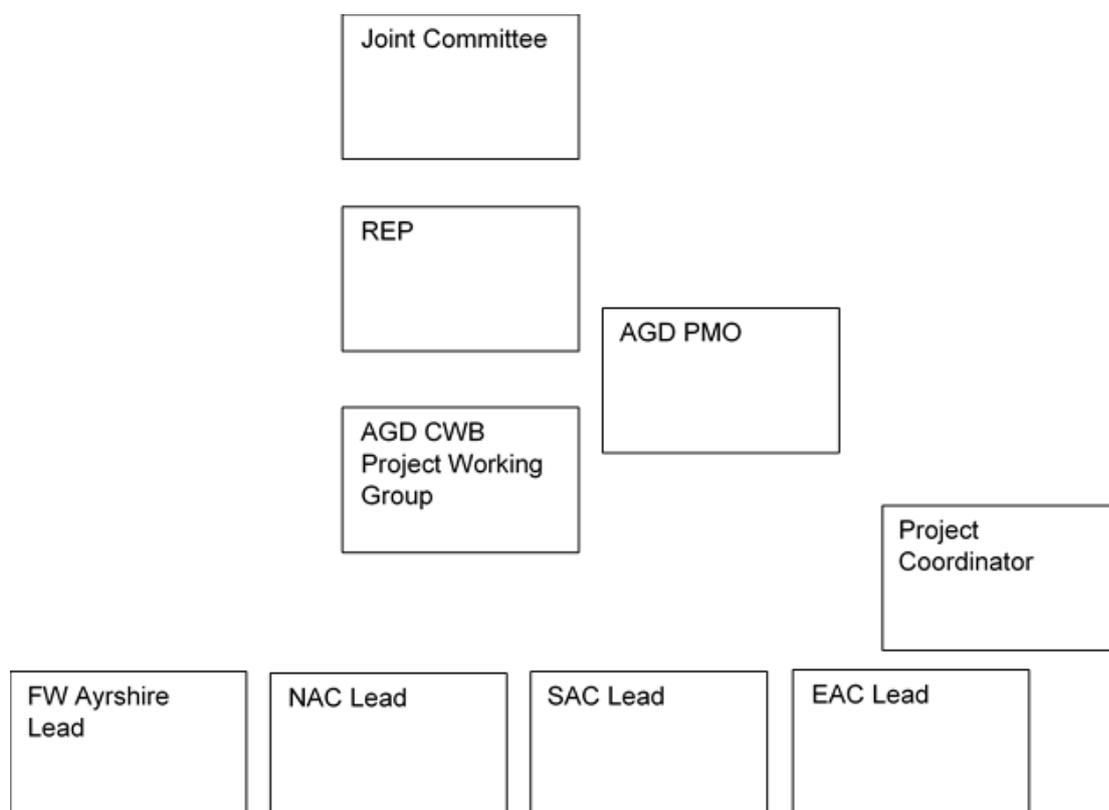
Prior to any support being delivered to a client, the officer will assess the support in relation to State Aid, and ensure the client fully understands their obligations with regards to State Aid. The adviser will identify whether the support is covered under GBER, and if so will record on the application form which Article covers it.

Should the support not be covered under GBER, the client will be notified that the support must be added to their rolling three year De Minimis total. The client will declare their current De Minimus total in the application form, and this will be recorded on the master spreadsheet for the operation. The rolling three year De Minimus total for each client will be monitored using this tool to ensure no aid is given which breaches their De Minimus total.

7.4 Project reporting structure

The reporting structure for the project is as follows:

Figure 9: Reporting structure



Now that EAC and SAC have joined the CWB Commission the Commission will receive regular reports on the performance and best practice of the project, these will be shared with the PMO and other structures as required. This has been agreed as part of the Commission remit and workplan December 2020

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

Table 14: Project roles and responsibilities

PARTNER	ROLE/RESPONSIBILITY	Contact details (name, number & email address)
North Ayrshire Council	Project Lead, Project Partner Manager of Programme Coordinator Reporting to PMO, SG, REP	Julie McLachlan, Senior Manager – Economic Policy, North Ayrshire Council 07971332909 juliemclachlan@north-ayrshire.gov.uk
East Ayrshire Council	Project Partner	Mags Watson, Team Leader – Business Support, East Ayrshire Council 01563 578211 Mags.Watson@east-ayrshire.gov.uk
South Ayrshire Council	Project Partner	Jim Johnstone, Service Lead, South Ayrshire Council 01292 616347 jim.johnstone@south-ayrshire.gov.uk
North Ayrshire Council	Project Team (CWB Officers and CWB Fund)	Matt Strachan, Senior Manager – Business Development, North Ayrshire Council 01294 310658 mattstrachan@north-ayrshire.gov.uk

North Ayrshire Council	Project Team	Greig Robson, Senior Manager – Employability and Skills, North Ayrshire Council 01294 324 951 greigrobson@north-ayrshire.gov.uk
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7.5 Project plan

This is as set out in the following table.

Table 15: project plan

Milestone	Status	Due Date
Development of draft job descriptions/role profiles	complete	January 2021
OBC approval	Awaiting SG confirmation	February 2021
FBC approval		February 2021
Finalise documentation for £1 million Fund governance		March/April 2021
Preparation of role profiles		Jan-Feb 2021
Recruitment of staff: Programme Manager, CWB Officers, FW Ayrshire Manager		March/April 2021
Staff inductions		May 2021
Formal launch of programme		June 2021
Monthly Project Working Group Meetings		Ongoing
Quarterly reporting to CWB Commission		Ongoing
Reporting to PMO and Ayrshire REP and Joint Committee		Ongoing
Annual Reports		April/May 2022/2023/2024
End of programme/final review/final drawdown		March 2024

7.6 Outcomes and targets

The outcomes and targets for the project are shown in table 10

Table 16: Outcomes and targets

Outcome	TARGET	DATE
Employers undertaking Fair Work Action Plans	90	2023/24
Enterprises receiving support from CWB programme	920	2023/24
Enterprises receiving financial assistance	265	2023/24
New enterprises supported	96	2023/24
Enterprises registering on Public Contracts Scotland	240	2023/24
Enterprises supported in creation or transition to employee ownership or cooperative	17	2023/24

7.7 Arrangements for project monitoring

All partners have robust and effective systems for capturing data and measuring performance. This data will be presented to the lead partner and working group for review and its meetings and monitored closely by the Programme Coordinator. Quarterly performance reporting to CWB Commission, alongside AGD reporting to REP and JC.

7.8 Arrangements for benefits realisation

A Benefits Realisation Logic Chain is shown in Appendix 2. A Benefits Realisation Plan for the AGD will be developed and will link into other AGD programme activities as appropriate.

7.9 Arrangements for change management

Any changes to the project will be considered by the Working Group before being referred as required, e.g. to PMO, REP, or CWB Commission.

7.10 Arrangements for risk management

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

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

7.11 Arrangements for post project evaluation

An evaluation of the project will take place as part of the Final Review and will be coordinated by the Working Group. Key lessons learned will be shared via the Commission and Scottish Government including SCRIG as part of the Final Review as well as the Annual Reports outlined.

7.12 Contingency plans

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

- Regular review and progress meetings
- Working Group in place to manage the project activity
- Clear management processes
- CWB Commission Oversight

Signed: JULIE MCLACHLAN

Date:

Senior Responsible Owner

Ayrshire Growth Deal Community Wealth Building Fund

Appendix 1: Community Wealth Building Risk Register

Objectives & Project Outcomes Risks						
Risk Ref	Risk Description	Impact	Probability	Counter Measure	Owner	Date Reviewed
R1	Failure to deliver anticipated outputs and outcomes.	High	Low	Working Group established May 2019 chaired by project lead. SG policy lead workshop Sept 2019. SE and SDS briefed on project. REP briefed September 2019 and February 2020. Regional Working group with revised ToR for delivery. Project updates to REP and Joint Committee. Build on successful regional working from ERDF project. Robust project management structure outlined within OBC management case.	Project Lead/ CWB Working Group	Ongoing monitoring and reporting to Regional Partnership. Ongoing working group to review.
Schedule / Timescales Risks						
Risk Ref	Risk Description	Impact	Probability	Counter Measure	Owner	Date Reviewed
R2	Delays to overall project programme and key milestones.	Medium	Medium	Prepare a detailed project programme with considered time allowances and review regularly. Retain under continuous review to respond to Covid-19. Ensure finance profile is as accurate as possible, balancing need and timing of resource. Robust project management structure outlined within OBC management case.	Project Lead/ CWB Working Group	Ongoing review – as above.
R4	Delays caused by resource management issues.	Medium	Low	Programme implementation facilitated by dedicated staff resource including Programme Coordinator at manager level. Robust project management structure outlined within OBC and FBC management case.	Project Lead/ CWB Working Group	Ongoing review – as above.
Operational Risks						
Risk Ref	Risk Description	Impact	Probability	Counter Measure	Owner	Date Reviewed
R5	Implementation: Ability to deliver programme at regional level	High	Low	Learn lessons from ERDF business competitiveness fund. Project Coordinator factored into programme. Working group with revised ToR for delivery. Project updates to REP and Joint Committee. Robust project management structure outlined within OBC management case.	Project Lead/ CWB Working Group	Ongoing review – as above.

R6	Implementation: Over-Demand	Medium	Medium	Working group continuing to review	Project Lead. CWB Working Group	Ongoing review – as above.
R7	Implementation: Lack of demand	Medium	Medium	Locality officers within local areas to build demand with businesses. Work alongside REP partners to build demand. Working group review demand across project as a whole looking for potential areas of demand exceeding. More proactive engagement with clients. Consider Ministerial launch event, this would promote purpose and aims of project, support that can be offered to anchors and business and encourage businesses to sign up.	Project Lead/ CWB Working Group	Ongoing review – as above.
R8	Implementation: End of project 'cliff edge'	Low	Medium	Community Wealth Building becoming mainstream approach in region via CWB Commission Annual reports to explore what has worked and lessons learned This will inform what can be taken into future service design and external funding bids	Project Lead/ CWB Working Group	Ongoing review – as above.
Financial Risks						
Risk Ref	Risk Description	Impact	Probability	Counter Measure	Owner	Date Reviewed
R9	Slippage / delay in the programme incurs additional costs.	High	Low	Finance plans and resource implications. Robust project management structure outlined within OBC management case.	Project Lead/ CWB Working Group	Ongoing review – as above.
Contractual Risks						
Risk Ref	Risk Description	Impact	Probability	Counter Measure	Owner	Date Reviewed
R11	None identified	NA	NA	NA	Project Lead/ CWB Working Group	Ongoing review – as above.
Reputational Risks						
Risk Ref	Risk Description	Impact	Probability	Counter Measure	Owner	Date Reviewed

R12	Detailed Business Case fails	High	Low	Development of OBC and FBC in accordance with Green Book/SG template agreed and with strong supporting evidence. OBC has been revised following SG feedback and dialogue ongoing with SG policy lead. Strong policy support from Govt and agencies.	Project Lead/ CWB Working Group	Ongoing review – as above.
External Risks						
Risk Ref	Risk Description	Impact	Probability	Counter Measure	Owner	Date Reviewed
R13	Project delay and macro-economic impact of Covid-19 and recovery.	Medium	High	<p>Although there may be some delay to project arising from Covid 19 recovery, early analysis identifies that the need for the project is unlikely to be diminished (in fact the need may be greater). Continued economic analysis and development of recovery plans will be implemented across the region. Specific Covid-19 risks that will be considered by the Working Group and mitigations outlined within FBC once duration and extent of impact clear include: 1) risk that demand lowers or overdemand increases given Covid (which way this goes needs more of a discussion with the working group at an appropriate time) (these risks are already represented within the current register and appropriate mitigating actions outlined which still remain relevant) 2) risk that unable to recruit staff and train due to covid social distancing if there is are future social distancing measures (hopefully we could do this all remotely and do joint marketing for roles) 3) risk that project planning is further impacted by need to focus resources on emergency covid reaction.</p> <p>There is a risk also that the baseline is changed as a result of Covid which could impact on targets. This will be mitigated with flexibility to adapt support as required.</p>	Project Lead/CWB Working Group	Ongoing review – as above.

Appendix 2: Logic Models

Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities) (<i>IG barriers targeted as per Exec Summary Ayrshire IG Diagnostic</i>)	Programme Objective
<p>CWB Business Locality Officers</p> <p>Resource: 3xG10 officers in each LA = 9 CWB locality officers across Ayrshire £1,365,450</p> <p>Project Duration: 3 years</p> <p>CWB Fund</p> <p>Resource: £1,000,000</p> <p>Project Duration: 3 years</p>	<ul style="list-style-type: none"> Place-based approach to CWB, working in localities to facilitate CWB thinking across public, private, and social economy on procurement, employment, assets and ownership, linking with existing local service delivery. Looking at anchors (inc private sector) supply chains opportunities, supplier development, linking to employability pipelines, promote Fair Work and refer to Fair Work project, explore how to maximise assets including within town centres. Includes focus on AGD sites and end users. Producing locality CWB Action Plan and promote business-led inclusive growth. Sharing of best practice throughout the region, with measure of activity and programme reports being 	<ul style="list-style-type: none"> CWB Locality Baseline and Action Plan per Ayrshire locality = 15 CWB place-bases action plans 920 Unique Enterprises receiving support from the CWB programme 265 Enterprises receiving financial assistance: Grant/ Consultancy support (on procurement, employment, asset or ownership pillars) 96 New enterprises supported (<12 months old) <p>Outputs per pillar:</p> <p>PROCUREMENT</p> <ul style="list-style-type: none"> 240 businesses registered on PCS 265 businesses attending 1tomany procurement 	<ul style="list-style-type: none"> More diverse and resilient business base A vibrant social economy Improved attractiveness of local places Skills development and fairer labour market Economic opportunities spread more widely across the region <ul style="list-style-type: none"> ➤ <i>Local Jobs</i> ➤ <i>Soft & Basic Skills</i> ➤ <i>Intermediate & Advanced Skills</i> ➤ <i>Business Support</i> ➤ <i>Structure of Economy</i> ➤ <i>Business Premises</i> ➤ <i>Access to Finance</i> 	<ul style="list-style-type: none"> To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.

	<p>shared at a locality, local and regional level.</p> <p>Specific activities across the pillars:</p> <p><u>PROCUREMENT</u></p> <ul style="list-style-type: none"> • Develop locality support mechanisms for business to enhance procurement readiness including workshops (one to many), one to one surgeries • Understand locality supply chain capacity • Engage with anchor / larger businesses to understand spend profile / develop local supply chains • Prepare local businesses for the AGD procurement opportunities as per a potential AGD 'wave plan' and profiling • Work with local businesses and wider community to develop community benefit requests • Develop new initiatives on procurement activity to deepen local spend e.g. Trusted Trader, single awards, locality growth partnering • Increase numbers on PCS and develop skills 	<p>awareness-raising/capacity building workshops</p> <ul style="list-style-type: none"> • 90 businesses accessing 1-to-1 procurement specialist help (consultancy) <p><u>EMPLOYMENT</u></p> <ul style="list-style-type: none"> • 240 businesses attending 1to many 'fair work' related awareness-raising / capacity-building workshops held • 300 businesses referred to FW Ayrshire programme <p><u>ASSETS</u></p> <p>(No quantitative measures at this stage - activity = building on current incubation facilities explore if similar approaches can be rolled out into a locality, promote assets in council ownership for asset transfer and support community groups/social enterprises in the creation of sustainable proposals)</p> <p><u>OWNERSHIP</u></p> <ul style="list-style-type: none"> • Support the creation or transition of 17 		
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	<p><u>EMPLOYMENT</u></p> <ul style="list-style-type: none"> • Support business engagement on developing fair work activity and enhance awareness and understanding of principles of fair work, for example promoting the living wage • Refer to Fair Work Ayrshire programme • Work with those not eligible for Fair Work Ayrshire programme to develop knowledge and to implement practical fair work steps • Link employers to employability pipelines and skills development programmes <p><u>ASSETS</u></p> <ul style="list-style-type: none"> • Baseline assets, ownership and identify potential opportunities • Work with stakeholders including owners to develop locality asset uses • Support business (private sector, social, community enterprise) to identify assets and bring back into use <p><u>OWNERSHIP</u></p> <ul style="list-style-type: none"> • Stimulate social entrepreneurship including 	<p>businesses to employee ownership or cooperative</p> <ul style="list-style-type: none"> • 270 businesses attending 1to many plural ownership related aware-ness raising/capacity building workshops • 90 businesses accessing 1to1 plural ownership specialist support (consultancy) 		
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	<p>workshops (one to many), one to one surgeries</p> <ul style="list-style-type: none"> • Baseline locality social, family owned and, employee-owned, Co-op enterprises • Develop locality-based initiatives to support Social Enterprise, employee-owned, and Co-ops • Normalise Social Enterprise / employee-owned, Co-operative models in all start up conversations • Upskill advisers to understand the social economy • Promote understanding of and opportunities for employee ownership 			
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Project Inputs (resources)	Project Activities (what you do)	Project Outputs (what is produced)	Project Outcomes (change expected as result of outputs/activities) (IG barriers targeted as per Exec Summary Ayrshire IG Diagnostic)	Programme Objective
<p>Fair Work Ayrshire</p> <p>Resource: 3xFW Ayrshire officers £437,270</p> <p>Project Duration:3 years</p>	<ul style="list-style-type: none"> • A dedicated Ayrshire 'Fair Work' resource to engage key employers (regionally significant businesses, 50 + employees) to ensure they recruit inclusively and provide quality and meaningful work. 	<ul style="list-style-type: none"> • 90 companies undertaking FW Ayrshire programme (45 per officer x 2, 10 per manager, 10% optimum bias) • 90 FW health checks/audits • 90 FW action plans <p>Further quantitative outputs:</p>	<ul style="list-style-type: none"> • Diverse and inclusive workforce • Jobs are fulfilling and secure • Increased financial security for employees • Improved wellbeing for employees • Increased opportunities and reducing barriers for excluded 	<ul style="list-style-type: none"> • To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region.

	<ul style="list-style-type: none"> • Targeted support to employers in Ayrshire (including anchor institutions), who have expressed a desire to access support to recruit differently and to provide Fair Work. These employers would benefit from: • A Fair Work Audit – How inclusive is their current workforce? What issues are there with progression and retention? • How could they improve that? What do they need from external agencies to help? • Drive recruitment from excluded groups – working alongside existing employability pipeline and initiatives in the region and the Regional Skills and Inclusion Programme. • Help to develop ‘Fair Work’ policies and practice. • Practical support to link to local social enterprises/volunteering schemes. 	<ul style="list-style-type: none"> • ¼ would do living wage accreditation (22 companies/organisations) • ¼ would become disability confident employers (22 companies/organisations) • 1/5 of businesses who get involved with apprenticeships, foundation apprenticeships, graduate apprenticeships for first time (19 companies/organisations) • 1/5 would sign Scottish business pledge (18 companies/organisations) 	<p>groups: those with health issues/disabled, those in in work poverty, females, young people</p> <ul style="list-style-type: none"> • Ensuring local people and those from disadvantaged areas have access to economic opportunities • Skills development through enhanced opportunities for progression and upskilling • Support Scotland to become a Fair Work Nation by 2025 • Improved productivity and innovation for companies/organisations • Local and regional anchors enhancing their social impact <ul style="list-style-type: none"> ➤ <i>Local Jobs</i> ➤ <i>Soft & Basic Skills</i> ➤ <i>Intermediate & Advanced Skills</i> ➤ <i>Health</i> ➤ <i>Business Support</i> ➤ <i>Sustainable Working Population</i> 	
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	<ul style="list-style-type: none">• Monitor progress towards action plan.• Position Ayrshire as a Fair Work region – facilitate workshops to promote and learn best practice, ensuring learning from the Fair Work Convention and SG Fair Work Benchmarking Tool.			
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Appendix 3: Specific Outputs – CWB Officers and CWB Fund

CWB Pillar	Activities / Outputs from CWB Logic Model	NAC	EAC	SAC	2021	NAC	EAC	SAC	2022	.NAC	.EAC	.SAC	2023	Total
Over-arching	Unique Enterprises receiving support from the CWB programme	100	100	100	300	100	100	120	320	100	100	100	300	920
Over-arching	Enterprises receiving financial assistance: Grant/ Consultancy support	30	30	25	85	30	30	35	95	30	30	25	85	265
Over-arching	New enterprises supported (<12 months old)	10	10	12	32	10	10	12	32	10	10	12	32	96
Procurement	Businesses registered on PCS	30	30	20	80	30	30	20	80	30	30	20	80	240
Procurement	Businesses attending 12many procurement workshops	30	30	20	80	30	30	30	90	30	30	35	95	265
Procurement	Businesses accessing 121 Procurement support/ Consultancy	10	10	10	30	10	10	10	30	10	10	10	30	90
Fair Work	Businesses attending 12many 'fair work' related workshops	30	30	20	80	30	30	20	80	30	30	20	80	240
Fair Work	Referrals for FW Ayrshire Programme	30	30	40	100	30	30	40	100	30	30	40	100	300
Democratic Ownership	Support in the creation or transition of 6 businesses to employee ownership or Co-Operative	2	2	1	5	2	2	2	6	2	2	2	6	17
Democratic Ownership	Businesses attending 12many plural ownership workshops	30	30	30	90	30	30	30	90	30	30	30	90	270
Democratic Ownership	Businesses accessing 121 plural ownership specialist support / Consultancy	10	10	10	30	10	10	10	30	10	10	10	30	90
Assets	No quantitative measures at this stage - activity = building on current incubation facilities explore if similar approaches can be rolled out into a locality, promote assets in council ownership for asset transfer and support community groups/social enterprises in the creation of sustainable proposals													

**Ayrshire Growth Deal
Equality Impact Assessment including Fairer Scotland Duty**



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

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

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

If you require assistance please contact:

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

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

[South Ayrshire Council Geraldine McGivern](#) Geraldine.McGivern@south-ayrshire.gov.uk

Section One: Project Details*

Name of Project	Ayrshire Growth Deal: Community Wealth Building Fund
Lead Officer (Name/Position)	Julie McLachlan, Senior Manager – Economic Policy (North Ayrshire Council) juliemclachlan@north-ayrshire.gov.uk
Support Team (Names/Positions) including Critical Friend	AGD CWB Fund project team: Mags Watson, Team Leader – Business Support (East Ayrshire Council)

	<p>Jim Johnstone, Service Lead (South Ayrshire Council)</p> <p>Matt Strachan, Senior Manager – Business Development (North Ayrshire Council)</p> <p>Greig Robson, Senior Manager – Employability and Skills (North Ayrshire Council)</p> <p>Critical friend for EQIA: Mhairi Paterson, CWB Coordinator, North Ayrshire Council</p>
<p>What are the main aims of the project?</p>	<p>The overall aim of the project is: “To develop an Ayrshire approach to Community Wealth Building that enhances wealth, ensures fair and meaningful work, and creates successful places throughout the region”.</p> <p>The project themes are: Enhancing local spend, promote and embed fair work, democratic ownership and diverse business models, maximise local assets, inclusive resilient economy, business-led inclusive growth (i.e. by providing quality jobs, promote diversity and inclusion, and driving sustainable economic activity).</p>
<p>What are the intended outcomes of the project</p>	<p>The intended outcomes for the project are listed below:</p> <ul style="list-style-type: none"> • 90 Employers undertaking Fair Work Action Plans • 920 Enterprises receiving support from the CWB programme • 265 Enterprises receiving financial assistance on procurement, employment, asset or ownership pillars • 96 New Enterprises supported • 240 Enterprises being registered on Public Contract Scotland • 17 Enterprises being supported in the creation or transition to employee ownership or cooperative

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

Will the project impact upon the whole population of Ayrshire or a specific council area and/or particular groups within the population (please specify the equality groups)

This project will develop an Ayrshire-wide CWB Approach/Model that advances the Procurement, Employment, Ownership and Asset CWB pillars across the public, private and social economy in the Ayrshire region. As such it will affect businesses and employees across Ayrshire and therefore all protected characteristic groups may be impacted to a greater or lesser extent.

The project takes an inclusive economy approach to developing resilient local economies with more local employment and a larger and more diverse business base. It will target the following barriers to Inclusive Growth (as evidenced in the Ayrshire Inclusive Growth Diagnostic):

- Intermediate & Advanced Skills
- Local Jobs
- Health
- Soft & Basic Skills
- Business Support
- Sustainable Working Population
- Structure of Economy
- Access to Finance
- Business Premises

Consider the 'Three Key Needs' of the Equality Duty

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

Not applicable

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

In respect of advancing equality of opportunity, the Fair Work element of the project will engage local employers and work with them to improve recruitment processes and provide Fair Work. Some of these activities include:

- A Fair Work Audit – How inclusive is their current workforces?
- Drive recruitment from excluded groups – working alongside existing employability pipeline and initiatives in the region and the Regional Skills and Inclusion Programme.
- Help to develop 'Fair Work' policies and practice
- Practical support to link to local social enterprises / volunteering schemes.

The expected outputs of these activities include:

- Diverse and inclusive workforce
- Increased opportunities and reducing barriers for excluded groups: those with health issues/disabled, those experiencing in work poverty, females, young people.
- Ensuring people from disadvantaged areas have access to economic opportunities.

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

The role of the Fair Work Ayrshire Officers will engage local employers and work with them to improve recruitment processes and provide Fair Work. Fostering good relations between groups and demonstrating the value of a diverse and inclusive workforce will be integral to the activities of the Fair Work Officers (activities described above).

Another element of the project undertaken by Business Locality Officers will aim to develop a more diverse and resilient business base and ensure economic opportunities are spread more widely across the region and amongst priority groups. This includes actions to support community enterprises and wider forms of business ownership including cooperatives. This means communities and workers could work more closely together to enhance their collective voice and have a greater say in how businesses are operated and for what purpose.

DRAFT

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

No significant impacts identified. The project has links to the Regional Skills and Inclusion Programme (RSIP) and the wider AGD projects. To maximise investment the project has been developed in parallel with the RSIP and as such the Fair Work element meets both CWB ambitions and also the need for a more productive and inclusive workforce in the region.

Island Proofing

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

The project will embed CWB activity across all areas of Ayrshire, including the islands within North Ayrshire. This builds on existing CWB resource in NAC including roles allocated to the island locality areas. The project and its delivery is place-based and focused on a locality approach which aims to enhance the potential of all our places by working in partnership with businesses and communities. CWB Business Locality Officers will cover each locality ensuring wide geographic spread and a bottom up approach engaging with local businesses, social enterprises and community organisations.

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

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

Protected Characteristics	Evidence	Positive/Negative Impacts	Mitigating Factors
<p>Age: Issues relating to different age groups e.g. older people or children and young people</p>	<p>Ayrshire Inclusive Growth Diagnostic NAC Economic Recovery and Renewal Approach Socio-economic baseline</p>	<p>Positive</p>	<p>Young people identified as an excluded group. The project will support our communities and in particular young people and other groups excluded from traditional economic development, into or to sustain fair employment. At the heart of this is a focus on wellbeing.</p> <p>Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect.</p>
<p>Disability: Issues relating to disabled people</p>	<p>Ayrshire Inclusive Growth Diagnostic Socio-economic baseline</p>	<p>Positive</p>	<p>People with disabilities and health issues were identified as an excluded group. The project will support our communities and in particular people with disabilities / health issues and other groups excluded from traditional economic development, into or to sustain fair employment. At the heart of this is a focus on wellbeing.</p>

			Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect.
Gender Reassignment – Trans/Transgender: Issues relating to people who have proposed, started or completed a process to change his or her sex	N/A	There are no direct impacts	There are no direct impacts however through the promotion of fair work this would be considered: Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect
Marriage and Civil Partnership: Issues relating to people who are married or are in a civil partnership	N/A	There are no direct impacts	
Pregnancy and Maternity: Issues relating to woman who are pregnant and/or on maternity leave	N/A	There are no direct impacts	There are no direct impacts however through the promotion of fair work this would be considered: Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect
Protected Characteristics	Evidence	Positive/Negative Impacts	Mitigating Factors
Race: Issues relating to people from different racial groups,(BME)	N/A	There are no direct impacts	There are no direct impacts however through the promotion of fair work this would be

ethnic minorities, including Gypsy/Travellers			considered: Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect
Religion or Belief: Issues relating to a person's religion or belief (including non-belief)	N/A	There are no direct impacts	There are no direct impacts however through the promotion of fair work this would be considered: Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect
Sex: Gender identity: Issues specific to women and men/or girls and boys	Ayrshire Inclusive Growth Diagnostic Socio-economic baseline	Positive	Females were identified as an excluded group by the IG Diagnostic. The project will support our communities and groups excluded from traditional economic development, into or to sustain fair employment. At the heart of this is a focus on wellbeing. Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect.
Sexual Orientation: Issues relating to a person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	N/A	There are no direct impacts	There are no direct impacts however through the promotion of fair work this would be considered: Fair work (as defined by the Fair Work Convention) is work that offers all individuals an

			effective voice, opportunity, security, fulfilment and respect
<p>Children's Rights Issues and impacts affecting children's rights*</p> <p>*for more information please email – andrewhale@north-ayrshire.gov.uk</p>	N/A	There are no direct impacts	There are no direct impacts however young people were identified as an excluded group as part of the IG diagnostic and will be promoted as part of the Fair Work Ayrshire aspect.
<p>Health Issues and impacts affecting people's health</p>	<p>Ayrshire Inclusive Growth Diagnostic Socio-economic baseline</p>	Positive	<p>People with health issues have been identified as an excluded group by the IG diagnostic. The project will support our communities and groups excluded from traditional economic development, into or to sustain fair employment.</p> <p>The Fair Work Ayrshire element will closely align with the Healthy Economy AGD Project to identify opportunities for this fund to be utilities to support the delivery of Fair Work. The Healthy Economy AGD project proposal is for a condition management service which would support unemployed residents with health barriers to work, support employed people in danger of losing their jobs through ill health and support employers to keep people at their</p>

			<p>work. This aligns well to the fair employment pillar of CWB.</p> <p>The CWB Fair Work project will incorporate workforce health issues into considerations when working with business and will make referrals to the Working for Healthy Economy Project.</p>
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Protected Characteristics	Evidence	Positive/Negative Impacts	Mitigating Factors
<p>Human Rights: Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections. Further information can be found here</p>	<p>Ayrshire Inclusive Growth Diagnostic</p>	<p>Positive</p>	<p>The project will support our communities and groups excluded from traditional economic development, into or to sustain fair employment. At the heart of this is a focus on wellbeing.</p> <p>Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect.</p> <p>Business Locality Officers will aim to develop a more diverse and resilient business base and ensure economic opportunities are spread more widely across the region and amongst priority groups. This includes actions to support community enterprises</p>

			and wider forms of business ownership including cooperatives. This means communities and workers could work more closely together to enhance their collective voice and have a greater say in how businesses are operated and for what purpose.
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Socio-Economic Disadvantage			
	Evidence	Impact	Mitigating Factors
<p>Low Income/Income Poverty: Issues: cannot afford to maintain regular payments such as bills, food and clothing.</p>	<p>Ayrshire Inclusive Growth Diagnostic Socio-economic baseline</p>	<p>Positive</p>	<p>People facing in-work poverty are identified as a particular excluded group, however the Fair Work element of the Project aims to support all individuals facing poverty. Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect. As part of this there will be a promotion of the Real Living Wage, recruitment from excluded groups and workforce progression opportunities</p>
<p>Low and/or no wealth: Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future</p>	<p>Ayrshire Inclusive Growth Diagnostic Socio-economic baseline</p>	<p>Positive</p>	<p>People facing in-work poverty are identified as a particular excluded group, however the Fair Work element of the Project aims to support all individuals facing poverty or low wealth. Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect. As part of this there will be a promotion of the Real Living</p>

			Wage, recruitment from excluded groups and workforce progression opportunities. CWB and its pillar are all designed to enhance local wealth.
Material Deprivation: Issues: being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	Ayrshire Inclusive Growth Diagnostic	Positive	Fair Work element of the Project aims to support all individuals facing poverty, low wealth or material deprivation. Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect. As part of this there will be a promotion of the Real Living Wage, recruitment from excluded groups and workforce progression opportunities
Area Deprivation: Issues: where you live (rural areas), where you work (accessibility of transport)	Ayrshire Inclusive Growth Diagnostic	Positive	The project is focussed on a place-based locality approach which aims to enhance the potential of all our places by working in partnership with businesses and communities. The Business Locality officers will ensure wide geographic spread and a bottom up approach.

Section Three: Evidence Used in Developing the Project

<p>Involvement and Consultation In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation? Who did you involve, when and how?</p>	<p>The project has been co-produced by a regional Working Group comprising officers from the three Ayrshire Councils, the Regional Skills and Inclusion Project and the AGD PMO. Engagement has taken place with Scottish Government policy leads, Skills Development Scotland, Public Health Scotland, Scottish Enterprise, Cooperative Development Scotland. Engagement has also taken place with the Regional Economic Partnership. Quantitative data has been examined in the preparation of this business case.</p>
<p>Data and Research In assessing the impact set out above what evidence has been collected from research or other data. Please specify <i>what</i> research was carried out or data collected, <i>when</i> and <i>how</i> this was done.</p>	<p>The Final Business Case contains a socio-economic baseline produced by drawing on evidence from:</p> <ul style="list-style-type: none"> - Labour market data including for females and disability - Demographics - SIMD 2020 - Business performance data - Procurement spend - Living Wage payment and Accreditation - Disability Confident employers - Social enterprise census - Scottish Government Advisory Group on Economic Recovery
<p>Partners data and research In assessing the impact(s) set out in Section 2 what evidence has been provided by partners? Please specify partners</p>	<p>North Ayrshire Inclusive Growth Diagnostic Ayrshire Inclusive Action Plan produced by the University of Glasgow North Ayrshire Local Wealth Building Diagnostic (produced by CLES) Officer knowledge and expertise</p>
<p>Gaps and Uncertainties Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?</p>	<p>No. The Fair Work Ayrshire project element will undertake Fair Work audits of local and regional Anchor Institutions and employers to get a better understanding of Fair Work performance in the region. This will include a focus on recruitment from excluded groups (including those identified by the IG Diagnostic).</p>

	Over the duration of the project CWB locality officers will develop a CWB baseline of their localities.
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Section Four: Detailed Action Plan to address identified gaps in:

A) EVIDENCE AND

B) TO MITIGATE NEGATIVE IMPACTS

NO.	ACTION	Responsible Officer(s)	Timescale
1	Establish better understanding of Ayrshire 'fair work' performance'	AGD CWB FUND PROGRAMME COORDINATOR AND FAIR WORK AYRSHIRE MANAGER	21/22-23/24
2	Deliver a holistic approach to fair work by drawing on best practice from Fair Work Convention and Fair Work Diagnostic tool	FAIR WORK AYRSHIRE MANAGER	21/22-23/24
3	Ensure geographical spread of engagement with project	AGD CWB FUND PROGRAMME COORDINATOR	21/22-23/24
4			
5			

Note: Please add more rows as required.

Section Five - Performance monitoring and reporting

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

When is the project intended to come into effect?	April 2021 subject to approvals
When will the project be reviewed?	Annual Reports and Final Review
Which Panel will have oversight of the project?	AGD CWB Fund Project Working Group Ayrshire Regional Economic Partnership Ayrshire Economic Joint Committee Ayrshire Community Wealth Building Commission

Section 6

Ayrshire Growth Deal



Summary Equality Impact Assessment Implications & Mitigating Actions

Name of Project:Ayrshire Growth Deal Community Wealth Building Fund.....

Name of Project Lead:.....Julie McLachlan.....

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

Date of Assessment:.....10 February 2021.....

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

1. Summary of project aims

This £3 million project will develop an Ayrshire CWB Approach that advances the Procurement, Employment, Ownership and Asset CWB pillars across the public, private and social economy in the region, by having 'boots on the ground' to work with anchor institutions and businesses (with a range of ownership models) to enhance wealth.

The project will achieve this through three key elements:

- Business Locality Officers who will work in Ayrshire localities and develop CWB across local organisations and work with anchor organisations
- Community Wealth Building Fund to support the work of the Locality Officers and the principles of CWB pillars of procurement, employment, assets and ownership
- Fair Work Ayrshire officers who will engage local employers and work with them to improve recruitment processes and provide Fair Work

2. Summary of how the project will eliminate discrimination

In respect of advancing equality of opportunity, the Fair Work element of the project will engage local employers and work with them to improve recruitment processes and provide Fair Work. Some of these activities include:

- A Fair Work Audit – How inclusive is their current workforces?
- Drive recruitment from excluded groups – working alongside existing employability pipeline and initiatives in the region and the Regional Skills and Inclusion Programme.
- Help to develop 'Fair Work' policies and practice
- Practical support to link to local social enterprises / volunteering schemes.

The expected outputs of these activities include:

- Diverse and inclusive workforce
- Increased opportunities and reducing barriers for excluded groups: those with health issues/disabled, those experiencing in work poverty, females, young people.
- Ensuring people from disadvantaged areas have access to economic opportunities.

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

Community Wealth Building is a new economic model focused on enhancing wellbeing and inclusion. This approach will support a more diverse and inclusive business base in Ayrshire and ensure fair and meaningful working practices. It is based on the principles of the Inclusive Growth Diagnostic which was developed to establish the barriers to a more inclusive economy and to develop actions to ensure all people and places benefit from the economy and have the opportunity to participate. The project will create 'on the ground' resource to engage local businesses (of various ownership models including social and community businesses) as well as ensuring Anchor Institutions in the region

maximise the levers that they have to support a fairer local and regional economy through their local spend, recruitment and employment, ownership of land and assets and financial powers.

4. Summary of how the project will foster good relations

The role of the Fair Work Ayrshire Officers will engage local employers and work with them to improve recruitment processes and provide Fair Work. Fostering good relations between groups and demonstrating the value of a diverse and inclusive workforce will be integral to the activities of the Fair Work Officers (activities described above).

Another element of the project undertaken by Business Locality Officers will aim to develop a more diverse and resilient business base and ensure economic opportunities are spread more widely across the region and amongst priority groups. This includes actions to support community enterprises and wider forms of business ownership including cooperatives. This means communities and workers could work more closely together to enhance their collective voice and have a greater say in how businesses are operated and for what purpose.

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

The project takes an inclusive economy approach to developing resilient local economies with more local employment and a larger and more diverse business base. It will target the following barriers to Inclusive Growth (as evidenced in the Ayrshire Inclusive Growth Diagnostic):

- Intermediate & Advanced Skills
- Local Jobs
- Health
- Soft & Basic Skills
- Business Support
- Sustainable Working Population
- Structure of Economy
- Access to Finance
- Business Premises

In addition the Fair Work element of the project will provide a specific focus to support excluded groups (including those identified by the IG diagnostic: females, young people, those with health issues, those in in work poverty).

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

The project will embed CWB activity across all areas of Ayrshire, including the islands within North Ayrshire. This builds on existing CWB resource in NAC including roles allocated to the island locality areas. The project and its delivery is place-based and focused on a locality

approach which aims to enhance the potential of all our places by working in partnership with businesses and communities. It will therefore take a place-based approach to understanding the specific needs and opportunities of each place. CWB Business Locality Officers will cover each locality ensuring wide geographic spread and a bottom up approach engaging with local businesses, social enterprises and community organisations.

7. Summary of Key Action to Mitigate Negative Impacts

a. Actions and Timescales

No negative impacts identified via this EQIA however there will be a proactive approach to ensure no unintended consequences through the following actions which will take place across the duration of the project (2021-2024):

1. Establish better understanding of Ayrshire 'fair work' performance'
2. Deliver a holistic approach to fair work by drawing on best practice from Fair Work Convention and Fair Work Diagnostic tool
3. Ensure geographical spread of engagement with project

These actions will be monitored through the Annual Report process and the project Final Review.

Project Lead**Julie McLachlan**

Signed**10 February 2021**

AGREEMENT

between:

EAST AYRSHIRE COUNCIL

and

SOUTH AYRSHIRE COUNCIL

and

NORTH AYRSHIRE COUNCIL

relative to the Ayrshire Growth Deal

AGD Agreement v11

17/12/2020

AGREEMENT between:

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

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

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

WHEREAS:

- (A) EAC, SAC and NAC (together with the UK and Scottish Governments) are parties to a Heads of Terms Agreement dated Friday 8 March 2019 (the "**Heads of Terms**") which confirms the joint commitment of the parties to achieve full implementation of the Ayrshire Growth Deal ("**AGD**").
- (B) Having recognised that it is a requirement of the Heads of Terms that a model of governance and supporting documentation be established that will meet the expectations set out in the Regional Partnership workstream of phase 2 of Scotland's Enterprise and Skills Review, and in furtherance of these expectations, the parties have agreed that EAC will assume the role of Lead Authority for the AGD.
- (C) The Parties have in turn therefore agreed that the governance, monitoring and reporting obligations which will fall upon EAC for the AGD, together with the concurrent obligations which will be incumbent upon both SAC and NAC, be

further detailed within the terms of this Agreement.

- (D) The Agreement recognises and anticipates that the parties may be required to enter into appropriate further agreements to regulate their respective relationships in respect of the successful delivery and implementation of the AGD.
- (E) EAC, SAC and NAC have agreed to enter into this Agreement for the purpose of recording certain key understandings that will govern their mutual relationship going forward.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

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

“AGD Strategic Manager” means the officer appointed to this post by EAC and employed by EAC;

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

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

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

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

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

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

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

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

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

“Chief Executive’s Group” means the Parties’ Chief Executives (or their nominees);

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

“Lead Authority” means East Ayrshire Council;

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

“PMO” means Programme Management Office;

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

“Schedule” means the schedule in seven parts annexed and executed as relative hereto; and

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

2. COMMENCEMENT AND DURATION

- 2.1 Notwithstanding the date or dates that these terms and conditions are received by the Lead Authority validly executed on behalf of all the Parties it is agreed that the date of commencement of this agreement shall be Nineteenth November Two Thousand and Twenty. Subscription of these terms and conditions will not impose any legally enforceable rights or obligations on the body which has executed these terms and conditions before that date.
- 2.2 Once validly executed, these terms and conditions shall be legally binding upon the Parties, subject to any lawful variation thereof, unless and until this Agreement is terminated in accordance with clause 14.

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

- 3.1 The Ayrshire Regional Economic Joint Committee (“EJC”) is responsible for strategy and policy in respect of the AGD. It comprises of thirteen members, being three nominated by each of the Parties, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS) one from the business sector and one from the education sector. Named substitutes are entitled to attend in place of any nominated Member. The local authority Chair of the Committee rotates on an annual basis between the Parties. The core functions of the EJC will be as detailed within Appendix A to the Ayrshire Growth Deal – Governance Document as contained within Part 4 of the Schedule annexed and executed as relative hereto.
- 3.2 The Ayrshire Regional Economic Partnership Sub-Committee (“REP”) is a sub-committee of EJC and comprises of three representatives nominated from each of the Parties, three representatives of the business sector selected by the REP, three representatives of the Higher or further Education sector selected by the REP and one representative nominated by each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. The EJC may also co-opt up to an additional

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

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

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

4. AYRSHIRE GROWTH DEAL – DOCUMENTS

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

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

5. EAC ROLES AND RESPONSIBILITIES

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

- The establishment and hosting of a Programme Management Office (PMO) and the appointment of a Strategic Manager to oversee its budget and duties.
- The provision of such support services as the AGD Strategic Manager may reasonably require to discharge his/her duties which may include financial, legal, audit and other professional or technical services.
- The analysis and provision of reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or the provision of any other reports or updates as may required by these groups.
- The allocation and accounting for distribution of all AGD grant income together with any grant agreements on behalf of the REP and EJC, the holding of the AGD grant funding and the making of disbursements to the Parties, Third Parties and other bodies as appropriate, all in accordance with approved governance arrangements.
- The accounting for these funds under a separately identified budget line to ensure transparency and clarity, and the reporting thereof to the Scottish and UK Governments as required in accordance with any conditions of the Grant Offer letter received from those Governments.
- Ensuring compliance with confidentiality, freedom of information and data protection regulations and progressing any complaints in accordance with the requirements of the SPSO in relation to the AGD Programme.
- Enter into grant agreements with the Parties on behalf of the EJC in respect of the approved projects required to deliver the AGD Programme and ensuring that the associated grant funds are disbursed legally and appropriately;
- Have the appropriate and proportionate control systems in place in relation to the grant funds to prevent breaches of the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.

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

6. ROLES AND RESPONSIBILITIES OF THE PARTIES

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

- the successful delivery of their Approved Projects;
- each Party taking a turn to prepare and circulate meeting agendas, reports and minutes for the ECJ and REP
- participation in all support group activities and work plans;
- designing and delivering Programme wide approaches and strategies;
- the identification and sharing of best practice; and
- the identification and collaboration on joint working opportunities.

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

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

- ensure that any grant agreement entered into with EAC as Lead Authority is subject to and compliant with its internal contractual standing orders and financial regulations;
- deliver agreed projects under the AGD Programme in accordance with the terms of their grant agreement. and use their best endeavours to realise the project benefits agreed by the REP that are set as a condition of any grant agreement;
- provide statements of compliance with conditions of grant detailed in the grant letters from the Governments and to enable certification of the final capital return made to the Scottish Government by the relevant Section 95 Officer. The Parties further agree that that the income and expenditure for any AGD project which will be accounted for within a Party's own accounts will be subject to audit by that Party's own external auditors.
- provide all information as required by the PMO within the prescribed timescales to enable the PMO to fulfil its functions.
- Ensure that all internal governance structures be documented within individual Project Business Cases;
- Provide quarterly updates to the PMO of the progress of each approved project; together with any additional project status reports which the PMO may reasonably require.
- Work collaboratively with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the AGD to deliver inclusive growth and community wealth building

- 6.3 Where a Party is failing to deliver a project under the AGD Programme in accordance with the terms of the grant agreement, the Party shall report to the PMO and agree mitigating actions to ensure successful completion of the project.
- 6.4 Subject to the provisions of the managing change process as set out in paragraph 3 of the Governance Document should a Party be in material breach of the terms or provisions of either this agreement or of the conditions of any grant agreement, and subject to the Party in breach being given a minimum period of 28 days (or such other period as the ECJ may agree), the ECJ will have the delegated power to:-
- i. Suspend any further payment of grant funding until suitable resolution is found;
 - iii. Remove the particular project from the AGD Programme;
 - iv. Cease funding or recalculate the grant award; and
 - v. Recover from the Party any grant monies already paid and additional costs incurred or losses suffered by the ECJ or the Parties arising from that failure.

7 PMO BUDGET

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

8. AUDIT

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

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

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

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

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

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

9. CONFLICTS OF INTEREST

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

- 9.2 Each member of the ECJ and REP will be required to complete a register of interests. These will be collated by the PMO for all members and substitutes and published on the [AGD] website. At all meetings, members of the ECJ and REP will be invited to declare any interests which may be relevant to discussions or decisions in relation to the AGD Programme.
- 9.3 The PMO is responsible for the assessment of individual business cases and will make independent recommendations for decision to the ECJ. Investment decisions will ultimately remain the remit of the ECJ.

10. PUBLICITY

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

11. MUTUAL OBLIGATIONS

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

12. INTELLECTUAL PROPERTY RIGHTS

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

13. DISPUTE RESOLUTION

- 13.1 If a dispute arises out of or in connection with the operation or implementation of the AGD (a "Dispute") then the Parties shall follow the procedure set out in this Clause 13.
- 13.2 Following a Dispute arising, any of the Parties shall be entitled to give to the others notice in writing of the Dispute (the "Dispute Notice") setting out the nature of the Dispute in reasonable detail. The Parties shall then seek in good faith to resolve the Dispute.
- 13.3 If the Dispute is not resolved within thirty days of receipt of the Dispute Notice, or by another date agreed in writing between the Parties, the Dispute shall be referred to the Chief Executives Group who shall attempt in good faith to resolve the Dispute as soon as reasonably practicable.
- 13.4 Any dispute between the Parties which cannot be resolved as detailed in Clauses 13.1 to 13.3 above shall be referred to an independent mediator appointed by the Law Society of Scotland. The fees and expenses of the mediator shall be borne equally by the parties involved in the mediation. In the event the parties fail to reach an agreement within 30 days after the commencement of the mediation, then the matter may be determined by an arbitrator.
- 13.5 Arbitration in terms of this clause may be initiated by any of the Parties in dispute after the 30 day period referred to in clause 13.4. The arbitrator shall be mutually agreed by the Parties in dispute failing which the arbitrator shall be

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

- 13.6 The decision of the Arbitrator on the matter in dispute and on any award of expenses relating to the arbitration shall be final and binding on all Parties involved in the arbitration.
- 13.7 The operation of Rule 69 of the Arbitration (Scotland) 2010 Act is excluded. The Parties also agree not to make a referral to the Outer House of the Court of Session all in terms of Section 41 of the Arbitration Act 2010.

14. TERMINATION

- 14.1 This Agreement shall continue in full force and effect until the whole AGD Programme has been concluded.
- 14.2 The Lead Authority shall keep or cause to be kept full and accurate accounts through the currency of this agreement, or any replacement thereof. The detailed records will be available for the following periods:
- (a) for the AGD operational Costs, detailed records will be held for a period of three years;
- (b) for Grant Receipt and allocation, detailed records will be retained for a period of twenty years.
- 14.3 The Parties shall be entitled, on giving reasonable prior notice, to inspect such accounts and records and to make any examination which they may desire and for this purpose, the Lead Authority shall forthwith on demand produce to the Members all relevant information or vouchers as a Member may reasonably request.

15 INDEMNITY AND INSURANCE

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

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

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

16 CONFIDENTIAL INFORMATION

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

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

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

- ii. or ii. already in the possession of the Receiving Party without restrictions as to its use; or
- iii. the disclosure of which is required by statute or court order; or
- iv. is provided for the purpose of obtaining professional advice; or
- v. is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or
- vi. which is information independently developed without access to the Confidential Information including audit and assessing best value.

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

17 FREEDOM OF INFORMATION

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

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

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

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

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

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

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

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

18 ASSIGNATION

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

19 SERVICE OF NOTICES

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

20 INCONSISTENCY

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

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

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

21 THIRD PARTY RIGHTS

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

22 VARIATION

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

23. COSTS

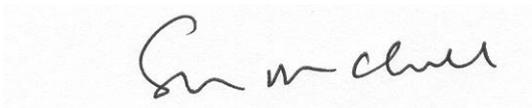
- 23.1 Each of the Parties shall meet its own costs in connection with the preparation, adjustment and completion of this Agreement.

24. LAW AND JURISDICTION

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

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

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



..... Authorised Signatory

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

..... Authorised Signatory

..... Witness

..... Witness Details

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

.....Authorised Signatory

AYRSHIRE GROWTH DEAL GOVERNANCE DOCUMENT



Scottish Government
Riaghaltas na h-Alba
gov.scot

AYRSHIRE
GROWTH DEAL

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1. AYRSHIRE GROWTH DEAL – GOVERNANCE DOCUMENT

- 1.1** This document sets out the governance arrangements which have been agreed for the Ayrshire Growth Deal (AGD). The governance arrangements will enable sound decisions to be taken in an open, inclusive and transparent way.
- 1.2** The partners involved in the Ayrshire Growth Deal are the Scottish Government, the UK Government, East Ayrshire Council, North Ayrshire Council and South Ayrshire Council. East Ayrshire Council will be the Accountable Body for the Deal. East Ayrshire Council will provide the link for all other regional partners involved in the Deal including North Ayrshire and South Ayrshire Councils.
- 1.3** Other regional partners include Scottish Enterprise, Skills Development Scotland, Ayrshire College, University of Strathclyde, University of Glasgow, University of the West of Scotland, Glasgow Prestwick Airport, Peel Holdings, HALO Kilmarnock Ltd, NPL Estates Ltd, VisitScotland and Transport Scotland together with the 3rd sector and Ayrshire’s business and resident communities.
- 1.4** The Governance Document sets out decision making structures, memberships, roles and responsibilities and how key processes will be managed to ensure accountability, probity, transparency, compliance and value for money. The governance arrangements outlined within this document will be reviewed regularly to ensure that they remain fit for purpose as the deal progresses.
- 1.5** The partnership approach to governance will promote:
- Openness of decision making focussed on clearly defined outcomes underpinned by sustainable economic, social and environmental benefits;
 - Management of risks and performance through robust internal control and strong financial management; and
 - Transparent reporting.
- 1.6** The partners believe that over the next 15 years, more than £300 million will be unlocked by the deal investment, aiming to deliver around 7,000 new jobs across a wide range of sectors in the Ayrshire region.

2. AYRSHIRE GROWTH DEAL – GOVERNANCE ARRANGEMENTS

- 2.1 In 2018, the Ayrshire Councils agreed to implement a new governance structure to oversee the delivery of the Ayrshire Growth Deal and to promote the main drivers for the Ayrshire Regional Economic Partnership, namely:
- to promote and deliver regional economic and inclusive growth on an Ayrshire-wide basis, in line with the Scottish Government’s aim of having a Regional Economic Partnership for every region of Scotland;
 - to provide the robust shared governance which will enable the Scottish and UK Governments and other funding sources to dispense monies on an Ayrshire basis;
 - to encourage the meaningful involvement of private sector partners as well as the public sector; and
 - to recognise that the funding element is being delivered through Councils, and consequently democratic accountability will be required for key investment decisions.
- 2.2 The structure should be as simple as possible, but be capable of adaptation as required. What has been implemented is a structure which has a new Joint Committee with ultimate control over key strategic and investment decisions. This comprises of Councillors from the three authorities with some representation (less than one third, in line with legislative requirements) from partners and business. Below this sits the Ayrshire Regional Economic Partnership, which will progress the day-to-day business of both the Regional Economic Partnership and Growth Deal. The Regional Economic Partnership comprises members from the Joint Committee, as well as more extensive representation from other sectors.
- 2.3 The membership, remits and powers of both the Ayrshire Regional Economic Joint Committee and the Ayrshire Regional Economic Partnership are set out in Appendices A and B. Standing Orders for their meetings are set out in Appendix C. Key components of this are:
- The Ayrshire Regional Economic Joint Committee (EJC) comprises thirteen members in total, three from each Council, one from Scottish Enterprise (SE), one from Skills Development Scotland (SDS), one from the business sector and one from the education sector. The local authority Chair will rotate on an annual basis. Its core functions are:

- to approve the Ayrshire Economic Strategy;
 - to make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
 - to approve major funding decisions including approval of the Business Cases for AGD projects;
 - to approve the AGD Benefits Realisation Plan;
 - to approve major change requests;
 - to receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;
 - to make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;
 - to make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;
 - to approve operational expenditure within agreed Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.
- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix A, the EJC will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the EJC will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

- The Ayrshire Regional Economic Partnership (REP) comprises three representatives from each Council, three representatives of the business sector, three representatives of the Higher or Further Education sector and one representative from each of Scottish Enterprise, Highlands and Islands Enterprise (HIE), Skills Development Scotland, and Visit Scotland. There is also provision to co-opt an additional three members either from other organisations or on the basis of experience or skills. In legal terms this has to be a sub-committee as it comprises more than one-third membership who are not councillors. The Regional Economic Partnership (sub-committee) will have delegated powers, but major strategic and funding decisions will require to be remitted for approval to the Joint Committee. The functions of this Regional Economic Partnership are:
 - to oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;
 - to provide strategic oversight for the delivery of the strategic priorities and actions contained within the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;
 - to drive forward the growth of the Ayrshire economy;
 - to prioritise inclusive growth and report on progress made annually in AGD Benefits Realisation Plan in line with the Scottish Government’s Inclusive Growth Monitoring Framework;
 - to drive increased collaboration and partnership between the Ayrshire Councils, the Scottish and UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;
 - to make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
 - undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;
 - to oversee the development of the business cases of individual Ayrshire Growth Deal projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;

- to oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;
 - to make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;
 - to ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;
 - to provide strategic direction and manage the input of any Thematic or other Working Groups.
- Notwithstanding the terms of the Standing Orders and Meetings arrangements within Appendix B, the REP will meet quarterly to align with the financial reporting, approvals drawdowns and in keeping with the Grant Offer Letter. Special meetings of the REP will be arranged at short notice if decisions require to be taken quickly or indeed during the period between meetings.

ROLES AND RESPONSIBILITIES

The Accountable Body (East Ayrshire Council):

- 2.4 The Accountable Body carries out certain legal and regulatory functions on behalf of the EJC and REP as instructed by them, where the EJC and REP do not have the requisite legal status or competence.
- 2.5 The Accountable Body has established and hosts a Programme Management Office and has appointed a Strategic Manager to oversee its budget and duties.
- 2.6 The Accountable Body provides support services as the Strategic Manager may reasonably require to discharge their duties on behalf of the Accountable Body which may include financial, legal, audit and other professional or technical services. Each Partner Authority shall provide the appropriate level of support services to fulfil their obligations to the Accountable Body.
- 2.7 The Accountable Body will analyse and provide reports on progress to the REP, EJC, the UK and Scottish Governments and the Chief Executives' Group or provide any other reports or updates as required by these groups.

- 2.8 The Accountable Body shall allocate and account for distribution of AGD grant income to all partners. It will enter into any grant agreements on behalf of the EJC and REP, hold the AGD grant funding and make disbursements to Partner Authorities, Third Parties and other bodies as appropriate, all in accordance with the approved governance arrangements.
- 2.9 It will account for these funds under a separately identified budget line to ensure transparency and clarity, and will report to the Scottish and UK Governments as required in accordance with the Grant Offer Letter.
- 2.10 The Accountable Body and Partner Authorities will ensure compliance with confidentiality and data protection regulations in relation to the AGD Programme.
- 2.11 The Accountable Body will ensure that grant funds are disbursed legally and appropriately and, with Partner Authorities, will have the appropriate and proportionate control systems in place to prevent relevant employees breaching the Bribery Act 2010 in relation to AGD funds and to prevent fraudulent activity.
- 2.12 Partner Authorities will refund all amounts identified by the Accountable Body and/or funders to be ineligible.
- 2.13 In the event of the Accountable Body becoming aware of, or suspecting any irregular or fraudulent activity that may have any impact on the Project/Programme or the use of the AGD grant, or any part of it, the Accountable Body shall immediately set out a fact-finding exercise, investigate as required and, in accordance with the conditions of the Grant Offer Letter, notify the Scottish Ministers of any confirmed activity. Partner Authorities must report all cases to the Accountable Body as soon as they become aware of suspected or actual irregular or fraudulent activity and must participate fully in any fact-finding or investigation.
- 2.14 The Accountable Body will ensure that such financial statements or relevant disclosure requirements as are required in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and proper accounting practices (section 12 of the Local Government in Scotland Act 2003) are prepared for the EJC and REP. Where these form part of the wider statutory reporting requirements of the Partner Authorities appropriate summary financial information will be consolidated and reported to the EJC and REP.
- 2.15 All partners will ensure that grant funds are used appropriately and demonstrate Best Value.
- 2.16 The Accountable Body's Chief Auditor will be appointed as Chief Auditor for the AGD to coordinate Internal Audit activity.

- 2.17 Each partner will be responsible for allocating Internal Audit resources as required for local AGD activities. The Accountable Body's Internal Audit section will reserve the right to review programme and project activities as required and request information from all partners regarding these activities.
- 2.18 Each year a consolidated Internal Audit Plan will be presented to the EJC and REP having been prepared following:
- consultation with relevant senior officers of the AGD PMO;
 - consideration of the risks affecting the AGD at programme and project level;
 - consideration of both internal and external factors affecting the AGD;
 - consideration of previous internal and external audit findings;
 - consideration of all of these elements which will inform Public Sector Internal Audit Standards (PSIAS) based risk assessments carried out locally by the Accountable Body and Partner Authorities; and
 - any relevant items subsequently included in local Internal Audit plans approved by each partner's audit committee in line with PSIAS obligations will be reflected in the consolidated AGD Internal Audit Plan.
- 2.19 All AGD Internal Audit work will be carried out in line with the PSIAS with individual Internal Audit assignment reports presented to the EJC and REP for noting.
- 2.20 The EJC and REP will be advised of the overall outcomes from Internal Audit work in an annual Internal Audit Report the timing of which is anticipated to align with the annual accounts timetable and will be reported to the EJC and REP for noting in line with PSIAS requirements.
- 2.21 The Annual Internal Audit Report will include a summary of AGD internal audit work in year by all partners, an annual opinion for the AGD and for further assurance will also include the authority-wide Annual Internal Audit opinions prepared by each partner.
- 2.22 Actions arising from Internal Audits will be followed up by the relevant Internal Audit team in line with established arrangements in that authority and these follow-up reports will be presented to the EJC and REP for noting.
- 2.23 Further audit, advisory consultancy or investigative work may be requested by the EJC and REP.
- 2.24 The Accountable Body's Chief Auditor will liaise with partner Chief Auditors through established arrangements.

Partner Authorities

- 2.25 Partner Authorities play a key role in supporting the delivery of the overall Programme through a range of activities including: delivering their Approved Projects; participating in all Support Group activities and work plans; designing and delivering Programme-wide approaches and strategies (such as the Ayrshire Economic Strategy and the Inclusive Growth Action Plan); identifying and sharing best practice; identifying and collaborating on joint working opportunities.
- 2.26 Partner Authorities shall develop Green Book compliant Business Cases and deliver Approved Projects in accordance with: their Approved Project Business Case; the terms of the grant agreement entered into with the Accountable Body; and all Programme management requirements.
- 2.27 The annual Grant Offer Letter will outline the reporting and governance requirements for the partners.
- 2.28 Any grant agreement entered into by a Partner Authority shall be subject to that Authority's contract standing orders and financial regulations.
- 2.29 Partner Authorities are responsible for ensuring the realisation of project benefits as agreed by EJC and REP and as a condition of the grant agreement.
- 2.30 Partner Authorities are required to provide a statement of compliance with the Conditions of Grant as set out in the grant letter. This will be evidenced in the certification of the final capital return made to the Scottish Government by each Partner Authority's Section 95 Officer. AGD Project income and expenditure, which is accounted for within Partner Authorities' own accounts, will be subject to audit by an individual authority's own external auditors.
- 2.31 For the avoidance of doubt, for every financial claim to be submitted by the Accountable Body each Partner Authority must provide a full audit trail by way of a certification by the Section 95 Officer of the eligible funds disbursed in a format determined by the Accountable Body.
- 2.32 Partner Authorities will be required to provide all information as required by the PMO (details of all reporting requirements are set out in the next section of this paper).
- 2.33 Partner Authorities will make their own arrangements for reporting on Projects internally within their own organisations and for approving these internal reports prior to the onward submission of information to the PMO. These internal governance structures will be documented within Project Business Cases.

- 2.34 The Partner Authorities shall provide the PMO with quarterly updates on the progress of each Approved Project, in line with the Partner Authority Report and Project Status Report template.
- 2.35 The PMO reserves the right to request copies of individual Project Status Reports, as required. Partner Authorities' Project governance arrangements may be reviewed by the PMO to ensure compliance with the requirements of funders.
- 2.36 This monitoring information will be presented to the EJC and REP by the PMO in the Programme Status Report, including advising on progress, benefits realisation, any slippage and risks in relation to any specific Projects and seeking approval for any amendments/change controls. Any concerns which the EJC and REP may have will be notified to the relevant Member Authority via the Chief Executives' Group.
- 2.37 Partner Authorities will work with relevant working groups to assist with the realisation and maximisation of relevant project benefits where required.
- 2.38 Partner Authorities will work with the Equalities and Human Rights Commission and others to explore opportunities to maximise the impact of the Deal to deliver inclusive growth.

Third Parties

- 2.39 Third Parties are organisations, other than Partner Authorities, which receive a grant from the Accountable Body to deliver Approved Projects as part of the Programme as agreed by the EJC and REP.
- 2.40 Third Parties will also comply with the same conditions as Partner Authorities as set out above.

THE PROGRAMME MANAGEMENT OFFICE (PMO)

- 2.41 A permanent staffing structure is being put in place within the Programme Management Office for the Ayrshire Growth Deal and the team is tasked to:
- monitor, review and update the AGD Programme Business Case;
 - scrutinise proposed business cases and make recommendations to the REP and EJC. Where necessary expertise does not exist within the team to fulfil this responsibility, external support will be commissioned and managed by the PMO;

- provide a full toolkit of documentation to partners delivering projects including business case templates and guidance on their completion; reporting templates; risk register templates, and such other documentation as is required from time to time;
- analyse and report on the impact of the delivery of AGD projects and the overall AGD, as well as reporting on the delivery of wider economic benefits agreed in business cases and grant awards, in accordance with commitments made to the UK and Scottish Governments. This reporting will be on a monthly, quarterly and annual basis and will require input from project leads;
- monitor the programme risk register and escalate any issues as they arise, reporting on risk to each EJC and REP meeting;
- prepare regular consolidated monitoring statements for consideration by the EJC and REP.

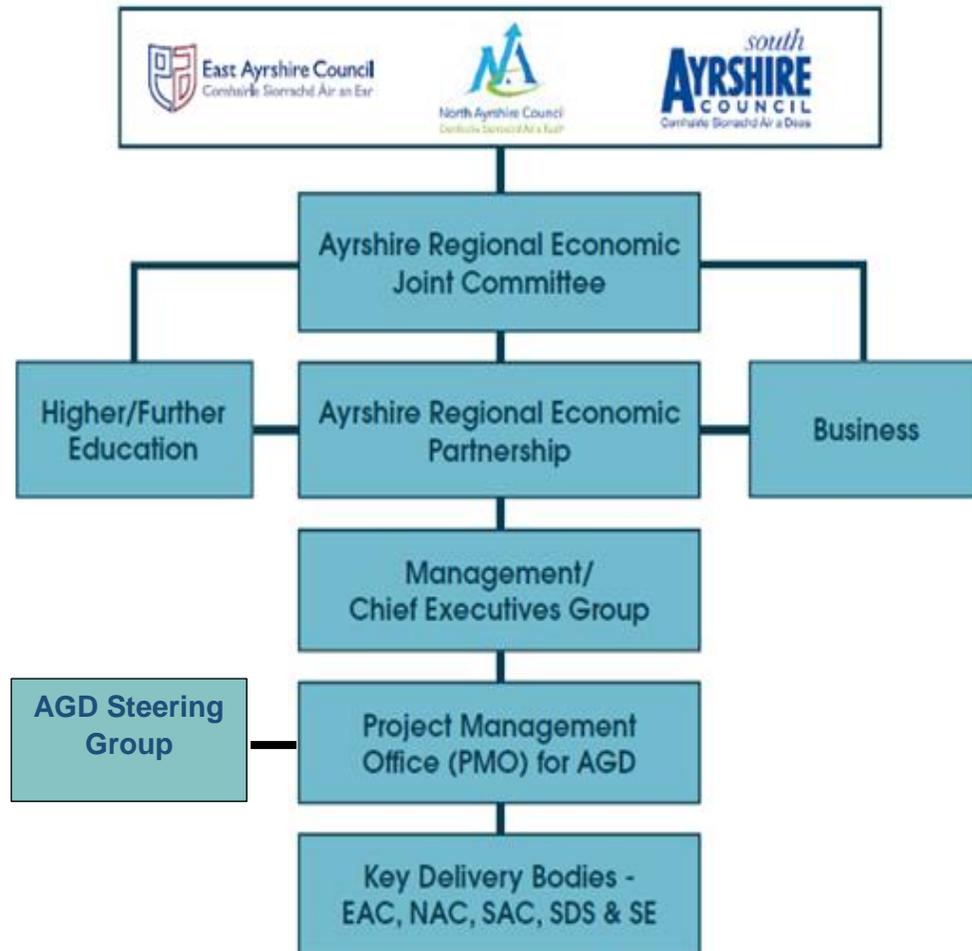
2.42 The work of the PMO is supported by the following working groups:

- Procurement – comprising procurement leads from each of the Ayrshire Councils. This group meets monthly or as often as required;
- Marketing and Communications – comprising communications leads for each of the Ayrshire Councils together with representatives from UK and Scottish Governments. This group meets monthly or as often as required;
- Ayrshire Growth Deal Steering Group – comprising representatives from each of the Ayrshire Councils, Scottish Enterprise, Skills Development Scotland and representatives from UK and Scottish Governments. This group provides support and guidance to the PMO and assists with information sharing. This group meets monthly;
- Other short-term working groups will be established as required.

Minutes of all meetings will be maintained.

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

Governance Structure



BUSINESS CASE APPROVAL PROCESSES

- 2.44 Once government is satisfied that a given project's OBC is sufficiently well developed they will inform the regional Programme Management Office that the OBC has been approved and that government is content for regional partners to proceed to full business case (FBC).
- 2.45 Government will require to see all FBCs to ensure that they continue to meet their requirements and to confirm that any outstanding issues highlighted at OBC stage have been addressed. Final Equality Impact, Fairer Scotland, and Environmental Impact Assessments should also be made available.
- 2.46 The final approval of FBCs will rest with the region's principal decision making body, the Ayrshire Economic Joint Committee. This ensures that regional partners have full ownership of the Deal and that ultimate decision making authority rests with the body that will be responsible for delivering associated outputs, outcomes, and impacts.

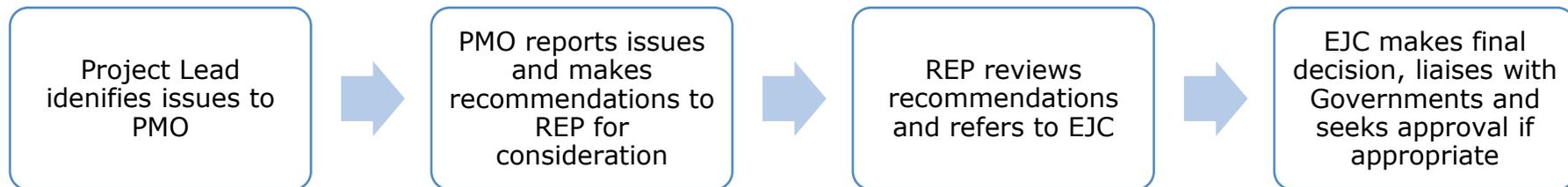
FINANCIAL REPORTING

- 2.47 As outlined in the annual Grant Offer Letter, on a monthly basis, a Financial Forecast will be completed by the PMO, and submitted to Scottish Government copied into UK Government. This will include monthly expenditure by the overall Programme and individual Projects, the cumulative spend and profile spend for the remainder of the financial year.
- 2.48 As outlined in the annual Grant Offer Letter, a Quarterly Performance Report will also be completed by the PMO and reported to Scottish Government copied into UK Government. This report will not only report on financial information but will include a Risk Status of the overall Programme as well as each Project and highlight where underspend or overspend is predicted including narrative as to how this will be managed going forward.
- 2.49 As outlined in the annual Grant Offer Letter, an Annual Report based on the previous year's activity will be prepared. This report will form the basis for the annual conversation with Government and should follow the Annual Report Template for City Region Deals. The final report will be approved by the Joint Committee and presented to Governments before being published.
- 2.50 The annual conversation will allow the Scottish City Region and Growth Deal Delivery Board to engage with each City Region Deal at senior officer level, to celebrate success and discuss progress. Annual Conversations, informed by the

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

3. **MANAGING CHANGE**

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



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

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

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

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

Appendix A: AYRSHIRE ECONOMIC JOINT COMMITTEE

Constitution

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

Chair

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

Quorum

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

Standing Orders and Meetings

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

Delegated Powers

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

Functions Referred

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

Acting in the interests of Ayrshire as a whole:-

1. To approve the Ayrshire Economic Strategy;
2. To make recommendations to the UK and Scottish Governments, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
3. To approve the business cases of individual Ayrshire Growth Deal Projects;
4. To receive reports on the effectiveness of the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal and to identify potential improvements and make recommendations to the Constituent Authorities;
5. To make recommendations to the Constituent Authorities in respect of the Ayrshire Growth Deal funding arrangements;
6. To make recommendations to the Constituent Authorities on the setting of budgets for the Ayrshire Growth Deal;
7. To approve operational expenditure within agreed with Ayrshire Growth Deal Joint Committee budgets allocated by the Constituent Authorities in order to further the aims of the Ayrshire Growth Deal.

Appendix B: AYRSHIRE ECONOMIC PARTNERSHIP

Constitution

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

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

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

Chair

The Chair shall be appointed by the Joint Committee

Quorum

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

Standing Orders and Meetings

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

Delegated Powers

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

Functions Referred

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

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

8. To oversee the development of the Ayrshire Economic Strategy and to make recommendations to the Ayrshire Economic Joint Committee regarding its approval;
9. To provide strategic oversight for the delivery of the strategic priorities and actions contained within the Ayrshire Economic Strategy and any Action Plan forming part of such Strategy;
10. To drive forward the growth of the Ayrshire economy;
11. To prioritise inclusive growth and provide an annual report in line with the Scottish Government's Inclusive Growth Monitoring Framework;
12. To drive increased collaboration and partnership between the Ayrshire Councils, the Scottish & UK Governments and their agencies and the private sector, focussed towards delivery of the Ayrshire economic priorities;
13. To make recommendations to the Ayrshire Economic Joint Committee, the Ayrshire Councils, public sector partners and business to promote collaborative working and to ensure their priorities, policies and service delivery are aligned with the Ayrshire Economic Strategy and the Ayrshire Growth Deal;
14. Undertake periodic reviews of the Ayrshire Economic Strategy and any Action Plan forming part of the Strategy to ensure that it is consistent with the emerging ambitions of Ayrshire and collaboration with partners;
15. To oversee the development of the business cases of individual Ayrshire Growth Deal Projects and to make recommendations to the Ayrshire Economic Joint Committee regarding their approval;
16. To oversee the implementation of the Ayrshire Economic Strategy and the Ayrshire Growth Deal, to monitor the performance of the Programme Management Office (PMO), to identify potential improvements and make recommendations to the PMO or the Ayrshire Economic Joint Committee;

17. To make recommendations to the Ayrshire Economic Joint Committee in respect of the Ayrshire Growth Deal funding arrangements;
18. To ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements;
19. To provide strategic direction and manage the input of any Thematic or other Working Groups.

Appendix C: STANDING ORDERS FOR THE CONDUCT OF MEETINGS

PRELIMINARY

COMMENCEMENT

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

DEFINITIONS

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

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

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

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

MEETING ARRANGEMENTS

Dates of Meetings

1. The Joint Committee shall meet at least twice in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Joint Committee. The Partnership shall meet at least six times in each financial year or more often as is required to conduct its business, dates of meetings to be agreed by the Partnership.
2. A special meeting of the Joint Committee or the Partnership may be called at any time:
 - (a) by the incumbent Chair; or

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

Place, Time and Notice of Meetings

- 3.1 Except in the case of urgency (when the incumbent Chair may direct accordingly) three clear days at least before a meeting of the Joint Committee or the Partnership;
 - i. Notice of the time and place of the intended meeting shall be published by the Chief Executive of the incumbent Chair's Council (or if the Partnership is not chaired by a Council nominee, by the Chief Executive of the Joint Committee's incumbent Council) or an appropriate officer of that council, responsible for the administrative support of the Joint Committee or Partnership, at that Council's principal office and, where practical, at the place where the meeting will be held if the meeting is to be held outwith that Council's principal office; and
 - ii. A summons to attend the meeting, specifying the business to be transacted shall be left at or sent by post to the usual place of residence of every Member of the Joint Committee or Partnership as appropriate, or to such other address as the Member may notify in writing to the Chief Executive of the incumbent Chair's Council.

LACK OF NOTICE

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

QUORUM

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

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

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

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

CHAIR

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

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

POWERS AND DUTIES OF CHAIR

7. Deference shall at all times be paid to the authority of the Chair. When the Chair indicates a wish to speak, any Member who may be addressing the meeting shall give way. The Chair shall:-
 - (i) preserve order and ensure that every member of the Joint Committee or Partnership shall have a fair hearing;
 - (ii) decide all matters of order, competency and relevancy and the ruling of the Chair shall be final and shall not be open to discussion;
 - (iii) decide between two or more members of the meeting indicating that they wish to speak by calling on the member who has first caught the attention of the Chair;
 - (iv) ensure that due and sufficient opportunity is given to members who wish to speak to express their views on the subject under discussion;

- (v) be entitled, in the event of disorder arising, to adjourn the meeting to a time he or she may then, or afterwards, fix and his or her leaving the Chair shall indicate the meeting is adjourned; and
- (vi) the Chair shall, at his or her discretion, determine all questions of procedure for which no express provision is made under these Standing Orders with regard to the regulation of the proceedings and business of the Joint Committee meetings.

BUSINESS AT MEETINGS

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

URGENT BUSINESS

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

ORDER OF BUSINESS

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

- (i) the Sederunt shall be taken; the names of the members present at the meeting shall be recorded with the Chair at the head followed by the remaining Members;
- (ii) Minutes of the previous Joint Committee or Partnership as appropriate shall be submitted, held as read and be formally moved and be held to be approved, unless objection is taken to any portion thereof when so submitted. Any Member may request information on an item within a Minute that is before the meeting; and
- (iii) Any other competent business detailed in the Agenda or urgent business raised at the discretion of the Chair.

ORDER OF DEBATE

Motions/Amendments

- 11.1** A member of the Joint Committee or Partnership when speaking shall address the Chair and direct all remarks to the matter before the meeting by proposing, seconding or speaking to the motion or any amendment relative thereto, or to a point of order, or to propose or second a motion to adjourn the proceedings.
- 11.2** Every motion or amendment shall be moved and seconded. The terms of all motions or amendments shall always precede any remarks to be made by their proposers. No member shall speak supporting the motion or any amendment until the same shall be seconded.
- 11.3** The terms of a motion or amendment not seconded or which may be withdrawn or altered after being seconded shall not be recorded in the Minutes of proceedings.
- 11.4** Any member who has moved a motion or amendment and has failed to find a seconder may request that his or her dissent in regard to the decision in question be recorded and that dissent will be recorded in the Minutes.

Procedure on Point of Order

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

MOTION FOR ADJOURNMENT OF MEETING

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

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

VOTING

Method of Voting on Motion and Amendment

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

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

DECISIONS OF THE JOINT COMMITTEE

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

CASTING VOTE

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

ATTENDANCE BY ELECTED MEMBERS NOT A MEMBER OF THE JOINT COMMITTEE

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

ATTENDANCE BY MEMBERS OF THE PUBLIC

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

At a Meeting of the Ayrshire Economic Partnership Board at 2.00 p.m. involving participation by remote electronic means.

Present

Councillors Peter Henderson, Siobhian Brown and Brian Connolly (South Ayrshire Council); Marie Burns, Joe Cullinane and Alex Gallagher (North Ayrshire Council); Tom Cook, John McGhee and Douglas Reid (East Ayrshire Council).

In Attendance

C. Hatton, K. Yeomans and C. McAuley (North Ayrshire Council); E. Fraser, D. McDowall, J. McLauchlan and A. Craig (East Ayrshire Council); E. Howat, D. Gillies and T. Leijser (South Ayrshire Council); E. Baird and R. Phillips (Scottish Government); G. Adam and B. Fraser (Scottish Enterprise); J. Mone and M. Radosavljevic (University of West of Scotland); A. Dobson (Taste of Arran); S. Foster (Spirit AeroSystems); M. Goodfellow (Highlands and Islands Enterprise); K. Hutton (Skills Development Scotland); A. Gillespie (University of Strathclyde); A. McGregor (University of Glasgow); V. Russell (Ayrshire Chamber of Commerce); C. Turnbull (Ayrshire College); and H. Clancy (North Ayrshire Council).

Also in Attendance

L. Kirk, J. McLachlan and G. Robson (North Ayrshire Council); D. Manson (Ayrshire Road Alliance); F. Kennedy (NHS Salus).

Apologies

Malcolm Roughead and Hisashi Kuboyama

Chair

Councillor Peter Henderson in the Chair.

1. Welcome

The Chair welcomed everyone to the meeting.

2. Apologies

Apologies were noted.

3. Minutes

The Minutes of the meeting of the Partnership Board held on 14 September 2020 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

4.1 Food & Drink

Submitted report and received a presentation by Alastair Dobson, Taste of Arran on the Food and Drink Workstream. The presentation highlighted key priorities, creation of the virtual team, progress made so far and next steps.

The Partnership Board asked questions and was provided with further information in relation to: -

- post Brexit problems and support from the UK Government; and
- the use of regional data to create a food and drink database.

Noted.

4.2 Visitor Economy and Ayrshire Tourism Action Plan

Submitted report and a received presentation by Karen Yeomans, Director (Growth and Investment) North Ayrshire Council on the Visitor Economy workstream and the Ayrshire Tourism Action Plan. The presentation highlighted that the destination priorities and a short-medium term action plan had been identified through research and consultation with partners and the industry. The plan enabled Ayrshire's private and public sector partners to deliver short-term actions to support tourism industry recovery from the COVID-19 pandemic and work towards the formation of a regional tourism collaboration and a longer-term strategic action plan to reboot sector growth through a destination development approach. The action plan set out a commitment to collective action that will benefit sector recovery and its return to sustainable growth and would be reviewed and updated as progress was made, along with the development of options in respect of a potential regional collaboration.

The Partnership Board asked questions and was provided with further information in relation to: -

- internal markets and local businesses for town regenerations;
- how the action plan fitted with Chamber Forward Together Strategy, in particular Ayrshire Connect; and
- getting the right approach to tourism.

The Partnership agreed to the implementation of the short-term measure of the Ayrshire Tourism Action Plan to be co-delivered by the private and public sector members of the Ayrshire Visitor Economy Strategic Sub-Group.

4.3 Space and Aerospace

Submitted report and received a presentation by Simon Foster, Spirit AeroSystems on the Space and Aerospace Workstream, highlighting the decommissioning MRO project.

The Partnership Board asked questions and was provided with information in relation to:-

- clarification that funding would be from both public and private sectors.

- the development of a wider range of strategic actions in respect of the space and aerospace workstream.

Noted.

4.4 Clean Growth

Submitted report by Theresa Correia (Scottish Enterprise) and Milan Radosavljevic (UWS) on the Clean Growth Workstream. A Scotland-wide Business recovery portal would be launched in February 2021 with an initial focus on our Scottish campus locations (Ayrshire, Dumfries & Galloway, Lanarkshire and Renfrewshire). The purpose was to continuously evaluate emerging needs within local authorities across Scotland and the initial information from several hundred CPD attendees indicated reskilling/upskilling/retraining as well as financial support to be the key needs (individuals and companies). It was also highlighted that the energy masterplan would require to be funded.

Noted.

4.5 Digital

The Partnership Board received a verbal update by Theo Leijser, South Ayrshire Council on the Digital Workstream.

The Partnership Board asked questions and was provided with further information in relation to: -

- digital transformation being a key enabler for all workstreams, business and community resilience; and
- development of a digital communication and document project management tool to aid the workstreams.

Noted.

4.6 Skills

Submitted report by Andrea Glass, Skills Development Scotland on how? the Skills Workstream and Skills Development Scotland supported by Ayrshire College, UWS and the RES Skills Group, would facilitate the development of a Regional Skills Investment Plan (RSIP). This would set out collective and agreed understanding of the:

- demand for skills and people in Ayrshire over the short and medium term;
- current people and skills supply, and the gaps between supply and current and future demand; and
- people and skills priorities that enterprise and skills agencies and providers across the skills system should seek to address.

Co-designed by partners this would:

- set clear commitments and actions that partners would deliver over the next 3 years;

- provide an agreed baseline to monitor future progress; and
- outline proposals for clear governance, delivery and reporting arrangements.

Noted.

4.7 The Partnership Board received an update on plans for a workshop to look across all workstreams and the common principles of the partnership and growth deal projects to identify areas of complementarity and how these could be best take forward.

The Partnership Board asked questions and received further information in relation to: -

- the development of a communications plan to raise the profile of the work of the economic partnership as well as individual workstreams.
- the development of action plans for each of the workstreams
- the availability of business data to help inform development of workstreams.

5. COVID-19 – Ayrshire Wide Business Support Update

Submitted report by the Ayrshire Executive Group on the approach being taken across Ayrshire by the three local authorities, Scottish Enterprise and VisitScotland to support local businesses during the ongoing Coronavirus (COVID-19) Pandemic and in the adjustment period following the UK's exit from the European Union. The list of Scottish Government funds and funding intentions was set out at Appendix 1 to the report.

Noted.

6. Regional Business Support Update

Submitted report by the Ayrshire Executive Group on the work being progressed to develop Business Support offers at a regional and local level. The report set out an agreed shared vision amongst the three Councils and Scottish Enterprise on the development of respective business support activities, highlighting the existing regional consistent offer that was available and presented new opportunities under development to enhance regional offers.

Noted.

7. Freeports Update

Submitted report by Craig Hatton, Chief Executive North Ayrshire Council on the establishment of Freeports in the UK, including the Ayrshire response to the recent Scottish Government consultation on economic development zones including Freeports. The response was set out at Appendix 1 to the report.

Noted.

8. Community Wealth Building Update

Submitted report by Craig Hatton, Chief Executive North Ayrshire Council on regional Community Wealth Building activities including the launch of the Ayrshire Community Wealth Building Anchor Charter. The Anchor Charter was set out at Appendix 1, Terms of Reference set out at Appendix 2 and the Workplan set out at Appendix 3 to the report.

Noted.

9.1 Ayrshire Growth Deal Programme Update

Submitted report by David McDowall, Interim Head of Planning and Economic Development East Ayrshire Council on the Ayrshire Growth Deal. The Ayrshire Growth Deal and development of its component projects were set out at Appendix 1 to the report, the suite of deal documents set out at Appendices 2 – 8 and the finalised agreement set out at Appendix 9 to the report.

The formal virtual signing of the Ayrshire Growth Deal took place on 19 November 2020 and agreement reached with partners around an approach to management of cash flows in respect of government grant funding. An Agreement between East Ayrshire Council, North Ayrshire Council and South Ayrshire Council around governance, finance and reporting arrangements had now been agreed and pending formal signing. It was highlighted that the HALO project was due to complete soon and the AGD website would launch at the end of February 2021.

The board were advised of the inconsistencies and time taken to secure sign off of business cases by respective Governments and agreed to escalate these concerns to Officials and Ministers.

Noted.

9.2 Working for a Healthy Economy Project

Received a presentation by Greig Robson (Economic Development & Regeneration) North Ayrshire Council and Fiona Kennedy, NHS Salus on the Working for a Healthy Economy Project. The presentation highlighted the aims of the project, service delivery plans, challenges, service model and next steps. The Partnership Board was also provided with details of a recent case study of the project.

The Partnership Board asked a question and was provided with clarification on the delay in getting the business case signed off by Scottish Government.

Noted.

9.3 Community Wealth Building Project

Received a presentation by Julie McLachlan (Economic Development & Regeneration) North Ayrshire Council on the Community Wealth Building Project. The presentation highlighted the aims of the project, an overview of the project, what would be delivered, how the project would be delivered and managed, and next steps.

The Partnership Board asked a question and was provided with clarification on the delay in getting the business case signed off by Scottish Government.

Noted.

10. Strategic Transport Projects Review Update (STPR2)

Receive Presentation by Louise Kirk (Economic Development & Regeneration) North Ayrshire Council and David Manson, Ayrshire Roads Alliance on the Strategic Transport Projects Review. The presentation highlighted the purpose of the review, stakeholder engagement, phased approach, themes, regional transport appraisal, the 3 Ayrshire priorities, current position and next steps.

The Partnership was advised that the three Ayrshire Chief Executives had raised concerns and a letter had been sent to the Transport Minister seeking a meeting as transport was a key factor in creating employment in Ayrshire and was not adequately reflected in the national work published to date.

Noted.

The meeting ended at 5.30 p.m.