

South Ayrshire Council

**Report by Director of Housing, Operations and Development
to South Ayrshire Council
of 12 December 2024**

Subject: Review of Governance Arrangements Regarding Ward Capital Fund and Shorefront/ Promenade Capital Projects

1. Purpose

- 1.1 The purpose of this report is to recommend revised governance arrangement for Place Planning and Community Lead Projects (hereinafter known as ‘Ward Capital Projects and Shorefront/ Promenade Capital Projects’ to provide for a more simplified and responsive set of arrangements to approve projects whilst ensuring that proper financial, legal and other regulatory diligence is maintained.

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 agrees the approval process and governance arrangements for Ward Capital and Shorefront/ Promenade Capital Projects as set out in [Appendix 1](#); and**
- 2.1.2 requests the Chief Governance Officer to amend the Council’s Scheme of Delegation, to reflect the required changes to delegated powers as set out in paragraph 4.2 below.**

3. Background

- 3.1 The Council-approved Capital Investment Programme 2023-24 to 2034-35 includes funding for ; Place Planning and Community Led Projects and Promenade and Shorefront Enhancement Schemes .This programme provided for a scheme of new capital projects. In order to ensure that proper governance arrangements were in place for the identification and management of such projects, Cabinet on 25 April 2023 approved the arrangements for decision-making in these projects, which involved ward meetings with elected members, bids then submitted to the Capital Asset Management Group (CAMG) to ensure all bid requirements are met, and thereafter submission of recommended bids to Council for approval.
- 3.2 These arrangements effectively removed the delegation given to the Director of Housing, Operations and Development to approve Capital projects up to a value of £100,000 and instead required Council approval of all projects under these budget line. At that time, there were no amendments proposed to the Council’s Scheme of Delegation.

- 3.3 However the governance arrangements have subsequently proved in some instances to hold back progression of some proposed projects. Feedback from elected members in this regard has been considered, and as a result the current governance arrangements have been reviewed to streamline processes whilst ensuring that processes meet the Council's statutory duties, including those related to Best Value and Equalities.
- 3.4 Members will be aware that Audit Scotland require that Councils satisfy themselves that they are securing Best Value in all their financial decisions. The Chartered Institute of Public Finance and Accountancy CIPFA also provide guidance on the proper approval of Capital. The Council's Capital Asset Management Group ensures these requirements are met by first approving potential Capital projects before these are recommended to Council.
- 3.5 Officers met with Audit Scotland to establish if there are alternatives to involving CAMG in prior approval of Capital projects. Audit Scotland have commented that the Council requires to satisfy itself that Best Value is being provided and that the CAMG processes provides this assurance. They confirmed that the Council's processes are consistent with other Councils and are no more onerous than other Council's diligence and processes.
- 3.6 Officers recognise the need for a more flexible approach and have therefore proposed that where they have consulted with all ward members on the spend on the projects for Ward Capital and Shorefront/ Promenade Capital Projects less than £100,000 then after this consultation the project can be progressed by the Director of Housing, Operations and Development following the process outlined in [Appendix 1](#) and authorised using the delegated power set out in paragraph 4.2 below. There will be no requirement for these projects to be approved by Council.

4. Proposals

4.1 It is proposed that to provide for more responsive approval of potential projects, whilst maintaining proper diligence, that the following approval and governance arrangements are put in place for the Ward Capital and Shorefront/ Promenade Capital Projects, where there is sufficient capital budget provision:

4.1.1 The proposals for Ward Capital and Shorefront/ Promenade/ Capital projects are set out in [Appendix 1](#)). These proposals remove the requirement for Council approval for projects costed at less than £100,000, and provide delegated power to the Director of Housing, Operations and Development to approve Ward Capital and Promenade/ Seafront Capital Projects up to a value of £100,000, in consultation with Ward Members.

4.2 It is further proposed that the Scheme of Delegation is amended to reflect the addition of a delegated power referred to in paragraph 4.1.1 above to the Director of Housing, Operations and Development, as follows:

- Amend paragraph HOD90 to be called HOD90.1, and
- Create a new paragraph HOD90.2:

HOD90.2 - in relation to the Ward Capital Fund and Shorefront/Promenade Capital projects, following consultation with the Ward Councillors in the relevant Ward, and consideration by the Capital Asset Management Group, to formally approve expenditure from that fund on works requiring to be undertaken, provided the amount involved does not exceed £100,000.

4.3 This amendment is reflected in the revised Scheme of Delegation (report being submitted as a separate item on the agenda for today's Council meeting).

5. Legal and Procurement Implications

5.1 The proposals continue to provide sound governance arrangements to meet with the requirements of Audit Scotland/Best Value when considering capital projects.

5.2 There are no procurement implications immediately arising from this report, and approved projects will meet with the terms of procurement Standing Orders

6. Financial Implications

6.1 There are no direct financial implications arising from the proposals.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

Risk Implications of Adopting the Recommendations

8.1.1 There are no risks associated with agreeing to the above recommendations.

Risk Implications of Rejecting the Recommendations

8.2.1 There is a risk that if the above recommendations are rejected that there will be delay in delivering the capital programme related to Ward Capital, Promenade/Shorefront Improvement.

9. Equalities

9.1 The proposals in this report ensure that Equality Impact Assessment considerations are included within the consideration of potential projects.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)***—The proposals in this report ensure that SEA considerations are included in the consideration of potential regeneration projects.

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 Spaces and Places

13. Results of Consultation

13.1 Consultation has taken place with Councillor Martin Dowey, Leader of the Council and Portfolio Holder for Corporate and Strategic, Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and Councillor Bob Pollock Portfolio Holder for Economic Development 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 Director of Housing, Operations and Development 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
Updated Scheme of Delegation to be published and notified to employees	20 December 2024	Chief Governance Officer

Background Papers [Audit Scotland Report – Major Capital Investment in Councils – Good Practice Guide – March 2013](#)

South-Ayrshire Council Asset Management Plan

Report to Cabinet of 25 April 2023 - [Approval Process and Governance Arrangements for Ward Capital Projects](#)

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Proposed Revised Governance - Ward Capital Fund and Shorefront/Promenade Projects

Projects derived from Place Plans, Ward Members or Communities Direct

Less than £100,000
(Communities Direct – Consult Ward Members)



Ward Member Consultation



CAMG consideration of Business Case and Equalities Impact and public consultation requirements



Director of Housing, Operations and Development approves



Project Proceeds

More than £100,000
(Communities Direct - - Consult Ward Members)



Ward Member Consultation



CAMG consideration of Business Case, Equalities Impact and public consultation requirements



Council Approval



Project Proceeds