

AYRSHIRE ECONOMIC JOINT COMMITTEE

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	Project Lead, Project Partner. Responsible for project governance and reporting.
East Ayrshire Council	Project Partner
South Ayrshire Council	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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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:

- Do nothing** - Do not focus on any CWB pillars on a pan-Ayrshire basis
- Preferred** – Focus on four CWB pillars: Procurement, Employment, Ownership and Assets
- Alternative 1** – Focus on all five CWB pillars: Procurement, Employment, Ownership, Assets, Financial Power
- 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.

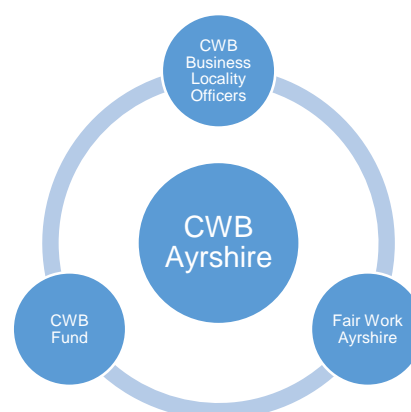
1.4 Commercial case

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.

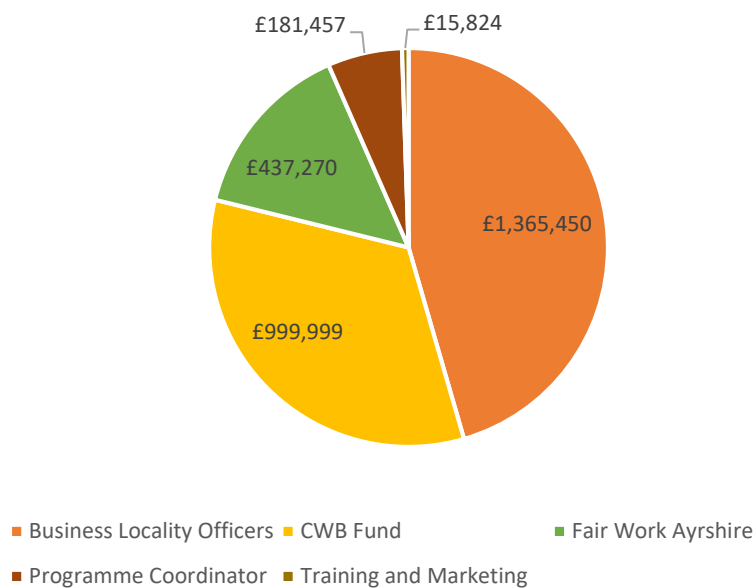
- Having officers in local areas having a presence on the ground will increase the coverage of enterprises to target.
- Several regional Anchor Institutions have committed to CWB and will be engaged in the project.
- The project will link with other AGD projects and create pipeline of referrals and contacts 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) tell 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:

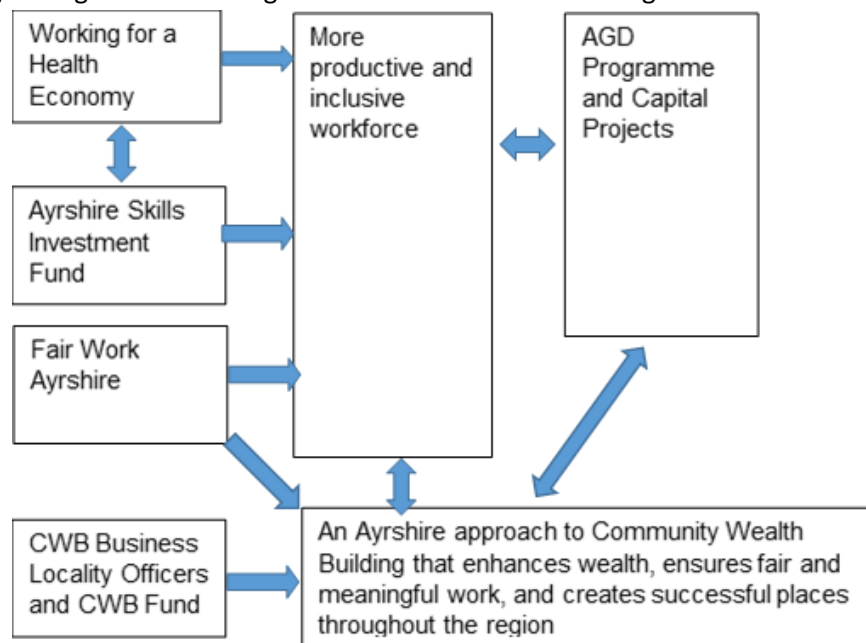
Working for a Healthy Economy – The proposal is for a condition management service which would support unemployed residents with health barriers to work, support employed people in danger of losing their jobs through ill health and support employers to keep people at their work. This aligns well to the 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.

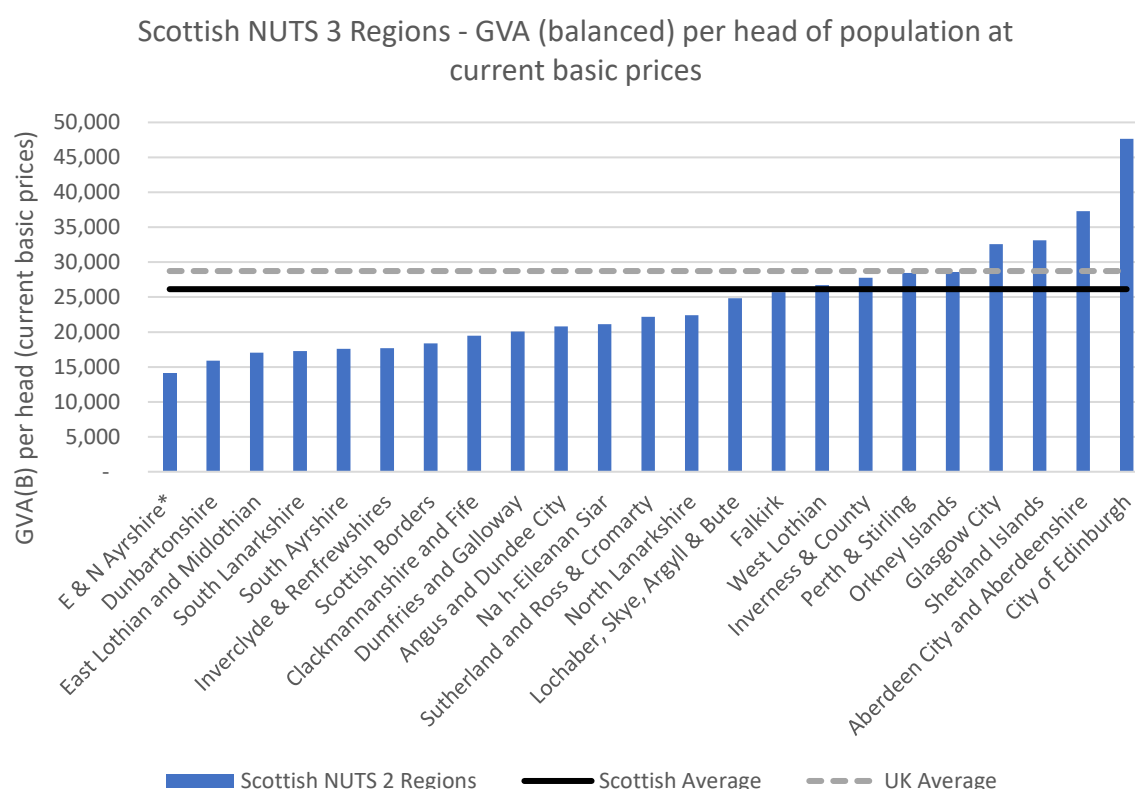
In total, the project expects to engage almost 1,000 enterprises through the project.

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.

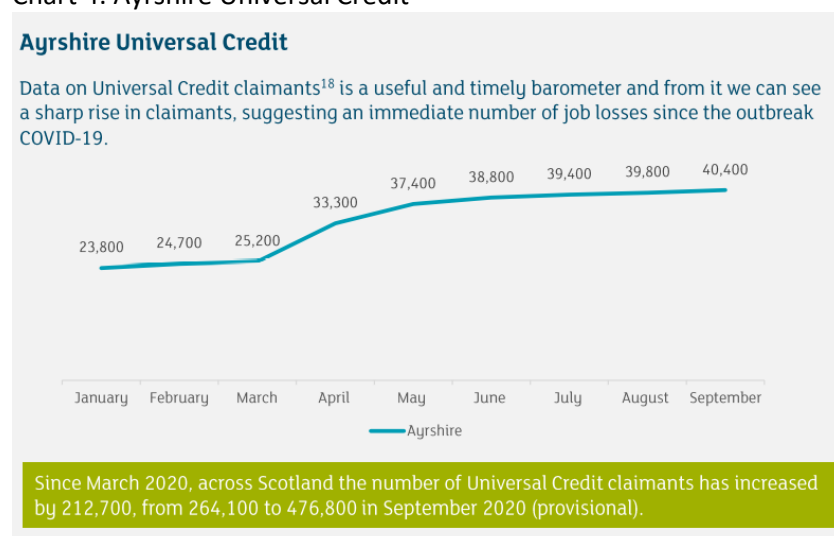
*Please note that the E & N Ayrshire Region refers only to the mainland of East and North Ayrshire; Arran and the Cumbraes are included in the Lochaber, Skye, Argyll & Bute data-zone.

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



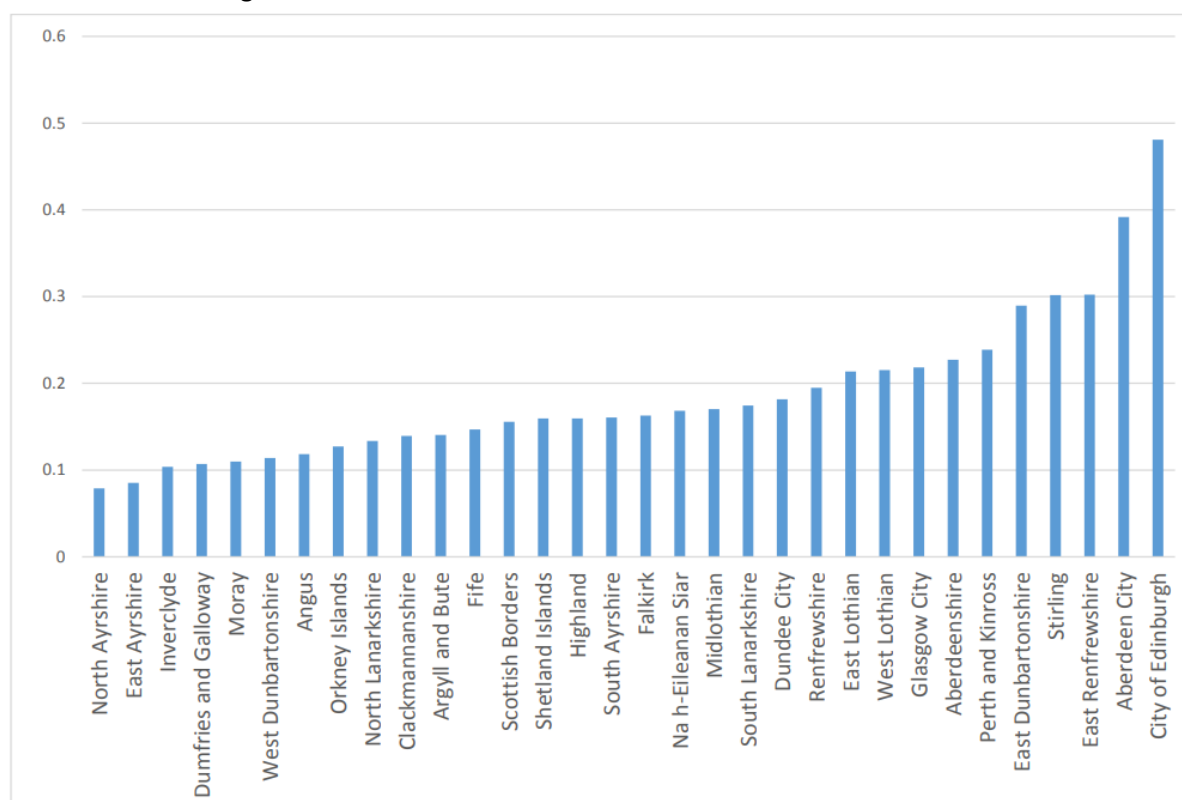
² Sources: ONS (2020) & ONS (2019), NOMIS (2020), Scottish Government (2020), RSA Data Matrix (2020), End Child Poverty (2020) & National Records of Scotland (2020)

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.

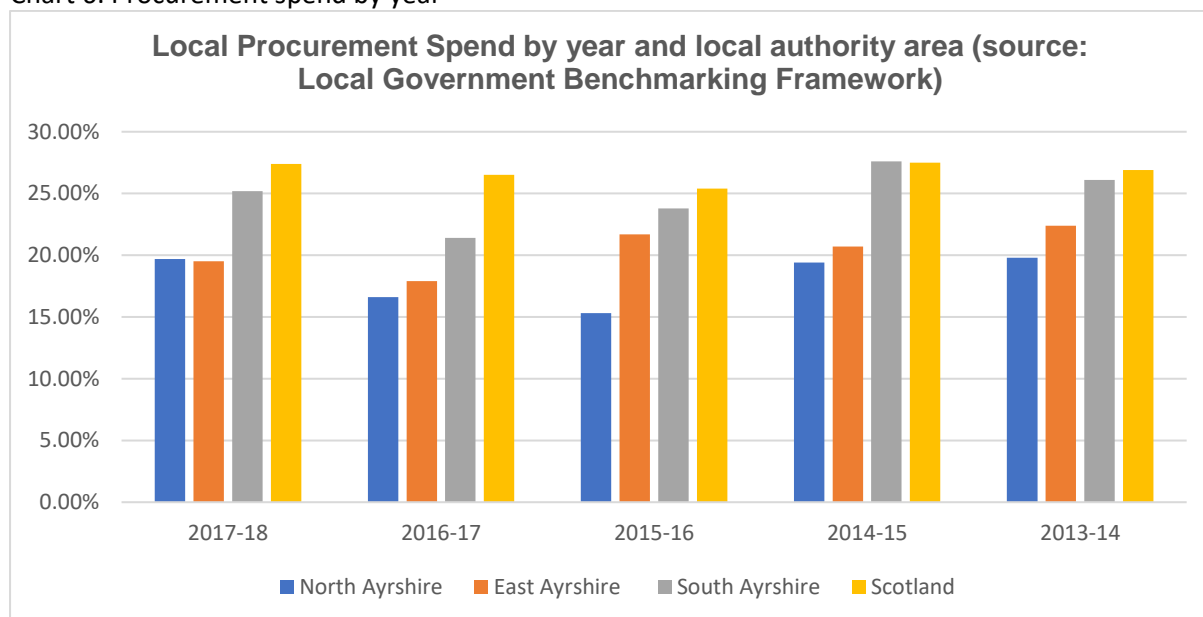
(Notes on figures below: There is significant spend where the proximity is blank. Quick scan of the suppliers with a blank indicates that they probably should be better classified. Scottish Govt have also provided figures on spend for large supplier and SMEs. The figures show that the majority of spend 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
Objectives & Project Outcomes Risks Failure to deliver anticipated outputs and outcomes.	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.
Schedule / Timescales Risks Delays to overall project programme and key milestones.	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.
Operational Risks Implementation: Ability to deliver programme at regional level	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.

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: 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:

<u>Low deliverability</u> <div>Lack of local workers</div> <div>Gender segregation</div>	<u>High deliverability</u> <div>Ageing workforce</div>
<u>Low impact</u>	<u>High Impact</u>

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)

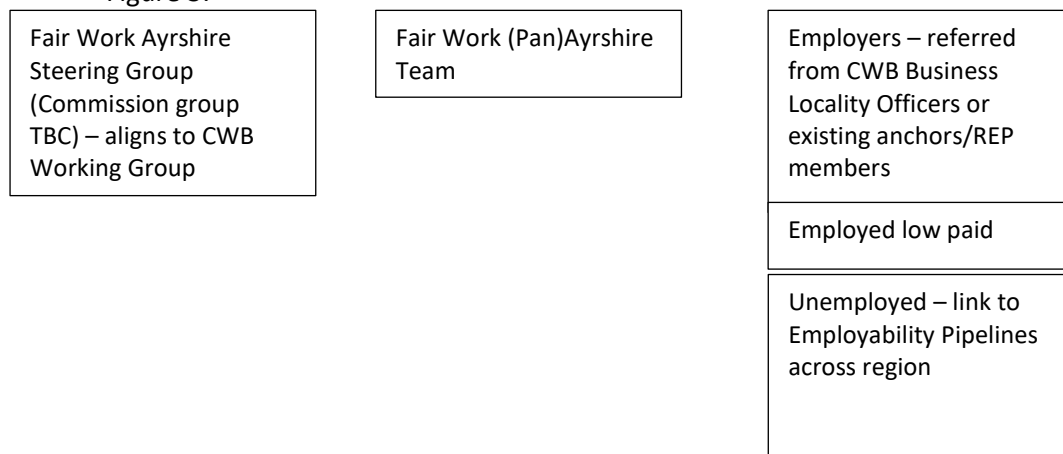
- National agency programmes for example SE Workplace Innovation and Skills Development Scotland support, support via the FW Action Plan and encouragement of Fair Work First practices
- Business development support
- CWB Business Locality Officers and CWB Fund

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.

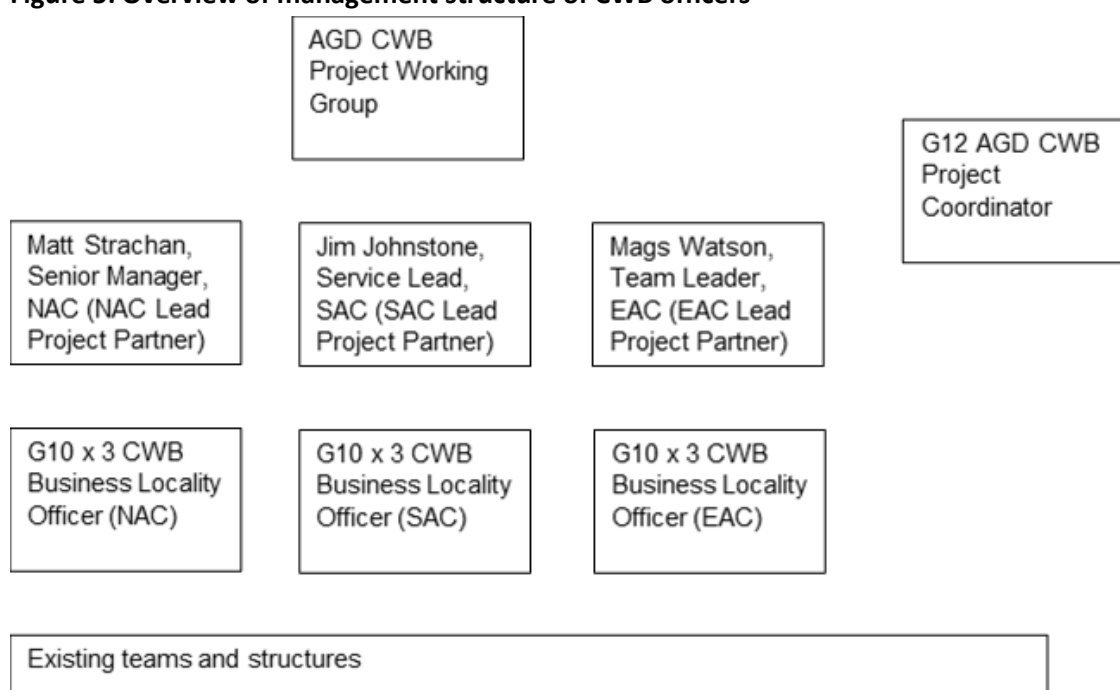
Each Council will be responsible for its own recruitment and line management in line with existing respective Council policies and processes, however consistent role profile are being finalised by the Working Group. The Working Group will consider any training requirements. Cooperative

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

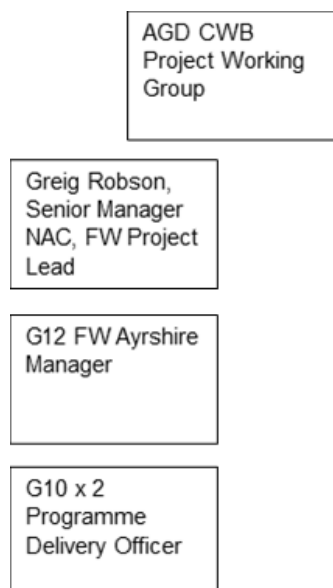


Objectives of CWB officers as per the Logic Chain within Appendix 2.

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:

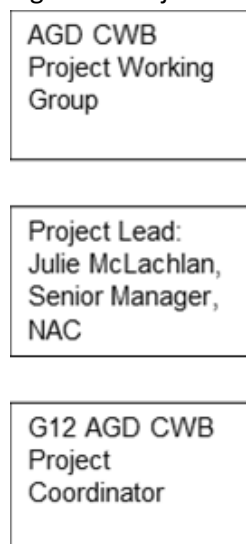


Objectives of FW officer as per the Logic Chain and project overview within the Economic Case. A role profile is being finalised by the AGD CWB Fund Working Group.

7.2.3 Project Coordinator

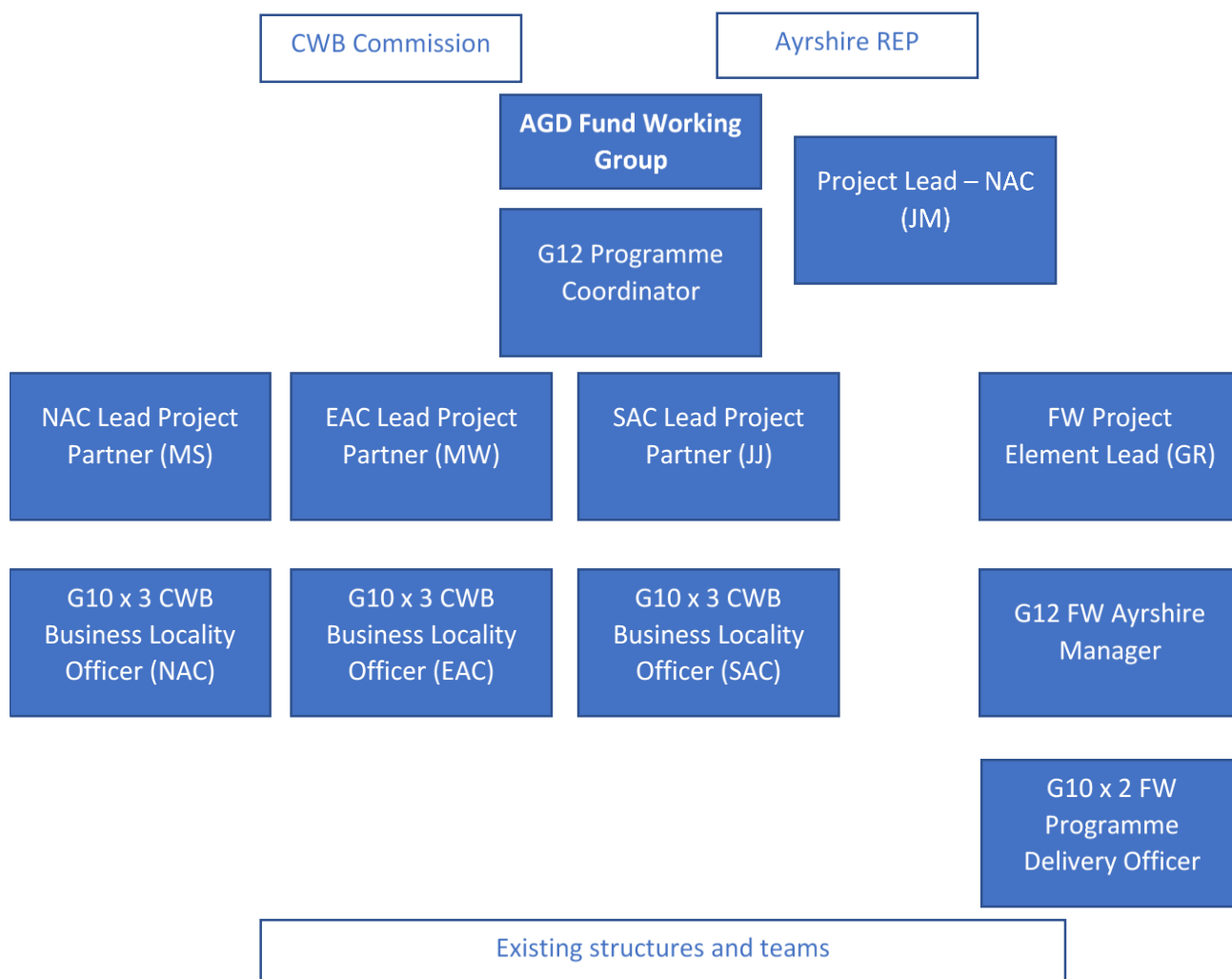
The project will be recruited and managed by North Ayrshire Council as lead authority for the CWB programme via a pan-Ayrshire Working Group. The Project Coordinator will work alongside the project team outlined in below roles and responsibilities section. The Coordinator will report to the overall Project 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.

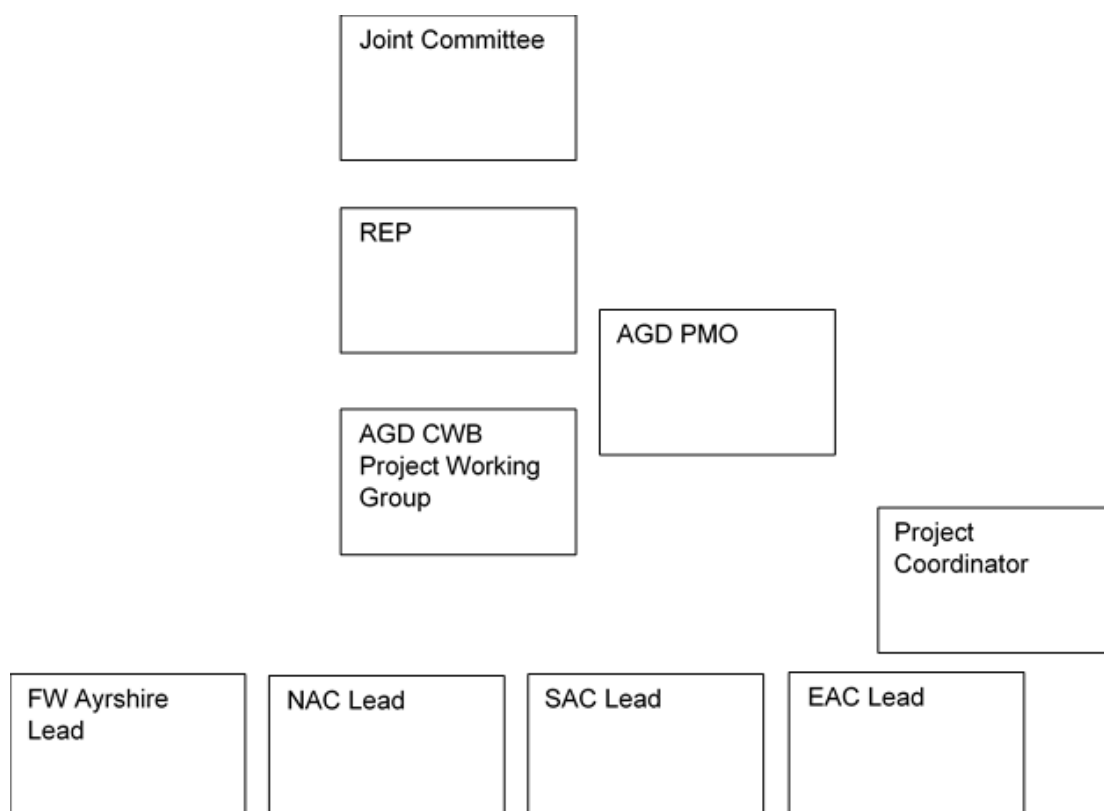
Prior to any support being delivered to a client, the officer will assess the support in relation to State Aid, and ensure the client fully understands their obligations with regards to State Aid. The adviser will identify whether the support is covered under GBER, and if so will record on the application 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.</p> <p>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><u>PROCUREMENT</u></p> <ul style="list-style-type: none"> 240 businesses registered on PCS 265 businesses attending 1 to many 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) (<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. 	<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>
What are the main aims of the project?	<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>
What are the intended outcomes of the project	<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?

<p>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)</p>	<p>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.</p> <p>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):</p> <ul style="list-style-type: none">• Intermediate & Advanced Skills• Local Jobs• Health• Soft & Basic Skills• Business Support• Sustainable Working Population• Structure of Economy• Access to Finance• Business Premises
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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.

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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
Age: Issues relating to different age groups e.g. older people or children and young people	Ayrshire Inclusive Growth Diagnostic NAC Economic Recovery and Renewal Approach Socio-economic baseline	Positive	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. Fair work (as defined by the Fair Work Convention) is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect.
Disability: Issues relating to disabled people	Ayrshire Inclusive Growth Diagnostic Socio-economic baseline	Positive	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.

			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><u>Children's Rights</u> 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 utilised 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.</p> <p>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
Low Income/Income Poverty: Issues: cannot afford to maintain regular payments such as bills, food and clothing.	Ayrshire Inclusive Growth Diagnostic Socio-economic baseline	Positive	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
Low and/or no wealth: Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	Ayrshire Inclusive Growth Diagnostic Socio-economic baseline	Positive	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

			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

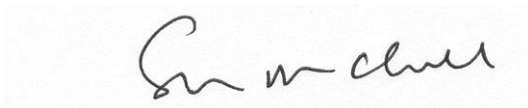
- 23.1 Each of the Parties shall meet its own costs in connection with the preparation, adjustment and completion of this Agreement.

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.

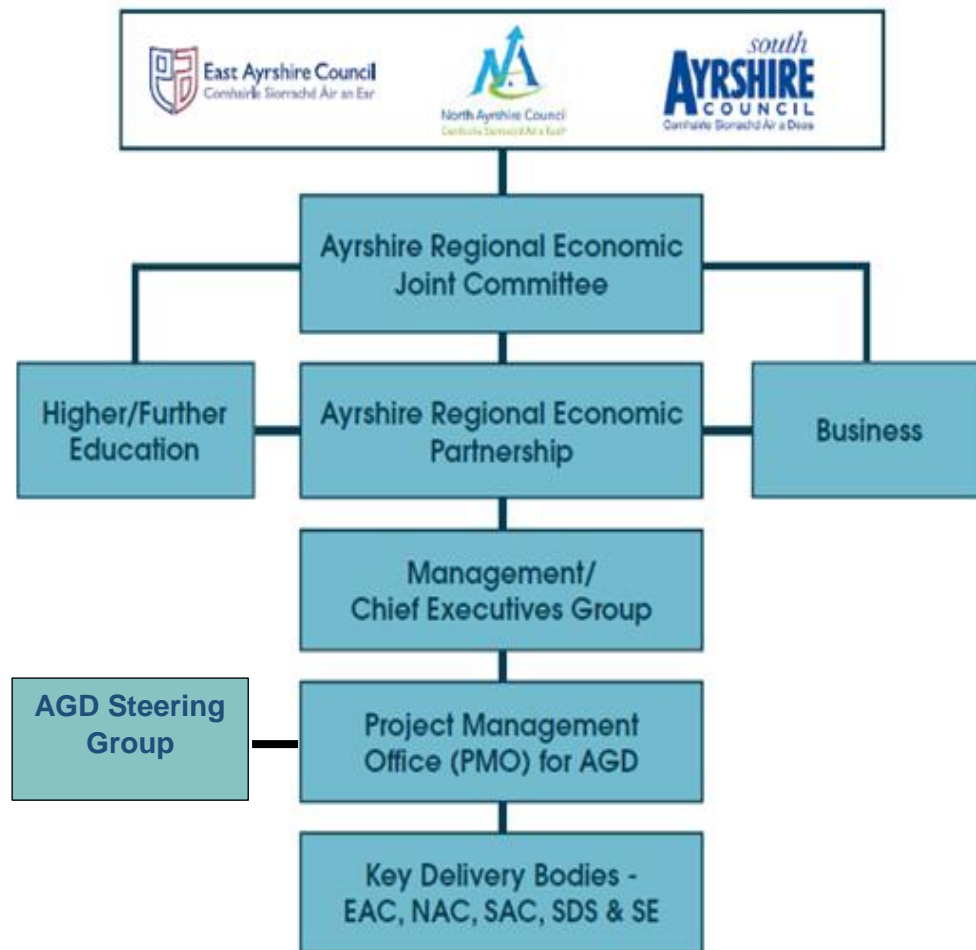
2.42 The work of the PMO is supported by the following working groups:

- 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.

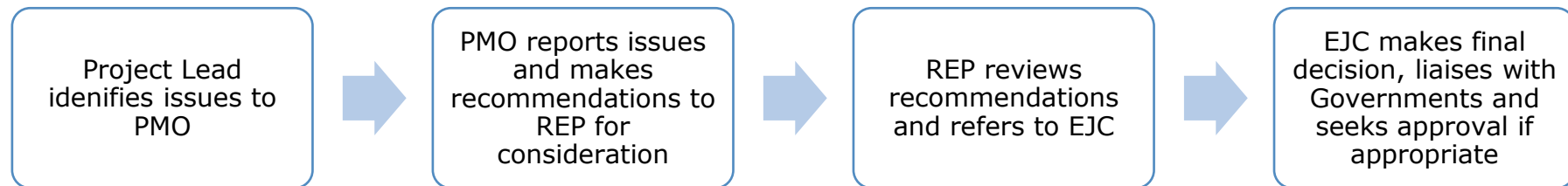
FINANCIAL REPORTING

- 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.