



Cunninghame House,
Irvine.

14 June 2012

Cabinet

You are requested to attend a Meeting of the above mentioned Committee of North Ayrshire Council to be held in the Council Chambers, Cunninghame House, Irvine on **TUESDAY 19 JUNE 2012** at **2.30 p.m.** to consider the undernoted business.

Yours faithfully

Elma Murray

Chief Executive

1. Declarations of Interest

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

EDUCATION ITEMS

2. Largs Academy Improvement Plan (Page 7)

Submit report by the Corporate Director (Education and Skills) on arrangements for sustaining and improving the quality of education in Largs Academy (copy enclosed).

3. **Scotland's Schools for the Future - Phase 3 Investment Proposals (Page 17)**
Submit report by the Corporate Director (Education and Skills) on the submission of a funding application for Phase 3 Scottish Government Schools Investment programme (copy enclosed).
4. **School Placing Requests Online (Page 31)**
Submit report by the Corporate Director (Education and Skills) on the proposal to accept school placing requests online that are received be made by means of electronic communication (copy enclosed).
5. **Cluster Plus Pilot Project (Page 35)**
Submit report by the Corporate Director (Education and Skills) on the progress of the Cluster Plus Pilot Project within the Ardrossan Community (copy enclosed).
6. **Schools of Sport (Page 41)**
Submit report by the Corporate Director (Education and Skills) on the Schools of Sport programme to seek support for the extension of the initiative as appropriate (copy enclosed).
7. **Nurturing Excellence in Culture and Sport (Page 47)**
Submit report by the Corporate Director (Education and Skills) on an innovative initiative to develop excellence in young people who participate in culture and sport in North Ayrshire (copy enclosed).

REPORTS FOR DECISION

8. **Irvine Carters' Society Community Floats Group (Page 53)**
Submit report by the Corporate Director (Education and Skills) on a proposal to relocate the Irvine Carters' Society Community Floats Group from the old Police Station in Irvine to Eglinton Park (copy enclosed).
9. **Review of Senior Management (Chief Officer) Structure (Page 57)**
Submit report by the Chief Executive on options for change to the Council's senior management (chief officer) organisational structure (copy enclosed).
10. **Sundry Debtors Write off (Page 69)**
Submit report by the Corporate Director (Finance and Infrastructure) on balances written off under delegated powers and seeking authority to write off balances over £1,000 (copy enclosed).

11. Write off irrecoverable and non-recoverable Housing Benefit overpayments (Page 75)

Submit report by the Corporate Director (Finance and Infrastructure) on balances written off under delegated powers during 2011-12 and seeking authority to write off non-recoverable and irrecoverable Housing Benefit and Council Tax Benefit overpayments in excess of £1,000 (copy enclosed).

12. Council tax and non-domestic rates write off 2010-11 (Page 81)

Submit report by the Corporate Director (Finance and Infrastructure) seeking retrospective approval to write off Council Tax and on-Domestic Rates debts identified during the 2010-11 financial year, as set out in Appendices 1 and 2 (copy enclosed).

13. Updated Benefit Fraud Prosecution Policy (Page 89)

Submit report by the Corporate Director (Finance and Infrastructure) on the updated benefit fraud prosecution policy (copy enclosed).

14. SPT Grant Funding (Page 99)

Submit report by the Corporate Director (Finance and Infrastructure) on the Grant funding from Strathclyde Partnership for Transport (SPT) for 2012-13 (copy enclosed).

15. Treatment of Residual Waste (Page 107)

Submit report by the Corporate Director (Finance and Infrastructure) on a proposal join the Clyde Valley partnership to secure a long term solution for the treatment of residual waste (copy enclosed).

16. Conservation Area Regeneration Scheme Funding (Page 157)

Submit report by the Solicitor to the Council on Historic Scotland Conservation Area Regeneration Scheme funding availability and to seek approval to progress a funding bid for Kilbirnie (copy enclosed).

17. Shared Services - Pan Ayrshire Regulatory Service (Page 163)

Submit report by the Chief Executive on the business case for a pan Ayrshire regulatory service (copy enclosed).

REPORTS FOR INFORMATION

18. Scottish Futures Trust - Hubco update (Page 171)

Submit report by the Corporate Director (Finance and Infrastructure) on progress of the Scottish Futures Trust (SFT) South West Territory Hub partnership, and to highlight other SFT activity affecting North Ayrshire (copy enclosed).

- 19. Change Programme: Progress as at 31 May 2012 (Page 183)**
Submit report by the Chief Executive on an update in relation to the Change Programme (copy enclosed).
- 20. Welfare Reform Action Plan and Baseline Indicators (Page 201)**
Submit report by the Corporate Director (Finance and Infrastructure) on the Welfare Reform action plan and baseline indicators (copy enclosed).
- 21. BV2 Improvement Plan: Progress Update (Page 231)**
Submit report by the Chief Executive on progress in implementing the BV2 Improvement Plan 2011/12 as at 31 March 2012 (copy enclosed).

CONTRACT APPROVAL

- 22. ICT Infrastructure Strategic Review (Page 237)**
Submit report by the Solicitor to the Council on the progress made by IT Services and the consultants Farrpoint on the Council's ICT Infrastructure Strategic Review; seek approval for the allocation of capital funding over the next 3 years; and seek approval to proceed to tender (copy enclosed).
- 23. All Ayrshire Roads & Transportation Professional Services Framework Agreement (Page 247)**
Submit report by the Corporate Director (Finance and Infrastructure) on tenders for the provision of an All Ayrshire Consultancy framework (copy enclosed).
- 24. Procurement Exercise: Supply of both Glass Reinforced Plastic (GRP) and PVC External Doors (Page 251)**
Submit report by the Corporate Director (Finance and Infrastructure) on the procurement exercise undertaken for the supply of external doors (copy enclosed).
- 25. Urgent Items**
Any other items which the Chair considers to be urgent.

Cabinet

Sederunt:

Elected Members

Willie Gibson (Chair)
Alan Hill (Vice-Chair)
Marie Burns
Anthea Dickson
John Ferguson
Tony Gurney
Alex McLean

Education Lay Members

Very Reverend Matthew Canon McManus

Chair:

Attending:

Apologies:

Meeting Ended:

NORTH AYRSHIRE COUNCIL

Agenda Item 2

19 June 2012

Cabinet

Subject: **Largs Academy Improvement Plan**

Purpose: To inform the Cabinet of arrangements for sustaining and improving the quality of education in Largs Academy.

Recommendation: That the Cabinet agrees to (a) note the efforts made by Largs Academy to improve the quality of education; and (b) consider the continuation and the focus of further school reporting to Cabinet.

1. Introduction

- 1.1 The former Education Executive previously agreed that there should be an opportunity for Members to engage more closely with the work of secondary schools in their efforts to improve attainment and achievement. Largs Academy is the last in the current cycle.

2. Current Position

- 2.1 Largs Academy was inspected by HMIE in February 2008 and a very positive report was published in May 2008. A further follow-through report published in December 2009 noted the extensive, clear and very convincing evidence of continued and significant improvement since the original inspection.
- 2.2 Some essential facts about Largs Academy are provided in Appendix A.
- 2.3 The school improvement plan (Appendix B) outlined six priorities. These are:
- Raising Attainment
 - Monitoring and Evaluation
 - Curriculum for Excellence
 - Policy Review
 - Leadership Development
 - Development of Coaching

3. Proposals

- 3.1 The Cabinet is invited to (a) note the efforts made by Largs Academy to improve the quality of education; and (b) consider the continuation and the focus of further school reporting to Cabinet.

4. Implications

Financial Implications

- 4.1 None have been identified.

Human Resource Implications

- 4.2 None have been identified.

Legal Implications

- 4.3 None have been identified.

Equality Implications

- 4.4 None have been identified.

Environmental Implications

- 4.5 None have been identified.

Implications for Key Priorities

- 4.6 This report has direct relevance to the achievement of the following measures in the Single Outcome Agreement: National Outcome 3 and Local Outcome 3b "People are better skilled to get into work", National Outcome 4 and Local Outcome 4a "Levels of education attainment and achievement have improved" and Local Outcome 4b "More young people are leaving schools for positive destinations".

5. Consultations

- 5.1 Parents, staff and pupils are consulted on the school improvement planning.

6. Conclusion

- 6.1 Largs Academy is a high achieving school with very good systems in place to monitor and track pupil progress. This good practice has been shared with other schools.



CAROL KIRK
Corporate Director (Education and Skills)

Reference : MD

For further information please contact Mary Docherty, Head of Service (Education and Skills), on telephone number 01294 324416.

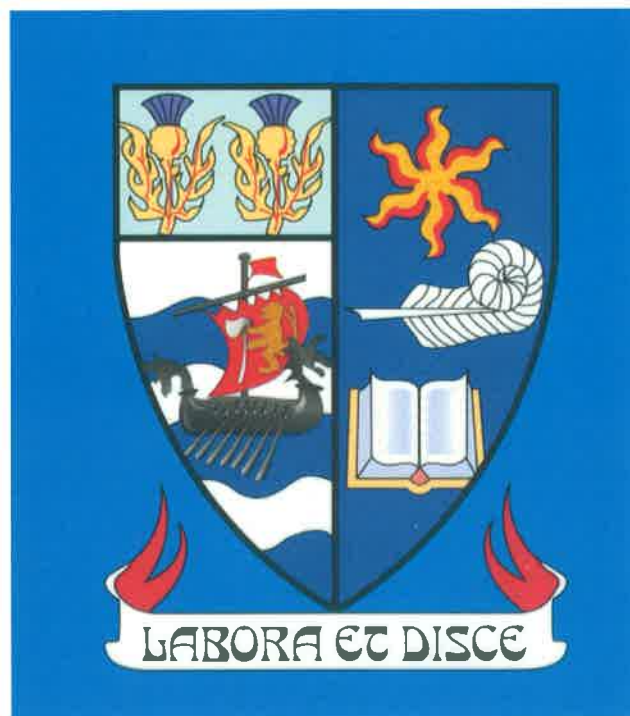
Background Papers

None

School	Largs Academy		
Contact Information	Flatt Road Largs KA30 9JX Tel: 01475 675421 Fax: 01475 687479 Email: largs@ea.n-ayrshire.sch.uk		
Background	<ul style="list-style-type: none"> Largs Academy is a six year, non denominational school serving Largs, Fairlie, Skelmorlie and the Island of Cumbrae. The catchment area is mixed, ranging from some of the most affluent areas in North Ayrshire to small pockets of deprivation in West Kilbride and Largs. Every year, there is a high level of placing requests with pupils travelling to Largs from as far away as Irvine. The Largs Academy Cluster – Brisbane, Cumbrae, Fairlie, Kelburn and Fairlie primary schools work closely together and have developed a well-structured transition programme. The three day induction programme includes a day devoted to community building using a critical skills approach. The school has a tradition of high academic achievement. In the last school inspection in 2008 HM Inspectors identified a number of key strengths which the school continues to build on: <p style="margin-left: 40px;">Commitment of staff to the school and to promoting pupils' overall achievement; Sustained high levels of attainment; Very high quality of learning support and the inclusion of pupils; Overall high quality of teaching; Leadership of the headteacher; and Rigorous and effective procedures for monitoring and evaluating.</p> The school is very successful in involving parents, carers and families in the life of the school and enjoy very good support from the Parent Council and the very active PTA. The school regularly arranges Saturday morning seminars to provide parents with advice and guidance on how to support pupils' learning. The most recent seminar "Support your child in the Secondary School" attracted 80 parents and carers and 300 attended the S1/2 Curriculum for Excellence information evening this session. 		
School Roll	1084		
Head Teacher	Arthur T Jones		
Senior Management Team (SMT)	Martin Wilson Christine Collins Heather Burns		
Promoted Staff	7 Faculty Heads 9 Principal Teachers Subject 5 Principal Teachers Guidance		
Teaching Staff	62.41 FTE Teacher Pupil Support 1.40		
Other Staff	Admin Finance Officer - 1 / Admin Assistant - 1 / Clerical - 4.57 / Classroom Assistants - 2 / Classroom Assistants Pupil Support - 2 / Librarian - 1 / Senior Technician - 1 / ICT/TECH/AVA – 3 / Janitors – 2 / Pupil Welfare – 1 / Home School Link Worker – 1 / Active Schools Co-ordinator – 1 / School Nurse - 1		
Free School Meals Entitlement (FME)	Largs 7.29	NAC (secondary) 19.3	Scotland (secondary) 15.2
School HMIE Inspection	Report May 2008		

LARGS ACADEMY

IMPROVEMENT PLAN



SEPTEMBER 2011

NORTH Ayrshire Council: Educational Services Improvement Plan – September 2011



TABLE 1

Priority 1			
Objective	QI	Outcomes/Impact	Monitoring/Evaluation/Evidence
Continued promotion of higher attainment by further development of good Learning & Teaching with a strong school ethos based on good discipline and shared values.	1.1	Sustain and improve upon high levels of attainment	Full and robust evaluation of SQA results – Mr Jones/SMT
	2.1	Offer a structured support programme to improve the chances of access particularly to High Tariff Courses	Delivery of a specific course designed for the purpose plus ongoing support – Mrs Burns
	5.2	Continue to develop and promote the Science Baccalaureate & YASS scheme with S6 pupils	Ongoing – Mrs Telfer and Mrs Galbraith
	5.4	Implement the STAR (Success Tracking Achievement Record) with all S1&S2 pupils Introduce Interim Reports for S1 & S3 Continued development and provision of digital exams	Guidance staff will deliver via SE and evaluate completed records Reports completed and issued by all staff and evaluated by SMT, pupils and parents Provide a facility fit for purpose
Priority 2			
Objective	QI	Outcomes/Impact	Monitoring/Evaluation/Evidence
To continue the ongoing, cyclic process of Monitoring & Evaluating our whole school performance, with particular emphasis on the further development of Focus Groups. We will continue to involve parents via parents' evenings and questionnaires to evaluate our provision, significantly CfE.	5.7	All departments carry out a focussed audit of CfE with current S2 pupils	Reports generated and acted upon before Christmas – Mrs Collins
	5.9	Continue with regular SMT/PT meetings reviewing quality of provision and department plan Questionnaires completed and evaluated at each parents' evening Schedule an S1/2 CfE information evening	Ongoing through the session – SMT Year Head Meeting scheduled for 12 th October – Mr Jones, Mrs Telfer, Ms Doig
		Ongoing engagement with the parent council	Minutes of meetings & report by Mr Jones
Priority 3			
Objective	QI	Outcomes/Impact	Monitoring/Evaluation/Evidence
Curriculum for Excellence. Next steps.	5.1	All departments deliver relevant O&Es to S1 & S2 All staff involved in ongoing moderation both within departments and across departments & sectors.	Ongoing M&E of department work with a strong emphasis on meeting the E&Os – SMT link
	5.3	Implementation of Curriculum Architecture for this sessions S2 options programme	Department planning & effective CPD & IS – Mrs Collins
	5.8	Awareness raising of new qualifications	Keep abreast with current developments and complete our S2 options programme in lines with planned entitlement model – Mr Wilson and Mr Jones
	7.2	Raise the profile of HWB Move towards new entitlement model of middle management in line with CfE	Promotion of interdisciplinary work with a Saturday seminar for S1 parents plus an event for P7 pupils focussing on HWB – Ms House As appropriate – Mr Jones

Priority 4			
Objective	QI	Outcomes/Impact	Monitoring/Evaluation/Evidence
Policy review and implementation including looking at the use of the school library as an effective whole school resource		Implementation of the anti-Bullying Policy	Policy rolled out and impact monitored – Mrs Burns
	6.1	Review of Enterprise in Education Policy. Review of Inclusion & Equality Policy	Mrs Simpson with Mr Wilson Mrs Collins and Mrs Burns
	6.3	Update Absence Cover Policy in light of recent changes to conditions of service for supply staff and new middle management structures	Mr Wilson with union reps
	8.3	Full review of Librarian & Library service recognising the changing role of the Librarian and the importance of collaboration & community partnerships	Full audit to be carried out engaging all users – current & future, resulting in an action plan – Mrs Collins & Ms Newbury
Priority 5			
Objective	QI	Outcomes/Impact	Monitoring/Evaluation/Evidence
Leadership Development:	3.1	Staff to be trained as trainers to present Faculty Leader training	Mrs Burns, Mrs Collins & Mrs McClelland
Development of Leadership	9.3	All newly appointed Curriculum Leaders to be trained Teaching Learning Community – next phase New FLG initiative to complement the STAR programme	Programme co-ordinated by Mrs Collins & Mr Jones Ongoing provision and planning – Miss Downie & Mr Frew Introduced and managed by Mrs Burns & Mrs McClelland
Reintroduce First Level Guidance		Continuing development & expansion of the Millennium Volunteer Awards	Ongoing – Mrs Telfer
Senior pupil involvement in Leadership	9.4	Build capacity for Leadership in Largs Academy among pupils	Programme developed, implemented and managed as per starter paper – Mr Milligan
Priority 6			
Objective	QI	Outcomes/Impact	Monitoring/Evaluation/Evidence
Coaching			
Development of coaching strategies	3.1	Enabling staff to develop coaching skills for a variety of purposes including: self evaluation, peer support; pupil support and conflict management	Mr Wilson, Mr McLean, Mrs Dobson and volunteer staff. Programme coordinated by Mr Wilson
Establish staff coaching group	7.3	Staff group will aim to move from developing practice towards becoming facilitators – coaching others to use coaching techniques	Ongoing monitoring of programme by Mr Wilson, Mr McLean and Mrs Dobson
Senior pupil coaching	9.3	Student group established last session will develop practice and offer coaching to junior students and/or peers	Mr Wilson with S6 student group - ongoing

NORTH AYRSHIRE COUNCIL: EDUCATIONAL SERVICES
IMPROVEMENT PLAN – SEPTEMBER 2011



TABLE 2

Session	<i>Additional Agenda (maintenance and new initiatives)</i>
2011-2012	<p><i>Curriculum model for the Senior Phase</i> <i>Preparation for National 4 & 5 exams</i> <i>Continue to challenge pupils in the areas of dress, anti bullying and good order in line with recent policies.</i> <i>Strive to improve the environment for learning, particularly in Science</i> <i>Support new management structures as they evolve</i> <i>Promote strong partnerships with parents and representative bodies</i> <i>Review of support structures recognising the impact of cuts</i></p>
2012-2013	<p><i>Further work on the National 4 & 5 exams including Literacy & Numeracy</i> <i>Develop the new Curriculum Leader (middle management structures)</i> <i>Implement the proposals from the evaluation of the school library</i> <i>Awareness raising of New Highers</i> <i>Start a new cycle of M&E visits of Faculty areas using Curriculum Leaders</i> <i>Review & update Resource Management policy</i></p>
2013-2014	<p><i>Presentation of first set of National exams</i> <i>Evaluation of environment for learning to provide a school fit for purpose</i> <i>Evaluation of IT policy & procedures</i></p>

NORTH AYRSHIRE COUNCIL

Agenda Item 3

19 June 2012

Cabinet

Subject: **Scotland's Schools for the Future - Phase 3 Investment Proposals**

Purpose: To make recommendations on the submission of a funding application for Phase 3 Scotland's Schools for the Future investment programme.

Recommendation: That Cabinet agrees (a) to note the progress on the development of the Phase 3 funding application; (b) to the preferred option to develop a campus with health and social care to replace the existing James McFarlane School, Haysholm School, Auchenhavie Academy and Ardrossan Academy; and (c) that officers prepare and submit the application no later than 21 July 2012.

1. Introduction

- 1.1 The Comprehensive Spending Review of October 2010 recognised the current economic climate and this has resulted in a significant reduction in funding for public services across the UK. It is clear that there are significant financial pressures facing the Council over the next three years and beyond. In order to achieve a balanced budget a Council wide change programme was initiated in 2010 to identify opportunities to address these pressures
- 1.2 Education and Skills are facing diverging pressures. The school roll has been in decline for over a decade, thus creating a growing surplus capacity within the schools estate. Conversely, the current economic climate has limited employment opportunities for school leavers which has contributed in part to an increased demand for senior phase education. These contrasting pressures are symptomatic of the challenges facing Education and Skills in North Ayrshire and drive the need for transformation and change.

North Ayrshire Investment

- 1.3 In this context, in October 2011 the Council approved a business case for Education and Skills which highlighted a number of service proposals and school estate developments. Based on this, officers have been developing a range of investment proposals around the school estate.
- 1.4 **Round 1** of the business case has been agreed and signed off by Members. The programme is largely investment in the primary and nursery estate and Garnock Academy. Details of this work can be found at **Appendix 1**.
- 1.5 **Round 2** of the business case will be a £10m investment for our primary school estate. This capital investment was approved as part of the Capital Programme in February 2011. The detail of this is currently being developed by officers and it is proposed that it will focus on a neighbourhood approach which aims to meet the requirements of each area in achieving an estate that is, viable, fit for purpose and supports improved outcomes for children, young people, families and communities. The programme if approved would be implemented to deliver phased entry dates to the improved facilities over the period August 2014 to August 2017.
- 1.6 **Round 3** of the business case continues with the neighbourhood approach and proposes to consider the secondary and special school estate and establish investment plans. This report develops Round 3 further.

Scottish Government Investment

- 1.7 Augmenting North Ayrshire Council's own investment plans, the £1.25 billion Scotland's Schools for the Future programme was announced in June 2009 and was originally expected to fund the replacement or refurbishment of 28 secondary and 27 primary/special schools by 2017-18. The Scottish Government is providing £800m funding support, with the balance coming from local authorities.
- 1.8 Following the significant reduction in the Government's capital budget over the period to 2014-15, the £800m funding has been split into capital and revenue support, with approximately £350m capital and £450m revenue equivalent. 37 school building projects from Phase 1 and 2 of the programme have been announced to date. Every authority has been awarded funding for at least one primary, secondary or special school project.

- 1.9 As part of Phase 1, North Ayrshire Council received 67% revenue equivalent funding support for a replacement Garnock Academy. The total Government funding for these 37 projects is estimated at just under £400m, slightly less than half the total funding which the Government has committed to the programme.

2. Current Position

- 2.1 In February 2012, the Council was advised that the Scottish Government had launched **Phase 3** of funding support from the Scotland's Schools for the Future programme. The vehicle for the support is the Scottish Futures Trust (SFT) who will manage the funding. Therefore, Ministers now expect that Phase 3 should involve up to another 30 projects. Ministers hope that this will mean every Authority will receive support for a new secondary, primary and/or special school. This application has to be submitted to the Scottish Government by 21 July 2012.
- 2.2 Within the application for funding the Government requires North Ayrshire Council to set out its short to medium term school estate investment requirements, highlighting our top priority unfunded primary, secondary and/ or special school projects. The Government is keen to understand the investment requirements in every authority in Scotland to allow a national picture of local investment requirements and priorities to be drawn up, from which decisions about the next phase of funding can be taken. This information will not only help with the identification of projects for the third phase of the school building programme but will also feed into the development of the Financial Strategy and Implementation Plan to accompany the joint Government/ COSLA school estate strategy, *Building Better Schools* .
- 2.3 The ratio of Government funding to local authority funding will be unchanged from Phases 1 and 2. The Government funding will be limited to one half of the notional cost of construction of a primary or special school as capital support, and two thirds of the notional cost of construction of a secondary school, as revenue support.

- 2.4 This phase of the Scottish Government programme will allow the Council to consider our own business case proposals for Round 3 earlier than originally planned. It will enable the neighbourhood approach to be further developed and will also aim to progress inter agency and partnership working to provide a range of learning, training, employment, leisure and health opportunities to improve outcomes for children, young people, families and communities.
- 2.5 Government capital funding for this spending review period has already been fully allocated, which means only revenue financed projects will be able to commence prior to 2015-16, other than where authorities can fund their share up front in which case such projects may be able to commence in 2014-15.
- 2.6 Given the likely scale of investment requirements across the country, the Government would like to be able to support another school building project in every authority. However, the need across Scotland will inevitably be larger than what the existing available funding can meet and therefore the Government has stated that further investment in the school estate will be required beyond Phase 3. The 2011 Infrastructure Investment Plan makes clear that the Government will continue to prioritise investment in the school estate in the medium to long term.
- 2.7 Ministers wish to ensure that the third phase of funding is fairly distributed, according to a clear and transparent approach. In particular, the third phase of funding should be focused on tackling poor condition and/ or unsuitable schools, to provide learning environments fit for delivery of Curriculum for Excellence. This focus will help the Government meet its manifesto commitment to half the number of pupils in 'crumbling schools' to less than 60,000 pupils by 2015 and to achieve the target set out in the 2009 joint Government/ COSLA school estate strategy for more than 90% of pupils to be learning in Condition A or B schools.

North Ayrshire Strategy

- 2.8 Education and Skills recognise that having a significant proportion of education spend allocated to funding surplus capacity within school buildings does not represent the most efficient use of resources. The Education team developed a range of proposals in order to address this issue seeking to deliver a sustainable school estate which:
- Rationalises and consolidates assets in a neighbourhood locality setting;
 - Increases total occupancy level from 72% (current) towards 85% (target);

- Places the school estate in the context of the wider community and learning infrastructure;
 - Further develops the concept of a schools as a community hub;
 - As far as possible includes supported learning provision in all new build and redevelopments;
 - Invests capital funding to upgrade and adapt the school estate to a condition B or better; and
 - Invests in sustainable buildings which are suitable and fit for purpose.
- 2.9 In preparation for the funding application for the secondary school estate the nine current secondary schools were each considered within the Education and Skills business case objective to rationalise the secondary estate.
- 2.10 Officers have also looked at the Council's wider school estate to identify more innovative ways of meeting the needs of all children and are therefore also proposing to invest in the educational, health and social needs of children with complex needs currently attending Haysholm and James McFarlane Schools. This ambitious approach would provide the opportunity to work collaboratively with statutory agencies such as health, social services and other local and national voluntary organisations to ensure a coherent approach to the needs of these children and their families in line with the interim report of the Doran Review of Learning Provision for Children and Young People with Complex Additional Support Needs.

3. Proposals

- 3.1 It is proposed to replace the existing James McFarlane school, Haysholm school, Auchenharvie Academy and Ardrossan Academy. This new campus provision will be located within the 3 Towns on a site still to be identified.
- 3.2 The preferred option addresses a number of strategic and operational pressures for the Council. Consolidating these schools on one location and as part of a joint campus with health and social care services allows for efficiencies in the building fabric and climate act demands but also offers opportunities to improve learning environments and deliver integrated education and care services.
- 3.3 The proposal with respect to the special provision will:
- Establish high quality educational and care provision for children and young people with complex additional support needs;

- Increase the capacity across the two current schools to address the increasing demand resulting from a growth in this population;
- Be developed in accordance with work currently being undertaken jointly through the Integrated Resource Framework;
- Provide greater coherence in, and improved access to, the provision of education, health and social care support to children and young people with complex additional support needs;
- Provide a more flexible use of available resources to meet complex educational needs;
- Allow a harmonisation of the funding arrangements for the two schools and assure the viability of the provision.

3.4 The proposals with respect to the new secondary provision will deliver:

- improved breadth of curriculum access and choice;
- a high quality environment for staff and pupils, parents and the wider community;
- a building which reduces running costs;
- a community hub;
- a building which exceeds accessibility requirements;
- sustainable pupil numbers over the long term; and
- a building which is affordable to the Council and the people of North Ayrshire.

Implementation Timetable

- 3.5 The timetable for the development of the new campus will largely be set by the implementation of the Government support. With a probable building programme spanning two years, it is likely that the new facility could be ready for occupation for the school session starting in August 2016.
- 3.6 A period of statutory consultation, under the Schools (Consultation) (Scotland) Act 2010, on the proposed change to education provision will be required with a decision on the amalgamation proposal being taken by the Council thereafter. If the proposal is agreed, an interim Parent Council consisting of representatives from the current Parent Councils will be established. Once the new provision has been established, elections would be held to appoint new Parent Council(s).
- 3.7 In addition to participating in the development of the specification of the new school building, the interim Parent Council would be instrumental in keeping parents informed of progress.

- 3.8 The Cabinet is invited to agree (a) to note the progress on the development of the Phase 3 funding application; (b) on the preferred option to develop a campus with health and social care to replace the existing James McFarlane School, Haysholm School, Auchenharvie Academy and Ardrossan Academy; and (c) that officers prepare and submit the application no later than 21 July 2012.

4. Implications

Financial Implications

- 4.1 The cost of building the new campus and maintaining it over the period of its use by the Council will be through a revenue approach and as such will require the payment of a monthly Unitary Charge over a period of 25 years. The Scottish Government has already indicated to Councils that it will support 67% of the construction costs of a secondary school and 50% of the construction costs of a primary and/or special school.
- 4.2 The current notional capital cost of the preferred option is £33.5m for the secondary school and £9m for the special school with the total campus estimated at £42.5m.
- 4.3 Based on comparable figures for a recent new build secondary school and assumptions made on the special school the likely net revenue savings to the Council could be in the region of £1m per year.

- 4.4 There are a number of funding support scenarios as detailed in Table 1 below:

Table 1

Proposal	Indicative Project cost £M	Indicative SG Support £M	Indicative NAC Share £M
Campus incorporating James McFarlane school, Haysholm school, Auchenhavie Academy and Ardrossan Academy.	42.5	22.445 2/3 Revenue support for secondary school only	20.055
Campus incorporating James McFarlane school, Haysholm school, Auchenhavie Academy and Ardrossan Academy.	42.5	28.475 2/3 Revenue support for full campus including special schools	14.025
Replace Auchenhavie and Ardrossan Academy	33.5	22.445 2/3 Revenue support for secondary only	11.055
Replace James McFarlane and Haysholm school	9	4.5 ½ capital support for special school only	4.5

- 4.5 If North Ayrshire Council is awarded an allocation from the Scottish Government fund then the Council would be required to part fund any proposals. This funding would either have to come from a reallocation of the existing Capital Programme or by adding the part funding costs to the current Capital Programme with a resultant increase in financing charges. There is a possibility of meeting these financing charges through savings in revenue if these could be realised through reduction in operational costs. The early indications are that this could be achieved.

Human Resource Implications

- 4.6 If implemented there will be staffing implications arising directly from this report.

Legal Implications

- 4.7 If implemented there will be Legal implications arising directly from this report with statutory public consultations and the possibility of contract process via the South West procurement hub.

Equality Implications

- 4.8 The proposals will meet or exceed the Equalities Act 2010 and also meet or exceed the requirements of the Disability Discrimination Act. With the campus approach it will substantially benefit both school communities through integrated services and shared resources.

Environmental Implications

- 4.9 The proposed construction of a new secondary and special school is an opportunity to make a positive impact to the environment. It provides an opportunity to minimise any environment impact as a whole. It would be the Council's intention to follow the BRE (Building Research Establishment Ltd) Environment Assessment Method (BREEAM). This is a voluntary scheme that aims to quantify and reduce the environmental impact of new buildings by rewarding those designs that take positive steps to minimise the environmental impact. It would be North Ayrshire Council's intention to seek a formal certification of excellent.

4.10 The proposals contribute toward the Climate Change Act within the Council's 'Clean and Green' context, we want make improvements in relation to:

- Transport links and services;
- The condition of roads, footways, path networks and lighting;
- The protection and enhancement of our environment;
- Recycling of waste and rates of waste going to landfill; and
- Our public sector carbon footprint.

Implications for Key Priorities

4.11 The proposals will assist in achieving the following SOA outcomes:

- 3a "opportunities for lifelong learning have increased";
- 4a "levels of educational attainment and achievement have improved";
- 4b "more young people are leaving school for positive destinations";
- 5a "opportunities to support the positive development of young children have increased";
- 6b "health inequalities have reduced".

5. Consultations

Statutory Consultation

5.1 Where the Council brings forward proposals to merge, amalgamate or close schools there is a necessity to carry out a period of public consultation within the statutory framework defined by Scottish Government.

Local Consultation

5.2 The key sponsor is the Council and the Corporate Director of Education and Skills. The four school Headteachers affected by the proposals have been consulted and staff and parents who could be affected have been advised of the proposal.

5.3 Other services such as Finance, IDS, Development Planning, Social Services and Health have all been consulted on the proposals. In addition, initial discussions have been held with Ayrshire and Arran NHS.

6. Conclusion

- 6.1 The Council has a strong track record of investing in our school estate to make our schools more effective and efficient. This proposal would allow us to tackle under-occupancy within the two secondary schools involved and free up valuable resources which could be much better targeted at improving educational attainment and achievement. It would also address the growing demand pressures on Haysholm and James McFarlane facilities which were not designed to meet current and future service needs and requirements.
- 6.2 This is an opportunity to significantly improve our wider school estate and through partnership and collaboration with our community planning partners, identify and deliver more innovative ways to meet the needs of all children.
- 6.3 The ambitious proposals provide the opportunity to develop a high quality learning and care environment that delivers integrated services to meet the education, health and social care needs of children and young people under one roof.



CAROL KIRK
Corporate Director (Education and Skills)

Reference : MA/SS/JN

For further information please contact Mark Armstrong, Head of Service (Education and Skills) on telephone number 01294 324413

Background Papers

None

Round 1 - School Estate Strategy

Irvine West Schools

This will deliver a new Castlepark nursery, an extended and remodelled Castlepark Primary School and a new extension to Woodlands Primary School by August 2013. This will result in a closure of John Galt Primary School in August 2013 with the school roll merging with Woodlands and Castlepark Primary Schools.

Irvine East School

This is the amalgamation of Fencedyke, Towerlands and Broomlands Primary Schools on a single site at Broomlands with an entry date of August 2014. The school will be ready by the summer term of 2014 to allow a smooth transition.

Dreghorn Primary School

This is a direct replacement for the current school at a new location within Dreghorn. The expected entry date will be October 2012.

Garnock Academy Campus

This project will replace the existing secondary school and also include an amalgamated Moorpark and Glengarnock Primary School and the replacement of Garnock pool (Kilbirnie) with an all through campus at a new location still to be agreed. The target entry date is August 2015 with the potential for a phased transition to the new facilities.

NORTH AYRSHIRE COUNCIL

Agenda Item 4

19 June 2012

Cabinet

Subject:	School Placing Requests Online
Purpose:	To inform Elected Members of the proposal to accept school placing requests that are made online by means of electronic communication.
Recommendation:	That the Cabinet agrees to allow placing requests to be made by means of electronic communication.

1. Introduction

- 1.1 Making more efficient and effective use of Council resources is a key outcome within the Council Plan and Customer Services and IT Services have been working together to enable customers to access more services online. Online services are significantly cheaper than service delivery over the telephone or face to face.
- 1.2 Section 28A of The Education (Scotland) Act 1980 (as amended) refers to written requests to a local authority in relation to choice of school for a child, known as a placing request. The Electronic Communications (Scotland) Order 2006 (SSI 2006/367) allows a placing request to be made by means of electronic communication. The Authority must pass a resolution (i.e. get acceptance by the appropriate Committee) to accept receipt of such electronic requests and thereafter publish such a resolution.
- 1.3 This report recommends to Cabinet that the Council agrees to accept placing requests by means of electronic communication.

2. Current Position

- 2.1 At present placing requests are received on paper forms and these are keyed into a database. Response letters are then issued manually. Whilst placing requests can be received throughout the course of the year, this is predominantly a seasonal process with the vast majority of requests being received between January and April in preparation for the school year starting in August.

- 2.2 Parents/carers regularly call in to check if paperwork has been received or to check the progress of their application. Each contact is a cost to the Council and the predominantly seasonal nature of the requests places a particular demand upon the service at specific times.

3. Proposals

- 3.1 North Ayrshire residents should be given the opportunity to complete placing requests online. Those wishing to apply online would be required to go through a simple registration process to confirm their identity. They would then complete an online form which would be directed to the Education and Skills Service for consideration. This online form would be capable of being printed by both the person making the request and the relevant service. Automated emails would subsequently keep the customer updated with the progress of their request and outline expected timescales and next steps.
- 3.2 The Cabinet is invited to agree to allow placing requests to be made by means of electronic communication.

4. Implications

Financial Implications

- 4.1 There are no financial implications as the technology to deliver the proposed solution is already in place. Internal resource within IT has been identified to complete the development work therefore no further investment is required.

The process will generate efficiencies as a result of a reduction in manual forms requiring to be keyed into the database. There will also be an expected reduction in telephone calls following up forms and requesting updates as this information will be provided to customers via email. There will also be a saving on stationery and postage with the reduction in paper forms and letters being issued.

Human Resource Implications

- 4.2 There are no human resource implications arising from this report.

Legal Implications

- 4.3 The Council's Legal Service is satisfied to date that the proposed process fulfils any legal requirements. As the detail of the new process is fully developed, Legal will confirm that they are satisfied with the final process prior to implementation.

Equality Implications

- 4.4 An Equality Impact Assessment has been completed and there are no equality implications.

Environmental Implications

- 4.5 There are no environmental implications arising from this report.

Implications for Key Priorities

- 4.6 There are no implications for key priorities arising from this report.

5. Consultations

- 5.1 This proposal has been developed through the collaboration of Education and Skills, Legal, IT Services and Customer Services.

6. Conclusion

- 6.1 The introduction of online placing requests would provide choice for the customer whilst helping to reduce costs to the Council.



CAROL KIRK
Corporate Director (Education and Skills)

Reference : MA/Jn

For further information please contact Mark Armstrong, Head of Service (Education and Skills) on telephone number 01294 324413

Background Papers

None

NORTH AYRSHIRE COUNCIL

Agenda Item 5

19 June 2012

Cabinet

Subject: **Cluster Plus Pilot Project**

Purpose: To inform the Cabinet of the progress of the Cluster Plus Pilot Project within the Ardrossan Community.

Recommendation: That the Cabinet agrees to (a) note the progress; and (b) receive a further report in June 2013 detailing the benefits that have been achieved through the project and recommendations around how these can be taken forward in other Communities.

1. Introduction

- 1.1 The Education Business Case for Change was approved by the Education Executive of North Ayrshire Council on 25 October 2011. It included recommendations on the further development of cluster working:
- In partnership with Education Scotland, piloting of cluster working would focus around the Ardrossan Cluster; and
 - To design, develop and implement cluster planning and budget allocation.
- 1.2 This report provides an update on work which has been undertaken to develop and initiate the Pilot Project.
- 1.3 The direction of travel of the Scottish Government, both in terms of Devolved School Management and the wider Public Sector Reform Agenda, lends additional support for further extension and exploration of the devolution of resources and decision making to school clusters, schools and localities.
- 1.4 Principles of devolution include:
- a. moving the balance of power in favour of schools and school clusters;
 - b. increasing funding and autonomy for headteachers and learning communities;

- c. devolving decision making to the lowest level appropriate; and
 - d. empowering schools and school clusters to tailor resources to meet local need.
- 1.5 COSLA is developing a self-evaluation toolkit to enable councils to assess current DSM schemes. This will be used as part of this project to develop future proposals for management of budgets within the cluster.

2. Current Position

- 2.1 The Education and Skills Service alone currently employ approximately 250 staff in over 13 establishments within the Ardrossan Area, with a budget of £13.2 million. This does not include the resources and skills which other services, partner and community organisations contribute to the local community.
- 2.2 Cluster working across schools is well established. This project includes all Education and Skills staff delivering services in the area, and aims to develop their collaboration and joint working with partners and community organisations
- 2.3 The Cluster Plus project is an integral part of the Neighbourhood Approach Project being developed by the Community Planning Partnership. Education and Skills will make a presentation about the Cluster Plus Pilot at the "Visioning Event" which is being held on 18 June to inform the development of the Neighbourhood Approach.
- 2.4 This project is being developed in close partnership with Education Scotland who have provided valuable input to the process, through facilitation of training and sharing of initiatives in other parts of the country.
- 2.5 In November 2011, managers from all educational establishments within the Ardrossan area were trained by Education Scotland on the "The Three Horizons" toolkit. The underlying principles of this methodology are:
- A vision of the future which pulls innovation towards transformative change, rather than merely making the "old" system better;
 - A realistic view of the current situation - recognising and acknowledging tensions and dilemmas of change and the need to resource adequately innovative methods to resolve these;
 - Identification and sharing of innovations that have real strategic significance; and

- A disciplined framework of local self-evaluation which acknowledges the realities and tensions and dilemmas and how these are wrestled and resolved.(Shift Can Happen - TESS, 15 May 2009)

2.6 A workshop was held with this group of managers to carry out an initial assessment of the current position and explore potential for more efficient and effective ways of working across the cluster. In order to ensure that the discussion was focussed around the wider Council objectives the "Three Horizons" methodology was tailored using the themes of the Single Outcome Agreement:

Tackling Worklessness
Tackling Health Inequalities
Tackling Community Safety

to assess:

What services we currently provide?
What does excellence look like?
Where do we want to be in 5 years time?
What can we stop doing? and
What do we need to do more of?

2.7 In this initial workshops common themes emerging were:

- Aspirations amongst young people around the lack of employment opportunities
- The need for planning as a Cluster, and smarter ways of working
- A requirement to develop existing work with families, around parenting and healthy living,
- Examples of good practice within establishments which can be expanded throughout the Cluster.

2.8 This process was then expanded to include collaboration with Partner and Community Organisations. The common themes emerging from this were similar to those above. A further session is planned in June with the same group to discuss the outcomes of this and reach consensus on the scope and parameters of the pilot. The planned outcome of this event is to agree a shared improvement agenda, develop an action plan and test resource sharing and collaboration.

- 2.9 Two workshops have been completed with young people from throughout the Cluster, asking them open questions about Ardrossan and what they want to see in the area. The young people expressed their views on:
- the relevance of services currently provided in the area to their needs; and
 - what could be done to improve employment opportunities as well as innovative suggestions on what they think should be happening in the Ardrossan area.
- 2.10 Work has been completed profiling the area, the output of which has been presented to the groups consulted, this is subject to ongoing analysis. This includes:
- Analysis of Educational Attainment broken down into catchment areas of Primary Schools;
 - Main employers in the area, compared to 50 years ago, showing the shift from manufacturing to Public Sector; and
 - Community activity, compared to 50 years ago, which demonstrates that there are a significant number of organisations active in the area today.
- 2.11 This information has been used to provoke discussion at workshops and will be subject to further analysis as the Project develops.
- 2.12 Education Scotland carried out a Validated Self-Evaluation of the process on 21 May. This involved an assessment of the relevance of the Three Horizons Toolkit and consulting with focus groups of managers, young people and community stakeholders. Initial feedback from this is that there is a lot of enthusiasm for the project and a need to build on that momentum. They have filmed one of the sessions with pupils, with plans to film the next session in June with the Community Stakeholders. The recommendations are in line with what has been planned by Education and Skills.
- 2.13 A further stakeholder workshop is scheduled for 22 June. At this workshop it is intended that participants will agree the priority themes to be addressed through the cluster plus pilot and developed action plans in relation to these themes.

3. Proposals

- 3.1 The pilot project is now at the stage where specific action plans will be agreed, implemented and monitored. It is proposed that officers bring a further report to Cabinet in June 2013 detailing the benefits that have been achieved through the project and presenting recommendations as to how this approach could be taken forward in other communities within North Ayrshire.

4. Implications

Financial Implications

- 4.1 There are no financial implications arising from this report. However through implementation of this Project , financial efficiencies will be identified through cluster planning and working collaboratively with partner organisations.

Human Resource Implications

- 4.2 There are no human resources Implications arising from this report.

Legal Implications

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

Equality Implications

- 4.4 There are no equality implications arising from this report.

Environmental Implications

- 4.5 There are no environmental implications arising from this report.

Implications for Key Priorities

- 4.6 This paper has implications for the following priorities in the Single Outcome Agreement:.

We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

5. Consultations

- 5.1 Integral to the success of this Project is ongoing engagement with Community and Partner Organisations.
- 5.2 Progress is regularly reported to Trades Unions through established meetings.
- 5.3 Further development of the Pilot will be in collaboration with the Neighbourhood Approach Project.

6. Conclusion

- 6.1 The Cluster Plus project has established through engagement with all stakeholders the potential to move forward with a shared improvement agenda, develop and implement an action plan which will test resource sharing and allocation.



CAROL KIRK
Corporate Director (Education and Skills)

Reference : CK/MA/KB

For further information please contact Mark Armstrong, Head of Logistics and Infrastructure (Education and Skills) on 01294 324413.

Background Papers

Shift Can Happen - TESS, 15 May 2009

NORTH AYRSHIRE COUNCIL

Agenda Item 6

19 June 2012

Cabinet

Subject: **Schools of Sport**

Purpose: To inform Elected Members of the Schools of Sport programme to seek support for the extension of the initiative as appropriate.

Recommendation: That the Cabinet welcomes and supports the Schools of Sport programme.

1. Introduction

1.1 The Glasgow 2014 Commonwealth Games, preceded by the London 2012 Olympic and Paralympic Games, provide a huge opportunity to leave a lasting legacy for learning. Hosting these and other major sporting events provides a rich context for learning across the curriculum and opportunities to forge international partnerships.

1.2 The Scottish Government Games Legacy plan for Glasgow 2014, sets out a strategy to make Scotland more 'active, connected, sustainable and flourishing':

Active - getting Scotland more active, encouraging healthier, stronger communities

Connected - developing international links through education and culture

Flourishing - improving skills and developing economic opportunities

Sustainable - enhancing biodiversity and delivering a 'Green Games.'

1.3 North Ayrshire Council has a strong track record of innovating in sports and physical activity. Recent notable developments include community club development, including Kilwinning Community Sports Club and the establishment of the "Nurturing Excellence" programme for talented athletes.

- 1.4 The North Ayrshire Physical Activity and Sport Strategy, 'Fit for the Future 2010-2015,' is providing a local strategic context for delivery. Three of the four strategic themes for the strategy are being addressed by this initiative:
- Increasing Opportunities for Participation;
 - Strengthening and Developing Communities by working closely with local sports clubs to deliver the overall programme; and
 - Promotion and Profile in raising the profile of sport and physical activity within local communities and schools.
- 1.5 In a recent development, the National Governing Bodies of Scottish Rugby, Football and Basketball expressed an interest in delivering Schools of Sport programme in North Ayrshire.
- 1.6 The Basketball Scotland Partnership will be the first of its kind in Scotland and forms part of their 2012-2020 Development Plan for the sport in Scotland.
- 1.7 The programmes will be aimed at a participation route and will be the first step of progressing to higher level programmes. An individual sport model (one sport only) and a combined sport model are able to be delivered.

2. Current Position

- 2.1 Expressions of interest were sought from North Ayrshire secondary schools. As a result of this process, the following agreements resulted:
- Ardrossan Academy will become a School of Rugby and a School of Basketball;
 - Irvine Royal Academy will become a School of Rugby; and
 - Auchenhavie Academy will become a School of Football.
- 2.2 A strong partnership between school management teams, PE staff, Active Schools, sports governing bodies, parents and pupils is required to deliver the programme.

- 2.3 Engagement in sports activities has been shown to contribute to raising attainment and achievement, with improvements in attendance and behaviour making positive contributions to overall school participation and this will be a strong focus of the work within the School of Sport programmes. Health outcomes will be related to improved physical literacies as measured within the programme.
- 2.4 The programme will also offer nutritional guidance as part of the programme package along with other specialist advice relating to sport and lifestyle choices.
- 2.5 The funding is currently provided by North Ayrshire Council, approximately £30,000 per annum for three schools. The three sports will match fund the programme with sportscotland providing further input. It is envisaged that schools will progress to identifying how they will contribute to the overall programme in kind or financially.
- 2.6 North Ayrshire Leisure will also support the programme.
- 2.7 Sportscotland have recognised the potential of developing a partnership model which could be rolled out across the country. Current discussions include their intention to invest in the programme, which will increase its quality and innovation.

3. Proposals

- 3.1 It is proposed that Cabinet welcomes and supports the innovative School of Sport model which is being introduced in North Ayrshire and recognises the excellent relationships which exist between North Ayrshire and the governing bodies in Scotland. These relationships will lead to the extension of this and other programmes and will involve additional schools in a wider range of sports.

4. Implications

Financial Implications

- 4.1 The funding is currently provided by North Ayrshire Council, approximately £30,000 per annum for three schools. The three sports will match fund the programme with sportscotland providing further input. It is envisaged that schools will progress to identifying how they will contribute to the overall programme in kind or financially.

Human Resource Implications

- 4.2 There are no human resource implications for the Council. Individual governing bodies are making arrangements to appoint staff to deliver the School of Sport programmes and activities.

Legal Implications

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

Equality Implications

- 4.4 There are no equality implications arising from this report.

Environmental Implications

- 4.5 There are no equality implications arising from this report.

Implications for Key Priorities

- 4.6 The School of Sport programme will contribute to the achievement of the following SOA outcomes: 6a: We live longer, healthier lives; and 15: Our public services are high quality, continually improving, efficient; and responsive to local people's needs.

5. Consultations

- 5.1 Consultations have taken place with all North Ayrshire secondary schools; the National Governing bodies of football, rugby and basketball, sportscotland and local sports clubs.

6. Conclusion

- 6.1 The Schools of Sport programme is an exciting opportunity to engage young people in sport and to develop pathways into participation in the community and at a higher level where appropriate by creating opportunities to nurture excellence, particularly in partnership with the national governing bodies. This will produce a meaningful legacy in North Ayrshire from the Olympic and Commonwealth Games and will leave our young people well placed to excel in their chosen sport.

- 6.2 The programme will help in nurturing talent but also in encouraging wider skills and dispositions including commitment, participation and competition.



CAROL KIRK
Corporate Director (Education and Skills)

Reference : AS

For further information please contact Audrey Sutton, Head of Service (Education and Skills), on telephone number 01294 324414.

Background Papers

None

NORTH AYRSHIRE COUNCIL

Agenda Item 7

19 June 2012

Cabinet

Subject: **Nurturing Excellence in Culture and Sport**

Purpose: To inform Elected Members of an innovative initiative to develop excellence in young people who participate in culture and sport in North Ayrshire.

Recommendation: That the Cabinet welcomes and supports the Nurturing Excellence programme.

1. Introduction

- 1.1 The Glasgow 2014 Commonwealth Games, preceded by the London 2012 Olympic and Paralympic Games, provide a huge opportunity to leave a lasting legacy for learning. Hosting these and other major sporting events provides a rich context for learning across the curriculum and opportunities to forge international partnerships.
- 1.2 The Scottish Government Games Legacy Plan for Glasgow 2014 sets out a strategy to make Scotland more 'active, connected, sustainable and flourishing':
- Active - getting Scotland more active, encouraging healthier, stronger communities
 - Connected - developing international links through education and culture
 - Flourishing - improving skills and developing economic opportunities
 - Sustainable - enhancing biodiversity and delivering a 'Green Games'.
- 1.3 Education and Skills currently support a range of individuals who excel in pursuit of their chosen activity, mainly in relation to sports and music, and has recently developed a programme designed to provide more strategic and effective support for individuals who excel in their chosen field.

- 1.4 This approach is designed to ensure that the Games Legacy for North Ayrshire is achieved across the cultural and sporting spectrum, and enhances the possibility of individuals achieving their potential.

2. Current Position

- 2.1 A formal funding request was made to the Council via the normal budget process to enable a support mechanism to be established for the individuals described above. The funding was allocated as follows:

Talented sports individuals	£72,000
Talented arts individuals	£20,000
Support to organisations	£ 8,000

- 2.2 The fund will be maintained at this level from year to year by appropriate top up bids on an annual basis. The use of the fund will be monitored to ensure that the level of budget is adequate for the scheme. This may result in the annual fund being adjusted to a more reasonable level in years to come.
- 2.3 Council officers will continue to seek sponsorship from local enterprises to support the scheme and reduce the Council's financial contribution over time.

3. Proposals

- 3.1 It envisaged that the awarding of funding will vary between sports and cultural activities. However, there are several overarching principles which will apply to all applicants/participants:
- Recipients must be resident in North Ayrshire or if studying, have been resident in North Ayrshire;
 - Recipients will be required to be available for up to four public or civic activities per year, e.g. launch events, champion's role or promotional activities on behalf of North Ayrshire; and
 - Recipients will be required to acknowledge the support of North Ayrshire Council and KA Leisure in any media coverage while participating at major championships and events.

Sports

- 3.2 It is proposed that the Council awards funding in line with a range of criteria which will include, National Governing Body endorsement, supporting evidence relating to current performance, press and media coverage, and a personal statement supporting the application. The programme will provide a package which will include:
- KA Leisure Pass enabling free access to facilities for the nurturing excellence programme for all athletes;
 - A Specialist Support package offer to Silver and Gold athletes which includes a personalised development programme agreed in conjunction with coaches and NGBs;
 - Funding to support attendance at specific competitions or training programmes throughout the year (details will be required before funds are released).
- 3.3 The scheme will be based on three levels of performance,
- Bronze Award, for District level athletes who are in NGB district sports development squads or teams;
 - Silver Award, for athletes who are competing at a National League or National Championship level or are in national squads prior to full international participation;
 - Gold Award, for athletes who are members and participating in either Scotland Age Group Teams or GB Junior/Senior Squads.
- 3.4 The application process will be managed by a Reference Group comprising officers from North Ayrshire Council, KA Leisure and Sportscotland who will oversee the application process and monitoring.

Cultural Activities

- 3.5 It is proposed that the Council distributes funding in line with a range of criteria for the awarding of the cultural funds to individuals engaging in activity with, for example, national organisations, in the following areas:
- Music
 - Drama
 - Dance
 - Art
 - Literacies.

- 3.6 In addition it is proposed that North Ayrshire introduces a number of awards which will raise the profile of cultural activity and recognise excellence in these fields and which will achieve national recognition and interest in the creative landscape.
- 3.7 In addition to the “Young Musician of the Year” awards, new categories of “Young Writer of the Year” and “Young Artist of the Year” will be created in order to promote and reward excellence in these fields, the latter being open to a range of activities. Further awards can be introduced in future in response to demand from the artistic community in North Ayrshire.
- 3.8 Support and promotion for these awards will come, for example, through expressive arts, drama and music networks in schools, through the Cultural Ambassador programme and through links with specialist community groups.
- 3.9 Awards will consist mainly of opportunities to access specialist support and opportunities which would otherwise be outwith the reach of the majority of young people, including music, drama and art masterclasses with professional artists.
- 3.10 These awards will also be accompanied by adult competitions in creative writing and art (with continued support for the North Ayrshire Open Art Exhibition).
- 3.11 It is also proposed that there is support for young people embarking on a career in the creative industries in North Ayrshire. This will continue to be developed in line with the Creative Industries Action Plan, currently being produced by Creative Scotland.
- 3.12 The management of this process will be managed by a Reference Group comprising officers and elected members from North Ayrshire Council, with Creative Scotland acting in an advisory capacity where appropriate.
- 3.13 Organisations will also continue to be supported where appropriate.
- 3.14 The Cabinet is invited to welcome and support the Nurturing Excellence programme.

4. Implications

Financial Implications

- 4.1 The fund of £100,000 will be maintained by appropriate top up bids on an annual basis. The use of the fund will be monitored to ensure that the level of budget is adequate for the scheme. This may result in the annual fund be adjusted to a more reasonable level in years to come. Council officers will continue to seek sponsorship from local enterprises to support the scheme and reduce the Council's financial contribution over time.

Human Resource Implications

- 4.2 There are no human resource implications for the Council.

Legal Implications

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

Equality Implications

- 4.4 There are no equality implications arising from this report. Consistent and transparent criteria will be applied to the process.

Environmental Implications

- 4.5 There are no environmental implications arising from this report.

Implications for Key Priorities

- 4.6 The proposals will assist in achieving the following SOA outcomes:
- 3a "opportunities for lifelong learning have increased";
 - 4a "levels of educational attainment and achievement have improved";
 - 4b "more young people are leaving school for positive destinations";
 - 5a "opportunities to support the positive development of young children have increased";
 - 6b "health inequalities have reduced";
 - 6e "people are more active more often";
 - 11a "levels of voluntary actions and community involvement have increased"; and
 - 11b "partnership working between the public, community and voluntary sector has improved.

5. Consultations

- 5.1 Education and Skills, sportscotland, KA Leisure, officers and National Governing Bodies in sports and culture have been consulted.

6. Conclusion

- 6.1 The Nurturing Excellence programme will produce a lasting legacy from the Games (2012 and 2014) for a range of individuals in the sports and cultural arenas. North Ayrshire's ability to fulfil its potential will be increased in a wide range of culture and sporting activities and the support and assistance will be repaid by the civic pride engendered by the achievements of its citizens.



CAROL KIRK
Corporate Director (Education and Skills)

Reference : AS

For further information please contact Audrey Sutton, Head of Service (Education and Skills), on telephone number 01294 324414.

Background Papers

None

NORTH AYRSHIRE COUNCIL

Agenda Item 8

19 June 2012

Cabinet

Subject: **Irvine Carters' Society Community Floats Group**

Purpose: To seek the approval of Cabinet to relocate the Irvine Carters' Society Community Floats Group from the old Police Station in Irvine to Eglinton Park.

Recommendation: That Cabinet approves and supports the proposal as detailed in section 3 of the report.

1. Introduction

- 1.1 Irvine Carters' Society was first formed for business and charitable purposes and their history is as old as the Incorporated Trades of the Royal Burgh of Irvine. Although in the 1910s, the trade of horse carter was destined to disappear in the era of motorised transport, the Carters' Society survived and the annual Marymass fair has gone from strength to strength. Now in the 21st century, the Irvine Carters' Society is the only surviving carter society. No motorised vehicles are allowed in the parade.
- 1.2 The Festival of Marymass dates back to the Middle Ages and the rich pageantry of this fair draws old Irvinites home in August each year. Visitors too come from all over to enjoy the atmosphere and contribute to the economy of the town.
- 1.3 On Marymass Saturday, one of the largest horse-drawn processions in Scotland leads the crowd to Irvine Town Centre to witness the Crowning of the Marymass Queen. The parade, led by the Captain of Irvine Carters, then makes its way to Irvine Moor, where a full afternoon of sporting events takes place, including one of the world's oldest horse race meetings and the legendary Greasy Pole competition.

2. Current Position

- 2.1 The society requires to relocate from its current location in the old Police Station in Irvine due to proposed development of the site. Estates have been working with them to identify an alternative location, without success.

3. Proposals

- 3.1 The current proposal is to relocate the Carters' Society and their floats to the Nissen shed formally known as the "Playbarn" in Eglinton Country Park Visitor Complex.
- 3.2 An agreement between Education and Skills and the Floats Group will result in the following advantages for both parties:
- The group will conduct a number of events within the Park each year to encourage community engagement in their activities, thus increasing visitor numbers to the park
 - The group will conduct educational visits for schools, contributing to a Curriculum for Excellence and linking to their work with the Heritage Centre. This will enhance the recent Marymass educational resource created by Education and Skills and the Carters and the CPD delivered by this partnership to Education and Skills staff
 - The group will on a number of weekends open up the sliding doors and create a viewing area where the public can see restoration works taking place as appropriate.
- 3.3 This partnership will enhance the interest in all parties and will promote the history and culture of the society and of the Marymass festival and its origins. The Country Park aim of 'keeping rural industrial skills alive' also benefits.
- 3.4 Opportunities for capacity building will be explored, both through work experience placements and involvement of the wider community in the activities of the group.
- 3.5 The Cabinet is invited to approve and support the proposal.

4. Implications

Financial Implications

- 4.1 Estates and Legal will work with Education and Skills and the Carters' Society to agree a mutually acceptable lease in relation to the Playbarn.

Human Resource Implications

- 4.2 There are no human resource implications arising directly from this report.

Legal Implications

- 4.3 Estates and Legal will work with Education and Skills and the Carters' Society to agree a lease in relation to the Playbarn.

Equality Implications

- 4.4 There are no equality implications arising directly from this report.

Environmental Implications

- 4.5 There are no environmental implications arising directly from this report.

Implications for Key Priorities

- 4.6 The proposals will assist in achieving the following SOA outcomes:
- 3a "opportunities for lifelong learning have increased";
 - 4a "levels of educational attainment and achievement have improved";
 - 4b "more young people are leaving school for positive destinations";
 - 5a "opportunities to support the positive development of young children have increased";
 - 6b "health inequalities have reduced";
 - 6e "people are more active more often";
 - 11a "levels of voluntary actions and community involvement have increased"; and
 - 11b "partnership working between the public, community and voluntary sector has improved.

5. Consultations

- 5.1 The Carters' Society, the Marymass Development Committee and the Estates Department have been consulted.

6. Conclusion

- 6.1 The relocation of the Irvine Carters' Society Community Floats Group to Eglinton Park Visitors Complex will bring benefits to both parties and will contribute to the experience of schools and the community as visitors to the park and it is recommended that the Cabinet approves the proposal.



CAROL KIRK
Corporate Director (Education and Skills)

Reference :

For further information please contact Audrey Sutton, Head of Service (Education and Skills) on telephone number 01294 324414.

Background Papers

None

NORTH AYRSHIRE COUNCIL

Agenda Item 9

19 June 2012

Cabinet

Subject: **Review of Senior Management (Chief Officer) Structure**

Purpose: To consider options for change to the Council's senior management (chief officer) organisational structure.

Recommendation: That the Cabinet agree the proposals contained in this report.

1. Introduction

- 1.1 The purpose of this report is to consider options for change to the Council's senior management (chief officer) organisational structure. This takes account of:
- the impact of Service review outcomes arising from the Council's Change Programme;
 - national proposals for public sector reform; and,
 - senior management succession planning.
- 1.2 The last review of the senior officer structure was undertaken in 2009 and implemented during 2010. In view of the changes and reform taking place both nationally and within the Council it is appropriate for a further review of the suitability of the Council's senior officer arrangements to ensure that the Council's strategic priorities can continue to be delivered.
- 1.3 It is also worth noting that a further review will be required in the next 12 to 18 months to reflect other changes at a national and local level. This current review could therefore be viewed as the first stage within a phased approach to keeping our structures up-to-date and flexible.

2. Current Position

Change Programme

- 2.1 A key theme within the Change Programme is to streamline core business support functions that will enable frontline services to focus on their own service expertise. The business support functions are, for the most part, centralised. The remaining change areas are Accountancy, Corporate Landlord (Property Management), Human Resources, Payroll and Customer Services.
- 2.2 The outcome of these change reviews will have implications for the management organisation of both the centralised function and the residual impact on the Service where the function is currently devolved.

Public Sector Reform

- 2.3 One element of the public sector reform programme being driven by the Scottish Government will see changes in the Police and Fire and Rescue Services moving to single all Scotland organisations to replace the existing Police and Fire Boards with a suggested go live date of April 2013.
- 2.4 Another key area of reform is the replacement of Community Health Partnerships by new Health and Social Care Partnerships, with joint NHS and local authority governance due to be operational in April 2014. These plans also make provision for the appointment of a single responsible officer accountable for the Health and Social Care partnership with a joint reporting line to the Chief Executives of the Health Board and Council.
- 2.5 Other changes under review relate to Criminal Justice; Education; Community Planning Partnerships; and administration of the Benefits system in which the Department for Work and Pensions and local authorities have a joint interest.

Succession Management

- 2.6 The Council's existing service management organisational structures should evolve to take account of the changes identified above, but also to take advantage of opportunities created through early retirement and the outcomes of public sector reform. In managing its senior workforce it is important that the Council gives careful consideration to ensuring we have the right skills and people to fill these key posts, and where necessary, using an assessment centre approach to achieve that outcome.

3. Proposals

Education & Skills

- 3.1 Education and Skills is currently led by a Corporate Director and three Heads of Service. The range of services covers education, community learning and development, information and culture, sports, property management, finance and support services. It is proposed that the remit of the Corporate Director remains broadly the same, subject to the issues identified in paragraph 3.4.
- 3.2 The Head of Education Services covers the provision and development of education from 0 to 18. It is considered that this continues to require a dedicated Head of Service.
- 3.3 The Head of Community and Culture Services was reviewed in 2010 and it is not proposed to alter this further.
- 3.4 The Head of Logistics and Infrastructure post requires that the remit be reviewed to take account of changes to the management of finance and corporate landlord (property management), which will move to the centralised function. The revised proposals for this post are development of the school estate, planning and performance, organisational innovation in Education and Skills (e.g. exploring alternative service delivery models), oversight of community asset transfers and integration of locality development (i.e. ensuring Education and Skills plays a full role within the development of the neighbourhood asset based approach to service delivery). The revised title of this post will be Head of Service Development (Education and Skills).

Social Services & Health

- 3.5 Social Services and Health has one Corporate Director and three Heads of Service. The range of services covers community care, housing, children and families, criminal justice, property management, finance and support services. As well as changes to finance and corporate landlord, the integration of health and social care will significantly impact this service. At this point, it is proposed that the remit of the Corporate Director remains broadly the same, pending full consideration of the national changes proposed and subject to the issues identified in paragraphs 3.6, 3.7 and 3.8.
- 3.6 All senior posts within Social Services and Health will be subject to review following the agreement of partnership arrangements for the new Community Health and Care Partnership. It is anticipated that this will be within the next 12 to 18 months. In view of the potential scale of change, the consequential implications on other services and the staff transfer arrangements that may require to be put in place, it is difficult to predict the number and grades of posts that will be required. This will be complex, not least because of the different pay scales and conditions in place across local government, NHS and Scottish Government. It is proposed that the changes to these Chief Officers posts will therefore be minimal at this time.
- 3.7 Of the three Heads of Service, the post immediately affected by the present proposed range of changes is that of Head of Resources. A significant element of the current remit will have been transferred to Corporate Finance by summer 2012, with responsibility for property management functions also transferring over the next few months. The reviews of Human Resources and Payroll and Learning and Development, whilst not yet fully concluded, may also result in a movement of resources to the relevant centralised service.
- 3.8 The revised proposals for this post are delivery of the overall change programme in Social Services and Health, directing a major upgrade and modernisation of ICT (to be completed within the next 12 months), leading on service planning and joint planning and commissioning with the NHS, and supporting the Corporate Director and Chief Executive in establishing new arrangements for community care and criminal justice. The new title for this post will be Head of Service Development (Social Services and Health).

Finance & Infrastructure, Corporate Services and Chief Executives

- 3.9 Finance and Infrastructure has one Corporate Director and three Heads of Service covering Finance, Infrastructure and Design, and Environmental Services. The grouping of these services is somewhat unusual within Scottish local government and there is scope for change when looked at along with Corporate Services and Chief Executives.
- 3.10 In particular, it is proposed to strengthen the link between economic development and planning and to reduce the functions that have direct accountability to the Chief Executive. This will allow the Chief Executive to give more focus to the strategic direction of the Council and partnership working.
- 3.11 It is proposed that two Corporate Directors would be put in place for i) Finance and Corporate Services (to be filled by the current Corporate Director for Finance and Infrastructure) and ii) Development and Environment (to be filled by competitive interview).
- 3.12 The Corporate Director for Finance and Corporate Support would be supported by two Heads of Service – Finance and Property, retaining the link to capital investment and the Corporate Landlord; and HR and Organisational Development, currently going out to competitive interview due to the retiral of the current post holder.
- 3.13 The Corporate Director for Development and Environment would be supported by two Heads of Service – Development Planning; and Environment. This Corporate Director post will allow a strengthening of focus on Economic Development and the links with the Planning service, along with more emphasis on the challenges to be taken forward by the Environmental Service. This requirement is brought into stronger focus following the announcement of the Enterprise Area and ensuring that this provides economic benefit for all of North Ayrshire.
- 3.14 The post of Head of Development Planning will afford the opportunity to bring together all elements of planning and development under a single Head of Service. No change is proposed to the current Head of Environment which will run the majority of the Council's operational services involving our physical infrastructure, buildings and land. However, this will be reviewed again in the second phase of this review to establish whether there is scope to bring all of the operational services within the remit of one Head of Service.

- 3.15 The Chief Executive would be supported by one Head of Service – Democratic and Administration Services (to be filled by competitive interview). This Head of Service would also be the Council's Monitoring Officer. It is considered prudent that the role of Monitoring Officer have a direct report to the Chief Executive, but also that the role be separated from the Planning function.
- 3.16 Details of the current service functions are shown at **Appendix 1** and details of the proposals for Finance and Corporate Services, Development and Environment and Chief Executives are shown in **Appendix 2**.

4. Implications

Financial Implications

- 4.1 Whilst the total number of chief officer posts remains the same the proposals will see the deletion of the Solicitor to the Council post (C.O.42) and a new post of Corporate Director (Development and Environment) (C.O.48); deletion of the General Manager post (C.O.27) and a new post of Head of Service – Democratic and Administration Services (C.O.34); and the Head of Service – HR and Organisational Development will reduce from C.O.37 to C.O.34.
- 4.2 The net cost of these changes is £19,000 p.a. including on-costs. However, it is anticipated that across the Council this will result in a further review at senior manager level that would offer opportunities for streamlining and savings.

Human Resource Implications

- 4.3 The implications of the senior management organisational structures arising from the proposals set out in this report are summarised in **Appendix 3**. The number of Chief Officer posts does not change but the grading structure is simplified. The focus on the level of change being implemented in Education and Skills and Social Services and Health is reflected in the changes to the responsibilities of two posts renamed as Head of Service Development within each Directorate.

- 4.4 In addition to the changes at Chief Officer level it is anticipated that further changes would be required as appropriate at Senior Manager level and these would be developed and reported at a future date where savings should be accrued.

Legal Implications

- 4.3 There are none.

Equality Implications

- 4.4 There are none.

Environmental Implications

- 4.5 The creation of a new Corporate Director post will allow increased focus to be given to the challenging Environmental Services agenda.

Implications for Key Priorities

- 4.6 The Council is committed to regenerating communities and creating employment opportunities and these changes will provide greater focus on this area of the Council's work.

Community Benefit Implications

- 4.7 Whilst there are no direct Community Benefit implications it is considered that bringing Planning and Economic Development under the remit of a single Head of Service will allow a more strategic and holistic approach to be taken to economic development and therefore all communities across North Ayrshire.

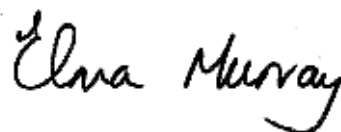
5. Consultations

- 5.1 Consultation on these proposals has taken place with the Corporate Management Team and Extended Corporate Management Team of the Council.

6. Conclusion

- 6.1 The proposals and options as set out in this report are designed to ensure that the Council's senior management structure is best placed to support the Council to deliver its strategic priorities.

- 6.2 The report also recognises that the current local government environment is one of significant change over the coming months and that these proposals are the next stage of a phased approach to the development of the senior management structure. Elected Members will also note that further proposals, specifically in relation to Social Services and Health, will be brought forward within the next 12 to 18 months.



ELMA MURRAY
Chief Executive

Reference : EM/as

For further information please contact Elma Murray, Chief Executive on telephone number 01294 324124

Background Papers

None

Existing Service Functions

	<u>Service</u>		<u>Managers</u>	<u>Grade</u>
1.	Education and Skills	-	1 Corporate Director	C.O. 48
	Education Services	-	1 Head of Service	C.O. 34
	<ul style="list-style-type: none"> Pre-3; schools 3-18; Quality Improvement; Education Psychology 			
	Community and Culture	-	1 Head of Service	C.O. 34
	<ul style="list-style-type: none"> Community Learning; Community Development; Information and Culture; Sports 			
	Logistics and Infrastructure	-	1 Head of Service	C.O. 34
	<ul style="list-style-type: none"> Finance; Property Management; Staffing 			
2.	Social Services and Health	-	1 Corporate Director	C.O. 48
	Community Care and Housing Services	-	1 Head of Service	C.O. 34
	<ul style="list-style-type: none"> Housing; Community Care; Anti-Social Behaviour; Homelessness 			
	Children, Families and Criminal Justice	-	1 Head of Service	C.O. 34
	<ul style="list-style-type: none"> Children and Families; Criminal Justice; Addictions 			
	Resources	-	1 Head of Service	C.O. 34
	<ul style="list-style-type: none"> Finance; Property Management; Performance 			
3.	Finance & Infrastructure	-	1 Corporate Director	C.O.48
	Finance	-	1 Head of Service	C.O.34
	<ul style="list-style-type: none"> Risk & Audit; Accountancy; Revenues & Benefits; Procurement; Payroll 			
	Environment & Related Services	-	1 Head of Service	C.O.34
	<ul style="list-style-type: none"> Waste Services; Streetscene; Facilities Management; Building Services; Internal Transport 			

	<u>Service</u>		<u>Managers</u>	<u>Grade</u>
	Infrastructure & Design	-	1 Head of Service	C.O.34
	<ul style="list-style-type: none"> Property Management and Design; Housing Assets & Investment; Roads Network, Transportation and Development; Lighting Network and Design 			
4.	Corporate Services	-	1 Solicitor to the Council	C.O.42
	<ul style="list-style-type: none"> Planning; Legal; Environmental Health & Trading Standards; Building Standards; Registration; I.C.T.; Customer Services 			
5.	Chief Executives			
	Human Resources	-	1 Head of Service	C.O.37
	Policy & Reform	-	1 General Manager	C.O.27
	<ul style="list-style-type: none"> Policy, Performance and Community Planning; Business Change; Committee Services; Member Services; Communications; Civil Contingencies 			
	Economic Development	-	1 Senior Manager	

Proposed Immediate Changes (Phase 1)

<u>Service</u>		<u>Managers</u>
Education and Skills		
Service Development <ul style="list-style-type: none"> School Estate Development; Planning and Performance; Community Asset Transfer; Locality Development. 	-	1 Head of Service
Social Services and Health		
Service Development <ul style="list-style-type: none"> Change Programme; ICT Upgrade Programme; Service Planning; Joint Planning and Commissioning with the NHS; Community Care and Criminal Justice Proposals 	-	1 Head of Service
Development & Environment	-	1 Corporate Director
Development Planning <ul style="list-style-type: none"> Roads, Transportation and Lighting Maintenance and Design; Planning; Environmental Health and Trading Standards; Building Standards; Economic Development 	-	1 Head of Service
Environment <ul style="list-style-type: none"> Internal Transport; Streetscene; Waste Services; Building Services; Facilities Management 	-	1 Head of Service
Finance and Corporate Support	-	1 Corporate Director
Finance & Property <ul style="list-style-type: none"> Accountancy; Revenues & Benefits; Risk & Audit; Procurement; Corporate Landlord & Housing Investment 	-	1 Head of Service
Human Resources & Organisational Development <ul style="list-style-type: none"> Human Resources & Payroll; ICT; Customer Services; Registration 	-	1 Head of Service
Chief Executive		
Democratic and Administration Services <ul style="list-style-type: none"> Legal; Policy, Performance & Community Planning; Business Change; Communications; Committee & Member Services; Civil Contingencies. 	-	1 Head of Service (and Monitoring Officer)

SENIOR MANAGER-ORGANISATIONAL CHANGE

PRESENT

Service	Corporate Director	Head of Service	General Manager	TOTAL
Finance & Infrastructure	1	3	0	4
Corporate Services *	1	0	0	1
Chief Executives	0	1	1	2
Education & Skills	1	3	0	4
Social Services & Health	1	3	0	4
TOTAL	4	10	1	15

(* indicates Monitoring Officer)

PROPOSED

Service	Corporate Director	Head of Service	TOTAL
Finance and Corporate Support	1	2	3
Development & Environment	1	2	3
Chief Executives	0	1	1
Education & Skills	1	3	4
Social Services & Health	1	3	4
TOTAL	4	11	15

NORTH AYRSHIRE COUNCIL

Agenda Item 10

19 June 2012

Cabinet

Subject: **Sundry Debtors Write off**

Purpose: To (a) advise the Cabinet of balances written off under delegated powers and; (b) request authority to write off balances over £1,000 as set out in Appendix 1.

Recommendation: That the Cabinet (a) notes the sums written off under delegated powers; and (b) authorises the write off of balances as set out in Appendix 1.

1. Introduction

- 1.1 Council Services raise invoices through the Council's debtors system for goods or services provided to the general public or to businesses. The Finance Debt Recovery Team manages and recovers these debts. If a debt is unpaid then a reminder and a final reminder are issued before the debt is passed to Legal Services to recover the debt through legal processes.
- 1.2 During the recovery process cases are identified by Legal Services where it appears unlikely that there will be further recoveries of monies due, or where continued recovery action would be inappropriate. These cases are referred back to Services for their approval to write off the debts under delegated powers or, where appropriate, to seek Members' approval for the write-off.
- 1.3 The Financial Regulations provide that sums due to the Council may be written off when all avenues for recovery have been exhausted and where the sums are considered to be irrecoverable.
- 1.4 Write-off of overpayments below £1,000 are delegated to the Corporate Director of Finance & Infrastructure and/or the Chief Executive.

2. Current Position

- 2.1 All the sundry accounts recommended for write off have been invoiced and then actively pursued by the Finance Debt Recovery Team and Legal Services before finally being referred back to Services for their approval to put forward the account for write off.
- 2.2 Appendix 1 shows that 1,225 accounts of less than £1,000 each with a total value of £93,165.20 have been written off under delegated powers from 1 October 2011 to 31 March 2012.
- 2.3 A further 108 accounts of more than £1,000 totalling £25,142.97, require Cabinet approval for write off. The 108 accounts relate to 17 individuals and were invoiced in the following financial years:

2005/06 – 1 account
2006/07 – 4 accounts
2007/08 – 2 accounts
2008/09 – 16 accounts
2009/10 – 30 accounts
2010/11 – 48 accounts
2011/12 – 7 accounts
- 2.4 Of the 17 individuals that make up the 108 accounts, 1 is deceased; 11 were the subject of court action by Legal Services but could not be enforced and 5 cannot be traced.
- 2.5 The total amount of sundry income debt to be written off under delegated powers and by the Cabinet is £93,165.20 and £25,142.97 respectively, totalling £118,308.17 and this represents 4.78% of the total amount of sundry income debt that was invoiced from 1 April 2003 to 1 May 2012.
- 2.6 Although it is proposed that the accounts be written off as irrecoverable, further attempts will be made to recover the debts through Stirling Park sheriff officers, where possible.
- 2.7 Since April 2007 debt previously written off totalling £1,162,868 has been passed to Stirling Park for collection and to date they have collected £58,199 (5%).
- 2.8 Full lists detailing the accounts for write off are available in Finance for inspection by Members.

3. Proposals

- 3.1 The proposal is for the Cabinet to (a) note the amount written off under delegated powers; and (b) approve the write off of the sundry debtors' accounts over £1,000 as set out in Appendix 1.

4. Implications

Financial Implications

- 4.1 The write off of sundry debtor accounts result in a financial loss to the Council. Adequate provision for bad debts has already been made in the Council's accounts.

Human Resource Implications

- 4.2 None

Legal Implications

- 4.3 None

Equality Implications

- 4.4 None

Environmental Implications

- 4.5 None

Implications for Key Priorities

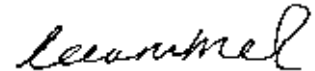
- 4.6 None

5. Consultations

- 5.1 All services that raise invoices through the sundry debtors system were consulted on the write-off proposals and Legal Services have also been closely involved in the recovery process.

6. Conclusion

- 6.1 Approval to write off the amounts in excess of £1,000 as set out in Appendix 1 will remove irrecoverable debt from 1 October 2012 to 31 March 2012 and allow the Finance Debt Recovery Team and Legal Services to concentrate fully on collecting the sums due from the remaining recoverable debts.



LAURA FRIEL

Corporate Director (Finance and Infrastructure)

Reference :

For further information please contact Stephen Humphries, Chief Revenues and Benefits Officer (Finance and Infrastructure) on telephone number 01294 324527

Background Papers

None

Appendix 1

North Ayrshire Council - Debtors Control System

Value of invoices	General Fund		H.R.A.		Total	
	Number	Value	Number	Value	Number	Value
Less than £500	759	£36,707.71	338	£29,651.56	1097	£66,359.27
£500 to £1,000	42	£11,602.75	86	£15,203.18	128	£26,805.93
Delegated powers	801	£48,310.46	424	£44,854.74	1225	£93,165.20
Over £1,000	58	£14,120.90	50	£11,022.07	108	£25,142.97
TOTAL	859	£62,431.36	474	£55,876.81	1333	£118,308.17

General fund & HRA	
Amount written off under delegated powers	£93,165.20
Amount written off by Members	£25,142.97
Total amount to be written off	£118,308.17

NORTH AYRSHIRE COUNCIL

Agenda Item 11

19 June 2012

Cabinet

Subject: **Write off of Irrecoverable and Non-recoverable Housing Benefit Overpayments**

Purpose: To advise the Cabinet of balances written off under delegated powers during 2011-12 and request authority to write off non-recoverable and irrecoverable Housing Benefit and Council Tax Benefit overpayments in excess of £1,000 as set out in Appendix 1.

Recommendation: That the Cabinet agrees to (a) note the sums written off under delegated powers and (b) write off Housing Benefit and Council Tax Benefit overpayments in excess of £1,000, as set out in Appendix 1.

1. Introduction

- 1.1 The Council's current policy for the recovery of Housing Benefit and Council Tax benefit states that overpayments in excess of £1,000 that cannot be recovered will be reported to Members with a recommendation to write them off in accordance with the Council's code of financial practice.
- 1.2 The Financial Regulations provide that sums due to the Council may be written off when all avenues for recovery have been exhausted and where the sums are deemed to be irrecoverable. Write-off of overpayments below £1,000 are delegated to the Corporate Director of Finance & Infrastructure and/or the Chief Executive.
- 1.3 Overpayments of Housing Benefit (HB) or excess payments of Council Tax Benefit (CTB) are the result of a claimant being paid more Benefit than they are entitled to.

2. Current Position

- 2.1 In law, all benefit overpayments are considered recoverable unless they are classified as non-recoverable. Non-recoverable overpayments occur when an official body such as the Council or the DWP cause an overpayment by a change in policy, or failing to act, and the customer could not reasonably have been expected to know that they were being overpaid. In such cases the overpayment is not recovered from the claimant and is put forward for write off.
- 2.2 The decision to classify an overpayment as non-recoverable is taken by a senior member of the Benefits Service after taking into account the circumstances of the benefit claim. A full audit trail is kept of all non-recoverable overpayment decisions.
- 2.3 Appendix 1 shows that there are 77 non-recoverable overpayments below £1,000 with a value of £12,024.87 that have been written off under delegated powers. A further 20 accounts in excess of £1,000 totalling £49,038.21 require Member approval.
- 2.4 All other overpayments that are considered recoverable are recovered either from on-going benefit, by increasing the Council Tax liability or by sending out an invoice for payment where the claimant is no longer in receipt of Housing Benefit.
- 2.5 During the invoice recovery process cases are occasionally identified where it is clear that the overpayment is irrecoverable, for example:
- ❑ Where the claimant is deceased or moved away and their whereabouts are unknown;
 - ❑ Where continued recovery action would be inappropriate due to the mitigating circumstances of the claimant, for example the debtor is elderly, or where the debt is for a small balance;
 - ❑ Where all attempts at recovery have been unsuccessful;
 - ❑ The overpayment cannot be substantiated due to a lack of documentary evidence and there is a level of uncertainty over its recovery.
- 2.6 Appendix 1 shows that there are 498 irrecoverable overpayments below £1,000 with a value of £90,170.44 that have been written off under delegated powers. A further 31 accounts in excess of £1,000 totalling £79,025.27 require Member approval.

2.7 The total amount written off under delegated powers and by Members is £102,195.31 and £128,063.48 respectively, totalling £230,258.79.

2.8 Full details of the accounts for write off are available in finance for inspection by Members.

3. Proposals

3.1 The proposal is for the Cabinet to (1) note the amounts written off under delegated powers and (2) to approve the write off of the irrecoverable and non-recoverable Housing Benefit overpayments in excess of £1,000 as set out in Appendix 1.

4. Implications

Financial Implications

4.1 The write off of housing benefit overpayment results in a financial loss to the Council. Adequate provision has already been made for housing benefit and council tax benefit write off within the Council's accounts.

Human Resource Implications

4.2 None

Legal Implications

4.3 None

Equality Implications

4.4 None

Environmental Implications

4.5 None

Implications for Key Priorities

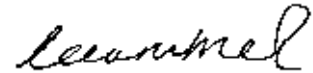
4.6 None

5. Consultations

- 5.1 There has been no consultation on these proposals.

6. Conclusion

- 6.1 Approval of the write off will remove the non-recoverable overpayments from the benefits system and the irrecoverable overpayments from the debtors system. This will help the Benefits Service focus on the recovery of those overpayments that are considered recoverable.



LAURA FRIEL

Corporate Director (Finance and Infrastructure)

Reference : SH

For further information please contact Stephen Humphries Chief Revenues & Benefits Officer (Finance and Infrastructure) on telephone number 01294 324527

Background Papers

Housing Benefit write off reports

Appendix 1

Irrecoverable & non recoverable Housing Benefit overpayments - write off 2011-12

Irrecoverable overpayments										
Value of invoices	Deceased		Uneconomical to pursue		Unable to substantiate		Gone away / Mitigating Circumstances		Total	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
Less than £500	119	£11,427.61	112	£701.55	2	£55.88	216	£42,346.03	449	£54,531.07
£500 to £1,000	6	£3,988.38	0	£0.00	1	£893.02	42	£30,757.97	49	£35,639.37
Delegated powers	125	£15,415.99	112	£701.55	3	£948.90	258	£73,104.00	498	£90,170.44
Over £1,000	8	£18,220.76	0	£0.00	0	£0.00	23	£60,804.51	31	£79,025.27
	133	£33,636.75	112	£701.55	3	£948.90	281	£133,908.51	529	£169,195.71

Non-recoverable overpayments		
Value of invoices	Number	Value
Less than £500	70	£7,086.97
£500 to £1,000	7	£4,937.90
Delegated powers	77	£12,024.87
Over £1,000	20	£49,038.21
Total	97	£61,063.08

NORTH AYRSHIRE COUNCIL

Agenda Item 12

19 June 2012

Cabinet

Subject: **Council Tax and Non-Domestic Rates Write off 2010-11**

Purpose: To request the Cabinet's approval to write off Council Tax and Non-Domestic Rates debts identified during the 2010-11 financial year, as set out in Appendices 1 and 2.

Recommendation: That the Cabinet homologates the write off of Council Tax and Non-Domestic Rates for 2010-11, as set out in Appendices 1 and 2.

1. Introduction

- 1.1 Council policy outlines the reasons under which debt may be written off:
- Deceased, with no funds in the Estate
 - Sequestration
 - Sheriff Officer recommendation (Non-Domestic Rates only)
 - Small balances
- 1.2 All Council Tax and Non-Domestic Rates accounts go through a full recovery process. However sometimes during this process information is received that confirms that the debt is unlikely to be recovered or that continued recovery action is inappropriate. Current practice is such that, when a case meets the criteria for write-off, Member approval is sought to write off debt after the debt has been written off within the system during the financial year concerned and the annual accounts for that year have been finalised. In future, Members will be asked to approve the write offs closer to the end of the financial year concerned.
- 1.3 Sheriff Officer recommendations in respect of the write-off of debt only apply to Non-Domestic Rates. Any funds subsequently recovered after write off, for example from a trustee following sequestration, are brought into account.

2. Current Position

- 2.1 Appendix 1 shows that £531,919.36 of Non-Domestic Rates debt was written off during the financial year 2010-11. The debts cover the 2008-09 to 2010-11 financial years.
- 2.2 Appendix 2 shows that £296,292.62 of Council Tax debt was written off during the financial year 2010-11. The debts cover the 2005-06 to 2010-11 financial years.
- 2.3 The appendices also show the significant sums that continue to be collected after write off, ie £678,829 for Council Tax (1993-2004 to 2004-2005) and £107,352 for Non-Domestic Rates (1991-2002 to 2007-2008).

3. Proposals

- 3.1 The Cabinet is requested to approve to write off Council Tax and Non-Domestic Rates debt, as set out in Appendices 1 and 2.

4. Implications

Financial Implications

- 4.1 Write off of any income due to the Council reduces available resources. Full provision for these bad debts has already been made in the Council's accounts. Any sums subsequently recovered are brought into account as additional income when received. The sums reported for Council Tax include amounts due to Scottish Water for water and wastewater charges. Non-domestic rates bad debts are met in full by the Scottish Non Domestic Rates pool.

Human Resource Implications

- 4.2 None

Legal Implications

- 4.3 None

Equality Implications

- 4.4 None

Environmental Implications

4.5 None

Implications for Key Priorities

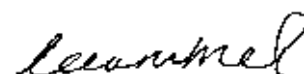
4.6 None

5. Consultations

5.1 There has been no consultation on these proposals.

6. Conclusion

6.1 Homologation of the write off as set out in appendices 1 and 2 will allow the Debt Recovery Team and Non-Domestic Rates team to focus on the recovery of recoverable debt that will maximise the collection levels of the Council.



LAURA FRIEL

Corporate Director (Finance and Infrastructure)

Reference : SH

For further information please contact Stephen Humphries Chief Revenues & Benefits Officer (Finance and Infrastructure) on telephone number 01294 324527

Background Papers

Council Tax abstract of accounts 2010-11

Non-Domestic Rates abstract of accounts 2010-11

Appendix 1

North Ayrshire Council Specific Debt Write Off Business Rates and Statutory Additions 2010-11

Year of Account Specific Debts	Business Rates £	Statutory Additions £	Total Written Off £
2008-09	105,785.49	5,939.08	111,724.57
2009-10	239,876.84	15,309.48	255,186.32
2010-11	156,951.84	8,056.63	165,008.47
Total	502,614.17	29,305.19	531,919.36

Balances previously written off and subsequently
recovered in respect of 2010-11

£107,352

Appendix 2

North Ayrshire Council Council Tax and Statutory Additions 2010-11

Specific Debts

Year of Account	Deceased (No Funds)	Sequestration and Trust Deed	Miscellaneous Small Balances	Total Written Off
	£	£	£	£
2005	9,658.02	33,586.43	3.22	43,247.67
2006	11,505.35	27,836.59	172.32	39,514.26
2007	11,066.15	37,486.46	53.64	48,606.25
2008	13,605.42	64,542.01	88.37	78,235.80
2009	18,379.74	52,762.63	14.97	71,157.34
2010	6,823.07	8,700.13	8.10	15,531.30
Total	71,037.75	224,914.25	340.62	296,292.62

Council Tax collected in 2010-11 in respect of accounts previously written off

	Council Tax	Water Services	Statutory Additions	Total
	£	£	£	£
1993	9,330.81	1,685.66	1,101.65	12,118.12
1994	12,731.72	2,292.47	1,502.42	16,526.61
1995	16,978.64	3,010.26	1,998.89	21,987.79
1996	20,957.37	3,655.63	0.00	24,613.00
1997	39,610.12	7,898.45	0.00	47,508.57
1998	42,745.22	10,218.67	0.00	52,963.89
1999	44,749.23	12,523.15	-2,000.00	55,272.38
2000	57,793.43	18,362.42	5,000.00	81,155.85
2001	50,303.33	17,711.01	9,000.00	77,014.34
2002	46,003.13	16,452.16	24,000.00	86,455.29
2003	42,149.22	15,816.69	33,000.00	90,965.91
2004	70,083.31	26,740.99	15,423.76	112,248.06
	453,435.53	136,367.56	89,026.72	678,829.81

NORTH AYRSHIRE COUNCIL

Agenda Item 13

19 June 2012

Cabinet

Subject:	Updated Benefit Fraud Prosecution Policy
-----------------	---

Purpose:	To request the Cabinet's approval of the updated Benefit Fraud Prosecution Policy as set out at Appendix 1.
-----------------	---

Recommendation:	That the Cabinet approves the updated Benefit Fraud Prosecution Policy as set out at Appendix 1.
------------------------	--

1. Introduction

- 1.1 The Council's Benefit Fraud Prosecution Policy sets out the Council's commitment against fraud and the factors that are taken into account when deciding the appropriate sanction to apply against a person who has obtained housing and council tax benefit by fraudulent means.
- 1.2 The policy is reviewed annually for any legislative or operational changes. The Benefit Fraud Prosecution Policy was last amended in 2010 and the former Executive at its meeting of 10 August 2010 approved the amendments. There was no change to the policy in 2011.
- 1.3 The Welfare Reform Act 2012 has amended Section 115A and 115B of the Social Security Administration Act 1992 as from 8 May 2012. This amends the amount the Council can impose for an administrative penalty for benefit fraud offences committed from 8 May 2012 onwards and also the time period the claimant has to accept an administrative penalty.
- 1.4 Consequently the Council's Benefit Fraud Prosecution Policy needs updated.

2. Current Position

- 2.1 At present the Council has discretion under Section 115A of the Social Security Administration Act 1992 to impose an administrative penalty of 30% of a recoverable benefit overpayment as an alternative to the prosecution of a claimant following the investigation of a benefit fraud.

- 2.2 A claimant who is offered and accepts an administrative penalty has 28 days to withdraw their agreement to pay the penalty; this is referred to as a cooling off period.
- 2.3 The Welfare Reform Act 2012 has introduced the following changes with effect from 8 May 2012:
1. Where a benefit fraud has been committed wholly on or after 8 May 2012 then the administrative penalty to be imposed is £350, or 50% of the overpayment up to a maximum of £2,000, whichever is the greater.
 2. Where a benefit fraud has been committed on or after the 8 May 2012 but fraud is discovered and stopped before any overpayment of benefit is made then the Council can impose an administrative penalty of £350 as an alternative to Prosecution.
 3. As from 8 May 2012 the number of days within which a claimant can withdraw their agreement to pay an administrative penalty has been reduced from 28 days to 14 days.
- 2.4 A fraud offence committed prior to or which overlaps 8 May 2012 will continue to attract an administrative penalty of 30%.
- 2.5 The Benefit Fraud Prosecution Policy has been updated to reflect these changes in legislation, as set out at Appendix 1.

3. Proposals

- 3.1 The Cabinet is requested to approve the updated Benefit Fraud Prosecution Policy as set out at Appendix 1.

4. Implications

Financial Implications

- 4.1 The Council's income from administrative penalties may increase as a result of the legislative changes. The amount of administrative penalties recovered in 2011-12 was £21,579.47 (£15,463 in 2010-11) and this figure is likely to be exceeded in 2012-13.

Human Resource Implications

- 4.2 None

Legal Implications

- 4.3 The Welfare Reform Act 2012 has amended Section 115A and 115B of the Social Security Administration Act 1992. The updated Benefit Fraud Prosecution Policy ensures that the Council meets its legislative requirements.

Equality Implications

- 4.4 None

Environmental Implications

- 4.5 None

Implications for Key Priorities

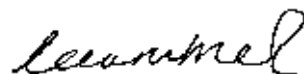
- 4.6 None

5. Consultations

- 5.1 There have been no consultations on the revised policy.

6. Conclusion

- 6.1 The updated Benefit Fraud Prosecution Policy ensures that the Council conforms to legislation, and that benefit fraud sanctions are applied in a fair and consistent manner.



LAURA FRIEL

Corporate Director (Finance and Infrastructure)

Reference : SH

For further information please contact Stephen Humphries, Chief Revenues & Benefits Officer (Finance and Infrastructure) on telephone number 01294 324527

Background Papers

DWP HB/CTB Circular F6/2012

Appendix 1

North Ayrshire Council

Benefit Fraud Prosecution Policy

1. Introductory Statement

- 1.1. North Ayrshire Council is committed to the prevention, detection, investigation and prosecution of fraudulent claims for Housing Benefit and Council Tax Benefit and the protection of public funds.
- 1.2. The Council has a policy for the prevention and detection of fraud and corruption. It provides a summary of the responsibilities of members and officers and outlines the procedures to be followed where suspicion of financial irregularity is raised. This policy document forms part of and should be read in conjunction with the policy for the prevention and detection of fraud and corruption.
- 1.3. The Council recognises that it is a criminal offence to knowingly make a false claim or to fail to report changes in circumstance to obtain benefit to which there is no entitlement and will consider prosecution or applying an appropriate sanction against anyone who commits such an offence.
- 1.4. The Council is determined to recover overpaid benefit in every case where the overpayment is caused by a fraudulent claim and has invested resources in setting up a team of officers dedicated to investigating and preventing fraud.
- 1.5. All investigations of suspected fraud will be carried out in accordance with the Council's code of conduct for Council employees and all persons contacted throughout an investigation will be treated with discretion, respect, fairness and courtesy at all times.

2 Prosecution

- 2.1 In accordance with the Council's corporate policy to prevent and detect fraud and corruption, prosecution will be considered in cases of serious benefit fraud. The Council must be satisfied that there is sufficient corroborative evidence to support a successful prosecution against each person and each charge.
- 2.2 Each case will be considered on its own merits and in accordance with the Council's sanction and prosecution policy. All fraud cases regardless of value will be considered for prosecution and in particular where cases fall within the public interest as outlined below. Although not an exhaustive list it will generally be considered to be in the public interest to prosecute:
 - ❖ Where the total recoverable fraudulent overpayment exceeds £2,000.
 - ❖ Where the fraud has continued over a period of time i.e. in excess of 3 months.
 - ❖ Where a conviction is likely to result.

- ❖ Where even though it is a first offence the sums are significant.
- ❖ Where there is evidence to support that the fraud was calculated, premeditated or there is evidence of collusion with other parties.
- ❖ Where there is evidence that shows that the person was a ringleader or an organiser of the offence.
- ❖ Where the person has a relevant previous conviction or caution for benefit fraud.
- ❖ Where the person has declined the offer of an administrative penalty or has withdrawn their previous agreement to pay an administrative penalty within 14 days.
- ❖ Where the person has refused the offer of an Administrative Caution.
- ❖ Where the value of the overpayment is less than £2,000 but the claimant has failed to engage with the benefit investigation team during an investigation or has failed or refused to attend an interview under caution.

2.3 The Procurator Fiscal will make the final decision as to whether any individual case referred is suitable for prosecution.

3 Administrative Penalties

- 3.1 While all proven fraud cases will be considered for prosecution the Council has the discretion under Section 115A of the Social Security Administration Act 1992, as amended by the Welfare Reform Act 2012, to impose an administrative penalty, which is calculated at 30% of a recoverable benefit overpayment for offences committed prior to or which span the 8 May 2012 or a minimum penalty of £350 or 50% of the overpayment up to a maximum of £2,000 whichever is the greater for offences committed from the 8 May 2012 onwards. The administrative penalty is recovered in addition to any repayments of the overpaid benefit and can only be offered if the case could be sent for prosecution.
- 3.2 If a claimant is offered and accepts an administrative penalty but later withdraws that acceptance within 14 days (cooling off period) or does not accept the initial offer of an administrative penalty then the case will be passed to the Procurator Fiscal for Prosecution.
- 3.3 Although not an exhaustive list the Council may as an alternative to prosecution impose an administrative penalty in the following circumstances:
- ❖ Where the recoverable fraudulent overpayment is between a £1,166 and £2,000.
 - ❖ Where a prosecution would not be in the public interest.
 - ❖ Where it is a first offence.
 - ❖ Where there were mitigating personal and /or social factors to be considered for example the age, physical and mental health of the claimant.
 - ❖ Where the person was not in a position of authority or trust.
 - ❖ Where there is evidence to support that the fraud was not planned or pre-meditated.
 - ❖ Where the person was acting alone and does not involve collusion.

- ❖ Where the person has offered to repay the full amount of their fraudulent overpayment.
- ❖ Where there is no record of a previous sanction or prosecution for the same person.
- ❖ Where an offence of benefit fraud has been committed but the fraud is stopped before any overpayment of benefit is made (Only applicable from the 8 May 2012 and the administrative penalty imposed is £350).

3.4 A gross overpayment of less than £50 will not attract an administrative penalty but the overpayment will be recovered.

Other sanctions available to the Council

4 Administrative cautions

- 4.1 An administrative caution is a meaningful deterrent for those persons who have made a fraudulent claim where criminal proceedings are not a first option and an administrative penalty is not appropriate.
- 4.2 A caution may only be used where there is sufficient evidence for a prosecution and the claimant has admitted the offence during an interview under caution. The caution is an oral warning and there is no financial penalty involved.
- 4.3 An Administrative Caution will be considered as the preferred option to a prosecution or administrative penalty:
- ❖ Where there is sufficient evidence to support a prosecution but the offence is considered minor; or
 - ❖ Where there is no previous history of convictions or sanctions for benefit fraud; or
 - ❖ Where the person has admitted the offence during an interview under caution; or
 - ❖ Where the person agrees to the caution, they acknowledge they have been cautioned and sign a document to show they admit the offence; or
 - ❖ Where the overpayment is more than £50 but less than £1,166.

5 Benefit Fraud Review Group

- 5.1 The decision to take no action or to apply an administrative penalty, an administrative caution or to prosecute a claimant will be considered by the Benefit Fraud Review Group.
- 5.2 The group comprises of:
- The Chief Revenue and Benefits Officer
Senior Solicitor (Litigation)
The Benefits Manager

In the event that a member of the group cannot attend then a senior member of staff will deputise in their place. A quorum of three must be maintained at all times.

- 5.3 The team leader of the investigation team is responsible for identifying cases that are considered suitable for prosecution by the Procurator Fiscal and which can be referred to the fraud review group for a decision. All cases must be passed to the review group no later than 4 weeks from the date a decision is taken by an investigating officer that there is sufficient corroborative evidence for a successful prosecution. The team leader will also provide a quarterly list of cases which haven't been presented to the review group along with an explanation as to why they were not considered suitable to proceed.
- 5.4 The group will meet monthly or more regularly if required. The investigator responsible for the case will prepare a case summary that includes details of the charge, the amount of overpaid benefit involved, the evidence gathered and remarks. The investigator will attend the group along with the team leader to present each case.
- 5.5 The group will consider any report from Social Services regarding the claimant but the claimant will not be represented at any meeting of the group. The claimant will be advised of the Council's policy and asked to bring to the Council's attention any special circumstances that they feel should be taken into account in considering how to deal with their case. The claimant will be recommended to seek independent advice.
- 5.6 When the group is considering a case for prosecution or sanction it will take cognisance of the following factors:
 - ❖ That the charge made against the claimant can be substantiated by corroborative evidence.
 - ❖ The value and duration of the benefit overpayment.
 - ❖ That the standard of evidence gathered is sufficient to meet the standards required by the Procurator Fiscal for criminal proceedings.
 - ❖ If a prosecution would be in the public interest.
 - ❖ The previous history of the claimant.
 - ❖ Any mitigating circumstances and reports from Social Services.
 - ❖ Any failure on the part of the Council including unnecessary delay or in the quality of the investigation itself.
 - ❖ That the investigation has been carried out in accordance with the Council's code of conduct.
- 5.7 Measuring each case against these criteria will ensure a fair and consistent approach to deciding to refer the case for prosecution or to apply a sanction.

- 5.8 In cases where the group has given its approval to prosecute, the claimant will be notified of the decision in writing within 5 working days. The case report will be sent to the Procurator Fiscal no later than 7 working days from the date the decision was reached.
- 5.9 In cases where the group has given its approval to apply a sanction then the claimant will be notified in writing within 5 working days of the sanction and any action required on their part. If the sanction is an Administrative Penalty then the claimant has 14 days to withdraw their agreement to pay the penalty.
- 5.10 In cases where no action has been taken, the claimant will be advised that an offence appears to have been committed but that no further action other than recovery of the overpayment will be taken on this occasion.
- 5.11 Section 7 of the Social Security Fraud Act 2001 as amended by the Welfare Reform Act 2007 makes provision for housing benefit and council tax benefit to be reduced for a period of 13 weeks where a person is twice convicted of benefit offences within a five year period. This loss of benefit provisions is commonly referred to as the “two strikes” rule.
- 5.12 As from the 1 April 2010 Section 24 of the Welfare Reform Act 2009 extended the loss of benefit provisions by introducing a similar sanction for housing benefit and council tax benefit to be reduced for a period of 4 weeks following a first conviction of benefit fraud or following acceptance of an administrative penalty or an administrative caution.
- 5.13 The amount of housing benefit or council tax benefit to be reduced will be the amount prescribed in the Social Security (Loss of Benefit) Regulations 2001. Any loss of benefit will be implemented at the first available opportunity after the decision of the Benefit Fraud Review Group is made.

6 Recovery of overpayments

- 6.1 All recoverable fraudulent overpayments and administrative penalties will be passed to the appropriate resource for recovery in accordance with the Council’s policy.

7 Working in partnership with other organisations

- 7.1 The Council will work in partnership with the Department for Work and Pensions, Counter Fraud Investigation Service (CFIS), Operational Intelligence Unit (OIU), Fraud Proceedings Unit (FPU), the Police, Customs and Excise and other Local Authorities in order to promote and develop an anti fraud culture.

- 7.2 The Council has the power under Sections 46 and 47 of the Welfare Reform Act 2007 to investigate and prosecute prescribed national benefits as well as housing benefit and council tax benefit fraud. These powers will be used, as required. The Council will also continue to carry out joint investigations and interviews under caution as required ensuring a consistent and fair application of sanctions.
- 7.3 The Council will participate in the National Fraud Initiative (NFI) in accordance with Section 100 of the Local Government (Scotland) Act 1973 and Section 53 of the Local Government in Scotland Act 2003.

8 Employees and Members

- 8.1 Internal Audit will, in consultation with fraud investigators investigate any suspected benefit fraud involving an employee or Member of the Council.
- 8.2 The Chief Executive will consider any disciplinary action and prosecution.

9 Publicity

- 9.1 Following a successful prosecution the Council will issue an anti fraud press release if there is evidence to suggest that a case hasn't been adequately reported through normal press coverage.

10 Policy monitoring and annual review

- 10.1 The Chief Revenues and Benefits Officer, Benefits Manager and the team leader of the fraud investigation team will review this policy and seek Members' approval where appropriate at the end of March each year. The Chief Revenues and Benefits Officer will be responsible for updating the policy to reflect changes in legislation, general procedures and work practices.

NORTH AYRSHIRE COUNCIL

Agenda Item 14

19 June 2012

Cabinet

Subject: SPT Grant Funding

Purpose: To advise the Cabinet of the Grant funding from Strathclyde Partnership for Transport (SPT) for 2012-13.

Recommendation: That the Cabinet (a) notes the offers of grant funding received from SPT for projects to be delivered during 2012-13; and (b) delegates authority to the Head of Infrastructure and Design Services to bid for appropriate future public transport improvement funding from SPT in line with the Transport Outcomes Report.

1. Introduction

1.1 In accordance with the Transport Outcomes Report (TOR) an agreement between SPT and North Ayrshire Council, bids are made to SPT on an annual basis for capital funding towards schemes named in the TOR. As a result, North Ayrshire Council has been offered grant funding totalling £1,100,000 from SPT for financial year 2012-13. The offers are:

£600,000	Kilwinning Station Park and Ride Car Park
£200,000	Bus Quality Corridor enhancements
£200,000	Arran Bus Route Improvements
£100,000	Bus Stop Improvements

1.2 SPT are currently finalising the 2012/13 TOR and this is expected to be approved by the SPT Board in June. This details the key transportation objectives and related activities in North Ayrshire looking forward, along with a review of past performance. Bids for funding must relate to the priorities contained in the TOR which in turn reflects the Regional Transport Strategy for the SPT area.

1.3 It should be noted that funding is provided for the projects identified and any funding not required to deliver any project is not claimed from SPT allowing them to redistribute their funds.

- 1.4 Reports were taken to each Area Committee earlier in 2012, seeking Members' suggestions for potential public transport related schemes and these have been added to a list of potential schemes maintained by the Council for inclusion in the TOR, to be used when future bids are sought for SPT funding. The current list is provided at Appendix 1.

2. Current Position

- 2.1 Having been approved by the SPT Partnership Board the grant offers have been sent to North Ayrshire Council and accepted.
- 2.2 All works are to be completed before 31 March 2013.

3. Proposals

- 3.1 More detailed explanations of the specific schemes to which this funding has been allocated is shown below. The intention is to utilise 100% of the grant fund available.

£600,000 Kilwinning Station Park and Ride Car Park.

- 3.2 SPT funding has previously been used for the ground investigation surveying and design of a 138 space park and ride car park at Kilwinning Station. Funding this year will be used to carry out the construction of this project.

£200,000 Bus Quality Corridor Enhancements

- 3.3 Continued improvements will be carried out to bus corridor routes including Broomlands Busway and terminus.

£200,000 Arran Bus Route Improvements.

- 3.4 The funding will be used to improve the road profile at Rubha Airigh Bheirg on the C147 at the north west side of the island to assist for the future operation of low-floor buses due to be introduced from 2015.

£100,000 Bus Stop Improvements.

- 3.5 The continued improvements to bus stops along the Quality Bus Corridor routes, including raised borders and new and replacement shelters will be carried out with this funding. The funding will be used to upgrade old style bus shelters and provide raised kerbs and hardstandings at various stops within North Ayrshire.

- 3.6 It has been practice in recent years for SPT to offer additional funding in-year, (often at short notice or late in the financial year) to Councils who have a good track record of fully utilising allocated funding. North Ayrshire has benefitted from this in the recent year to the approximate value of £415,000 for works identified in the TOR and being at site-ready stage.
- 3.7 It is proposed that the Cabinet a) notes the grant funding received from SPT for projects to be delivered during 2012/13, and b) delegates authority to the Head of Infrastructure and Design to bid for appropriate future public transport improvement funding from SPT in line with the Transport Outcome Report.

4. Implications

Financial Implications

- 4.1 There are no financial implications for North Ayrshire Council in relation to these projects, all funding will be claimed from SPT. Any funding not required to complete any scheme, or work which SPT decide not to progress with, is not claimed from SPT.

Human Resource Implications

- 4.2 Staff time spent on these projects will be charged against the grant funding.

Legal Implications

- 4.3 None

Equality Implications

- 4.4 These works will improve access to public transport for all users.

Environmental Implications

- 4.5 Increasing use of public transport will reduce use of private cars and improve the air quality within North Ayrshire.

Implications for Key Priorities

- 4.6 The implementation of this scheme contributes to the following Single Outcome Agreement outcomes:-

1a) Transport links and services to and from North Ayrshire have improved.

10c) The condition of roads, footways, path networks and lighting has improved.

14b) The public sector's carbon footprint has reduced.

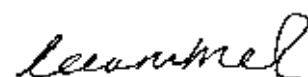
5. Consultations

- 5.1 There will be no specific consultation on these schemes (with the exception of Kilwinning Park and Ride Car Park, which will follow the normal planning process) as the funding is being used to improve or replace the existing infrastructure. Further progress reporting will take place at the Area Committees.

6. Conclusion

- 6.1 North Ayrshire Council continues to receive significant funding from SPT to undertake public transport related works. The 2012/13 funding equates to the second largest allocation in the SPT area, acknowledging that the Council consistently delivers on funding allocation each year.

- 6.2 Infrastructure and Design Services will continue to seek funding from SPT throughout the year for schemes relating to improving public transport provision across North Ayrshire as indicated in the Transport Outcome Report. A list of potential new schemes for future implementation is maintained which can allow quick turnaround should submissions for further funding be sought.



LAURA FRIEL

Corporate Director (Finance and Infrastructure)

Reference : AB/DL/ap

For further information please contact Angus Bodie, Head of Infrastructure & Design Services (Finance and Infrastructure) on telephone number 01294 225211

Background Papers

Draft 12/13 TOR (for Cabinet Members)

LIST OF POTENTIAL SPT SCHEMES

Category	Project	Estimated Cost
BUS		
Quality Bus Corridors	Route 585 between Irvine and Ayr	£60,000
	Radial routes to existing QBCs.	£150,000
	Extend bus lane Pennyburn to Whitehurst Park. (Feasibility)	£200,000
	Kilwinning Road Irvine route improvements to signals etc.	£200,000
	Expand Real Time Information	£0 to £200,000
Bus shelter provision	Replace existing old stock *	Not specific
	Provide new shelters following community requests *	Not specific
DDA Compliant stops	Raised kerbs at stops *	Not specific
	In shelter lighting	Not specific
Irvine Bus Interchange	Construction of Irvine bus interchange and retail area.	£1M to £2M
Park and Ride Facilities	Bus Park and Ride at Beith (Feasibility)	£50,000
	Bus Park and Ride at Irvine - Volvo (Feasibility)	£50,000
General	Construct laybys on rural bus routes outwith 30mph areas.	Not specific
RAIL		
Rail Service Study	Three towns to Ayr along existing Kilwinning Branch line	£50,000
Park and Ride Facilities	Irvine Station	£500,000
	Largs Station	£80,000
	West Kilbride Station	£50,000
CYCLING / WALKING		
Upgrade of walking routes	Pedestrian routes to transport hubs	To £300,000
	Irvine Town Trail	To £300,000
On road cycling	Three towns various locations	To £150,000
	Improved provision on Cumbrae	
	Advanced stop lines at signals	
TRAVEL PLANNING		
Advice to local businesses	Travel Plan Officer to provide travel advice to businesses.	Not specific
	* Ongoing annual schemes on SPT capital programme	

NORTH AYRSHIRE COUNCIL

Agenda Item 15

19 June 2012

Cabinet

Subject: **Treatment of Residual Waste**

Purpose: To seek the approval of Cabinet to join the Clyde Valley partnership to secure a long term solution for the treatment of residual waste.

Recommendation: That the Cabinet agrees that (a) formal negotiations be conducted with the Clyde Valley partnership with a view to North Ayrshire joining their joint procurement exercise for the treatment of residual waste; (b) subject to the satisfactory conclusion of detailed negotiations with the Clyde Valley partnership, the Council enters into the Inter Authority Agreement (as attached at Appendix 1) to procure a long term solution for the treatment of residual waste; and (c) the Head of Environment & Related Services be the Council's nominated representative on the steering group and is authorised to take appropriate decisions as detailed in the Inter Authority Agreement.

1. Introduction

- 1.1 A draft Zero Waste Plan that provides a strategic framework for the management of waste within Scotland was issued for consultation by Scottish Government in August 2009 and subsequently launched in June 2010. In order to provide an appropriate legislative framework to support the achievement of the plan Regulations were formally issued in April 2012. During this lengthy period of legislative development and consultation there has been a number of significant changes to the original proposals and until certainty could be established the Council was not able to finalise its approach to waste management.
- 1.2 At its meeting of 10 April 2012, the former Executive agreed a Waste Management Strategy for the period 2012 to 2016. At that time the Executive were informed that it was still necessary to finalise options for the treatment of residual waste to meet the requirements of Scotland's Zero Waste Plan and supporting Regulations, in particular the prohibition of landfill to deposit Biodegradable Waste from 31 December 2020. The Executive was further advised that the Shewalton landfill site is anticipated to reach capacity in 2016/17.

- 1.3 It is therefore necessary for the Council to secure long-term arrangements for the treatment of residual waste to ensure that it can meet the requirements of Scotland's Zero Waste Plan.

2. Current Position

- 2.1 There are no facilities currently operational within Ayrshire and the wider area that can meet the Council's requirements. Whilst there are a small number of sites with planning permission it is unlikely that suitable facilities will be constructed without a long-term contractual commitment to enable operators to secure the necessary finance.
- 2.2 Waste treatment technology is rapidly advancing in response to the national waste agenda and the design and operation of facilities requires specialist expertise. In order to secure a suitable facility it is necessary for the Council to undertake a procurement exercise to appoint a contractor for its design, construction and subsequent operation.
- 2.3 It is anticipated that the successful delivery of the initiatives contained with the Council's Waste Management Strategy will, by 2016, reduce the amount of residual waste requiring treatment to 35,000 tonnes per annum. This falls below the level where it is both economically efficient and practicable to provide dedicated facilities.
- 2.4 In order to achieve a quantity of waste sufficient to enable a practicable and economic solution the Council has been working in conjunction with South and East Ayrshire Councils to develop an Outline Business Case for a pan-Ayrshire solution. The Councils have identified approximately 100,000 tonnes of residual waste that will require treatment. This amount of waste is considered sufficient to attract an adequate number of suppliers to ensure a competitive exercise and an economical solution based on continued increases in landfill tax. However, significant economies of scale are available in the development and operation of residual waste treatment facilities. In order to exploit such economies Councils within the UK have formed partnerships to procure facilities with capacity of up to 750,000 tonnes although solutions with a capacity of between 150,000 tonnes and 350,000 tonnes are more prevalent.

- 2.5 The Ayrshire Councils have completed individual waste modelling, undertaken a technical options appraisal to identify a solution (for comparison during any procurement exercise) that meets the technical requirements and recycling targets of the Zero Waste Plan and developed a high level financial model. The technical solution consists of a two-stage process utilising Mechanical Biological Treatment to remove any remaining recyclates within the residual waste stream before the waste is treated to create a Refuse Derived Fuel which is then passed to an Energy from Waste plant where the heat produced is used to generate power.
- 2.6 In order to complete the business case it is necessary to identify a site for a facility that can be utilised, if required, by the preferred bidder and finalise financial modelling. The business case can then be submitted to the respective Ayrshire Councils for consideration. Subject to agreement by all of the Councils it will then be necessary to enter into an Inter Authority Agreement formally committing the Councils to the procurement exercise along with governance arrangements, payment mechanisms and procedures should one or more of the Councils withdraw from the exercise. It will also be necessary to establish a project team with appropriate skills and capacity to complete the procurement exercise. It is unlikely that the Councils possess the appropriate skills and capacity to complete the procurement exercise and the project team will require extensive external support. At this point the procurement costs are conservatively estimated at £1.5 million which will be split equally between the three Councils.
- 2.7 It is anticipated that the timescale to procure, construct and commence operation of a suitable facility is in the region of 5 years. Given the anticipated closure date of the Council's current disposal facilities at Shewalton it is clear that the Council must move quickly to secure appropriate arrangements now that regulatory certainty has been established. However it is unlikely that the Ayrshire Councils will have completed the outstanding work set out at 2.6., sought approval to formally commence an appropriate procurement exercise and commissioned facilities prior to the closure of the Shewalton site. Furthermore there is a risk that all of the Councils may not resolve to undertake a joint procurement exercise resulting in the amount of waste requiring treatment falling below the amount considered necessary to secure an economic solution.

- 2.8 In considering the options available to develop a solution that is best placed to meet the timescales of this Council Officers have undertaken exploratory discussions with North Lanarkshire Council who are the lead Council for the Clyde Valley Waste partnership. The partner Councils (North Lanarkshire, East Renfrewshire, Renfrewshire and East Dumbartonshire) are undertaking a joint procurement exercise for the procurement of a residual waste treatment and disposal solution.
- 2.9 The Clyde Valley partnership has approximately 235,000 tonnes of residual waste for treatment. The partnership has completed a technical options appraisal that has identified a similar solution (for use as a reference case during the procurement exercise) to that identified by this Council. A high level financial model has also been completed which has identified considerable cost avoidance, gained largely through economies of scale, across the participating Councils over the length of a contract. In order to maximise the potential benefits of cost avoidance the partnership is looking to commence the procurement exercise during the Autumn of 2012.
- 2.10 An Inter Authority Agreement (a copy of which is attached at Appendix 1) has been agreed by the four participating Councils for the residual waste procurement process. The Agreement is a legally binding agreement and formally commits the participating Councils to the procurement of specialist legal, financial, technical and insurance advisors and to the joint procurement, (by way of a competitive dialogue procedure), of long term residual waste treatment and disposal services. The Agreement covers how the costs of procurement will be apportioned and how project governance arrangements will operate, including mechanisms to deal with disagreement between Councils, and the processes to be followed and the financial consequences should a Council withdraw from the project during the course of the procurement.

2.11 The Councils within the partnership have agreed to share the costs of procurement, estimated at £2million, on a pro-rata basis based on the forecast waste tonnages of each Council. This mechanism will also be utilised to apportion operational costs upon formal commencement of the contract including any waste transfer requirements required to transport waste to the commissioned facility. A cross Council project group has been established with appropriately qualified representatives (from technical, financial, legal and procurement backgrounds) to undertake the work in relation to the procurement process. The project group reports to the Clyde Valley Waste Management Initiative Steering Group (Residual Waste) comprising representatives from the participating Councils, who make recommendations and approve certain stages in the procurement. There is a pre-agreed list of key decisions within the Inter Authority Agreement, including site selection and the award of the residual waste contract, which are reserved to each Council, and will be the subject of future reports as the procurement process is progressed.

2.12 The Clyde Valley partnership provides a number of opportunities for the Council:-

- To enjoy the long term economies of scale available from a large scale project.
- To reduce the costs of procurement as they are apportioned across a number of partners.
- A reduction in the risk of market engagement to ensure an appropriate level of competition through the offering of a large contract.
- A reduction in risk of achieving project completion as the partner Councils have formally committed to procure facilities through an Inter Authority Agreement
- Whilst there will be a requirement for extensive officer engagement within the exercise this will be shared across the partner Councils and it is therefore expected that this can be met from within existing staffing resources. A larger number of partners will be able to provide a wider range of skills and greater capacity to successfully complete the project. The additional specialist resources anticipated will be shared across the partnership and have been included within the estimated costs of procurement.
- The partnership intends to move quickly in commencing the procurement exercise thereby ensuring that the Councils are able to meet the requirements of the Zero Waste plan. This will also enable this Council to minimise or avoid the need to secure interim arrangements upon the closure of Shewalton landfill site.

- 2.13 The Clyde Valley partnership has commenced a procurement exercise to appoint specialist advisors for the project. It will therefore be necessary for this Council to enter into negotiations with the partnerships lead officers for legal and procurement to be included within this exercise.
- 2.14 It will be necessary to nominate officers to represent the Council on both the project and steering groups. It will be further necessary to authorise the nominated representative to approve certain stages and to make certain decisions during the procurement process, as detailed in the Inter Authority Agreement, and to make recommendations in relation to the provision of sites for new facilities or transfer stations and selection of the preferred bidder.

3. Proposals

- 3.1 That the Council enter into detailed negotiations with the Clyde Valley with a view to North Ayrshire joining the partnership.
- 3.2 That subject to the satisfactory conclusion of detailed negotiations the Council enters into the Inter Authority Agreement (as attached at Appendix 1) to procure a long term solution for the treatment of residual waste.
- 3.3 That the Head of Environment & Related Services be the Council's nominated representative on the steering group and is authorised to take appropriate decisions as detailed in the Inter Authority Agreement.

4. Implications

Financial Implications

- 4.1 Procurement costs of £2million are estimated over a two to three year period. Based on the apportionment methodology outlined in the Inter Authority Agreement the Council will be required to contribute an estimated £260,000. The Council currently has a remaining budget of approximately £215,000 for the development of a long term residual waste treatment solution.
- 4.2 The procurement of a residual waste treatment facility will require a long-term funding solution. It is anticipated that participation within a large partnership will realise economies of scale in the securing of a facility. Furthermore the costs will be significantly offset by increases to the current level of landfill tax.

Human Resource Implications

- 4.3 The Ayrshire Councils have jointly employed on a temporary basis a Project Manager and Administrative Assistant to support the development of an Outline Business case. This Council will not require these posts if the proposals are agreed.

Legal Implications

- 4.4 It will be necessary for the Council to enter into an Inter Authority Agreement to join the Clyde Valley partnership the key principles of the agreement are set out at 2.10.

Equality Implications

- 4.5 There are no equality implications arising from the proposals.

Environmental Implications

- 4.6 The development of a long-term solution for the treatment of residual waste will have a positive impact upon the environment in two ways -
- Reduction in the amount of waste disposed of at landfill.
 - Increase in recycling of materials reducing the need to access virgin materials.

Implications for Key Priorities

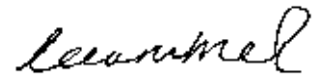
- 4.7 The development of a long-term solution for the treatment of residual waste will contribute towards the achievement of the following SOA objectives:-
- 12a: Our environment is protected and enhanced
 - 14a: Recycling of waste has increased and the amount of waste going to landfill has decreased
 - 14b: The Public sector's carbon footprint has reduced
 - 15a: Public perceptions of public services have improved
 - 15b: Public services are more efficient and effective
 - 15c: Partnership Working has improved

5. Consultations

- 5.1 The Council's Legal Service has considered the Inter Authority Agreement and are content that it is appropriate for the purpose intended.

6. Conclusion

- 6.1 Following issue of Regulations to support the actions contained within Scotland's Zero Waste Plan the Council must now take appropriate action to secure a long term solution for the treatment of residual waste. In order to minimise any time period between the closure of the Shewalton landfill site, anticipated in 2016/17, the Council must move quickly to secure appropriate facilities. The Clyde Valley Waste Partnership (Residual Waste) will shortly be commencing an appropriate procurement exercise that provides the Council with the best opportunity to meet this timescale. The partnership also provides opportunities to reduce risk and cost avoidance through economies of scale.



LAURA FRIEL
Corporate Director (Finance and Infrastructure)

Reference : CH/LB

For further information please contact Craig Hatton, Head of Environment & Related Services (Finance and Infrastructure) on telephone number 01294 541514

Background Papers

None

Clyde Valley Waste Project

Inter Authority Agreement

April 2012

EAST DUNBARTONSHIRE COUNCIL

EAST RENFREWSHIRE COUNCIL

NORTH LANARKSHIRE COUNCIL

RENFREWSHIRE COUNCIL

INTER AUTHORITY AGREEMENT

relating to the joint procurement of long term
Residual Waste Treatment and Disposal Services

AGREEMENT

Among

- (1) **EAST DUNBARTONSHIRE COUNCIL** established by the Local Government etc (Scotland) Act 1994, Tom Johnston House, Civic Way, Kirkintilloch, East Dunbartonshire, Glasgow, G66 4TJ;
- (2) **EAST RENFREWSHIRE COUNCIL** established by the Local Government etc (Scotland) Act 1994, Council Headquarters, Eastwood Park, Rouken Glen Road, Giffnock, G46 6UG;
- (3) **NORTH LANARKSHIRE COUNCIL** established by the Local Government etc (Scotland) Act 1994 of the Civic Centre, Windmillhill Street, Motherwell ML1 1AB ;

and

- (4) **RENFREWSHIRE COUNCIL** established by the Local Government etc (Scotland) Act 1994, Renfrewshire House, Cotton Street, Paisley, PA1 1TT;

together the **“Authorities”**

RECITALS

- (A) The Authorities are participating in the Clyde Valley Waste Management Initiative and as part of this are in the process of jointly procuring the award of a contract for long term residual waste treatment and disposal services (the **“Residual Waste Project”**).
- (B) The Authorities have agreed to work together in the joint procurement of the Residual Waste Project and this Agreement sets out the terms of the joint working arrangements for the Residual Waste Project and the appointment of North Lanarkshire Council as Lead Authority in carrying out the Procurement Milestones.
- (C) The Authorities wish to enter into this Agreement and implement the Residual Waste Project pursuant to the powers conferred on them by section 56 (5) of the Local Government (Scotland) Act 1973.
- (D) The Authorities have agreed that, in conjunction with the successful award of the Project Agreement, they will enter into an agreement which will set out the respective rights and obligations of each of them in respect of long term residual waste treatment and disposal services. Such agreement (**“the Post Contract Authority Agreement”**) is intended to reflect the terms of the Project Agreement and as such cannot be completed until the terms of the Project Agreement have been substantially agreed.
- (E) The Authorities have agreed the Heads of Terms, the principles and/or terms of which will be included in the Post Contract Authority Agreement.
- (F) The Authorities have delegated sufficient authority to the Residual Waste Project Group and the CVWMISG (Residual) to enable them to fulfil their roles and undertake required functions in relation to this Agreement.

IT IS AGREED as follows:

1 **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement and the Recitals, unless the context otherwise requires, the following terms shall have the meanings given to them below:

Advisers	means the external financial, technical, legal and insurance advisers procured in respect of the Residual Waste Project;
Agreement	means this agreement, including the Schedule in 9 Parts;
Approvals Process	means the agreed process for decision making in respect of the Project detailed in Schedule Part 1;
Approved Budget	means the budget agreed by the CVWMISG (Residual) on behalf of the Authorities in respect of the Residual Waste Project;
Authority	means Renfrewshire, East Dunbartonshire, East Renfrewshire and North Lanarkshire Councils and “ Authorities ” and “ Participating Authorities ” shall mean all or any of them as the context so permits;
Bidder	means any person who responds to the OJEU Notice relating to the Residual Waste Project;
Budget Holder	means North Lanarkshire Council, or other such Authority as the Authorities may from time to time agree for the purpose of administering and directing costs associated with and arising from this Agreement;
Business Day	means any day other than a Saturday or Sunday or a public or bank holiday in Scotland;
Chairperson	means the Chair of the CVWMISG(Residual) as detailed in Schedule Part 2;
Clyde Valley Community Planning Partnership	means the policy implementation partnership comprising lead politicians and officials from each of the Clyde Valley local authorities (namely North Lanarkshire Council, Renfrewshire Council, East Renfrewshire Council, Inverclyde Council, East Dunbartonshire Council, Glasgow City Council, South Lanarkshire Council and West Dunbartonshire Council) and the strategic public sector partners: National Health Service; Scottish Enterprise; Strathclyde Police; Strathclyde Fire and Rescue; and Strathclyde Partnership for Transport;

Clyde Valley Waste Management Initiative Steering Group	means the group of senior waste management representatives from partner authorities engaged in the development and implementation of the Clyde Valley Waste Management Initiative together with relevant policy advisors from the Scottish Government (SG), Scottish Futures Trust (SFT), Zero Waste Scotland (ZWS) and Scottish Environment Protection Agency (SEPA);
Commencement Date	means the last date of execution of this Agreement;
Confidential Information	means all know-how and other information whether commercial, financial, technical or otherwise relating to the business, affairs or methods of the Authorities, which is contained in or discernible in any form whatsoever (including without limitation software, data, drawings, films, documents and computer-readable media) whether or not marked or designated as confidential or proprietary or which is disclosed orally or by demonstration and which is described at the time of disclosure as confidential or is clearly so from its content or the context of disclosure;
CVWMISG (Residual)	means for the purposes of the Residual Waste Project and this Agreement, those members of the Clyde Valley Waste Management Initiative Steering Group who represent the participating Authorities and the Chief Executive of the Lead Authority who shall be the Chairperson;
CVWMISG (Residual) Matters	means those actions, matters and functions identified as such in the third column of the table set out in the Approvals Process;
Defaulting Authority	has the meaning given in Clause 15.1;
DPA	means the Data Protection Act 1998;
EIR's	means the Environmental Information (Scotland) Regulations 2004 together with the Code of Practice issued by the Scottish Ministers pursuant to Regulation 18(1) of the EIRs as amended/ reissued from time to time;
EU Procurement Regime	means the Public Contracts (Scotland) Regulations 2006 and related case law;
FOBC(Technical)	means the final outline business case (technical) in relation to the Residual Waste Project as signed off by the CVWMISG(Residual);

FOISA	means the Freedom of Information (Scotland) Act 2002 and any subordinate legislation (as defined in section 73 of that Act) made under that Act from time to time together with any guidance and/or codes of practice issued by the Scottish Information Commissioner or relevant Government Department in relation to such Act;
Heads of Terms	means the heads of terms relating to the Post Contract Authority Agreement set out in Schedule Part 5;
Intellectual Property	means any and all patents, trademarks, trade names, copyright, moral rights, rights in design, rights in databases, know-how and all or other intellectual property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating to them and the right to apply for registration of them;
Joint Leaders Meeting	means the meetings (comprising only the participating Authority representatives who are members of the Clyde Valley Community Planning Partnership) which provide a mechanism to achieve political consensus at a high level prior to the submission of any high level recommendations to the respective Authorities;
Key Procurement Functions	means those actions identified as Key Procurement Functions in the first column of the table set out in Schedule Part 1;
Lead Authority	means for the purposes of the Residual Waste Project and this Agreement, North Lanarkshire Council;
Loss	means the reasonable and properly incurred abortive costs incurred by the Authorities (including but not limited to the costs relating to Advisers and other contracts (relating to the Project) and the members of the RWPG included in the Approved Budget as agreed by the CVWMISG (Residual) and any costs, claims and damages incurred and/or payable by an Authority or Authorities arising from claims from Bidders or other third parties);
Material	means all data, text, graphics, images and other materials or documents created, used or supplied by an Authority in connection with this Agreement (unless before such creation, first use or supply, that Authority notifies the others that such data, text, graphics, images and other materials or documents supplied by it is not to be covered by this definition);
Matter Reserved to Authorities	means those actions, matters and/or functions identified as such in the fourth column in the table set out in the Approvals

	Process;
New Facility Site	Means such suitable location(s) for siting a new facility as outlined in the FOBC (technical) as the CVWMISG(Residual) may identify prior to the date of the OJEU Notice;
OJEU (Advisers) Notice	means the notice (ref 216487) advertising the procurement of Advisers (excluding insurance advisers) placed in the Official Journal of the European Union on 19 December 2011 in respect of the Residual Waste Project;
OJEU Notice	means the notice advertising the Residual Waste Project placed in the Official Journal of the European Union;
Post Contract Authority Agreement	has the meaning given in recital (D);
Procurement Milestones	means the procurement stages set out in Schedule Part 1 to be carried out in order to procure the Residual Waste Project and as may be amended from time to time by the Authorities in accordance with the terms of this Agreement;
Project	means the carrying out of the procurement process set out in the Procurement Milestones to be carried out by or on behalf of the Authorities with the intention of appointing Advisers and a preferred bidder for the Residual Waste Project including agreeing and concluding with such preferred bidder the contract documentation necessary to secure the delivery by the Provider of the Residual Waste Project;
Project Agreement	means the Project Agreement to be entered into between one of the Authorities and the Provider relating to the Residual Waste Project;
Project Director	means the person identified as such in Schedule Part 3 or any replacement and whose functions and duties are described in Schedule Part 6 (Part 3);
Project Insurance Policy	means a joint insurance policy to cover the potential legal liabilities of the Authorities under this Agreement;
Project Leader	means the person identified as such in Schedule Part 3 or any replacement and whose functions and duties are described in Schedule Part 6 (Part 4);
Project Office	means the address of the offices of the Project Leader and the RWPG;
Project Owner	means the person identified in Schedule Part 2 to carry out the functions and duties of Project Owner detailed in Schedule Part

	6 (Part 1);
Project Sponsor	means the persons identified in Schedule Part 2 to carry out the functions and duties of Project Sponsors detailed in Schedule Part 6 (Part 2);
Pro-Rated Share	means the agreed percentages detailed in Schedule Part 9, which the Authorities agree to contribute to and apply all costs and liabilities in relation to this Agreement;
Provider	means the private sector partner to be party to the Project Agreement;
Residual Waste Project	has the meaning given in recital (A);
RWPG	means, the members of the Residual Waste Project Group who represent participating Authorities, formed pursuant to the provisions of Clause 9, being the persons listed in Schedule Part 3 or their replacements and any additional member appointed in accordance with clause 9.3, for the purpose of assisting to deliver the Project;
Transfer Site	means such sites as identified by the CVWMISG(Residual) prior to the date of the OJEU Notice as being suitable for the transfer of waste; and
Unitary Charge	means the payment due to the Provider under the Project Agreement.

1.2 Interpretation

In this Agreement, except where the context otherwise requires:

- 1.2.1 each gender includes all genders;
- 1.2.2 the singular includes the plural and vice versa;
- 1.2.3 a reference to any Clause, sub-Clause, paragraph, Schedule Part, recital or annex is, except where expressly stated to the contrary, a reference to such Clause, sub-Clause, paragraph, Schedule Part, recital or annex of or to this Agreement;
- 1.2.4 any reference to this Agreement or to any other document shall include any permitted variation, amendment or supplement to such document;
- 1.2.5 any reference to legislation (including subordinate legislation), determinations, directions and statutory guidance shall be construed as a reference to any such legislation, determinations, directions and statutory guidance as amended, replaced, consolidated or re-enacted from time to time;
- 1.2.6 a reference to a public organisation (other than an Authority) shall be deemed to include a reference to any successor to such public organisation or any organisation or entity which

has taken over either or both the functions and responsibilities of such public organisation;

1.2.7 a reference to a person includes firms, partnerships and corporations and their successors and permitted assignees or transferees;

1.2.8 any reference to a requirement for “consent” or “approval” shall be taken to be the prior written consent or approval of the relevant body or person;

1.2.9 the Schedule Part, Clauses, sub-Clauses and (where provided) paragraph headings and captions in the body of this Agreement do not form part of this Agreement and shall not be taken into account in its construction or interpretation;

1.2.10 the Schedule in nine Parts forms part of this Agreement and shall have the same force and effect as if its terms were expressly set out in the body of this Agreement; and

1.2.11 words preceding “include”, “includes”, “including” and “included” shall be construed without limitation by the words which follow those words.

1.3 The principles set out in Clause 1.2 above shall be borne in mind and applied so far as appropriate in the interpretation of this Agreement and in the resolution of any dispute under this Agreement.

2 TERM

This Agreement shall come into effect on the Commencement Date and shall continue in force until terminated in accordance with Clause 17.

3 PRINCIPLES AND KEY OBJECTIVES

3.1 The Authorities intend this Agreement to be legally binding and mutual commitments between them created by the Agreement shall be construed accordingly.

3.2 The Authorities agree to work together to carry out the Project in accordance with the terms of this Agreement.

3.3 The Authorities acknowledge and agree that the Heads of Terms are not intended to be exhaustive but to contain the major principles which the Authorities have identified at this stage as being pertinent to the Post Contract Authority Agreement and which will be expanded and incorporated in the Post Contract Authority Agreement as the terms of the Project Agreement are being developed and agreed.

3.4 Each of the Authorities hereby represents to the others that it has obtained all necessary consents sufficient to ensure the delegation of functions provided for by this Agreement for the Project.

3.5 The Authorities shall use all reasonable endeavours to procure that their respective members and officers who are involved in the Project and/or the Residual Waste Project shall at all times act in the best interests of the Project and the Residual Waste Project.

3.6 The Authorities commit to share data and knowledge relevant to the Project and/or the Residual Waste Project where appropriate and in accordance with their duties under the DPA.

3.7 In working together, the Authorities agree that they will conduct the relationship between them in accordance with the following principles:

3.7.1 Openness and trust

- (a) The Authorities undertake to act in accordance with a duty of good faith to each other, be open and trusting in their dealings with each other, make information, data, knowledge and analysis available to each other, use such information to support the Project and the Residual Waste Project, discuss and develop ideas openly and contribute fully to all aspects of the successful achievement of the Project and the Residual Waste Project.
- (b) While respecting the mutual need for commercial confidentiality, the Authorities undertake to be transparent in their dealings with each other and, without prejudice to the foregoing, the Authorities undertake to respect matters of commercial confidentiality and potential sensitivity.

3.7.2 Commitment and drive

The Authorities undertake to be committed fully to the Project and the Residual Waste Project, will seek to motivate their respective employees, officers and members involved in or attached to the Project and undertake to address the challenges of the Project and the Residual Waste Project with drive, enthusiasm and a determination to succeed.

3.7.3 Skills and creativity

The Authorities acknowledge and agree that:

- (a) each brings complementary skills and knowledge which they will apply creatively to achieving their respective objectives, resolution of difficulties and the development of the Project and the Residual Waste Project and the personnel working within it; and
- (b) to achieve their respective objectives, will involve the appreciation and adoption of common values by each of them.

3.7.4 Effective relationships

The Authorities undertake to develop and maintain clear roles and responsibilities for each of them and to develop relationships at the appropriate levels within each organisation providing direct and easy access for the others' representatives.

3.7.5 Developing and adapting

The Authorities acknowledge and agree that they are engaged in a long-term relationship for their mutual benefit through the achievement of the Project and the Residual Waste Project which relationship needs to develop and adapt and each will use reasonable endeavours to develop and maintain an effective joint process to ensure that the Project and the Residual Waste Project develops appropriately and in line with the principles set out in this Agreement.

3.7.6 Reputation and standing

The Authorities agree that, in relation to this Agreement and the Project and the Residual Waste Project generally, they shall pay the utmost regard to the standing and reputation

of one another and shall not do (by act or omission) anything which may bring the standing or reputation of any of the other Authorities into disrepute or attract adverse publicity to any of the other Authorities.

3.7.7 Reasonableness of Decision Making

The Authorities agree as between each other that all decisions made in relation to this Agreement and the Project and the Residual Waste Project generally shall be made by them acting reasonably.

4 APPOINTMENT OF NORTH LANARKSHIRE COUNCIL AS LEAD AUTHORITY

- 4.1 The Authorities (acting severally) appoint, with effect from the Commencement Date, North Lanarkshire Council to be the Lead Authority for the discharge of the Key Procurement Functions and North Lanarkshire Council agrees to act in that capacity subject to and in accordance with the terms and conditions of this Agreement.
- 4.2 The Authorities agree to indemnify the Lead Authority in event of any actions, claims, demands, costs, charges and expenses (including legal expenses on an indemnity basis) arising by virtue of carrying out the functions of the Lead Authority on behalf of the Authorities. Any liability shall be shared among all the Authorities on the basis of the Pro-Rated Share.
- 4.3 The Authorities agree the Lead Authority shall be able to instigate, continue, settle and defend legal proceedings relating to the Residual Waste Project for and on behalf of the Authorities and itself as appropriate and in accordance with the requirements of any insurer or underwriter providing insurance to the Project. The Lead Authority agrees to consult and agree with all other Authorities, through the CVWMISG (Residual) on the progress and conduct of any such proceedings.
- 4.4 The Authorities agree that the Lead Authority will discharge the Key Procurement Functions through the Residual Waste Project Group, the CVWMISG (Residual) and other employees of the Authorities in accordance with this Agreement. The Authorities agree that they will share any legal liability arising out of or in consequence of any negligence, error or omission which creates a legal liability to another third party by any members of these groups or such other employees of the Authorities acting in relation to the Project and on the basis of the Pro-Rated Share.

5 DUTIES OF THE AUTHORITIES

- 5.1 For the duration of this Agreement the Lead Authority shall act diligently and in good faith in all its dealings with the other Authorities and shall use reasonable endeavours to carry out the Key Procurement Functions in accordance with the EU Procurement Regime and any other applicable legislation.
- 5.2 Subject to the Approvals Process, the Lead Authority shall be responsible for the procurement and appointment of the Advisers. The Authorities agree that any work undertaken in advance of the Commencement Date in relation to the procurement of Advisers shall be covered by the terms and conditions of this Agreement. The Lead Authority shall lead on monitoring and managing the performance of the Advisers. The Lead Authority's Standing Orders and Financial Regulations shall be applicable. The Authorities agree that they will be jointly liable for payment of the Advisers on the basis of the Pro-Rated Share. Payment of Advisers will be made by the Budget Holder.

- 5.3 Subject to this Agreement and the Approvals Process, the Lead Authority shall be responsible for the procurement of a Provider for the Residual Waste Project. The Lead Authorities standing orders and financial regulations shall be applicable. The Authorities agree to share the costs associated with the procurement of a Provider for the Residual Waste Project on the basis of the Pro-Rated Share. Costs will be paid by the Budget Holder.
- 5.4 The Authorities agree that the Budget Holder can direct and administer costs associated with and arising from this Agreement in accordance with this Agreement.
- 5.5 In the event that actual or forecast costs associated with the Project are likely to exceed any predicted costs included in the Approved Budget by a cumulative increase of between 5% and 10% of the total Approved Budget the Budget Holder will inform the CVWMISG (Residual) who will direct how this is to be resolved.
- 5.6 Subject to Clause 5.5, the Authorities agree that any increase in actual costs associated with the Project of between 5% and 10% will be shared on the basis of the Pro-Rated Share.
- 5.7 Should the forecast or actual costs increase by more than 10% of the total Approved Budget the CVRWMISG (Residual) shall inform the Authorities who will direct how this is to be resolved.
- 5.8 The Budget Holder will be responsible for administering the Approved Budget in accordance with their Financial Regulations. The other Authorities undertake to provide any reasonable information or assistance as may be requested by the Budget Holder to enable to Budget Holder to comply with such Financial Regulations.
- 5.9 The Lead Authority and the Budget Holder shall at the reasonable request of the other Authorities (or any of them) and at reasonable times during normal business hours permit the duly authorised representatives of such other Authority or Authorities (as the case may be) to examine any documents relating to the Project or the Residual Waste Project at the Project Office.
- 5.10 The Authorities shall, during the currency of this Agreement, act diligently and in good faith in all their dealings with the Lead Authority and the Budget Holder and shall use reasonable endeavours to assist the Lead Authority to discharge the Key Procurement Functions in accordance with the EU Procurement Regime and any other applicable legislation and shall respond to requests for information, and manage their decision making processes in accordance with required timescales.
- 5.11 The Authorities agree to ensure their respective payments are made to the Budget Holder in respect of the Approved Budget on or before any agreed dates or dates reasonably directed by the CVWMISG (Residual).

6 DECISION MAKING

- 6.1 The Authorities have identified the following three categories of decisions and other actions to be taken and carried out during the Procurement Milestones identified in Schedule Part 1 together with the means by which they will be taken:
- 6.1.1 a “**Residual Waste Project Group Matter**”; the Project Director and/or the Project Leader, has the authority to implement the functions of the RWPG on behalf of the Authorities;
- 6.1.2 a “**CVWMISG (Residual) Matter**”; any or all of the representatives of each of the Authorities appointed pursuant to Clauses 7.3 or 7.7 have sufficient delegated authority to

make decisions and have the power to bind the Authority or Authorities (as the case may be) that they respectively represent in doing so; and

- 6.1.3 a “**Matter Reserved To Authorities**”; a matter which shall be reserved to each Authority for an executive decision and, for the avoidance of doubt, that matter requiring a decision shall not be dealt with by the representatives of the Authorities appointed pursuant to Clauses 7.3 or 7.7, the Project Director or the Project Leader (as the case may be) until the decision shall have been taken,

and in each case, such matters are identified in the Approvals Process.

7 CVWMISG (Residual)

- 7.1 The CVWMISG (Residual) has been formed for the purpose of overseeing and co-ordinating the Procurement Milestones and the Residual Waste Project and in respect of this Agreement, to carry out the functions and on the basis set out in Schedule Part 7.
- 7.2 The CVWMISG (Residual) shall not have power to approve any Matter Reserved to the Authorities however the CVWMISG (Residual) will be able to endorse decisions of the RWPG prior to seeking approval from the Authorities.
- 7.3 At the Commencement Date the members of the CVWMISG (Residual) are named in Schedule Part 2.
- 7.4 Each Authority shall be entitled from time to time to appoint a deputy for each of its representatives set out in Schedule Part 2, but such deputy (in each case) shall only be entitled to attend meetings of the CVWMISG (Residual) in the absence of his or her corresponding principal.
- 7.5 Each Authority shall be entitled to invite appropriate third parties to observe CVWMISG (Residual) meetings and such third parties may be entitled to attend such CVWMISG (Residual) meetings at the discretion of the chairperson of the CVWMISG (Residual).
- 7.6 The Authorities shall procure that:
- 7.6.1 the CVWMISG (Residual) appoints a person to represent the interests of all of the Authorities in respect of their requirements for the Project who shall be called the Project Director and who shall be a member of both the CVWMISG (Residual) and the RWPG and shall undertake the functions described in Schedule Part 6;
- 7.6.2 the first Project Director appointed in accordance with Clause 7.6.1 shall be the person nominated by the CVWMISG(Residual) to be the Project Director. When the identity of this person is known this will be added to Schedule Part 3.
- 7.6.3 the CVWMISG (Residual) will appoint a person to represent the interests of all the Authorities in respect of their operational requirements for the Project who shall be called the Project Leader and who shall be a member of the RWPG and shall perform such functions and duties as described in Schedule Part 6;
- 7.6.4 the first Project Leader appointed in accordance with Clause 7.6.3 shall be nominated by the CVWMISG(Residual) to be the Project Leader. When the identity of this person is known this will be added to Schedule Part 3;

- 7.6.5 the Project Director shall not be removed or replaced unless three (3) months' prior written notice (or any such shorter period as the CVWMISG (Residual) may agree) is given by the Authorities to the CVWMISG (Residual);
- 7.6.6 the Project Leader shall not be removed or replaced unless three (3) months' prior written notice (or any such shorter period as the CVWMISG (Residual) may agree) is given by the Authorities to the CVWMISG (Residual);
- 7.6.7 The CVWMISG(Residual) shall keep informed those members of the Clyde Valley Community Planning Partnership who represent the participating Authorities of the progress of the Project;
- 7.6.8 The CVWMISG (Residual) shall keep informed their respective relevant policy boards and/or committees of the progress of the Project.
- 7.7 Each Authority may, at its discretion, replace its representative (and their respective deputy) appointed to the CVWMISG (Residual), provided that:
 - 7.7.1 at all times, it has a representative appointed to the CVWMISG (Residual) who shall have sufficient delegated authority to make any decision on any matter which the CVWMISG(Residual) is required to make in terms of this Agreement ;
 - 7.7.2 any replacement of an Authority's representative or deputy shall be deemed to have sufficient delegated authority to make any decision on any matter which the CVWMISG(Residual) is required to make in terms of this Agreement;
 - 7.7.3 a representative (or their deputy) will attend each meeting of the CVWMISG(Residual).
- 7.8 The CVWMISG (Residual) shall meet as and when required in accordance with the timetable for the Project and, in any event, at appropriate times and on reasonable notice (to be issued through the Chairperson) to carry out the CVWMISG (Residual) Matters referred to in the Approvals Process.
- 7.9 The details of the ways of working, clerking and other operational matters of the CVWMISG (Residual) are set out in Schedule Part 7.
- 7.10 Each Authority shall provide all information reasonably required upon request by the CVWMISG (Residual) and comply with unanimous decisions of the CVWMISG (Residual) to request such information.
- 7.11 Each Authority shall consult with the other Authorities as required to ensure the diligent progress of the day to day matters relating to the Project and this Agreement.

8 EVALUATION

- 8.1 Each Authority may suggest suitably experienced personnel to join the Advisers evaluation team who will be responsible, under the direction of the RWPG, for evaluating the tender submissions in relation to Advisers subject to the Approvals Process. The identity of the respective evaluation teams will be agreed with the CVWMISG (Residual).
- 8.2 The evaluation team for the Residual Waste Project to facilitate the agreement of the Authorities on the selection of the Provider and the terms of the Project Agreement will be appointed from a pool of members of the RWPG and other appropriately qualified staff identified by the Authorities (the

"Project Evaluation Team"). The Project Director and Project Leader shall, within 6 weeks of their respective appointments bring proposals for members of the Project Evaluation Team, which will include Advisers (who will be required to advise and assist the Project Evaluation Teams in accordance with the terms of their appointments), for the CVWMISG(Residual) to consider and approve.

- 8.3 The Project Evaluation Team will be responsible, under the direction of the RWPG, for facilitating and evaluating tender responses to select the Provider subject to the Approvals Process.

9 RESIDUAL WASTE PROJECT GROUP (RWPG)

- 9.1 The Authorities have formed the RWPG working under the direction of the Project Director and the Project Leader for the purposes of managing the Procurement Milestones and delivering the Project.
- 9.2 The RWPG, the Project Leader or the Project Director shall not have power to approve a CVWMISG (Residual) Matter or a Matter Reserved to Authorities.
- 9.3 The Authorities have appointed those representatives specified in Schedule Part 3 to the RWPG with sufficient delegated authority to perform the duties and functions of the RWPG on their behalf as set out in this Agreement together with any other representative as may be appointed and agreed by the CVWMISG (Residual) from time to time.
- 9.4 The Authorities may, at their discretion, replace their representatives appointed to the RWPG, provided that such replacement shall be on the same basis as the original appointee as set out in Clause 9.3 and provided further that no member of the RWPG shall be removed or replaced by any Authority without that Authority giving at least three (3) months' (or such shorter period as may be agreed with the Project Director, acting reasonably) prior written notice of its intention to remove or replace that member of the RWPG.
- 9.5 If an Authority does not appoint a representative to the RWPG then such Authority agrees to delegate the decisions and duties of the RWPG in terms of this Agreement to those members of the RWPG detailed in this Agreement.
- 9.6 Unless otherwise agreed by the Authorities, the Authorities appoint the Project Leader to lead all dialogue with Bidders in connection with the Project together with the RWPG Project evaluation team and the Advisers.
- 9.7 The RWPG shall meet as and when required in accordance with the timetable for the Project and in any event, at appropriate times and on reasonable notice (to be issued by the Project Director) to meet the Procurement Milestones of the RWPG detailed in Schedule Part 1.
- 9.8 Each Authority shall be entitled to invite appropriate third parties to observe RWPG meetings and such third parties may attend such RWPG meetings at the discretion of the Project Director, acting reasonably.
- 9.9 Each Authority shall be entitled (subject to informing the Project Director or Project Leader at least 2 days in advance) to send an appropriate alternative to RWPG meetings should their representative be unable to attend.

- 9.10 Each Authority agrees that if they do not send an appropriate representative or alternative to RWPG meetings in accordance with clause 9.9 then they agree to delegate any functions carried out or decisions made to the members of the RWPG attending the relevant meeting.

10 COMMITMENT OF THE AUTHORITIES AND CONTRIBUTIONS

- 10.1 Subject to Clause 10.2, the Authorities agree and undertake to commit to the Project in accordance with the terms of this Agreement and not to commission and/or undertake any procurement and/or project that seeks or would procure the delivery of all or any part of the Residual Waste Project outside the terms of this Agreement unless and until it shall have withdrawn from the Project in accordance with Clause 14.
- 10.2 The Authorities agree they can undertake or commission any procurement or project in relation to residual waste to cover the period prior to the New Project Facility becoming operational.
- 10.3 Each Authority shall be required to prepare accounts including details of any expenditure incurred at the direction of the Budget Holder.
- 10.4 The Budget Holder agrees to supply at the request of any other Authority, accounts showing full details of the Approved Budget and all expenditure.
- 10.5 The Authorities hereby agree that if one of the Authorities believes it is likely to incur disproportionate internal resource costs in connection with the Project and/or the Residual Waste Project, that matter shall be referred to the CVWMISG (Residual) for a decision as to whether such costs will be disproportionate and whether any Pro-Rated Share contributions should be made by the other Authorities.

11 SITES

- 11.1 The Authorities agree to provide Transfer Sites and/or New Facility Sites for the Residual Waste Project or such substitute Transfer Sites and/or New Facility Sites as may be approved by the CVWMISG (Residual).

12 INTELLECTUAL PROPERTY

- 12.1 Each Authority will retain all Intellectual Property in its Material.
- 12.2 Insofar as they have the power to do so, each Authority will grant to all of the other Authorities an irrevocable, non-exclusive, perpetual, non-transferable and royalty-free licence to use, modify, amend and develop its Material for the Project and the Residual Waste Project and any other purpose resulting from the Project and the Residual Waste Project whether or not the Authority granting the licence remains a party to this Agreement or the Project or the Residual Waste Project.
- 12.3 Without prejudice to Clause 12.1, if more than one Authority owns or has a legal or beneficial right or interest in any aspect of the Material for any reason (including that no one Authority can demonstrate that it independently supplied or created the relevant Material without the help of one or more of the other Authorities), each of the Authorities who contributed to the relevant Material, insofar as they have power to do so, will grant to all other Authorities an irrevocable, non-exclusive, perpetual, non-transferable and royalty-free licence to use and exploit such Material as if all the other Authorities were the sole owner under the Copyright Design and Patents Act 1988 or any other relevant statute or rule of law.

- 12.4 Each Authority warrants, to the best of its knowledge and belief, that it has or will have the necessary rights to grant the licences set out in Clauses 12.2 and 12.3 in respect of the Material to be licensed.
- 12.5 Each Authority shall indemnify the other Authorities against any loss arising out of any dispute or proceedings brought by a third party alleging infringement of its intellectual property rights by use of that Authority's intellectual property for the purpose of the Project or the Residual Waste Project.
- 13 CONCLUSION OF THE POST CONTRACT AUTHORITY AGREEMENT**
- 13.1 The Authorities will enter into the Post Contract Authority Agreement on or before the last day of signing the Project Agreement.
- 13.2 The Authorities agree that entry into the Post Contract Authority Agreement will be a condition precedent to award of the Project Agreement.
- 13.3 Should the Project Agreement not be entered into due to the unanimous agreement of the Authorities not to proceed to enter into the Post Contract Authority Agreement, this Agreement and the Project will terminate and any costs arising as a result will be shared on the basis of the Pro-Rated Share.
- 13.4 Should one Authority fail to enter into the Post Contract Authority Agreement this Authority shall be deemed to be a Defaulting Authority and the provisions of Clauses 14 and 15 shall apply.
- 13.5 The Post Contract Authority Agreement shall include:
- 13.5.1 full drafting based on and worked up from the Heads of Terms; and
- 13.5.2 such other provisions as the Authorities agree (or as may be determined by the dispute resolution procedure in Clause 16) as a consequence of the terms of the Project Agreement.
- 13.6 The Authorities shall individually and jointly use all reasonable endeavours to negotiate and agree the Post Contract Authority Agreement in conjunction with the negotiation and agreement of the Project Agreement.
- 13.7 The reference to "all reasonable endeavours" in Clause 13.6 shall include a requirement on all Authorities to:
- 13.7.1 without prejudice to Clause 3 at all times act in good faith;
- 13.7.2 acknowledge that the Authorities have agreed that the Heads of Terms will be expanded to become the Post Contract Authority Agreement and, accordingly, no Authority shall attempt to move significantly away from their intention or purpose;
- 13.7.3 Ensure that sufficient time is set aside to conduct the negotiations on the terms of the Post Contract Authority Agreement either through correspondence or by holding meetings or a combination of both to ensure that the terms of the Post Contract Authority Agreement are agreed in accordance with the timetable envisaged in Clause 13.1;
- 13.8 If a dispute or difference arises between the Authorities in relation to the negotiation of the Post Contract Authority Agreement and such dispute or difference cannot be settled by the Authorities

within ten (10) Business Days of it first arising, any Authority may refer such dispute or difference for determination in accordance with Clause 16 and the Authorities agree to be bound by such determination.

14 WITHDRAWAL FROM THE PROJECT

14.1 Each Authority acknowledges that, withdrawal from the Project and/or the Residual Waste Project or failing to enter into the Post Contract Authority Agreement will cause additional cost to the other Authorities, including, but not limited to, costs associated with reduced economies of scale, the cost of an abortive procurement (acknowledging that withdrawal by one Authority may require any then current procurement to be abandoned and re-commenced by the remaining Authorities), the cost of undertaking a separate procurement and the costs associated with the delayed availability of the services and / or facilities which would enable the remaining Authorities to secure the effective treatment and disposal of waste, thereby reducing their liability for Landfill Tax and other statutory obligations.

14.2 Each Authority agrees that should it decide to withdraw from the Project and/or the Residual Waste Project (the **"Withdrawing Authority"**) it will give written notice to the other Authorities (the **"Withdrawal Notice"**).

14.3 From the date of any Withdrawal Notice;

14.3.1 subject to the remainder of this Clause 14.3 the obligations of the Withdrawing Authority in respect of the furtherance of the Project and/or the Residual Waste Project shall cease but the provisions of this Agreement shall remain in full force and effect until, in terms of Clause 14.4, some or all of the other relevant Authorities either elect to proceed with the Project or the Authorities elect to terminate this Agreement;

14.3.2 the Withdrawing Authority shall not be entitled to the return of any monies paid by it into the Approved Budget unless (and only to the extent that) such monies exceed the Loss for which that Authority is responsible under Clauses 14.6 or 14.7 (as appropriate) and if at the date of the Withdrawal Notice monies are accrued and/or due to be paid under this Agreement by the Withdrawing Authority then such monies shall be paid by the Withdrawing Authority within 7 days of the date of the Withdrawal Notice;

14.3.3 this Agreement shall remain in force in respect of any liability of the Withdrawing Authority under this Agreement and all provisions of this Agreement shall continue to apply to the remaining Authorities and the definition of "Authorities" shall be deemed to exclude the Withdrawing Authority;

14.3.4 Clauses 15 and 16 of this Agreement shall continue to apply in respect of any dispute or default arising under or in connection with this Agreement prior to the date of the Withdrawal Notice.

14.4 The other Authorities shall have 28 days from the date of any Withdrawal Notice to discuss the consequences for the Project and the Residual Waste Project and if;

14.4.1 the other Authorities consider that the Project and the Residual Waste Project are not materially affected by the withdrawal of the Withdrawing Authority then the other Authorities can choose to proceed with the Project;

- 14.4.2 one or more of the remaining Authorities provides such reasonable information to the Authorities, in good faith, which objectively shows that the Project and/or the Residual Waste Project is materially affected by the withdrawal of the Withdrawing Authority then provided such Authority or Authorities confirm in writing to the other Authorities (including the Withdrawing Authority) within the 28 day period such Authority or Authorities can opt to withdraw from the Project and/or the Residual Waste Project as a consequence of the withdrawal of the Withdrawing Authority without liability for Loss; or
- 14.4.3 the other Authorities consider the Project and/or the Residual Waste Project is materially affected by the withdrawal of the Withdrawing Authority then the other Authorities can choose to terminate this Agreement by notifying the Withdrawing Authority in writing.
- 14.5 In the event that one or more Authorities subsequently withdraw pursuant to Clause 14.4.2, the provisions of Clause 14.4 will be repeated in respect of each subsequent withdrawing Authority until any remaining Authorities agree to proceed in accordance with Clause 14.4.1 or all the Authorities have withdrawn. Any Authority withdrawing as a consequence of Clause 14.4.2 shall not be liable, under this Agreement for any other Loss or compensation as a consequence of such withdrawal.
- 14.6 In the event that the Project proceeds in accordance with Clause 14.4.1, the Withdrawing Authority shall be liable for Loss up to and including the date of the Withdrawal Notice but shall not be liable for any Loss incurred after the date of the Withdrawal Notice arising as a consequence of the Project and/or the Residual Waste Project proceeding.
- 14.7 The Authorities agree that in the event that all the Authorities withdraw from the Project as a consequence of Clause 14.4.2 or only one Authority remains such that the Project does not proceed, or the Agreement is terminated in accordance with clause 14.4.3, then the Withdrawing Authority shall be liable to the other Authorities for all Loss but shall not be liable for any other loss or compensation as a result of such withdrawal from the Project.
- 15 **AUTHORITY BREACH**
- 15.1 Where an Authority (the “Defaulting Authority”) fails to comply with its obligations under this Agreement (or in relation to the Residual Waste Project such that this Agreement or the Project is materially affected then the remaining Authorities (acting unanimously) can instruct the CVWMISG (Residual) to serve a default notice (the “Default Notice”) on the Defaulting Authority detailing the relevant circumstances. The Default Notice must set out the remedial action that the CVWMSG require the Defaulting Authority to carry out.
- 15.2 The Defaulting Authority shall have 14 days within which to remedy the breach or such other period as set out in the Default Notice having regard to the nature of the actions required.
- 15.3 Where any matter referred to in a Default Notice is disputed by the Defaulting Authority and/or not remedied in accordance with Clause 15.2, it shall be determined by the dispute resolution procedure set out in Clause 16.
- 15.4 In the event that after final determination in accordance with Clause 16, the Defaulting Authority remains liable to remedy the breach, then this shall be completed within 14 days of the date of such determination or such other period as is reasonable having regard to the nature of the actions required.

15.5 Where the Defaulting Authority fails to remedy the breach within the 14 days referred to in clauses 15.2 or 15.4, the other Authorities are entitled to instigate the provisions of clause 14 with the Defaulting Authority being deemed to be a Withdrawing Authority. In this event the other Authorities may serve a Withdrawal Notice on the Defaulting Authority.

15.6 Without prejudice to any other rights or remedies of the Authorities and subject to this Clause 15 in relation to any breach that is capable of remedy, this Agreement may be terminated in relation to a Defaulting Authority upon receipt of written notice from the other Authorities (acting unanimously) where the Defaulting Authority materially or persistently breaches any of the provisions of this Agreement to the detriment of the Project and/or the Residual Waste Project.

15.7 The Defaulting Authority will be deemed to be a Withdrawing Authority and the provisions of clause 14 will apply with the notice referred to in clause 15.6 being deemed to be a Withdrawal Notice.

16 DISPUTE RESOLUTION

16.1 The Authorities agree that any disputes and/or disagreements arising under or in connection with this Agreement or the Project shall be resolved in accordance with this Clause.

16.2 If a dispute and/or disagreement arises in relation to any aspect of this Agreement or the Project, then, save in relation to disputes or disagreements relating to a Matter Reserved to Authorities, the CVWMISG (Residual) shall meet within ten (10) Business Days of notification of the occurrence of such dispute and attempt to resolve the disputed matter in good faith.

16.3 In relation to a dispute or disagreement relating to a Matter Reserved to Authorities, or if the CVWMISG (Residual) fails to resolve a dispute or disagreement within five (5) Business Days of the above meeting, or fails to meet in accordance with the timescales set out in Clause 15.2, then the CVWMISG (Residual) or any Authority as appropriate may refer the matter for resolution to the Joint Leaders Meeting;

16.4 Any dispute and/or disagreement to be determined by the Joint Leaders Meeting shall be promptly referred for determination by the RWPG or the CVWMISG (Residual).

16.5 Any dispute and/or disagreement which remain unresolved after the Joint Leaders Meeting shall be referred for final determination to such party as the Joint Leaders so agree (the “**Independent Party**”). The Authorities agree that the decision made by the Independent Party will be final and binding upon the Authorities.

16.6 The Authorities shall on request promptly supply to the Joint Leaders Meeting and/or the Independent Party all such assistance, documents and information as may be required for the purpose of determination and the Authorities shall use all reasonable endeavours to procure the prompt determination of such reference.

16.7 The costs of the resolution of any dispute and/or disagreement between the Authorities under this Agreement or the Project shall be paid by the Budget Holder from the Approved Budget and where deemed applicable by the CVWMISG (Residual) shall be reimbursed by the Authorities to the dispute save as may be otherwise directed by the Joint Leaders Meeting or Independent Party as the case may be.

17 **COMMENCEMENT, DURATION AND TERMINATION**

- 17.1 This Agreement shall continue in full force and effect from the Commencement Date until the last date of execution of the Project Agreement, unless terminated earlier in accordance with its terms or unless the Authorities agree unanimously to its termination in writing.

18 **CONSEQUENCES OF TERMINATION**

- 18.1 Where this Agreement is terminated in accordance with Clauses 13.3 or 17.1, save for the obligations set out in Clause 10 and Clause 20 the Authorities shall be released from their respective obligations described in this Agreement in relation to the furtherance or continuation of the Project. The Authorities agree that any financial liabilities accrued at the date of termination will be shared among them on the basis of the Pro-Rated Share.
- 18.2 The Authorities shall not agree or enter into discussions with a view to agreeing with any Bidder (including any Bidder appointed as preferred or reserved Bidder for the Residual Waste Project) that any of them is or will become liable to that Bidder at the time in question or in the future for any abortive or similar costs or damages of that Bidder or its advisers.

19 **NON-DEFAULT TERMINATION**

- 19.1 The Authorities agree that in the event this Agreement is terminated for reasons other than those covered by Clauses 13, 14 or 15 above no Authority shall be entitled to claim any termination costs or Loss from any other Authority. In this event each Authority shall be liable for any Loss or any other reasonable losses which arises as a result of the termination in accordance with the agreed Pro-Rated Share. Additionally the Authorities agree that any financial liabilities accrued under this Agreement at the date of termination will be shared between them on the basis of the Pro-Rated Share.

20 **CONFIDENTIALITY AND ANNOUNCEMENTS**

- 20.1 Each Authority shall, both during the currency of this Agreement and at all times following its termination or expiry, keep private and confidential and shall not use or disclose (whether for its own benefit or that of any third party) any confidential information about the business of and/or belonging to any other Authority which has come to its attention as a result of or in connection with this Agreement, the Project and/or the Residual Waste Project, in particular (but without prejudice to the generality of the foregoing) confidential information relating to the Post Contract Authority Agreement and/or the Project Agreement.
- 20.2 The obligation set out in Clause 20.1 shall not relate to information which:
- 20.2.1 any matter which a party can demonstrate is already or becomes generally available and in the public domain otherwise than as a result of a breach of this Clause;
- 20.2.2 any disclosure to enable a determination to be made under Clause 16;
- 20.2.3 any disclosure which is required pursuant to any statutory, legal (including any order of a court of competent jurisdiction) or Parliamentary obligation placed upon the party making the disclosure or the rules of any stock exchange or governmental or regulatory authority having the force of law or if not having the force of law, compliance with which is in

accordance with the general practice of persons subject to the stock exchange or governmental or regulatory authority concerned;

20.2.4 any disclosure of information which is already lawfully in the possession of the receiving party, prior to its disclosure by the disclosing party;

20.2.5 any disclosure of information by any Authority to any other department, office or agency of the Government or their respective advisers or to any person engaged in providing services to the Authority for any purpose related to or ancillary to this Agreement; or

20.2.6 any provision of information to an Authority's own professional advisers or insurance advisers.

20.3 Where disclosure is permitted under Clause 20.2.3 or Clause 20.2.4, the recipient of the information shall be subject to a similar obligation of confidentiality as that contained in this Clause 20 and the disclosing Authority shall make this known to the recipient of the information.

20.4 No Authority shall make any public statement or issue any press release or publish any other public document relating, connected with or arising out of this Agreement, the Project, the Residual Waste Project and/or the Post Contract Authority Agreement and/or the Project Agreement which is not in accordance with the Communications Strategy as set out in Schedule Part 8 (excluding any disclosure required by legal or regulatory requirements).

21 FREEDOM OF INFORMATION

21.1 Each Authority acknowledges that all of the Authorities are subject to the provisions of the FOISA and the EIR's and each Authority shall where reasonable assist and co-operate with any other Authority (at their own expense) to enable that other Authority to comply with these information disclosure obligations.

21.2 Where an Authority receives a request for information under either the FOISA or the EIR's in relation to information which it is holding on behalf of any of the other Authorities in relation to this Agreement, the Project and/or the Residual Waste Project, it shall (and shall procure that its consultants and/or sub-contractors shall):

21.2.1 transfer the request for information to the other Authority as soon as practicable after receipt and in any event within ten (10) Business Days of receiving a request for information;

21.2.2 provide the other Authority with a copy of all information relating to that request in its possession or power in the form that the Authority requires within ten (10) Business Days (or such longer period as the Authority may specify) of the Authority requesting that information; and

21.2.3 provide all necessary assistance as reasonably requested by the other Authority to enable the Authority to respond to a request for information within the time for compliance set out in the FOISA or the EIR's.

21.3 Where an Authority receives a request for information under the FOISA or the EIR's which relates to this Agreement or the Project and/or the Residual Waste Project, it shall inform the other Authorities of the request for information as soon as practicable after receipt and in any event at

least ten (10) Business Days before disclosure and shall use all reasonable endeavours to consult with the other Authorities prior to disclosure and shall consider all representations made by the other Authorities in relation to the decision whether or not to disclose the information requested.

21.4 The Authorities shall be responsible for determining in their absolute discretion whether any information requested from them under the FOISA or the EIR's:

21.4.1 is exempt from disclosure under the FOISA or the EIR's; or

21.4.2 is to be disclosed in response to a request for information.

21.5 Each Authority acknowledges that the other Authorities may be obliged under the FOISA or the EIR's to disclose information:

21.5.1 without consulting the other Authority where it has not been practicable to achieve such consultation; or

21.5.2 following consultation with the other Authorities and having taken their views into account.

22 **NO AGENCY OR PARTNERSHIP**

22.1 Save as expressly provided otherwise in this Agreement or where a statutory provision otherwise requires, the Authorities shall not in any way whatsoever:

22.1.1 be, act or hold themselves out as an agent of the other;

22.1.2 make any representations or give any warranties to third parties on behalf or in respect of the other; or

22.1.3 bind or hold themselves out as having authority or power to bind the other.

22.2 Nothing in this Agreement shall create, or be deemed to create, a partnership between the Authorities.

23 **NO THIRD PARTY RIGHTS**

Nothing in this Agreement shall confer on any third party any benefit or the right to enforce any term of this Agreement.

24 **INCONSISTENCY**

This Agreement and its Schedule shall be read and taken together. In the event of any inconsistency or conflict between the terms of this Agreement and the contents of any of the Schedule Parts, the terms of this Agreement shall prevail.

25 **SEVERANCE**

In the event of any provision of this Agreement being or becoming legally ineffective or unenforceable the remaining provisions of this Agreement shall not be invalidated.

26 **WAIVER**

26.1 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute or shall not be construed as a waiver of the right or remedy or a waiver of other rights or remedies nor effect the validity of this Agreement.

26.2 A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this Agreement.

26.3 A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement will not prevent an Authority from subsequently requiring compliance with the waived obligation.

27 **AMENDMENTS**

This Agreement may be amended by the agreement of the Authorities. No amendment to this Agreement shall be binding unless it is in writing and signed by the duly authorised representatives of each of the Authorities and expressed to be for the purpose of such amendment.

28 **LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the Laws of Scotland and the Authorities irrevocably submit to the exclusive jurisdiction of the Scottish courts.

29 **NOTICES**

29.1 Any notice required to be given by any Authority pursuant to or in connection with this Agreement shall not be effective unless given in writing and sent by first class post or delivered by hand to the address of the Authority to receive that notice as set out above or such alternative address as may be notified in accordance with Clause 29.3.

29.2 A notice served in accordance with Clause 29.1 shall be deemed to have been duly served when received;

29.3 Each Authority shall notify the other in writing within five (5) Business Days of any change in its address for service.

30 **GENERAL**

30.1 Nothing contained or implied herein shall prejudice or affect the Authorities' rights and powers, duties and obligations in the exercise of their functions as local authorities and/or in any other capacity and all rights, powers, discretions, duties and obligations of the Authorities under all laws may at all times be fully and effectually exercised as if the Authorities were not a party to this Agreement and as if the Agreement had not been made.

30.2 This Agreement is personal to the Authorities and no Authority shall assign, transfer or purport to assign or transfer to any other persons any of its rights or sub-contract any of its obligations under this Agreement.

30.3 The Authorities agree to jointly procure and place a Project Insurance Policy to cover and protect them from their liabilities arising from this Agreement and/or the Project. The cost of this policy will be met by and shared by the Authorities on the basis of the Pro-Rated Share. The Authorities agree if

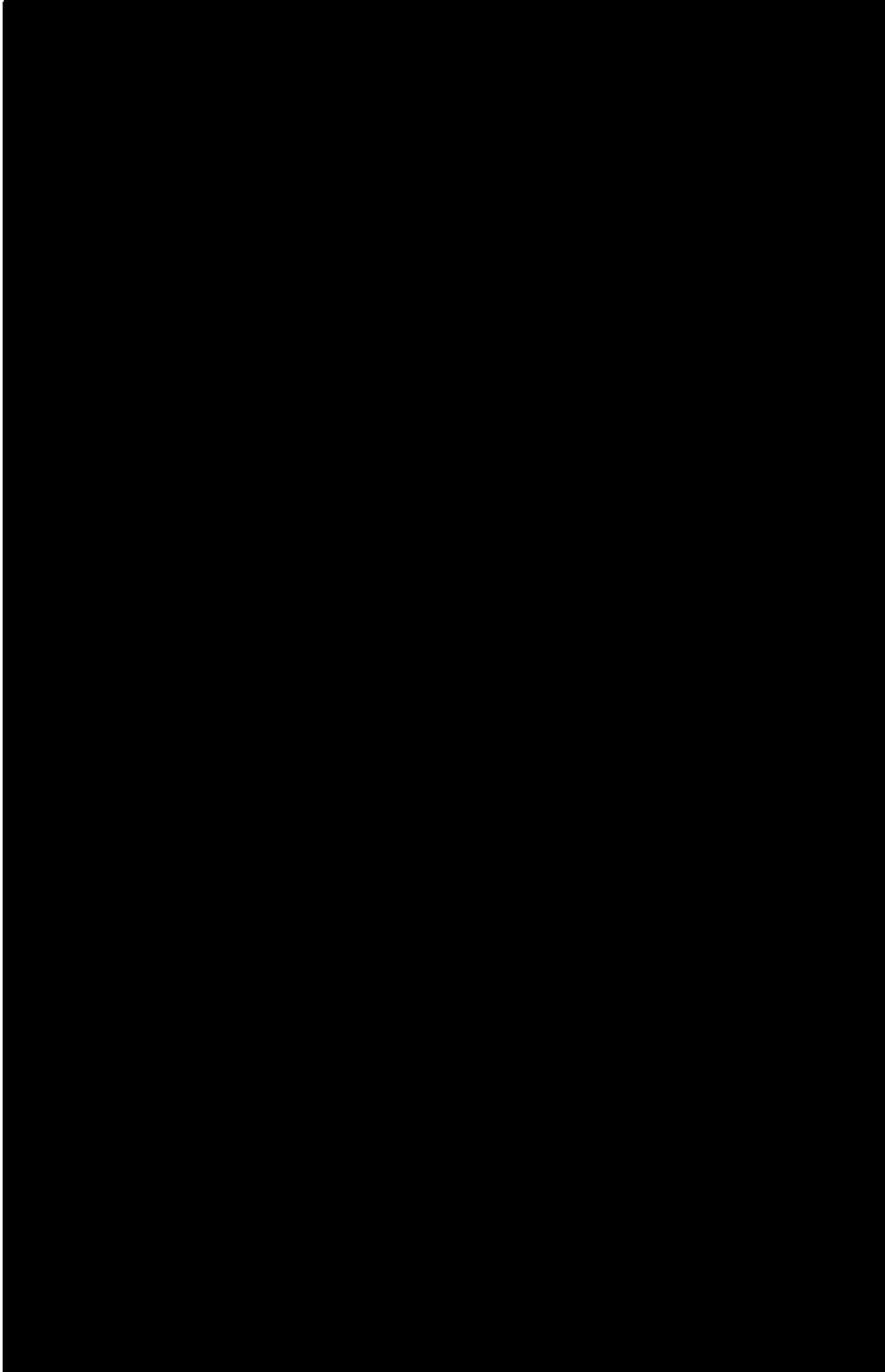
there is any excess to pay on such policy then this will also be shared by the Authorities on the basis of the Pro-Rated Share.

- 30.4 Each Authority shall at all times take all reasonable steps to minimise and mitigate any loss for which the Authorities are entitled to bring a claim under the Project Insurance Policy pursuant to this Agreement.
- 30.5 Save where otherwise provided, the Authorities will pay interest on any amount payable under this Agreement not paid on the due date from that date to the date of payment at a rate equal to 2% above the base rate from time to time of the Lead Authority's bank.

31 COSTS

The Authorities shall be responsible for paying their own respective costs and expenses in relation to the preparation, execution and implementation of this Agreement.

IN WITNESS WHEREOF these presents typewritten on this and the preceding 23 pages together with the Schedule in 9 Parts are executed by the Parties hereto as follows.



gpc

THIS IS THE SCHEDULE IN NINE PARTS REFERRED TO IN THE FOREGOING AGREEMENT AMONG RENFREWSHIRE COUNCIL, EAST DUNBARTONSHIRE COUNCIL, EAST RENFREWSHIRE COUNCIL AND NORTH LANARKSHIRE COUNCIL

SCHEDULE PART 1

AUTHORITIES SHOULD NOTE THAT THESE PROCUREMENT MILESTONES AND ASSOCIATED CATEGORISATION ARE INDICATIVE ONLY AND MAY BE CHANGED BY THE CVWMISG (RESIDUAL) IN ACCORDANCE WITH THIS AGREEMENT

Procurement Milestones and Approvals Process

MILESTONE KEY PROCUREMENT FUNCTION	RWPG MATTER	CVMISG (Residual) MATTER	MATTER RESERVED TO AUTHORITIES
1. Procurement of Advisers to the Project	Yes		
2. Confirmation of Advisers to the Project		Yes	
3. Review of FOBC (Technical)		Yes	
4. Approval of FOBC (Technical)			Yes
5. Agreement as to recommendation for the Authorities in relation to New Facility Sites and Transfer Sites		Yes	
6. Decision to make available the New Facility Sites or Transfer Sites			Yes
7. Drafting and issuing Prior Indicative Notice	Yes		
8. Preparation of the Descriptive Document and Pre Qualification Questionnaire ("PQQ")	Yes		
9. Agreeing final version of the Descriptive Document and PQQ	Yes		
10. Undertaking soft market testing	Yes		
11. Preparation of Evaluation Criteria for all stages of the procurement process	Yes		
12. Agreeing Evaluation Criteria for all stages of the procurement process	Yes		
13. Drafting OJEU Notice	Yes		
14. Approving OJEU Notice, Descriptive Document, PQQ and evaluation criteria.		Yes	
15. Issuing OJEU Notice, Descriptive Document, PQQ and evaluation	Yes		

MILESTONE KEY PROCUREMENT FUNCTION	RWPG MATTER	CVMISG (Residual)MATTER	MATTER RESERVED TO AUTHORITIES
criteria			
16. Organising open days prior to return of PQQ's and Expressions of Interest	Yes		
17. Evaluation and Long-listing of Bidders	Yes		
18. Agreement of long list		Yes	
19. Inform successful and unsuccessful applicants.	Yes		
20. Drafting Invitation to Submit Outline solutions ("ISOS")	Yes		
21. Reviewing ISOS	Yes		
22. Agreeing ISOS	Yes		
23. Issue ISOS	Yes		
24. Arrange the interviews/bidder presentations	Yes		
25. Evaluation and short listing of ISOS bidders	Yes		
26. Recommendation of ISOS shortlist	Yes		
27. Agreement to ISOS shortlist		Yes	
28. Drafting Invitation to Submit Detailed Solutions ("ISDS")	Yes		
29. Reviewing ISDS	Yes		
30. Agreeing ISDS	Yes		
31. Issue of ISDS	Yes		
32. Evaluation of initial responses to ISDS.	Yes		
33. Organising clarification meetings	Yes		
34. Selection of Bidders to go to Final Refined Solution Stage		Yes	
35. Agreement of Refined Solutions with final short listed bidders	Yes		
36. Agreeing to Close Dialogue and Call for Final Tenders.		Yes	
37. Evaluation of final Bids and recommendation for selection of Preferred Bidder	Yes		
38. Review of final Evaluation Report and selection of Preferred Bidder		Yes	

MILESTONE KEY PROCUREMENT FUNCTION	RWPG MATTER	CVMISG (Residual)MATTER	MATTER RESERVED TO AUTHORITIES
39. Agreement to selection of Preferred Bidder			Yes
40. Approval of final outcome FOBC(Technical)			Yes
41. Clarification and Financial Close	Yes		
42. Dispatch of Alcatel letters	Yes		
43. Agreement and execution of Project Agreement and Post Contract Authority Agreement			Yes
44. Collation of information and provision of information in respect of Project Agreement award procedures required under Regulation the Public Contracts (Scotland) Regulations 2006	Yes		
45. Approval of additional expenditure for the Project of up to 10% of the Approved Budget.		Yes	
46. Approval of additional expenditure for the Project of more than 10% of the Approved Budget			Yes

NB: CVWMISG(Residual) to add Key Stage Reviews to Procurement Milestones.

SCHEDULE PART 2

CVWMISG (Residual)

Chairperson

Gavin Whitefield (Project Owner)

East Dunbartonshire Council

David Devine (Project Sponsor)

East Renfrewshire Council

Andrew Corry (Project Sponsor)

North Lanarkshire Council

Kenneth Wilson (Project Sponsor)

Renfrewshire Council

Shona MacDougall (Project Sponsor)

Or deputies in accordance with Clause 7.4

SCHEDULE PART 3

RESIDUAL WASTE PROJECT GROUP

RWPG Role	Name	Organisation	Position
Project Director			
Project Leader			
Authority Representative			
Authority Representative			
Authority Representative			
Authority Representative			
Authority Representative			
Authority Representative			
Authority Representative			
External Advisers			
Financial Adviser			
Legal Adviser			
Insurance Adviser			
Technical Adviser			
Project Assurance			

- The RWPG will be the forum where detailed issues are discussed, work is commissioned and reports are considered before going up to the CVWMISG(Residual) for decision. The RWPG is a forum where detail is dealt with. It is not the forum for taking a strategic overview of the Project. As such it will meet more frequently than the CVWMISG(Residual).
- The RWPG should organise its work through a number of work streams covering each of the important areas of the Project.
- The way work streams input across the Project needs to be managed and this can be difficult as the Project is complex and may require a number of work streams. One way to ensure this is for each work stream to have a chair who would be a member of the RWPG.
- This approach ensures that each work stream has direct input at RWPG and CVWMISG(Residual) level (through the Project Director) and that each work stream is kept apprised of the work being done by the others although clearly the Project Director and Project Leader also have a role to ensure this.
- In the event that the RWPG cannot agree on any matters then the issue will be referred to the CVWMISG(Residual) in accordance with the dispute resolution provisions.

SCHEDULE PART 4

NOT USED

SCHEDULE PART 5

Heads of Terms

The following heads of terms have been agreed between the Authorities to be expanded to become the Post Contract Authority Agreement to be negotiated and entered into in accordance with the provisions of this agreement. These heads of terms are intended to explain in plain language the intentions and roles of the Authorities.

1 Joint Decision-Making

It is essential at construction and operational phases of the Residual Waste Project to have joint decision-making at both member and officer level. The Authorities are using the Lead Authority model in the Inter-Authority Agreement for the procurement phase. The Lead Authority Model will also be adopted in the Post Contract Authority Agreement.

There will be a graded set of decision classifications so that decision making is at an appropriate level through delegated authorities, reserving critical (executive) decisions for all Authorities. Timescales for decision making will be introduced.

On-going management of the Project will involve a number of areas that require consents or approvals. Some of these may fall to be decided by a single Authority (for example, where only its operations or facilities are affected). Others will require unanimity (for example, changes in key sub-contractors by the Provider or in its funding arrangements). Other areas may permit majority voting, but these are likely to be few.

2 Appointment of one Authority as sole contracting Authority¹

[The Authorities will need to authorise the appointment of an Authority as the sole contracting Authority and that each of the other Authorities would indemnify the contracting Authority accordingly. Reciprocal indemnities would be given by the contracting Authority to the other Authorities.]

3 Project and Financial Management

The contracting Authority shall appoint a contract manager to manage the Project Agreement and the Residual Waste Project generally.

Best practice Project Management arrangements will also be in place.

The financial Regulations of the Lead Authority shall apply.

A single interface will be essential in the contract management of the construction phase(s) of the Project and, and a common approach will need to be considered in the context of matters requiring consent of the Authorities under the Project and areas such as Changes in requirements. There will also need to be a coordinated approach between the Authorities in respect of the day to day management of the operational phase(s) of the ultimate waste solution(s).

The Authorities will need to devise a method of payment of the Unitary Charge to the Provider.

¹ Identical resolutions in respect of indemnities to be passed by each authority are recommended. Note that authorities will need to carefully consider this Clause depending on which parties are entering into the Project Agreement with the PFI Contractor.

4 **Allocation of Contract Operational and Capital/Borrowing Costs of Ultimate Waste Solution, and Third Party or other Income.**

It is intended that that the proposed residual waste treatment and disposal service will be procured on the basis that costs and risks associated with the service will be as detailed in the Project Agreement in return for the sums payable in terms of the Project Agreement. However any costs (whether revenue including taxation or capital including land/property) associated with the Residual Waste Project ultimate waste solution which fall to be borne by the Authorities,, or third party income, profit share, refinancing gains derived from the Agreement will be shared between the Authorities in proportions which accord with their relative tonnages of waste which are subject to this Project Agreement at its date of commencement, and if more than one ultimate waste solution then in the proportions which accord with their relevant tonnages of waste delivered to each solution at the date of commencement of operation of that solution. This may be subject to the Change Protocol particularly in terms of tonnages of waste which will be adjusted (and consequentially liabilities and entitlements reapportioned) on the basis outlined in the Project Agreement²

5 **Not used**

6 **Volume Obligations relating to Contract Waste**

There will be an obligation on the Authorities to commit residual waste in volumes to be agreed for the purposes of meeting the tonnage requirements under the project agreement except for a *de minimis* level of residual waste that by its nature in terms of composition or structure must go to landfill. The Authorities will undertake to each other not to commission and or undertake any procurement and/or project that seeks or would procure the delivery of all or any part of the Residual Waste Project outside the terms of the Project Agreement subject to partial termination at Paragraph 9 below. . If any authority fails to meet its tonnage requirement then that authority will be responsible for any consequent liability that might arise or be due under the Project Agreement.

7 **Single approach, Changes in the Project, and dispute resolution**

To maximise the economies of scale within the Project, the Authorities will need to determine a level of commonality in the Project documentation (for example, in the Construction Requirements and Service Specifications) and provide a single interface (wherever possible) with the Provider.

There will be a Change Protocol in the Project Agreement (changes may include for e.g. in service levels, waste tonnages, sites and opening hours). An Authority seeking a Change should pay for it. In requesting a Change, however, the impact on the other Authorities would need to be considered and addressed (as appropriate) by the Authority requesting the Change. There may be grounds where a Change is not feasible, perhaps where this would prejudice the operations of one of the Authorities. An example might be a change in policy/strategy of one Authority which impacts on the individual business cases at financial close of the other [*insert number*] Authorities. Matters such as these may require a "veto" right for the Authority that would be prejudiced.

A method of dispute resolution will need to be settled in case of disputes arising between the Authorities and a single approach by the Authorities in a dispute with the Provider.

² WIDP acknowledges that there may be circumstances where departures from the adjustment to the simple tonnage formula may be considered for specific local circumstances.

8 **Termination**

The Authorities will need to agree the level of compensation payable by an Authority wishing to terminate on a voluntary basis and how it is to be paid and received by the other Authorities.

9 **Payment Mechanism and Performance Monitoring**

The extent to which each Authority is liable to contribute to the Unitary Charge will need to be addressed. This may be on a straight tonnage basis or on a composition of the waste supplied to the Provider. Payment liabilities will be drawn in such a way as to ensure that so far as possible individual authorities do not bear additional costs as a consequence of the actions or failures of other authorities.

Where the Service is deficient or there are incidences of deductions, there may be an abatement to the Unitary Charge or there may be increased costs due to the alternative costs of disposal. Deductions from payments may be incapable of individual attribution to any particular Authority and will need to be apportioned on an agreed basis across the payments. Areas where direct attribution can be made will need to be discussed and settled.

To the extent that defaults can arise in relation to a single Authority (as opposed to across all Authorities), the relevant triggers for remedies will need to be settled on an individual and aggregate basis.

10 **Liability to the Provider caused by one of the Authorities**

Actions taken by one Authority may give rise to a liability for that Authority or all other Authorities to the Provider. The extent of recompense to the Provider and/or to the other Authorities will need to be settled.

Some liabilities will need to be shared on a straight percentage of tonnage basis where they cannot be attributed to the actions of a single Authority. Others, for example, failure to grant access to a site by one Authority, are clearly the responsibility of a single Authority. Such a failure to give access may cause delay in the construction programme for all Authorities and the Provider may claim a Delay Event or Compensation Event. In addition to payments to be made to the Provider as a result of this, the other Authorities may incur additional costs. The Authority “at fault” would need to pay for these, as appropriate.

11 **TUPE**

Where staff are transferred under TUPE to the Provider by all Authorities, the costs will be blended into the Unitary Charge. The extent to which there should be any cross accounting between the Authorities to recognise the differences in terms and conditions between these staff will need to be considered. The Provider is likely to upgrade all staff transferred to the highest level to avoid claims of constructive dismissal and in order to comply with the Code on Two Tier Workforces. Consideration will need to be given to the staff on termination, partial termination or expiry of the Project Agreement.

12 **Insurance**

Insurance issues for each of the Authorities in respect of their liabilities to the Provider and/or each other will need to be considered in detail. It will be necessary to determine the handling and application of Insurance proceeds.

13 **Site risks**

Whether any risks associated with ground conditions or contamination that do not fall to be borne by the private sector fall to be borne by one or more Authorities will depend upon which ultimate waste solution is located at that Site and which Authority or Authorities propose to use that solution. Sharing of the liability for these issues will need to be addressed.

The Authorities may need to agree a mechanism which evaluates and moderates the impact of the final Site(s) for the ultimate waste solution(s) as between the Authorities.

Planning and Licensing are regulatory matters for each Authority. Additional and/or external costs associated with applications in respect of Sites will be Costs associated with the ultimate waste solution and will be allocated in accordance with Paragraph 4 above.

14 **Destination of assets on expiry or early termination**

The Authorities will need to agree between themselves the ultimate destination and ownership of assets on expiry or earlier termination of the Project. During the Project, appropriate land arrangements can be put in place. On termination or expiry, however, continued access to the facilities should be considered and planned. This is another area of potential complication where part of the Project could terminate early as opposed to termination of the whole Project. The Authorities will need to agree responsibility for the remediation of land after expiry or termination of the Project Agreement.

15 **Legislative change**

Any costs/risks associated with a change in law will be shared between the Authorities in proportions which accord with their relative tonnages of waste which are subject to the Project Agreement, and if more than one ultimate waste solution, then in the proportions which accord with their relevant tonnages of waste delivered to each solution proportionately according to the level of costs/risks brought about by the change in law in relation to each solution.

16 **Interfaces with Other Waste Projects:**

Consideration will need to be given to the interface between this Project and other residual waste projects across the Authorities outside the scope of this Agreement and associated timescales and risks. The Authorities will need to ensure that their commercial arrangements for waste collection align with the service under the Project Agreement

17 **Boiler Plate Clauses³**

Definitions and interpretation

Recitals

³ Authorities to insert boiler plate Clauses here.

Commencement and duration

Assignment

Entire agreement

Maladministration, Fraud and Anti corruption

Notices

Jurisdiction

Waiver

Third party rights

FoI/ EIR

Confidentiality and DPA

No agency/partnership (otherwise than under the agreement)

Severability

Force Majeure

Variation

18 **Step Down**

Agreement as to what level of detail should be included in terms of stepping down the rights and liabilities from the PA needs to be reached by the Authorities.

SCHEDULE PART 6 – FUNCTIONS AND DUTIES OF PERSONS IN KEY ROLES

Part 1 – Functions and Duties of the Project Owner

The Project Owner represents the Lead Authority and the participating authorities from the Clyde Valley Community Planning Partnership and has responsibility at a strategic level for the successful delivery of the project.

The Project Owner may need to have delegated authority in some areas to carry out functions as follows:

- provide direction and strategic leadership for the project and as such is accountable to the Lead Authority and the participating authorities from the Clyde Valley Community Planning Partnership
- in this capacity a key responsibility of the Project Owner will be to engage at a political level where this is necessary.
- The Project Owner's involvement in the project will be on a part time basis.
- The Project Owner's role should not be split or shared amongst a number of individuals.
- There must be no ambiguity about who is fulfilling the role of Project Owner.
- The Project Owner will ensure that the Lead Authority and the participating authorities from the Clyde Valley Community Planning Partnership receive regular reports on project progress and is alerted to issues that impact on Project timescales or milestones.
- The Project Owner is responsible for alerting the Lead Authority and the participating authorities from the Clyde Valley Community Planning Partnership if the Project is likely to be delayed or has other major difficulties, such as additional demands on finance.
- Notwithstanding the involvement of others at a senior level in the Project, the Project Owner retains personal responsibility for the success of the Project
- Chairperson and chairs critical decisions of the CVWMISG(Residual)
- Nominated Lead Officer of the Clyde Valley Community Planning Partnership
- Reports and communicates decisions of the CVWMISG(Residual) to the Clyde Valley Community Planning Partnership

Part 2 – Functions and Duties of the Project Sponsors

The Project Sponsors require to have delegated authority to carry out the following functions;

- Recognising the scale and complexity of this Project a Project Sponsor reports to the Project Owner.
- The Project Sponsor should be at Senior Executive level within the relevant Authorities.
- The Project Sponsor must be able to provide more direct input to the Project than can be expected of the Project Owner.
- The Project Sponsor should ensure that the Project is sufficiently resourced.
- The input of a Project Sponsor will be part time
- An important responsibility of a Project Sponsor will be to provide support to the Project Director whilst also supervising their effectiveness.
- It is not necessary for the Project Sponsors to be technically qualified, as he or she will be supported by a Project Director and the Project Leader (who will work full time on the Project).

Part 3 - Functions and Duties of Project Director

The Project Director requires to have delegated authority to carry out the following functions;

- Chair the RWPG
- The Project Director should bring the risk register to each meeting of the RWPG and the CVWMISG(Residual) with red risks highlighted along with proposed mitigating actions.
- The Project Director should provide a high level report on project progress to each CVWMISG(Residual) meeting. This report should clearly identify issues where decisions are required and those issues that are delaying progress on the Project.
- Supervise and oversee the Project Leader
- Ultimate responsibility for delivery of the Project to the CVWMISG(Residual)
- Be at all times be up to date with the issues being dealt with by the RWPG and each work stream
- Ensure administration and project management functions for all aspects of the RWPG meetings in advance and notes and an issues log should be issued by the second working day after the meeting.
- Establishing Officers Groups as required

Part 4 – Functions and Duties of Project Leader

The Project Owner and Sponsors, through the CVWMISG(Residual) should appoint a full time Project Leader and ensure that he or she has adequate financial and human resources to run the Project effectively.

The Project Leader requires to have delegated authority to carry out the following functions;

- The Project Leader has responsibility for driving the Project forward on a day to day basis and must therefore have a considerable degree of authority. He brings reports on project progress and issues requiring decisions to the CVWMISG(Residual) via the Project Director. He provides the Project with visible leadership.
- The scale and range of issues to be overcome for the successful delivery of this Project are such that the Project Leader must be a full time appointment and without responsibility for any other matters. He must be able to concentrate exclusively on the Project and with as little distraction from other issues as possible.
- The Project Leader is the senior individual working on the Project on a full time basis. As such his responsibilities are wide-ranging, complex and time consuming. He must have adequate support from a team of individuals working on the Project either on a full- time or part-time basis.
- The Project Leader shall deputise for the Project Director as and when required.
- The Project Leader will lead and supervise the Project Evaluation Team and all interaction with Bidders.
- Be at all times be up to date with the issues being dealt with by the RWPG and each work stream
- Liaise with the Authorities
- Ensuring Project activities are organised and conducted within the framework of governance and delivered on time, on budget and to agreed quality standards.
- Provide day to day management support to the Project Director on any issues resulting from the Project's activities.
- Coordinating external liaisons with partner organisations, current and potential stakeholders, current and potential funders, facilitators, contractors/consultants and networking contacts.
- Day to day management and coordination of workstreams and the Project Management Plan.
- Provide reports on each work stream for Project Director
- Development and maintenance of risk register
- Ensure staff within the RWPG have access to and receive appropriate management and direction, appropriate systems of communication and consultation
- Undertaking such delegated duties as may be decided by the CVWMISG(Residual) or Project Director.
- Collating and preparing full briefing notes for RWPG meetings

- Issue agendas for RWPG meetings in advance and notes and an issues log should be issued by the second working day after the meeting.

SCHEDULE PART 7

CVWMISG (Residual) Functions and Terms of Reference

- Reports to those members of the Clyde Valley Community Planning Partnership represented by the Authorities participating in the Project
- All decisions of the CVWMISG(Residual) will be by majority with each authority having one vote
- The CVWMISG(Residual) shall be entitled to make decisions which bind their respective Authorities as required under this Agreement
- The CVWMISG(Residual) makes decisions as required by this Agreement and decisions relating to procurement milestones as required by Schedule Part 1
- Any member shall be expected to send an alternative representative to meetings if they are unable to attend
- All decisions are expected to be made by all members present at meetings
- The Chairperson does not vote
- The CVWMISG (Residual) shall refer any matter on which they are unable to make a decision to those members of the Clyde Valley Community Planning Partnership who represent their organisations in accordance with the dispute resolution provisions in Clause 16
- The Chairperson will call meetings at times to be notified in advance and issue the agenda.
- In the event that a special meeting is required the Chairperson will notify the members as soon as possible of the date, time, location and reason for the special meeting
- The Chairperson shall be responsible for organising clerking and issuing all minutes of meetings on their behalf.
- Provides direction to the RWPG so that decisions are made in a timely manner to ensure deadlines are met

SCHEDULE PART 8

Communications Strategy

The Project Director and Project Leader will prepare a Communications Strategy within 4 weeks of the date of this Agreement which shall be submitted to the CVWMISG (Residual) for approval.

SCHEDULE PART 9 – PRO-RATED SHARE

Pro-Rated Share

The Authorities have agreed on the basis of tonnages that for the purposes of this Agreement all costs and expenses arising as a result of this Agreement shall (unless expressly stated otherwise) be pro-rated as follows:

East Dunbartonshire Council	16.78%
East Renfrewshire Council	10.71%
North Lanarkshire Council	50.10%
Renfrewshire Council	22.41%

NORTH AYRSHIRE COUNCIL

Agenda Item 16

19 June 2012

Cabinet

Subject:	Conservation Area Regeneration Scheme Funding
-----------------	--

Purpose:	To inform Members of the availability of Historic Scotland Conservation Area Regeneration Scheme funding and to seek approval to progress analysis of the potential for a funding bid for Kilbirnie.
-----------------	--

Recommendation:	That Cabinet approves preparation of a proposal for a Conservation Area Regeneration Scheme funding bid for Kilbirnie.
------------------------	--

1. Introduction

- 1.1 Historic Scotland announced in March that a new Conservation Area Regeneration Scheme (CARS) funding round will be open for applications until 31 August 2012. Grant funding may be awarded for various purposes related to the historic built environment within Conservation Areas such as making improvements to key buildings, providing small grants to private property owners, public realm works and the provision of training, education and skills.

2. Current Position

- 2.1 The new CARS funding round totals £10m and it is expected that funding awards will be made from a minimum of £500,000 to a maximum award to any single scheme of £2m. The scheme will run from 2013 until 2018.
- 2.2 The thirteen Conservation Areas within North Ayrshire have been assessed in terms of their potential for a successful CARS package. This has taken account of Historic Scotland guidance, the quality of the historic environment, opportunities for improvements to key buildings, potential partners and funding possibilities.

- 2.3 Historic Scotland has advised that it is unlikely that CARS funding would be awarded to a town already operating such a scheme and also that a geographical spread is desirable. Consequently, Irvine and Dregthorn are not considered to be realistic bids. Arran and Skelmorlie are unlikely to be priorities given that funding would not address issues of deprivation as measured by Scottish Government and the predominance of low density residential properties there would have a comparatively low impact on town centre regeneration issues.
- 2.4 Conservation Areas which therefore merited further investigation were West Kilbride, Dalry, Kilbirnie, Beith (Outstanding) and, Millport (Outstanding). Following appraisal of these against the Historic Scotland criteria (Appendix 1) it is considered that Kilbirnie represents the Conservation Area with the most potential for a viable Council led bid. Key considerations for Kilbirnie include the need for regeneration and investment in the built environment, NAC control of prominent historic buildings, the improvement of which would make a significant difference within a concentrated area, and its lack of any previous Historic Scotland investment.
- 2.5 A Kilbirnie CARS could include:
- Key building improvements at the Walker Hall and Knox Institute;
 - Public realm works at Garnock Street/Main Street;
 - A Small Grants Scheme facilitating reinstatement of properties' architectural details;
 - An extension of the recent shop front improvement scheme;
 - Potential redevelopment of the former Stoneyholm Mill buildings; and,
 - Training and education opportunities linked to the above.
- 2.6 A Conservation Area Assessment and Management Plan will be required to accompany any bid and this would be undertaken by specialist conservation consultants to provide a clear picture of the needs of the conservation area. Within this piece of work, key CARS projects would also be costed. It is anticipated that the bid will require match funding by the Council. Options for this will be developed.

- 2.7 In addition to the Kilbirnie bid, it is recognised that the Millport Outstanding Conservation Area has some potential to access funding given the residual quality of its built environment and the potential for regeneration, which would assist the local tourism economy and help to create and sustain jobs on the island. However, North Ayrshire Council has little ownership interest within the Conservation Area and there is a successful Community Development Organisation focused on local economic development. Therefore, in the case of Millport, it is recommended that officers assist in the analysis of the potential for a bid for funding by the Cumbrae Community Development Company. As with Kilbirnie, investigation of match funding sources and conservation area appraisal work would be required in advance of the bid deadline.

3. Proposals

- 3.1 That Cabinet approves preparation of a proposal for a Conservation Area Regeneration Scheme funding bid for Kilbirnie.

4. Implications

Financial Implications

- 4.1 The cost of the Conservation Area Assessment and Management Plan can be met from existing revenue budgets.
- 4.2 Prior to the submission of any funding bid in August, Members will be presented with the results of the above work and the financial implications of supporting a bid. Historic Scotland will expect match funding for any successful bid. It is anticipated that the minimum funding award made by Historic Scotland will be £500,000, implying a requirement for the Council to commit to a similar level of funding over the period to 2018. In preparing a bid, consideration will be given to the potential to utilise capital funding from planned investment within the Conservation Area.

Human Resource Implications

- 4.3 Conservation expertise will be necessary for much of the specialist work involved and this will require either specific involvement of a conservation consultant/officer or expertise being sought as part of contracting works to be undertaken.

Legal Implications

- 4.4 Should the bid be successful the Council would be required to enter into a legal agreement with Historic Scotland to ensure the terms and conditions of their funding are met.

Equality Implications

- 4.5 None.

Environmental Implications

- 4.6 The CARS would greatly improve the character and appearance of Kilbirnie Conservation Area and create a more vibrant and attractive town centre.

Implications for Key Priorities

- 4.7 The Council's Core Objective 1: Regenerating our communities and increasing employment is supported.

5. Consultations

- 5.1 Consultation has taken place with the Education and Skills, and Finance and Infrastructure Services.

6. Conclusion

- 6.1 It is considered that the proposed bid for funding for Kilbirnie represents the most favourable option in light of Historic Scotland's criteria for a CARS, and North Ayrshire Council's own interests in conservation led regeneration. Subject to approval of the report, officers will prepare analysis of the potential for a funding bid and report back to Members.



IAN T MACKAY
Solicitor to the Council

Reference :

For further information please contact Douglas Cameron, Planning Officer (Legal and Protective) on telephone number 01294 324672

Background Papers

Historic Scotland Guidance and Application Form

Scoring of Shortlisted Conservation Areas Against Historic Scotland Viability and Deliverability Criteria

Viability and Deliverability Criteria	West Kilbride (out of 3)		Kilbirnie		Dalry		Beith (Outstanding)		Millport (Outstanding)	
Quality of NAC Owned Priority Building(s) and Potential for Improvement	Kirktonhall Glen	2	Knox Institute, Walker Hall	3	Public Hall	2	HA flats at Cross	1	Historic Jetty	1
Quality of Privately Owned Priority Buildings and Potential for Improvement	Barony (largely complete)	1	Stoneyholm Mill	3	Royal Hotel, Kings Arms	3	Private units at The Cross	1	Garrison (largely complete)	1
Quality of Buildings in Conservation Area		1		2		2		3		3
Underinvestment from Historic Scotland or Scottish Ministers	Scottish Gov	1	Clear	3	Clear	3	THI	1	Previous investment in Garrison	1
Perception of Town Centre and Potential for Improvement		2		3		2		2		2
Local Regeneration Need		2		3		3		2		3

Evidence of Heritage Led Regeneration		3		2		2		3		3
Potential for take up of grants scheme		2		2		2		1		2
Positive Impact of Public Realm Works	Main Street, Kirkton Hall	3	Main Street, river corridor	3	Main Street	3	Main Street	3	Glasgow Street, promenade, pier	3
Funding Sources	TBC		TBC		TBC		TBC		TBC	
Response from Community Groups	TBC		TBC		TBC		TBC		TBC	
Total		17		24		22		17		19

NORTH AYRSHIRE COUNCIL

Agenda Item 17

19 June 2012

Cabinet

Subject: **Shared Services - Pan Ayrshire Regulatory Service**

Purpose: To present to Cabinet the Business Case for a Pan Ayrshire Regulatory Service to allow consideration of the costs and benefits.

Recommendation: That the Cabinet agrees that the case for a Pan Ayrshire Regulatory Service is not conclusive and that no further work should be undertaken.

1. Introduction

- 1.1 Since the spring of 2006, an agreed programme of work in respect of Regulatory Services, namely Building Standards, Environmental Health and Trading Standards has been progressed through the Shared Services arrangements, agreed by all three Ayrshire Councils.
- 1.2 In August 2009 The Executive of North Ayrshire Council agreed to the development of a Joint Ayrshire Regulatory Service which envisaged all three services managed by one lead Council. The Executive agreed that work be undertaken to develop further detail of the potential joint service and that a report be brought before The Executive setting out the arrangements required for the joint service including any potential financial implications.
- 1.3 A Shared Services Project Manager was appointed jointly by the three Ayrshire Councils in May 2011. The appointment is for an initial period of two years, and as a priority, the postholder was tasked with progressing work in relation to Pan Ayrshire Regulatory Services and a number of other areas.
- 1.4 Work has been progressed in respect of governance arrangements, operational structures and the financial model for the Shared Service. This work has now been completed and a Business and Implementation Plan has been finalised, and is available as a background paper to this report.

2. Current Position

PREPARATION OF BUSINESS AND IMPLEMENTATION PLAN

- 2.1 Since 2009 significant work has been undertaken by Senior Officers to develop proposals to create a shared service, and challenges in relation to structure, governance and ongoing reductions in Council budgets have been identified and overcome. With the support of the Shared Services Project Manager a Business and Implementation Plan has been developed and is now presented to Members for consideration.
- 2.2 It should be noted that support has also been provided by professionals from within Finance, Human Resources, ICT, Estates and Legal Services Teams across the three Councils, with work completed to support the development of the above document.
- 2.3 The overall objective of the PARS project, as identified within the Business and Implementation Plan, is to improve the resilience, efficiency and effectiveness of the services delivered by the three Ayrshire Councils in respect of Building Standards, Environmental Health and Trading Standards.
- 2.4 The following areas of work have been completed and are included within the Business and Implementation Plan.
- Overview of legal model and governance arrangements;
 - Review of financial arrangements;
 - Review of management structures;
 - Comparison of employees terms and conditions and accommodation;
 - Approach to development of new systems, processes and procedures;
 - Consideration of support services;
 - Consideration of ICT requirements; and
 - Evaluation of Risks associated with taking PARS forward.
- 2.5 A Pan Ayrshire Regulatory Service would involve approximately 160 employees, and based on estimated 2012-2013 figures, would have a combined budget of approximately £4.9M; however, this does not take account of an under-recovery in respect of income against budgets, which is estimated to be £0.908M in 2012-2013, across the three Councils. Work completed by the Finance Team supporting the project, has identified an estimated net cost outturn for 2012-2013 of £5.5M.

- 2.6 The Business Plan and argument for going forward is predicated on three main areas of work; management structures, financial arrangements and Service benefits. Each of the main areas of consideration is considered in turn below.

Structure

- 2.7 Various options in relation to the structure of a Pan Ayrshire Regulatory Service were considered by Senior Officers from across the three Councils and three service areas. The preferred structure, which has been assessed against the Guiding Principles adopted by both North Ayrshire and East Ayrshire councils, sets out a Head of Service with three managers reporting to them, each of whom will be responsible for one of Building Standards, Environmental Health and Trading Standards.
- 2.8 Based on the preferred structure, the number of management posts within the Service would be 10 fewer than at present, releasing net estimated savings of around £0.314M per annum. Rather than reduce the number of managers immediately, employees who were unsuccessful in gaining a management position would be retained to take forward specific pieces of work to enable full consolidation of the joint shared service over a 2 year period. As such, it is considered that those savings would only be achievable in the third year of the service.
- 2.9 The management structure and timetable to implement, referred to in the preceding paragraphs, was agreed by the three Councils, taking into account that each of the three Councils have taken different approaches to achieving efficiency savings within their respective organisations and the structures.

Financial Arrangements

- 2.10 The Business Plan illustrates the budget transfer based on 2012/2013 budgets for the three Councils as £4.902M. The Plan also estimates, based on the forecast 2012-13 outturn would be £5.496M based on the outturns for 2011-2012 income levels. In the current economic climate, income levels have fallen over the past three years and are forecast to fall further.
- 2.11 The Business Plan shows six funding options; all of which would require North Ayrshire Council to contribute additional funding in excess of the 2012-2013 budget provision, ranging from £0.172M to £0.604M.

- 2.12 As indicated in paragraph 2.8 above, management savings of £0.314M per annum would be achievable.
- 2.13 It is likely that there would be severance costs associated with the move to a shared service, with each Council bearing the costs for their own employees under their own workforce planning arrangements. Redundancy costs for the reduction in management posts alone could be as much as £0.600M, which would extend the time before cash savings are realised, to four years.
- 2.14 Additional IT costs have also been estimated; however, this would depend on decisions taken with regard to options for wide area networks, hardware and software, systems used and website development. The Business Plan indicates one off costs of £0.189M and £0.060M recurring revenue costs.

Service Benefits

- 2.15 Work was completed to identify service benefits in relation to economy, efficiency and effectiveness. A number of advantages have been identified if the services are to be brought together across Ayrshire; these are detailed within the attached document and include the following:
- The increased size of the organisation and the availability of a wide range of skills would provide a greater ability to balance workloads;
 - The ability to retain specialist expertise that may not be affordable on an individual Council basis.
 - There would be increased resilience to deal with unusual one off events arising in any one area;
 - Best practice and expertise currently employed in each area would be shared benefitting customers in the other areas;
 - Consistency of improved service delivery and service standards will raise satisfaction levels for individuals and businesses across Ayrshire.
- 2.16 It is recognised that many of the service benefits identified are not wholly dependent on the establishment of a shared service; services across each Council will still work together to share best practice and identify opportunities for improved service delivery.

GOVERNANCE

- 2.17 This project has required significant research into developing an understanding of requirements in relation to governance arrangements for shared services. Advice was sought from Queen's Counsel to understand the options and to come to a conclusion on a legally competent way forward.
- 2.18 The preferred option which emerged was for services to be managed by a lead authority and to establish an Ayrshire Shared Services Joint Committee, and this was the subject of a report to The Executive of North Ayrshire Council on 13 March 2012. Elected Members agreed to the establishment of the Joint Committee and asked the Chief Executive, with colleagues in North, East and South Ayrshire Councils to develop a detailed Minute of Agreement for the establishment of the Committee for consideration at a future meeting of The Council.

3. Proposals

- 3.1 Having regard to the financial arrangements as set out in paragraphs 2.9 to 2.14 and the future uncertainty of future income streams, there is no overwhelming financial case for the project to proceed.
- 3.2 As a consequence, it is proposed that no further work is undertaken on the project.

4. Implications

Financial Implications

- 4.1 There is no overwhelming financial incentive for the project to proceed, indeed in each of the six financial models presented, additional contributions would be required from at least two of the three Councils. Savings in relation to management structures will not be achievable until the end of year 2, and there are likely to be costs for each Council in relation to severance payments and ICT development which would extend the payback period further. In the current financial climate, it is particularly important that service changes are capable of delivering significant financial savings

- 4.2 The Cabinet is asked to note that, during 2011-2012, savings arising from the business change process amounting to £0.296M were achieved within Regulatory Services with further savings of £95,000 identified for 2012-2013. The savings will accrue from reductions in staff equating to 8.1 F.T.E.

Human Resource Implications

- 4.3 In the event the Shared Service project were to proceed, it would have been necessary to transfer employees from two of the three Councils to the Lead Authority. This would require adoption of the pay and conditions of service of the Lead Authority, which in some cases would be a diminution of existing remuneration packages.

Legal Implications

- 4.4 The legal implications of moving to a Shared Service model including set up of a Lead Authority have been resolved.
- 4.5 The Governance model for an Ayrshire Shared Services Joint Committee, was approved in principle by all three Councils in March 2012 subject to reports back with a detailed Minute of Agreement.

Equality Implications

- 4.6 There are no equality implications arising from the recommendation of the report.

Environmental Implications

- 4.7 There are no environmental implications arising from the recommendation for the report.

Implications for Key Priorities

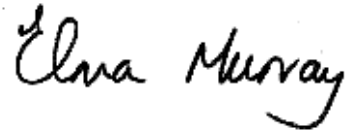
- 4.8 There are no implications for key priorities arising from the recommendations of the report.

5. Consultations

- 5.1 The Chief Executive, Lead Officers for Shared Services, Service Managers, trade unions and workforce numbers within the Regulatory Services across all three Councils have been consulted and have noted the report recommendation.

6. Conclusion

- 6.1 Notwithstanding the fact that Regulatory Services do not move into a Shared Service model, existing arrangements of joint working, collaboration and information sharing across the three Councils will continue.



ELMA MURRAY
Chief Executive

Reference : RJMM783

For further information please contact Murray Macfarlane, Head of Human Resources on telephone number 01294 324651

Background Papers

Report to The Executive of North Ayrshire Council - Shared Services: Regulatory Services, 18 August 2009

Report to North Ayrshire Council - Shared Services: Regulatory Services, 8 September 2010

Report to The Executive of North Ayrshire Council - Shared Services: Governance Arrangements, 13 March 2012

Pan Ayrshire Regulatory Services Business & Implementation Plan - 31 May 2012

NORTH AYRSHIRE COUNCIL

Agenda Item 18

19 June 2012

Cabinet

Subject: **Scottish Futures Trust - Hubco update**

Purpose: This report updates Members on progress of the Scottish Futures Trust (SFT) South West Territory Hub partnership, and highlights other SFT activity affecting North Ayrshire.

Recommendation: That the Cabinet notes the update on progress on the hub initiative and other related SFT activities in North Ayrshire.

1. Introduction

- 1.1 A detailed report providing the background and progress to develop the Hub Partnership in South West Scotland was provided to the Executive Committee on 10 April 2012. It was noted at that time that bids for enabling funding for projects had been submitted, and also initial arrangements were established for confirming the Council's participation in the Hub Partnership which will be brought to the Cabinet for consideration in August/September.
- 1.2 The procurement process for the South West Hubco was previously detailed and is nearing completion, with tenders due to be submitted on 19 June.
- 1.3 Bids for enabling fund for projects contained in the Territory delivery plan have been made for Garnock Campus and Montrose House. An initial bid had been made for the new leisure centre in Irvine but this was withdrawn due to timing of the project and the implementation of the Hubco.

2. Current Position

- 2.1 The project team has completed the competitive dialogue process and awaits the final tender submissions from the two bidders. These will be assessed during July.

2.2 Arrangements are being put in place to ensure a smooth and timeous contract approval and partnership agreement process in September, to allow the Hubco to go 'live' in October.

2.3 Bids for enabling funds have now been approved by SFT's national board and North Ayrshire Council has been offered the following enabling funding and the intention would be to accept these:-

	12/13 £	13/14 £	14/15 £	Total £
Garnock Academy	625,000	604,128	366,667	1,595,795
Montrose House	81,662	-	-	81,662

2.4 In addition, Irvine Bay Regeneration Company have been offered £442,273 for projects in Ardrossan (Medical Centre, Ailsa Road and Harbourside) over the period 2012-14. A total of £5.67m was available in the territory, of this £2.1m has been offered to projects within North Ayrshire.

2.5 A South West Hub Territory Draft Delivery Plan is being developed which sets out the priorities of the South West Hub Territory Participants for the use of services from South West Hubco.

2.6 The Delivery Plan includes details on the background to the Hub initiative and outlines the benefits that Partners should expect to gain from using the services of the Hubco. A summary of this Plan is attached as Appendix 1 and the full plan will be finalised nearer to start date of the Territory Partnership.

2.7 The SFT is currently active in other property areas within North Ayrshire and Council Officers are working in collaboration with South Ayrshire, North Lanarkshire and Dumfries and Galloway Councils to explore shared opportunities for the design and procurement process of school projects, including the Garnock Campus Project. Any benefits which might be realised will be reported to a future meeting.

- 2.8 The Cabinet Secretary for infrastructure and capital investment, Mr Alex Neill MSP, wrote to North Ayrshire Council on 21 May 2012 announcing that the Chief Executive of SFT was to take the lead for property asset management within the Scottish Cabinet, with the SFT team undertaking a programme management role, championing a more corporate and collaborative approach to property asset management across the public sector. The SFT will review asset management plans and provide an external challenge to public bodies on their strategic approach to property asset management and the savings that can be achieved. A more detailed report on this will be brought to Members at a future Cabinet meeting.

3. Proposals

- 3.1 It is proposed that the Cabinet notes the update on progress on the Hub initiative and other related SFT activities in North Ayrshire.
- 3.2 A further report seeking approval to award the Hubco contract and to confirm the Council's intention to participate in the Territory Partnership, will be brought to Cabinet in August/September 2012. It is expected that the Territory Partnership Agreement will be signed by all participants at an event on 18 October 2012.

4. Implications

Financial Implications

- 4.1 The enabling funds totalling £1,677,457 have been confirmed for schemes being developed by North Ayrshire Council.
- 4.2 The financial benefits of participating in the Hub initiative are outlined in the draft Hub Delivery Plan.

Human Resource Implications

- 4.3 None

Legal Implications

- 4.4 None

Equality Implications

- 4.5 None

Environmental Implications

- 4.6 None

Implications for Key Priorities

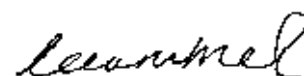
- 4.7 Participation in the SFT Hub initiative will deliver the Council's corporate plan priorities 15(b) "Public services are more efficient and effective"; and 15(c) partnership working has improved".

5. Consultations

- 5.1 The various strands of work with the SFT involve a wide range of consultation and collaboration with many other local public organisations. This is expected to continue and evolve into practical new ways of collaborative working.

6. Conclusion

- 6.1 There are a number of work areas where officers of North Ayrshire Council are actively engaged with the Scottish Futures Trust, as we develop long term development plans for the Council's property portfolio.
- 6.2 As this work evolves, clear governance arrangements will be developed to bring all activities together. Further consideration of this is awaited from SFT.
- 6.3 Further progress will be reported to Members in the Autumn 2012.



LAURA FRIEL
Corporate Director (Finance and Infrastructure)

Reference : AB/ap

For further information please contact Angus Bodie, Head of Infrastructure & Design Services (Finance and Infrastructure) on telephone number 01294 225211

Background Papers

None

Appendix 1

SWhub Territory Establishment and Use Briefing Report 28/5/12

1. Purpose of this Report

The purpose of this report is to provide information on the process by which SWhubco is formed and summarise how North Ayrshire Council would engage with SWhubco in the delivery of their projects, initially being identified as potentially Montrose House, Garnock Campus.

2. Background

The SWhubco procurement process has just completed the competitive dialogue phase and invitations to submit final tenders have now been issued to the two remaining bidders which are Alliance Community Partnerships and Wellspring Miller Sweett Partnership.

Alliance consist of :

Equitix Holdings Ltd (60%);
Davis Langdon LLP (10%);
Kier Scotland (10%);
John Graham Holdings Ltd (10%); and
Galliford Try plc (10%).

Wellspring consist of :

Apollo Capital Projects Limited (4%)
Community Solutions Investment Partners Limited (4%)
Cyril Sweett Group PLC (20%)
Miller Corporate Holdings Limited (40%); and
Morgan Sindall Group PLC (32%)

Tenders are due for return on 19/6/12 with Territory Programme Board approval of preferred bidder due on 3/8/12. Following this the preferred bidder will work with the Territory Programme Team to meet the programmed contract finalisation date of 18/10/12. On this date at Sheppard+Wedderburns offices in Glasgow an **authorised representative of North Ayrshire Council** will have the opportunity to sign the following documents on behalf of North Ayrshire Council.

- (i) The Territory Partnering Agreement - required in order to use SWhub
- (ii) The Shareholders Agreement (optional) – required if the participant wishes to become a shareholder.
- (iii) The Participants Agreement – required as contains the governance rules by which Participants shall operate as signatories to the Territory Partnering Agreement and, where applicable the Shareholders Agreement.

3. SWhubco Implementation

Following the 18/10/12 SWhubco will exist, be able to formally accept projects and full implementation will take place. It should be noted that both bidders have undertaken to commence project development 'at risk' at preferred bidder announcement (i.e. 3/8/12). This will allow Montrose House to proceed on programme.

Two key Board meetings will take place on a regular basis (initially monthly) as follows:-

Territory Partnering Board – attended by representatives of those Participants who have signed the Territory Partnering Agreement. North Ayrshire Council will require to provide a representative.

SWhubco Board – attended by the 5 No hubco directors and the appointed independent Chair. One director will be elected by participants who are shareholders to serve as the Public Sector Director. North Ayrshire Council may wish to put forward a representative for election.

A summary of the governance procedures and the role of the Territory Partnering Board and SWhubco Board are included in Appendix 1.

4. Financial Implications for North Ayrshire Council

Participating organisations will be responsible for the costs associated with their projects. This will include project fees, construction costs etc incurred through hubco as would normally be the case with other procurement methods. In addition those direct costs incurred directly by North Ayrshire Council (e.g. independent cost consultants to check hubco's proposals, legal and financial advice for DBFM projects) will also be incurred. North Ayrshire Council is reminded therefore to make due allowance within their overall project budgets for all project related costs.

5. Project Delivery Process

The pricing and value for money of hubco's proposals for New Projects is tested through the two-stage New Project Approval Process.

Prior to Stage 1

- The parties will agree the Comparator (and appropriate adjustments) for the Project Development Fee (i.e. hubco's total fee (costs plus any margin or return) for taking a project through the New Project Approval Process). This will determine the Project Development Fee Cap for each stage and the whole approval process. These caps cannot be exceeded.

Stage 1 (OBC)

- Within 4 weeks of a New Project Request (which triggers Stage 1 of the approval process) the parties agree the Comparators (and appropriate adjustments) for the individual elements of the New Project. The adjusted Comparators become caps for the relevant elements.
- In advance of the Stage 1 Submission, hubco must provide the Board with a draft Pricing Report analysing the proposed costs for the New Project against the adjusted Comparators and other benchmarking information from projects within and out with the Territory and within and out with the hub initiative.
- The draft Pricing Report must be prepared on an open book basis. In addition, the participant can require (or hubco can suggest) competitive tendering within the supply chain and/or market testing. The rationale for sharing a draft Pricing Report in advance of the Stage 1

Submission is that it allows an early opportunity to factor a competitive tender/market test exercise in to the approval process.

- Where a requirement for competitive tendering and/or market testing is identified after submission of a draft Pricing Report, hubco shall submit an updated draft reflecting the results of such exercise(s).
- Where the parties have agreed a Comparator (and therefore a cap) for an element which is then required to be Market Tested, the cap(s) will be dis-applied and the parties will have to accept the results of the Market Testing.
- The Project Development Fee Cap can be adjusted to take account of any Market Testing exercise that is required for elements for which Comparators exist (on the basis that it might be reasonable to assume that Market Testing will not be required for elements that have Comparators).
- The Stage 1 Submission must include a value for money assessment containing:
 - the Pricing Report;
 - an elemental cost plan; and
 - an indicative financial model or development amount analysis.

The value for money assessment must also explain how, in line with the relevant Method Statements, hubco's proposals demonstrate value for money and meet the relevant targets and commitments in the KPIs.

Stage 2 (FBC)

- This is essentially a repeat of the Stage 1 process, albeit with more certainty on the detail of the new project.
- The parties re-agree the Comparators (and appropriate adjustments) (more accurate/detailed information about the project may point to different/additional Comparators being relevant).
- In advance of the Stage 2 Submission hubco must provide further draft Pricing Reports (and the same process applies as per Stage 1 in relation to open book pricing, competitive tendering and market testing).
- The Stage 2 Submission must include an updated value for money assessment.

Appendix 2 contains a summary of the approval process to be followed in using SWhubco

Appendix 1

Corporate Governance

In terms of Corporate Governance of the hubco, the SWhub Territory Programme Board require to agree the following:

- a detailed proposal for establishment of the Territory Partnering Board
- the resources and organisation structure required to manage the Client organisation for hubco including the management and capacity support resources required by the public sector to interface with hubco
- the arrangements for ensuring the accountability and probity of hubco to the Territory Partnering Board.
- Appointment of a Public Sector Director to the SWhubco Board who will act in the best interests of hubco
- Appointment of a B Shareholders' Representative to represent the local public sector participant's interests as shareholders. Role normally undertaken by SWhub Territory Programme Director if agreed by participants representatives.

Territory Partnering Board

A Territory Partnering Board (TPB) will be established to provide strategic input into the long-term running of the SWhubco. In particular, the TPB will meet regularly (at least once every three months) to review performance and financial aspects, to approve each new edition of the Territory Delivery Plan, to give guidance and approval in respect of new project proposals, and to generally manage the provision of Partnering Services by hubco to the Participants.

Each Participant is required to appoint a representative on to the TPB who should be appropriately empowered to agree matters on behalf of the particular Participant. In addition, each Participant's Representative will act as the effective point of contact between hubco and the particular Participant.

Decisions of the TPB will be taken by majority vote subject to an affected Participant not being bound by a majority decision that its own representative has not supported by voting in favour.

A non-executive, non-voting, chairman will be appointed on an annual basis from amongst the Participants Representatives and the intention is that the Chairman will rotate annually among the different Participants Representatives.

Hubco Board

Hubco will be a private limited company governed by the Companies Act 2006. The shares will be allocated 60% to the private sector partner, 30% to the Participants and 10% to Scottish Futures Trust. Appendix 3 shows the SWhub shareholding allocation and the positioning of the Partnering, Shareholding and Participant Agreements.

The Board of Directors will be made up of three directors appointed by the successful bidder, one director appointed by Scottish Futures Trust and one director appointed by the local public sector investors (as a group). Each director will have one vote and except in respect of shareholder consent matters, decisions will be made by majority vote. Additionally, the directors will be required to appoint an independent, non-voting chair.

A number of matters are reserved for shareholder consent including revision to the hubco business plan, restructuring of hubco's debt and tendering for any additional business outside the scope of the Territory Delivery Plan. The matters reserved for shareholder consent require a majority of each class of shareholder to vote in favour. i.e. the private sector shareholder(s), SFT and a majority of the local

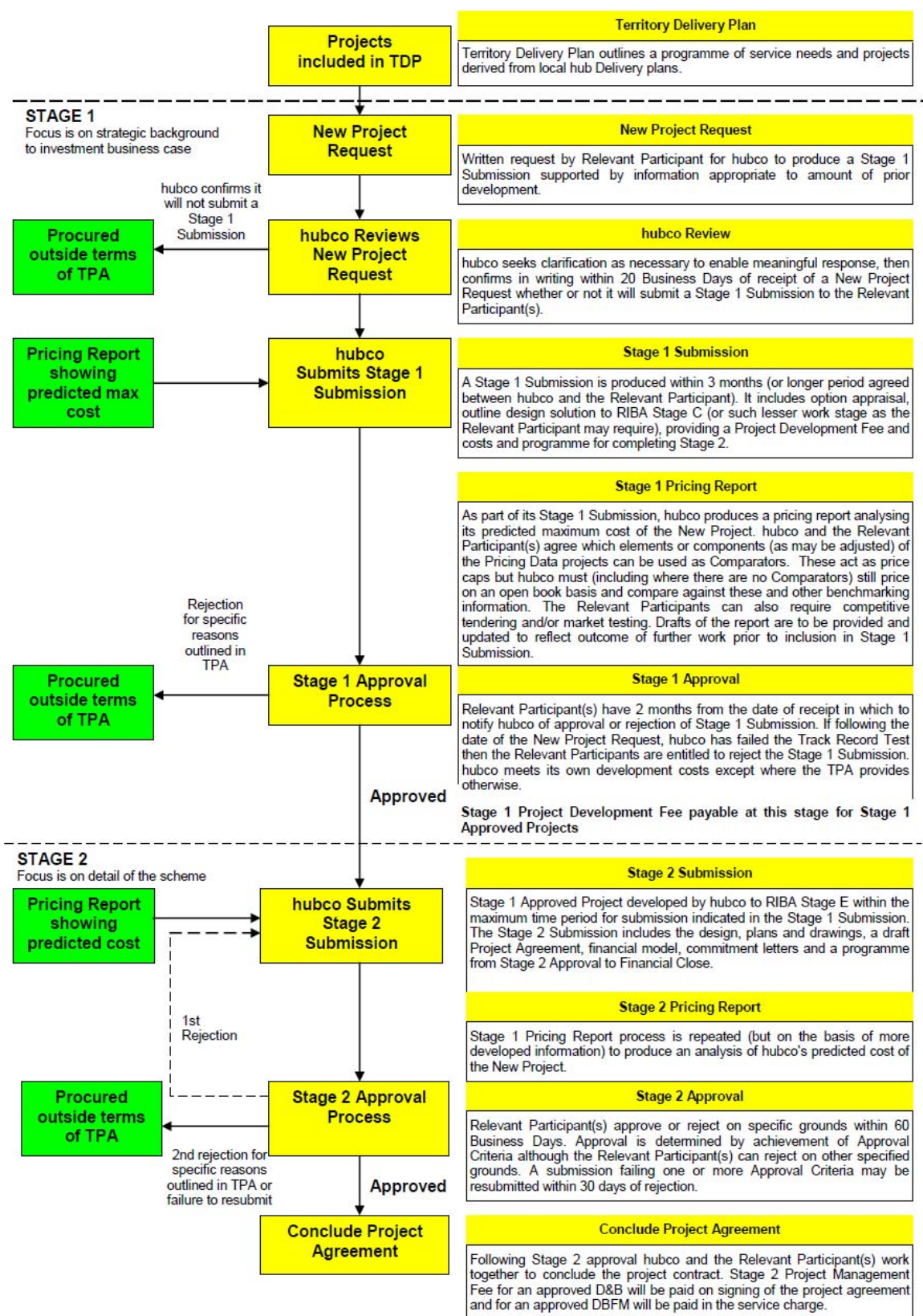
public sector shareholders must all vote in favour for any such resolution to be carried. The process for voting among B Shareholders (ie Participants) is set out in the Participants' Agreement.

The Shareholders Agreement provides for a Shareholders' Forum to be established (comprising all of the shareholders, plus the Chair of hubco), to meet twice a year. The role of the Shareholders' Forum will be to review:

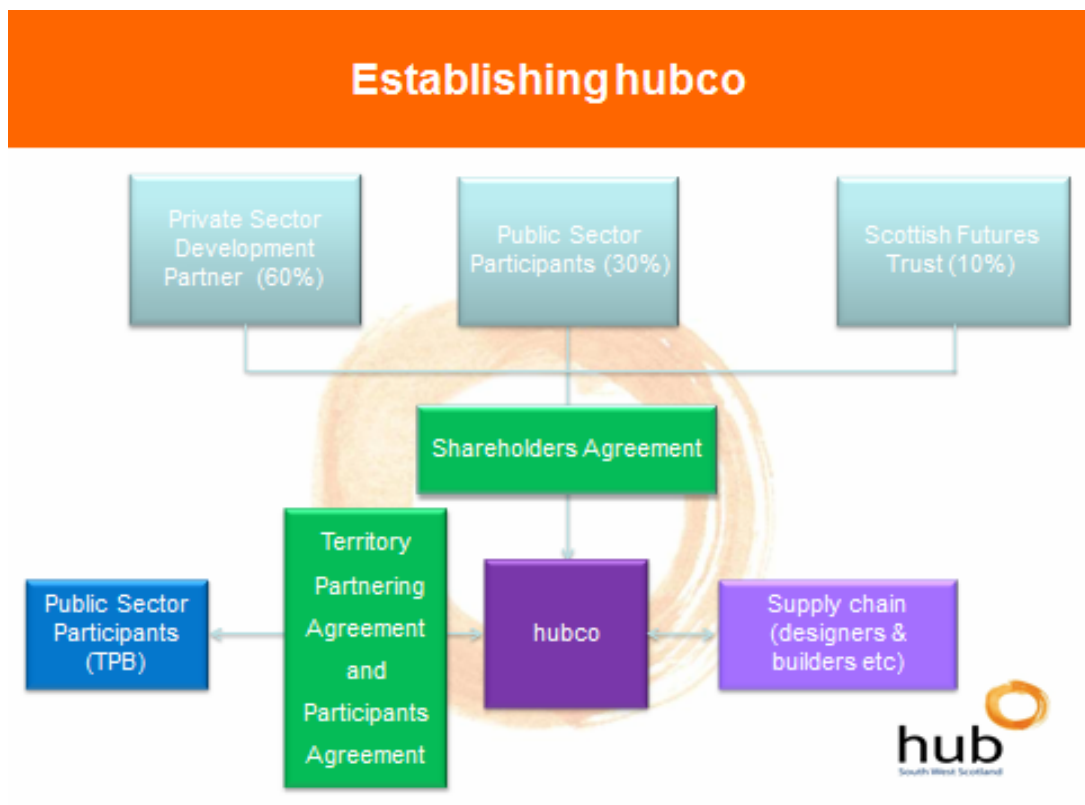
- the effectiveness of hubco in fulfilling its objects
- the past & present business activities of hubco
- the performance by all parties of their obligations under the SHA and the TPA
- the hubco board's response to any queries previously raised.

The Shareholders' Forum does not have any power to issue directions or instructions to the board, but the board must "carefully consider the conclusions of the Shareholders' Forum in formulating their plans for the Company".

Appendix 2



Appendix 3



NORTH AYRSHIRE COUNCIL

Agenda Item 19

19 June 2012

Cabinet

Subject:	Change Programme: Progress as at 31 May 2012
Purpose:	To provide an update in relation to the Change Programme.
Recommendation:	That the Cabinet notes continuing good progress of the Change Programme as at 31 May 2012.

1. Introduction

- 1.1 The Change Programme seeks to effect Council-wide transformational change to address unavoidable demographic and financial pressures. This mirrors the national public service reform programme established by the Scottish Government.
- 1.2 On 16 March 2011, the Council agreed that quarterly update reports should be submitted to the former Executive for information. On 13 September 2011, the Executive agreed to extend the Strategic Partner contract with iMPower for a further year, to 20 October 2012.
- 1.3 The Change Programme was one of the three initiatives which formed the Council's detailed submission to the European-wide "Levels of Excellence" programme, for which the Council was awarded "Committed to Excellence" status by Quality Scotland on 23 May. This reflects positively on the impact of the Change Programme and on the continuing development of the Council's change management capabilities.
- 1.4 This report provides an update on progress as at 31 May 2012.

2. Current Position

National Policy Developments

2.1 The Council's programme continues to be responsive to the national public service reform agenda:

- Community Planning – The Community Planning Board has a number of development days scheduled to discuss the impacts of the national review and to place community planning at the heart of the reform programme. A new Single Outcome Agreement for 2013/17 and the development of neighbourhood planning are key items on the agenda.
- Integration of Adult Health & Social Care – The Scottish Government's consultation document on the integration proposals was issued in May. A Members' induction session took place on 6 June and a consultation response will be drafted for the Cabinet's consideration in due course.
- Police and Fire & Rescue – A steering group has been established with colleagues from these services to oversee the work of the Shadow Police & Fire Committee, following the Council's decision to act as a "Pathfinder" within the Learning and Engagement Network.

Specific Programmes / Projects

Social Services and Health

2.2 The business case for the Social Service and Health change programme anticipates savings of £4.2million over three years. There are three strategic work streams, namely: Personalisation, Reshaping Care, and Service Access. The fourth, more tactical, work stream is Short Term Interventions.

The savings target for 2011/12 of £365k was achieved.

2.2.1 **Personalisation** –The Personalisation Pathfinder commenced in January 2012 and is providing a live controlled test of the Self-Directed Support policy, guidance, forms and Resource Allocation System (RAS) with 50 service users. The purpose of this exercise is to test the processes and procedures as well as to test the practical impact of the RAS on support plans and packages.

To date there are 56 service users who have agreed to take part in the Pathfinder. Of those 56 service users, 38 have begun the Pathfinder process and 10 have completed the RAS.

An extensive training and community engagement programme is being planned. A number of SDS presentations have been given locally to raise awareness of the changes that are imminent. The team has also been sharing best practice with presentations to national conferences.

Work is being undertaken with both internal and external providers to ensure internal services are ready to support Personalisation and external providers are in a position to meet changing service demands.

2.2.2 Reshaping Care – Telecare: The initial target of 300 additional service users benefitting from telecare technology, which supports them to live independently in their own homes, was achieved on schedule in May. The next target is to have increased the new users to 600, by March 2013.

2.2.3 Reshaping Care – Reablement: The re-ablement service is operational across all of the mainland, supporting hospital discharges, new referrals and requests for increased service. The re-ablement service on Arran is planned to commence late June / early July. Data analysis indicates 56% of people who received a re-ablement service in the last year required no ongoing care at home support.

2.2.4 Service Access – work is underway to scope out at what point in the service user journey different elements of support are available. The aim is to balance the depth of the assessment when a case presents whilst still being robust and ensuring that early warning signs of greater need are picked up.

The redesign of service access will include ensuring Occupational Therapists input into the assessment process, which should improve the service around the provision of aids and adaptations. Welfare rights / Money Matters is also being reviewed with a proposal to incorporate the service more directly within Service Access. This would tie into the principle of early intervention.

Education and Skills

2.3 The Education Business Case was approved by the former Education Executive of North Ayrshire Council on 25 October 2011. The work streams within the Business Case are identified below:

- Effective Use of the Education and Skills Estate
- Budget Devolution
- Review of Early Years Provision
- Review of Senior Phase and Post 16 Education

2.3.1 Effective Use of the Education and Skills Estate

A number of opportunities have been identified for further redevelopment of the primary school estate. Feasibility studies have been undertaken and resulted in a capital bid being approved as part of the Council's budget process, to allow any upgrades or enhancements to schools provision to be resourced in the future, pending Council decisions and the outcome of public consultation. A corresponding revenue efficiency would also be achieved as a result of the proposed changes. The next steps will be to seek Committee approval to go to public consultation on these proposals and subsequent engagement with key stakeholders.

In February, the Scottish Government invited all Councils to bid for Phase 3 of the 'Scotland's Schools for the Future' funding. Work is currently underway to develop a bid aligned with the business case. The CMT considered reports on the Scottish Government Phase 3 Investment Proposals and The School Estate Strategy. The Cabinet has subsequently started to consider these reports with the intention of a report being presented on June 19th on the Phase 3 proposal.

2.3.2 Cluster working and budget devolution.

In partnership with Education Scotland a pilot of cluster working is being implemented within the Ardrossan community. This involves the design, development and implementation of cluster planning and budget allocation. Progress includes:

- Schools within the cluster taking part in a pilot of "Class Movies".
- "Making the Shift Happen" consultations with groups of pupils from throughout the Cluster.
- Consultation event held with community organisations and other stakeholders on 23rd April.

- Discussions with the Social Enterprise Academy regarding training for schools.
- Validated Self Evaluation of process.
- Next steps include: Agreement of scope and parameters for the cluster pilot, including financial targets and filming of “Making the Shift happen” consultation.

2.3.3 Review of early years provision.

The Early Years Review Group has been established to examine all aspects of early education and childcare in North Ayrshire. The aim is to explore possible options and ensure appropriate and best value provision is available to service users. Accurate costs for provision are currently being established. Work is ongoing on:

- Costs for early years provision.
- Consultation with parents and partner providers on possible additional provision.
- Exploration of delivery models in other areas.

2.3.4 Review of senior phase and post 16 education – Progress includes:

- Secondary Headteachers have harmonised elements of the timetables across the senior schools. This has allowed the establishment of two local consortia hub: Greenwood, Irvine Royal and Kilwinning Academies and the three towns hub, Ardrossan, Auchenharvie and St Matthew's Academies. Arrangements are being finalised with Kilmarnock and James Watt College to ensure S5/6 pupils in the consortia schools are able to undertake vocational courses such as Digital media, Construction, Hairdressing and Early Education and Childcare. This will ensure that the skills centres are being utilised in session 2012-13.
- Virtual Learning Environment (VLE) equipment identified as meeting the needs of the pilot project has been purchased and delivered to the six secondary schools taking part in the pilot. It is anticipated that S6 pupils in Arran High School and Garnock Academies will be able to access lessons in Advanced Highers being delivered in other North Ayrshire schools.

- Training is being organised for staff involved in the pilot and a demonstration lesson arranged for the working group to facilitate more in depth planning of courses in readiness for delivery in 2012-13.
- Curricular frameworks for the senior phase have been developed by all secondary schools which meet the needs and context of their schools. As the senior phase develops, it is likely that the frameworks will evolve further.
- The Education Scotland deep status CFE audit confirmed the Council's preparedness to move forward with the new qualifications in 2012-13. Subject Network leaders are to be commended for their work in supporting colleagues' preparations for the third year of the broad general education and the first year of the new qualifications.

Bridgegate House

2.4.1 Work continues on the project to make Bridgegate House the main public face of the Council, relocating front facing functions to a customer services one-stop-shop. The Bridgegate programme represents a £9.3m investment, which will deliver significant benefits to customers and staff whilst contributing to the local economy and regeneration of Irvine town centre. Progress includes:

- Main Contractor appointed.
- Contract compliance officer appointed to monitor works on site (across town centre programme).
- Project Managers appointed to address business change elements.
- Temporary de-cant of Customer Contact Centre to Galt House.
- Temporary de-cant of Registration Services to Woodlands Centre.
- Completion of Communications Room (back-up data centre) giving business resilience to IT network for construction period and into the future.
- Next steps include: Contractor site establishment, de-cant of Social Services, and construction works underway.

2.4.2 Bridgegate House – **Agile Working**: As well as contributing to the regeneration of Irvine town centre, and improving the working environment for staff, the redevelopment is intended to facilitate mobile and agile working practices. This will contribute to delivering the Council's accommodation strategy and the transformation of our working practises and culture.

An initial review of the Council's ICT infrastructure is nearing completion. This will determine which agile working solutions can be deployed and supported, within the timescales of the Bridgegate office moves, and ensure any solutions are compatible with the longer term changes proposed to the infrastructure.

Consultation is ongoing with Heads of Service and Business Managers for the Services programmed to relocate to Bridgegate. The objective is to assess which staff are candidates for mobile and flexible practises and to set targets for occupancy. Next steps include:

- Finalising which staff will be based in Bridgegate and identifying candidates for any surplus space.
- Investigating our main business system suppliers and their solutions for mobile working.
- Completing a review of agile working initiatives undertaken elsewhere in the Council, to identify best practise and implement lessons learned.
- Documenting the proposed agile working practices to be deployed at the Council and identify any staff who can be early adopters of agile working.

2.4.3 Bridgegate House – **Customer Service Centre**: The redevelopment of Bridgegate House includes plans for a new 'One-Stop-Shop' Customer Service Centre (CSC), which is central to the Council's Customer Service Strategy. Progress includes:

- Agreeing the initial project plan and resourcing.
- Collation and cleansing of statistical data, relating to visitor numbers and current usage of meeting rooms.
- Next steps include: Analysis of statistical data to validate and refine the initial plans and workshops to define and review the CSC's business processes.

Altering Service Demand

- 2.5 To date, the focus of the Council's transformation efforts have been on identifying and implementing organisational, process, and system efficiencies. Although this has been key to addressing the immediate challenges, there is a limit to the extent that this approach can fully address the long term financial and demographic challenges faced by North Ayrshire.

They key to answering these long term challenges, whilst achieving better outcomes for our citizens, will be working with stakeholders to alter demand for services and to achieve early intervention and prevention.

The Council is currently seeking to appoint a Programme Manager to drive and co-ordinate efforts around early intervention and prevention for children and families.

Education and Skills, supported by our Strategic Partner, have successfully completed a proof of concept around Additional Support Needs (ASN) transport, some actions from which are now being taken forward. The next step is to complete a full scale pilot, most likely around waste and the environment where there are challenges that have historically been difficult to address through traditional approaches.

Transport

- 2.6 The Transport Business Case outlined the potential benefits of having a centralised transport hub, including enhanced planning, budgeting, scheduling, procurement, regulation compliance, and health and safety compliance.

Initial estimates of total savings were £1.2m over three years, along with a significant reduction in capital expenditure. This has been revised, with greater confidence, to estimated revenue cost savings of £830k after three years commencing in 2012/13 along with a significantly reduced capital plan for the period 2012 to 2016 to reflect reduced vehicle replacement whilst the hub is developed. Progress includes:

- Completion of the vehicle tracking system tender, with the associated paper and contract proposals to be ready for presentation to the Cabinet in the near future.

- Initial engagement with Trade Unions and a first quarterly staff communication issued.
- Next steps include: Producing a detailed project plan to implement the tracking solution and the development of policy and procedure for the use of the vehicle tracking solution."

Asset Management

- 2.7 In noting the six themed asset Management Plans and approving their associated action plans on 28 February 2012, the Executive enabled a major step forward in the management of the Council's many and varied assets.

As stated in the Property Asset Management Plan, the Council is working towards a "Corporate Landlord" approach to the management of its properties, with a particular focus on corporate ownership and a proactive approach to management of assets in line with the Council's Property Asset Management Plan. Following review, the scope of the initial proposal has been widened and a more holistic approach is being developed, supported by our Strategic Partner. Organisational design is due for completion by July 2012, with implementation by October 2012. Progress includes:

- Trade Unions and staff briefings to provide a high-level overview of the project.
- Creation of the cross service Strategic Property Group and agreement on its role, objectives, chair and attendees.

Supporting Services

- 2.8.1 The Council expends in the region of £24m per annum on "supporting services", ie, ICT, Human Resources, Accounting and Budgeting, Risk and Audit, Payroll, Procurement, Communications, Legal Services, Facilities Management, Asset Management, and Revenues and Benefits.

The review incorporates two work streams:

- Efficiency reviews: Ensuring these Services are as lean as possible.
- Benchmarking: Looking externally to compare the Council's costs and level of service to alternative delivery models.

- 2.8.2 The initial efficiency reviews are complete and the Services are now validating their findings and developing plans to implement required changes.
- 2.8.3 The first stage of the benchmarking process, consisting of a soft market testing exercise, is complete. This demonstrated the potential to compare all but two of these Services against the market, with Legal Services and Accounting and Budgeting dropping out of the process.
- 2.8.4 The second stage of the benchmarking process is now underway. This will compare the Council's anticipated 2013/14 cost base and service levels, incorporating all savings and improvements identified through the efficiency reviews, against alternative delivery models. To ensure the project is properly resourced, it is intended conduct the exercise in 3 separate tranches. The findings from the first tranche will be reported to the Cabinet in the Autumn. Progress includes:
- Preparation of detailed project and resource plans.
 - Commencement of the Tranche 1 workshops, to develop draft output specifications.
 - Staff and Trade Unions have received a high level briefing.
 - Next steps include: Completion of output specification workshops, progressing the necessary market research, and developing the evaluation criteria for the options appraisal.

Customer Services

- 2.9 The Customer Services Strategy was approved by the CMT on 27th March 2012 and will be presented to the Cabinet in due course. This is expected to significantly improve the customer experience, deliver sufficient savings to offset the costs of implementing the strategy, and provide additional recurring savings of £81k by 2015/16.

The key projects for 2012 are:

- Work on and around the **Council website**, including: Focusing on customers' top tasks to make information easier to access; Centralising ownership of the website, within Customer Services, to better drive implementation of strategy and continuous improvement; and a procurement process to identify and secure consultancy services that will enable the Council's ambitions to develop a single external website which is innovative, consistently and thoughtfully presented, easy to use and access, and compares well to the best in class.

- Implementation of a new **organisational structure** for Customer Services, devised in conjunction with our Strategic Partner to support the Council's Customer Service Strategy.
- A review of **Council telephone numbers** (including 0845, 0800 and geographic numbers), with a view to further consolidation. This is due to start in June and aims to make contacting the Council more straightforward for our residents.

3. **Proposals**

- 3.1 The Executive is asked to note the continuing good progress of the Change Programme as at 31 May 2012.

4. **Implications**

Financial Implications

- 4.1 Efficiencies generated from the Change Programme are considered as part of the Councils budget process. As business cases are reviewed, at key stages in projects, changes to anticipated savings and costs will be agreed with Finance and outlined in subsequent programme updates.
- 4.2 Details of the two funds (Change Fund and Service Redesign and Investment Fund) established to cover the costs of the Change Programme are included at Appendix A. and B."

Overall committed expenditure as at 31 May 2012 was £1.833m and £1.228m for the Change and Service Redesign Funds respectively, leaving uncommitted balances of £3.340m and £776k to fund future initiatives.

Human Resource Implications

- 4.3 Recruitment is underway for an Early Intervention and Prevention Programme Manager, as mentioned above in 2.5.1. This will enable progress of a decisive shift towards prevention, which is one Christie's "four pillars" of public service reform.

Legal Implications

- 4.4 There are no legal implications at this stage.

Equality Implications

- 4.5 There are no equality implications at this stage.

Environmental Implications

- 4.6 There are no environmental implications at this stage.

Implications for Key Priorities

- 4.7 The Change Programme is designed to support all four objectives of the Council Plan.

Community Benefit Implications

- 4.8 There are no Community Benefit implications at this stage.

5. Consultations

- 5.1 The Corporate Management Team continues to review and monitor overall progress, providing necessary sign-off, and resolving strategic issues.

6. Conclusion

- 6.1 Whilst maintaining its successful progress, the Council's Change Programme is moving to a pivotal stage, with two principal challenges:

- Realising the benefits and savings from the current portfolio of projects invested in, which will be essential in achieving the existing budgets.
- Progressing the early intervention and prevention agenda, to deliver better outcomes for North Ayrshire and address the longer term challenges faced by the Council.

- 6.2 To be successful, it is essential that the culture of the Council continues its own transformation, with an ever greater requirement for staff to...

- Focus on and work towards outcomes rather than outputs.
- Collaborate internally and externally, to work beyond silos and present citizens with a seamless experience.
- Act and behave 'entrepreneurially', being risk aware rather than risk averse and having the opportunity to implement creative solutions.

- 6.3 The Business Change Team is preparing a long term change programme to mitigate the risk inherent in this increasingly complex environment. This will be in the form of a comprehensive change map, outlining our key work streams, their key dependencies, and how they will continue to support the Council's ambitions.



ELMA MURRAY
Chief Executive

Reference :

For further information please contact Colin O'Kane, Change Programme Manager on telephone number 01294 324231

Background Papers

None

North Ayrshire Council

Change and Reform Programme

Purpose: To support the delivery of the Council's Change and Reform Agenda, by funding severance and other change-related expenditure.

	£'000	£'000	Note
Balance at 31 March 2011		5.173	
Transactions during year:			
Social Services business case - short term interventions age 16-65	(0.232)		
Business Analyst's salary	(0.025)		
Programme Manager's Salary	(0.003)		
Contribution to Shared Services Development Fund	(0.066)		
Payments to iMPOWER	(0.603)		
Severance costs	(1.726)		
Strengthening of Corporate Procurement	(0.078)		
Funded from 2011/12 revenue budget	2.733	0	
Balance at 31 March 2012		<u>5.173</u>	
Commitments during 2012-13			
Change Programme team - additional resources	(0.450)		
iMPOWER Work Package - cover for L Duncan & vacant PMs	(0.032)		
Education & Skills - additional resources	(0.071)		
Transport Business Case - additional resources	(0.052)		
Social Services & Health - additional resources:			
Programme & Project Management	(0.263)		
ICT Support	(0.271)		
Reshaping Care	(0.046)		
Short Term Interventions	(0.049)		
Overhead Costs	(0.042)		
FM Service Change	(0.137)		
Payments to iMPOWER	(0.400)		
Energy from Council Estate - Feasibility Study	(0.020)		
		<u>(1.833)</u>	
Estimated Uncommitted Balance at 31 March 2013		<u><u>3.340</u></u>	

North Ayrshire Council

Service Redesign & Investment

Purpose: To support the delivery of the Council's Change and Reform Agenda, by funding costs incurred as services are redesigned and investment is required.

	£'000	£'000	Note
Balance at 31 March 2011		2.000	
Transactions during year:		-	
Balance at 31 March 2012		<u>2.000</u>	
Commitments during 2012-13			
Streetscene ICT	(0.150)		
Waste Management ICT System	(0.070)		
Social Services IT Requirements:			
Licences & Support	(0.077)		
OLM Consultancy	(0.025)		
Care at Home System	(0.271)		
Assistive Technology Equipment	(0.240)		
Customer Services IT Requirements	(0.311)		1
Vehicle Tracking Systems	(0.082)		
		<u>(1.226)</u>	
Estimated Uncommitted Balance at 31 March 2013		<u><u>0.775</u></u>	2

Notes

- 1 Uncommitted estimate: Subject to business case.
All the Business Cases are currently being further reviewed to provide an
- 2 updated position on anticipated costs.

NORTH AYRSHIRE COUNCIL

Agenda Item 20

19 June 2012

Cabinet

Subject: **Welfare Reform Action Plan and Baseline Indicators**

Purpose: To advise the Cabinet of the Welfare Reform action plan and baseline indicators.

Recommendation: That the Cabinet notes the Welfare Reform action plan and the baseline indicators, as set out at Appendices 1 and 2.

1. Introduction

- 1.1 The Welfare Reform Act 2012 contains a range of welfare reforms that have significant consequences for the local wider community, all benefit claimants and Council Services and strategies.
- 1.2 Some reforms were implemented in 2011 under separate regulations and other reforms are now being phased in over the period 2012 to 2017.
- 1.3 In recognition of the significant impact of the new legislation, a cross service Welfare Reform Working Group was established in February 2012. The role and remit of the group was approved by the Executive on 28 February 2012.
- 1.4 One of the first tasks of the Welfare Reform Working Group was to develop an action plan and to collate relevant baseline indicators.

2. Current Position

- 2.1 The Welfare Reform Working Group has met monthly since February 2012.
- 2.2 The working group has developed an action plan to respond to each of the welfare reforms. The action plan contains details of the 13 welfare reforms to be implemented, their possible impact, the action to be taken, the person responsible for leading that action, the date the action will be taken and the target date for completion.

- 2.3 There are also 6 overarching actions to be taken forward.
- 2.4 The working group has also compiled a set of baseline indicators that will be used to measure and track the reforms and identify any trends that are emerging.
- 2.5 The indicators will help the working group assess the impact a reform may have had on an individual or a household and the delivery of Council Services.
- 2.6 The action plan and baseline indicators are set out at appendices 1 and 2 respectively. These are working documents which will be updated as the reform progresses.
- 2.7 The Cabinet will receive quarterly updates on the progress made against the action plan.

3. Proposals

- 3.1 That the Cabinet notes the Welfare Reform action plan and the baseline indicators, as set out at Appendices 1 and 2.

4. Implications

Financial Implications

- 4.1 The Council set its budget on 1 February 2012 for 2012/13 and noted the anticipated financial position for 2013/14 and 2014/15. Indicative financial pressures of £1.4m were identified as a consequence of the cessation of Council Tax benefit, and a further funding pressure of £1.8m was identified in relation to wider welfare reform in both 2013/14 and 2014/15. The welfare reform working group may identify further spending pressures as the reforms are introduced and the action plan implemented. The extent of these costs is unknown at present.

Human Resource Implications

- 4.2 The welfare reform action plan involves a range of Council Services and additional resource may be required to implement the actions. The level of resource required cannot be quantified at this stage.

Legal Implications

- 4.3 None

Equality Implications

- 4.4 None

Environmental Implications

- 4.5 None

Implications for Key Priorities

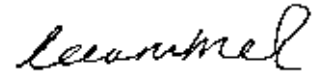
- 4.6 2a1 Percentage of working age population in employment.
- 2a2 Percentage of working age population claiming key benefits.
- 3b1 Number of young people moving into work or further education through training programmes.
- 3b2 Number of Economic Development clients moving into work.
- 3b3 Percentage of Economic Development clients moving into work.
- 4b1 Percentage of school leavers going into employment, education or training.
- 7b2 Percentage of children living in households that are dependent on out of work benefits or Child Tax Credit.

5. Consultations

- 5.1 All members of the Welfare Reform Working Group were consulted on the action plan and baseline indicators. The Extended Corporate Management Team agreed the action plan and baseline indicators at its meeting of 30 May 2012.

6. Conclusion

- 6.1 The welfare reform action plan and baseline indicators will ensure that the Council is best placed to respond to the reforms contained in the Welfare Reform Act 2012.



LAURA FRIEL
Corporate Director (Finance and Infrastructure)

Reference : SH

For further information please contact Stephen Humphries Chief Revenues & Benefits Officer (Finance and Infrastructure) on telephone number 01294 324527

Background Papers

None

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
1	April 2010 to April 2014 Migration of Incapacity Benefit to Employment Support Allowance (ESA)	Increase of the number of unemployed North Ayrshire residents who are actively seeking work. Current figures show 29 claimants for every vacancy in Jobcentre Plus. Additional resources required to support those with additional barriers to employment.	Review of current Employability activity to assess fit with local labour market needs	Andy Lee	1 st April 2012	31 st March 2013	
			Work with Work Programme providers to ensure support to this group is provided and enhances existing provision	Andy Lee	1 st April 2012		
			Examine the availability of additional targeted resources to support this target group	Andy Lee	1 st April 2012		
			Ensure the pipeline approach adopted by NAC offers a supported pathway into sustainable employment	Andy Lee	1 st April 2012		

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
2	<p>The Local Housing Allowance will be:</p> <ul style="list-style-type: none"> calculated using a 30th percentile instead of a median 50th percentile capped at the 4 bedroom rate; and £15 excess ends <p>Claimants will receive up to 9 months transitional protection before the change takes effect. LHA rates for 2012-13 will be frozen and then uprated by the Consumer Price Index.</p>	<p>The LHA rates at the 30th percentile are lower than the 50th percentile therefore claimants will receive less LHA once their transitional protection ends.</p> <p>The gap between the rent charged and benefit paid will increase and this may increase rent arrears or result in the tenant having to find alternative accommodation or even become homeless.</p> <p>There may be an increase in discretionary housing payment applications to bridge the gap between the rent charged and benefit paid.</p>	Identify the number of claimants who have had their LHA reduced as a result of the change and the amount of benefit that has been lost.	Linda Walker	Jan 2012		
			Monitor the number of discretionary housing payment applications and safeguard applications received from private tenants as a result of the changes.	Linda Walker	1 April 2012		
			Work with Housing Services Homelessness Service and monitor the impact the LHA changes are having on the number of private tenants reporting as homeless.	Linda Walker Janeine Barrett	1 April 2012		
			Work with landlords through the landlord forum and the landlord working group to encourage a reduction in rent charges to sustain tenancies.	Linda Walker	1 April 2012		
			Communicate changes to tenants and maintain website	Linda Walker	1 April 2012		Article in Mar 2012 Tenants Newsletter

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
3	January 2012 Shared accommodation Rates A single person aged under 35 living in private rented accommodation will have their Local Housing Allowance calculated using a shared bedroom rate instead of a 1 bedroom rate. There are a number of exemptions from the shared room rate.	The shared accommodation rate for Local Housing Allowance calculation purposes is £65.00 compared to the one bedroom rate of £80.77, a reduction of £15.77 per week (April 2012 rates).	Identify the number of single people aged under 35 affected by this change and the amount of benefit that has been lost.	Linda Walker	Jan 2012		
		This change will reduce the benefit of single people under the age of 35 and increase their rent charges. This may result in rent arrears for landlords and could increase levels of homelessness.	Notify all single people affected of the change and how it impacts on them and what action they can take. Update website to keep tenants up to date with the change.	Linda Walker	Jan 2012		
		The number of safeguard applications may increase resulting in beneficial direct payments made to landlords.	Work with Housing Services and RSL's to identify the homeless hostels in the area and provide a list of under 35 year olds to cross check to records to identify any exemption cases. Consider new work procedures to identify new exemption cases as early as possible.	Linda Walker Janeine Barrett	Jan 2012		

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
4	1 April 2013 Benefit cap The total amount a household can receive in state benefit has been capped at £500 per week for couple and lone parent households and £350 per week for single person households where no children are present. Exclusions do apply. The cap will be administered by the Council until Universal Credit is introduced in October 2013.	The DWP has notified the Council that there are 187 individuals in North Ayrshire affected by the cap. The DWP will be writing to all households concerned. The DWP will provide the Council with regular scans of households affected by the cap. Those households to be capped will have their housing benefit reduced down to the cap. This will increase the amount of rent for the household and may increase rent arrears. The cap has serious implications for the provision of temporary accommodation by Housing Services.	Identify from the DWP scans the number of households affected by the cap in the social and private rented sector and the amount of weekly benefit that will be lost. Maintain baseline indicators.	Linda Walker	May 2012	Now Integrated into normal business until October 2013	First DWP scan received May 2012
			Benefits Service to work with Housing Services on the implications for tenants of temporary accommodation and council housing.	Linda Walker Janeine Barrett	June 2012	August 2012	
			Benefits to work with RSL's and Private Landlords on the implications of the cap and communicate with the households concerned.				
			Agree procedures for notification of future capped households. Maintain the website to provide households with as much information as possible.	Linda Walker	Sept 2012	Dec 2012	

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
5	<p>Discretionary Housing Payment funding increased.</p> <p>The Council's allocation for 2012-13 is £95,074. The Council has the discretion to increase this allocation by up to 2.5 times using its own resources provided it is in the interests of the council tax taxpayer. This would increase the funding to £237,685 with £142,611 to be funded by the Council if approved. This is not budgeted for.</p>	<p>The discretionary housing payment provides a temporary solution to claimants to cover part of their housing or council tax costs.</p> <p>This is a limited fund and will only assist in short term solutions.</p> <p>Demand may exceed supply once all the welfare reforms have been implemented.</p> <p>If the Council does not spend close to the £95,074 then it will lose funding in 2013-14 therefore it is important to provide as much support as possible.</p>	Give consideration to how the additional DHP funding will be used and amend the policy.	Stephen Humphries Welfare Reform Working Group	May 2012	Aug 2012	
			Council to approve the policy and to consider if it wants to use its discretion to increase the level of funding available for discretionary housing payments by up to 2.5 times.	Stephen Humphries / Linda Walker	Aug 2012	Sept 2012	

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
6	<p>April 2011 – April 2014</p> <p>Non-dependant deductions</p> <p>Staged increase in the rate of non dependant deductions used in the calculation of benefit.</p> <p>A non dependant is an adult living in the household of people claiming income related benefits who should contribute to the household costs of the accommodation where they live.</p> <p>Standard deductions apply based on the age and financial circumstances of the non-dependant.</p>	<p>At present 1,825 claimants attract a deduction for combined housing benefit and council tax benefit with 406 for council tax benefit only.</p> <p>938 council tenant HB claims attract a deduction and 481 private rented.</p> <p>The higher the non dependant deduction the less benefit that is awarded.</p> <p>This reform may result in an increase in rent arrears and an increase in homeless presentations due to family tensions.</p> <p>May also result in increased demand on the council's housing waiting list as non dependant choose to leave the household due to increased charges.</p>	Produce baseline information of the number of claims with non-dependant in the household who may be affected by this change.	Marianne McManus/ Linda Walker	April 2012	April 2012	

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
7	April 2013 Reduction in Housing Benefit due to under occupation for social housing tenants The amount of weekly Housing Benefit is to be reduced by 14% for working age claimants where there is one extra bedroom or 25% for two or more extra bedrooms. A size criterion is being introduced into the calculation of housing benefit for working age social housing tenants (aged under 61). The size criteria	Will also affect <ul style="list-style-type: none"> Separated parents who share the care of their children and who may have been allocated an extra bedroom to reflect this. Benefit rules mean that there must be a designated 'main carer' for children, who receives the extra benefit Couples who use their 'spare' bedroom when recovering from an illness or operation Foster carers because foster children are not counted as part of the household for benefit purposes Parents whose children visit but are not part of the household Disabled people including people living in adapted or 	Await further Government details regarding the size criteria. Regulations, expected to be published around May 2012.	Linda Walker Marianne McManus	May 2012		
			Identify household composition for council tenants on benefit and compare to the bedroom criteria.	Linda Walker Marianne McManus	May 2012	June 2012	
			Consider if the common housing register can provide information relating to the household composition for all housing associations.	Linda Walker/ Marianne McManus	July 2012	July 2012	
			Meet all Housing Associations to discuss household composition for their stock, how to capture this data and load it into the benefit system and how to manage the ongoing process.	Linda Walker Marianne McManus	July 2012	Aug 2012	
			Discuss with the Benefits Service how new claims for council tenants and changes to household composition will be managed in the future.	Linda Walker Marianne McManus	July 2012	July 2012	

North Ayrshire Council - Welfare reform working group – work plan

	<p>will allow one bedroom for:</p> <ul style="list-style-type: none"> • Each adult couple • A single person • Any 2 children under 10 • Two children of the same gender 10 to 15 • Any other child <p>A disabled tenant or partner with a non-resident overnight carer will be allowed an extra bedroom.</p>	<p>specialty designed properties.</p> <p>This reform may result in the movement of council and RSL tenants to smaller accommodation in the social or private rented sectors.</p> <p>There will be an increased demand for discretionary housing payments.</p> <p>This reform will mean housing providers will need to collect more rent from more tenants for example a person previously on maximum benefit and this may result in an increase in rent arrears and legal action against tenants and ultimately evictions.</p>	Consider if household composition for council tenants not on benefit needs to be / can be captured on the housing system for future reference.	Linda Walker Marianne McManus	July 2012	July 2012	
			Produce baseline data relating to the number of Council and RSL tenants on benefit affected by the change and estimate how much benefit may be lost due to extra bedrooms.	Linda Walker Marianne McManus	July 2012	July 2012	
			Use the baseline data to consider the potential movement of households from social housing to private rented accommodation and work with landlords to minimise impact.	Marianne McManus Linda Walker RSLs	August 2012	Sept 2012	
			Review the Discretionary Housing Payment Policy in line with under occupation findings. DHP ring fenced for disabled people and foster carers and obtain executive approval.	Marianne McManus Linda Walker Stephen Humphries	Sept 2012	Oct 2012	
			Review impact on Arrears Policy	Marianne McManus Linda Walker	Sept 2012	Sept 2012	
			Review impact on Lodger Policy	Marianne McManus	Nov 2012	Nov 2012	

North Ayrshire Council - Welfare reform working group – work plan

			Review impact on Allocation Policy	Carol Nelson	Dec 2012	Dec 2012	
			Review impact of changes on Housing Business Plan	Marianne McManus & Business Planning Working Group	July 2012	Dec 2012	

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
8	April 2013 Social Fund Payment of Community Care Grants and Crisis Loans has been devolved from the DWP to the Scottish Government. The Scottish Government is responsible for determining and funding the replacement scheme. Councils' will administer the replacement scheme and funding is expected to be £24m for Scotland.	Demand for a grant may exceed funding and there may be an increase in appeals for payments. The Council's resource may need to increase to administer a grant scheme. Assessment of the Service design requirements will be required in relation to new responsibilities and activities Decisions required by the Council on the administration of community care grants and crisis loans. A new software system may be required to administer community care grants and crisis loans.	Compile baseline details of the number of applications made, accepted, rejected and appealed for community care grants and crisis loans in the North Ayrshire area.	Stephen Humphries	May 2012		
			Contact Social Services and Housing Services to identify what the current level of interaction is with people who receive community care grants and crisis loans and to develop corporately how a new scheme may be delivered.	Stephen Humphries	June 2012		
			Assess the resource implications and options for service delivery.	Stephen Humphries	TBC		
			Assess and make proposals on service design options for a local Social Fund scheme that meets the needs of the vulnerable claimants and obtain Cabinet approval.	Stephen Humphries	June 2012	Jan 2013	
			Implement local Social Fund scheme	Stephen Humphries	1 April 2013		

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
9	April 2013						
	Introduction of Personal independence payment (PIP) – replacement for disability living allowance	New claimants aged 16 to 65 will claim PIP under the new rules – many will be unaware of rules and claims process. Expectation that fewer awards / lower awards will be made. 20% reduction in spending anticipated and impact on other “trigger” benefits. May lead to increase in appeals	Awareness raising and information for appropriate local authority staff and partners – Health, advice agencies, frontline disability services, etc.	Isobel Kelly	Sept 2012 if regs available	April 2013	
	April 2013 to 2016 Migration of existing claims.		Provide information, advice and support including appeals to vulnerable / all existing claimants’ on migration process, on line claim process and new rules and impact on trigger benefits.	Isobel Kelly	Sept 2012	March 2013	
	October 2013 – New claims for PIP	New qualifying period and points based assessment may delay award or reduce chance of success.	Research general rules of entitlement and the assessment / scoring framework and provide training for advice staff.	Isobel Kelly	Sept 2012	Ongoing	
	2016 Move from DLA to PIP	This will impact on 16 to 24 year olds with special circumstances and changing educational / training arrangements for 16+ and those with special needs. It can be difficult for young people and families to access information about transition and how to challenge assessment.	Raise general awareness by targeting – stroke unit, Social Services care assessors / managers, Macmillan services, and health colleagues. Engage with Education / Health and Social Services staff who support young people with disability.	Isobel Kelly Laura Cook	Sept 2012 April 2015	 March 2016	

North Ayrshire Council - Welfare reform working group – work plan

			Ensure early information about transition and predictability of future entitlement, including other benefits which are related to disability entitlement.	Isobel Kelly	April 2015	March 2016	
--	--	--	---	--------------	------------	------------	--

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
10	April 2013 Single Fraud Investigation Service The DWP is setting up a UK single fraud investigation service (SFIS). This will combine the fraud activity currently carried out by the DWP, Local Authorities and HMRC. The start date of the SFIS is 1 April 2013 and LA investigation staff will remain employed by the Council and operate under SFIS powers until the situation is reviewed in 2015.	The creation of a single fraud investigation service (SFIS) will harmonise the investigation of benefit fraud under the one organisation. The SFIS will change the responsibilities and the powers of the Council's benefit investigation team from 1 April 2013. The amount of DWP funding to be provided to the Council to operate under SFIS powers is unknown. The future of the Council's fraud investigation service is unknown and this will impact on staff resources.	Keep the benefits investigation team fully informed of any changes.	Stephen Humphries	March 2012	April 2015	
			Revise the policies and procedures of the benefits investigation team once the SFIS powers and access to software systems are known.	Stephen Humphries	Once DWP provide regs and guidance	April 2013	
			Assess the impact the funding provided by the DWP for operating the SFIS will have on the current level of resource involved in benefit investigations.	Stephen Humphries	Once DWP confirm the funding	April 2013	
			Arrange for the training of the benefits investigation staff on SFIS powers with the DWP.	Stephen Humphries	April 2012	April 2013	

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer	Start date	Completion date	Progress
11	October 2013 to April 2017 Universal Credit Housing Benefit will be abolished from around October 2013. New claims and changes in circumstance will migrate to Universal Credit. Universal Credit will combine Income Support, Jobseekers Allowance, Employment Support Allowance and Working Tax Credit and Child Tax Credit for working age claimants. Universal Credit will include a housing element to cover rent charges and it will be paid	The Council has an important role to play during the migration period to Universal Credit by shifting claimants to on-line claims. The level of funding for this is currently unknown. Direct payment of Universal Credit will increase rent arrears. The migration of benefit claims will impact on the staffing resources required to administer benefit and the financial funding received by the Council.	Review potential impact of Housing Revenue Account Business Plan:- <ul style="list-style-type: none"> • Meeting SHQS • Rent Restructure Council House Building 	Marianne McManus/ Business Plan Working group	Oct 2012	April 2017	
			Give consideration to the resources, organisational structure and access points required to underpin the delivery of the Universal Credit migration role and the take-up of electronic claims for example libraries. Including a review of resource requirements needed to reflect growth in tenants receiving Universal Credit.	Stephen Humphries	April 2013	October 2013	
			Introduce a new organisational structure into Benefits to meet the requirements of the new service.	Stephen Humphries	April 2013	September 2013	

North Ayrshire Council - Welfare reform working group – work plan

	direct to the claimant. Pension Credit will also include a housing element.		Benefit Service to manage the migration of Housing Benefit claims to the DWP from October 2013 onwards.	Stephen Humphries	August 2013	April 2017	Staff registered for PINS training
--	--	--	---	-------------------	-------------	------------	------------------------------------

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer			
12	<p>April 2013 and October 2013</p> <p>Passported Benefit</p> <p>The introduction of Personal Independence Payment from 1 April 2013 and Universal Credit from October 2013 will change the current rules relating to passported benefit.</p>	<p>Changes to the rules on passported benefit will impact on customers in receipt of free school meals, clothing grants, blue badges and education maintenance allowance.</p> <p>The Council awarded 6,427 footwear and clothing grants and 4,689 free school meals in 2011-12 and paid out 667 education maintenance allowances from 811 applications.</p>	<p>Consider with Education, Social Services and the Registration Service what new procedures and application forms need to be introduced to verify an application for a free school meal, clothing grant, blue badge and education maintenance allowance under Universal Credit.</p>	Linda Walker	Once rules have been agreed.	31 March 2013	

North Ayrshire Council - Welfare reform working group – work plan

Change Number	Date of reform & change description	Impact Assessment	Key Actions Required	Lead Officer			
13	April 2013 Localised Benefit Scheme The Council Tax Benefit scheme will be abolished from 1 April 2013. It is to be replaced by a localised scheme administered by local authorities. For 2013-14 the Scottish Government (£23m) and Local Authorities (£17m) will fund the £40m funding gap. This means that no one will be worse off at 1 April 2013.	The DWP has confirmed that funding for localised benefit schemes will be reduced by 10%. This equates to around £1.2m (2011-12) for the Council and £40m across Scotland.	Continue to provide data and comments to officer working groups on the service design options for a replacement Council Tax Benefit scheme.	Stephen Humphries	As required	March 2014	
		The localised schemes in England / Wales protect pensioners and vulnerable groups. It is not known if the Scottish scheme will offer the same level of protection. If it does then the benefit reduction will affect working age people.	Implement the interim localised benefit scheme for 2013-14 including the design of application forms and communication strategy for claimants.	Stephen Humphries	Oct 2012	April 2013	
		Any change to current levels of council tax benefit support may increase the amount of debt to be collected and may affect council tax collection levels.	Review the benefits organisational structure to deliver the long-term localised benefit scheme.	Stephen Humphries	Jan 2014	April 2014	

North Ayrshire Council - Welfare reform working group – work plan

Overarching Welfare Reform issues

Issue	Action required	Lead officer	Start date	Completion date	Progress to date	Other comments
Communication Strategy	Welfare Reform to be communicated to all Council staff and the general public and partners to raise awareness of all welfare reforms.	Welfare Reform Working Group	June 2012	August 2012		Strategy to cover all reforms and timed for maximum impact.
Training Strategy	All Council staff affected by the reforms to be trained to ensure that the general public receive the correct advice, guidance and support. Benefits staff to develop new skills to sustain future employment.	Welfare Reform Working Group	June 2012	August 2012		Services involved 1. Education 2. Social Services & Health 3. Finance 4. Customer contact centre 5. HR
Consultation papers	Respond to all consultation papers regarding Welfare Reform	Welfare Reform Working Group	As required		Social Fund Single Fraud Investigation Service Consultations complete	

North Ayrshire Council - Welfare reform working group – work plan

Information Technology development	Consult with software suppliers on system developments to ensure all reforms are implemented.	Stephen Humphries – Northgate Welfare Reform Working Group – other service systems	As required		Northgate has introduced changes for local housing allowance, non-dependants, under 35's. Systems up to date with reforms	Council represented at Northgate Scottish User Group meeting
Financial Inclusion & Income maximisation	Provide general budgeting and money advice to claimants and encourage direct payments of rent Need for specialist advice to support tenants with opening bank accounts and increased liaison with credit unions.	Isobel Kelly Laura Cook Stephen Humphries Marianne McManus	August 2012	October 2013		

Issue	Action required	Lead officer	Start date	Completion date	Progress to date	Other comments
Council's Charging Policy	Review of the Council's charging policy as a result of the Welfare Reforms	Isobel Kelly	Dec 2012			

Appendix 2

Welfare Reform Baseline Indicators

	Indicator	2009-10	2010-11	2011-12	31-Mar-12
Economic development statistics	Claimant unemployment rate				6.80%
	Youth unemployment rate				11.30%
	Claimant to vacancy rate				16
	Incapacity Benefit claimants (May 2011) - duration statistics also available			6,230	
	Employment Support Allowance claimants by phase group (August 2011)			2,450	
	School Leavers - now employed		241(15.7%)		
	School Leavers - unemployed & seeking work or training		123 (8%)		
	School Leavers - unemployed & not seeking work or training		16 (1%)		
	Percentage of children in Poverty	24.5%			
	Scottish Index of multiple deprivation Datazone worst 5%	10			
	Scottish Index of multiple deprivation Datazone worst 10%	26			
	Scottish Index of multiple deprivation Datazone worst 15%	43			
Education	Footwear and clothing grants	6,552	6,550		6,427
	Free school meals	4,405	4,524		4,689
	Number of pupils leaving NAC schools into FE/HE destinations	1,005	969	1,068	
	Educational Maintenance Allowance applications	944	908	811	
	Educational Maintenance Allowance successful & paid	766	729	667	
	Under 19's on JSA benefit (Dec 2011)			495	

	Indicator	2009-10	2010-11	2011-12	31-Mar-12
Housing Services (Rent collection)	Number of 1 Bedroom Council Houses				2,946
	Number of 2 Bedroom Council Houses				5,857
	Number of 3 Bedroom Council Houses				4,005
	Number of 4 Bedroom Council Houses				427
	Number of 7 Bedroom Council Houses				1
	Percentage of tenants in rent arrears				22.70%
	Rent arrears as a percentage of net debit				3.40%
	Percentage of tenants evicted for rent arrears				0.01%
	NAC average weekly rent over 52 weeks				£59.90
	Number of NAC tenants on full HB				5,720
	Percentage of NAC tenants on full HB				43.22%
	Number of NAC tenants on partial HB				2,644
	Percentage of NAC tenants on partial HB				19.98%
	Number of applicants on waiting list				5,535
	Number of tenants on waiting list with under occupancy points				275
	Number of applicants requesting 1 bedroom accommodation				2,260
	Number of dwellings abandoned as a percentage of total dwellings				0.70%
	Percentage of tenants paying rent by direct debit				25%

Housing Services (Homelessness Service)	Applicant terminated secure accommodation				20
	Asked to leave				286
	Discharge from prison				69
	Dispute with household / relationship breakdown: non violent				72
	Dispute with household: violent or abusive				104
	Emergency				4
	Fleeing non domestic violence				21
	Forced division and sale of matrimonial home				2
	Harrassment				20
	Loss of service / tied accommodation				35
	Other reason for leaving accommodation / household				40
	Other reason for loss of accommodation				9
	Overcrowding				4
	Termination of tenancy/ mortgatge due to rent arrears/default				24
	Amount of rooms available for provision of homeless service				256
	Rent deposit scheme - number of deposits created			302	
	Percentage of tenancies sustained >6 months			87%	
	Percentage claim against deposits			0.25%	
	Annual cost of claims			£1,789	
	Number in private sector affected by welfare reforms			7	
	Number of assisted to stay safeguards applied for			5	
	Number assisted to access alternative accommodation			2	
	Number becoming homeless			0	
	Number of section 11 referrals served by Banks			785	
	Number of section 11 referrals served by Landlords			33	
	Number of section 11 referrals served by Creditors			0	
	Approach for advice & information due to Rent deposit scheme			159	
	Approach for advice & information due to Welfare Reform			16	
	Approach for advice & information due to Housing options			1,142	

	Indicator	2009-10	2010-11	2011-12	31-Mar-12
Benefits Service	Housing benefit caseload - rent rebate working age				5,248
	Housing benefit caseload - rent rebate pension age				3,697
	Housing benefit caseload - private rented working age				3,068
	Housing benefit caseload - private rented pension age				463
	Housing benefit caseload - RSL working age				1,998
	Housing benefit caseload - RSL pension age				1,078
	Council Tax Benefit caseload - working age - Income Support				7,778
	Council Tax Benefit caseload - working age - Non Income Support				2,409
	Council Tax Benefit caseload - pension age - PCGC				5,590
	Council Tax Benefit caseload - pension age - Non PCGC				2,840
	Number of HB claims migrating to Universal Credit				15,552
	Amount of HB subsidy claimed				£27.689m
	Amount of Council Tax Benefit Subsidy claimed				£12.296m
	Amount of LHA subsidy claimed				£26.642m
	Discretionary Housing Payment Budget	£39,771	£42,698		£49,677
	Amount of DHP budget spent	£39,021	£41,457		£46,669
	Amount of DHP budget available	£750	£1,241		£3,008
	Number of single people under 35				130
	Average weekly loss of HB for single people under 35				£15.95
	Amount of HB overpayments outstanding				£2,331,076
	Amount of HBO written off in year				£108,524
	Average number of days to process new claims	19.42	19.47	21.37	
	Average number of days to process a change of circumstance	8.94	9.16	10.44	
	Number of Local Housing Allowance Claims			1,725	3,188
	Number of LHA claims paid to landlord			1,030	1,903
	Percentage of LHA claims paid to landlord			59.71%	59.71%
	Number of LHA claims paid to claimant			695	1,285
	Percentage of LA claims paid to claimant			40.29%	40.29%
	Number of LHA safeguards in place	479	855	913	
	Number of non-dependant deductions - Council Tax Benefit				406
	Number of non-dependant deductions - Council tenant				938
	Number of non-dependant deductions - Private tenants (Includes RSL cannot split)				481

Social Services	Number of children on child protection register				
	Number of children on child protection register who were previously de-registered within one year				
	Number of children in a Kinship Care placement subject to a residence order				
	Number of formerly looked after and accommodated children and young people entitled to aftercare in employment, education or training				
	Percentage of formerly looked after and accommodated children and young people entitled to aftercare in employment, education or training				
	Number of learning disability service users accessing employment support activities				
	Percentage of learning disability service users accessing employment support activities				
	Debt Advice indicator – level of debt managed	£6.45	£6.27M	£8.18M	
	Income generation for service users	£3.65	£4.18M	£4.07M	
	Level of bankruptcy as debt advice solution	176	104	142	
	Number of Social Security Appeals	254	325	450	

NORTH AYRSHIRE COUNCIL

Agenda Item 21

19 June 2012

Cabinet

Subject: **BV2 Improvement Plan: Progress Update**

Purpose: To advise on progress in implementing the BV2 Improvement Plan 2011/12 as at 31 March 2012.

Recommendation: That the Cabinet agrees to note (a) that the BV2 Improvement Plan 2011/12 has been implemented; and (b) the three actions continued will be complete by December 2012.




1. Introduction

- 1.1 The BV2 Improvement Plan was approved by the Council on 13 April 2011 and has been reported on quarterly. A Quarter 3 report on progress at 31 December 2011 was submitted to the Executive on 28 February 2012 and to the Scrutiny Committee on 28 March 2012. This report indicated that 10 actions were slightly adrift of target and three would not be complete by March 2012.
- 1.2 The Executive agreed to approve extensions to the three actions in the improvement plan which it was indicated would not be complete until later in 2012. These actions were:-
 - 2.1.3 - The publication of the Council vision;
 - 5.4.1 - The next stage of the Integrated Resource Framework for Children with Complex Needs; and
 - 7.4.2 - The roll out of PECOS procurement to all schools

2. Current Position

- 2.1 The BV2 Improvement Plan has now been successfully implemented, with the exception of the three actions which were given extensions into 2012/13.

- 2.2 Overall progress in implementing the BV2 Improvement Plan is shown in the table below:-

		As at 31 March 2012	As at 31 Dec 2011
Overall Progress		100%	83%
Complete or on target		100	90
Slightly adrift of target		0	10
Significantly adrift of target		0	0

- 2.3 The progress during the last quarter made on the three actions which were given extensions into 2012/13 is detailed below: -

Theme 2: Member/senior officer leadership of vision for change and culture of continuous improvement

2.1.3 Publish new vision and strategic direction document (General Manager (Policy & Service Reform))

The draft vision has been consulted on widely. It was due to be published in November but has been delayed to accommodate the views of the new Administration. It is intended that it will be published in a new Council Plan , a draft of which will be submitted to the Council in June 2012.

Theme 5: Ensure partner resources are directed effectively to priority areas

5.4.1 Develop a plan to take forward an Integrated Service Delivery project for Children with Complex Needs (Corporate Director (Education & Skills))

A strategic lead and project officer are in place and are taking the Integrated Resource Framework pilot forward. The work will be completed by October 2012.

Theme 7. Strengthen governance structures

7.4.2 Complete roll out of e-procurement through PECOS system in schools (Corporate Director (Finance & Infrastructure))

PECOS has now been rolled out to 34 schools, an increase of 19 schools over the last quarter. The remaining schools will be on PECOS by December 2012.

- 2.4 Progress on each of the remaining 97 actions in the BV2 Improvement Plan is now shown as being complete and at 100% on Covalent, the Council's computerised performance management system. A report setting out full details of all 97 actions is available on request from the Policy and Performance Team and is also available on the Members' Page on Navigate - "MNavigate".

3. Proposals

- 3.1 The BV2 Improvement Plan was developed in response to the Accounts Commission's report on the Council's BV2 Audit of Best Value and Community Planning published in March 2011. Most of the actions within it have been now been completed.
- 3.2 The plan focused on improvements to the Council's internal management processes. Its eight themes were :-
- Develop internal capacity for improvement
 - Member/senior officer leadership of vision for change and culture of continuous improvement
 - Embed performance management arrangements
 - Embed consultation arrangements with service users
 - Ensure partner resources are directed effectively to priority areas
 - Improve resource management arrangements
 - Strengthen governance structures
 - Consult regularly with staff to assess impact of change
- 3.3 The Performance Management Strategy 2012/15 and its Action Plan 2012/13 contain commitments which should ensure continuing improvements in these areas. The Council's proposals for future action are therefore now being monitored through this action plan and reports will be submitted in future to the Cabinet and Scrutiny and Petitions Committee.
- 3.4 The Cabinet is invited to note (a) that the BV2 Improvement Plan 2011/12 has been implemented; and (b) the three actions continued will be complete by December 2012.

4. Implications

Financial Implications

- 4.1 There are no financial implications.

Human Resource Implications

- 4.2 There are no human resource implications.

Legal Implications

- 4.3 There are no legal implications.

Equality Implications

- 4.4 There are no equality implications.

Environmental Implications

- 4.5 There are no environmental implications.

Implications for Key Priorities

- 4.6 This report links to all four of the Council Plan's core objectives.

Community Benefit Implications

- 4.7 There are no community benefit implications

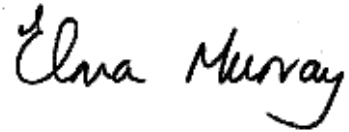
5. Consultations

- 5.1 The Extended Corporate Management Team has been consulted on this report. It has amended and endorsed its contents.

6. Conclusion

- 6.1 The BV2 Improvement Plan has been delivered with the exception of three actions which have been continued into 2012/13. These will be complete by December 2012.

- 6.2 There are continuing efforts to improve on the Council's performance being taken forward through service plans and through the Performance Management Strategy action plan. These will be reported to Elected Members in the future so that progress in this important area continues to be monitored.



ELMA MURRAY
Chief Executive

Reference :

For further information please contact Marjorie Adams, Policy & Performance Officer on telephone number 01294 324128

Background Papers

BV2 Improvement Plan 2011/12

NORTH AYRSHIRE COUNCIL

Agenda Item 22

19 June 2012

Cabinet

Subject: **ICT Infrastructure Strategic Review**

Purpose: To inform Cabinet of the progress made by IT Services and the consultants Farrpoint on the Council's ICT Infrastructure Strategic Review; seek approval for the allocation of capital funding over the next 3 years; and seek approval to proceed to tender.

Recommendation: That Cabinet (a) notes progress on the Infrastructure Review; (b) approves the allocation of funding over the 3 years; and (c) approves progression to the tender phase of the ICT Infrastructure Review.

1. Introduction

- 1.1 The Council's ICT Strategy was approved by The Executive on 6 December 2011.
- 1.2 The ICT Strategy advised that IT Services would engage with ICT Industry partners to provide an ICT infrastructure that is reliable, flexible and secure, conforms to appropriate technical standards and will enable staff to be more agile in how they deliver services to the public.
- 1.3 The ICT Asset Management Plan approved by The Executive at its meeting on 28 February 2012 has a key action to develop roadmaps and replacement plans for ICT assets in line with the ICT Strategy.
- 1.4 Independent consultants Farrpoint were commissioned to conduct a Data and Voice Infrastructure Review. This review is now complete and the main outcomes are detailed below.
- 1.5 Over and above and out-with the scope of the Infrastructure review there is a requirement to develop a strategic approach to manage and control wireless access within schools.

2. Current Position

Wide Area Network

- 2.1 The current Wide Area Network (WAN) provides connectivity to over 180 sites distributed across both urban and rural areas, including the island communities in Arran and Cumbrae which pose connectivity challenges.
- 2.2 The WAN has evolved over its lifetime by building the network out from Cunninghame House to remote sites using a 'hub and spoke' architecture based on available BT network services. This architecture reduces WAN costs as circuit rentals are distant dependant. The network is separated into a number of distinct elements including Education, Libraries and Corporate. All elements centre on the applications and services located at Cunninghame House.
- 2.3 The Education network uses a number of hub sites, located at Secondary Schools, to feed connectivity to the local Primary Schools. Secondary Schools connect back to Cunninghame House. Cunninghame House, and to a lesser extent Vernon Street, Saltcoats are the main hubs for the Corporate, libraries and other networks. Corporate sites connect through a number of different technologies, including microwave radio, fibre and copper.
- 2.4 While this architecture provides a relatively cost effective network, it contains a number of single points of failure where the loss of a single site (e.g. hub) will impact a large number of connected sites. This architecture cannot provide the levels of resilience required in modern networks.
- 2.5 Connection speeds to user locations vary. Most mainland schools meet the National Education Network guidelines although connectivity is largely provided using circuits which are no longer available for new supply. A number of other sites use lower speed legacy services which could be withdrawn by BT at some point in the future. These services provide extremely low speeds by todays standards and so, in some cases, are not able to meet the needs of the Council, and are causing service delivery challenges.
- 2.6 The Council has deployed a number of wireless connections due to their cost effectiveness and to provide high speed connectivity to Arran. Council owned fibre optic cable is also used in some areas to provide cost effective connectivity over short distances.

- 2.7 Broadband Internet is used to provide connectivity to small sites and to support user remote working.

Local Area Network (LAN)

- 2.8 The Council's current LAN infrastructure is built predominately using LAN switches and router products from Cisco Systems.
- 2.9 Continued development of products mean that over time network equipment manufacturers will discontinue support for their products; this is known as the End of Life (EoL) date of a product where the manufacturer will no longer provide any hardware or software support and the device is considered obsolete. With Cisco EoL is 5 years after the sale of the product is discontinued.
- 66% of the switches currently deployed will be EoL and not supported by Cisco after October 2013, and 88% by July 2015.
 - The router models providing the LAN to WAN connectivity at many sites are also currently EoL.
- 2.10 Support organisations, including Cisco Partners, may still be willing to support the EoL products however they will not have any back to manufacturer support.

Telephony

- 2.11 The Council's main telephony platform is the Aastra MX-ONE telephony switch. The central module is located at Cunninghame House with distribution to locations at Perceton House, Bridgegate House, Caley Court and Montgomerie House.
- 2.12 There are a number of sites that have no telephone switch and these rely on direct lines to the main telephone exchange.
- 2.13 There is limited ability for the introduction of modern telephony and existing telephone switch hardware will require to be upgraded or replaced.

Wireless Access in schools

- 2.14 Within Primary and Secondary schools there is limited wireless access capability. Historically, most wireless devices have been 'class in a box' type with fixed configurations that can be transported within the school as a classroom based activity. More recently, a significant number of devices have been procured by schools such as ipads and laptops with a requirement for a school wide wireless infrastructure.

- 2.15 Wireless access is controlled by Wireless Access Points (WAPs) in specific areas of the school, although as stated earlier the number of these devices is limited. Any increase in the number of wireless devices accessing through these WAPs may reduce the Quality of Service.

3. Proposals

- 3.1 The ICT Infrastructure Strategic Review recommends the following:

- 3.1.1 As detailed in the previous section there is a business case for a change to the Council's WAN provision. It is recommended that the Council procures a managed Virtual Private Network(VPN) WAN service in order to provide a scalable, flexible and quality of service enabled solution capable of addressing the Council's existing service issues and providing a platform suitable for supporting other Transformation Programme initiatives. As well as delivering significant operational benefits, indicative costings show that the proposed new service is likely to reduce the Council's revenue spend on data services.
- 3.1.2 The WAN procurement completed by the Council should be sufficiently flexible to allow suppliers to propose the best mix of technologies to meet the Council's technical and financial requirements. The procurement should also allow the supplier to use existing infrastructure and services where they believe this is the best approach and where they can demonstrate that this does not impact on service levels. It is recommended that the WAN procurement is started as soon as possible in order to ensure that existing service issues are addressed quickly and to allow the Council to benefit early from any cost savings.
- 3.1.3 The main reason for the Council investing in a new telephony solution is the age of the existing systems in use within the Council. Whilst none of the systems are currently end-of-life they will be declared end of life at some point in the medium term. It is recommended that the Council procures a new telephony solution and rolls it out to a main site first. Further sites can be migrated to the new telephony solution as their existing telephony systems need replacement or if the site has business requirements that mean that IP Telephony is required. This approach allows the gradual roll-out of the new telephony system.

- 3.1.4 To provide support for IP telephony, and to address issues with the supportability of existing equipment, the Council should refresh its existing LAN infrastructure. It is recommended that the Council puts a support contract in place for core network equipment used at large sites, whilst edge equipment and equipment used at smaller sites is supported in-house.
- 3.1.5 In support of the requirement for a strategic Wireless solution in schools, the general consensus in the ICT industry is that due to the increase in the number of wireless devices such as ipads, enterprises will require to deploy up to 300% more Wireless Access Points to maintain an acceptable level of service and performance. This is in line with IT Services view. The increasing use of wireless devices within schools requires a strategic deployment that will provide a manageable, effective and secure method of wireless access for children and staff. It is recommended that the Council conducts a procurement exercise to obtain the most effective deployment method within schools.

Benefits of the Strategy

- 3.2.1 As stated earlier the overall Voice and Data Infrastructure Review and Strategy includes the Wide Area Network, Local Area Network and Voice provision. The benefits of implementing the full recommendations include:
- The provision of a platform which the Council can use to deliver its Transformation Programme.
 - Increase the level of bandwidth delivered to many Council sites. This will address the application and internet service issues currently being experienced at Corporate sites (with social work sites being a particular issue), schools, and libraries.
 - Changes to the Council's property portfolio can be made without the need for major reconfiguration of the voice and data solutions in individual buildings.
 - Support for flexible working by ensuring that sufficient bandwidth is available to allow staff to have access to applications regardless of which Council location they are working from and allowing staff to log into the phone system from most Council locations.
 - Support to disaster recovery and business continuity.

- provision of Unified Communications functionality, providing the opportunity to increase organisational efficiency through improved communication and collaboration.
- The WAN solution is likely to reduce the Council's existing WAN revenue costs.
- replacement of existing equipment that is, or will soon be, declared end of life by its manufacturer. This will ensure the continued supportability of the Council's IT infrastructure and will improve reliability and service levels.
- The procurement of a Public Sector Network (PSN) compliant solution. This approach will ensure that the network services are technically compatible with those used by other Public Sector bodies in the future and is in line with the recommendations of the McClelland review.
- The proposed WAN solution can support the Scottish Government's strategy for the roll-out of Next Generation Broadband.

- 3.3 The Cabinet is invited to (a) note progress on the Infrastructure Review; (b) approve the allocation of funding from the Service Redesign Investment Fund over the 3 years; and (c) approve progression to the tender phase of the ICT Infrastructure Review.

4. Implications

Financial Implications

- 4.1 In recognition of the significant change and reform programme currently being undertaken, the Council has set aside funds to meet the costs associated with the transformation agenda. It is therefore proposed that the total anticipated capital costs of £2.826m outlined in this report are met from the Service Redesign Investment Fund with an additional £100k contribution from Education & Skills towards the cost of wireless access in schools. The associated revenue costs/savings will require to be reflected in future years revenue budgets. All costs within the table below are based on estimates. A further report will be provided to Cabinet on receipt of accurate costings produced from the tender exercise.

The following table summarises the estimated costs and compliance scores of the short-listed options and the existing infrastructure costs. These costs do not include the recurring costs for exchange line rentals and call charges. Rentals and call charges will reduce if Internet Protocol Telephony (IPT) is deployed, but we cannot determine this reduction until the scope of any deployment is determined.

Current Service Delivery	Compliance Score	One off Capital Costs	Annual Revenue Cost	Total 5-Year Cost
WAN	18%	0	£569,955	£2,849,775
Telephony	33%	0	£109,599	£547,995
LAN	N/A	0	£45,000	£225,000
Total		0	£724,554	£3,622,770

New Options	Compliance Score	One off Capital Cost	Annual Revenue Cost	Total 5-Year Cost
WAN Option (5b). All VPN – Fibre/Copper Hybrid	82%	£668,300	£489,316	£3,114,880
Telephony Option (4b). New IPT – Microsoft Lync Solution (Partial Rollout) **	89%	£681,330	£30,925	£835,955
LAN Upgrade Costs (All Sites)	N/A	£1,077,166	£70,024	£1,427,286
Wireless Access in schools		£500,000***	£24,000***	£620,000***
Total		£2,926,796	£614,265	£5,998,121
Net (Cost) Savings		(£2,926,796)	£110,289	(£2,375,351)

** Costs are for the support of the new telephony solution only. Costs for the support of the remaining existing solution are not included and would be determined by the preferred solution and deployment scope.

*** Costs based on one supplier estimate. True costs will be determined by type of solution and deployment method

*** Education & Skills will contribute £100K from the 2012/13 budgets that are allocated for ICT

Human Resource Implications

4.2 None

Legal Implications

4.3 Procurement and Legal and Protective services will be involved in the tender review process.

Equality Implications

- 4.4 None

Environmental Implications

- 4.5 None

Implications for Key Priorities

- 4.6 The implementation of a new infrastructure will contribute to the Council's Single Outcome Agreement and, in particular, will assist in achieving SOA outcome 15b - Public Services are more effective and efficient.

Community Benefit Implications

- 4.7 The upgrade of connectivity to Libraries and schools will ensure faster access to the Internet and other services for pupils teaching staff and members of the public.

5. Consultations

- 5.1 The strategic review process included a review of technical and business documentation provided by the Council and a series of interviews with representatives from Education, Social Services & Health, Customer Services and Information Technology Services. Ayrshire & Arran NHS were also included in the discussions.
- 5.2 A report was presented to the CMT on 18 April and the CPAG meeting on 26 April culminating in this report to Cabinet.

6. Conclusion

- 6.1 The Council's Wide Area Network, Local Area Network and telephony services and schools wireless access requires investment to ensure it delivers a scalable, reliable, flexible and secure infrastructure to meet the present and future requirements of services and create a platform suitable for supporting other transformation programme initiatives.
- 6.2 In line with the Council's ICT Strategy and ICT Asset Management Plan, Information Technology Services need to engage with the industry to determine the optimum infrastructure requirements, type of deployment and related costs.

- 6.3 The business case for the WAN upgrade is based not on the direct cost savings it provides; but on the support the recommended solution provides to a number of other cost saving and efficiency projects being planned by the Council. Without an upgrade it is doubtful that the existing network would be able to cope with the additional demands these projects would place upon it or meet future PSN requirements.
- 6.4 To address issues with the supportability of existing LAN equipment and take advantage of the benefits of the new WAN infrastructure, the Council needs to refresh its existing LAN infrastructure.
- 6.5 The main business driver for upgrading the existing telephony is the need to support flexible working, allowing staff to log into the phone system from whichever location they are working from.
- 6.6 The main reason for the Council to invest in telephony is the fact that much of the existing telephony equipment is ageing and so will require replacement in the medium term.
- 6.7 An increase in the number of wireless devices within schools requires a standard approach to deployment and management of WAPs.



IAN T MACKAY
Solicitor to the Council

Reference :

For further information please contact Alan Blakely, IT Manager (Corporate Services) on telephone number 01294 324272.

Background Papers

None

NORTH AYRSHIRE COUNCIL

Agenda Item 23

19 June 2012

Cabinet

Subject: **All Ayrshire Roads & Transportation Professional Services Framework Agreement**

Purpose: To seek approval to invite tenders for the provision of an All Ayrshire Consultancy framework.

Recommendation: That the Cabinet approves the tendering of a collaborative consultancy framework agreement for civil engineering and related specialist professional services.

1. Introduction

- 1.1 The Roads Service currently procures professional consultancy services via an existing North Ayrshire Council Consultancy Services Framework contract which was awarded in 2008 and is due to end in December 2012. It is therefore necessary to commence the procurement process to replace this framework contract.
- 1.2 Currently the existing framework covers the following main professional disciplines:-
- Civil Engineering
 - Structural Engineering
 - Traffic Management and Design
 - Ground Engineering/Geotechnical
 - Environmental Engineering
 - Construction Management
- 1.3 These services are used to cover peaks of workload and for specialist services beyond the in-house expertise.

2. Current Position

- 2.1 The neighbouring authorities of East Ayrshire Council and South Ayrshire Council (and potentially East Renfrewshire Council) are also requiring to procure these services and in order to achieve best value for all participating Councils it is proposed to prepare and tender a single contract which can then be used by the participating Councils in relation to roads and related services.

- 2.2 The new contract will cover the disciplines from the existing contract with the addition of flood engineering and coastal engineering.
- 2.3 No equivalent contract is currently in place for this type of service with either Scotland Excel or the Scottish Procurement Directorate.
- 2.4 In 2011/12 some £200,000 was spent on appointment of professional service support through the existing framework. It is anticipated that the annual spend across all partners will be in the order of £600k per year.

3. Proposals

- 3.1 East Ayrshire Council procurement unit have agreed to lead this project and are preparing the contract document and advising on the procurement process and timescales. North Ayrshire procurement team are fully involved in the project.
- 3.2 The intention will be to prepare an open tender with a number of Lots, aligned to professional disciplines and work type, which will be advertised on the OJEU portal. Individual submissions for each Lot will be assessed on the basis of quality (50%) and price (50%). This contract will be let for an initial period of two years with the potential to extend by two individual years thereafter.
- 3.3 If approved this will extend the collaborative procurement already established across Ayrshire, valued at over £10m per year.
- 3.4 It is proposed that the Cabinet approves the tendering of a consultancy framework agreement for civil engineering and related specialist professional services.

4. Implications

Financial Implications

- 4.1 Individual project work that will be awarded to a consultant will be subject to available Service budgets.

Human Resource Implications

- 4.2 There are no direct human resource implications arising from this report.

Legal Implications

- 4.3 The North Ayrshire Council Procurement Unit are involved in this project. The value of the proposed framework contract is above the threshold figure in relation to European Union regulations.

Equality Implications

- 4.4 There are no equality implications arising from this report.

Environmental Implications

- 4.5 There are no environmental implications arising from this report.

Implications for Key Priorities

- 4.6 The delivery of this contract will contribute to the following Single Outcome Agreement outcomes:-

- 15a “public perceptions of public services has improved”;
- 15b “public services are more efficient and effective” ; and
- 15c “partnership working has improved”.

Community Benefit

- 4.7 Given the nature of this contract, i.e. draw down of professional and specialist assistance on an 'as required' basis, direct community benefit clauses are not being included in the contract. However, at the start of the tendering process, all potential local providers will be contacted to ensure that they are aware of this work and have the opportunity to apply to be on the framework.

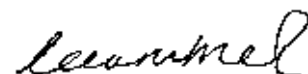
5. Consultations

- 5.1 Collaboration is taking place between South Ayrshire Council, East Ayrshire Council, East Renfrewshire Council and the North Ayrshire Council Procurement Unit.

6. Conclusion

- 6.1 The Roads Service has a need for ad hoc consultancy support for a range of specialist activities and to cover peaks of workload.

- 6.2 The procurement of this tender will assist in ensuring that the Council is able to deliver its responsibilities in relation to roads services and meet best value commitments, working closely with neighbouring authorities.



LAURA FRIEL
Corporate Director (Finance and Infrastructure)

Reference : AB/CF

For further information please contact Angus Bodie, Head of Infrastructure & Design Services on telephone number 01294 225211

Background Papers

None

NORTH AYRSHIRE COUNCIL

Agenda Item 24

19 June 2012

Cabinet

Subject:	Procurement Exercise: Supply of both Glass Reinforced Plastic (GRP) and PVC External Doors
Purpose:	To advise the Cabinet of the procurement exercise undertaken for the supply of external doors.
Recommendation:	That the Cabinet agrees to award the contract for the Supply of GRP and PVC external doors to SBB Ltd trading as Permadoor.

1. Introduction

- 1.1 On the 9th of December 2011, an advert was placed in the Official Journal of the European Union for the procurement of supply of glass reinforced plastic (GRP) and PVC external doors, using the restricted procurement method.
- 1.2 The contract period is three years with the option to extend for up to a further two years; extensions being offered in periods of one year.
- 1.3 The estimated contract value is £150,000 per annum.
- 1.4 The supply of these goods is not included within any Scotland Excel frameworks.
- 1.5 The current supplier of these goods is SBP Ltd, trading as Permadoor.

2. Current Position

- 2.1 Sixteen companies expressed an interest on Public Contract Scotland for the supply contract; seven of whom completed and submitted a Pre Qualification Questionnaire (PQQ) which assessed the following:
 - Resourcing of the contract
 - Finance & Insurance
 - Claims against the company
 - Professional conduct
 - Equal opportunities

- Experience
- Quality management
- Health and Safety
- Environmental management
- References.

- 2.2 Of the seven who returned the PQQs four companies were invited to tender. Tender submissions and sample products were returned by two of these companies and evaluated against minimum requirements being satisfied then assessed against a quality /price ratio of 30/70. The 30% allocated to quality reflects the importance attributed to product delivery and installation criteria such as the weight of the door and the ease of installation.

The quality criteria considered the following

- Supply methodology
- Customer Service
- Product leadtimes
- Assessment of product installation

- 2.3 The preferred supplier following evaluation is SBP Ltd trading as Permadoor. The evaluation matrix and scores are contained in Appendix 1.

3. Proposals

- 3.1 It is proposed that the Cabinet agrees the award of the contract for the supply of GRP and PVC external doors to SBP Ltd trading as Permadoor, for the contract period of three years with the option to extend for up to a further two years.

4. Implications

Financial Implications

- 4.1 The value of the contract is estimated at £750,000. Provision for this expenditure is included within the Capital and Revenue budgets of the Housing Revenue Account..

Human Resource Implications

- 4.2 There are no human resource implications

Legal Implications

- 4.3 The procurement exercise has been undertaken in accordance with European Union procurement regulations.

Equality Implications

- 4.4 The equality credentials of companies submitting tenders has formed part of the PQQ evaluation process.

Environmental Implications

- 4.5 There are no environmental implications

Implications for Key Priorities

- 4.6 The supply of the goods assist Building Services to contribute to a number of Housing Services and Infrastructure and Design Services strategic plans. In addition to these the contract contributes to the following Single Outcome Agreement outcomes:-

10a The quality of social housing has improved

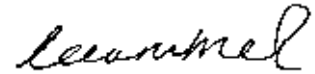
15b Public Services are more efficient and effective.

5. Consultations

- 5.1 The tender documentation has been completed in consultation with Infrastructure and Design Services to ensure that the clients requirements were specified.
- 5.2 Building Services consulted with the Corporate Procurement Unit in the preparation and evaluation of this tender.
- 5.3 Corporate Procurement are satisfied with the recommendation of award.

6. Conclusion

- 6.1 A procurement exercise for the supply of Glass reinforced plastic (GRP) and PVC doors has identified SBP Ltd trading as Permadoor as the preferred supplier.



LAURA FRIEL
Corporate Director (Finance and Infrastructure)

Reference :

For further information please contact Margaret Dempster, Materials and Procurement Manager, on telephone number 01294 606957

Background Papers

Tender documentation

Appendix 1
Supply of GRP and PVC external doors for North Ayrshire

Supplier	Sidey Ltd	SBB t/a Permadoor
Quality		
Total score	19	29
Highest score		29.00
Score expressed as a % of 30%	20	30
Cost		
Score expressed as a % of 70%	63.00	70.00
Total % score	83	100
Rank	2	1

TENDER EVALUATION	
	Max Points
<u>Quality Evaluation</u>	
Proposed Methodology for Delivering the indicated Service	5
Customer Service	5
Leadtime for product	10
Installation of product	10
	30
<u>Cost Evaluation</u>	
Financial Amount from Pricing Schedule	
Financial Bid transposed into points	70
Total Points Scored:-	100