

County Buildings
Wellington Square
AYR KA7 1DR
Tel. No. 01292 612169

14 June 2024

PLEASE NOTE CHANGE OF DATE

Dear Councillor

SOUTH AYRSHIRE COUNCIL

You are requested to participate in a meeting of South Ayrshire Council to be held **on Friday 21 June 2024 at 10.00 a.m.** for the purpose of considering the undernoted business.

This meeting will be held in the County Hall, County Buildings, Ayr on a hybrid basis for Elected Members, will be live-streamed and available to view at <https://south-ayrshire.public-i.tv/>

Yours sincerely

CATRIONA CAVES
Chief Governance Officer

B U S I N E S S

1. Provost.
2. Sederunt and Declarations of Interest.
3. Minutes of meetings of the Council and Panels.

(a) Minutes of previous meetings.

Submit for approval as a correct record and authorise to be signed:-

- (i) 29 February 2024 (Special); and
- (ii) 6 March 2024
(copies herewith).

(b) Minutes of Panels.

The minutes (copies previously issued) of the undernoted meetings are for noting:-

- (i) Audit and Governance Panel of [22 February 2024](#) and [20 March 2024](#).
- (ii) Cabinet of [14 February 2024](#), [12 March 2024](#) and [23 April 2024](#)
- (iii) Chief Officers Appointments/Appraisal Panel of [17 October 2023](#), [9 November 2023](#) and [17 April 2024](#).
- (iv) Local Review Body of [20 February 2024](#) and [19 March 2024](#)
- (v) Regulatory Panel – Licensing of [15 February 2024](#), [14 March 2024](#) and [25 April 2024](#).
- (vi) Regulatory Panel – Planning of [28 February 2024](#), [22 March 2024](#), [28 March 2024](#), [30 April 2024](#) and [9 May 2024](#).

(vii) Service and Partnerships Performance Panel of [9 January 2024](#), [5 March 2024](#), [16 April 2024](#) and 14 May 2024.

(viii) Ayrshire Shared Services Joint Committee of [9 June 2023](#), [1 September 2023](#), [1 December 2023](#) and [1 March 2024](#)

4. Schedule of Meetings – Submit report by Chief Governance Officer (copy herewith).
5. Audit and Governance Panel – 2023/24 Annual Report – Submit joint report by Chief Financial Officer and Chief Governance Officer (copy herewith).
6. Financial Regulations Review – Submit report by Chief Financial Officer (copy herewith).
7. Notice of Motion

(a) Moved by Councillor Chris Cullen, seconded by Councillor Hugh Hunter:

“After over 30 years of success the historical Ayr Holy Fair was dropped from the Council’s events programme with no consultation having taken place with elected members or the general public. What was a renowned traditional family event that attracted thousands to the town, has been unceremoniously dropped.

While the longstanding event may have been replaced by the Summer Family Festival, this in no way conveys the history and tradition of the event. Council requests the Chief Executive to reverse the name change and bring back the historic Holy Fair to the Low Green for future years.”

(b) Moved by Councillor Chris Cullen, seconded by Councillor Duncan Townson:

“Brown bin charge reversal - since the passing of the budget the lack of public support for this taxation has been widespread throughout all local media channels and my own inbox. This motion calls for Council to request that the Chief Executive bring forward one or more replacement saving proposals to Council in October in order to scrap the previously approved brown bin charges savings proposal going forward.”

(c) Moved by Councillor Chris Cullen, seconded by Councillor William Grant:

“The A77 runs alongside and through 7 out of South Ayrshire’s 8 wards. Each of these wards experience different consequences from issues both rural and urban, relating to this Major Arterial Route. Currently there is an A75/A77 Lobbying Action Group which is attended at present by two administration councillors.

This motion calls on Council to adjust the South Ayrshire Council membership in the A75/A77 Lobbying Action Group to allow cross party representation to reflect the concerns of the various wards along the A77 route. This is in addition to Councillors Pollock and Clark who already represent SAC.”

8. Formal Questions.
9. **Affordable Housing Proposals, Riverside Place, Ayr – Submit report by Director of Housing, Operations and Development (Members Only).**
10. Consideration of Disclosure of the above Confidential Report.

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SOUTH AYRSHIRE COUNCIL.

Minutes of a hybrid webcast meeting
on 29 February 2024 at 10.00 a.m.

Present in County Buildings: Councillors Iain Campbell (Provost), Kenneth Bell, Laura Brennan-Whitefield, Ian Cavana, Alec Clark, Chris Cullen, Ian Davis, Brian Connolly, Julie Dettbarn, Martin Dowey, Stephen Ferry, William Grant, Hugh Hunter, Martin Kilbride, Mary Kilpatrick, Alan Lamont, Lee Lyons, Craig Mackay, Brian McGinley, Bob Pollock, Cameron Ramsay, Philip Saxton, Gavin Scott, Bob Shields, Duncan Townson.

Present Remotely: Councillors Ian Cochrane, Mark Dixon and George Weir.

Attending in County Buildings: M. Newall, Chief Executive; L. McRoberts, Depute Chief Executive and Director of Education; J. Bradley, Director of Strategic Change and Communities; K. Braidwood, Director of Housing Operations and Development; T. Eltringham, Director of Health and Social Care; C. Caves, Head of Legal and Regulatory Services; T. Baulk, Head of Finance, ICT and Procurement; K. Dalrymple, Assistant Director – Housing and Operations; W. Carlaw, Service Lead – Democratic Governance; W. Andrew, Service Lead – Property Maintenance; J. McClure, Committee Services Lead Officer; and C. McCallum, Clerical Assistant.

Attending Remotely: C. McGhee, Chief Internal Auditor.

1. Provost.

The Provost

- (1) welcomed everyone to the meeting, outlined the procedures for conducting this meeting and advised that this meeting would be broadcast live; and
- (2) intimated that no apologies had been received;

2. Sederunt and Declarations of Interest.

The Chief Executive called the Sederunt for the meeting and having called the roll, confirmed that there were no declarations of interest by Members of the Council in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

Section 112 of the Local Government Finance Act 1992

The Chief Executive

- (1) referred to the note on the agenda calling the meeting, to the effect that Members were subject to the provisions of Section 112 of the Local Government Finance Act 1992 which provided that a Member of the Council could not vote on a range of Council Tax issues, including setting or adjusting the rate of Council Tax, if he or she was three months or more in arrears with payment of Community Charge (Poll Tax) or two months in arrears with Council Tax;

- (2) indicated that if Section 112 applied to any Member, he or she was required to disclose that fact; and
- (3) gave the opportunity to any Member to disclose the fact that Section 112 applied to him or her and indicated that failure to disclose was also an offence.

No Members so declared.

Point of Order

Councillor McGinley raised a Point of Order regarding the reason for calling this special meeting of South Ayrshire Council; and the Head of Legal and Regulatory Services advised that this was not a Special meeting but had in fact been approved by Council at its meeting of 7 December 2023 when it had been decided to add an additional meeting to the timetable for consideration of the annual budget. Provost further advised that the reason for adding an additional meeting to the timetable for consideration of the budget was to ensure that the meeting did not last for over five hours, as had occurred in 2023 and that the other business for the agenda would be considered at the Council meeting of 6 March 2023.

Councillor McGinley then questioned why there was another item of business on the agenda if this meeting was agreed to consider the budget only; and the Head of Legal and Regulatory Services advised that this paper had been already continued to this date prior to the Council's decision to hold a second Council meeting on 6 March 2024 and additionally, following the statutory consultation, the proposals within the report, if approved, would come into force on 1 March 2024, therefore required to be considered by the end of February 2024; and that in future years the Council meeting would be to consider the budget only, in line with other local authorities.

Councillor McGinley raised a further Point of Order on why Formal Questions were not on the agenda as every Council meeting over the past five years had Formal Questions on the agenda, he had submitted time sensitive Formal Questions to the Chief Executive and they had not been presented at this meeting; and the Head of Legal and Regulatory Services advised that she had been of the understanding that the Chief Executive had advised members that the Formal Questions would be considered at the Council meeting on 6 March 2024. Councillor McGinley further advised that he did not think this was the correct decision, that this was a formal meeting of the Council and Members should have the opportunity to raise Formal Questions and them being denied from doing so was undermining good governance. The Head of Legal and Regulatory Services advised that the Council decision was that the meeting on Thursday 27 February 2025 would be set aside for the budget setting exercise and financial papers and the meeting on Wednesday 6 March 2024 and the existing meeting on Thursday 6 March 2025 for consideration of general Council business. Council therefore had agreed consideration of formal questions would take place at the Council meeting on 6 March 2024 as an item of general business. Additionally, no issues had been raised before the meeting to question this. The Head of Legal and Regulatory Services advised that she would discuss this approach with the leaders of the parties and the independents prior to next year's budget meeting.

3. Revenue Estimates 2024/25, Capital Estimates 2024/25 to 2035/36 and Carbon Budget 2024/25

There was submitted a [report](#) (issued) of 22 February 2024 by the Head of Finance, ICT and Procurement advising of the issues to be considered in setting revenue budgets for 2024/25, setting capital budgets for 2024/25 to 2035/36 and setting a Carbon Budget for 2024/25; and recommending that the Council

- (1) notes the funding proposal as outlined by the Deputy First Minister's letter of 19 December 2023 (attached as Appendix 1 to the report);

- (2) notes the requirements in relation to protecting Teacher numbers and learning hours as outlined in the letter from the Cabinet Secretary for Education and Skills of 12 February 2024 (attached as Appendix 2 to the report);
- (3) notes that the funding levels included within Finance Circulars 8/2023 and as revised in the draft Finance Order remain provisional until the Finance Order is approved in March 2024;
- (4) notes the additional funding provided to Councils as outlined in the letter from the Deputy First Minister and Cabinet Secretary for Finance of 21 February 2024 and that it was conditional on freezing Council Tax at 2023-24 levels (attached as Appendix 3 to the report);
- (5) presents and approves budget proposals for revenue and capital for 2024/25 taking account of the conditions of the settlement that required to be met and incorporating:
 - (a) planned net revenue expenditure on services for 2024/25;
 - (b) the level of reserves and fund balances held and contributions to/ from these;
 - (c) the appropriate Band D Council tax levy for 2024/25 and associated level of bad debt provision for non-collection of Council tax;
 - (d) the proposed capital programme for 2024/25 and beyond and associated debt charge implications; and
 - (e) consideration of the financial projections for 2025/26 to 2028/29;
- (6) notes the required remuneration for Basic Councillors and the Leader of the Council, as determined by The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2024, and include appropriate budget provision for all Elected Member remuneration for 2024/25;
- (7) presents and approves proposals for Common Good budgets for 2024/25; and
- (8) presents a Carbon Budget for the period 2024/25 in support of the Council's policies on Climate Change.

Councillor Davis, seconded by Councillor Pollock, moved that the Council approve the General Services Revenue Budget 2024-25 and Capital Investment Programme 2024-25 to 2035-36 proposals of the [Conservative and Independent Members](#) (issued) and accept the recommendations at (1) to (8) above.

By way of Amendment, Councillor Grant, seconded by Councillor Dettbarn, moved that the Council approve the Capital Investment Programme 2024-25 to 2035-36 proposals of the [SNP Group](#) and accept the recommendations at (1) to (4) and (6) to (7) above.

By way of Counter Amendment, Councillor Saxton, seconded by Councillor Townson, moved that the Council approve the Revenue Budget 2024-25 and Capital Investment Programme 2024-25 to 2035-36 proposals of the [Labour Group](#) and accept the recommendations at (1) to (7) above.

Discussion took place in relation to the three budgets submitted including the challenges and substantial budget gaps the Council faced and the substantial amount of savings that required to be made over the next few years and the impact of this; the investments proposed within each of these budgets, especially in relation to sports and leisure; the Council's commitment to all five towns; the freeze on Council Tax; the Council's priorities; the excellent condition of the Council's buildings; the lack of rural housing; Town Centres and the need to increase footfall to these; the need for works on the Citadel to commence timeously; the waiting lists for social housing; the need for ambitious budgeting for the longer term; the proposal for charging for brown bin uplift being counterintuitive as people would no longer recycle their garden waste; thanking officers and Group Leaders for their work in compiling the three budgets; the consensus of all Groups that investment in all towns was required; the similarities in the revenue budgets; the need to protect staff and services; and the recent increase in council house rents.

Various Members referred to engagement between all political groups being welcomed and how advantageous it would be to agree one cross-party budget going forward.

Questions were raised by various Members and responded to:

- (i) by Councillor Davis advising that the four Members of the Independents had submitted the budget proposals with the Conservative Group;
- (ii) by the Assistant Director – Housing and Operations advising that the proposed £50 charge per household for emptying of the brown bins was to allow the Council to maintain this service as there was no legislative requirement for the Council to deliver this service; and that this would remain a four weekly collection with householders also able to book online or by telephone if they required their brown bin emptied between December and the end of February;
- (iii) by the Assistant Director – Housing and Operations in relation to the proposed charge for lost, stolen or damaged bins, who advised that this was an ongoing cost to the Council, that this charge was to allow the Council to provide the appropriate services and was also to bring this authority in line with other Local Authorities;
- (iv) by the Assistant Director – Housing and Operations in relation to the proposals for a £50 charge for emptying brown bins and the cost for replacing lost, stolen or damaged bins and whether these proposals had been means tested to protect those most vulnerable; when he advised that a great deal of work had been carried out on this matter through the Waste Managers' Network which comprised officers from all Scottish Local Authorities, that this was one of the major topics for discussion with over half of Scottish Local Authorities now charging for brown bins to be emptied; and that the vast majority of Local Authorities did not carry out means testing, however, this could be examined to ascertain if this was feasible for future years;
- (v) by the Assistant Director – Housing and Operations in relation to whether the charge was £50 per household or £50 per bin, when he advised that the model was built on every household having one bin, however, if any household had more than one bin they would require to pay an additional £50 for each additional bin;
- (vi) by the Assistant Director – Housing and Operations in relation to whether home owners who were subject to having bins stolen were expected to bear the burden of this; when he advised that if a household or area was having a specific issue regarding continual damage, vandalism or theft, it would not be appropriate to charge them on every occasional a bin was stolen or vandalised, however, where there was no pattern, the charge would be levied;

- (vii) by the Assistant Director – Housing and Operations in relation to those householders who did not wish to make use of this service; when he advised that the option still existed for people to take their garden waste to the recycling centre free of charge and that householders would be signposted to Zero Waste Scotland on how to carry out home composting, however, there was no obligation to undertake this;
- (viii) by the Assistant Director – Housing and Operations in relation to how the payments would be made; when he advised that householders could pay online or by telephone with it hoped that the system would be rolled out by 15 July 2024 following advertisements by the Comms Team which would also advise that there would be no change to the collection dates;
- (ix) by Councillor Davis in relation to the Hourstons Development and whether the £22m allocated for this would be match funded by the Health and Social Care Partnership (H&SCP), whether it could continue to be rolled out without the match funding and if this project could be delayed until it was known if match funding was being provided; when he responded that this would be a matter for the Health and Social Care Partnership to respond to, that this development was included within all three capital budgets presented to Council at this meeting and that works required to be undertaken in the town centre. The Chief Executive further advised that officers were working on plans for the Hourstons site in conjunction with NHS and H&SCP colleagues, however, plans were at an early stage and officers were mindful that they were working with the £22m fund and that, in terms of future developments, these would require to be submitted when available funding was in place to progress;
- (x) by Councillor Davis in relation to whether the Administration’s plan allowed for other options for the Hourstons site and he advised that the current plan was for the H&SCP to utilise this site, however, capital plans were flexible and should any issues arise, this plan may require to take another direction. The Director of Health and Social Care further advised that work was ongoing to develop the scheme for Hourstons examining accommodation for the H&SCP, that the NHS was aware of this work, had agreed to it as a feasibility study at this stage; and that there were no costings at the moment as further discussions required to take place;
- (xi) by the Director of Housing and Operations in relation to whether the home composting bins would incur a cost for residents; and he advised that, as there was no budget set aside for compost bins, there would be a cost to residents for these;
- (xii) by Councillor Saxton in relation to the Labour Group proposals for hydro energy production at South Harbour area who advised that this was currently a proposal however, investigative works would require to be undertaken to ascertain if this was viable in this area;
- (xiii) by Councillor Davis in relation to the proposed works at the old Hourstons building and whether the Administration would agree to defer the commencement of works to ascertain if a contribution would be provided by the NHS, when he advised that it would be desirable to have this project completed as soon as possible, however, this could be reviewed within the quarterly report to Cabinet on the capital spend when projects could be reprofiled due to funding or supply issues and therefore, other projects started earlier;
- (xiv) by Councillor Saxton in relation to the proposed hydro electric scheme in the Labour budget proposals and whether there had been consideration of the environmental impact, costs and the possible energy produced, when he had advised that monies had been set aside in the budget proposals to ascertain the advantages of a hydro electric system at South Harbour, however, this could be sited elsewhere should it not be suitable at South Harbour and that this was a positive step towards net zero;

- (xv) by Councillor Dowey in relation to monies in the administration budget for Prestwick and whether these monies would be utilised for the Freemans Hall and to reinstate the Steeple at the Freemans Hall, when he confirmed that monies were set aside for this purpose and that officers would progress this matter;
- (xvi) by Councillor Townson in relation to why the Labour Group had voted for the SNP Group budget in 2023 which included charging for the emptying of brown bins when the Labour Group stated that they were against this charge, when he advised that he was now Leader of the Labour Group and would not support this charge;
- (xvii) by the Director of Strategic Change and Communities in relation to the increase in golf fees and the funding within the budget for Belleisle Golf Course, when she advised that part of the Council's Golf Strategy was the development of golf courses to generate additional income by increasing costs to play at these golf courses and that an area for further development was the creation of a golf driving range and a training area for young people to attract them to play golf; and that the money allocated was to allow the Council to carry out an options appraisal to identify potential business benefits, in line with the proposals in the approved Golf Strategy. Councillor Connolly further advised that the Strategy had been compiled by a cross-party Member/Officer Working Group;
- (xviii) by the Chief Executive in relation to the consultant's report regarding the condition of the Citadel Leisure Centre, when he advised that he would circulate the most up-to-date report to all members;
- (xix) by the Director of Strategic Change and Communities in relation to the plan for the Citadel, when she advised that extensive condition surveys had been carried out by specialists following concerns regarding the fabric of the building to have a good understanding of the condition of the building; that initial plans had been drawn up which had been shared with the Council Leader; and that it was hoped not to close the Citadel during works to maintain services for users; and
- (xx) by the Director of Housing, Operations and Development regarding road resurfacing works when he advised that he was currently compiling a road resurfacing plan which would be submitted to Cabinet for approval in April 2024.

Point of Order

Following a Point of Order from Councillor Dowey in relation to comments made by Councillor Saxton on The Citadel, Councillor Saxton apologised for his comments.

A Member requested a roll-call vote.

Prior to undertaking the vote, a Member requested clarification as the SNP Group had submitted a Capital Investment Programme but no Revenue Budget; and the Head of Finance, ICT and Procurement advised that the SNP Group would require to accept one of the Revenue Budgets, either the Conservative and Independent Group or Labour Group Revenue Budget. Councillor Grant then requested an adjournment to discuss this matter with his Group members.

Adjournment

The time being 11.35 a.m., the Council adjourned for 10 minutes.

Resumption of Meeting

The Council resumed at 11.45 a.m.

Following the adjournment, Councillor Grant confirmed that the SNP Group would be supporting the Labour Group Revenue Budget.

Following a question from a Member, the Head of Finance, ICT and Procurement advised that, as the SNP Group had agreed to support the Labour Group Revenue Budget, this vote was for the SNP Group Capital Budget against the Labour Group Capital Budget only and that, following this vote, the Group with the most votes would be voted against the Conservative and Independent Group Budget.

In accordance with the terms of the Council's Standing Orders, the Council then firstly proceeded to vote on the terms of the Counter-Amendment moved by Councillor Saxton and seconded by Councillor Townson and the Amendment moved by Councillor Grant and seconded by Councillor Dettbarn.

The Head of Legal and Regulatory Services took the vote by calling the roll as follows:-

Iain Campbell	Abstain
Mary Kilpatrick	Abstain
Kenneth Bell	Abstain
Laura Brennan-Whitefield	Amendment
Ian Cavana	Counter Amendment
Alec Clark	Abstain
Ian Cochrane	Amendment
Brian Connolly	Abstain
Chris Cullen	Amendment
Ian Davis	Abstain
Julie Dettbarn	Amendment
Mark Dixon	Abstain
Martin Dowey	Abstain
Stephen Ferry	Abstain
William Grant	Amendment
Hugh Hunter	Counter Amendment
Martin Kilbride	Abstain
Alan Lamont	Abstain
Lee Lyons	Abstain
Craig Mackay	Amendment
Brian McGinley	Counter Amendment
Bob Pollock	Abstain
Cameron Ramsay	Counter Amendment
Philip Saxton	Counter Amendment
Gavin Scott	Abstain
Bob Shields	Abstain
Duncan Townson	Counter Amendment
George Weir	Amendment

Six Members voted for the Counter-Amendment and seven Members voted for the Amendment with fifteen Members abstaining. The Amendment was accordingly declared to be carried and became the substantive Amendment.

The Council then proceeded to vote on the terms of the Motion moved by Councillor Davis and seconded by Councillor Pollock and the substantive Amendment moved by Councillor Grant and seconded by Councillor Dettbarn.

The Head of Legal and Regulatory Services then took the vote by calling the roll as follows:-

Iain Campbell	Motion
Mary Kilpatrick	Motion
Kenneth Bell	Motion
Laura Brennan-Whitefield	Amendment
Ian Cavana	Amendment
Alec Clark	Motion
Ian Cochrane	Amendment
Brian Connolly	Motion
Chris Cullen	Amendment
Ian Davis	Motion
Julie Dettbarn	Amendment
Mark Dixon	Abstain
Martin Dowey	Motion
Stephen Ferry	Motion
William Grant	Amendment
Hugh Hunter	Motion
Martin Kilbride	Motion
Alan Lamont	Motion
Lee Lyons	Motion
Craig Mackay	Amendment
Brian McGinley	Amendment
Bob Pollock	Motion
Cameron Ramsay	Amendment
Philip Saxton	Amendment
Gavin Scott	Motion
Bob Shields	Motion
Duncan Townson	Amendment
George Weir	Amendment

Twelve Members voted for the Amendment, fifteen voted for the Motion and one Member abstained and the Council, having thanked all officers involved in the budget setting process,

Decided: to accept the recommendations in the report by the Head of Finance, ICT and Procurement and to approve the proposals of the Conservative and Independent Members.

4. **Review of Polling Arrangements**

There was submitted a [report](#) (issued) of 16 February 2024 by the Chief Executive seeking approval of the scheme of polling arrangements for parliamentary and local elections following review.

Councillor Martin Dowey, seconded by Councillor Lee Lyons, moved the recommendations as outlined in the report.

Questions were raised by Members in relation to:

- (1) an alternative site for the election count, should the Citadel be undergoing renovation works; and the Chief Executive advised that it was hoped to undertake the count in the Citadel, however Queen Margaret Academy was the alternative property should works be taking place at the Citadel;

- (2) parking at Kyle Academy; and the Service Lead – Property Maintenance advised that a member of his staff would be in attendance from the opening of the poll until the end of the school day which occurred at all schools; and
- (3) where the voters who previously voted at the former John Pollock Centre would now vote; and the Service Lead – Democratic Governance advised that this was outlined on the plan attached to the report.

The Council, having thanked the Service Lead – Democratic Governance and Service Lead – Property Maintenance for the work undertaken on this matter,

Decided:

- (a) to approve the scheme of polling arrangements for parliamentary and local elections as detailed in [Appendix 1](#) to the report;
- (b) to agree to the publication of the polling arrangements and the responses to the Consultation; and
- (c) to grant delegated authority to the Chief Executive, in his role as Returning Officer, to amend the scheme of polling arrangements for parliamentary elections in the event of unforeseen circumstances, where such amendments, if not made, would impede the process of voting for electors.

6. Closing Remarks.

The Provost thanked all in attendance for their attendance and contribution.

The meeting ended at 12.05 p.m.

SOUTH AYRSHIRE COUNCIL.

Minutes of a hybrid webcast meeting
on 6 March 2024 at 10.00 a.m.

Present in County Buildings: Councillors Iain Campbell (Provost), Kenneth Bell, Laura Brennan-Whitefield, Ian Cavana, Alec Clark, Ian Davis, Brian Connolly, Julie Dettbarn, Martin Dowey, Stephen Ferry, William Grant, Hugh Hunter, Martin Kilbride, Mary Kilpatrick, Alan Lamont, Lee Lyons, Craig Mackay, Brian McGinley, Bob Pollock, Cameron Ramsay, Philip Saxton, Gavin Scott, Bob Shields, Duncan Townson and George Weir.

Present Remotely: Councillors Ian Cochrane, Chris Cullen and Mark Dixon.

Attending in County Buildings: M. Newall, Chief Executive; J. Bradley, Director of Strategic Change and Communities; K. Braidwood, Director of Housing Operations and Development; C. Caves, Head of Legal and Regulatory Services; T. Baulk, Head of Finance, ICT and Procurement; K. Dalrymple, Assistant Director – Housing and Operations; P. Bradley, Service Lead – Professional Design Services; K. Briggs, Service Lead – Legal and Licensing; C. Neillie, Solicitor; J. McClure, Committee Services Lead Officer; and E. Moore, Clerical Assistant.

Attending Remotely: C. McGhee, Chief Internal Auditor.

1. Provost.

The Provost

- (1) welcomed everyone to the meeting, outlined the procedures for conducting this meeting and advised that this meeting would be broadcast live; and
- (2) intimated that no apologies had been received.

2. Sederunt and Declarations of Interest.

The Chief Executive called the Sederunt for the meeting and having called the roll, confirmed that there were no declarations of interest by Members of the Council in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

3. Minutes of previous meetings

(1) Minutes of Previous Meetings of the Council.

- (a) Provost Iain Campbell, seconded by Councillor Mary Kilpatrick, moved the [Minutes](#) of South Ayrshire Council of 7 December 2023 as a correct record.

The Council

Decided: to approve the Minutes of 7 December 2023 and authorise these minutes to be signed as a correct record.

- (b) Provost Iain Campbell, seconded by Councillor Mary Kilpatrick, moved the [Minutes](#) of South Ayrshire Council of 17 January 2024 as a correct record.

The Council

Decided: to approve the Minutes of 17 January 2024 and authorise these minutes to be signed as a correct record.

(2) Minutes of previous meetings of Panels.

The Minutes of the undernoted Panels were submitted for information:-

- (i) Audit and Governance Panel of [8 November 2023](#), [6 December 2023](#) and [24 January 2024](#).
- (ii) Cabinet of [28 November 2023](#), [16 January 2024](#).

In accordance with the Scheme of Delegation and Standing Orders for Meetings, Councillor Martin Dowey, seconded by Councillor Lee Lyons, moved the recommendations as contained in the 'C' paragraph of the Cabinet minutes of 16 January 2024 entitled "Treasury Management and Investment Strategy Mid-Year Report 2023/24".

The Council

Decided: to approve the recommendations as contained in the ['C' paragraph](#).

In accordance with the Scheme of Delegation and Standing Orders for Meetings, Councillor Martin Dowey, seconded by Councillor Lee Lyons, moved the recommendations as contained in the 'C' paragraph of the Cabinet minutes of 14 February 2024 entitled "Procurement Strategy Update 2024/25".

The Council

Decided: to approve the recommendations as contained in the ['C' paragraph](#).

- (iii) Local Review Body of [7 November 2023](#)
- (iv) Regulatory Panel – Licensing of [30 November 2023](#) and [18 January 2024](#).
- (v) Regulatory Panel – Planning of [7 November 2023 \(Special\)](#), [16 November 2023](#), [6 December 2023](#) and [1 February 2024](#).
- (vi) Service and Partnerships Performance Panel of [21 November 2023](#).

4. Review of the Byelaws Prohibiting the Consumption of Alcohol in Designated Public Places

There was submitted a [report](#) (issued) of 27 February 2024 by the Head of Legal and Regulatory Services advising the Council of the outcome of the review of the current South Ayrshire Council (Prohibition of the Consumption of Alcohol in Designated Places) Byelaws 2013 and seeking approval of new draft byelaws in relation to the consumption of alcohol in designated public places.

Councillor Martin Dowe, seconded by Councillor Ian Davis, moved the recommendations as outlined in the report.

Questions were raised by Members in relation to:

- (1) whether there were exclusion zones, eg fields; and the Service Lead – Legal and Licensing advised that the prohibition of drinking alcohol only applied to designated public spaces;
- (2) the omission of Croy from the list of prohibited areas; and the Solicitor advised that the Scottish Government had advised that the prohibition should only relate to urban areas and should not be authority wide. The Service Lead – Legal and Licensing further advised that Croy had never been raised on previous occasions as an area to be designated, however, should Members wish to include Croy, the list would require to be amended and re-submitted to Council for approval; and
- (3) whether objections to the proposals were expected; and the Solicitor advised that it was not known if objections would be received however, no objections had been submitted during the introduction of this legislation or during the previous review and that the byelaws were not changing significantly.

Comments were made by Members that this legislation was very useful, however, Croy should not be included on the list as there were other types of small areas not included throughout South Ayrshire; and that, had Police Scotland had difficulties with these areas, this would have been raised during the consultation process.

The Council, having thanked the Service Lead – Legal and Licensing and her staff for the work undertaken on this matter,

Decided:

- (1) to approve the new draft byelaws, as outlined in Appendix 2 to the report, to be known as the ‘South Ayrshire Council (Prohibition of the Consumption of Alcohol in Designated Places) Byelaws 2024’;
- (2) to approve the publication of a notice of the Council’s intention to apply to the Scottish Government for confirmation of the new byelaws;
- (3) to seek confirmation in respect of those byelaws from the Scottish Government;
- (4) to approve advertisement of the date the new byelaws coming into effect, once the new byelaws had been confirmed by the Scottish Government;
- (5) to revoke the existing byelaws known as the ‘South Ayrshire Council (Prohibition of the Consumption of Alcohol in Designated Places) Byelaws 2013’ at 11.59 pm on the day prior to the new byelaws coming into effect; and
- (6) to approve the work to be undertaken to promote awareness of the new byelaws.

5. Treasury Management and Investment Strategy 2024/25

There was submitted a [report](#) (issued) of 27 February 2024 by the Head of Finance, ICT and Procurement requesting that Members consider the proposed Treasury Management and Investment Strategy for financial year 2024/25.

Councillor Ian Davis, seconded by Councillor Bob Pollock, moved the recommendations as outlined in the report.

Comments were made by a Member in relation to the detailed training provided to Members on Treasury Management which allowed members to have the information and knowledge required to scrutinise Treasury Management reports; and that it was important for all Members to have an understanding of this area of finance.

The Council

Decided: approve the draft Treasury Management and Investment Strategy for 2024/25 (attached as Appendix 1 to the report).

6. **Formal Question.**

In terms of Council Standing Order No. 26.2, there were submitted [Formal Questions](#) from Councillors William Grant, Duncan Townson, Brian McGinley Philip Saxton and Craig Mackay, along with the responses which were made available to all Members.

Following a comment from Councillor Mackay that he had submitted five Formal Questions and only two had been responded to within the papers, he requested an adjournment for the responses to be provided.

Adjournment

The time being 10.30 a.m., the Council adjourned for five minutes.

Resumption of Meeting

The Council resumed at 10.35 a.m.

Following the resumption of the meeting, the Head of Legal and Regulatory Services advised that all five responses to Councillor Mackay's questions were included within the papers and that the Council could now proceed.

In relation to the responses received to his questions, Councillor Townson outlined that it was interesting to note the footfall during the period of free parking and the increase in footfall during the January sales.

Councillor McGinley raised supplementary questions in relation to:-

- (1) his question 1 regarding a Plan B for the Arran Mall site and asked, given that the Health and Social Care Partnership was subject to potential national agency reformation, how would that affect the Care Village in terms of ownership and would Council monies be spent on something that belongs to someone else; and Councillor Dowey advised that he would respond to Councillor McGinley in writing.

Declaration of Interest

As Councillor McGinley's next supplementary question was in relation to the Station Hotel, Ayr, Councillor Ferry declared an interest in this matter in terms of Standing Order No. 17 and the Councillors' Code of Conduct and left the meeting during discussion thereof.

- (2) his question 2 regarding works undertaken at the Station Hotel since the fire and asked whether any bills had been paid from Council coffers to these contractors; and the Chief Executive advised that they had.

Councillor Ferry re-joined the meeting at this point.

Councillor Saxton advised that, as his question related to a report later on the agenda, he would raise his supplementary question at that time.

Councillor Mackay raised supplementary questions in relation to:-

- (1) his question 1 on school streets and why the two schools in his ward had not been contacted regarding road safety improvements being undertaken when schools in Ayr had been contacted; and the Director of Housing, Operations and Development advised that he would respond to Councillor Mackay in writing;
- (2) his question 2 on a constituent's boundary wall when he asked for an agreed timetable to be put in place for responding to enquiries, while accepting that complex issues would take longer than routine ones; and the Chief Executive advised that he would discuss this matter with officers and respond to Councillor Mackay in writing; and
- (3) his question 4 regarding Advisory Disabled Bays and complaints he had received from constituents regarding non-blue badge holders using disabled bays and the enforcement of this; and whether it was acceptable to disadvantage blue badge holders in this way; and the Director of Housing, Operations and Development advised that he would respond to Councillor Mackay in writing.

In response to Councillor Mackay's question regarding the responses to his Formal Questions not providing ample detail, the Head of Legal and Regulatory Services advised that Standing Order No. 26.4 outlined that, arising from each answer given, one supplementary question, for clarification of the answer given, may be put by the Councillor who asked the original question; and that this question was not a supplementary question to the Formal Question asked, however, she would discuss this matter with Councillor Mackay outwith this meeting.

Exclusion of press and public.

Councillor Martin Dowey, seconded by Councillor Lee Lyons, moved that the remaining items of business on the agenda be considered in private.

In terms of Standing Order No. 19.9, there was no general agreement to the unopposed motion, therefore, the Panel moved to a vote undertaken for or against the Motion. Twenty two Members voted for the Motion, three Members voted against the Motion and three Members Abstained and the Council

Decided: to agree to consider the remaining items of business in private.

The Council resolved, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the press and public be excluded during consideration of the remaining items of business on the grounds that they involved the likely disclosure of exempt information in terms of paragraphs 1, 6 and 13 of Part 1 of Schedule 7A of the Act.

7. **Affordable Housing Proposals, Riverside Place, Ayr**

There was submitted a report (Members only) of 29 February 2024 by the Director of Housing, Operations and Development presenting two proposals to Council for consideration for affordable housing at Block 1 Riverside Place, Ayr.

Councillor Martin Kilbride, seconded by Councillor Lee Lyons moved Option 1 as the preferred option and the recommendations as outlined in the report.

Discussion took place in relation to Best Value, the consultation responses, the consensus of Councillors on the way forward, the very detailed report and the reasons for the report being confidential.

Following a question on Members being regularly updated on this matter, the Head of Legal and Regulatory Services advised that she would update Members by way of the monthly Bulletin.

In terms of Standing Order No. 21.1(2), Councillor Bob Pollock, seconded by Councillor Stephen Ferry moved that the Council Move to Vote.

Having heard the Head of Legal and Regulatory Services outline the terms of Standing Order No. 21.1(2), Councillor Brian McGinley advised that Councillor Pollock had not quoted "that the question be now put" as outlined in the Standing Orders, therefore, discussions continued.

Councillor Brian McGinley, seconded by Councillor Philip Saxton moved Option 1 as the preferred option, the recommendations as outlined in the report and the addition of an additional recommendation as follows:

"that the Council agrees to instruct an independent investigation, the Chief Executive shall determine who, into the following matters:-

- Why the Council decisions of 2019 and 2022 were not implemented ;
- The reasons why discussion with EE were delayed and inconclusive ; and
- How much the delay has cost in respect of the HRA funds over this period.

and to report back to Council once complete."

The Chief Executive advised that, as Internal Audit had carried out an investigation, he did not see any requirement for this additional recommendation.

Adjournment

The time being 11.20 a.m., the Council adjourned for twenty minutes to allow Councillor Saxton to consider his Amendment and to put it into writing.

Resumption of Meeting

The Council resumed at 11.40 a.m.

Following a vote, eleven Members voted for the Amendment and seventeen for the Motion which was accordingly declared carried and the Council, having considered the options as outlined in the report in terms of best value for the Council and Council tenants, in regard to the Council's Housing Revenue Account (HRA) and having considered the financial implications of both options presented,

Decided:

- (1) to note that Option 1 was the preferred option as it represented best value in accordance with the assessment and criteria summarised at 4.21 of the report;
- (2) to agree that Option 1 be pursued by officers as the preferred option;
- (3) to authorise officers to conclude negotiations with the telecommunications company for early termination of the lease of the telecommunications mast on Block 1, Riverside Place, Ayr in accordance with decision (2) above;
- (4) to approve the recommendations in the Addendum (confidential) to this report; and
- (5) to note that a further report would be brought to Council in June 2024 confirming the outcome of the negotiations with the telecommunications company, the timescales associated with the removal of the mast and any subsequent tender process.

8. Shaping Our Future Council

There was submitted a report (Members only) of 29 February 2024 by the Chief Executive seeking approval for proposals to take forward the Council's approach to Shaping Our Future Council.

Councillor Martin Dowey, seconded by Councillor Lee Lyons moved the recommendations as outlined in the report.

Discussion took place in relation to the Best Value Audit, timescales, advertising of posts, Succession Planning, the proposed Transformation Board and the updating of Members on the progress of the Transformation Board when the Depute Chief Executive and Director of Education advised that six monthly updates would be submitted to Cabinet.

The Council, having thanked the Chief Executive and Depute Chief Executive and Director of Education for the work undertaken on this matter,

Decided:

- (1) to note the recommendations made in the recent Audit Scotland report on Best Value in South Ayrshire Council;
- (2) to approve the Council approach to developing self-evaluation practice and performance reporting, including engagement with the Improvement Service to support this work (as outlined in Appendix 1a/ 1b to the report);
- (3) to approve an enhanced leadership and management structure to improve the leadership capacity required to drive sustainable change as set out in Appendix 2 to the report;

- (4) to approve the establishment of a Transformation Board focused on four key transformation priorities as set out in Appendix 3 to the report:
 - a. • Our Workforce;
 - b. • Our Technology;
 - c. • Our Assets; and
 - d. • Our Delivery Model;
- (5) to approve the governance and financial proposals for the Transformation Board as outlined in section 4 and detailed in the Terms of Reference at Appendix 4 to the report;
- (6) to approve the transfer of the balance of uncommitted sums of £0.975m currently held in the Efficiency and Improvement Fund to augment the newly established Transformation Fund; and
- (7) to agree that a report be brought to Cabinet by the end of October 2024 detailing progress across the Shaping Our Future Council approach.

9. **Consideration of Disclosure of the above confidential reports.**

(1) **Affordable Housing Proposals, Riverside Place, Ayr**

Following advice from the Head of Legal and Regulatory Services, Councillor Hunter, seconded by Councillor Townson, moved that part of the above report be disclosed.

Decided: in terms of Standing Order No. 32.4, to authorise the disclosure of part of the above report,

(2) **Shaping Our Future Council**

Following advice from the Chief Executive, Councillor Dowey, seconded by Councillor Lyons, moved that the above report be disclosed.

Decided: in terms of Standing Order No. 32.4, to authorise the disclosure of the above report,

The meeting ended at 12.20 p.m.

South Ayrshire Council

**Report by Chief Governance Officer
to South Ayrshire Council
of 21 June 2024**

Subject: Schedule of Meetings

1. Purpose

1.1 The purpose of this report is to submit for approval a proposed timetable of meetings from August 2025 to June 2026.

2. Recommendation

2.1 It is recommended that the Council:

2.1.1 approves the timetable of Council, Cabinet and Panel meetings from August 2025 to June 2026 as detailed in [Appendix 1](#); and

2.1.3 requests the Chief Governance Officer to submit a timetable of meetings from August 2026 onwards to a future meeting of the Council.

3. Background

3.1 The Council is required to set a timetable of meetings for itself, Cabinet and Panels.

4. Proposals

4.1 The Council is asked to consider for approval the proposed timetable of meetings contained in [Appendix 1](#). This has been prepared in accordance with the current Scheme of Delegation, previous practice in relation to frequency of meetings, and taking account of school holidays where appropriate.

5. Legal and Procurement Implications

5.1 The contents of this report are in compliance with the provision of the Local Government (Scotland) Act 1973, as amended.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Minimal costs for attending meetings, etc, can be met from existing budget.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 In the absence of an approved timetable, the Council will be unable to undertake its business efficiently.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

14.1 If the recommendations above are approved by Members, the Chief Governance Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

Implementation	Due date	Managed by
Publish the meeting timetable	5 July 2024	Service Lead – Democratic Governance

Background Papers [Scheme of Delegation](#)

Person to Contact **Catriona Caves, Chief Governance Officer**
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612556
E-mail catriona.caves@south-ayrshire.gov.uk

Date: 13 June 2024

Proposed Schedule of Meetings

August 2025 to June 2026

Recess - Schools re-open on Monday 18 August 2025 (in-service day), Tuesday 19 August 2025 (in-service day) and Wednesday 20 August 2025 (pupils)			
2025			
Week 1			
Wednesday 20 August	10.00 am	Service and Partnerships Performance Panel	
Thursday 21 August	10.00 am	Licensing Board	
Week 2			
Tuesday 26 August	10.00 am	Cabinet	
Thursday 28 August	10.00 am	Regulatory Panel – Licensing	
Week 3			
Tuesday 2 September	2.00 pm	Local Review Body	
Wednesday 3 September	10.00 am	Audit and Governance Panel	
Week 4			
Tuesday 9 September	2.00 pm	Local Review Body	
Wednesday 10 September	10.00 am	Appeals Panel	
Thursday 11 September	10.00 am	Regulatory Panel - Planning	
Week 5			
Tuesday 16 September	10.00 am	Service and Partnerships Performance Panel	
Thursday 18 September	10.00 am	Licensing Board	
Friday 19 and Monday 22 September 2025 - Public Holidays – subject to confirmation of the Ayr Gold Cup			
Week 6			
Tuesday 23 September	10.00 am	Cabinet (Education)	
Thursday 25 September	10.00 am	Regulatory Panel – Licensing	
Week 7			
Tuesday 30 September	2.00 pm	Local Review Body	
Wednesday 1 October	10.00 am	Audit and Governance Panel	
Week 8			
Tuesday 7 October	10.00 am	Appeals Panel	
Wednesday 8 October	10.00 am	Regulatory Panel - Planning	
Thursday 9 October	10.00 am	South Ayrshire Council	

Recess - Schools Close on Friday 10 October 2025 and re-open on Monday 20 October 2025 (in-service day) and Tuesday 21 October 2025 (pupils)

2025

Week 1

Tuesday 21 October	10.00 am	Service and Partnerships Performance Panel	
Thursday 23 October	10.00 am	Licensing Board	

Week 2

Tuesday 28 October	10.00 am	Cabinet	
Thursday 30 October	10.00 am	Regulatory Panel – Licensing	

Week 3

Tuesday 4 November	2.00 pm	Local Review Body	
Wednesday 5 November	10.00 am	Audit and Governance Panel	

Week 4

Wednesday 12 November	10.00 am	Appeals Panel	
Thursday 13 November	10.00 am	Regulatory Panel - Planning	

Week 5

Tuesday 18 November	10.00 am	Service and Partnerships Performance Panel	
Thursday 20 November	10.00 am	Licensing Board	

Week 6

Tuesday 25 November	10.00 am	Cabinet (Education)	
Thursday 27 November	10.00 am	Regulatory Panel – Licensing	

Week 7

Tuesday 2 December	2.00 pm	Local Review Body	
Wednesday 3 December	10.00 am	Audit and Governance Panel	

Week 8

Tuesday 9 December	10.00 am	Licensing Board	
Wednesday 10 December	10.00 am	Regulatory Panel (Planning)	
Thursday 11 December	10.00 am	South Ayrshire Council	

Recess - Schools Close on Friday 19 December 2025 and re-open on Monday 5 January 2026

2026

Week 1

Tuesday 13 January	10.00 am	Service and Partnerships Performance Panel	
Thursday 15 January	10.00 am	Licensing Board	

Week 2			
Tuesday 20 January	10.00 am	Cabinet	
Thursday 22 January	10.00 am	Regulatory Panel – Licensing	
2026			
Week 3			
Tuesday 27 January	2.00 pm	Local Review Body	
Wednesday 28 January	10.00 am	Audit and Governance Panel	
Week 4			
Wednesday 4 February	10.00 am	Appeals Panel	
Thursday 5 February	10.00 am	Regulatory Panel - Planning	
Schools Close on Thursday 5 February 2026 and re-open on Tuesday 10 February 2026 (in-service day) Wednesday 11 February 2026 (pupils return)			
Week 5			
Wednesday 11 February	10.00 am	Service and Partnerships Performance Panel	
Thursday 12 February	10.00 am	Licensing Board	
Week 6			
Tuesday 17 February	10.00 am	Cabinet (Education)	
Thursday 19 February	10.00 am	Regulatory Panel - Licensing	
Week 7			
Tuesday 24 February	2.00 pm	Local Review Body	
Wednesday 25 February	10.00 am	Audit and Governance Panel	
Thursday 26 February	10.00 am	South Ayrshire Council (Budget Setting)	
Week 8			
Tuesday 3 March	10.00 am	Appeals Panel	
Wednesday 4 March	10.00 am	Regulatory Panel - Planning	
Thursday 5 March	10.00 am	South Ayrshire Council	
Week 1			
Tuesday 10 March	10.00 am	Service and Partnerships Performance Panel	
Thursday 12 March	10.00 am	Licensing Board	
Week 2			
Tuesday 17 March	10.00 am	Cabinet	
Thursday 19 March	10.00 am	Regulatory Panel – Licensing	
Week 3			
Tuesday 24 March	2.00 pm	Local Review Body	
Wednesday 25 March	10.00 am	Audit and Governance Panel	

Week 4			
Wednesday 1 April	10.00 am	Appeals Panel	
Thursday 2 April	10.00 am	Regulatory Panel - Planning	
Recess - Schools close on Thursday 2 April 2026 and re-open on Monday 20 April 2026			
Friday 3 April 2026 – Public Holiday			
Monday 6 April 2026 – Public Holiday			
2026			
Week 5			
Tuesday 21 April	10.00 am	Service and Partnerships Performance Panel	
Thursday 23 April	10.00 am	Licensing Board	
Week 6			
Tuesday 28 April	10.00 am	Cabinet (Education)	
Thursday 30 April	10.00 am	Regulatory Panel - Licensing	
Schools close on Friday 1 May 2026, re-open Tuesday 5 May 2026 School close on Wednesday 6 May 2026 and re-open Thursday 7 May 2026 (in-service day) and Friday 8 May 2026 (pupils)			
Monday 4 May 2026 – Public Holiday			
Week 7			
Tuesday 5 May	2.00 pm	Local Review Body	
Wednesday 6 May	10.00 am	Audit and Governance Panel	
Week 8			
Wednesday 13 May	10.00 am	Appeals Panel	
Thursday 14 May	10.00 am	Regulatory Panel - Planning	
Week 1			
Tuesday 19 May	10.00 am	Service and Partnerships Performance Panel	
Thursday 21 May	10.00 am	Licensing Board	
Monday 25 May 2026 – Public Holiday			
Week 2			
Tuesday 26 May	10.00 am	Cabinet	
Thursday 28 May	10.00 am	Regulatory Panel - Licensing	
Week 3			
Tuesday 2 June	2.00 pm	Local Review Body	
Wednesday 3 June	10.00 am	Audit and Governance Panel	

Week 4			
Tuesday 9 June	10.00 am	Service and Partnerships Performance Panel	
Wednesday 10 June	10.00 am	Appeals Panel	
Thursday 11 June	10.00 am	Regulatory Panel - Planning	
2026			
Week 5			
Tuesday 16 June	10.00 am	Cabinet (Education)	
Thursday 18 June	10.00 am	Licensing Board	
Week 6			
Tuesday 23 June	10.00 am	Regulatory Panel - Licensing	
Wednesday 24 June	10.00 am	Audit and Governance Panel	
Thursday 25 June	10.00 am	South Ayrshire Council	
<p>Recess</p> <p><i>Schools Close on Tuesday 30 June 2026 and re-open on Tuesday 18 August 2026 (in-service day) Wednesday 19 August 2026 (in-service day) Thursday 20 August 2026 (pupils return)</i></p>			

South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Schedule of Meetings
Lead Officer (Name/Position/Email)	Wynne Carlaw, Service Lead – Democratic Governance – wynne.carlaw@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – (issues specific to women & men or girls & boys)	-	-
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Thematic Groups: Health, Human Rights & Children's Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent's education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the 'Three Key Needs' of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	YES NO
Rationale for decision: This report submits for approval a timetable of Council and Panel meetings from August 2025 to June 2026. Members' decision on this has no specific equality implications	
Signed : Catriona Caves	Chief Governance Officer
Date: 13 June 2024	

South Ayrshire Council

**Joint Report by Chief Financial Officer and Chief Governance Officer
to South Ayrshire Council
of 21 June 2024**

Subject: Audit and Governance Panel – 2023/24 Annual Report

1. Purpose

- 1.1 The purpose of this report is to provide the Council with the Audit and Governance Panel annual report for 2023/24.

2. Recommendation

- 2.1 **It is recommended that the Council considers and approves the Audit and Governance Panel annual report for 2023/34 (attached as [Appendix 1](#)).**

3. Background

- 3.1 At its meeting on 6 December 2023, as part of its consideration of the report entitled 'Audit and Governance Panel – 2023 Annual Self-Assessment Outcome', the Panel agreed:

- to receive an annual joint report by the Chief Governance Officer and the Chief Financial Officer in May 2024 outlining the work of the Audit and Governance Panel for the financial year 2023-24 (per Action 1 in Appendix 3 of the December report); and
- thereafter to remit the report to Council in June 2024 for consideration.

- 3.2 At its meeting on 29 May 2024, the Audit and Governance Panel considered the Annual Report for 2023/34 and requested that the report be submitted to Council on 21 June 2024 for consideration.

4. Proposals

- 4.1 The Audit and Governance Panel (AGP) annual report for 2023-24 is attached as Appendix 1 and contains information on the following:

- 4.1.1 AGP membership and meetings held during the year;
- 4.1.2 summary information on AGP activity and decisions during the year; and
- 4.1.3 an annual assurance statement by the Chair of the AGP.

- 4.2 The Council is asked to consider and approve the Audit and Governance Panel annual report for 2023/24.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Not applicable.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 Risk Implications of Adopting the Recommendations

8.1.1 There are no risks associated with adopting the recommendations.

8.2 Risk Implications of Rejecting the Recommendations

8.2.1 There are no risks associated with rejecting the recommendations.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

Background Papers **Report to Audit and Governance Panel of 6 December 2023 – [Audit and Governance Panel – 2023 Annual Self-Assessment Outcome](#)**

Report to Audit and Governance Panel of 29 May 2024 – [Audit and Governance Panel – 2023/24 Annual Report](#)

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Date: 13 June 2024

Audit and Governance Panel Annual Report 2023-24

Draft for Approval

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1. Introduction

The Chartered Institute of Public Finance and Accountancy (CIPFA) published recommended best-practice guidance for the operation of Audit Committees in local authorities across the United Kingdom in its publication entitled 'Audit Committees: Practical Guidance for Local Authorities and Police (2013)' (the 'guidance'); and in its subsequent 'Position Statement: Audit Committees in Local Authorities and Police (2022)' (the 'position statement').

The guidance and position statement are seen as an integral element of the corporate governance framework.

A key element of the guidance is that an Audit Committee should be held to account on a regular basis. In practice within South Ayrshire Council this means accountability to full Council. The guidance recommends that the preparation of an annual report by the Audit Committee can be a helpful way to enable the Committee to demonstrate its accountability to the Council.

Within South Ayrshire Council, the Audit and Governance Panel undertakes the 'Audit Committee' role alongside its wider governance remit.

2. Audit and Governance Panel Terms of Reference and Delegations

The terms of reference and delegations to the Audit and Governance Panel derive from the decision made by South Ayrshire Council to establish an Audit and Governance Panel and to delegate specific powers to the Panel rather than to reserve those powers to itself.

The current terms of reference and delegations to the Audit and Governance Panel are set out in detail in Section 3 ('Terms of Reference and Delegations to Scrutiny Panels') of the Council's Scheme of Delegation, effective December 2023.

The core remit of the Audit and Governance Panel is to provide independent assurance on the adequacy of the Council's arrangements for risk management, corporate governance, and internal control.

This Annual Report has been prepared to:

- meet the requirements of the CIPFA guidance and position statement;
- meet the requirements of the Council's Scheme of Delegation;
- ensure that the Panel clearly reports to the Council on the adequacy of the Council's risk management, corporate governance, and internal control arrangements; and
- inform the Council about the Audit and Governance Panel's activity and performance for the 2023-24 financial year.

3. Audit and Governance Panel Membership and Meetings

Panel Membership

In May 2022 Council appointed the following elected members to the Audit and Governance Panel:

- Councillor Peter Henderson (Chair until May 2023);
- Councillor Brian McGinley (Vice-Chair);

- Councillor Kenneth Bell;
- Councillor Chris Cullen;
- Councillor Mary Kilpatrick;
- Councillor Cameron Ramsey;
- Councillor Gavin Scott (until October 2023); and
- Councillor George Weir.

Council appointed Councillor Julie Dettbarn as Chair of the Panel at its meeting of 29 June 2023, following the resignation of Councillor Henderson earlier in June 2023. At its meeting of 12 October 2023, Council appointed Councillor Alan Lamont as a replacement for Councillor Gavin Scott on the Panel.

Quorum for the Audit and Governance Panel is three Members.

Meeting schedule

The Audit and Governance Panel met on ten occasions during 2023-24:

31 May 2023	28 June 2023	6 Sept 2023	27 Sept 2023 (Special)	4 Oct 2023
8 Nov 2023	6 Dec 2023	24 Jan 2024	22 Feb 2024	20 March 2024

All Panel meetings took place in compliance with the Council's Scheme of Delegation and Standing Orders. Since August 2020 meetings have been held using the Council's hybrid meeting platform to allow remote and physical participation. From June 2022 meetings have been live-streamed and made available publicly on the Council's live streaming website.

Overall, an 86% Panel Member attendance at meetings was achieved during the year, either in person or remotely, as shown in the table below.

Date of meeting	In Person	Remote	Apologies	% achieved
31 May 2023	6	1	1	88
28 June 2023	5	2	1	88
6 September 2023	4	2	2	75
27 September 2023	3	3	2	75
4 October 2023	5	2	1	88
8 November 2023	6	2	-	100
6 December 2023	6	2	-	100
24 January 2023	4	1	3	63
22 February 2023	7	1	-	100
20 March 2023	5	2	1	88
			Ave	86%

4. Audit and Governance Panel Activity and Performance

The Audit and Governance Panel Annual Report enables the Panel to clearly demonstrate delivery of its key responsibilities and accountabilities for providing the Council with independent assurance on the adequacy of arrangements for risk management, governance, and internal control.

Scrutiny Activity

The Panel performed its scrutiny work during 2023-24 by receiving a total of 35 reports in relation to, considering, scrutinising, and following up the outcomes from reports from various assurance providers, including:

- Internal Audit and Corporate Fraud;
- Corporate Finance;
- External Audit;
- Risk Management;
- External Regulatory or Assurance bodies; and
- Other Governance and Scrutiny reporting.

Detailed information on the reports received and action taken in relation to the above is shown in Annex A (pages 8 to 17 of this appendix).

Copies of the AGP agenda papers for the current meeting cycle and approved Minutes of meetings of the Audit and Governance Panel are available to the public on the Council's website.

Training Activity

A number of Members training sessions took place during 2023-24 to ensure the continued development of Members skills and experience. Details of all the sessions that were held during the year are provided in the table below. Some of the sessions, as described in the table, had a specific relevance for Members of the AGP but were open for all Members to attend. The specific AGP relevant sessions took place to allow Members of the Panel to gain a greater understanding of the activities scrutinised by the AGP and to more fully interrogate the scrutiny role for Panel members, thus increasing the frequency, scope and depth of members' questions at Panel.

Date	Title of training session	Specific relevance to AGP
3 May 2023	Treasury Management	Yes
7 June 2023	Accounts Commission Local Government Overview Report	Yes
3 Oct 2023	Scrutinising business case workshop - Improvement Service	Yes
25 Oct 2023	Scrutiny Foundations workshop - Improvement Service	Yes
1 Nov 2023	Corporate Fraud Team	Yes
24 Jan 2024	Common Good	No

Date	Title of training session	Specific relevance to AGP
24 Jan 2024	Scotland Excel (Procurement)	No
7 Feb 2024	Treasury Management Team	Yes

Annual Survey – Feedback

Members - Twenty Elected Members were asked for anonymous feedback on their interaction with the Panel during the year. Nine responses were received and are presented below.

Rating	Strongly Agree %	Agree %	Disagree %	Strongly Disagree %
Quality of Panel Reports	11	88	0	0
Interaction During Meeting	11	66	22	0
Effective Role of Panel in Decision Making Structure	0	100	0	0

The information above reflects that the vast majority of members are satisfied (strongly agree or agree) with the quality of reports at Panel and the manner in which the Panel conducts its business as part of the Council’s decision-making structure.

Officers - Fifteen officers, who regularly interact with the Panel were asked for feedback on their interaction with the Panel during the year. Nine responses were received and are presented below.

Rating	Strongly Agree %	Agree %	Disagree %	Strongly Disagree %
Panel's Understanding of Tabled Reports	22	66	11	0
Effective Role in Decision Making Structures Relative to Service Requirements	55	33	11	0

The information above similarly reflects officers’ satisfaction in relation to the Panel’s understanding of reports and its effective decision making relative to individual services. Officer comments included suggested targeted areas for training for the Panel and, therefore, future training activity is being developed to address current identified and emerging needs.

Self-Assessment Performance

In line with the CIPFA document ‘Audit Committees: Practical Guidance for Local Authorities and Police – 2022 Edition’, with particular reference to the ‘Self-Assessment of Good Practice – Checklist’ provided within that document, the Audit and Governance Panel undertook a self-assessment in September 2023, with the results being reported to the Panel in December 2023.

In general terms, the outcome of the self-assessment, as evidenced by the score of 159 out of 200, was broadly similar to the self assessment undertaken in 2021 (although not directly comparable due to the change in methodology), with Members being satisfied with the effectiveness of the Panel in undertaking its role and discharging its functions within the Council's decision-making arrangements in most respects.

Notwithstanding the considered overall general effectiveness of the Panel, a small number of important matters were raised relative to which actions for improvement were required. A summary of the agreed actions is provided in the table below along with an assessed status update on progress to date.

Proposed action	Responsible Officer	Due Date	Status
Introduce an annual report on the activities of the AGP to be considered and approved by AGP and then remitted to Council for consideration	Service Lead – Democratic Governance	June 2024	Complete (subject to approval at May 2024 AGP and remittance to Council for consideration)
Include relevant evaluation information and areas for development in the self-assessment reporting (Dec 2023) and include compliance information in the annual report to Council	Service Lead – Democratic Governance	June 2024	Complete (subject to approval at May 2024 AGP and remittance to Council for consideration)
Engage with Audit Scotland to seek to widen private discussions beyond Chair and Vice Chair to all AGP members	Chief Financial Officer	June 2024	Complete – Audit Scotland have agreed to widen the private informal discussion to encompass all members of the Panel following the formal AGP in September each year.
Develop and implement mechanisms for obtaining feedback from Elected Members and officers of the Council and include results in the annual report to Council	Service Lead – Democratic Governance	June 2024	Complete – Annual survey circulated to Members and Chief Officers in March 2024 with results included in the Annual Report.
Members of the AGP should be encouraged to contribute and engage in the scrutiny process whenever possible	Chair and Members of the Panel	Oct 2024	In progress – recent minutes of panel meetings evidence wider engagement and scrutiny from members of the panel.
Self-assessment to be undertaken annually (Sept) with outcomes to be considered by AGP each December and annual report to be consider by full Council in June each year. Annual self-assessment to include action plan for areas of improvement	Service Lead – Democratic Governance	Dec 2023 and then annually	Complete Dec 2023 - with next self assessment planned for Sept 2024.

5. Audit and Governance Panel Assurance Statements

The work of the Audit and Governance Panel during and in relation to 2023-24 is detailed at Section 4. This work was supported by reports, information and assurance statements from various sources including internal and external auditors, council management and regulatory or inspection bodies.

I have taken account of the breadth and depth of work performed by the Panel during the year to enable the Panel to provide the Council with independent assurance on the adequacy of its arrangements for risk management, governance, and control.

I can, therefore, provide the Council with reasonable assurance on the adequacy of the arrangements for risk management, governance, and control, based on the work undertaken by the Panel.

I can also confirm, in relation to its terms of reference, delegations and performance that during the year the Panel:

- operated in accordance with the Council's Scheme of Delegation which sets out the approved remit and delegations to the Audit and Governance Panel;
- operated in accordance with the requirements of the CIPFA 'Audit Committees Practical Guidance for Local Authorities and Police (2013)' and 'Position Statement: Audit Committees in Local Authorities and Police (2022)';
- received and took assurance from updates for Internal Audit reviews and assignments, sought any necessary clarification from council management on audit findings and assurance from management that agreed improvement actions to internal control, risk management and corporate governance arrangements would be implemented as agreed;
- satisfied itself that, for all improvement actions set out in Internal Audit reports, appropriate systems are in place to follow-up, monitor, evidence and report their implementation;
- noted the Internal Audit Annual Reports for 2022-23 and the Chief Internal Auditor's 'Audit Opinions for the Annual Governance Statement'. The Reports provided the Panel with reasonable assurance from the Chief Internal Auditor on the adequacy and effectiveness of the Council's internal control, risk management and corporate governance arrangements, based on the work of Internal Audit during the respective year;
- noted reports from the Council's external auditor, Audit Scotland, including the Annual Reports to Members and the Controller of Audit for the financial year ended 31 March 2023. The Panel sought any necessary clarification from management on audit findings and assurance that any agreed improvement actions to internal control, risk management and corporate governance arrangements would be implemented as agreed;
- noted and took assurance from risk management reports to fulfil its delegated function to monitor the effective development and operation of arrangements for the management of risk in the Council. The Panel undertook regular review and scrutiny of the development of the Strategic Risk Register and corporate risk management arrangements;
- noted corporate fraud reports on actual and potential frauds, losses, thefts, or financial irregularities reported or identified from counter fraud work and the Council's participation in the National Fraud Initiative exercise. This enabled the Panel to fulfil its delegated function to monitor the effective development and operation of arrangements for the prevention and investigation of fraud and irregularity. The Panel scrutinised and monitored the Council's counter fraud activity and compliance with best practice and any legal requirements;
- noted the audited Annual Accounts for the Council and for the Council's Common Goods Funds and Charitable Trusts for 2022-23 and considered the draft,

unaudited Annual Accounts for 2022-23 prior to submission to the external auditor;
and

- approved the minutes of meetings held by the Panel as a record of attendance, its proceedings and the decisions made by the Panel.

In terms of the statutory requirements and timescales set out in the Local Authority Accounts (Scotland) Regulations 2014 I can also confirm that the Audit and Governance Panel undertook the following activities in relation to the Council's annual accounts during the year (as those related specifically to the 2022-23 annual accounts process):

- received and noted the Council's draft, unaudited Annual Accounts for 2022-23 by the statutory deadline of 30 June and considered the draft, unaudited Annual Accounts prior to submission to the external auditor;
- received and noted the draft Annual Governance Statement for 2022-23 included within the draft Annual Accounts by the statutory deadline of 30 June; and
- received and took assurance from the Internal Audit report on the annual review of the effectiveness of the Council's risk management, corporate governance and internal control arrangements and compliance with the Council's Code of Corporate Governance, which informed the Panel's consideration of the Annual Governance Statement for 2022-23.

Councillor Julie Dettbarn
Chair of the Audit and Governance Panel

May 2024

Internal Audit and Corporate Fraud

The Panel received 9 reports from the Chief Internal Auditor in relation to planned and unplanned audits, other annual assurance work and counter-fraud activity.

This enabled the Panel to oversee the work of Internal Audit and Corporate Fraud in relation to the provision of assurance on the Council's framework of arrangements for risk management, corporate governance, and internal control and in terms of corporate counter-fraud arrangements. Details of the Internal Audit and Corporate Fraud reports and other outputs considered during, or in relation to, 2023-24 are set out in Tables 1 below.

Table 1

Report	Panel Date	Purpose	Panel Action
Corporate Fraud – Activity report and update on 2022/23 National Fraud Initiative	31 May 2023	to advise Members of the Corporate Fraud Team's (CFT) activity from 1 October 2022 to 31 March 2023 and to provide an update on the progress of the 2022/23 National Fraud Initiative exercise	<ul style="list-style-type: none"> considered the CFT activity for the six-month period to 31 March 2023 noted the update on the 2022/23 National Fraud Initiative (NFI)
Internal Audit annual Report 2022/23	28 June 2023	to report on the internal audit activity during 2022/23 and to provide an independent opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control systems	<ul style="list-style-type: none"> noted the Internal Annual Audit report and assurance statement
Internal Audit Annual Update Report – Integration Joint Board	6 Sept 2023	to provide an annual report for information to the Panel on internal audit work carried out for the Integration Joint Board (IJB) by the South Ayrshire	<ul style="list-style-type: none"> noted the content of the report.

Report	Panel Date	Purpose	Panel Action
(IJB) Performance and Audit Committee (PAC)		Council and NHS Ayrshire and Arran (NHSAAA) internal auditors.	
Internal Audit – Progress Report	6 Sept 2023	to advise Members of progress of the 2022/23 internal audit plan, progress of the 2023/24 internal audit plan, directorates' progress against implementation of internal audit action plans and the status of the current Quality Assurance and Improvement Programme.	<ul style="list-style-type: none"> considered the content of the report
Internal Audit – Progress Report	8 Nov 2023	to advise Members of progress of the 2022/23 internal audit plan, progress of the 2023/24 internal audit plan, directorates' progress against implementation of internal audit action plans and the status of the current Quality Assurance and Improvement Programme	<ul style="list-style-type: none"> considered the content of the report
Internal Audit Plan 2023/24 – Midyear Review	8 Nov 2023	to seek approval for a revision to the 2023/24 Internal audit plan	<ul style="list-style-type: none"> approved the revised 2023/24 Internal Audit plan
Corporate Fraud Team – Activity Report and 2022/23 National Fraud Initiative Update	6 Dec 2023	to advise Members of the Corporate Fraud Team's (CFT) activity from 1 April 2023 to 30 September 2023 and to provide an update on the 2022/23 National Fraud Initiative exercise	<ul style="list-style-type: none"> considered the CFT activity for the six-month period to 30 September 2023 noted the update on the 2022/23 National Fraud Initiative
Internal Audit – Progress Report	22 Feb 2024	to advise Members of progress of the 2022/23 and the 2023/24 internal audit	<ul style="list-style-type: none"> considered the content of the report

Report	Panel Date	Purpose	Panel Action
		plans, directorates' progress against implementation of internal audit action plans and the status of the current Quality Assurance and Improvement Programme	<ul style="list-style-type: none"> approved the revision to the 2023/24 Internal Audit Plan
Proposed Internal Audit Plan 2024/25 (including Annual Review of Internal Audit Charter)	20 March 2024	to submit, for approval, the proposed Internal Audit Plan and reserve list for 2024/24. Approval also being sought for the revised Internal Audit Charter.	<ul style="list-style-type: none"> approved the annual audit plan for 2024/25 approved the reserve list for 2024/25

Corporate Finance

The Panel received various reports from the Council's Chief Financial Officer. This allowed the Panel to oversee the annual accounts process for the Council, for Common Good Funds and for the charitable trusts of which the Council is a trustee. The Panel also oversaw the Treasury Management activity through consideration of quarterly and annual update reports. Details of the 7 reports considered are set out in Table 2.

Table 2

Report	Panel Date	Purpose	Panel Action
External Audit Reports – Progress to 31 March 2023	28 June 2023	to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions.	<ul style="list-style-type: none"> scrutinised the progress against the Council's external audit improvement actions
Annual Accounts 2022/23	28 June 2023	to present unaudited Annual Accounts for the year ended 31 March 2023	<ul style="list-style-type: none"> approved the accounting policies contained in the unaudited accounts

Report	Panel Date	Purpose	Panel Action
			<ul style="list-style-type: none"> considered the unaudited South Ayrshire Council and unaudited charitable trust accounts prior to submission to the External Auditor
Treasury Management Annual Report 2022/23	28 June 2023	to present, in line with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, the annual report of treasury management activities for 2022/23	<ul style="list-style-type: none"> considered the Annual Treasury Management Report 2022/23 remitted the Annual Treasury Management Report to the next Cabinet meeting on 22 August for approval
Treasury Management and Investment Strategy Quarter 1 Update Report 2023/24	6 Sept 2023	to provide Members with an update on the 2023/24 treasury prudential indicators for the period April-June 2023 (Quarter 1) and provide an update on the latest wider economic position	<ul style="list-style-type: none"> scrutinised the contents of the report remitted the Quarter 1 Update Report to the next Cabinet meeting on 26 September for approval
Treasury Management and Investment Strategy Mid-Year Report 2023/24	6 Dec 2023	to provide Members with a mid-year treasury management update for the financial year 2023/24	<ul style="list-style-type: none"> scrutinised the contents of this report remitted the report to the Cabinet meeting of 16 January 2024 for approval
External Audit Reports – Progress to 31 December 2023	24 Jan 2024	to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions	<ul style="list-style-type: none"> scrutinised the progress against the Council's external audit improvement actions as presented in the report
Treasury Management and Investment Strategy Quarter 3 Update Report 2023/24	22 Feb 2024	to provide Members with an update on the 2023/24 treasury prudential indicators for the period October-December 2023 (Quarter 3) and provide an update on the latest wider economic position	<ul style="list-style-type: none"> scrutinised the contents of this report remitted the Quarter 3 Update Report to the next Cabinet meeting on 12 March 2024 for approval

External Audit

The Panel received reports from the Council's appointed external auditor, Audit Scotland.

The reports from Audit Scotland provided independent assurance and opinions *'to those charged with governance'* on the Council's annual financial statements, annual governance statements, governance arrangements, 'best value' arrangements and service performance. Details of the 4 reports considered are set out in Table 3.

Table 3

Report	Panel Date	Purpose	Panel Action
Audit Scotland: Best Value Thematic Work in South Ayrshire Council 2022/23	28 June 2023	to advise the Panel of the initial findings from Audit Scotland's recent Best Value thematic work in South Ayrshire	<ul style="list-style-type: none"> considered the draft Audit Scotland report on Best Value thematic work in South Ayrshire Council 2022/23 considered the draft improvement action plan included in Appendix 1 of the Audit Scotland report provided feedback on the report and action plan and remits the draft Audit Scotland report and improvement action plan to Cabinet on 29 August 2023 for approval.
Final Report on the 2022/23 Audit	27 Sept 2023 (Special)	to submit the Annual Accounts for the financial year ended 31 March 2023 and the proposed independent auditor's report to Members of the Council, and to allow the auditor to communicate the matters raised during the audit to the Panel	<ul style="list-style-type: none"> noted the Audit Scotland audit confirmation letter considered the 2022/23 Annual Audit Report by Audit Scotland, and noted that the Annual Accounts and Charitable Trust Accounts have an unmodified audit opinion noted that the attached Annex 2 included best value information that had previously been presented to Members

Report	Panel Date	Purpose	Panel Action
			<ul style="list-style-type: none"> • approved the Council's audited Annual Accounts for signature and their subsequent issue by 30 September 2023 • approved the Charitable Trusts' audited Annual Accounts for signature and their subsequent issue by 30 September 2023
Accounts Commission Annual Report 2022/23	4 Oct 2023	to advise the Panel of the Accounts Commission Annual Report 2022/23	<ul style="list-style-type: none"> • considered the findings outlined in the Accounts Commission Annual Report 2022/23
Audit Scotland: Workforce Innovation – How Councils are Responding to Workforce Challenges	20 March 2024	to present members with Audit Scotland's thematic report on workforce innovation in South Ayrshire	<ul style="list-style-type: none"> • scrutinised the content of Audit Scotland's thematic report on workforce innovation in South Ayrshire • noted the improvement actions identified in Appendix 1 of the Audit Scotland report • agreed that these actions be incorporated within the existing Best Value Action Plan and reported quarterly to the Audit and Governance Panel and the Best Value Working Group
Audit Scotland: Annual Audit Plan 2023/24	20 March 2024	to provide background to the presentation by Audit Scotland of their Annual Audit Plan 2023/24	<ul style="list-style-type: none"> • agreed the attached Annual Audit Plan 2023/24 (Appendix 1)

Risk Management

The Panel received reports from the Chief Governance Officer in relation to risk management. This enabled the Panel to oversee the Council's risk management arrangements. Details of the 3 reports considered are set out in table 4.

Table 4

Report	Panel Date	Purpose	Panel Action
Strategic Risk Management	6 Sept 2023	to update Members on the reviewed Strategic Risk Register in line with the agreed reporting framework.	<ul style="list-style-type: none"> considered the reviewed Strategic Risk Register (Appendix 1) updated by Chief Officers noted the 14 key risks and endorses the work currently being undertaken or proposed by risk owners to mitigate these risks
Risk Implications - Panel Reports	8 Nov 2023	to update Members on a review to ascertain if the 'Risk Implications' detailed in Council/ Panel reports are being used successfully	<ul style="list-style-type: none"> considered the analysis of 'risk implications' in sample Council and Cabinet Reports since January 2023 agreed that the Head of Legal and Regulatory Services reinforces existing guidance to report authors and request that they seek any additional support, if required, from the Service Lead – Risk and Safety agreed that the Head of Legal and Regulatory Services reminds Members that ongoing scrutiny of the Risk Implications section of Panel reports will support informed decision making
Strategic Risk Management	20 March 2024	to update Members on the reviewed Strategic Risk Register in line with the agreed reporting framework	<ul style="list-style-type: none"> considered the reviewed Strategic Risk Register (Appendix 1) updated by Chief Officers noted the 14 key risks and endorses the work currently being undertaken or proposed by risk owners to mitigate these risks

External Regulatory Bodies or Assurance Providers

The Panel received other reports provided or published by external regulatory bodies and assurance providers, primarily Audit Scotland. These included `thematic' reports on national issues that the Chief Governance Officer and the Chief Financial Officer considered to be relevant to the Audit and Governance Panel's terms of reference and delegations, as set out in the Council's Scheme of Delegation. Details of the 5 reports considered are set out in Table 5.

Table 5

Report	Panel Date	Purpose	Panel Action
Audit Scotland – Integration Joint Boards – Financial analysis 2021/22	31 May 2023	to advise the Panel of the Audit Scotland report 'Integration Joint Boards – Financial Analysis 2021/22	<ul style="list-style-type: none"> • considers the findings outlined in the Audit Scotland report 'Integration Joint Boards – Financial Analysis 2021/22 • note the position in relation to South Ayrshire Council
Audit Scotland – Resourcing the Benefits Service – A thematic Study	31 May 2023	to advise the Panel of the Audit Scotland report 'Resourcing the Benefit Service - A Thematic Study'	<ul style="list-style-type: none"> • considers the findings outlined in the Audit Scotland report 'Resourcing the Benefit Service - A Thematic Study' • note the local arrangements in place
Audit Scotland: Scotland's City Region and Growth Deals	6 Sept 2023	to provide an update on the progress of the audit recommendations for Scotland's City Region and Growth Deals, as reported in the national Audit Scotland June 2023 publication 'Scotland's City Region and Growth Deals - Progress of the 2020 audit report recommendations' and consider South Ayrshire Council's response to these audit recommendations.	<ul style="list-style-type: none"> • considered the Audit Scotland report 'Scotland's City Region and Growth Deals: Progress of the 2020 audit report recommendations' • noted the 'Learning for future challenges' on page 18 of the report • considered the actions taken by South Ayrshire Council to respond to challenges presented in delivering the Ayrshire Growth Deal
Audit Scotland: Fraud and Irregularity 2022/23	4 Oct 2023	to advise the Panel of the Audit Scotland report 'Fraud and Irregularity 2022/23'	<ul style="list-style-type: none"> • considered the findings outlined in the Audit Scotland report 'Fraud and Irregularity 2022/23'

Report	Panel Date	Purpose	Panel Action
Audit Scotland: Local Government in Scotland Overview 2023	4 Oct 2023	to advise Members of the findings from the Audit Scotland: Local Government Overview Report 2023	<ul style="list-style-type: none"> considered the findings outlined in the Audit Scotland report 'Local Government in Scotland Overview 2023 considered Supplement 2 (Questions/ Checklist for Elected Members)

Other Governance and Scrutiny reporting

In fulfilling its wider Governance and Scrutiny role the Panel considered a number of other reports. These included 'call-in' reports from Cabinet, Best Value progress reports, the Annual Good Governance assurance report and other update reports that the Chief Governance Officer considered to be relevant to the Audit and Governance Panel's terms of reference and delegations, as set out in the Council's Scheme of Delegation. Details of the 7 reports considered are set out in Table 6.

Table 6

Report	Panel Date	Purpose	Panel Action
Call in - Cabinet – 23 May 2023	31 May 2023	to consider the decision take by Cabinet – 23 May 2023 Item 8 - Temporary Senior Communities Officer - Glendoune	<ul style="list-style-type: none"> decided: to uphold the decision of the Cabinet.
Corporate Lets	28 June 2023	to provide an annual update in relation to requests for discretion to be applied to let charges from 1 April 2022 to 31 March 2023.	<ul style="list-style-type: none"> reviewed the information in the report
Delivering Good Governance – 2022/23 Assessment	28 June 2023	to invite Members to review the 2022/23 year-end assessment against the Council's Delivering Good Governance Framework	<ul style="list-style-type: none"> reviewed and agreed the 2022/23 year-end assessment

Report	Panel Date	Purpose	Panel Action
Best Value Action Plan 2023	4 Oct 2023	to seek approval for an expanded Best Value action plan	<ul style="list-style-type: none"> agreed the augmented action plan, noting the additional improvement activity identified through the Best Value Thematic Work in South Ayrshire Council 22/23 report considered the response to the comments made by the Audit and Governance Panel in June 2023
Audit and Governance Panel – 2023 Annual Self-Assessment Outcome	6 Dec 2023	to confirm the outcome of the Audit and Governance Panel Self-Assessment for 2023, which was undertaken on 7 September 2023; and to seek agreement of the resulting action plan	<ul style="list-style-type: none"> noted the outcome of the 2023 self-assessment approved the action plan for improvements agrees to receive an annual joint report by the Head of Legal and Regulatory Services and the Head of Finance, ICT and Procurement in May 2024 outlining the work of the Audit and Governance Panel for the financial year 2023-24 agreed thereafter to remit the report to Council in June 2024
Best Value Action Plan 2023 – Progress Update	24 Jan 2024	to update members on the progress toward delivering the Council's Best Value Action Plan 2023	<ul style="list-style-type: none"> scrutinised the content of the Best Value Action Plan 2023 update report considered the progress through the narrative set out within Appendix 1 to the report
Call in - Cabinet – 14 Feb 2024	22 Feb 2024	to consider the decision take by Cabinet – 14 February 2023 Item 8 – Merlin Cinema Ltd – support Grant (Members only)	<ul style="list-style-type: none"> noted officers advised that the decision was to be rescinded

**South Ayrshire Council
Equality Impact Assessment
Scoping Template**

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Audit and Governance Panel – 2023/24 Annual Report
Lead Officer (Name/Position/Email)	Tim Baulk, Chief Financial Officer – tim.baulk@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – (issues specific to women & men or girls & boys)	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children’s Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	YES NO
Rationale for decision: This report provides the Panel with the Audit and Governance Panel annual report for 2023/24. Members' decision on this has no specific equality implications	
Signed: Tim Baulk Date: 7 May 2024	Chief Financial Officer

South Ayrshire Council

**Report by Chief Financial Officer
to South Ayrshire Council
of 21 June 2024**

Subject: Financial Regulations Review

1. Purpose

1.1 The purpose of this report is to seek approval of the revised Financial Regulations following review.

2. Recommendation

2.1 It is recommended that the Council approves the revised Financial Regulations (Appendix 1), to be effective from 22 June 2024.

3. Background

3.1 It is a requirement of corporate governance that the Council's Financial Regulations be kept under review. The last report was approved by the Council on 7 December 2023.

3.2 At its meeting on 7 December 2023, the Council agreed that officers be requested to consider in the next review of the Financial Regulations whether any amendment was required to paragraph 13.4 to take account of further office rationalisation and new ways of working.

3.3 At its meeting on 6 March 2024, as part of a report relating to 'Shaping Our Future Council', the Council approved amendments to the management structure and establishment of a Transformation Board (including governance and financial proposals). Members also requested that the Financial Regulations be updated to reflect the new arrangements regarding allocation and monitoring of sums from the new Transformation Fund.

3.4 The opportunity has also been taken to review the Regulations to reflect issues arising since the last revision.

4. Proposals

4.1 Following consideration of paragraph 13.4 of the Financial Regulations, relating to inventory records, no amendment to the current wording is proposed at this time. Any required changes in terms of record keeping documentation to account for new ways of working and office rationalisation will be actioned through future iterations of the annual year-end accounting instructions and guidelines issued to services each year.

- 4.2 The Financial Regulations have been updated to reflect:
- 4.2.1 amendments to the management structure approved by the Council on 6 March 2024; and
 - 4.2.2 removal of the arrangements for the Efficiency and Improvement Fund (which is being replaced by the new arrangements regarding allocation and monitoring of sums from the new Transformation Fund).
- 4.3 The proposed amendments are tracked and highlighted in **bold text** in the revised Regulations (attached as Appendix 1).
- 4.4 Subject to approval, it is proposed that the revised Financial Regulations are adopted with effect from 22 June 2024.
- 4.5 Subject to approval, the revised Financial Regulations will be published on The Core and the Council's website and will also be notified to employees by way of the SAC Staff Community Hub.
- 4.6 The Financial Regulations will continue to be reviewed on an annual basis in accordance with best practice, and any further proposed revisions, following consultation and review, will be reported to a future meeting of the Council.

5. **Legal and Procurement Implications**

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications arising from this report.

6. **Financial Implications**

- 6.1 Not applicable.

7. **Human Resources Implications**

- 7.1 Not applicable.

8. **Risk**

8.1 ***Risk Implications of Adopting the Recommendations***

- 8.1.1 There are no risks associated with adopting the recommendations.

8.2 ***Risk Implications of Rejecting the Recommendations***

- 8.2.1 The risks associated with rejecting the recommendations are that the Financial Regulations do not correctly reflect current responsibilities.

9. **Equalities**

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as Appendix 2.

10. Sustainable Development Implications

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking

- 14.1 If the recommendations above are approved by Members, the Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Financial Regulations to be published and notified to employees	5 July 2024	Chief Financial Officer

Background Papers [Financial Regulations](#)

[Report to South Ayrshire Council of 7 December 2023 – Financial Regulations Review](#)

[Report to South Ayrshire Council of 6 March 2024 – Shaping Our Future Council](#)

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Date: 13 June 2024

Financial Regulations

June 2024



Financial Regulations

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Financial Regulations

Scope and Observance

South Ayrshire Council is accountable for the stewardship of public funds. Stewardship is a function of management, and, therefore, a responsibility placed upon the Elected Members and officers of the Council. Responsibility is discharged by the establishment of sound arrangements and systems for the planning, appraisal, authorisation and control over the use of resources, and by the preparation, maintenance and reporting of accurate and informative accounts.

Failure to observe these financial regulations may be regarded as a breach of trust and may result in disciplinary action.

These financial regulations should be read in conjunction with other regulations of the Council, such as:

- Standing Orders Relating to Meetings;
- Standing Orders Relating to Contracts;
- Scheme of Delegation;
- Special Investigations Procedure;
- Disciplinary procedures;

and with other regulations observed by the Council:

- Data Protection legislation and regulations;
- the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (The Code);
- the CIPFA Service Reporting code of Practice for local authorities (SERCoP)
- the CIPFA Code for Treasury Management in Local Authorities;
- the Prudential Code for Capital Finance in Local Authorities;
- the CIPFA Code on Best Value Trading Operations; and
- the Public Sector Internal Audit Standards.

Elected Members and officers have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

The key controls and control objectives for financial management standards are:

- the promotion of the highest standards of financial management throughout the authority;
- a monitoring system to review compliance with financial regulations;

- regular comparisons of actual financial performance with planned performance that are reported to the Cabinet; and
- the Audit and Governance Panel (as the Council's Audit Committee), fulfilling its duties under the Standing Orders and Scheme of Delegation.

1. Financial Administration

1.1 *Responsibility of the Council*

The Council is responsible for setting the Council's annual budgets, housing rent and Council Tax levels and the level of bad debt provision. The Council is also responsible for approving the Treasury Management Strategy of the authority.

1.2 *Responsibility of Cabinet*

Subject to the terms of reference of Panels, the Cabinet is responsible for regulating and controlling the finances of the Council within the budgets and policy frameworks determined by the Council.

1.3 *Responsibility of the Proper Officer for Financial Arrangements of the Council (ie Section 95 Officer)*

The proper officer for the financial arrangements of the Council (Section 95 Officer) as set out in the Scheme of Delegation shall:

- (1) be the proper officer of the Council for the purposes of Section 95 of the Local Government (Scotland) Act 1973 for the administration of the financial affairs of the authority; and
- (2) act as financial adviser to the Council and all its Panels.

Specific responsibilities include:

- (1) to advise Elected Members on a financial strategy;
- (2) to ensure the proper administration of the financial affairs of the authority;
- (3) to set the financial management standards, as outlined in the various CIPFA Codes of Practice, and to ensure that compliance with them is monitored;
- (4) to ensure proper professional practices are adhered to, and to act as head of profession in relation to the standards, performance and development of finance and accounting staff throughout the authority;
- (5) to advise on the key strategic controls necessary to secure sound financial management; and
- (6) to ensure that financial information is available to enable accurate and timely monitoring and reporting of financial performance.

1.4 ***Responsibility of Directors, Heads of Service and Assistant Directors***

- (1) Directors, Heads of Service and Assistant Directors shall at all times seek to secure the best value for expenditure incurred by them with the objective of achieving the agreed policies, objectives and outcomes of the Council at the most effective cost.
- (2) Each Director, Head of Service and Assistant Director shall consult with the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** in respect of any matter affecting his/ her Directorate/ service which is liable to affect materially the finances of the Council before any provisional or other commitment is incurred, or before reporting thereon to a Panel, except in an emergency and/ or as authorised by any Scheme of Delegation. In such cases of emergency, it must be reported to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** as soon as possible thereafter.
- (3) It is the responsibility of all Directors, Heads of Service and Assistant Directors to promote awareness of and adherence to these financial regulations.

1.5 ***Scope of Financial Regulations with regard to the Health and Social Care Partnership Arrangement with the South Ayrshire Integration Joint Board (the 'IJB')***

- (1) The IJB is a legal entity in its own right created by Parliamentary Order 2015 No 88 (The Public Bodies (Joint Working) (Board Establishment) (Scotland) Order 2015) which came into effect on 1 April 2015 following Ministerial approval of the Integration Scheme between the Council and NHS Ayrshire and Arran.
- (2) The IJB is accountable for the stewardship of public funds and is expected to operate under public sector best practice governance arrangements, proportionate to its transactions and responsibilities. Stewardship is a function of management and, therefore, a responsibility placed upon the appointed members and officers of the IJB.
- (3) Prior to any funding being passed by the Council to the IJB as part of the IJB's integrated budget, the Council's Financial Regulations will apply. Similarly, once funding has been approved from the integrated budget by the IJB and directed by it to the Council for the purposes of service delivery, the Financial Regulations of the Council will then apply to the directed sum, which will be utilised in accordance with the priorities determined by the Board in its Strategic Plan.

2. **Capital Investment Programme**

2.1 ***Financial Plan for Capital Investment Programme***

The procedure for the preparation annually of a financial plan for the capital investment programme is as detailed within the Council's Asset Management Plan.

Capital Asset Management Group ('CAMG')

The Capital Asset management Group is established under the Council's Asset Management Plan to ensure the effective management of the capital investment programme and the evaluation of new bids brought forward. It comprises senior officers representing all services.

2.2 Capital Investment Programme

The Capital Investment Programme estimates shall detail the committed capital projects and new capital projects on which the Council intends to incur expenditure inclusive of commitments where projects span more than one financial year.

2.3 Form

The detailed form of the Capital Investment Programme shall be determined by the Chief Executive in consultation with the Director of Housing, Operations and Development and the ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer**.

2.4 Preparation

- (1) All Directors, Heads of Service and Assistant Directors shall provide such information as may be required for the purpose of preparation of the General Services Capital Investment Programme. This will be co-ordinated by the Director of Housing, Operations and Development and submitted to the CAMG for consideration prior to the authorisation process as outlined in 2.5 below.
- (2) Housing capital estimates will be prepared by the Director of Housing, Operations and Development and submitted to the CAMG for consideration prior to the authorisation process as outlined in paragraph 2.5 below.

2.5 Authorisation Procedure

The Capital Investment Programmes shall be submitted to the Council for approval.

2.6 Effect of the Authorisation

The approval of the Capital Investment Programmes by the Council shall permit Directors, Heads of Service and Assistant Directors:

- (1) to incur preliminary expenses, preparatory works and design costs etc in respect of projects;
- (2) to take the steps necessary to acquire land associated with projects; and
- (3) to proceed with projects within the capital investment programmes, subject to further approval in terms of paragraph 3.2 below in the event

that the actual tender cost of the project or the revised estimate of the project exceeds the provision in the capital estimates.

2.7 ***Delivery of Capital Projects***

With the exception of Ayrshire Growth Deal capital projects (~~which are managed by the Special Projects Team who report to the Director of Strategic Change and Communities~~), all General Services Capital projects and Housing capital projects shall be delivered through the Director of Housing, Operations and Development.

3. **Control of Capital Expenditure**

3.1 ***Limitation on Expenditure***

No capital expenditure shall be incurred unless:

- (1) the expenditure is provided for in the Capital Investment Programmes estimates; and
- (2) it meets the definition of capital expenditure in the CIPFA Code of Practice, which states that 'the expenditure results in the acquisition, construction, or enhancement of fixed assets (tangible and intangible) in accordance with proper practices'. Scottish Ministers may also issue guidance that it would be proper practice to capitalise specified expenditure.

3.2 ***Budget Variance and Transfers during the Life of a Capital Project***

With the exception of Ayrshire Growth Deal capital projects (which has its own separate governance arrangements in place) the CAMG is responsible for ensuring that the capital projects are delivered on time and for considering where projects may be advanced or delayed within the programme.

If, at any time following approval it becomes apparent that a capital project will be overspent or if the phased expenditure for the current year is likely to vary between years, then following consultation at either the Asset Management Sub-Group or the Housing Asset Management Sub-Group, it shall be the duty of the Director of Housing, Operations and Development to report such variation immediately to the Capital Asset Management Group (CAMG).

Budget variances across capital projects may be:

- (1) balanced by a budget transfer from another capital project providing such transfer is within the overall capital programme; or
- (2) balanced by identifying an alternative source of funding, subject to approval of the ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer**.

Where the variance amount involved is less than £100,000, the transfers or adjustments to funding shall be considered by the CAMG and formally approved by the Director of Housing, Operations and Development as Chair of the CAMG.

Thereafter, a report must be submitted by the Director of Housing, Operations and Development to the Cabinet highlighting the variance, and the projected level of out-turn across the programme.

Where the variance amount is in excess of £100,000 or if the phased expenditure for the current financial year is at any time expected to vary by an amount in excess of £100,000, then approval must be sought from Cabinet:

- (1) to transfers budgets between projects;
- (2) to re-profiling budgets between years; and
- (3) to identify and seek approval of any alternative or additional funding required.

A report shall be submitted by the Director of Housing, Operations and Development to the Cabinet highlighting the reasons for the proposed variance, management action being taken and the projected level of out-turn variance across the programme and seeking Member approval.

In applying the budget transfer rules outlined above, all transfers to or from a project should be considered on a cumulative basis (both on an 'in year' and 'cross year' basis) – for example, if a transfer request is received for £90,000, and previously a budget transfer has been processed for £50,000 from/ to the same project, then that would result in a cumulative total of £140,000, and would therefore require Cabinet approval.

3.3 ***Budgetary Control***

In consultation with the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, the Director of Housing, Operations and Development shall provide, for General Services and for Housing capital, regular budgetary control statements to Cabinet comparing actual spend with the initial and revised capital estimates in respect of each element.

It shall be the duty of the Director of Housing, Operations and Development, for General Services and for Housing, to ensure that the provision in the capital estimates is not exceeded, and that the expenditure conforms to the requirements of these regulations.

For Ayrshire Growth Deal capital projects, it shall be the duty of the Director of ~~Strategic Change and~~ **Communities and Transformation**, in accordance with the separate Ayrshire Growth Deal governance arrangements, to ensure that the provision in the capital estimates is not exceeded, and that the expenditure conforms to the requirements of these regulations.

4. **Revenue Estimates**

4.1 ***Information***

Each Director and Head of Service shall provide the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** with such details as may be required for the purposes of preparing the revenue estimates.

4.2 **Guidelines**

After consultation with the Chief Executive and Directors, the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall report to the Cabinet on the strategy to be adopted prior to recommending to Council the resource levels to be allocated to each Directorate for the purpose of preparing the revenue estimates.

4.3 **Preparation**

The Chief Executive and each Director shall, in conjunction with the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, prepare revenue estimates in respect of his/ her Directorate/ services in accordance with resource allocations laid down by the adopted strategy, and to a timetable set by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, with the approval of the Chief Executive.

4.4 **Authorisation Procedure**

The revenue estimates for each financial year shall be submitted to the Council for approval, along with a recommendation as to the Council tax and Council house rent levels to be set (in accordance with statutory requirements).

4.5 **Additional Funding Received**

Any additional funding received by the Council after approval of the revenue estimates for the year shall be notified to the Cabinet together with detailed spending proposals, subject to the transfer limits at section 5.4 below.

5. **Control of Revenue Expenditure**

5.1 **Need for Panel Consent**

Expenditure shall only be incurred with the approval of the Cabinet, except as authorised by the approved estimates, and in accordance with the Scheme of Delegation and the Standing Orders Relating to Contracts.

5.2 **Limitation on Expenditure**

No expenditure chargeable to the revenue account shall be incurred unless it has been included in the revenue estimates, except:

- (1) where a supplementary estimate has been approved by the Cabinet or Council; or
- (2) in unanticipated situations in consultation with the Chief Executive and ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, provided that the expenditure is reported to the first available Cabinet; or
- (3) in emergency situations in terms of the Scheme of Delegation; or
- (4) as provided for by the rules on budget transfer in section 5.4 below.

5.3 **Budgetary Control**

It is the responsibility of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** and the Chief Executive and Directors to furnish regular budgetary control statements to Cabinet on revenue account income and expenditure comparing actual spend with the respective estimates.

It is the responsibility of the Chief Executive, Directors, Heads of Service and Assistant Directors concerned to ensure that items of expenditure in the revenue estimates of his/ her Directorate/ services are not overspent, and that the income and expenditure of his/ her Directorate/ services conform to the requirements of these regulations.

The Chief Executive, Directors, Heads of Service and Assistant Directors shall also provide the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** with whatever assistance and information he/ she considers necessary in order to ensure the effectiveness of the budgetary control system.

It shall be the duty of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** to report regularly to the Cabinet and/ or Council on the current overall financial position of the Council.

5.4 **Budget Transfers**

A Budget Transfer shall be permitted only in the following circumstances:

- (1) A deficit under those subjective headings as defined by the CIPFA Service Reporting Code of Practice (SERCoP) and objective headings as defined by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** and as revised from time to time as required, may be balanced by a transfer from another head of expenditure on which there is a surplus, where the deficit has arisen due to circumstances which could not have been foreseen, and the transfer does not involve a change of policy of the Council.

Where the amount involved is £25,000 or under (Stage 1), the transfer shall be agreed between the Finance Co-ordinator and the Service Lead/ budget holder. Where the amount is between £25,000 and £50,000 (Stage 2), the transfer shall require the additional approval of the Service Lead – Corporate Accounting. Where the transfer is between £50,000 but less than £100,000 (Stage 3), the transfer shall also be agreed by the Director/ Head of Service/ **Assistant Director** and the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, in consultation with the Portfolio Holder. Where the amount is £100,000 or over (Stage 4), the transfer shall be approved by the Cabinet.

In applying the budget transfer rules outlined above, all transfer should be considered on a cumulative basis – for example, if a transfer request is received for £22,000, and previously a budget transfer has been processed for £31,000 from/ to the same objective/ subjective heading, then that would result in a cumulative total of £53,000, and would therefore require a Stage 3 approval.

A de-minimis of £5,000 will apply (below which no formal approval process is required) and all authorisation of budget transfers will be by e-mail, except where a decision of Cabinet is required.

- (2) Where a net saving could be achieved by overspending under one head of expenditure without changing the policy of the Council, a transfer may be made from a head of expenditure which is in surplus, provided approval as in paragraph (1) above has been obtained.
- (3) Where new external grant income is received, the limits outlined in paragraph (1) above shall apply to all monies received/due to be received, subject to section 7.9 (below).
- (4) The rules concerning budget transfer within those service areas that fall under the Council's Devolved School Management (DSM) scheme are separately defined by the DSM policy.

Adherence to budget transfer rules is not required in the following circumstances:

- (1) where management responsibility for service delivery transfers from one Directorate or service to another;
- (2) where service responsibility transfers to the local authority from an external agency; and
- (3) where centrally-held budgets are allocated to service Directorates following approval of the annual revenue estimates – for example, payroll management target, utilities, central support.

5.5 ***Variances***

A Explanation of Variance

Where it appears that the actual amount of income or expenditure may vary materially or significantly (as defined below) from that appearing in the revenue estimates, it shall be the duty of the Chief Executive or Director concerned, in conjunction with the ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer**, to report to the Cabinet as soon as possible after the variance has become apparent, highlighting the reasons for the variance, management action being taken and the projected level of out-turn variance.

B Materiality and Significance

Appropriate focus should be placed on variance analysis, the objective being to secure sufficient coverage of those variances that contribute most to the deviation from income and expenditure budgets rather than a comprehensive line by line analysis. By necessity, this will be a subjective professional judgment. Prescription is not advocated, as the materiality threshold for variance explanations will vary in accordance with:

- (1) reporting levels;
- (2) scale of budget; and
- (3) impact on service delivery and performance.

5.6 ***Reports to Panels***

All reports presented to Council/ Panels must specifically identify the extent of any resource implications (Financial, Legal, Procurement and Human Resources). Reports to Panels must identify the costs and income/projected income in the current and future years, the impact on capital and revenue spending and whether or not, and exactly where, funding (including any additional funding required) is included in budget, or, if not, how and from where it is proposed that such financial resources be obtained.

The financial implications contained in reports must be agreed with the ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer** or his/ her representative prior to issue of the report.

5.7 ***Use of the Contingency Fund***

A - Qualifying Criteria

Where a contingency fund has been approved and included in the revenue estimates for the year, it should only be used to finance unexpected items of expenditure which it is necessary to incur, and which are outwith the level of service provided for in the approved revenue budget.

These items must be significant, and no contingency draws for sums of less than £25,000 will be considered (except in *exceptional circumstances*, and only by agreement with the ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer**).

All contingency draws must also be classified as either recurring or non-recurring draws. In the case of recurring draws, these will automatically be built into the base during the budget process each year.

B - Access to the Fund

Where it is proposed to submit a report to the Cabinet in which the recommendation is that a contingency draw be sought, this report must first be considered by the Executive Leadership Team.

5.8 ***Use of the Transformation Efficiency and Improvement Fund***

~~In order to re-design and develop service provision to be more efficient and effective, proposals may require up-front investment in new technology, additional temporary staffing resources, the introduction of alternative work patterns or other costs to enable the Council to secure savings or maximise income in the longer term (ie 'spend to save' initiatives). This fund is used to provide short-term enabling funding to promote and support service redesign.~~

~~To utilise the fund where the amount requested is £50,000 or under, the request shall be considered and agreed by the Chief Executive and~~

~~Directors. All requests greater than £50,000 require to be considered by the Chief Executive and Directors and thereafter submitted to the Cabinet for approval.~~

The transformation of the Council is a long-term commitment to ensure services continue to meet the needs of residents now and in the future. To enable the Council to deliver the vision for transformation, new activity will require to be implemented. It is recognised that the design, development and implementation of this activity may require upfront investment to enable the realisation of benefits. New activity will require to focus on one or more of our priority themes: Our workforce, our technology, our assets and our delivery model. The Council has established a Transformation Fund to provide enabling funding for transformation activity.

The Transformation Fund can be used to invest in capital or revenue requirements and a list of potential uses, although not exhaustive, is provided below:

- Technology;
- Additional temporary staffing resources;
- Acquiring assets or making changes to existing assets;
- Training and development to re-skill or up-skill staff;
- ‘Spend-to-save’ initiatives; and
- Commercialisation.

Business case development will not normally be considered eligible expenditure unless the project requires support from an external party/ subject matter expert.

Where an application is made to the Transformation Fund that may involve severance and other employee related costs arising from any service redesign measures, then access to the Council’s Workforce Change Fund may be appropriate (use to the Workforce Change Fund is described in 5.10 below).

The Council’s Transformation Board, chaired by the Chief Executive, has authority to allocate and monitor sums from the new Transformation Fund of up to £100,000 for the delivery of transformation projects, subject to business case and other approvals. Any proposals of over £100,000 will be subject to decision making by the Cabinet.

5.9 Use of the Repair and Renewal Fund

This fund is used to assist with abnormal repairs and maintenance to Council properties where these arise in an emergency situation and there is no mainline budget available, or where the use of the fund was planned as part of the budget process. It may also be used to facilitate asset improvement and savings/ efficiencies.

Works requiring to be undertaken and proposed to be funded by this Fund below £100,000 will require to be considered by the Capital Asset Management Group

and formally approved thereafter by the Director of Housing, Operations and Development, as Chair of the CAMG. Works in excess of £100,000 will require to be considered by the Capital Asset Management Group and formally approved thereafter by the Cabinet.

5.10 ***Use of the Workforce Change Fund***

The Workforce Change Fund is an earmarked fund within General Reserves and is used to meet the severance and other employee related costs arising from any Council's workforce service redesign measures. The level of the fund is reviewed regularly (at least annually) to ensure that the Council has sufficient funds available to support service redesign over the forthcoming period.

In order to access the fund the action being taken in releasing staff must meet the following two criteria:

- (1) be an approved council saving i.e. it appears in the Council's annual budget or is agreed as a separate Cabinet or Council paper; and
- (2) a maximum two year savings payback period will apply in all cases in relation to the cost of releasing the staff (ie - the time taken to recover the compensation costs against normal salary costs).

For example, if the cost of releasing the staff is £50,000 and the annual saving achieved is £25,000 or more then the costs of severance will effectively be paid back within the two-year period. Conversely if the cost of releasing the staff is £50,000 and the saving is only £23,000 per annum then two years saving would only equate to £46,000 and therefore this criteria would not be met and any cost would have to be borne **in full** by the service rather than the workforce change fund.

No proportionate payments will be made from the fund if the two-year payback criteria is only partially met, i.e. - if the payback period is greater than two years then the full cost will have to be borne by the service and not just the difference between the two year saving and the cost of releasing the staff.

Applying the maximum payback criteria at (2) above ensures that the Council adheres to the Scottish Government's non-legislative reform of public sector severance arrangements guidance, published in June 2019, which recommends that any severance costs be off-set by savings over a maximum 2-year payback period. This approach will ensure best value is achieved in service redesign.

5.11 ***Use of Uncommitted General Reserves***

The use of General Reserves shall either:

- (1) form part of the approved annual revenue budget; or
- (2) be used to finance expenditure not included in the original revenue budget for that year which it is deemed appropriate to incur, and which

is outwith the level of service provided for in the approved revenue budget. Any such request requires to be submitted to Cabinet for approval.

6. Legality of Expenditure

- 6.1 It shall be the duty of Directors, Heads of Service and Assistant Directors to ensure that no expenditure is incurred unless it is within the legal powers of the Council. In cases of doubt, Directors, Heads of Service and Assistant Directors must consult the Council's Monitoring Officer or designated representative before incurring expenditure. Expenditure on new service developments, initial contributions to other organisations and responses to new emergency situations which require expenditure must be clarified as to legality prior to being incurred.

7. Control of Income

7.1 *Determination of Charges*

The Chief Executive and each Director, Head of Service and Assistant Director shall review the charges for goods or services provided by his/ her Directorate/ service in line with the approved Corporate Charging Policy except where the charge is fixed externally.

In order to preserve the real value of such income, increases recommended to Panels should have regard to the current rate of inflation, and should reflect the impact of any changes to the rate of value-added tax (VAT).

7.2 *Accounting Arrangements*

It is the responsibility of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** to make adequate financial and accounting arrangements to ensure:

- (1) the prompt and proper recording of all income due to the Council; and
- (2) the prompt and proper collection, custody, control and remittance of all cash in all Directorates of the Council.

7.3 *Notification of Income to ~~Head of Finance, ICT and Procurement~~Chief Financial Officer*

Particulars of all charges made for work done, rendered or goods supplied by the various services of the Council, and of all other amounts due to the Council shall be notified to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** promptly in a form approved by him/ her. All accounts for income due to the Council shall be raised and issued in a timely manner by, or under arrangements approved by, the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**.

7.4 *Write-offs*

Sums due to the Council shall not be written off except with the approval of the Cabinet, or by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or any person or persons authorised by him/ her in exercise of delegated

powers.

Write-offs shall be permitted only after all appropriate avenues of recovery have been exhausted.

Where the amount involved is £10,000 or under, approval by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or any person or persons authorised by him/ her is required.

Where the amount involved is greater than £10,000, this requires to be approved by the Cabinet, on request from the relevant Director, Head of Service or Assistant Director for the service to which the debt relates.

On occasion a debt previously written off may subsequently be recovered. In such instances, the amount previously written off will require to be reversed within the appropriate system.

Arrangements for the reversal of previously written off sums shall be approved by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or any person or persons authorised by him/ her.

7.5 ***Treatment of Monies Collected***

All monies received on behalf of the Council in any Directorate or service shall be recorded and deposited immediately with the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or the Council's bankers in accordance with arrangements made with the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**. No deduction may be made from such money unless considered necessary for operational purposes and having been agreed in advance with the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**. Cash discount will not be offered to any debtor.

The Council must obtain identification of counter-parties at the commencement of a business relationship where there is potential for transactions to be conducted in cash amounts in excess of £10,000. Identification must also be sought for any one-off cash transactions in excess of £10,000 and notified to the Treasury Manager on behalf of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** in accordance with Money Laundering Regulations adopted by the Council in 2005.

Heads of Service are responsible for ensuring adequate custody and control of all cash held within their Service. Cash held should not exceed the maximum limits for cash holdings agreed with the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**.

7.6 ***Controlled Stationery***

All official controlled stationery, such as cheques, account receivable accounts and receipts for the disbursement and collection of monies, shall be in a form approved by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, and shall be ordered, controlled and issued to Directorates/ services by him/ her or under arrangements agreed by him/ her.

7.7 **Personal Cheques**

Personal cheques shall not be cashed out of the monies held on behalf of the Council.

7.8 **Transfers of Cash, Cheques, etc**

All transfers of cash and cheques from one member of staff to another shall be evidenced by the signatures of both officers.

7.9 **Grant Income**

All grant applications/ offers/ claims shall be approved by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or his/ her representative following consultation with the ~~Head of Legal and Regulatory Services~~**Chief Governance Officer** in appropriate cases, prior to submission to the appropriate body. The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or his/ her representative shall be advised on a timely basis of all relevant information necessary for him/ her to submit, accept or certify applications for grants due to the Council. All grants are to be paid direct to the Council.

Approval limits are as follows:

- (1) where the grant award is £25,000 or under, approval of the appropriate Finance Co-ordinator or Service Lead - Corporate Accounting or ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** is required;
- (2) where the grant award is over £25,000 and below £50,000, approval of the Service Lead - Corporate Accounting or ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** is required; and
- (3) where the grant award is £50,000 and above, approval of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** is required.

All new grant income received beyond that identified and approved as part of the annual revenue and capital estimates shall be notified to the Cabinet in a timely manner and be treated in accordance with the transfer rules identified in section 5.4 above. To this end, applicants must submit a proposed funding allocation (coded by cost centre and heads of expenditure) for approval with the grant application.

7.10 **Contract Rebates (Cash)**

Where goods and services are procured through an agreed contract, a cash rebate may be received as part of the contractual arrangements.

Where a cash rebate is received by a Directorate/ service with conditions attached in relation to how it can be spent, then the rebate should be treated as follows:

- (1) where the rebate is £20,000 or under, approval of the appropriate Finance Co-ordinator or Service Lead - Corporate Accounting or ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** is required

before the Directorate/ service spend can be incurred;

- (2) where the rebate is over £20,000 and below £50,000, approval of the Service Lead - Corporate Accounting or ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** is required before the Directorate/ service spend can be incurred; and
- (3) where the rebate is £50,000 and above, approval of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** is required before the Directorate/ service can incur spend.

In each case the rebate may only be spent strictly in accordance with the conditions attaching and for the specified purposes.

Where a cash rebate is received without any conditions attached in relation to how it can be spent, then the rebate shall be allocated to the Council's general procurement savings target.

8. Treasury Management

8.1 *Treasury Management Statement and Practices*

The Council has adopted the key recommendations of CIPFA's 'Treasury Management in the Public Services: Code of Practice' (the Code), as described in Section 5 of that Code. Accordingly the Council has created and maintained as the cornerstones of effective treasury management:

- (1) a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
- (2) suitable treasury management practices setting out the manner in which the Council will seek to achieve treasury management policies and objectives, and prescribing how it will manage and control treasury management activities.

The Council will receive reports for approval on its treasury management policies and activities, including, as a minimum:

- (1) an annual strategy and plan in advance of each financial year;
- (2) a mid-year review; and
- (3) an annual report in the form prescribed in the Council's treasury management practices not later than 30 September of the succeeding financial year on the activities of the treasury management operation, and on the exercise of treasury management powers delegated to him/her.

The Council has delegated responsibility for aspects of treasury management function as follows:

- (1) the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**

has responsibility for the execution and administration of treasury management decisions, who will act in accordance with the Council's approved policy statement and treasury management practices;

- (2) the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** has responsibility for approving the treasury management practices and any amendment thereafter; and
- (3) the Audit and Governance Panel will be responsible for ensuring effective scrutiny of treasury management strategy and policies. The annual strategy, mid-year review and annual report will be considered by the Audit and Governance Panel before submission to Cabinet.

All money in the possession of the Council shall be aggregated for the purposes of treasury management, and shall be under the control of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**.

All executive decisions on borrowing, investment or financing shall be delegated to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, or, through him/ her, to his/ her staff, who shall all be required to act in accordance with the Code, the Treasury Strategy Statement and the agreed Treasury Management Practices.

8.2 ***Borrowing Arrangements***

All borrowing arrangements of the Council for the purpose of its functions shall be made by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, and the arrangements made shall be reported to the Audit and Governance Panel (in line with the Council's Treasury Management Policy).

8.3 ***Borrowings to be in Name of the Council***

All borrowings on behalf of the Council shall, unless they are for the purposes of any trust under any deed of trust or other document, be effected in the name of the Council. The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or other employees authorised by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** are authorised to sign all loan documents, unless:

- (1) statute or other legal requirements provide that other signatures are required; or
- (2) alternative arrangements have been approved by the Cabinet.

8.4 ***Registrar of Stocks, Bonds and Mortgages***

The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall be the registrar of stocks, bonds and mortgages, and shall maintain records of all borrowing of money by the Council, except where another registrar has been appointed by the Council, when the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall maintain records of the total sums borrowed.

8.5 ***Leasing***

With the exception of heritable property, and subject to the Standing Orders Relating to Contracts and the Scheme of Delegation, no leasing of equipment or capital assets extending beyond one financial year should be undertaken on behalf of the Council without prior approval of the ~~Head of Finance, ICT and Procurement~~Chief Financial Officer.

9. **Banking and Control of Cheques**

9.1 ***Arrangements with Bankers***

All arrangements with the Council's bankers concerning the Council's bank accounts and the issue of cheques shall be made by the ~~Head of Finance, ICT and Procurement~~Chief Financial Officer.

9.2 ***Opening and Closing of Bank Accounts***

Official bank accounts bearing the Council's name shall only be opened or closed by the ~~Head of Finance, ICT and Procurement~~Chief Financial Officer.

9.3 ***Payments into Bank***

All monies received shall be paid into the Council's bank accounts daily, or at such other intervals as may be approved by the ~~Head of Finance, ICT and Procurement~~Chief Financial Officer.

9.4 ***Cheque Control***

All arrangements for the ordering, controlling and signing of cheques on behalf of the Council shall be made by the ~~Head of Finance, ICT and Procurement~~Chief Financial Officer.

10. **Credit Cards**

10.1 ***Scope***

The Council shall use a Corporate Credit Card facility (in the form of a physical or virtual credit card) provided by its bankers. The purpose of this account is to provide individual Chief Officers and Directorates a credit card payment facility for ad-hoc expenditure and expenses.

10.2 ***Approval to Use***

The ~~Head of Finance, ICT and Procurement~~Chief Financial Officer has responsibility for approving the issue of credit cards to individual Chief Officers and Directorates.

Individual credit cards shall be issued in the name of the individual officer, and cannot be issued in the generic name of the Council.

All credit cards bearing the Council's name shall only be opened or closed by the ~~Head of Finance, ICT and Procurement~~Chief Financial Officer.

10.3 ***Credit Limits***

Overall credit limits will be negotiated with the Council's bank. The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall approve the allocation of individual credit limits for each card user in line with requirements and projected spend. These credit limits will be periodically reviewed and revised where appropriate.

Requests for credit card increases will be made in the first instance to the Treasury Manager and any revision approved by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**.

10.4 ***Authorisation***

All Chief Officers holding an individual card or responsible for a Directorate card shall be responsible for ensuring that appropriate authorisation is obtained, adequate records and receipts are kept and provide information to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** regularly, in line with approved procedures,

10.5 ***Accounting Arrangements***

The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall arrange for all necessary charges to be allocated to Directorates timeously in line with approved procedures.

11. **Purchasing Cards**

11.1 ***Scope***

The Council does not currently operate a purchasing card facility. Any new purchasing card scheme introduced will bear the Council's name and shall only be opened or closed by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**.

12. **Investments and Trust Funds**

12.1 ***Investments***

- (1) Council funds shall be invested in accordance with the treasury management policies of the Council, and shall be held in the name of the Council.
- (2) All trust funds shall, whenever possible, be held in the name of the Council.
- (3) The sale of investments, unless otherwise provided for in a trust deed or other document, shall require the prior approval of the Cabinet.

12.2 ***Deposit of Trust Securities***

All officers acting as trustees by virtue of their official position shall deposit all

securities, bank books and documents (other than title deeds to heritable property) and articles of value relating to any trust with the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** unless the relevant trust deed otherwise provides.

12.3 ***Control of Charitable Funds***

The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall ensure the proper and safe custody and control of all charitable funds held by the Council, and that all expenditure is in accordance with the conditions of the fund and in accordance with regulations laid down by the Office of the Scottish Charity Regulator (OSCR).

13. **Stores, Inventories and Costing**

13.1 ***Costing System and Stores Control***

Arrangements made by the Directors, Heads of Service and Assistant Directors for costing systems and stock and stores control shall be subject to the approval of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**.

13.2 ***Custody of Stores and Stocktaking***

The care, custody and level of stores and equipment in any Directorate or service shall be the responsibility of the appropriate Director, Head of Service or Assistant Director, who will ensure that:

- (1) stocktaking is carried out at regular intervals as agreed by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**;
- (2) all obsolete or excess stock or scrap material is identified and disposed of in an appropriate manner and in accordance with industry disposal standards, where applicable; and
- (3) any obsolete, excess or scrap material disposed of should be written off in accordance with established year –end accounting procedures.

13.3 ***Write-offs or Surpluses of Stores***

Each Director and Head of Service shall report annually, in accordance with the year-end accounting procedures, to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** the total values of write-offs and surpluses of stock, the net effect of these adjustments on the book value of consumable stores under his/ her control and a brief explanation of the reasons for these differences.

13.4 ***Inventories***

Every Directorate and service of the Council shall maintain full and accurate inventory records in a form approved by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**. The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall be responsible for issuing instructions on inventory procedures and record-keeping.

13.5 ***Use of Equipment and Stores***

The Council's property shall not be removed other than in the course of the Council's normal business or used other than for the Council's purposes without the specific approval of the Director, Head of Service or Assistant Director concerned.

14. **Procurement of Goods and Services and Payment of Accounts**

14.1 ***Method of Payment***

Apart from petty cash and other payments from imprest accounts, the preferred method of payment of money due from the Council shall be by BACS. Payment of money due by any other method must be approved by the ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer** or any person or persons authorised by him/ her.

14.2 ***Official Orders***

Except for petty cash purchases, supplies of public utility services and periodic payments such as rent and rates, all goods, materials or services supplied to or work executed for the Council shall be ordered by means of an electronic purchase order through the corporate financial management system, and acceptances shall be by officers authorised by the Director, Head of Service or Assistant Director of the ordering Directorate/ service.

Authorisation of orders must be by an authorised officer in accordance with the privileges set in the corporate financial management system, Fusion.

The authorisation rights as determined by the Director, Head of Service or Assistant Director of the ordering Directorate/ service should be reviewed on a regular basis, at least annually.

Purchase orders must not be disaggregated, packaged or split into separate smaller amounts or requirements to avoid the application of any provision of the Standing Orders for Contracts, the Procurement Reform (Scotland) Act, the Public Contracts (Scotland) Regulations or any other legislative provisions including retained EU law. An overarching purchase order must be prepared in sufficient detail and reflect the total award value as noted in the contract -award value/letter from Procurement or match the value with the appropriate electronic catalogue.

All purchase orders state that invoices must be sent, by a supplier, electronically to fusionsuppliers@south-ayrshire.gov.uk. Any deviation from this instruction must be authorised by the Head of Finance, Procurement and ICT.

14.3 ***Procurement***

All procurement of goods, materials, services and works must be carried out in full compliance with approved Standing Orders Relating to Contracts.

14.4 ***Check on Goods, Materials and Services Received***

It shall be the duty of the Director, Head of Service or Assistant Director of each

Directorate/ service which places an order to ensure that all goods, materials services and works received following the placing of orders by him/ her or any person or persons authorised by him/ her are as ordered in respect of price, quantity and quality, and duly recorded in the corporate financial management system.

Where goods have been ordered using the corporate financial management system, Fusion, the receipt of goods shall be recorded against the appropriate order on the system. Goods and Services received must be receipted when satisfactory goods/ services have been delivered to ensure no delay in payment.

14.5 ***Creditor Status***

It shall be the duty of Service Leads to authorise all new supplier requests and to provide the following information to the Central Accounts Payables team for input to Oracle Fusion payment systems:

- (1) Tax status for CIS purposes;
- (2) VAT status – whether registered or non-registered, if registered provide VAT registration number; and
- (3) employment status of the supplier.

14.6 ***Certification of Payment***

The Fusion system has controls in place to ensure that only authorised officers (as approved by their Director, Head of Service or Assistant Director) can approve orders and invoices. The Fusion system will not allow payment to be made unless the goods are recorded as being received and the invoice value agrees with the order. Where any variances are identified between the order, receipt and invoice, this requires additional approval from the requester/approver to ensure a 3-way match prior to payment being made. No payment shall be made unless certified by an authorised officer.

The Director, Head of Service or Assistant Director of each Directorate/ service which incurs expenditure shall arrange for the certification in accordance with the systems processes by an officer of his/ her Directorate/ service that all payments comply with the following:

- (1) the expenditure is on items or services which it is within the Council's legal powers to incur;
- (2) the goods, materials, services or work to which the account relates have been received or carried out as the case may be, and have been examined and approved, and are in accordance with the order;
- (3) the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct;
- (4) the relevant expenditure has been properly incurred, and is within the relevant estimate provision;

- (5) appropriate entries have been made in inventories, stores records or stock records, as required; and
- (6) the expenditure is charged against the relevant account.

The certification must be by an authorised officer in accordance with the privileges set in the corporate financial management system.

14.7 ***Direct Electronic Bank Payments***

All payment for goods and services shall be made using the approval process described in 14.1 to 14.6 above except In certain circumstances where a bank transfer (ie - direct payments from the Council's bank account to a third party) is permissible, as follows:

- (1) legal settlement for capital purchase transactions; and
- (2) in emergency situations.

In both circumstances the authorisation of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or any person or persons authorised by him/ her is required. The request for a direct electronic payment must be supported by appropriate justification and documentation.

14.8 ***Payments in Advance***

Payments shall not be made in advance of receipt of goods and services except in the following circumstances;

- (1) where the service provider's non-negotiable terms and conditions require payment in advance;
- (2) in urgent or emergency situations; or
- (3) where the likelihood of default is considered an acceptable or immaterial level of risk.

For payments up to £500, approval is required in advance of payment from the appropriate Service Lead. For payments between £501 and £5,000, approval is required in advance of payment from the appropriate Service Lead and Finance Team Co-ordinator. For all other payments above this level, approval is required in advance of payment from the appropriate Director/ Head of Service and the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**.

For grants awarded to external organisations, the grant should only be paid in advance (either wholly or partially) if it is in accordance with the Council's agreed terms and conditions for the award.

14.9 ***Duplicate Invoices, etc***

Payment shall not be made on duplicate or photocopy invoices unless the Director, Head of Service or Assistant Director or other authorised officer certifies in writing that the amounts have not been previously passed for payment.

15. Accounting

15.1 *Accounting Procedures and Records*

All accounting procedures and records of the Council shall be determined by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, and all accounts and accounting records of the Council shall be compiled by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or under his/ her direction.

15.2 *Internal Check*

The following principles shall be observed in the allocation of duties:

- (1) procedures to be followed regarding the calculation, checking and recording of sums due by or to the Council should be arranged in such a way that, wherever possible, the work of one person is proven independently, or is complementary to the work of another, and these operations shall be separated from the duty of collecting or disbursing such sums; and
- (2) officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

15.3 *'Year End' Accounting Returns*

Each Director and Head of Service shall, at dates to be specified by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, submit to him/ her:

- (1) a copy of the certified stock list for his/ her Directorate/ service as at the end of the financial year (or date in lieu thereof as laid down by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**) together with any reports referred to in sections 13.2 and 13.3 above;
- (2) a certificate confirming that inventories of all moveable furniture, equipment, plant and other items are kept on a continuous basis in all locations under his/ her control; and
- (3) any other information necessary to close the Council's accounts.

16. Surplus or Deficit on Property Maintenance Service

16.1 *Background*

The Council's Property Maintenance Service does not operate as a statutory trading account. As such, its annual budget is prepared on the basis that work will be recharged on the basis of cost, in order for it to achieve a break-even position at the end of each financial year. In practice, actual expenditure and income may vary from budget, resulting in a surplus or deficit at the year-end.

16.2 ***Treatment of Surplus or Deficit***

In recognition of Scottish Government Guidance on the operation of the Housing Revenue Account (HRA) a mechanism to facilitate the reimbursement to HRA of the appropriate proportion of Property Maintenance year-end surpluses or deficits attributable to Council housing activity should be applied at the end of each financial year.

16.3 ***Accounting Mechanism***

- (1) Where the Property Maintenance service records a surplus or deficit for the financial year, then the proportion of that surplus or deficit attributable to Housing activity should be transferred to the HRA with the balance relating to General Services activity being retained in the General Fund; and
- (2) the proportion of Property Maintenance income received from HRA should be identified and used as the basis to allocate the proportionate share of the surplus or deficit to be transferred to the HRA.

17. **Internal Audit**

17.1 ***Responsibility for Internal Audit***

Internal Audit, under the control and direction of the Chief Executive, shall be arranged for the purpose of carrying out an examination of financial and related systems of the Council to ensure that the interests of the Council are protected.

Internal Audit work is undertaken within the terms of the Internal Audit Charter which is formally approved by the Audit and Governance Panel. The Internal Audit Charter is available on Re-Wired. Internal Audit adheres to the United Kingdom Public Sector Internal Audit Standards.

17.2 ***Reporting Arrangements for Internal Audit***

- (1) Officers engaged in Internal Audit will report directly to the Chief Executive.
- (2) Internal Audit reports will be distributed as follows:
 - (a) Directorates/ services will receive a copy of the Internal Audit report at the conclusion of the audit assignment;
 - (b) the Chief Executive, the Council's Monitoring Officer and the Council's ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer** will receive copies of all Internal Audit reports; and
 - (c) all Elected Members will receive copies of all Internal Audit reports which will be made available to them on The Core.
- (3) The Annual Audit Plan will be submitted to the Audit and Governance Panel at the beginning of the financial year. The purpose is to advise Members of the programme of audit work for the forthcoming financial

year. The plan will be compiled following consultation with the Chief Executive and all Directors/ Heads of Service/ Assistant Directors.

- (4) Audit reports showing the activity of the Internal Audit section, progress achieved against plan and a summary of significant audit findings will be presented to the Audit and Governance Panel (Audit Committee).
- (5) The External Auditor will report annually to the Audit and Governance Panel providing an assessment of the Internal Audit function.

17.3 **Authority of Audit**

The Chief Executive or his/ her authorised representatives shall have authority, on production of identification, to:

- (1) enter at all reasonable times on any Council premises or land;
- (2) have access to all systems, records, documents and correspondence relating to financial and other transactions of the Council;
- (3) have access to all IT hardware/ software running systems on behalf of the Council, including hardware/ software owned by third party service providers, in line with agreed protocols;
- (4) require and receive such explanations as are necessary concerning any matter under examination; and
- (5) require any employee of the Council to produce cash, stores or any other Council property under his/ her control.

17.4 **Irregularities**

Any evidence or reasonable suspicion of an irregularity relating to funds, stores or other property of the Council shall be reported immediately by the Director, Head of Service or Assistant Director to the Chief Executive or his/ her nominated officer and the ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer**. Such irregularities shall be dealt with in accordance with the Council's Anti-Fraud and Anti-Bribery Strategy and Special Investigations Procedure.

18. **Cash Imprests/ Petty Cash**

18.1 **Purpose of Cash Imprests**

The imprest system is an accounting system for paying out and subsequently replenishing petty cash. Petty cash is a small reserve of cash kept on-site at a business location for incidental cash needs. The imprest system is designed to provide a rudimentary manual method for tracking petty cash balances and how cash is being used.

18.2 **Provision of Imprests**

On the recommendation of the Director, Head of Service or Assistant Director

concerned, the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall provide such imprest accounts as he/ she considers appropriate for such officers of the Council as he/ she considers may require them for purposes of defraying petty and other minor expenses.

18.3 ***Bank Accounts for Imprest Holders***

The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall open bank accounts where it is considered appropriate, and in no circumstances shall the imprest holder overdraw the account. It shall be a standing instruction to the Council's bankers that an imprest holder's account shall not be overdrawn. Bank accounts will not be opened by any officer other than the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** or delegated responsible officer.

18.4 ***Exclusion of Payments to the Council***

No payments to the Council shall be paid into an imprest account, but shall be lodged in a bank as provided for in paragraph 9.3 hereof. Any bank interest earned on imprest accounts will be remitted separately and immediately to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, and will not be left in the imprest bank balance.

18.5 ***Limit on Expenditure***

Payments from imprest accounts shall be limited to minor items of expenditure, and to only such other items as the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** may approve. Payments shall be supported by a voucher/ receipt. Imprests must not be used to pay major expenses claims or any suppliers' invoices. The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** may prescribe an upper limit to individual items of expenditure to be met out of imprest accounts.

18.6 ***Accounting Arrangements***

Claims for reimbursement of imprest expenditure shall be submitted regularly to Central Accounts Payable, and, when submitting a reimbursement claim, sufficient imprest cash shall be available to cover the period between submission of the claim and receipt of monies.

Claims must be submitted to 31 March each year within the timescales laid down within the year-end procedures issued by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**.

18.7 ***Statement of Account***

An officer responsible for an imprest account shall, when requested, give to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** a certificate as to the balance of his/ her imprest account.

18.8 ***Termination as Imprest Holder***

On an officer leaving the employment of the Council, or otherwise ceasing to be entitled to hold an imprest advance, that officer shall account to the ~~Head of~~

~~Finance, ICT and Procurement~~**Chief Financial Officer** for the amount advanced to him/ her. A formal record of this accounting shall be prepared and retained in the Directorate concerned for inspection.

19. Claims for Expenses and Allowances

19.1 *Arrangements for Claims*

The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall be responsible for making arrangements for the administration, regulation and payment of claims for expenses and allowances to Members and employees of the Council and other approved bodies.

19.2 *Regulations*

The ~~Chief HR Adviser~~**Chief HR Officer** shall make available the current regulations on expenses and allowances to Members and employees of the Council and of other approved bodies.

19.3 *Employees' Claims*

All claims for payment of travelling allowances, subsistence allowances, car allowances and incidental expenses shall be submitted via the Expenses tile available within the Oracle Fusion System. VAT receipts are required to support all mileage claims and subsistence allowances where appropriate.

Such payments shall not be made out of imprest accounts without the express authority of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**. All such expenses shall, as far as practicable, be paid via the Oracle Fusion system. Cash advances can be provided in appropriate cases where no other means of payment is available.

Directors, Heads of Service and Assistant Directors shall authorise officers in their services to certify such claims and to upload payments into the Oracle Fusion system by either self service submission or delegated authority to submit expenses on another officer's behalf by means of the procedures set down by the ~~Chief HR Adviser~~**Chief HR Officer**. The list of officers who can approve employee's expense claims, and their approval limits, shall be maintained within the Councils Purchase to Pay hierarchy held within the Oracle Fusion system.

In addition, a regular review of such authorisations should be carried out by each Directorate and service to ensure that the list of those authorised is complete and up-to-date. No officer authorised to certify such claims shall certify his/ her personal claim. Personal claims must be certified by a separate authorised signatory.

19.4 *Certification of Employees' Claims*

The certification by or on behalf of the Director, Head of Service or Assistant Director shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenditure properly and necessarily incurred, and that any allowances are properly payable. Certifying officers should satisfy him/ herself that supporting VAT receipts are attached where applicable.

It shall be the duty of the claimant and the authorising officer to ensure that claims are submitted promptly to allow payments to be made from the appropriate budgets. All claims must be submitted on at least a monthly basis and no later than three months after the journey has been completed. Line managers must ensure that employees work within these timescales. Claims submitted outwith this time limit will not be processed or paid.

Claims applicable to a financial year shall be submitted within one month after 31 March in that year.

19.5 ***Members' Claims***

Payments to Members, including co-opted members of the Council or its Panels, who are entitled to claim attendance and other allowances, shall be made by the ~~Head of Legal and Regulatory Services~~ **Chief Governance Officer** upon receipt of the claim in the prescribed format. All claims must be submitted on at least a monthly basis and no later than three months after the journey has been completed. Claims applicable to a financial year shall be submitted within one month after 31 March in that year. VAT receipts are required to support all mileage claims and subsistence allowances where appropriate.

The ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer** shall maintain a record of all expenses paid to Members, showing the name of the recipient and the amount and nature of the payments. This record shall be available for public inspection and will be published on the Council website no later than 1 June each year.

20. **Salaries, Wages and Pensions**

20.1 ***Information regarding Payroll Amendments***

The Director, Head of Service or Assistant Director concerned shall notify the ~~Chief HR Adviser~~ **Chief HR Officer** timeously, and in the prescribed format, of all matters affecting the payment of emoluments, in particular:

- (1) appointments, contract variations, resignations, dismissals, suspensions, secondments and transfers;
- (2) changes in remuneration (including overtime worked), other than normal increments and pay awards;
- (3) absences from duty for sickness or other reason apart from approved leave; and
- (4) information necessary to maintain records of service for superannuation and HM Revenue and Customs purposes.

20.2 ***Arrangements for Payments***

The payment of all salaries, wages, pensions, compensation and other emoluments to all employees, former employees or beneficiaries shall be made by the ~~Chief HR Adviser~~ **Chief HR Officer** or under arrangements made by him/her. All such payments will be made, as far as practicable, by credit transfer to the employee's designated bank account.

20.3 ***Form and Certification of Records***

All pay documents/ processes (either paper or electronic) shall be in a format prescribed or approved by the ~~Chief HR Adviser~~**Chief HR Officer**, and shall be authorised by or on behalf of the appropriate Director, Head of Service or Assistant Director.

The authorisation of such documents/ processes is achieved within the Council's Fusion system by way of embedded access rights which shall be granted to officers by Directors, Heads of Service and Assistant Directors on the basis of business and security requirements. The authorisation rights as determined by the Director, Head of Service or Assistant Director should be reviewed on a regular basis, at least annually.

21. **Security**

21.1 ***Responsibility for Security***

Each Director, Head of Service or Assistant Director shall be responsible for maintaining proper security, custody and control at all times of all plant, buildings, materials, stores, furniture, equipment, cash, etc, under his/ her control. He/ she shall also consult the ~~Head of Legal and Regulatory Services~~**Chief Governance Officer**, as appropriate, in any case where security is thought to be defective, or where it is considered that special security arrangements may be required.

21.2 ***Limits to Cash Holdings***

The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall agree with the appropriate Director, Head of Service or Assistant Director the maximum amount of cash to be held in the premises under his/ her control, and the agreed amount shall not be exceeded except with the written agreement of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**. Cash boxes/ safes should only be used to hold funds belonging to the Council or school funds. The level of funds held in safes should be within the insurance limits. Additional uplifts should be arranged with the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** where large amounts of cash are likely to be held.

21.3 ***Safe Keys/Electronic codes***

Keys or electronic codes to safes and similar receptacles containing cash or valuable documents or articles shall be carried on the person of those responsible. The loss of any such keys/ electronic codes shall be reported immediately to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** and the appropriate Director/ Head of Service. A register of all such keyholders will be kept in each Directorate/ service, and notified to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**.

21.4 ***Pre-printed/ Pre-signed Cheques, etc***

The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall be responsible for ensuring that secure arrangements are made for the preparation

and holding of pre-printed/ pre-signed cheques, stock certificates, bonds and other financial documents.

21.5 ***Security/ Retention of Documents***

Each Director and Head of Service shall be responsible for maintaining proper security, custody and control of all documents within his/ her Directorate/ service. The retention period for all books, forms and records related to financial matters shall be determined by the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** in conjunction with the ~~Head of Legal and Regulatory Services~~**Chief Governance Officer**.

21.6 ***Data Protection Act/ Regulations***

Each Director and Head of Service shall be responsible for the use and security within his/ her Directorate/ service of all personal data output from Council computer systems in line with the Data Protection Act and Regulations in force from time to time and approved data sharing protocols.

21.7 ***Asset Register***

The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**, in conjunction with the Director of Housing, Operations and Development, shall be responsible for the maintenance of the asset register of the Council. All Directors, Heads of Service and Assistant Directors shall give prompt notification to the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer**/ Director of Housing, Operations and Development of any amendments to be made to the register. The register holds, as a minimum, information relating to all assets valued at £5,999 and above owned and operated by the Council. This 'de minimis' level has been set based on recommendations contained in the Code of Practice on Local Authority Accounting in the United Kingdom.'

22. **Risk Management and Insurance**

22.1 ***Responsibility for Risk Management and Insurance***

Subject to the Standing Orders Relating to Contracts, the Scheme of Delegation, and except as authorised by them, the ~~Head of Legal and Regulatory Services~~**Chief Governance Officer** shall make appropriate risk management and insurance arrangements for all aspects of the Council's activities.

22.2 ***Identification of Risk***

The ~~Head of Legal and Regulatory Services~~**Chief Governance Officer** shall be responsible for the maintenance and co-ordination of an effective strategic risk register, the content of which shall be informed by the Corporate Management Team. The Chief Executive, Directors, Heads of Service and Assistant Directors shall be responsible for ensuring that a suitable risk management reporting framework is incorporated within their Directorate or service, and shall notify the ~~Head of Legal and Regulatory Services~~**Chief Governance Officer** of all significant risks facing their Directorate or service, how they propose to mitigate the risks and the timescales involved.

The Chief Executive, Directors, Heads of Service and Assistant Directors shall give prompt notification to the ~~Head of Legal and Regulatory Services~~**Chief Governance Officer** of all new areas of service provision, additional assets or partnership arrangements that may increase the Council's overall exposure to risk, and which should be covered by insurance, or of any removal of service, disposal of assets or other changes to work activity which no longer requires insurance arrangements.

22.3 ***Notification of Claims***

Directors, Heads of Service and Assistant Directors shall notify the ~~Head of Legal and Regulatory Services~~**Chief Governance Officer** as soon as possible in writing of any loss, liability, injury or damage or any event likely to lead to a claim. Thereafter, the ~~Head of Legal and Regulatory Services~~**Chief Governance Officer** shall be responsible, where applicable, for advising the insurance company concerned. He/ she shall also arrange the negotiation of all insurance claims on behalf of the Council in consultation with any Director, Head of Service or Assistant Director concerned, as appropriate.

22.4 ***Fidelity Guarantee Insurance***

The Council shall be covered by fidelity guarantee insurance, and this will be arranged by the ~~Head of Legal and Regulatory Services~~**Chief Governance Officer**.

22.5 ***Review of Insurance Cover***

The ~~Head of Legal and Regulatory Services~~**Chief Governance Officer** shall review periodically all insurances in consultation, where appropriate, with the Chief Executive, Directors, Heads of Service and Assistant Directors.

23. **Contracts for Capital Works**

23.1 ***Record of Contracts***

The Director of Housing, Operations and Development shall maintain a record of all relevant contracts and payments made on contracts for capital works. The ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** shall have access to such records, and use whatever information he/ she considers necessary.

23.2 ***Variations to Contracts***

Variations to capital works contracts which result in budget variances shall be dealt with in accordance with Section 3, Control of Capital Expenditure, and in accordance with Standing Orders relating to Contracts

23.3 ***Claims from Contractors***

Claims from contractors in respect of matters not clearly within the terms of any existing contract for capital works shall be referred to the Director of Housing, Operations and Development for consideration of the Council's liability, and, where appropriate, to the ~~Head of Finance, ICT and Procurement~~**Chief**

Financial Officer and the ~~**Head of Legal and Regulatory Services**~~**Chief Governance Officer** for consideration before a settlement is reached.

23.4 ***Delay of Contract***

Where completion of a contract is delayed, it shall be the duty of the Director of Housing, Operations and Development to consult the ~~**Head of Finance, ICT and Procurement**~~**Chief Financial Officer** and/ or the ~~**Head of Legal and Regulatory Services**~~**Chief Governance Officer** as appropriate prior to taking any action in respect of any processes to liquidate or levy other damages.

23.5 ***Interim Payment***

Interim payments to contractors shall be certified by the Director of Housing, Operations and Development or delegated officer responsible for the control and supervision of the work. Nominating delegated officers shall be in writing from the Director of Housing, Operations and Development. The ~~**Head of Finance, ICT and Procurement**~~**Chief Financial Officer** shall be provided with specimen signatures of the authorised signatories by the Director of Housing, Operations and Development.

23.6 ***Reports on Final Measurements/ Final Contract Amount***

A report on all final measurements/ final contract amounts shall be made by the Director of Housing, Operations and Development or delegated officer to the ~~**Head of Finance, ICT and Procurement**~~**Chief Financial Officer**.

23.7 ***Procurement Procedures/ Guidance***

All matters relating to contracts for capital works shall be conducted in accordance with Standing Orders relating to Contracts and other guidance and the ~~**Head of Legal and Regulatory Services**~~**Chief Governance Officer**. Failure to follow these procedures may result in disciplinary action.

24. **Economy, Efficiency and Effectiveness/ Best Value**

24.1 The Council has a duty under the Local Government Etc (Scotland) Act 1994 and the Local Government in Scotland Act 2003 to invoke proper arrangements for securing economy, efficiency and effectiveness/ best value in the use of resources. There shall be a process of strategic planning which shall have full Elected Member involvement in order to establish the systematic identification of priorities and realisation of economy, efficiency and effectiveness/ best value. It shall be the responsibility of the Chief Executive to deliver the arrangements put in place to secure best value and to co-ordinate Council policy in regard to ensuring that the Council provides best value.

24.2 The Chief Executive and each Director and Head of Service shall be responsible for ensuring implementation of both the corporate and Directorate applications of the strategic planning process. All Directors, Heads of Service and Assistant Directors must ensure that they can demonstrate that proper arrangements are in place to provide best value, and that there is the application of documented procedures, operational performance indicators and targets and a customer/ user focus in service planning.

24.3 Best value should cover the areas of human resource and physical resource management, capital programme and contract management, financial management and policy, performance and service delivery process reviews.

25. External Funding (*Following the Public Pound*)

25.1 The principles of openness, integrity and accountability in decisions on spending public money shall apply to funds or other resources which are transferred by the Council to bodies such as companies, trusts, voluntary organisations and individuals where such bodies/ individuals are subject to local authority control or influence, and where they operate at arms' length.

25.2 Services providing grants to external organisations should adhere to South Ayrshire Council's Local protocol – Following the Public Pound and Funding External Bodies (published September 2020) which provides guidance on managing and monitoring funding arrangements in relation to external bodies.

25.3 The Chief Executive and each Director, Head of Service or Assistant Director shall be responsible for ensuring the implementation of and adherence to all Codes and Guidance issued on external funding arrangements (*Following the Public Pound*).

25.4 Any agreements required shall include right of access of Internal Audit to the systems, records, documents and correspondence of that organisation.

26. Partnerships

26.1 Partnerships can play a key role in delivering community strategies. In some circumstances, the Council has a leadership role to bring together the contributions of a variety of stakeholders to deliver a shared vision of services based on user needs. Examples of partners include:

- (1) a public or private organisation undertaking part funding or participating as a beneficiary in a project including PPP/ PFI; or
- (2) a body whose nature or status gives it a right or obligation to support a particular project; or
- (3) HubSW in the delivery of Council or Council-partnership projects and initiatives

26.2 In all instances, the Director of the lead Directorate for the Council should be able to demonstrate that:

- (1) appropriate financial regulations have been adopted for the partnership. There should be a presumption that the Council's financial regulations will prevail in all circumstances, unless alternative or additional guidance is considered appropriate. The approval of the ~~Head of Finance, ICT and Procurement~~**Chief Financial Officer** will be required for any such departure;

- (2) the roles and responsibilities of each of the partners involved have been agreed and formally accepted before any project commences, and that individuals representing the partner organisations are aware of their personal responsibilities;
- (3) documented project management arrangements are in place;
- (4) responsibility for budgetary control for any project is vested in one officer;
- (5) the limits of responsibility for all groups involved in decision-making for any partnership project are clear and agreed. This could include Project Teams, Project Boards, Council Panels and the Council itself;
- (6) a project exit strategy is in place for limited life projects; and
- (7) arrangements are in place for risk appraisal, monitoring, management and control.

27. Devolved Management of Resources

- 27.1 The Council operates a Scheme of Delegation for schools (Devolved School Management) in line with the Local Government Etc (Scotland) Act 1994. This devolves decision-making powers and budget responsibilities to Head Teachers, in particular, budget transfer and carry-forward facilities, which require to be managed in accordance with the Council's Financial Regulations.
- 27.2 The Council's Scheme of Delegation delegates Panels and officers powers to deal with matters falling within their remit as specified therein.

28. Observance of Financial Regulations

28.1 *Responsibility of Directors, Heads of Service and Assistant Directors*

It shall be the duty of each Director and Head of Service to ensure that these regulations are made known to the appropriate persons within the Directorate, and to ensure that they are adhered to.

28.2 *Breach of Regulations*

Any breach or non-compliance with these regulations must, on discovery, be reported immediately to the Chief Executive, who may discuss the matter with the ~~Head of Finance, ICT and Procurement~~ **Chief Financial Officer** and/ or such other Director, Head of Service or Assistant Director as may be appropriate in order to determine the proper action to be taken.

South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Financial Regulations Review
Lead Officer (Name/Position/Email)	Tim Baulk, Chief Financial Officer – tim.baulk@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – (issues specific to women & men or girls & boys)	-	-
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Thematic Groups: Health, Human Rights & Children's Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent's education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the 'Three Key Needs' of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	YES NO
Rationale for decision: This report advises of the outcome of a further review of the Financial Regulations, and asks Members to approve. Their decision on this has no specific equality implications	
Signed : Tim Baulk Date: 8 May 2024	Chief Financial Officer