

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

23 February 2023

Dear Councillor

## **SOUTH AYRSHIRE COUNCIL**

You are requested to participate in a meeting of South Ayrshire Council to be held **on Wednesday 1 March 2023 at 10.00 a.m.** for the purpose of considering the undernoted business.

This meeting will be held 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**  
Head of Legal and Regulatory Services

### **B U S I N E S S**

1. Provost.
2. Sederunt and Declarations of Interest.
- 3./

**Note:** *Members are reminded that Section 112 of the Local Government Finance Act 1992 provides that a member of the Council cannot vote on a range of Council Tax issues, including setting or adjusting the rate of Council Tax, if he or she is three months or more in arrears with payment of Community Charge (Poll Tax) or two months or more in arrears with Council Tax.*

*If Section 112 applies to any member he or she is also required to disclose that fact as soon as practicable after the commencement of the meeting.*

*(An email on this matter was sent to all members by the Chief Executive on 24 January 2023).*

3. Minutes of meetings of the Council and Panels.

(a) Minutes of previous meeting.

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

- (i) 15 December 2022 (copy herewith).

(b) Minutes of Panels.

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

- (i) Audit and Governance Panel of [7 December 2022](#) and [25 January 2023](#).  
(ii) Cabinet of [29 November 2022](#); and [17 January 2023](#).

In accordance with the Scheme of Delegation and Standing Orders for Meetings, the recommendations in the minutes as contained in the 'C' paragraphs have been referred to the Council for decision: -

- o Minutes of 17 January 2023 – “Treasury Management Mid-Year Report 2023-24”;
- o Minutes of 17 January 2023 – “Procurement Strategy Update 2023/24”

(copy of minute excerpts herewith).

- (iii) Local Review Body of [29 August 2022](#), [4 October 2022](#) and [6 December 2022](#)  
(iv) Partnerships Panel of [21 September 2022](#).  
(v) Regulatory Panel – Licensing of [1 December 2022](#), [14 December 2022 \(Special\)](#) and [19 January 2023](#)  
(vi) Regulatory Panel – Planning of [17 November 2022](#), [13 December 2022 \(Site Visit\)](#) and [14 December 2022](#)  
(vii) Service and Performance Panel of [22 November 2022](#).

4. Revenue Estimates 2023/24, Capital Estimates 2023/24 to 2034/35 and Carbon Budget 2023/24 – Submit report by Head of Finance, ICT and Procurement (copy herewith).
5. Treasury Management and Investment Strategy 2023/24 – Submit report by Head of Finance, ICT and Procurement (copy herewith).
6. Rent Setting and Housing Revenue Account (HRA) – Revenue Budget 2023/24 and Capital Budget 2023/24 to 2027/28 – Submit joint report by the Depute Chief Executive and Director of Housing, Operations and Development and the Head of Finance, ICT and Procurement (copy herewith).
7. Review of Political Decision Making Structure, Working Groups and Outside Bodies – Submit report by Head of Legal and Regulatory Services (copy herewith).
8. Members' Remuneration – Submit report by Head of Legal and Regulatory Services (copy herewith).

9. Appointments to Panels, Working Groups, Etc – Submit report by Head of Legal and Regulatory Services (copy herewith).
10. Ayr Station Hotel Update – Submit report by Depute Chief Executive and Director of Housing, Operations and Development (copy herewith).
11. LDP2 Supplementary Guidance Site Design Brief: South East Ayr – Submit report by Depute Chief Executive and Director of Housing, Operations and Development (copy herewith).
12. Council Plan 2023-28 – Submit report by Director of Strategic Change and Communities (copy herewith).
13. Golf Strategy 2022-32 – Submit report by Director of Strategic Change and Communities (copy herewith).
14. Formal Questions.
15. **Public Engagement on Relocation of Troon Early Years Centre – Submit report by Director of Education (Members only).**
16. Consideration of Disclosure of the above confidential report.

For more information on any of the items on this agenda, please telephone Janice McClure, Committee Services on at 01292 612169, at Wellington Square, Ayr or  
e-mail: [janice.mcclure@south-ayrshire.gov.uk](mailto:janice.mcclure@south-ayrshire.gov.uk)  
[www.south-ayrshire.gov.uk](http://www.south-ayrshire.gov.uk)

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**SOUTH AYRSHIRE COUNCIL.**

Minutes of a hybrid webcast meeting  
on 15 December 2022 at 10.00 a.m.

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

Present Remotely: Councillor Ian Cochrane.

Attending in County Buildings: E. Howat, Chief Executive; L. McRoberts, Director of Education; M. Newall, Director of Housing, Operations and Development; J. Bradley, Director of Strategic Change and Communities; C. Caves, Head of Legal and Regulatory Services; T. Baulk, Head of Finance, ICT and Procurement; L. Reid, Assistant Director – Strategic Change; W. Wesson, Chief HR Adviser; C. Iles, Service Lead – Planning and Building Standards; T. Burns, Service Lead – Asset Management and Community Asset Transfer; L. Kerr, Service Lead – Destination South Ayrshire, Culture and Sport; N. Gemmell, Service Lead – Revenues and Benefits; K. Anderson, Service Lead – Policy, Performance and Community Planning; D. Yuille, Service Lead – Special Property Projects; J. McClure, Committee Services Lead Officer; A. Gibson, Committee Services Officer; C. Buchanan, Committee Services Officer; C. Griffiths, Committee Services Assistant; and C. McCallum, Committee Services Assistant.

Attending Remotely: T. Eltringham, Director of Health and Social Care, K. Dalrymple Assistant Director-Housing and Operations; and M. Inglis, Head of Children’s Health, Care and Justice Service.

**1. Provost.**

The Provost

- (1) welcomed everyone to the meeting;
- (2) intimated that no apologies had been received;
- (3) outlined the procedures for conducting this meeting and advised that this meeting would be broadcast live; and
- (4) advised that items 5, 7, 8, 9 and 14 on the agenda had been withdrawn.

**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 of Council.

#### (1) Minutes of 13 October 2022.

Provost Campbell, seconded by Councillor Kilpatrick, moved the [Minutes](#) of South Ayrshire Council of 13 October 2022 as a correct record.

A Council Member highlighted as a point of accuracy, that on page 6 of the Minutes, following the adjournment, as well as reminding all Members of the requirement to adhere to the time of the adjournment as specified by him, Provost had also explained to members that the Council would continue once the adjournment time had elapsed, provided the Council was quorate. This amendment was accepted by Provost and Councillor Kilpatrick, as seconder.

In terms of Standing Order No. 19.9, there was no general agreement to the motion, therefore, the Council moved to a vote for or against the Motion. Twenty seven Members voted for the Motion; one Member Abstained and the Council accordingly

**Decided:** to approve the Minutes of 13 October 2022 subject to the above amendment and to 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 [5 October](#), [9 November](#) and [23 November 2022 \(Special\)](#).
- (ii) Cabinet of [27 September](#) and [1 November 2022](#).

In accordance with the Scheme of Delegation and Standing Orders for Meetings, Councillor Dowey, seconded by Councillor Lyons, moved the recommendations as contained in the 'C' paragraph of the Cabinet minutes of 1 November 2022 entitled "Revised Recruitment and Selection Policy" (copy of [minute excerpt](#) herewith).

**Decided:** to approve the recommendations as contained in the 'C' paragraph.

- (iii) Chief Officers' Appointments/Appraisal Panel of [30 September](#), [13 October](#) and [14 October 2022](#).
- (iv) Regulatory Panel – Licensing of [29 September](#) and [3 November 2022](#).
- (v) Regulatory Panel – Planning of [22 September](#), [4 October \(Special\)](#) and [12 October 2022](#).
- (vi) Service and Performance Panel of [20 September](#) and [25 October 2022](#).
- (vii) Ayrshire Shared Services Joint Committee of [10 June](#), [2 September](#) and [4 November 2022](#).

4. **Call-in on “Proposal to Deliver an Airshow in September 2023, 2024, 2025, 2026 and 2027”**

Reference was made to

- (1) the Minutes of Cabinet of 1 November 2022 (Page 3, paragraph 8) when the Cabinet had decided
  - (a) to agree that officers progress with the planning of the Airshow including work to identify sponsors;
  - (b) to approve that funding for the Airshow of £300,000 per year, for a period of five years, would be considered as part of the budget setting process for 2023-2024;
  - (c) to approve the name for the Airshow - The International Ayr Show – Festival of Flight;
  - (d) to approve the proposal to have the Royal Air Force Benevolent Fund as the charity partner for the event; and
  - (e) to note the progress made by the SKYLAB in relation to expressions of interest with military display teams;
- (2) the Minutes of the Audit and Governance Panel of 9 November 2022 (Page 2, paragraph 2) when the Panel had decided that officers progress the planning of the Airshow as per the Cabinet decision of 1 November 2022, with the proviso that officers bring forward information on a robust scoping exercise and indicative costs to a future meeting of this Panel, prior to the budget setting meeting of South Ayrshire Council of 2 March 2023 \*;
- (3) the Minutes of the Audit and Governance Panel (Special) of 23 November 2022 (Page 3, paragraph 3) when the Panel had decided
  - (a) to note the financial projections contained in Appendix 1 of the report;
  - (b) to request that officers present further more detailed financial information to Members through the budget setting process and in advance of the meeting of the Council on 2 March 2023; \*
  - (c) to agree part of the decision of Cabinet at its meeting of 1 November 2022, namely paragraphs 3.2(1), 3.2(3), 3.2(4) and 3.2(5) of the report; and
  - (d) to refer the matter back to Cabinet recommending that officers be requested to present a detailed financial report to Audit and Governance Panel on 22 February 2023; and
- (4) the Minutes of Cabinet of 29 November 2022 (Page 2, paragraph 5) when Cabinet had decided
  - (a) to confirm the decision taken at the meeting of the Cabinet on 1 November 2022, namely:-
    - (i) to agree that officers progress with the planning of the Airshow including work to identify sponsors;

- Subsequently amended to 1 March 2023

- (ii) to approve that funding for the Airshow of £300,000 per year, for a period of five years, would be considered as part of the budget setting process for 2023-2024;
  - (iii) to approve the name for the Airshow - The International Ayr Show – Festival of Flight;
  - (iv) to approve the proposal to have the Royal Air Force Benevolent Fund as the charity partner for the event; and
  - (v) to note the progress made by the SKYLAB in relation to expressions of interest with military display teams;
- (b) therefore, that the matter be referred to a meeting of the Council to be held on 15 December 2022 for determination; and
  - (c) that the Chief Executive would confirm the position in respect of any outstanding debt from the last Airshow in South Ayrshire to Members.

The Council heard from the Head of Legal and Regulatory Services in relation to the process for this call-in and the decisions taken at previous meetings of Cabinet and Audit and Governance Panel.

Comments were made by Members regarding:-

- (A) in their opinion, no monies should be expended until the budget had been set therefore, the recommendations as outlined in the report should not be agreed; and
- (B) that the decision of the Cabinet had been made based on the financial projections that the Airshow could break-even or make a small profit, however, an event of this scale did not require to break-even as public subsidy was justified for an event of this scale which would involve a great deal of economic benefit to Ayr and to South Ayrshire in general; and that as there was significant public interest in this event and transparency was essential with such large sums of public money, it was clear that further works required to be carried out to identify costs and projected income prior to the budget setting.

Questions were raised by Members in relation to:-

- (I) when Members would receive more detailed financial information; and the Director of Strategic Change and Communities advised that figures would be provided to Members in detail as part of the budget setting process at the meeting of South Ayrshire Council of 1 March 2023;
- (II) whether the recommendation in the report was competent as Council was being asked to approve funding for a future event before the budget had been agreed; and the Head of Legal and Regulatory Services advised that the recommendation did not request Council to approve the funding of £300,000 for the Event for the next five years but rather members were being asked to agree that the budget setting process would be used to consider whether £300,000 was the appropriate budget for that event for the next 5 years, therefore, it was competent for Council to approve this recommendation;

- (III) whether the Council was being requested to overturn the decision of the Audit and Governance Panel requesting more detailed financial information; and the Head of Legal and Regulatory Services advised that Cabinet at its meeting of 29 November 2022 had confirmed its previous decision at the meeting of 1 November 2022 and also decided that the matter be referred to this meeting of Council for final determination; and
- (IV) whether the SNP and Labour Groups were participating in the Budget Working Group as this Group scrutinised and developed the budget; and a Member of the SNP Group advised that this was a politically motivated comment, and that the Budget Working Group was not for scrutiny but to make suggestions and formulate a budget; and a Member of the Labour Group advised that the Labour Group would not be participating in the Budget Working Group as each political party had different priorities and it was each party's responsibility to deliver their own budget; and the Chief Executive further advised that the SNP and Labour Groups had both intimated to her that they did not wish to be part of the Budget Working Group.

### **Point of Order**

Following a question from Councillor Pollock to Councillor McGinley regarding a comment made by him, Councillor McGinley raised a Point of Order that Questions were only permitted to be asked of an Officer or Portfolio Holder.

Councillor Clark, seconded by Councillor Dowey, moved the recommendations as outlined in the Cabinet report.

### **Adjournment**

The time being 10.30 a.m., the Council adjourned for ten minutes to allow Councillor McGinley to commit his Amendment to writing.

### **Resumption of Meeting**

The Council re-convened at 10.40 a.m.

### **Provost**

Provost reminded all Members that this meeting was being broadcast live and that all Members were responsible for their conduct during the meeting and should have respect for everyone in attendance at the meeting.

By way of Amendment, Councillor McGinley, seconded by Councillor Grant, moved

- (aa) to request that officers present further, more detailed, financial information to Members through the budget setting process and in advance of the Council meeting of 1 March 2023;
- (bb) to agree parts of the decision of Cabinet at its meeting of 1 November 2022, namely paragraphs 2.1.1, 2.1.3, 2.1.4 and 2.1.5 of the report, outlined at (1)(a), (c), (d) and (e) of this Minute; and
- (cc) that a report be submitted to Audit and Governance Panel with more detailed financial details prior to Council of 1 March 2023.

Fourteen Members voted for the Motion and fourteen Members for the Amendment. Provost then exercised his casting vote in favour of the Motion and the Council

**Decided:**

- (AA) to agree that officers progress with the planning of the Airshow including work to identify sponsors;
- (BB) to approve that funding for the Airshow of £300,000 per year, for a period of five years, would be considered as part of the budget setting process for 2023-2024;
- (CC) to approve the name for the Airshow - The International Ayr Show – Festival of Flight;
- (DD) to approve the proposal to have the Royal Air Force Benevolent Fund as the charity partner for the event; and
- (EE) to note the progress made by the SKYLAB in relation to expressions of interest with military display teams;

**5. Review of Political Decision Making Structure, Members' Remuneration and Appointments to Panels**

The Council

**Decided:** to note that, as previously intimated, this item had been withdrawn from the agenda.

**6. Schedule of Meetings**

There was submitted a [report](#) (issued) of 5 December 2022 by the Head of Legal and Regulatory Services seeking approval of a proposed timetable of Panel meetings from August 2023 to June 2024.

Councillor Dowe, seconded by Councillor Lyons, moved the recommendations as outlined in the report.

The Council

**Decided:**

- (1) to approve the timetable of Council and Panel meetings from August 2023 to June 2024 as detailed in Appendix 1 of the report;
- (2) to approve the proposed changes as outlined in Appendix 2 of the report (marked in bold text); and
- (3) to request the Head of Legal and Regulatory Services to submit a timetable of meetings from August 2024 onwards to a future meeting of the Council.

## 7 **Standing Orders Relating to Meetings**

The Council

**Decided:** to note that, as previously intimated, this item had been withdrawn from the agenda.

## 8. **Representation on Outside Bodies.**

The Council

**Decided:** to note that, as previously intimated, this item had been withdrawn from the agenda.

## 9. **Representation on Working Groups.**

The Council

**Decided:** to note that, as previously intimated, this item had been withdrawn from the agenda.

## 10. **Financial Regulations Review.**

There was submitted a [report](#) (issued) of 5 December 2022 by the Head of Finance, ICT and Procurement seeking endorsement of the current Financial Regulations following review.

Councillor Davis, seconded by Councillor Dowey, moved the recommendations as outlined in the report.

Following a question from a Member on the financial relationship between the Fairer Scotland Act and other regulations and the legal implications for the Council; the Head of Finance, ICT and Procurement advised that, if this did impact on the Financial Regulations it would be taken into account, however, at this point no changes were required.

The Council, having thanked the Head of Finance, ICT and Procurement and his Team for their work on this matter,

**Decided:** to endorse the Financial Regulations.

## 11. **Non-Domestic Rates Reliefs.**

There was submitted a [report](#) (issued) of 5 December 2022 by the Head of Finance, ICT and Procurement seeking approval for the Non-Domestic Rates,(Business Rates) Empty Property Relief and Discretionary Relief policies

Councillor Davis, seconded by Councillor Dowey, moved the recommendations as outlined in the report.

The Council, having thanked the Service Lead – Revenues and Benefits and her Team for their work on this matter,

**Decided:**

- (1) to approve the Non-Domestic Rates Empty Property Relief Policy with effect from 1 April 2023, as detailed in Appendix 1 of the report, and
- (2) to approve the Non-Domestic Rates Discretionary Relief Policy with effect from 1 April 2023, as detailed in Appendix 2 of the report.

**12. PPP Service Concession Arrangements Flexibilities.**

There was submitted a [report](#) (issued) of 5 December 2022 by the Head of Finance, ICT and Procurement outlining the impact for the Council of changing the statutory accounting treatment for Service Concession Arrangements (SCAs) asset out in FC 10/2022 – finance leases and service concession arrangements.

Councillor Davis, seconded by Councillor Dowey, moved the recommendations as outlined in the report.

Comments were made by Members in relation to:-

- (1) given the useful life of each of the Council's assets, this change was reasonable; that this was not the first time the Council had reprofiled debt in such a way and that some debts were being repaid over a forty year period; that, given the extraordinary immediate pressure Councils were facing following the pandemic, it was sensible to bring the Council's reserves closer to the upper end of the target set to hold reserves at; and that, given indications of future budgets, it was necessary that the Council make substantial changes and to bring these changes in gradually;
- (2) that the Scottish Government should be commended for providing this flexibility, especially in these challenging times for Councils;
- (3) although the need for this flexibility was acknowledged to balance the budget, this report delayed responsibility for problems faced at present and would cause the debt to require to be met years from now; and
- (4) that the Budget Working Group had discussed the views outlined by a Member at (3) above and had shared these concerns that the debt required to be repaid in the future, however, the Budget Working Group had welcomed these monies.

Questions were raised by Members in relation to:-

- (a) whether the allocation of £14m over the next four years could be allocated in a more beneficial way; and the Head of Finance, ICT and Procurement advised that, at this point in time, this approach was correct, however, this was a best estimate and the Council could change its approach as matters progressed;
- (b) as these monies were not recurring, what would the financial position be in five years time; and the Head of Finance, ICT and Procurement advised that, when using reserves it was on a one-off basis which was why it had been proposed to have a reducing balance of applying £5m in year 1, £4m in year 2, etc, however, this did not negate the fact that the Council required to make savings, this just eased the impact of the savings over a number of years;



## **Point of Order**

A Point of Order was raised by Councillor Lyons that, as a Motion had been moved and seconded, the Council should move to the vote; and the Head of Legal and Regulatory Services advised that, following the Motion being moved and seconded, the Council debated, made comment and raised questions prior to the vote and only moved to the vote when directed by Provost. She further advised that the Council only moved to the vote earlier when there was a Motion to "Move to Vote" which required to be moved and seconded and a vote undertaken to decide on this.

- \*
- (c) seeking context around the reprofiling of the debt liability repayments increasing the Capital Financing Requirement (CFR) by £21.718m and the impact that had on the Revenue Budget; and the Head of Finance, ICT and Procurement advised that, as the Council did not have this amount of money in the bank and if the reserves were used, it would require to borrow the money long-term, creating an increased reserve, however, this would bring its own costs in terms of debt charges;
  - (d) why the Net Present Value (NPV) was set at 3.5%; and the Head of Finance, ICT and Procurement advised that 3.5% was the rate suggested by the national standard "green book" and was the estimate of future interest rates for calculating the NPV; and
  - (e) if this report was approved at this meeting, did this remove flexibility from the budget setting process; and the Head of Finance, ICT and Procurement advised that this report outlined his suggested approach to this year's budget, however, should circumstances change, he would submit a further report to Council requesting an amended proposal.

In terms of Standing Order No. 19.9, there was no general agreement to the unopposed motion, therefore, the Council moved to a vote for or against the Motion. Twenty two Members voted for the Motion; five Members voted against the Motion and one Member Abstained and the Council, having thanked the Head of Finance, ICT and Procurement for securing this additional funding,

## **Decided:**

- (i) to apply, as per section 2.2 of FC 10/2022, the permitted PPP Concession flexibility in financial year 2022/23 on a retrospective basis using an annuity basis with a useful life of forty years;
- (ii) to note that the flexibility being applied was consistent with current Council Loans Fund arrangements and was considered prudent, sustainable and affordable over the life of the asset;
- (iii) to note that, by applying the flexibility, a one off retrospective saving of £21.718m would be achieved followed by a reduction in the annual charges for a further eighteen years (commencing in financial year 2022/23) and the continuation of the statutory charges after the SCA contracts had been repaid; and
- (iv) to agree to earmark the £21.718m retrospective saving as follows:
  - £14.000m towards supporting the revenue budget over the four year period 2023/24 to 2026/27 as detailed in paragraph 4.13 of the report;
  - £5.000m allocated to the Workforce Change Fund as detailed in paragraph 4.14 of the report; and
  - retain the balance of £2.718m in uncommitted reserves.



### 13. Development Plan Scheme : Local Development Plan 2 and 3.

There was submitted a [report](#) (issued) of 5 December 2022 by the Depute Chief Executive and Director of Housing, Operations and Development seeking approval to publish a Development Plan Scheme and submit this to Scottish Ministers

Councillor Pollock, seconded by Councillor Kilbride, moved the recommendations as outlined in the report.

Questions were raised by Members in relation to:-

- (1) how developers could be encouraged to build in rural areas during these unprecedented times with a fluctuating market; and the Service Lead – Planning and Building Standards advised that he was presently working with developers on this challenging issue advising them of appropriate sites and that this would be examined during the development of the LDP3; and
- (2) why house building was not taking place in rural areas when there was a clearly a demand; and the Service Lead - Planning and Building Standards advised that several villages in South Ayrshire had allocated sites which had not been taken up by developers, however, he would continue to investigate this through the LDP process; and the Depute Chief Executive and Director of Housing, Operations and Development further advised that there was a distinction between private house building and Council house building and that he would continue to examine the issue of Council house building going forward.

Comments were made by Members in relation to:-

- (a) the lack of progression with rural housing and the danger to the sustainability of the economy in small towns should no rural housing be built; and that this required to be examined as a priority; and the Service Lead – Planning and Building Standards advised that he was aware of members' concerns regarding the rural housing situation in relation to LDP2, that if applications were submitted these would be taken into consideration; and that, with reference to LDP3, rural housing would be investigated following discussion with Members, through the Planning Liaison Group and as part of a public consultation;
- (b) that it was incumbent on the Council to identify sites and build houses in rural villages as private developers were seeking larger investments, not suitable for villages;
- (c) that, should more housing not be built in rural areas, younger people would require to leave for housing in an urban area which would then impact on the number of children in schools; and that rural housing should be a priority to ensure that every town and village in South Ayrshire was treated equally; and the Service Lead – Planning and Building Standards advised that the planning process was reactive to the development industry and if applications were submitted, these would be assessed, that the LDP was in place to manage the planning process; and that some rural sites had been identified for development in villages in the southern area of South Ayrshire;
- (d) that there were major issues in rural areas in relation to poverty and social wellbeing which required to be addressed; that residents in rural areas experienced difficulties in accessing services which the Council required to improve; and that the Council's Place Planning process could be utilised to assist the residents in rural areas by identifying problems and rectifying these; and the Chief Executive advised that she would be happy to consider this as part of the development of the Council Plan;

- (e) that, as the Elected Members were familiar with their local area, the Members for rural areas should undertake site visits with the Leader and appropriate officers to identify proposed sites;
- (f) that during the public consultation, Parent Councils should also be consulted as they could provide their views and the views of their children; and the Service Lead – Planning and Building Standards advised that he was happy to include Parent Councils as consultees and would take any further suggestions on board; and
- (g) that, as the LDP3 would be driven by guidance and legislation from the Scottish Government, officers required to ensure that adequate timescales were given by the Scottish Government to deliver the LDP3; that several areas in Troon had been identified by local ward Members as suitable for social housing through engaging with the local community and that this was a productive way forward; and that COSLA was currently examining the way Place Planning would operate and this would include the Planning Service.

The Council, having commended the Service Lead – Planning and Building Standards for his work on LDP3,

**Decided:** to approve the Development Plan Scheme contained in Appendix 1 for publication and submission to Scottish Ministers.

### **Adjournment**

The time being 11.45 a.m., the Council agreed to adjourn for lunch for forty five minutes.

### **Resumption of Meeting**

The meeting resumed at 12.30 p.m.

## **14. LDP2 Supplementary Guidance Site Design Brief : South East Ayr.**

The Council

**Decided:** to note that, as previously intimated, this item had been withdrawn from the agenda.

## **15. Local Development Plan 2 Action Programme.**

There was submitted a [report](#) (issued) of 5 December 2022 by the Depute Chief Executive and Director of Housing, Operations and Development seeking approval to publish the Action Programme for Local Development Plan 2 for publication and submission to Scottish Ministers.

Councillor Pollock, seconded by Councillor Dowey, moved the recommendations as outlined in the report.

A question was raised by a Members in relation to Core Principle B7 of Appendix 1 which stated that the Council would be supporting flexible growth in Carrick villages and for the former mining villages of Kyle; and how this support would be provided; and the Service Lead – Planning and Building Standards advised that the Council would support growth in the area by encouraging private developers to build in the area.

Comments were made by Members in relation to:-

- (1) Core Principle B7 and that, as this is within the Action Plan as a Core Principle, action should be taken on this; and
- (2) the support within the Action Plan for the A77 and A75, however, the A714 Girvan to Newton Stewart Road which was a main arterial road was not included within the Plan; and the Service Lead – Planning and Building Standards advised that he would examine this with a view to including this road within the Local Development Plan 2 Action Plan.

The Council

**Decided:** to approve the Action Programme for Local Development Plan 2 (attached as Appendix 1) for publication and submission to Scottish Ministers.

## 16. **Station Hotel Update.**

There was submitted a [report](#) (issued) of 9 December 2022 by the Depute Chief Executive and Director of Housing, Operations and Development providing an update on matters in relation to the Station Hotel, Ayr; and seeking approval to progress with the service of a notice under the Building (Scotland) Act 2003.

Councillor Pollock, seconded by Councillor Henderson, moved the recommendations as outlined in the report.

Questions were raised by Members in relation to:-

- (1) the costs of the works to date; and the Director of Housing, Operations and Development advised that the costs to the public purse had been significant; that, should the recommendations in this report be agreed, the owner of the Hotel would be served with a notice to encourage him to make the necessary repairs to the building, however, should he not respond, the Council had a duty under the Building (Scotland) Act 2003 to protect the public and would be requesting that the Council approve demolition of the building; and the Head of Legal and Regulatory Services further advised that paragraph 2.1.2 of the report was identifying the preferred option; paragraph 2.1.3 was requesting officers to progress the further actions required, part of which was serving the notice on the owner with the content of the notice and the obligations that flow from that outlined in paragraph 5.3 of the report;
- (2) whether there were any other buildings in South Ayrshire in a similar state of disrepair; and the Service Lead – Planning and Building Standards advised that the Council had a duty under the Building (Scotland) Act 2003 to protect the public and that, if a building did become dangerous, the Council would require to act, however, it was hoped that it would not be of the scale and complexity of the Station Hotel; and

- (3) what preventative action had been taken by the Council to identify potentially dangerous buildings; and the Service Lead – Planning and Building Standards advised that when Building Standards Officers received a report regarding a dangerous building they would inspect it to ascertain if it was dangerous and contact the owner for them to address the issues; if the building was not dangerous, they would write to the owner advising of the potential future problems if maintenance work was not carried out and outlining their duty as the owner of the building; and that this was not a legal responsibility of the Council, however, this was undertaken by officers.

Comments were made by Members in relation to:-

- (a) a letter which had been issued to all Councillors from Safe Heritage Buildings UK which, they believed, contained a number of inaccuracies advising Members that the recommendations in this report were illegal; that the letter had also stated that Members had not been offered options, however, the report by Transport Scotland had examined a number of alternative uses for the Hotel and had discounted all alternatives; and the Depute Chief Executive and Director of Housing, Operations and Development advised that he had not had sight of the letter, however, he was confident that nothing in the report presented to Council was illegal;
- (b) that various problems relating to this building required addressing such as the ownership, purpose, cost and timescales for works; that discussions with stakeholders were welcomed, however, as part-owners of the building, Network Rail should be more open and progressive to achieve a resolution to this issue;
- (c) commending the work undertaken on this matter by officers and the progress made; and that despite this building not being owned by this Council, a significant amount of monies had been spent on this which could have been used more beneficially for the people of South Ayrshire;
- (d) advising that there were various groups wishing to save the Hotel and that, should any group have a credible plan and the monies to carry out their plan, they should advise officers or the Council would be forced to carry out its statutory duty which was not a decision that the Council would take lightly, however, it had a responsibility to protect the public and adjacent premises;
- (e) reiterating that this building was not owned by the Council; and that the Council required to make a decision on how to proceed with this building as it could not continue to spend significant amounts of monies on this; and
- (f) the detrimental impact on Ayr Railway Station as the ticket offices could not be utilised; and noting the further engagement with relevant authorities such as Transport Scotland which was welcomed.

The Council

**Decided:**

- (i) to note the outcome of the safety works option appraisal as detailed in the *Mott McDonald Station Hotel, Ayr - Safety Works under Section 29 of the Building (Scotland) Act 2003 report* at Appendix 1 of the report;
- (ii) to agree that Option 3 in the Mott McDonald Report – Demolition of the Southern Wing was the preferred option which should be taken forward for action under the Act;

- (iii) to request officers to progress further actions required under Building (Scotland) Act 2003;
- (iv) to request that Members and Officers seek to identify alternative sources of funding to fund the safety works in the event that the Council required to carry out the terms of any notice;
- (v) to agree the continued funding at a cost of £207,000 from uncommitted reserves, until March 2023, of the ongoing necessary action under the Building Scotland Act to encapsulate the building;
- (vi) to note the activity undertaken by the stakeholders and the Station Hotel Strategic Governance Group on the Atkin's Phase 2 Option Appraisal Review;
- (vii) to note the ongoing engagement with interested action groups and potential developers of the building; and
- (viii) to request that Officers submit an update report to the Council in March 2023 on the implementation progress.

## **17. Short Term Lets Planning Guidance.**

There was submitted a [report](#) (issued) of 5 December 2022 by the Depute Chief Executive and Director of Housing, Operations and Development seeking approval to publish the draft Short Term Lets Planning guidance for public consultation.

Councillor Pollock, seconded by Councillor Dowey, moved the recommendations as outlined in the report.

Questions were raised by Members in relation to:-

- (1) the Council's policy until the public consultation had been carried out and whether the report approved at Cabinet on 30 August 2022 would be extant until the consultation had been completed; and the Service Lead – Planning and Building Standards advised that if an owner of a flatted property wished to utilise it for short-term lets, they would require planning permission; that the reason for the public consultation was in relation to the policies attached to the planning permission; whether planning permission was required was outwith the Council's control; and that when a planning application was received for a short-term let, it had to be determined by the Planning Services if this should be granted under delegated powers or considered by the Regulatory Panel.
- (2) if an owner of a flatted property had been utilising it for short-term lets for the last five years, for example, did they require to apply for planning permission at present to continue letting their property; and the Service Lead – Planning and Building Standards advised that they would require planning permission; that Part I of the Appendix attached to the report set out the legislative position; and Part II of the Appendix set out how the Planning Service would apply the policies in relation to that, which was the part being consulted on; and

- (3) the difference between a licence and planning permission; and the Service Lead – Planning and Building Standards advised that the Civic Government (Scotland) Act 1982 had introduced the Short Term Lets Order in 2022 whereby those who let properties under short-term lets required to obtain a licence and, as part of the process, required to establish if they also required planning permission for this let; that there were significant opposing views to this proposal with large numbers of residents in certain areas completely opposed to short term lets and industry members who were opposed to being regulated; that he was meeting with members of the industry to take discussions forward; and that this document was to provide clear guidance for everyone involved in the process.

Comments were made by Members in relation to:-

- (a) Members receiving a number of communications from trade bodies involved in lets wishing to object to this guidance which was not competent at this stage; that a public consultation would be taking place and objections could be lodged at that point; that the move to licensing short-term let properties was welcomed as problems would be brought to the attention of the Council, however, the introduction of retrospective planning permission was more problematic as owners had invested in properties and the letting market was a key part of the local economy; and that a thorough consultation required to take place to ensure that all interested parties had an opportunity to comment;
- (b) that this matter would have been better dealt with through the Licensing Service similar to taxi drivers or public houses as any problems were then reported back to the Regulatory Panel or Licensing Board and dealt with appropriately;
- (c) concerns over the requirement for retrospective planning permission, however licensing properties gave the Council more control over those property owners not operating as they should; and that the wording of “Final Draft Planning Guidance” of the consultation document should be amended as this implied that the document could not be amended and the Council considered all consultation responses;
- (d) that it was highly unusual for Planning Policy to be retrospectively implemented and that this would impact on those owners who were legitimately operating with some owners having spent significant amounts of money on their property; that short-term lets were an important part of the local economy providing accommodation for visitors; and that owners requiring to seek a Certificate of Lawfulness for the change of use of the property if the change occurred within the last ten years was disproportionate and should be within the last five years; and
- (e) that this Council was one of the few in Scotland proposing that Air B&B properties required to have planning permission; and that the legislation did not specify that this was a requirement.

Councillor Mackay, seconded by Councillor Dixon, moved as an Amendment the recommendations as outlined in the report subject to the Certificate of Lawfulness on the grounds that no enforcement action could be taken being that it was owner’s responsibility to demonstrate to the Planning Authority:-

- the change of use occurred more than five years prior to your application;
- the use had continued without interruption for at least five years;
- the use had not increased or intensified during those five years; and
- no formal enforcement action had been taken in respect of the use.



Following questions on whether the properties could be subject to Licensing legislation but not Planning legislation; and regarding the draft Policy which had been agreed at Cabinet of 30 August 2022, the Council agreed to adjourn to seek clarification on these matters.

### **Adjournment**

The time being 1.20 p.m., the Council adjourned for ten minutes.

### **Resumption of Meeting**

The meeting resumed at 1.30 p.m.

Councillor Pollock then moved an alternative Motion, seconded by Councillor Kilbride, namely that the Council continue consideration of this matter to allow further legal advice to be sought on the interpretation of the Act to establish the Council's requirements and thereafter carry out a public consultation.

The Council

**Decided:** to continue consideration of this matter to allow legal advice to be sought on the interpretation of the Act to establish the Council's requirements and thereafter carry out a public consultation.

### **Time of Meeting**

The time being 1.40 p.m., Provost, seconded by Councillor Kilpatrick moved that Council agree to continue the meeting beyond 2.00 p.m. as the business of the meeting was not likely to be completed by 2.00 p.m., in accordance with Standing Order No. 6.2.

The Council

**Decided:** to continue the meeting beyond 2.00 p.m. in accordance with Standing Order No. 6.2.

## **18. South Ayrshire Council's Annual Performance Report 2021/22.**

There was submitted a [report](#) (issued) of 5 December 2022 by the Director of Strategic Change and Communities providing Elected Members with 'South Ayrshire Council's - Annual Performance Report 2021/22'.

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

A question was raised by a Member in relation to the Trauma work being carried out by the Council; and the Service Lead – Policy, Performance and Community Planning advised that a Trauma Informed Practice Officer had been employed who was developing the work throughout the Council; that the Member/Officer Working Group had met and was making good progress; that a report was being submitted to Cabinet in January 2023 seeking approval of a training package to train all Council employees to at least a basic level of understanding with the report outlining details of the costs involved and the plan to roll out the training over the next two years; and that Members would be involved in this training to understand the role Trauma played in how the Council operated.

Comments were made by Members in relation to:-

- (1) the report being retrospective and data having changed since the report was compiled; that a significant amount of good work had taken place to improve the data within the report, however, this was a continuous journey; and that the Best Value Working Group should keep this report under review to ensure that certain areas were focussed on and improved; and
- (2) thanking the Service Lead – Policy, Performance and Community Planning for his work on this matter; thanking staff in Education Services for the improvements made in relation to “Closing the Gap” on page 56 of the Annual Performance Report; and commending all Council staff for the achievements during the pandemic.

The Council

**Decided:** to approve the content of the ‘Annual Performance Report 2021/22, attached as Appendix 1.

### 19. **Best Value Action Plan - Update.**

There was submitted a [report](#) (issued) of 5 December 2022 by the Director of Strategic Change and Communities advising of the progress made in delivering the improvement actions identified in the Best Value Assurance Report; and seeking agreement for a new Terms of Reference for the Best Value Member Officer Working Group.

The Service Lead – Policy, Performance and Community Planning advised the Council that the majority of actions within the Plan had now been completed or were near completion; and that most of outstanding actions related to the development of the new Council Plan due to be considered at Cabinet in March 2023.

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

Questions were raised by Members in relation to:-

- (1) whether all actions were now on schedule for the new “due dates”; and the Service Lead – Policy, Performance and Community Planning advised that he collated the information provided by other officers, however, he was confident that all works were on track to be completed by the scheduled dates; and
- (2) given that there had been a change in the auditing process, how would the Council’s Best Value report now be presented; and the Chief Executive advised that the Auditors had reported on the Council’s progress against the current Best Value report as part of the wider scope report which had been presented to Audit and Governance Panel in June 2022 and they would continue to examine it as part of the audit process, however, there would be no separate Best Value report going forward, this would form part of the normal Audit report; that the Head of Finance, ICT and Procurement and herself had met with the newly appointed Auditors from Audit Scotland and they were keen to finalise the Audit Report for the Accounts up to 31 March 2023 by September 2023 to enable them to discuss this with Audit Scotland and the Accounts Commission, at which time they would then engage with the Council; and that she had liaised with officers in Audit Scotland requesting that they discuss the new approach with Members.



Comments were made by Members in relation to:-

- (a) welcoming the report and the updating of the Terms of Reference as this was an important development and brought focus in terms of key areas to work on for this organisation; and
- (b) the Consultation Reference Group regarding Thriving Communities which had met in September 2022 but had not been well attended and how it was hoped it would be better attended at the next meeting in January 2023; and the Director of Strategic Change and Communities advised that she had contacted all Services with no representatives at the meeting of September 2022 reminding them of the importance of the Consultation Reference Group and asking that they make every effort to attend the meeting in January 2023 or send a representative to this meeting.

The Council

**Decided:**

- (i) to note the progress made towards addressing the recommendations made by Audit Scotland in South Ayrshire's Best Value Assurance Report (Appendix 1 of the report); and
- (ii) to agree the updated Terms of Reference for the Best Value Member/ Officer Working Group (Appendix 2 of the report).

**20. New Leisure Centre Project.**

Reference was made to the Minutes of 13 October 2022 (Page 6, paragraph 7) when the Council had decided

- (1) to note the further update on the site acquisition of the Arran Mall to facilitate the new leisure centre development;
- (2) to note the options available to Council in response to the Stage 2 submission from HubSW set out in Appendix 1;
- (3) to note the information provided on the abortive costs should the project not proceed;
- (4) to agree that, given the project was now £7m over budget, that Council rejects the Stage 2 submission from HubSW on the basis it did not meet the Affordability Cap Approval Criteria prescribed by the HubSW Agreement, and asks Officers to provide a report to Cabinet detailing the response from HubSW to the rejection notice for their consideration; and
- (5) to request Officers to undertake a feasibility study for a mixed-use development of the Arran Mall and Hourston sites and report back to Cabinet at the earliest opportunity for consideration and instructions.

There was submitted a [report](#) (issued) of 6 December 2022 by the Director of Strategic Change and Communities providing a further update on the New Leisure Centre Project including the response from HubSW to the Stage 2 rejection letter.

Councillor Kilbride, seconded by Councillor Connolly, moved that Council note the further update in the response from HubSW on the stage 2 rejection letter; and agree that the Council reject the revised stage 2 submission from HubSW as it no longer met the specific requirements and each of the relevant participants' further requirements identified in stage 1 of the proof project and approved by Leadership Panel on 24 August 2021.

Questions were raised by Members in relation to:-

- (a) an update on whether the Levelling Up Fund application had been successful; and the Service Lead – Special Property Projects advised that the Council was awaiting notification from the UK Government on this;
- (b) the Council meeting of 13 October 2022 when officers had been requested to report back to a future meeting with plans; and the Service Lead – Special Property Projects advised that Officers had been requested to undertake a feasibility study for a mixed-use development of the Arran Mall and Hourston sites and that he had been in discussion with Officers in the Procurement Service to employ a Design Team and it was hoped to action this early in the new year;
- (c) when the Council made the decision around the affordability cap, did it include the £20m being bid for; and the Head of Legal and Regulatory Services advised that the decision could not include the £20m as the Council was unaware if it had been successful, therefore, the decision was made around the money the Council had in the budget; and the Service Lead – Special Property Projects further advised that the affordability cap was set for the project based on projected costs and that approval was granted for a budget to match the cost of the project; that, as detailed in the report, a further £4m had been added to the project budget to increase the affordability cap; and that Levelling Up Funds would not have been factored in, that the costs of the project were fully funded by the Capital Programme; and
- (d) when the sixty day period would expire; and the Service Lead – Special Property Projects advised that this was sixty business days, therefore the period concluded at the start of March 2023; and the Head of Legal and Regulatory Services clarified that the decision for Council was based on the revised proposal, not an ability to go back to the previous affordability cap that had been rejected.

Comments were made by Members in relation to:-

- (i) the length of time to construct the Riverside public space and it was hoped that the same would not occur with the Arran Mall/Hourston site;
- (ii) that the £20m Levelling Up funding applied for could only be used for a new Leisure Centre; if this bid was successful it would reduce the capital outlay for the Council; and it would be prudent to delay a decision on the Leisure Centre until the outcome of the bid was known; and the Head of Legal and Regulatory Services advised that the Council had a sixty day period in which to decide whether to accept or reject the revised submission, this decision could not be delayed;
- (iii) all Levelling Up bids were at the scoring stage with a decision expected in January 2023; and that UK Ministers had confirmed that the monies were for use on leisure, not specifically a new leisure centre as stated by a Member at (ii) above;
- (iv) if the outcome of the Levelling Up bid was expected in January 2023, the decision being made at this meeting could be delayed until after the outcome was known, which would still be within the sixty day period;

## **Adjournment**

The time being 2.05 p.m., the Council decided for adjourn for ten minutes to allow Councillor McGinley to commit his Amendment to writing.

## **Resumption of Meeting**

The Council resumed at 2.15 p.m.

By way of Amendment, Councillor McGinley, seconded by Councillor Cullen, moved that Council continue consideration of this item to a meeting of South Ayrshire Council prior to 16 February 2023 which was within the sixty day period to respond to HubSW on the revised Stage 2 submission; and to include within the report the full refurbishment costs of the Citadel Leisure Centre.

Comments were made by Members on the Amendment as follows:-

- (A) that the focus should be on deciding whether the Council was satisfied with the modified leisure centre and to provide instructions to officers on how to proceed, therefore the Amendment was not acceptable; and
- (B) that within the Amendment the Council was being requested to defer the decision on whether it wished to accept a much reduced facility than it currently had and would be more expensive, irrespective of whether the Levelling Up Fund bid was successful; that the revised stage 2 submission could impact the planning permission as, in their opinion, this was a significant material change and would require to be reconsidered through the planning process; and the revised stage 2 submission did not take into account the Hourston site.

Following a full discussion, Provost Campbell, seconded by Councillor Dowey moved in accordance with Standing Order No. 21.1(2) that the question be now put.

Following a vote on whether “the question be now put”, by way of a majority, the Council accordingly agreed to Move to Vote.

Fourteen Members voted for the Amendment and fourteen Members for the Motion. Provost then exercised his casting vote in favour of the Motion and the Council

**Decided:** to note the further update in the response from HubSW on the stage 2 rejection letter; and agree that the Council reject the revised stage 2 submission from HubSw as it no longer met the specific requirements and each of the relevant participants’ further requirements identified in stage 1 of the proof project and approved by Leadership Panel on 24 August 2021.

## 21. Notices of Motion.

Two Notices of Motion having been submitted in accordance with Council Standing Order No. 18, by Councillor Peter Henderson, seconded by Councillor Julie Dettbarn and by Councillor Philip Saxton, seconded by Councillor Brian McGinley.

(1) Councillor Peter Henderson, seconded by Councillor Julie Dettbarn, moved:-

“The Council is requested to write to the Scottish and UK Governments to seek the introduction of assistance to rural homeowners in regards to the Cost of Energy crisis, in particular the lack of alternative heating and energy supply in rural areas.

As many of you know, people living in rural areas are significantly more likely to be living in fuel poverty, with 42% of households in ‘remote’ rural homes classed as fuel poor or in extreme fuel poverty. This compares to 24.6% across Scotland as a whole. These figures are from 2019 and the true scale of fuel poverty is now believed to be significantly higher, with research showing as many of 57% of people could be in fuel poverty. Rural communities also face higher living costs, with evidence suggesting that living in remote rural Scotland typically adds 15-30% to a household budget.

Rural households face higher heating costs as many depend on expensive oil heating systems, with high and fluctuating upfront fuel costs. Oil heating is not regulated by Ofgem, which means people with oil heating systems are not protected by the Energy Price Guarantee. And this affects a large proportion of South Ayrshire homes and families. In the last 12 months the cost of heating oil has doubled with prices rising from around 64p per litre to £1.20 per litre.

The need to support schemes for new collective purchase and community asset ownership models to pay for the improvements, enhanced grants and loans to cover additional insulation and running costs and a support service for rural businesses to help them build the skills needed to decarbonise rural heating.”

The Head of Legal and Regulatory Services clarified that the Motion was requesting that a letter be sent to the Scottish and UK Governments seeking assistance for rural homeowners in regards to the Cost of Energy crisis, in particular the lack of alternative heating and energy supply in rural areas and that this Motion could not make any financial commitment as it did not meet the requirements of a Motion identifying where any required funds would be sourced.

A full debate took place regarding the terms of the Motion and, following a vote, eighteen Members voted for the Motion and ten Members voted against the Motion and accordingly the Council

**Decided:** to agree the terms of the Motion.

(2) Councillor Philip Saxton, seconded by Councillor Brian McGinley, moved:-

“I am asking the Council to cancel the debt for School meals, this was accumulated by parents from August till the present day, the amount is £6,343.69.

I would request this comes from the Council’s uncommitted reserves.”

Councillor Saxton advised that, following advice from the Head of Finance, ICT and Procurement, he wished to amend the last line of his Motion to read “I would request this comes from the Council’s Bad Debt Provision”. Councillor McGinley, as Secunder of the Motion agreed to this amendment.

Following a question on the competency of the Motion as School Meals Bad Debt was regularly written off, the Head of Legal and Regulatory Services clarified that the Motion was competent; and the Head of Finance, ICT and Procurement outlined the process for writing off School Meals Bad Debt.

Various Members requested that the School Meals Debt be written off quarterly going forward and it was agreed that the Head of Finance, ICT and Procurement would examine this.

A full debate took place regarding the terms of the Motion.

Having heard a Member request a roll-call vote, the Head of Legal and Regulatory Services took the vote by calling the roll as follows:-

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

Twenty six Members voted for the Motion and two Members voted against the Motion. The Motion was accordingly declared carried and the Council

**Decided:** to agree the terms of the Motion.

## 22. Formal Questions.

In terms of Council Standing Order No. 26.2, there were submitted (tabled) [Formal Questions](#) from Councillors Bell, Kilbride, Pollock, Davis, Lyons, Ferry and McGinley, along with responses.

- (1) Councillor Pollock raised a supplementary question in relation to his Formal Questions as follows:-
  - how could the Council ensure that proper auditable records were retained following the Airshow to assist with any future major events, as no paperwork had been retained from previous Airshows; the previous administration had paid £250,000 to the organisers with no due diligence; and officers who assisted had left the employment of the Council; and the Chief Executive gave assurances that going forward, as any large events were undertaken, she would ensure the necessary paperwork was retained; that officers who previously worked on the Airshow had left the organisation, that an investigation had been undertaken into payments made, therefore, there was some documentation retained; and that future Airshows would be within Council control which would ensure the Council had the necessary checks and balances;

### Point of Order

Councillor Henderson raised a point of Order that Councillor Pollock's questions were inaccurately framed as it was a Conservative administration in power when the previous Airshow had been approved and that his questions were an attack on himself and Councillor McGinley; and the Head of Legal and Regulatory Services advised that, as the questions related to comments made at a meeting of the Audit and Governance Panel, she would review the recording of this meeting and, should Councillor Pollock's questions be inaccurate, they would not be published on the Council website.

### **Councillor Saxton left the meeting at this point.**

- (2) Councillor Lyons raised a supplementary question in relation to his Formal Questions as follows:-
  - was the Community Payback Order (CPO) beneficial for those taking part in the scheme, how was the project working and what did it deliver for the people taking part; and the Head of Children's Health, Care and Justice Services advised that the CPO Team who worked with those who had come through the court system was very active; that this authority had a higher percentage than East Ayrshire and North Ayrshire Councils of those going through the CPO as it was believed that paying back to the community was beneficial for the community and for those taking part in the project; and that he had recently received feedback from someone who had taken part in the CPO scheme thanking the supervising officer for the support and mentoring he had received through the Programme.



(3) Councillor Ferry raised a supplementary question in relation to his Formal Questions as follows:-

- what lessons, if any, had been learned from the Belmont Family First Project; had the Project met expectations and could this Project be rolled out to the whole of South Ayrshire; and the Head of Children's Health, Care and Justice Services advised that he believed that by embedding resources within the school, there had been a great improvement in terms of children and families gaining access to services at a time when they needed them; that positive feedback had been received from school staff and from the children and families themselves who believed that having access to support from the staff embedded within the schools had a significant impact on their wellbeing; that the statistics had shown that this area previously had the highest proportion of children placed outwith authority due to challenges and interventions, however, no children had been placed outwith their authority from this cluster and none placed within secure care on the Child Protection Register since the Project had been established; that the Christy Commission and principles in terms of early intervention and prevention were being exhibited; and that this Project had been extended to four other school clusters by using Covid recovery monies.

Provost advised that the Council was obliged to proceed to the next item, in terms of Standing Order No. 26.5 which stated that Question Time should be limited to thirty minutes.

**Exclusion of press and public.**

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 item of business on the grounds that it involved the likely disclosure of exempt information in terms of paragraph 8 of Part 1 of Schedule 7A of the Act.

**23. Early Learning and Childcare Funding Provider Rates.**

There was submitted a report (issued – Members only) of 7 December 2022 by the Director of Education seeking approval and funding for an increase in the funded provider rates for academic session 2022-23.

Councillor Ferry, seconded by Councillor Dowey, moved the recommendations as outlined in the report.

A full discussion took place in relation to consultation; the recommended funded provider rate; comparisons with other local authorities; the ratio of staff to children; and capacity issues.

The Council

**Decided:**

- (1) to agree to fund an increase in the funded provider rates for children aged two to five from £5.31 per hour to £5.76 from August 2022 (Option 1);
- (2) to note that the 2022/23 costs could be met within existing resources;
- (3) to approve the inclusion of full year costs in 2023/24 base budget; and
- (4) to request a further report to review the sustainable rate from August 2023 once the funding allocation from Scottish Government was confirmed.

**Councillor McGinley left the meeting during consideration of the above report.**

**24. Consideration of Disclosure of the above confidential report.**

Following advice from the Head of Legal and Regulatory Services, Councillor Hunter, seconded by Councillor Ferry, moved that the above report remain confidential until such times as agreement had been reached with the providers.

**Decided:** to authorise the disclosure under Standing Order 32.4 of the following report once agreement had been reached with the providers:-

- Early Learning and Childcare Funding Provider Rates

**25. Closing Remarks.**

The Provost thanked all in attendance for their contribution and wished everyone a Happy Christmas.

The meeting ended at 4.00 p.m.



**Agenda Item No. 3(b)(ii)**



**EXCERPT FROM THE MINUTES OF  
THE CABINET  
OF 17 JANUARY 2023**

**Treasury Management Mid-Year Report 2022-23.**

There was submitted a report ([issued](#)) of 4 January 2023 by the Head of Finance, IT and Procurement providing Members with a mid-year treasury management update for the financial year 2022/23.

The Cabinet

**Decided:** to approve the contents of the report.

**Agenda Item No. 3(b)(ii)**



**EXCERPT FROM THE MINUTES OF  
THE CABINET  
OF 17 JANUARY 2023**

**Procurement Strategy Update 2023/24.**

There was submitted a report ([issued](#)) of 4 January 2023 by the Head of Finance, IT and Procurement seeking approval for the adoption of minor updates to the Council's Procurement Strategy covering 2023/24.

Following discussion on the need to support local businesses, the Cabinet

**Decided:**

- (1) to approve the updated Procurement Strategy for 2023/24, as detailed in Appendix 1 of the report;
- (2) to agree to publishing the Procurement Strategy for 2023/24 on the South Ayrshire Council website and that a copy be sent to the Scottish Government; and
- (3) to request that a written briefing be provided to Members giving an update on local spend and Community Wealth Building, and that Members be advised of future supplier engagement events.

**South Ayrshire Council**

**Report by Head of Finance, ICT and Procurement  
to South Ayrshire Council  
of 1 March 2023**

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**Subject: Revenue Estimates 2023/24, Capital Estimates 2023/24  
to 2034/35 and Carbon Budget 2023/24**

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**1. Purpose**

- 1.1 The purpose of this report is to advise Members of the issues to be considered in setting revenue budgets for 2023/24, setting capital budgets for 2023/24 to 2034/35 and setting a Carbon Budget for 2023/24.

**2. Recommendation**

**2.1 It is recommended that the Council:**

- 2.1.1 notes the funding proposal as outlined by the Deputy First Minister and Cabinet Secretary for Covid Recovery's letter of 15 December 2022 (attached as Appendix 2);
- 2.1.2 notes the requirements in relation to protecting Teacher numbers, pupil support staff and learning hours as outlined in the Parliamentary statement by the Cabinet Secretary for Education and Skills on 7 February 2023 and confirmed in the letter from the Deputy Director: Workforce, Infrastructure and Digital of 9 February (attached as Appendix 3);
- 2.1.3 notes that the funding levels included within Finance Circular 11/2022 remain provisional until the Finance Order is approved in March/ April 2023;
- 2.1.4 presents and approves budget proposals for revenue and capital for 2023/24 taking account of the conditions of the settlement that need to be met and incorporating:
- (i) planned net revenue expenditure on services for 2023/24;
  - (ii) the level of reserves and fund balances held and contributions to/ from these;
  - (iii) the appropriate Band D Council tax levy for 2023/24 and associated level of bad debt provision for non-collection of Council tax;
  - (iv) the proposed capital programme for 2023/24 and beyond and associated debt charge implications; and
  - (v) consideration of the financial projections for 2024/25;

- 2.1.5 note the required remuneration for Basic Councillors and the Leader of the Council, as determined by The Local Governance (Scotland) Act 2004 (Remuneration), Amendment Regulations 2023, and include appropriate budget provision for all Elected Member remuneration for 2023/24;**
- 2.1.6 presents and approves proposals for Common Good budgets for 2023/24; and**
- 2.1.7 presents a Carbon Budget for the period 2023/24 in support of the Councils policies on Climate Change.**

### **3. Background**

- 3.1 All Scottish Councils are required to set their Council tax levels for 2023/24 by 11 March 2023.
- 3.2 The grant settlement for 2023/24 was announced by the Scottish Government on 9 December 2022 with individual Council revenue and capital allocations provided in Finance Circular 11/2022.
- 3.3 As part of the 2022-23 pay negotiations the Scottish Government provided £260.6m of funding to Local Government to meet part of the anticipated increased cost. The remaining cost, estimated to be in the region of £140m, was to be met by Local Government through 'flexibilities' provided by the Scottish Government (as outlined in the Deputy First Minister and Cabinet Secretary for Covid Recovery's letter of 1 November 2022 to COSLA - attached as Appendix 1). The funding provided has been mainlined in to the 2023/24 settlement.
- 3.4 The settlement package as outlined by the Deputy First Minister and Cabinet Secretary for Covid Recovery's letter of 15 December 2022 (attached as Appendix 2) sets out various additional ringfenced funding allocations but also:
  - 3.4.1 that the significant additional funding allocated to Integration Authorities within the 2023/24 Local Government settlement should be additional and not substitutonal to each Council's 2022/23 recurring budgets for adult social care services that are delegated, therefore requiring the Council to passport the additional funding received for this purpose directly to the IJB; and
  - 3.4.2 confirms that Councils will have full flexibility to set the Council Tax rate that is appropriate for their local authority area.
- 3.5 In addition to the settlement terms referred to in 3.3 above, further conditions, as outlined in the Parliamentary statement by the Cabinet Secretary for Education and Skills on 7 February 2023 and confirmed in the letter from the Deputy Director: Workforce, Infrastructure and Digital of 9 February (attached as Appendix 3), were placed on Councils in early February 2023 relating to:
  - 3.5.1 maintaining teacher numbers and the number of pupil support assistants at their current levels in the year ahead;
  - 3.5.2 ensuring places remain available for probationer teachers who need them through the Teacher Induction Scheme;

- 3.5.3 ensuring there is no reduction in the number of pupil learning hours delivered by teachers in the school week; and
- 3.5.4 in the event of these requirements not being met, the Scottish Government will recover or withhold relevant monies allocated to individual authorities for these purposes. For South Ayrshire this could result in the withholding or recovery of allocated funds of £4.031m (as detailed in Appendix 2).

3.6 South Ayrshire Council's estimated Aggregate External Finance (AEF) funding for 2023/24, is as follows:

<b>General Revenue Grant £m</b>	<b>Specific Grant £m</b>	<b>Total AEF Revenue £m</b>	<b>Capital £m</b>
242.335	14.263	256.598	13.252

3.7 In October 2020, the Council considered an update on its Climate Change Policy and approved the recommendation that the Council formally aligns with national targets by adopting a 75% reduction in emissions by 2030 (based on our 2014/15 baseline) and a target of net zero greenhouse gas emissions by 2045 and in addition support the delivering of these targets by agreeing to set a carbon budget each year.

### 3.8 **Members Allowances**

3.8.1 Following the 'Review of Remuneration Arrangements for Local Authority Councillors' by the Scottish Local Authorities' Remuneration Committee, The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 determined the remuneration levels payable to Councillors. Various amendments have been made since that time in accordance with sections 11 and 16(2) of the Local Government Act (Scotland) Act 2004 and Guidance was issued by Scottish Government in April 2010.

3.8.2 The Scottish Government has again amended these regulations by virtue of The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2023. The changes come into effect from 1 April 2023 and reflect the previous Scottish Government decision to increase Councillors' pay each year in line with the percentage increase in the median annual earnings of public sector workers in Scotland, as confirmed by the Office of National Statistics in the Annual Survey of Hours and Earnings.

## 4. **Proposals**

4.1 It is proposed that Members give consideration to the information contained in this report and present and approve budget proposals for revenue and capital for 2023/24 taking into account the background information as set out in para 3 above and the considerations contained in this para 4.

4.2/

## 4.2 **Revenue Budget 2023/24**

- 4.2.1 General Revenue Grant (GRG) funding for 2023/24 of £221.924m;
- 4.2.2 Specific grant of £14.263m incorporating funding for improving educational attainment, Gaelic initiatives, Early Learning and Childcare expansion and Criminal Justice Social Work, is due to be received in 2023/24;
- 4.2.3 In presenting revised budget proposals for revenue and capital, Members should reflect that the base net revenue expenditure of £269.442m for 2023/24 requires to be further adjusted to recognise the following:
- that £91.454m of the base net expenditure figure relates to the Health and Social Care Partnership delegated budget under the control of the Integrated Joint Board;
  - any spending implications linked to changes in Scottish Government specific grants;
  - any requests from Directorates to fund additional service pressures, including pay awards, identified for 2023/24;
  - any previously agreed savings or efficiency proposals that require to be implemented in 2023/24;
  - any new borrowing and interest and expenses thereon linked to proposed revisions to the capital programme;
  - any changes proposed in the level of contributions to or from funds;
  - the agreed use of £5.000m of retrospective PPP concessionary scheme accounting mechanism adjustment benefit approved by Council in December 2022 towards supporting the 2023-24 budget; and
  - the proposed use of any projected balances at 31 March 2023 (see para 4.3.1 below).

## 4.3 **Other Budget Issues**

- 4.3.1 **Projected Revenue and Fund Balances** - the projected uncommitted accumulated revenue and fund balances as at 31 March 2023 is estimated to be £9.368m, based on the information contained in revenue monitoring reports for the period to 31 December 2022.
- 4.3.2 **Council Tax Bad Debt Provision** - the Council requires to take a view on the level of non-collection of Council tax in the coming financial year. The level of provision currently being targeted in 2023/24 is 3 per cent.

4.4/

#### 4.4 **General Services Capital Programme Considerations**

- 4.4.1 South Ayrshire's total Capital Grant allocation for 2023/24 is £13.252m, split between £10.185m General Capital Grant, £0.491m Specific Capital Grant for Cycling, Walking and Safer Streets and £2.576m of grant funding provided by the Scottish Government to be transferred to Revenue to support Local Government pay.
- 4.4.2 The approved capital programme requires to be adjusted to recognise the following:
- re-profiling of previously approved projects based on revised project timelines;
  - requests to increase/reduce spend on previously approved projects;
  - requests to fund new projects identified through the approved Capital Asset planning process for the period of the programme;
  - anticipated levels of capital receipts in the same period; and
  - the associated revenue costs of any borrowing.

#### 4.5 **Members allowances**

- 4.5.1 The Amendment Regulation 2023 provides specific rates to be paid for basic Councillors, the Council Leader, the maximum amount that can be paid to the Civic Head and the amount to be paid to the Chair and/ or Vice Chair of the Ayrshire Valuation Joint Board.
- 4.5.2 Members require to include budget provision to pay the specified remuneration for Basic Councillors and the Leader of the Council and revised levels of remuneration for the Civic Head and Senior Councillors.

#### 4.6 **Common Good Budget Considerations**

- 4.6.1 Revenue and capital budgets for the Ayr, Prestwick, Troon, Maybole and Girvan Common Good funds require to be set for 2023/24.
- 4.6.2 Girvan Common Good Fund continues to have insufficient resources to meet ongoing expenditure. The Council previously agreed to fund this expenditure.

#### 4.7 **Budgets 2024/25 Onwards**

- 4.7.1 As financial settlement figures have only been provided for 2023/24, it is difficult to project the budget gaps for future years. The update to the Medium Term Financial Plan approved by Cabinet in November 2022 provided a number of possible scenarios depending on future settlement therefore it would be prudent for Elected Members to continue the process of taking budget decisions having regard to indicative figures for future years. It is therefore essential that early discussion and engagement takes place following approval of the 2023-24 budget.

## 4.8 **Carbon Budget 2023-24**

4.8.1 The Council has agreed to implement a carbon budget from 2021/22 onwards in order to support the delivery of its approved climate change targets. A carbon budget should incorporate the following:

- a recognition of what generates a service area's emissions and why;
- a cross-organisation, service focused investigation of how we can change these emissions; and
- an approach that will support service leads to identify and vocalise their future carbon needs.

## 5. **Legal and Procurement Implications**

5.1 The Council is required to set the 2023/24 Council tax level by 11 March 2023.

5.2 There are no procurement implications arising from this report.

## 6. **Financial Implications**

6.1 As outlined above.

## 7. **Human Resources Implications**

7.1 None directly from this report although the budget proposals brought forward by Members may include staffing changes.

## 8. **Risk**

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

8.1.1 There are no risks associated with adopting the recommendations within the covering report; however, in developing budget proposals, Members should consider the recent increasing risk around pay inflation, energy cost increases and inflation rates in general.

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

8.2.1 If the terms and conditions of the settlement, as outlined in the Deputy First Minister and Cabinet Secretary for Covid Recovery's letter of 15 December 2022 and the letter from the Deputy Director: Workforce, Infrastructure and Digital of 9 February, are not adhered to, then there is a risk that a less favourable offer will be made.

## 9. **Equalities**

9.1 The specific proposals in this report have been assessed through the Equalities Impact Assessment Scoping process, and there are no significant positive or negative equality impacts of agreeing the recommendations, therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as Appendix 4. Any savings proposals brought forward as part of



Members' budget considerations would require a separate Equalities Impact Assessment.

## 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 Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

## 13. Results of Consultation

- 13.1 Budget information has been provided through social media communication routes between December 2022 and February 2023.
- 13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and Councillor Ian Davis, Portfolio Holder for Resources and Performance, and the contents of this report reflect any feedback provided.
- 13.3 Discussions on the financial situation have taken place with the trade unions, and further discussions will take place through the JCC process following approval of the 2023/24 revenue budget.

## 14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Head of Finance, ICT and Procurement 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:

<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
Budget papers published on The Core	2 March 2023	Head of Finance, ICT and Procurement
Approved budgets will be incorporated in 2023/24 financial planning and management process	1 April 2023	Head of Finance, ICT and Procurement

**Background Papers**    **Report to Cabinet of 29 November 2022 – [Medium Term Financial Plan Update](#)**

**Report to Leadership Panel of 15 February 2023 – [Budget Management – Revenue Budgetary Control 2022/23 – Position Statement at 31 December 2022](#)**

**[Scottish Government Finance Circular 11/2022](#)**

**[The Local Governance \(Scotland\) Act 2004 \(Remuneration\) Amendment Regulations 2023](#)**

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**Date: 22 February 2023**

An Leas-phrìomh Mhinistear agus Ath-shlànachadh  
Cobhid  
Deputy First Minister and Cabinet Secretary for Covid  
Recovery  
John Swinney MSP



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By email: [megan@cosla.gov.uk](mailto:megan@cosla.gov.uk)  
Copy to: Sally Louden ([sally@cosla.gov.uk](mailto:sally@cosla.gov.uk)) and  
Sarah Watters ([sarah@cosla.gov.uk](mailto:sarah@cosla.gov.uk))

1 November 2022

Dear Katie

I am writing further to my commitment to consider the scope for policy flexibilities which can support the challenging resource position facing councils as a result of the 2022-23 pay deal.

We all recognise the challenging financial context and significant inflationary pressures caused by the UK Government's fiscal approach and wider external factors that will continue to affect us all in the year to come. With the recently agreed local government pay deal, the Scottish Government recognises that councils will be required to make difficult decisions locally in order to balance their budgets, continue to deliver statutory services, and provide the support that our communities require.

It is for individual councils, as democratically elected bodies, to consider the needs of their communities with a focus on the most vulnerable, their legal obligations and the totality of resource funding available to them, and to then take the decisions necessary, openly and transparently, to operate as effectively as possible within this context. In doing so, I would request that councils remain mindful of our shared priorities in the National Performance Framework. Where funding is provided as specific revenue grant (and therefore legally ring-fenced), councils should engage with the relevant Scottish Government directorate.

I would also note that the decision by the UK Government to scrap the National Insurance rise will result in a reduced financial burden on employers, including in the public sector. At the time of the passage of the 2022-23 Budget Bill, councils highlighted a circa £70 million pressure created by employer National Insurance Contributions (eNICs), the Scottish Government added a further £120 million during Stage 2 of the Bill in recognition of this and other pressures facing councils.

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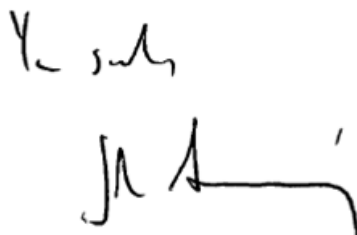
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Therefore, this change in policy by the UK Government will create a benefit to councils, we estimate that for the remainder of 2022-23 this could provide headroom in the region of £20 million. I am sure that many councils will already be considering how they can redeploy this headroom, ahead of considering other savings which may impact on services.

As we progress our discussions on a New Deal for Local Government, I am keen that we explore opportunities for public service reform, revenue raising options and efficient use of all available public resources to support delivery of the services on which our communities rely. It will also be important to reach early agreement on an outcomes-based approach that enables all of us to continue to be accountable to citizens, businesses and communities for the funding decisions we make at national and local level.

I look forward to shortly commencing the pre-budget engagement with you which I will be undertaking this year on behalf of the Cabinet Secretary for Finance and the Economy.

A handwritten signature in black ink, appearing to read 'John Swinney', written in a cursive style.

**JOHN SWINNEY**

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Copy to: Councillor Steven Heddle  
The Leaders of all Scottish local authorities

15 December 2022

Dear Shona,

Today I formally set out the Scottish Government's proposed Budget for 2023-24 in a statement to the Scottish Parliament. I write now to confirm the details of the local government finance settlement for 2023-24.

As discussed when I met with you, the Resources Spokesperson, and Group Leaders on 1 December, we are facing the most challenging budget circumstances since devolution. This is primarily due to over a decade of austerity eroding financial settlements from Westminster, compounded by the impact of Brexit and the disastrous mini-budget. Scottish and local government are experiencing unprecedented challenges as a result of the UK Government's economic mismanagement, resulting in rising prices and soaring energy bills, with inflation estimated to be running at a 41 year high of 11.1% at the time of the Chancellor's Autumn Statement.

My Cabinet colleagues and I have engaged extensively with COSLA Leaders and spokespersons over the course of the year and there is collective understanding that this economic context is also having a significant impact upon local authorities. Councils, like the Scottish Government and rest of the public sector, are working hard to support people through the cost crisis. In this regard we are hugely grateful to councils for their hard work and we fully appreciate that no part of public life has been immune from taking deeply difficult decisions to live within the current fiscal reality.

I have already taken the unprecedented step of making a statement to Parliament to reprioritise over £1.2 billion of funding as part of my Emergency Budget Statement. Despite the scale of that challenge the Scottish Government actively chose to protect Councils during

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that exercise and increased the funding available to councils whilst most other portfolios were required to make significant savings.

The Scottish Government's revenue raising powers offer limited flexibility to deal with challenges of this magnitude. I wrote to the Chancellor on 19 October to highlight the impact of inflation on the Scottish Government's budget and to call for additional funding to help us deal with these inflationary pressures and to support public services.

As we face these challenges, and in the absence of meaningful change in direction by the UK Government, we need to work together to ensure that we deliver for people within the financial constraints we have. I very much welcomed the open discussion on 1 December about how we focus our efforts on our shared priorities, and to that end we are offering to jointly develop an approach to working within this budget which delivers our ambitions.

## **The Local Government Settlement**

Before turning to that offer, I will first set out how I have sought to support local government through the budget itself.

The Resource Spending Review guaranteed the combination of General Revenue Grant and Non-Domestic Rates Income at existing levels between 2023-24 and 2025-26 including the baselining of the £120 million that was added in Budget Bill 2022-23. The Budget delivers those commitments in full, despite the fact that the UK Government's Autumn Statement reversed their previous position on employer National Insurance Contributions resulting in negative consequentials. This decision has conferred around £70 million of additional spending power for local government.

The difficult decisions in the Emergency Budget Statement provided one-off additional funding to support enhanced pay deals for local government staff. We recognise the role that increasing pay for local authority employees, especially those on lower incomes, plays in helping more people cope with the cost crisis, but the fact remains that every additional pound we spend on recurring pay deals, must be funded from elsewhere within the Scottish Government budget. I therefore hope that councils will welcome the fact that the budget baselines the additional £260.6 million allocated in 2022-23 to support the local government pay deal and also delivers additional funding to ensure that payment of SSSC fees for the Local Government workforce will continue to be made on a recurring basis.

Despite the challenging budget settlement I have sought to increase funding as much as I can. I have been able to increase General Revenue Grant by a further £72.5 million, taking the total increase to over £550 million. I have also ensured that we have maintained key transfers worth over £1 billion and added a further £102 million of resource to protect key shared priorities particularly around education and social care.

The Resource Spending Review also confirmed the outcome of the 2021 Capital Spending Review and this has been supplemented by £120.6 million mentioned as part of the support to the local government pay deal plus a further £50 million to help with the expansion of the Free School Meals policy.

With regards to that wider settlement, we are providing £145 million to be used by councils to support the school workforce. The Cabinet Secretary for Education and Skills has written separately to COSLA on this matter.

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I am also very grateful for the work undertaken through the Early Learning and Childcare Finance Working Group to develop and scrutinise detailed analysis of the delivery costs for the 1140-hour commitment. This is crucial to ensuring we meet our shared commitment to providing transparency and value for money in a significant programme of public sector investment. The Early Learning and Childcare settlement for 2023-24 takes account of significant declines in the eligible population in recent years and makes provision for important policy and delivery priorities based on feedback from COSLA and local government colleagues.

As set out in separate detailed communications, the Health and Social Care Portfolio will transfer net additional funding of £95 million to Local Government to support social care and integration, which recognises the recurring commitments on adult social care pay in commissioned services (£100 million) and inflationary uplift on Free Personal Nursing Care rates (£15 million). This is offset by the non-recurring interim care money ending (£20 million).

The overall transfer to Local Government includes additional funding of £100 million to deliver a £10.90 minimum pay settlement for adult social care workers in commissioned services, in line with Real Living Wage Foundation rate.

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2022-23 recurring budgets for services delegated to IJBs and therefore, Local Authority social care budgets for allocation to Integration Authorities must be at least £95 million greater than 2022-23 recurring budgets.

The consolidation of funding into the new £30.5 million homelessness prevention fund not only reflects the importance local and national government jointly place on homelessness prevention and earlier intervention, but also simplifies the homelessness funding landscape. This provides more flexibility for council and greater clarity for citizens who want to understand how national and local government are working jointly to improve outcomes.

In total, including the funding to support the devolution of Empty Property Relief, the budget increases the local government settlement by over £550 million relative to the Resource Spending Review position.

I am conscious of the position you set out to me, and the challenges which councils will still face, like all parts of the public sector, in meeting current and emerging demands from within this budget. Therefore, I am offering to continue to work with you with real urgency in the coming weeks to determine how we might jointly approach these challenges and ensure sustainable public services to support our shared priorities now and in the future.

## **Delivering for People and Communities by Working Together Flexibly**

Through the Covid Recovery Strategy, Scottish Government and Local Government, committed to work together to address the systemic inequalities made worse by Covid, to make progress towards a wellbeing economy, and accelerate inclusive person-centred public services.

We must sustain this focus on the outcomes we care most deeply about, in particular:

- i) tackling child poverty,

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- ii) transforming the economy to deliver net zero, and
- iii) sustaining our public services.

No single part of the public service landscape can deliver these outcomes alone. We need to work in partnership to deliver outcomes for people and places across Scottish and local government as our two spheres of government, recognising our joint accountability for change. Local service providers have the critical relationships with people and communities and must be empowered and enabled to organise services around their needs, rather than the funding stream, policy area or body delivering. By doing so, we will collectively reduce complexity and barriers for people, deliver improved outcomes and reduce inequalities among communities in Scotland, and enable the fiscal sustainability of key public services.

Strong local leadership will make this approach work in practice, supported by a national vision and learning from good practice. Community Planning Partnerships are the mechanism in which we need to see a collective and intensive effort to align available resources into prevention and early intervention focused on delivering shared outcomes for people and place. Local authorities have the leading, critical role in CPPs, but CPPs also involve a range of public bodies which must play their part, alongside local third sector and community bodies.

The Scottish Government is committed to building trust and maximising benefits for our citizens and communities. We will act to:

- align budgets to maximise impact on outcomes;
- remove barriers which hinder flexibility in funding, and in the design and delivery of services around people, helping to embed the service changes flowing from this;
- require our partner public bodies and agencies to work collaboratively within CPPs to deliver shared outcomes, take action to address local priorities and align local funding, this will be supported by our Place Director network;
- enable third sector partners to participate and contribute in local plans, including through flexible funding.

Local authorities are key partners in this endeavour. Through COSLA, we will invite local authorities to work with us to:

- prioritise spending to agreed key outcomes for which we are jointly accountable, with clarity as to the way in which we will work together to secure and measure success;
- ensure that joint plans of activity across Community Planning Partnerships can deliver those outcomes in a way which reflects the needs of a local communities, and to robustly account for delivery of these plans;
- share resources across CPPs to deliver these activities in whatever way is most effective;
- continue to share and learn from best practice nationally and locally to embed person centred approaches that work for individuals and communities, and reduce barriers and duplication in our joint systems.

We will seek to agree jointly how to put this commitment into operation practically over the coming months and to develop robust assurance that demonstrates delivery of critical priorities and reform. We need to be data driven and transparent, reflecting the accountability which comes with responsibility. Scottish and Local Government need to agree metrics and mechanisms for monitoring impact and outcomes, so that intervention and resource can be

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targeted where it is most needed to secure improvement. This will include seeking to reduce unnecessary reporting.

This approach is aimed at building trust and relationships and as well as adopting it through this budget, it will be reflected in the partnership agreement that will underpin the New Deal for Local Government set out in the Resources Spending Review. In order to offer flexibility across funding and work towards removal of ring fencing, the Scottish Government will need clear commitment from local government about delivery of agreed joint outcomes.

The Cabinet Secretary for Social Justice, Housing and Local Government would welcome an initial discussion on this when you meet next week at the Strategic Review Group, in order to pave the way for work at pace among our officials.

## **Non-Domestic Rates and Other Local Taxation Measures**

As Leaders will be aware, the 1 April 2023 marks the date of the next Non-Domestic Rates revaluation, and the first to reflect the reforms introduced by the independent Barclay Review of Non-Domestic Rates. These reforms, including the move to three-yearly revaluations and a one-year tone date, will ensure that property values more closely align with prevailing property market conditions in Scotland.

The Budget freezes the poundage and acknowledges the impact of the revaluation by introducing a number of transitional reliefs to ensure that any properties which see significant increases in their rates liabilities following the revaluation do so in a phased manner. The Barclay Review also recommended a number of reforms to the Non-Domestic Rates appeals process which are critical to ensuring the deliverability of the three-yearly revaluation.

The new two-stage appeals process will commence on 1 April 2023 alongside the transfer of functions of Valuations Appeals Committees to the Scottish Courts and Tribunals Service. The Non-Domestic Rates (Scotland) Act 2020 and subsequent regulations have, amongst other things, provided Assessors and Councils with greater information-gathering powers and have also increased the transparency of the process for ratepayers including, for the first time, the provision of draft values on 30 November 2022. These reforms are intended to reduce the reliance on the formal appeals process to deliver accurate rateable values and the Act also provided a legal basis for the pre-agreement of values.

Many of the reforms of the Barclay Review seek to incentivise behaviour changes to deliver a more effective and efficient system. Reflecting the ability to pre-agree values and the importance of building resilience in the new appeals system to support the transition to more frequent revaluations, Ministers plan to make administrative changes to the funding treatment of appeals associated with public sector bodies, including councils.

The current system essentially sees the public sector challenge other parts of the public sector with private sector advisor fees effectively extracting resources from public services. The conclusion of the process determines funding allocations outside the remit of the annual budget framework with successful public bodies benefiting financially to the detriment of other ratepayers and public services. The volume of public sector appeals also serves to delay access to justice for other appellants.

Ministers do not believe that this offers value for money for the public. Whilst the right to propose and appeal will remain, to incentivise the use of the pre-agreement powers and

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discourage the continued reliance on the formal appeals process, from 1 April 2023, all bodies, including councils, who receive their funding through the Scottish Government budget process, will see the financial incentive for proposing and appealing removed.

Where a property occupied by a public body is subject to a successful proposal or appeal, the financial benefit from the reduction in rateable value will result in a downward re-determination of revenue allocations at a subsequent fiscal event. On this basis, Ministers will be encouraging all public bodies to begin the process of pre-agreement with their local assessors ahead of 1 April 2023 to ensure that values are accurate prior to the start of the revaluation and that this approach be adopted by default for future revaluations.

The Non-Domestic Rates (Scotland) Act also had the effect of abolishing Empty Property Relief as agreed with the Scottish Green Party a part of the 2019-20 Budget process. Unoccupied properties will therefore be liable for full rates from 1 April 2023 if relief is not available under a local scheme. To effectively devolve responsibility for the relief and provide greater fiscal empowerment for council, as agreed by the Settlement and Distribution Group, the budget provides an additional £105 million of General Revenue Grant, significantly more than the cost of maintaining the national relief in light of the subsequent decision to freeze the poundage.

In addition, following consultation with members of the Institute of Revenues, Rating and Valuation, we will bring forward regulations intended to empower councils to tackle rates avoidance more effectively. In combination, the funding transfer and the proposed new powers will provide significant additional fiscal flexibility to councils to administer support for unoccupied properties in a way that is tailored to local needs.

Furthermore, I can confirm that the Scottish Government will not seek to agree any freeze or cap in locally determined increases to Council Tax, meaning each council will have full flexibility to set the Council Tax rate that is appropriate for their local authority area. I do hope that councils will reflect carefully on the cost pressures facing the public when setting council tax rates.

We are also committed to expanding councils' ability to raise additional revenues and discussions among our respective officials have commenced to identify a structured approach to future potential local taxes. At the same time, councils now have the power to establish local workplace parking levy schemes and our work to introduce a local visitor levy bill in this parliamentary session is on track.

Finally, I am conscious that, while it is not directly applicable to Local Government pay negotiations, many stakeholders have used Public Sector Pay Policy as a reference point in previous years. For this reason, I feel it is important to highlight to you that we have taken the decision not to announce pay uplifts or publish a Public Sector Pay Policy for 2023-24.

There are a number of reasons for this, not least among them the desire to approach pay negotiations differently for 2023-24, the imperative for reform and the need to ensure the sustainability of public sector pay and workforce arrangements. This does not change our view that our job in the midst of a cost crisis is not to press down on pay, particularly the most vulnerable. We will be sharing further guidance in relation to 2023-24 pay at an appropriate point in the new year which is likely to be considered by Trade Union colleagues relevant in Local Government pay negotiations, if you agree I will ask my officials to engage

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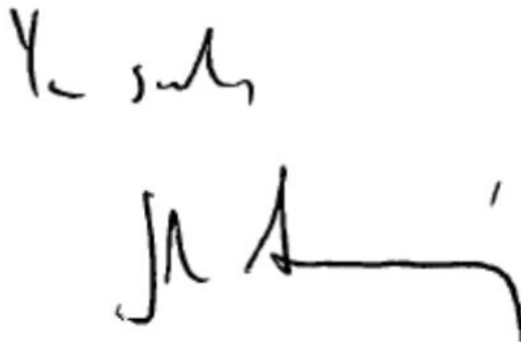


with COSLA officers as this develops to determine if you might wish to formally endorse or adopt it.

I am under no illusions about the challenging fiscal environment we face across all of our public services over the next few years but I have sought to protect the local government settlement as far as possible with an overall settlement of over £13.2 billion. The budget goes significantly beyond the commitments made in the Resource Spending Review. It provides substantive additional funding and it does not pass on the negative consequential for employer national insurance contributions resulting from of the Autumn Statement. Importantly, it provides a number of fiscal and policy flexibilities. Alongside the settlement, I hope my offer to build on the Covid Recovery Strategy will be warmly and urgently received, to enable us to make urgent progress on the New Deal.

I want us to work in partnership, to build on the Covid Recovery Strategy and agree an approach which improves delivery of sustainable public services, designed around the needs and interests of the people and communities of Scotland, at its heart.

I would welcome confirmation that you are supportive of the proposed joint work outlined above and I look forward to working with COSLA and Leaders in the months ahead to deliver on our shared priorities.

A handwritten signature in black ink, appearing to read 'John Swinney', written in a cursive style.

**JOHN SWINNEY**

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**Local Authority Chief Executive  
Directors of Education  
Directors of Finance**

9 February 2023

## **Protecting teacher numbers, pupil support staff and learning hours**

### Teacher numbers

1. Following the Cabinet Secretary's statement to Parliament on 7 February, you will now be aware that we have taken steps to ensure that the current level of teachers and support staff are maintained. In addition, we also indicated our intention to introduce legislation to standardise learning hours for pupils. The purpose of this letter is to confirm the position for your local authority and to set out the implications for local government finance settlement for 2023-24.

2. As you will be aware, in 2022/23 we provided additional funding of £145.5 million to local authorities to support the recruitment of additional teachers and support staff.

3. Following a drop in teacher numbers as published in the Summary Statistics for Schools in December 2022, the Cabinet Secretary set out in her statement to Parliament the actions we have taken to:

- maintain teacher numbers and the number of pupil support assistants at their current levels in the year ahead, as we continue to work towards our aim to increase teacher numbers by 3,500 and support staff by 500 by the end of this Parliament.
- Ensure places remain available for probationer teachers who need them through the Teacher Induction Scheme.
- Ensure there is no reduction in the number of pupil learning hours delivered by teachers in the school week.

4. You will be aware that local authorities already receive £88 million per year to (i) maintain teacher numbers and (ii) provide places on the Teacher Induction Scheme for all

probationers who need one (£37 million of the £88 million is held back by as undistributed funding in the annual local government finance settlement for this specific purpose). In addition, we are providing a further £145.5 million each year from 2022/23 explicitly to fund teacher numbers and pupil support staff.

5. This funding will be maintained in full, but from 1 April 2023 both components (giving a total allocation in 2023-24 of £233.5 million) will now be conditional upon the successful delivery of the following expectations:

- Maintain teacher numbers at 2022 census levels, as published in the Summary School Statistics in December 2022 (details provided at Annex A).
- Maintain pupil support staff numbers at 2022 census levels, which we will publish on 21 March 2023 based on the data collected from local authorities in September 2022.
- Ensure that places remain available for probationer teachers who need them through the Teacher Induction Scheme

6. Of this total of £233.5 million, £151 million will be distributed as normal and included in the Local Government Finance (Scotland) Order 2022/23 for delivering the first two of these expectations. A further £45.5 million will also be distributed as a redetermination of General Revenue Grant in the last two weeks of March 2024 subject to confirmation that those conditions above have been met in full by each local authority. The remaining £37 million will continue to be distributed depending on the number of teachers that receive a place on the Teacher Induction Scheme in August 2023 as has been the case in previous years.

7. A full breakdown of the teacher numbers we expect to be maintained, both nationally and locally, is attached at Annex A, with the relevant financial allocations set out in Annex B. Details of the figures for Pupil Support Staff will be provided in March when the 2022 statistics are published. In the event of these requirements not being met, the Scottish Government will recover or withhold relevant monies allocated to individual authorities for these purposes.

8. The number of teachers we expect South Ayrshire local authority to maintain is 1,164

Financial allocations are as follows:

Local Authority	£51m	£100m	£45.5m*
South Ayrshire	1.098	2.016	0.917

9. We are working with COSLA to reach agreement on what monitoring arrangements will be put in place, but it is likely to be quarterly in line with previous monitoring and include, but not be limited to, the data collection for the 2023 school census.

10. For completeness, all grant funding streams to local authorities and schools through the Scottish Attainment Challenge programme remain bound by their existing grant conditions and should be targeted towards supporting children and young people impacted by poverty. This includes Pupil Equity Funding, where headteachers should continue to be empowered to invest their PEF to support the children and young people impacted by poverty.

## Learning Hours

11. Similarly, we have made clear our serious concern that any reduction in learning hours for pupils, reportedly considered by some local authorities due to pressure on budgets, would have a significant negative impact on children and young people, and on their families.
12. We propose to commence section 21 of the Education (Scotland) Act 2016, which confers powers on the Scottish Ministers to specify by regulations the minimum number of learning hours which must be made available to pupils in a school year. We intend to consult shortly on proposals to make regulations under that power which would ensure that there is no reduction in the number of learning hours made available to pupils.
13. Decisions over the delivery of the school week are primarily for local authorities and we am aware that many authorities have already used a degree of flexibility in order to adapt provision, for example, to implement an asymmetric week. We would not intend to restrict that flexibility, but to ensure that the current levels of provision, which are so important to pupils and parents, are protected.
14. It will be important to gather accurate information on current provision in order to inform our consultation and ensure that new regulations would have their intended effect. Officials have prepared short surveys that local authorities are asked to complete via SmartSurvey to provide information on the number of learning hours per week currently taught in schools. The surveys can be accessed here:

Primary schools - <https://www.smartsurvey.co.uk/s/4M7LJ6/>  
Secondary schools - <https://www.smartsurvey.co.uk/s/53W3L7/>  
Special schools - <https://www.smartsurvey.co.uk/s/60KAF4/> .

We would be grateful if these are completed by **Wednesday, 22 February**.



Sam Anson  
Deputy Director: Workforce, Infrastructure & Digital



Teacher FTE from the 2022 census (as published in December 2022) including ELC.	
Local Authority	FTE
Aberdeen City	1,836
Aberdeenshire	2,747
Angus	1,156
Argyll and Bute	835
City of Edinburgh	3,725
Clackmannanshire	556
Dumfries and Galloway	1,389
Dundee City	1,395
East Ayrshire	1,243
East Dunbartonshire	1,393
East Lothian	1,031
East Renfrewshire	1,393
Falkirk	1,651
Fife	3,724
Glasgow City	5,779
Highland	2,356
Inverclyde	781
Midlothian	1,081
Moray	977
Na h-Eileanan Siar	320
North Ayrshire	1,434
North Lanarkshire	3,726
Orkney Islands	257
Perth and Kinross	1,419
Renfrewshire	1,780
Scottish Borders	1,067
Shetland Islands	339
South Ayrshire	1,164
South Lanarkshire	3,516
Stirling	974
West Dunbartonshire	950
West Lothian	2,075
<b>All local authorities</b>	<b>*54,071</b>

\* This total does not include teachers in grant -aided schools.

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Local Authority	£51m	£100m	£45.5m*
Aberdeen City	1.732	3.446	1.568
Aberdeenshire	2.591	5.065	2.305
Angus	1.091	2.094	0.953
Argyll and Bute	0.787	1.482	0.674
City of Edinburgh	0.525	0.938	0.427
Clackmannanshire	1.310	2.743	1.248
Dumfries and Galloway	1.316	2.754	1.253
Dundee City	1.172	2.278	1.036
East Ayrshire	1.314	2.267	1.031
East Dunbartonshire	0.972	2.027	0.922
East Lothian	1.314	2.306	1.049
East Renfrewshire	3.514	7.256	3.302
Falkirk	0.302	0.494	0.225
Fife	1.557	3.052	1.389
Glasgow City	3.512	7.076	3.219
Highland	5.451	11.314	5.148
Inverclyde	2.223	4.413	2.008
Midlothian	0.736	1.439	0.655
Moray	1.019	1.869	0.850
Na h-Eileanan Siar	0.921	1.689	0.769
North Ayrshire	1.353	2.602	1.184
North Lanarkshire	3.514	6.868	3.125
Orkney Islands	0.243	0.440	0.200
Perth and Kinross	1.338	2.478	1.128
Renfrewshire	1.679	3.282	1.493
Scottish Borders	1.007	2.018	0.918
Shetland Islands	0.319	0.518	0.236
South Ayrshire	1.098	2.016	0.917
South Lanarkshire	3.317	6.449	2.934
Stirling	0.919	1.779	0.810
West Dunbartonshire	0.896	1.740	0.792
West Lothian	1.957	3.808	1.733
All local authorities	51.000	100.000	*45.50

\*To be withheld subject to conditions being met

## 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	Revenue Estimates 2023/24, Capital Estimates 2023/24 to 2032/33 and Carbon Budget 2023/24
Lead Officer (Name/Position/Email)	Tim Baulk, Head of, Finance ICT and Procurement – 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)	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Sex – (issues specific to women & men or girls & boys)	-	-
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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low



**South Ayrshire Council**

**Report by Head of Finance, ICT and Procurement  
to South Ayrshire Council  
of 1 March 2023**

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**Subject: Treasury Management and Investment Strategy 2023/24**

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**1. Purpose**

- 1.1 The purpose of this report is to request that Members consider the proposed Treasury Management and Investment Strategy for financial year 2023/24.

**2. Recommendation**

- 2.1 It is recommended that the Council approves the draft Treasury Management and Investment Strategy for 2023/24 (attached as Appendix 1).**

**3. Background**

- 3.1 The Treasury Management service undertakes two main roles within the Council:
- 3.1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk investment appetite, whilst providing adequate liquidity initially before considering investment return.
- 3.1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 3.2 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity and the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects.
- 3.3 The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to



ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

3.4 Whilst any loans to third parties, commercial investment initiatives or other non-financial investments will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

3.5 CIPFA defines treasury management as:

‘The management of the local authority’s borrowing, investments and cashflows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’

#### **4. Proposals**

4.1 The purpose of the Treasury Management and Investment Strategy is to detail the planned activities for the treasury service in the forthcoming financial year. The draft proposed Strategy for 2023/24 is attached at Appendix 1.

4.2 The Strategy sets out the basis for decision making in relation to managing the Council’s cash flow position to ensure appropriate investment returns are achieved and ensuring that appropriate funding for budgeted capital investment plans during 2023/24 are in place and to ensure the relevant borrowings are in line with loan charge budgets.

4.3 The overall objectives for the Council’s Treasury Management and Investment Strategy are:

4.3.1 ***For Borrowings the objective is:***

- to minimise the revenue cost of borrowings;
- to manage the Council’s cash flow;
- to manage the borrowing repayment profile;
- to assess interest rate movements, and borrow/invest accordingly;
- to monitor and review the level of variable rate loans held in order to take advantage of interest rate movements; and
- to identify and evaluate opportunities for debt rescheduling.

4.3.2 ***For Temporary Investments the objective is:***

- to protect capital security of the invested funds; and
- to obtain the best market return available commensurate with protection of security and liquidity.

Temporary investments will continue to be managed using the following priorities in order of importance:

- security of capital;
- liquidity; and
- yield.

4.4 **Reporting Requirements** - The reporting of Treasury Management to Members in 2023/24 is proposed to be as follows:

4.4.1 **A Treasury Management and Investment Strategy Report (this report)** - This first, and most important, report covers:

- the capital plans (including prudential indicators);
- the Treasury Management Strategy (how the investments and borrowings are to be managed) including treasury indicators; and
- an Investment Strategy (the parameters on how investments are to be managed).

This report is presented to full Council for approval.

4.4.2 **A Mid-Year Treasury Management Report** – This will update Members on the progress of the strategy, including loan charges, prudential indicators, and any proposed change to the strategy or whether any policies require revision.

This report is presented to the Audit and Governance Panel for scrutiny and then to Leadership Panel for approval.

4.4.3 **An Annual Treasury Report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

This report is presented to the Audit and Governance Panel for scrutiny and to Leadership Panel for approval.

4.4.4 **Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role will be undertaken by the Audit and Governance Panel. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

## 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 There are no resources implications arising from this report other than those resulting from the delivery of the proposed Strategy as contained in Appendix 1.

## 7. **Human Resources Implications**

7.1 Not applicable.

8/

## **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 Council would not be compliant with the requirements of the CIPFA Treasury Management Code of Practice.

## **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 Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

## **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.

## **14. Next Steps for Decision Tracking Purposes**

14.1 If the recommendations above are approved by Members, the Head of Finance, ICT and Procurement 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:

<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
The approved strategy will be incorporated into the 2023/24 treasury and investment planning and management process	1 April 2023	Head of Finance, ICT and Procurement

**Background Papers**    **2021 revised CIPFA Treasury Management Code and Prudential Code**

**CIPFA Code of Practice for Treasury Management in the Public Services**

**CIPFA The Prudential Code for Capital Finance in Local Authorities**

**The Local Government Investments (Scotland) Regulations 2010**

**The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016**

**Person to Contact**    **Tim Baulk, Head of Finance, ICT and Procurement**  
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**Phone 01292 612620**  
**E-mail [tim.baulk@south-ayrshire.gov.uk](mailto:tim.baulk@south-ayrshire.gov.uk)**

**Date: 22 February 2023**

# Treasury Management And Investment Strategy 2023/24

March 2023





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# Introduction

## **2021 revised CIPFA Treasury Management Code and Prudential Code – changes which will impact on future TMSS/AIS reports and the risk management framework**

CIPFA published the revised Codes on 20th December 2021 and has stated that revisions need to be included in the reporting framework from the 2023/24 financial year. The Council, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

**The revised Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes: -**

### **Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

### **Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

### **Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

**The revised Treasury Management Code will require the implementation of the following: -**

1. **Adopt a new liability benchmark treasury indicator** to support the financing risk management of the capital financing requirement; this is to be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained;
2. **Long-term treasury investments**, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case;
3. **Pooled funds** are to be included in the indicator for principal sums maturing in years beyond the initial budget year;

4. Amendment to the **knowledge and skills register** for officers and members involved in the treasury management function - to be proportionate to the size and complexity of the treasury management.
5. **Reporting to members is to be done quarterly.** Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported to Audit and Governance Panel.
6. **Environmental, social and governance (ESG)** issues to be addressed within the authority's treasury management policies and practices (TMP1).

**The main requirements of the Prudential Code relating to service and commercial investments are: -**

1. The risks associated with service and commercial investments should be proportionate to their financial capacity – i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services;
2. An authority must not borrow to invest for the primary purpose of commercial return;
3. It is not prudent for local authorities to make any investment or spending decision that will increase the CFR, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority, and where any commercial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose;
4. An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
5. A prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream;
6. Create new Investment Management Practices to manage risks associated with non-treasury investments, (similar to the current Treasury Management Practices).

**The Annual Investment Strategy should include: -**

1. The authority's approach to investments for service or commercial purposes (together referred to as non-treasury investments), including defining the authority's objectives, risk appetite and risk management in respect of these investments, and processes ensuring effective due diligence;
2. An assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services);
3. Details of financial and other risks of undertaking investments for service or commercial purposes and how these are managed;
4. Limits on total investments for service purposes and for commercial purposes respectively (consistent with any limits required by other statutory guidance on investments);

5. Requirements for independent and expert advice and scrutiny arrangements (while business cases may provide some of this material, the information contained in them will need to be periodically re-evaluated to inform the authority's overall strategy);
6. State compliance with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest primarily for financial return;

As this Treasury Management Strategy Statement and Annual Investment Strategy deals solely with treasury management investments, the categories of service delivery and commercial investments will be dealt with as part of the Capital Strategy report. South Ayrshire Council do not at the moment have any commercial investments and do not plan to do so within the next 3 years of this report.

CIPFA defines treasury management as:

*'The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'*

The background for the requirements strategy is set out in the in the undernoted legislation:

All treasury management reports written during the financial year of 2023/24 will need to take into account the under-noted:

1. CIPFA Treasury Management Codes of Practice and Guidance notes 2022/23;
2. 2021 revised CIPFA Treasury Management Code and Prudential Code
3. CIPFA Prudential Code for Capital Finance in Local Authorities revised 2017;
4. CIPFA Prudential Code for Capital Finance in Local Authorities - Guidance Notes for practitioners 2018;
5. Finance Circular 7/2016, which covered Loans Fund Accounting and the revised requirements around loans fund repayments;
6. Statutory investment regulations;and
7. Statutory guidance for annual loan repayments.

**South Ayrshire Council's Treasury Management and Investment Strategy for 2023/24 is set out in the following Sections 1 to 4 plus Annex A and B.**



# Treasury Management and Investment Strategy 2023/24

## Section 1 - Capital Plans and Prudential Indicators 2021/22 to 2025/26

The Council's capital expenditure plans and delivery are the key drivers of treasury management activity. The capital expenditure plans are reflected in prudential indicators, which are designed to assist in providing Members with an overview of the Council's capital plans.

1.1 **Capital Expenditure** - This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of the budget cycle.

Members are asked to approve the capital expenditure forecasts:

<b>Capital Expenditure</b>	<b>2021/22 Actual £'000</b>	<b>2022/23 Projected £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>
General Services	66,230	92,403	99,145	77,031	56,777
HRA	23,233	27,520	75,740	37,805	25,407
<b>Total</b>	<b>89,463</b>	<b>119,923</b>	<b>174,885</b>	<b>114,836</b>	<b>82,184</b>
<b>Financed by:</b>					
Government Grant/Other	(10,040)	(22,588)	(27,917)	(8,600)	(8,600)
Capital Receipts/Other	(20,339)	(22,879)	(38,890)	(30,899)	(23,202)
<b>Net financing need for the year – (Borrowing)</b>	<b>59,084</b>	<b>74,456</b>	<b>108,078</b>	<b>75,337</b>	<b>50,382</b>

The table above takes in to account the 2021/22 actual and 2022/23 budget projections for spend and any programme decisions that impact on future years. The table also summarises the capital expenditure plans and how these plans are being financed by capital or revenue resources.

**Any shortfall of resources results in a funding requirement (borrowing).**

**Other Long-Term Liabilities (OLTL)** - The above summarised capital plan excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

The CIPFA LAASAC Local Authority Accounting Code Board has deferred implementation of IFRS16 until 1<sup>st</sup> April 2024, the 2024/25 financial year.

This template has no alterations to deal with bringing currently off-balance sheet leased assets onto the balance sheet: this will, though, be a requirement for closing of the accounts for 2024/25.

## 1.2 ***Borrowing and Capital Financing Requirement***

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need

Any capital expenditure, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as prudent annual repayments from revenue need to be made which reflect the useful life of capital assets that are financed by borrowing.

The CFR includes any other long-term liabilities (e.g. PFI schemes and finance leases). Whilst these schemes increase the CFR and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council does not require borrowing separately for these schemes.

Full Council agreed a report in meeting of 15<sup>th</sup> December 2022 on PPP Service Concession Arrangement Flexibilities.

*Finance Circular 10/2022 (FC 10/2022) replaces the 2010 version that covered this area and permits the authority to apply a temporary flexibility for service concession arrangements entered prior to April 2022. The Circular sets out the accounting requirements and the options permitted for the recognition of repayments of the principal element of the lease component or the lease liability for the year and the temporary flexibility for SCAs entered prior to 1 April 2022.*

The reprofiling of the debt liability repayments would increase the Capital Financing Requirement (CFR) by £21.718m as at 1 April 2022. The Council has made this adjustment in the current financial year 2022/23. The increase in the CFR will continue to be reduced by the revised repayments after each SCA contract has expired until the end of the revised period. This has now been incorporated into the revised Prudential indicators as appropriate.

On the basis of above the Council has £115.7m of such schemes within the CFR as at 31 Mar 2023.

The table below shows the projected and estimated movement in the CFR based on current capital expenditure plans.

<b>Capital Financing Requirement</b>	<b>2021/22 Actual £'000</b>	<b>2022/23 Projected £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>
General Services	324,082	408,758	455,043	489,981	511,645
HRA	74,924	77,429	129,426	158,821	175,550
<b>CFR</b>	<b>399,006</b>	<b>486,187</b>	<b>584,469</b>	<b>648,802</b>	<b>687,195</b>
Other Long-Term Liabilities	(95,777)	(115,740)	(113,889)	(111,939)	(109,882)

<b>Underlying Borrowing Need</b>	<b>303,229</b>	<b>370,447</b>	<b>470,580</b>	<b>536,863</b>	<b>577,313</b>
<b>Movement in underlying borrowing need</b>	<b>52,756</b>	<b>67,218</b>	<b>100,133</b>	<b>66,283</b>	<b>40,450</b>
<b>Movement in underlying borrowing need represented by</b>					
Net financing need for the year	59,084	74,456	108,078	75,337	50,382
Less scheduled debt amortisation	(6,328)	(7,238)	(7,945)	(9,054)	(9,932)
<b>Movement in underlying borrowing need.</b>	<b>52,756</b>	<b>67,218</b>	<b>100,133</b>	<b>66,283</b>	<b>40,450</b>

A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position. The capital expenditure figures shown in 1.1 and the details above demonstrate the scope of this activity and, by approving these figures; consider the scale proportionate to the Authority's remaining activity.

### 1.3 **Liability Benchmark**

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

*CIPFA notes on page 13 of the 2021 TM Code: "The liability benchmark should be analysed as part of the annual treasury management strategy, and any substantial mismatches between actual loan debt outstanding and the liability benchmark should be explained. Any years where actual loans are less than the benchmark indicate a future borrowing requirement; any years where actual loans outstanding exceed the benchmark represent an overborrowed position, which will result in excess cash requiring investment (unless any currently unknown future borrowing plans increase the benchmark loan debt requirement). The treasury strategy should explain how the treasury risks inherent in these mismatched positions will be managed."*

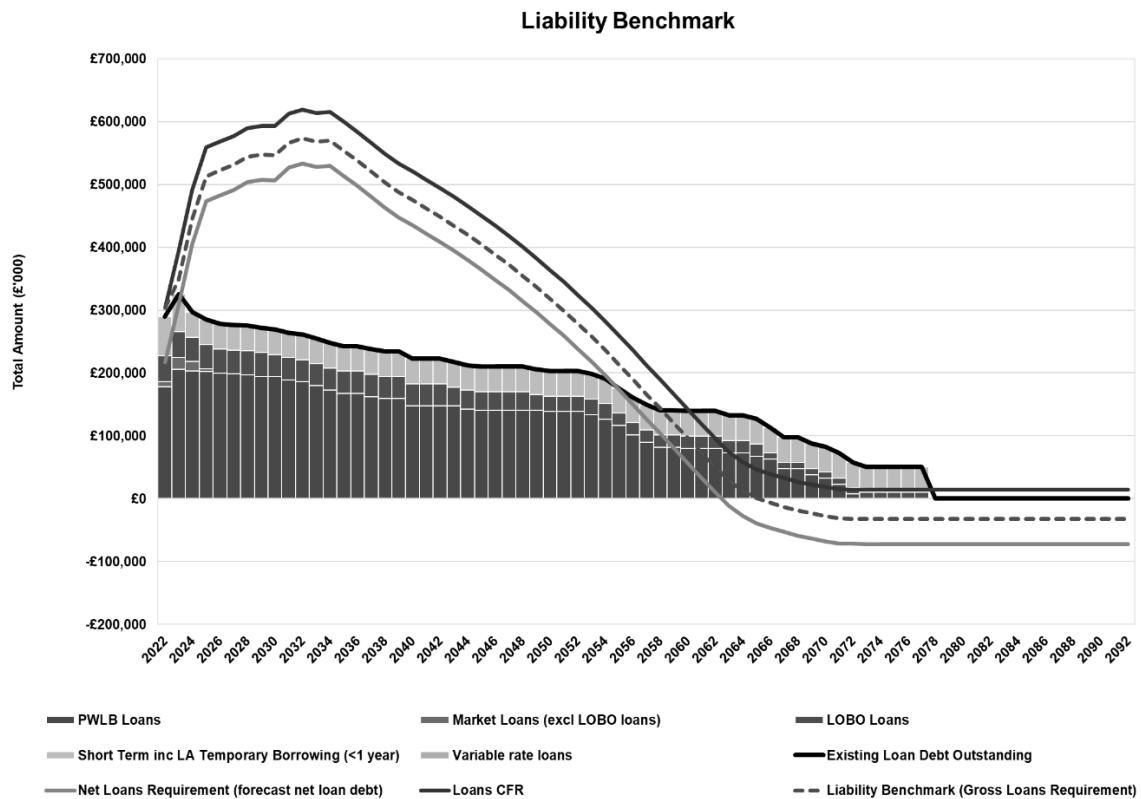
There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Loans Fund advances/Loans Fund principal repayments. (Note only approved prudential borrowing is included).
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned Loans Fund principal repayments and any other major cash flows forecast.



4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

The graph below shows the projected movement in the liability benchmark.



This chart shows that South Ayrshire have a significant borrowing requirement over the next few years which is a risk. However, this borrowing is being monitored to determine timescales and interest rate risk factors and borrowing will only be taken if required.

#### 1.4 Capital Affordability Indicators

The previous section covers the overall capital and borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council’s overall finances.

##### 1.4.1 Actual and Estimates of the Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream of the Council.

	<b>2021/22 Actual %</b>	<b>2022/23 Projected %</b>	<b>2023/24 Estimate %</b>	<b>2024/25 Estimate %</b>	<b>2025/26 Estimate %</b>
General Services	5.48	5.90	6.26	6.84	7.32
HRA	10.79	10.30	12.99	19.27	24.38
Average Rate	6.15	6.49	7.05	8.16	9.06

### 1.4.2 HRA Debt Ratios

<b>£'000</b>	<b>2021/22 Actual £'000</b>	<b>2022/23 Projected £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>
<b>HRA debt</b>	74,601	77,106	129,103	158,498	175,227
<b>HRA revenues</b>	34,735	35,403	35,114	36,064	37,374
<b>Ratio of debt to revenues</b>	2.15	2.18	3.68	4.39	4.69

<b>£'000</b>	<b>2021/22 Actual £'000</b>	<b>2022/23 Projected £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>
<b>HRA debt</b>	74,601	77,106	129,103	158,498	175,227
<b>Number of HRA dwellings</b>	8,254	8,319	8,339	8,458	8,656
<b>Debt per dwelling</b>	£9,038	£9,269	£15,482	£18,739	£20,243

1.4.3 Significant investment is planned in the next few years in the HRA major component replacement programme and the new build programme which has increased the debt per dwelling figure in the table above.

1.4.4 All of the above indicators at 1.4 are designed to indicate the financing costs of the Council's investment plans against its revenues and that of the HRA. The Code does not provide target figures and also states that these indicators are not comparable between authorities given the wide ranging variations in Council's historic debt and borrowing and investment plans.

## Section 2 - Treasury Management

The capital expenditure plans set out in Section 1 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the management of the cash flow and, where capital plans require, the arrangement of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

### 2.1 *Current Portfolio Position*

The Council's treasury portfolio position as at 31 March 2022, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

<b>External Debt</b>	<b>2021/22 Actual £'000</b>	<b>2022/23 Projected £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>
Opening Debt at 1 April	238,159	289,434	347,385	435,660	499,090
Long Term Debt Maturities	(5,725)	(2,049)	(8,725)	(11,570)	(12,003)
New External Debt	57,000	60,000	97,000	75,000	52,000
<b>External Debt</b>	<b>289,434</b>	<b>347,385</b>	<b>435,660</b>	<b>499,090</b>	<b>539,087</b>
Other long-term liabilities (PPP + Finance Leases)	95,777	115,740	113,889	111,939	109,882
<b>Actual Debt at 31 March</b>	<b>385,211</b>	<b>463,125</b>	<b>549,549</b>	<b>611,029</b>	<b>648,969</b>
<b>The Capital Financing Requirement</b>	<b>399,006</b>	<b>486,187</b>	<b>584,469</b>	<b>648,802</b>	<b>687,195</b>
<b>Under / (Over) Borrowing</b>	<b>13,795</b>	<b>23,062</b>	<b>36,420</b>	<b>37,773</b>	<b>38,226</b>

<b>External Debt</b>	<b>289,434</b>	<b>347,385</b>	<b>435,660</b>	<b>499,090</b>	<b>539,087</b>
Cash Investments	(72,105)	(69,025)	(35,000)	(35,000)	(35,000)
<b>Net External Debt</b>	<b>217,329</b>	<b>278,360</b>	<b>400,660</b>	<b>464,090</b>	<b>504,087</b>

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Head of Finance, ICT and Procurement reports that the Council complied with this prudential indicator in the current year. This view considers current commitments, existing plans, and the proposals in the budget report.

## 2.2 *Treasury Indicators: Limits to Borrowing Activity*

2.2.1 **The Operational Boundary** - this is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the Council's under/over borrowed position.

<b><i>Operational Boundary</i></b>	<b><i>2022/23 £'000</i></b>	<b><i>2023/24 £'000</i></b>	<b><i>2024/25 £'000</i></b>	<b><i>2025/26 £'000</i></b>
Debt	390,000	475,000	540,000	580,000
Other long-term liabilities	116,000	115,000	112,000	110,000
<b>Total</b>	<b>506,000</b>	<b>590,000</b>	<b>652,000</b>	<b>690,000</b>

2.2.2 **The Authorised Limit for External Borrowing** - a further key prudential indicator represents a control on the maximum level of external debt. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit (Affordable Capital Expenditure Limit) determined under section 35(1) of the Local Government in Scotland Act 2003. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised.

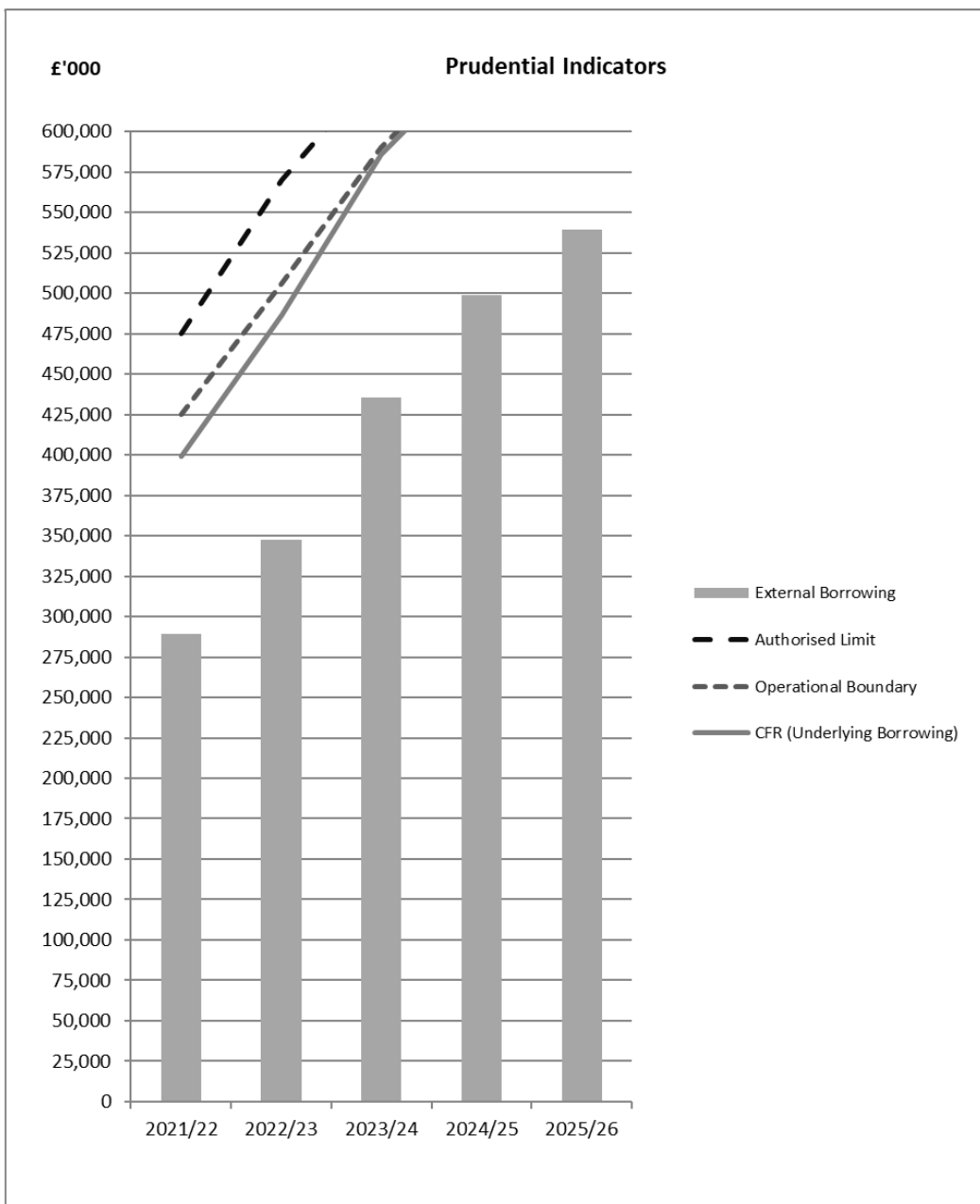
<b><i>Authorised limit</i></b>	<b><i>2022/23 £'000</i></b>	<b><i>2023/24 £'000</i></b>	<b><i>2024/25 £'000</i></b>	<b><i>2025/26 £'000</i></b>
Debt	435,000	485,000	550,000	587,000
Other long-term liabilities	135,000	156,000	154,000	151,000
<b>Total</b>	<b>570,000</b>	<b>641,000</b>	<b>704,000</b>	<b>738,000</b>

2.2.3 The under-noted graph shows the relationship between the 4 main components of capital financing:

- a) Authorised Limit (Debt);
- b) Operational Boundary (Debt);
- c) Capital Financing Requirement; and
- d) Actual External Debt

The graph below shows the increasing trend in the substantial capital investment plans of the Council in the medium term, and therefore increasing debt and capital financing requirements going forward.

Both the authorised debt and operational boundary indicators include a margin for the balance of other financing arrangements such as PPP schemes.



## 2.3 Economic Commentary

2.3.1 Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK(United Kingdom), EZ(Eurozone) and US(United States) 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	<b>UK</b>	<b>Eurozone</b>	<b>US</b>
<b>Bank Rate</b>	4.0%	2.5%	4.5%-4.75%
<b>GDP</b>	-0.3%q/q Q3 (1.9%/y/y)	+0.1%q/q Q4 (1.9%/y/y)	2.9% Q4 Annualised
<b>Inflation</b>	10.5%/y/y (Dec)	8.5%/y/y (Jan)	6.5%/y/y (Dec)
<b>Unemployment Rate</b>	3.7% (Nov)	6.6% (Dec)	3.4% (Jan)

Q2 of 2022 saw UK GDP (Gross Domestic Product) revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will face some further upward pressures before dropping back slowly through 2023 to finish the year in the range of 4% - 5%.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC (Monetary Policy Committee) will be concerned that wage inflation will prove just as much a concern as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

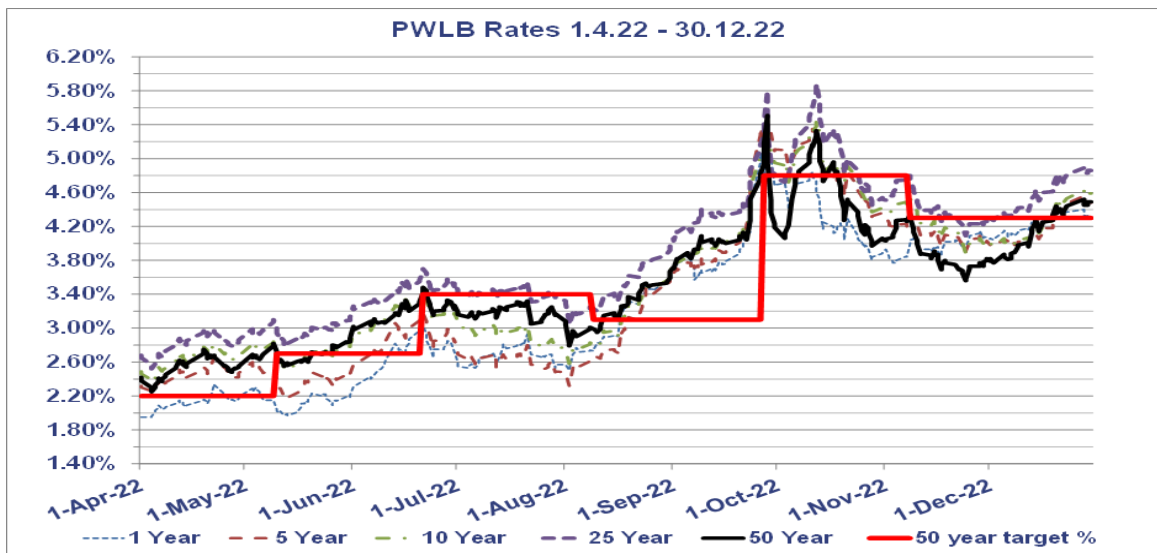
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Since then, rates rose to 3.5% in December and 4% in February and the market currently expects Bank Rate to hit 4.5% by June 2023.

Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17<sup>th</sup> November gave rise to a net £55bn fiscal tightening, although much of the major work has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have almost completely reversed the increases seen under the previous administration.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.22. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to December 2022 below, has been followed by the whole curve shifting lower. PWLB rates at the front end of the curve are generally over 1.25% lower now whilst the 50 years is also over 1% lower.

#### HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.22 – 30.12.22

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	1.95%	2.18%	2.36%	2.52%	2.25%
<b>Date</b>	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
<b>High</b>	5.11%	5.44%	5.45%	5.88%	5.51%
<b>Date</b>	28/09/2022	28/09/2022	12/10/2022	12/10/2022	28/09/2022
<b>Average</b>	3.26%	3.41%	3.57%	3.85%	3.51%
<b>Spread</b>	3.16%	3.26%	3.09%	3.36%	3.26%

The S&P 500 and FTSE 100 have climbed in the early weeks of 2023, albeit the former finished 19% down in 2022 whilst the latter finished up 1%.

#### CENTRAL BANK CONCERNS – DECEMBER 2022 & FEBRUARY 2023

In December, the Fed (Federal Reserve Board) decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

Having said that, the sentiment expressed in the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

At the start of February, US rates have further increased by 0.25% to a range of 4.5% - 4.75%, whilst UK Bank Rate increased 0.5% to 4%.



Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.25% - 4.5%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data and labour market have proven stronger than expected.

In addition, the Bank's central message that GDP (Gross Domestic Product) will fall for five quarters starting with Q1 2023 may prove to be a little pessimistic. Will the excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

## 2.4 Prospects for Interest Rates

South Ayrshire has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 07 February 2023. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 07.02.23													
	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
BANK RATE	4.25	4.50	4.50	4.25	4.00	3.75	3.25	3.00	2.75	2.75	2.50	2.50	2.50
3 month ave earnings	4.30	4.50	4.50	4.30	4.00	3.80	3.30	3.00	2.80	2.80	2.50	2.50	2.50
6 month ave earnings	4.40	4.50	4.40	4.20	3.90	3.70	3.20	2.90	2.80	2.80	2.60	2.60	2.60
12 month ave earnings	4.50	4.50	4.40	4.20	3.80	3.60	3.10	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB	4.00	4.00	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.10	3.10	3.10
10 yr PWLB	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.50	3.40	3.30	3.30	3.20
25 yr PWLB	4.60	4.60	4.40	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.40
50 yr PWLB	4.30	4.30	4.20	4.10	3.90	3.80	3.60	3.60	3.40	3.30	3.20	3.20	3.10

*Additional notes by Link on this forecast table: -*

- Our central forecast for interest rates was previously updated on 19 December and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened but the Government's continued policy of emphasising fiscal rectitude will probably mean Bank Rate will not need to increase to further than 4.5%.
- Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged. Our best judgment is that there will be scope for an early Christmas present for households with a December rate cut priced in, ahead of further reductions in 2024 and 2025.
- The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.5%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.
- Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started and will focus on the short, medium and longer end of the curve in equal measure.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)



On the positive side, consumers are still estimated to be sitting on significant excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

## **PWLB RATES**

- The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.75%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

### **The balance of risks to the UK economy: -**

- The overall balance of risks to economic growth in the UK is to the downside.

### **Downside risks to current forecasts for UK gilt yields and PWLB rates include: -**

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next year to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

### **Upside risks to current forecasts for UK gilt yields and PWLB rates: -**

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project or even necessitates a further series of increases in Bank Rate later in the year or in 2024.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer-term **US treasury yields** rise strongly if inflation remains more stubborn than the market currently anticipates, pulling gilt yields up higher consequently.
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields compensating.

**Borrowing advice:** Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are currently above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary

borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps as follows:

Average earnings in each year	
2022/23 (remainder)	4.30%
2023/24	4.30%
2024/25	3.20%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

## 2.5 ***Borrowing Strategy***

At the time of writing this report, the Council is estimated to have an under-borrowed position at the end of 2022/23 of £23,062m, (around 6.2% of the total underlying borrowing requirement). This would mean that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with external loan debt and means that an element of internal resources, cash and revenue surpluses have been used to finance capital expenditure. This strategy is prudent even although investment returns are on the increase, counterparty risk is still an issue that needs to be considered. Given the under-borrowed position is 6.2% of the borrowing requirement it removes an element of interest rate risk.

During **2023/24** it is estimated that the Council and HRA will have additional borrowing requirements of **£101.633m**.

The strategy is to fund the majority of this requirement from long term external borrowing of **£97m** whilst increasing the under-borrowed position to around 7.7% of the borrowing requirement. Although an increase on the current year position, this remains a prudent strategy in the current interest rate environment and also allows flexibility in taking a pragmatic approach in terms of the pace of the major capital spend in 2023/24.

The treasury team are monitoring longer term interest rate forecasts on a regular basis in order to assess timing of longer term borrowing; whilst still minimising the cost of carrying any new borrowing prior to the loans actually being required.

Whilst the under-borrowed position remains a minimal risk, the significant borrowing requirements in 2023/24 and the level of temporary borrowing will require close monitoring.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Head of Finance, ICT and Procurement will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. The estimates of borrowing required are set out in the under-noted table:

<b><i>New Borrowing (Year)</i></b>	<b><i>General Services £'000</i></b>	<b><i>HRA £'000</i></b>	<b><i>Total £'000</i></b>
2023/24	54,407	53,671	108,078
2024/25	43,499	31,838	75,337
2025/26	30,453	19,929	50,382
2026/27	27,228	11,747	38,975
2027/28	26,841	11,865	38,706
<b>Total 5 Yr Borrowing</b>	<b>182,428</b>	<b>129,050</b>	<b>311,478</b>

It is emphasised that a pragmatic approach will be taken when considering the timing of this borrowing externally in the light of prevailing interest rates, the overall treasury strategy, cost of carry, and in particular the out-turn of capital expenditure as the projects are delivered in 2023/24 and 2024/25:

if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.

- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

1.

Any decisions on new borrowing will be reported to Members within the mid-year Treasury Report or the end of year out-turn report.

#### 2.5.1 Treasury Management Limits on Activity

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.

<b><i>Maturity Structure of Fixed Interest Rate Borrowing</i></b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0.00%	25%
1 – 2 years	0.00%	25%
2 – 5 years	0.00%	50%
5 – 10 years	0.00%	75%
10 years and above	0.00%	90%

2.6/

## 2.6 **Statutory Repayment of Loans Fund Advances**

The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

A variety of options are provided to Councils and method C below will be the prudent repayment option adopted by the Council.

- **Statutory method**
- **Depreciation method** – annual repayment of loans fund advances will follow standard depreciation accounting procedures;
- **Asset life method** – loans fund advances will be repaid with reference to the life of an asset using either the equal instalment or annuity method;
- **Funding / Income profile method** – loans fund advances will be repaid by reference to an associated income stream.

2.6.2 Finance Circular 7/2016 suggests Councils set out additional disclosures on loans fund account information, so the proposed disclosure note below has been provided to assist. Paragraph 89 of the Finance Circular also states, ‘a local authority should set out their policy on the interest rate selected for the annuity calculation’.

The annuity rate applied to the loans fund repayments was based on historic interest rates and is currently 5%. However, under regulation 14 (2) of SSI 2016 No 123, the Council has reviewed and re-assessed the historic annuity rate to ensure that it is a prudent application.

The result of this review suggests that an annuity rate of 5% would remain a prudent approach and provides for principal repayments closely associated with the use of the assets.

### **Loans Fund Advances to General Fund**

<b>Loans Fund</b>	<b>Actual 2021/22 £'000</b>	<b>Est 2022/23 £'000</b>	<b>Est 2023/24 £'000</b>	<b>Est 2024/25 £'000</b>	<b>Est 2025/26 £'000</b>
Opening Balance	179,292	226,125	290,837	338,973	375,861
Add advances	52,029	70,602	54,407	43,499	30,453
Less repayments	(5,196)	(5,889)	(6,271)	(6,611)	(6,732)
Closing Balance	<b>226,125</b>	<b>290,837</b>	<b>338,973</b>	<b>375,861</b>	<b>399,582</b>

## Loans Fund Advances to HRA

Loans Fund	Actual 2021/22 £'000	Est 2022/23 £'000	Est 2023/24 £'000	Est 2024/25 £'000	Est 2025/26 £'000
Opening Balance	68,794	74,601	77,106	129,103	158,498
Add advances	7,056	3,854	53,671	31,838	19,929
Less repayments	(1,249)	(1,349)	(1,674)	(2,443)	(3,200)
Closing Balance	<b>74,601</b>	<b>77,106</b>	<b>129,103</b>	<b>158,498</b>	<b>175,227</b>

### 2.7 *Policy on Borrowing in Advance of Need*

The Council will not borrow more than, or in advance of its needs, purely in order to profit from the investment of the extra sum borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 20% of the expected increase in borrowing need (CFR) over the three-year planning period; and
- Would not look to borrow more than 12 months in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting arrangements.

### 2.8 *Debt Rescheduling*

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

The reasons for any rescheduling to take place will include:

1. the generation of cash savings and / or discounted cash flow savings;
2. helping to fulfil the treasury strategy; and
3. enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

If rescheduling is to be undertaken, it will be reported to the Cabinet at the earliest meeting following its action.

#### 2.8.1 **New financial institutions as a source of borrowing and / or types of borrowing**

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

1. Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
2. Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a ‘cost of carry’ or to achieve refinancing certainty over the next few years).
3. Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

Our advisors Link Group will keep us informed as to the relative merits of each of these alternative funding sources. All rescheduling will be reported to Members in the mid-year or year-end treasury reports.

## 2.8.2 Approved Sources of Long and Short-term Borrowing On Balance Sheet

	Fixed	Variable
PWLB	●	●
Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

## Section 3 – Annual Investment Strategy

### 3.1 *Investment Policy*

The Council's investment policy implements the requirements of the following: -

- Local Government Investments (Scotland) Regulations 2010, (and accompanying Finance Circular 5/2010),
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate maintain a degree of liquidity to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options

The above regulations and guidance place a high priority on the management of risk.. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as ‘credit default swaps’ and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. The Council has defined the list of types of investment instruments that are permitted investments authorised for use in Annex A. Annex B expands on the risks involved in each type of investment and the mitigating controls.

**Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.



**Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. Lending limits, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 3.2.
6. Transaction limits are set for each type of investment in appendix 3.2.
7. The Council will set a limit for the amount of its investments which are invested for longer than 365 days, (see paragraph 3.4).
8. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see paragraph 3.3).
9. The Council has engaged external consultants, (see paragraph 4.3), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
10. All investments will be denominated in sterling.

As a result of the change in accounting standards for 2022/23 under IFRS 9, the council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.

The Council will pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, Regular monitoring of investment performance will be carried out during the year.

## 3.2 **Credit Worthiness Policy**

3.2.1 The Council applies the credit worthiness service provided by Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of Credit Default Swap (CDS) spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments.



The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Dark Pink 5 years for Ultra short dated bond funds with a credit score of 1.25
- Light Pink 5 years for Ultra short dated bond funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (UK part nationalised banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour not used

3.2.2 The under-noted table sets out the monetary limits that will be applied to each counterparty within each colour on the creditworthiness matrix.

Applying the criteria in the under-noted table has been derived from the Council's current investment activities in terms of funds available for investment, and cash flow requirements. This policy also provides a clear defined policy on investment activity limits.

	<b>Colour Code (Based on credit information)</b>	<b>Limit per Counterparty</b>	<b>Maximum Maturity Period</b>
Banks/ Building Societies	Yellow	£25m	5 Years
Banks – (UK Part Nationalised)	Blue	£25m	1 Year
Banks/ Building Societies	Purple	£20m	2 Years
Banks/ Building Societies	Orange	£15m	1 Years
Banks/ Building Societies	Red	£10m	6 months
Banks/ Building Societies	Green	£5m	100 days
Banks/ Building Societies	No Colour	£0	0 days
Council's Corporate Bankers	Orange	£50m	1 Year
Debt Management Account – UK Treasury	AA+	unlimited	6 months
Local / Public Authorities	N/A	£10m	2 Years
Housing Associations	Colour Bands	£5m	As per colour band
Money Market Funds CNAV	AAA	£20m	Liquid
Money Market Funds LVNAV	AAA	£10m	Liquid
Money Market Funds VNAV	AAA	£10m	Liquid
Ultra-short dated bond funds with a credit score of 1.25	Dark Pink/ AAA	£10m	Liquid
Ultra-short dated bond funds with a credit score of 1.25	Light Pink/ AAA	£10m	Liquid

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria South Ayrshire uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored daily. South Ayrshire is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting South Ayrshire's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings South Ayrshire will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the South Ayrshire's lending list.

Sole reliance will not be placed on the use of this external service. In addition, South Ayrshire will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

### **3.3 Country Limits – Credit Worthiness**

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

#### **CDS prices**

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and South Ayrshire has access to this information via its Link-provided Passport portal.

#### **Other limits**

Due care will be taken to consider the exposure of South Ayrshire's total investment portfolio to non-financial investments, countries, groups and sectors.

1. **Non-financial investment limit.** South Ayrshire has determined that it will limit the maximum total exposure to non-financial investments, (e.g. property and third party loans).
2. **Country limit.** South Ayrshire has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-**. The list of countries that qualify using this credit criteria as at the date of this report are shown below. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

### ***APPROVED COUNTRIES FOR INVESTMENTS***

This list is based on those countries which have sovereign ratings of AA- or higher, (shown is the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

Based on lowest available rating

#### AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

#### AA+

- Canada
- Finland
- U.S.A.

#### AA

- Abu Dhabi (UAE)
- France

#### AA-

- Belgium
- Hong Kong
- Qatar
- U.K.

### 3.4 **Investment Strategy**

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the downs of cash flow where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

### **Bank Rate and Investment Returns Expectations -**

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to reach 4.5% in Q2 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

<b>Average earnings in each year</b>	
2022/23 (remainder)	4.30%
2023/24	4.30%
2024/25	3.20%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

**Investment Treasury Indicator and Limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

<b>Maximum principal sums invested &gt; 365 days</b>			
	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>
Principal sums invested > 365 days	£10m	£10m	£10m

For its cash flow generated balances, the Council will seek to utilise its business reserve accounts, notice accounts, money market funds and short-dated deposits in order to benefit from the compounding of interest.

### **3.5 Investment – Cash Liquidity**

A key responsibility of the Treasury function is to ensure the Council maintains adequate liquidity of cash to ensure its payment obligations can be fully met at all times. This liquidity of cash is required on a daily basis to meet the cash flow requirements of payments to employees, suppliers, agencies, re-payment of loan interest and benefits etc.

The Council does not currently utilise an overdraft facility from its bankers, Bank of Scotland as liquidity cash is available using investment accounts. Additionally the

Council has access to short term loan funding from the money markets when required.

**Liquidity** - in respect of this area the Council seeks to maintain:

- Bank overdraft - £0.00m; and
- Liquidity cash available of £15m.

### 3.6 ***End of Year Investment Report***

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report. This report will be submitted to the Council's Audit and Governance Panel and South Ayrshire Council Leadership Panel prior to 30 September following the end of each financial year (or as soon as practicable depending on Council meeting dates).

## **Section 4 – Governance Arrangements**

### **4.1 *Financial Regulations***

The Financial Regulations set out the responsibilities of the Council and the Audit and Governance Panel in respect of treasury matters as follows:

#### **4.1.1 Council**

1. Approval of treasury strategy report.

#### **4.1.2 Cabinet**

1. budget consideration and approval
2. approval of the division of responsibilities
3. approval of mid-year and annual report; and
4. Approving the selection of external service providers and agreeing terms of appointment.

#### **4.1.3 Audit and Governance Panel**

1. Reviewing the treasury management policy and procedures and making recommendations to the responsible body; and
2. Scrutiny of the mid-year and annual report.
3. Approval of Quarterly performance indicators.

### **4.2 *Role of the Section 95 Officer – Head of Finance, ICT and Procurement***

The S95 (responsible) officer has authority through the Scheme of Delegation and the Financial Regulations for the day to day execution and administration of treasury management decisions in line with the Council's Strategy and Treasury Management Practices. This includes:

- recommending clauses, treasury management policy for approval, reviewing the same regularly and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a longer term timeframe;

- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above; and
- creation of Treasury Management Practices which specifically deal with how non-treasury investments will be carried out and managed, to include the following:
  1. *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
  2. *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
  3. *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
  4. *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
  5. *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

#### 4.3 **Policy on the Use of External Service Providers**

South Ayrshire uses Link Group, Treasury solutions as its external treasury management advisors.

South Ayrshire recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. South Ayrshire will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

#### 4.4 **Training**

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

As a minimum, South Ayrshire will carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by Senior Finance Officer. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Senior Finance Officer.



## Permitted Investments

The Council approves the following forms of investment instrument for use as permitted investments as set out in **Table 1-6** (page 36 to 38).

### Treasury risks

All the investment instruments in Table 1 are subject to the following risks:

- **Credit and counter-party risk:** this is the risk of failure by counterparty (bank or building society) to meet its contractual obligations to the organisation particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have the highest, relative, level of creditworthiness.
- **Liquidity risk:** this is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk as credit risk can never be zero, in this document, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. However, it has to be pointed out that while some forms of investment e.g. Gilts, CDs, corporate bonds can usually be sold immediately if the need arises, there are two caveats: a. Cash may not be available until a settlement date up to three days after the sale b. there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer. The column in tables 1 / 2 headed as 'market risk' will show each investment instrument as being instant access, sale T+3 = transaction date plus 3 business days before you get cash, or term – i.e. money is locked in until an agreed maturity date.
- **Market risk:** this is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately. However, some cash rich local authorities may positively want exposure to market risk e.g. those investing in investment instruments with a view to obtaining a long-term increase in value.
- **Interest rate risk:** this is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. This authority has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report. All types of investment instrument have interest rate risk except for the following forms of instrument which are at variable rate of interest (and the linkage for variations is also shown):
- **Legal and regulatory risk:** this is the risk that the organisation itself, or an organisation powers or regulatory requirements, and that the organisation suffers losses accordingly.

## Controls on treasury risks

- **Credit and counter-party risk:** this authority has set minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to be considered for investment purposes.
- **Liquidity risk:** the Council has a cash flow forecasting model to enable it to determine how long investments can be made for and how much can be invested.
- **Market risk:** this Council does not purchase investment instruments which are subject to market risk in terms of fluctuation in their value.
- **Interest rate risk:** the Council manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximize investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing.
- **Legal and regulatory risk:** the Council will not undertake any form of investing until it has ensured that it has all necessary powers and also complied with all regulations.

## Unlimited investments

Regulation 24 states that an investment can be shown as being 'unlimited' in terms of the maximum amount or percentage of the total portfolio that can be put into that type of investment.

### The Council has given the following types of investment an unlimited category:

- **Debt Management Agency Deposit Facility.** This is considered to be the lowest risk form of investment available to local authorities as it is operated by the Debt Management Office which is part of H.M. Treasury – i.e. the UK Government's sovereign rating stands behind the DMADF. It is also a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts.
- **High credit worthiness banks and building societies.** See Section 3.2 relating to creditworthiness. While an unlimited amount of the investment portfolio may be put into banks and building societies with high credit worthiness, the Council will ensure diversification of its portfolio ensuring that no more than 50% of the total portfolio can be placed with any one institution or group at any one time.

## Objectives of each type of investment instrument

Regulation 25 requires an explanation of the objectives of every type of investment instrument which an authority approves as being 'permitted'. (Part 1 section 17 also requires authorities to explain any special circumstances that have led them to a particular approach.

### 1. Deposits

The following forms of 'investments' are actually more accurately called deposits as cash is deposited in an account until an agreed maturity date or is held at call.

1. **Debt Management Agency Deposit Facility** - This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with the Government. It is also easy to use as it is a deposit account and avoids the complications of buying and holding Government issued treasury

bills or gilts. As it is low risk it also earns low rates of interest. However, it is very useful for authorities whose overriding priority is the avoidance of risk. The longest period for a term deposit with the DMADF is 6 months.

2. **Term deposits with high credit worthiness banks and building societies -** See paragraph 3.2 for an explanation of this authority's definition of high credit worthiness. This is the most widely used form of investing used by local authorities. It offers a much higher rate of return than the DMADF (dependent on term). The Council will ensure diversification of its portfolio of deposits ensuring that no more than 50% of the total portfolio can be placed with any one institution or group. In addition, longer term deposits offer an opportunity to increase investment returns by locking in high rates ahead of an expected fall in the level of interest rates. At other times, longer term rates can offer good value when the markets incorrectly assess the speed and timing of interest rate increases. This form of investing therefore, offers a lot of flexibility and higher earnings than the DMADF. Where it is restricted is that once a longer-term investment is made, that cash is locked in until the maturity date.
  3. **Call accounts with high credit worthiness banks and building societies.** The objectives are as for 1b. But there is instant access to recalling cash deposited. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. Some use of call accounts is highly desirable to ensure that the authority has ready access to cash when needed to pay bills.
  4. **Fixed term deposits with variable rate and variable maturities (structured deposits).** This line encompasses ALL types of structured deposits. There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluidity of this area, this is a generic title for all structured deposits so as to provide Councils with greater flexibility to adopt new instruments as and when they are brought to the market.
  5. **Collateralised deposits.** These are deposits placed with a bank which offers collateral backing based on specific assets. Examples seen in the past have included local authority LOBOs, where such deposits are effectively lending to a local authority as that is the ultimate security.
- **Deposits with Counterparties currently in receipt of Government Support/ Ownership**

These banks offer another dimension of creditworthiness in terms of Government backing through either partial or full direct ownership. The view of the Council is that such backing makes these banks attractive institutions with whom to place deposits, and that will remain our view if the UK sovereign rating were to be downgraded in the coming year.

1. **Term deposits with high credit worthiness banks which are fully or semi nationalised.** As for 1b. but Government full, (or substantial partial), ownership, implies that the Government stands behind this bank and will be deeply committed to providing whatever support that may be required to ensure the continuity of that bank. This authority considers that this indicates a low and acceptable level of residual risk.

2. **Fixed term deposits with variable rate and variable maturities (structured deposits).** This line encompasses ALL types of structured deposits. There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluidity of this area, this is a generic title for all structured deposits so as to provide Councils with greater flexibility to adopt new instruments as and when they are brought to the market.
- **Collective Investment Schemes structured as Open-Ended Investment Companies (OEICs)**
    1. **Government liquidity funds.** These are the same as money market funds (see below) but only invest in government debt issuance with highly rated governments. Due to the higher quality of underlying investments, they offer a lower rate of return than MMFs. However, their net return is typically on a par with the DMADF, but with instant access.
    2. **Money Market Funds (MMFs).** By definition, MMFs are AAA rated and are widely diversified, using many forms of money market securities including types which this authority does not currently have the expertise or capabilities to hold directly. However, due to the high level of expertise of the fund managers and the huge amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities. They are particularly advantageous in falling interest rate environments as their 60-day WAM means they have locked in investments earning higher rates of interest than are currently available in the market. MMFs also help an authority to diversify its own portfolio as e.g. a £2m investment placed directly with HSBC is a 100% risk exposure to HSBC whereas £2m invested in an MMF may end up with say £10,000 being invested with HSBC through the MMF. For authorities particularly concerned with risk exposure to banks, MMFs offer an effective way of minimising risk exposure while still getting much better rates of return than available through the DMADF.
    3. **Ultra-short dated bond funds.** These funds are similar to MMFs, can still be AAA rated but have variable net asset values (VNAV) as opposed to a traditional MMF which has a Constant Net Asset Value (CNAV). They aim to achieve a higher yield and to do this either take more credit risk or invest out for longer periods of time, which means they are more volatile. These funds can have WAM's and Weighted Average Life (WAL's) of 90 – 365 days or even longer. Their primary objective is yield and capital preservation is second. They therefore are a higher risk than MMFs and correspondingly have the potential to earn higher returns than MMFs.
    4. **Gilt funds.** These are funds which invest only in U.K. Government gilts. They offer a lower rate of return than bond funds but are highly rated both as a fund and through investing only in highly rated government securities. They offer a higher rate of return than investing in the DMADF but they do have an exposure to movements in market prices of assets held.
    5. **Bond funds.** These can invest in both government and corporate bonds. This therefore entails a higher level of risk exposure than gilt funds and the aim is to achieve a higher rate of return than normally available from gilt funds by trading in non-government bonds.

#### 4. Securities Issued or Guaranteed by Governments

The following types of investments are where an authority directly purchases a particular investment instrument, a security – i.e. it has a market price when purchased and that value can change during the period the instrument is held until it matures or is sold. The annual earnings on a security is called a yield – i.e. it is normally the interest paid by the issuer divided by the price you paid to purchase the security unless a security is initially issued at a discount – for example, treasury bills.

1. **Treasury bills.** These are short term bills (up to 18 months but usually 9 months or less, although none have ever been issued for this maturity) issued by the Government and so are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales could incur a net cost during the period of ownership.
2. **Gilts.** These are longer term debt issuance by the UK Government and are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a time deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales may incur a net cost. Market movements that occur between purchase and sale may also have an adverse impact on proceeds. The advantage over Treasury bills is that they generally offer higher yields the longer it is to maturity (for most periods) if the yield curve is positive.
3. **Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government** e.g. National Rail. This is similar to gilt due to the explicit Government guarantee.
4. **Sovereign bond issues (other than the UK govt) denominated in Sterling.** As for gilts but issued by other nations. Use limited to issues of nations with at least the same sovereign rating as for the UK.
5. **Bonds issued by Multi-Lateral Development Banks (MLDBs).** These are similar to c. and d. above but are issued by MLDBs which are typically guaranteed by a group of sovereign states e.g. European Bank for Reconstruction and Development.

#### 5 Securities issued by Corporate Organisations

The following types of investments are where an authority directly purchases a particular investment instrument, a security – i.e. it has a market price when purchased and that value can change during the period the instrument is held until it is sold. The annual earnings on a security is called a yield – i.e. is the interest paid by the issuer divided by the price you paid to purchase the security. These are similar to the previous category but corporate organisation's can have a wide variety of credit worthiness so it is essential for local authorities to only select the organisation's with the highest levels of credit worthiness. Corporate securities are generally a higher risk than government debt issuance and so earn higher yields.

1. **Certificates of deposit (CDs).** These are shorter term securities issued by deposit taking institutions (mainly financial institutions). They are negotiable instruments, so can be sold ahead of maturity and also purchased after they have been issued. However, that liquidity can come at a price, where the yield could be marginally less than placing a deposit with the same bank as the issuing bank.
  2. **Commercial paper.** This is similar to CDs but is issued by commercial organisations or other entities. Maturity periods are up to 365 days but commonly 90 days.
  3. **Corporate bonds.** These are (long term) bonds (usually bearing a fixed rate of interest) issued by a financial institution, company or other non-government issuer in order to raise capital for the institution as an alternative to issuing shares or borrowing from banks. They are generally seen to be of a lower creditworthiness than government issued debt and so usually offer higher rates of yield.
  4. **Floating rate notes.** These are bonds on which the rate of interest is established periodically with reference to short-term interest rates.
6. **Other**
- Property Fund** - This is a collective investment fund specialising in property. Rather than owning a single property with all the risk exposure that means to one property in one location rising or falling in value, maintenance costs, tenants actually paying their rent / lease etc., a collective fund offers the advantage of diversified investment over a wide portfolio of different properties. This can be attractive for authorities who want exposure to the potential for the property sector to rise in value. However, timing is critical to entering or leaving this sector at the optimum times of the property cycle of rising and falling values. Typically, the minimum investment time horizon for considering such funds is 3-5 years.

## Deposits

<b>Table 1</b>	<b>Liquidity risk</b>	<b>Market risk</b>	<b>Max % of total investment</b>	<b>Max. maturity</b>
Debt Management Agency Deposit Facility	Term	no	100%	6 months
Term deposits – local / public authorities	Term	no	100%	2 years
Call accounts – banks and building societies	Instant	no	100%	N/A
Term deposits – banks and building societies	Term	no	100%	See Credit Policy (colour code)
Fixed term deposits with variable rate and variable maturities: Structured deposits.	Term	no	10%	See Credit Policy (colour code)



## Deposits with Counterparties Currently in Receipt of Government Support/ Ownership

<b>Table 2</b>	<b>Liquidity risk</b>	<b>Market risk</b>	<b>Max % of total investment</b>	<b>Max. maturity period</b>
UK Part Nationalised Banks	Term	no	100%	See Credit Policy (colour code)
Banks nationalised by high credit rated (sovereign rating) countries – non-UK	Term	no	100%	See Credit Policy (colour code)
Fixed term deposits with variable rate and variable maturities: Structured deposits	Term	Yes	10%	See Credit Policy (colour code)

## Collective Investment schemes structured as Open-Ended Investment Companies (OEIC's)

<b>Table 3</b>	<b>Liquidity risk</b>	<b>Market risk</b>	<b>Max % of total investment</b>	<b>Max. maturity period</b>
Government Liquidity Funds	Instant	See Section 3	20%	See credit policy
Money Market Funds (CNAV)	Instant	See Section 3	100%	See credit policy
Money Market Funds LVNAV	Instant	See Section 3	50%	See credit policy
Money Market Funds VNAV	Instant	See Section 3	50%	See credit policy
Ultra-short dated bond funds with a credit score of 1.25	T+1 – T+5	See Section 3	50%	See credit policy
Ultra-short dated bond funds with a credit score of 1.50	T+1 – T+5	See Section 3	50%	See credit policy
Bond Funds	Min T+2	See Section 3	50%	See credit policy
Gilt Funds	Min T+2	See Section 3	50%	See credit policy

## Securities issued or guaranteed by governments

<b>Table 4</b>	<b>Minimum Credit Criteria</b>	<b>Liquidity risk</b>	<b>Market Risk</b>
Treasury Bills	UK sovereign	Sale T+1	Yes
UK Government Gilts	UK Sovereign	Sale T+1	Yes
Bond issuance issued by a financial institution which is guaranteed by UK Government e.g. Network Rail	UK Sovereign	Sale T+3	Yes
Sovereign Bond issues (other than UK Government)	AAA	Sale T+1	Yes
Bonds issued by multi-lateral development banks	AAA	Sale T+1	Yes

## Securities issued by corporate organisations

<b>Table 5</b>	<b>Liquidity risk</b>	<b>Market risk</b>	<b>Max % of total investment</b>
Certificates of deposit issued by banks and building societies	Sale T+1	yes	20%
Commercial Paper	Sale T+1	yes	20%
Floating Rate Notes	Sale T+0	yes	20%
Corporate bonds	T +3	Yes	20%

## Other

<b>Table 6</b>	<b>Liquidity risk</b>	<b>Market risk</b>	<b>Max % of total investment</b>	<b>Max. maturity period</b>
Property Funds	Variable	Yes	20%	3-5 Yrs.

## **Accounting Treatment of Investments**

The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.



**Treasury Management Practice – Credit and Counterparty Risk Management**  
**South Ayrshire Council and Common Good Funds Permitted Investments, Associated Controls**

<i>Type of Investment</i>	<i>Treasury Risks</i>	<i>Mitigating Controls</i>	<i>Council Limits</i>	<i>Common Good Limits</i>
<b>Cash type instruments</b>				
<ul style="list-style-type: none"> <li>Deposits with the Debt Management Account Facility (UK Government) <b>(Very low risk)</b></li> </ul>	<p>This is a deposit with the UK Government and as such counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months.</p>	<p>Little mitigating controls required. As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments.</p>	<p>Unlimited (maximum 6 months)</p>	<p>Unlimited (maximum 6 months)</p>
<ul style="list-style-type: none"> <li>Deposits with other local authorities or public bodies <b>(Very low risk)</b></li> </ul>	<p>These are considered quasi UK Government debt and as such counterparty risk is very low, and there is no risk to value. Liquidity may present a problem as deposits can only be broken with the agreement of the counterparty, and penalties can apply.</p> <p>Deposits with other non-local authority bodies will be restricted to the overall credit rating criteria.</p>	<p>Little mitigating controls required for local authority deposits, as this is a quasi UK Government investment.</p> <p>Non- local authority deposits will follow the approved credit rating criteria.</p>	<p>£20m per counterparty – 2 Years</p>	<p>£20m per counterparty – 2 Years</p>
<ul style="list-style-type: none"> <li>Money Market Funds (MMFs) <b>(Low to Very low risk)</b></li> </ul>	<p>Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments.</p>	<p>Funds will only be used where the MMFs has an ‘AAA’ rated status from Fitch, Moody’s or Standard and Poor’s.</p>	<p>£20m</p>	<p>£20m</p>

<i>Type of Investment</i>	<i>Treasury Risks</i>	<i>Mitigating Controls</i>	<i>Council Limits</i>	<i>Common Good Limits</i>
<ul style="list-style-type: none"> <li>Ultra-short dated bond funds (<b>low risk</b>)</li> </ul>	<p>Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments.</p>	<p>Funds will only be used where the MMFs has an 'AAA' rated status from Fitch, Moody's or Standard and Poor's.</p>	<p>£10m</p>	<p>£10m</p>
<ul style="list-style-type: none"> <li>Call account deposit accounts with financial institutions (banks and building societies) (<b>Low risk depending on credit rating</b>)</li> </ul>	<p>These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above.</p> <p>Whilst there is no risk to value with these types of investments, liquidity is high and investments can be returned at short notice.</p>	<p>The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. The selection defaults to the lowest available credit rating to provide additional risk control measures.</p> <p>On day to day investment dealing with these criteria will be further strengthened by the use of additional market intelligence.</p>	<p>See credit policy</p>	<p>See credit policy</p>
<ul style="list-style-type: none"> <li>Term deposits with financial institutions (banks and building societies) (<b>Low to medium risk depending on period and credit rating</b>)</li> </ul>	<p>These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above.</p> <p>Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply.</p>	<p>The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. The selection defaults to the lowest available credit rating to provide additional risk control measures.</p> <p>On day to day investment dealing with these criteria will be further strengthened by the use of additional market intelligence.</p>	<p>See credit policy</p>	<p>See credit policy</p>

<i>Type of Investment</i>	<i>Treasury Risks</i>	<i>Mitigating Controls</i>	<i>Council Limits</i>	<i>Common Good Limits</i>
<ul style="list-style-type: none"> <li>Government Gilts and Treasury Bills (<b>Very low risk</b>)</li> </ul>	<p>These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates (no loss if these are held to maturity).</p>	<p>Little counterparty mitigating controls are required, as this is a UK Government investment. The potential for capital loss will be reduced by limiting the maximum monetary and time exposures.</p>	<p>See credit policy</p>	<p>See credit policy</p>
<ul style="list-style-type: none"> <li>Certificates of deposits with financial institutions (<b>Low risk</b>)</li> </ul>	<p>These are short dated marketable securities issued by financial institutions and as such counterparty risk is low, but will exhibit higher risks than categories (a), (b) and (c) above. There is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will normally be low.</p>	<p>The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. The selection defaults to the lowest available credit rating to provide additional risk control measures. On day to day investment dealing with these criteria will be further strengthened by the use of additional market intelligence.</p>	<p>See credit policy</p>	<p>See credit policy</p>
<ul style="list-style-type: none"> <li>Structured deposit facilities with banks and building societies (escalating rates, de-escalating rates etc.) (<b>Low to medium risk depending on period and credit rating</b>)</li> </ul>	<p>These tend to be medium to low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. Whilst there is no risk to value with these types of investments, liquidity is very low and investments can only be broken with the agreement of the counterparty (penalties may apply).</p>	<p>The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. The selection defaults to the lowest available credit rating to provide additional risk control measures. On day to day investment dealing with these criteria will be further strengthened by the use of additional market intelligence.</p>	<p>See credit policy</p>	<p>See credit policy</p>

<i>Type of Investment</i>	<i>Treasury Risks</i>	<i>Mitigating Controls</i>	<i>Council Limits</i>	<i>Common Good Limits</i>
<ul style="list-style-type: none"> <li>Corporate bonds <b>(Medium to high risk depending on period and credit rating)</b></li> </ul>	These are marketable securities issued by financial and corporate institutions. Counterparty risk will vary and there is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Corporate bonds will be restricted to those meeting the base criteria. Day to day investment dealing with these criteria will be further strengthened by the use of additional market intelligence.	See credit policy	See credit policy

#### Other types of Investment

<i>Type of Investment</i>	<i>Credit Criteria</i>	<i>Liquidity Risk</i>	<i>Market Risk</i>	<i>Mitigating Controls</i>	<i>Council Limits</i>
Common Good	Not applicable	Not applicable	No	Any Common Good, loan or investment would be subject to a separate panel report and the approval of Members before progressing. Each loan would therefore be assessed on a case by case basis and be supported by the rationale behind the investment and likelihood of any loss.	Term – 20 years - unlimited
Registered Social Landlord	Not applicable	Not applicable	No	Any RSL loan or investment would be subject to a separate panel report and the approval of Members before progressing. Each loan would therefore be assessed on a case by case basis and be supported by the rationale behind the investment and likelihood of any loss.	Term – 20 years - unlimited
Third Party	Not applicable	Not applicable	No	Any third-party loan or investment would be subject to a separate panel report and the approval of Members before progressing. Each loan would therefore be assessed on a case by case basis and be supported by the rationale behind the investment and likelihood of any loss.	Term – 5 years - £1m
Third Party (Soft Loans)	Not applicable	Not applicable	No	Any third-party loan or investment on a soft loan basis (below market rates) would be subject to a separate panel	Term – 5 years - £1m

<i>Type of Investment</i>	<i>Credit Criteria</i>	<i>Liquidity Risk</i>	<i>Market Risk</i>	<i>Mitigating Controls</i>	<i>Council Limits</i>
				report and the approval of Members before progressing. Each loan would therefore be assessed on a case by case basis and be supported by the rationale behind the investment and likelihood of any loss.	
hub SW/ SFT Project Investment	Not applicable	Minimum 25 years term	No	Investment is subject to a separate panel report and the approval of Members before progressing. The investment would therefore be assessed on a case basis and be supported by the rationale behind the investment and likelihood of any loss.	Term – 25 years - £1m

**The Monitoring of Investment Counterparties** - The status of counterparties will be monitored regularly. The Council receives credit rating and market information from Link Asset Services, including when ratings change, and counterparties are checked promptly.

On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Head of Finance, ICT and Procurement, and if required new counterparties which meet the criteria will be added to the list.

## 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	Treasury Management and Investment Strategy 2023/24
Lead Officer (Name/Position/Email)	Denise Love, Corporate Accounting Coordinator – denise.love2@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)	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Sex – (issues specific to women & men or girls & boys)	-	-
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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low





**South Ayrshire Council**

**Joint Report by Depute Chief Executive and Director  
of Housing, Operations and Development  
and Head of Finance, ICT and Procurement  
to South Ayrshire Council  
of 1 March 2023**

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**Subject: Rent Setting and Housing Revenue Account (HRA) –  
Revenue Budget 2023/24 and Capital Budget 2023/24 to  
2027/28**

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**1. Purpose**

- 1.1 The purpose of this report is to confirm rent setting for 2023/24 and request approval of the proposed Housing Revenue Account (HRA) Revenue Budget for 2023/24 and the proposed 5-year Capital Budget for 2023/24 – 2027/28.

**2. Recommendation**

**2.1 It is recommended that the Council:**

- 2.1.1 notes the decision taken by South Ayrshire Council on 20 January 2021 which approved increases of 1.5% per annum for rent and other charges, and specific rent setting provisions for new build housing for the 3 year period from 2021/22 to 2023/24. In accordance with the statutory requirements, arrangements are in place to notify tenants of their 2023/24 rental charge which will be effective from 6 April 2023;
- 2.1.2 includes 1 bedroom new build flats within the rent freeze provision for other new build properties for 2023/24;
- 2.1.3 approves the 2023/24 HRA Revenue Budget outlined in section 4.6 of this report and [Appendix 1](#) and the proposed 5 year Capital Budget as outlined in section 4.8 of this report and [Appendix 2](#);
- 2.1.4 notes the requirements as outlined in paragraph 4.7 to review and update the Housing Revenue Account Business Plan and conduct consultation with tenants on rent setting proposals for 2024/25 onwards.

**3. Background**

- 3.1 Following a process of consultation with tenants, South Ayrshire Council of 20 January 2021 agreed the setting of Council house rents, lock up and garage site rents, garden maintenance charges and communal heating and amenity charges for the 3-year period from 2021/22 to 2023/24. Council agreed to apply a rent

increase of 1.5% annually to all stock including 1 bedroom new build properties and to continue to freeze the rent charge for all other new build properties.

- 3.2 The budgetary position of the HRA revenue and capital budgets are reported to Cabinet through the Budget Management and Capital Programme monitoring reports throughout the year. The figures contained in this report reflect decisions and any budget revisions previously approved by Cabinet.
- 3.3 On 28 October 2022, the Scottish Government introduced emergency legislation - The Cost of Living (Tenant Protection) (Scotland) Act 2022, this capped increases in social rents at 0% until 31 March 2023. The legislation also gave Scottish Ministers the ability to extend the cap beyond 31 March 2023, for two further periods of six months, with a commitment for Scottish Ministers to outline their decision in January 2023 on whether to expire the rent restrictions by the end of March 2023. Following a review and consultation with COSLA in respect of local authorities, and the Scottish Federation of Housing Associations and Glasgow and West of Scotland Forum of Housing Associations for Registered Social Landlords, Ministers reached an agreement with Social Landlords on below inflation rent increases for 2023/24. On this basis, it has been announced that the legislation relating to social rent caps will expire on 26 February 2023, allowing social landlords to progress the necessary statutory notice of any approved rent increase to tenants, giving at least 28 days' notice.

#### **4. Proposals**

- 4.1 Following the expiry of the provisions relating to the social rent cap within the Cost of Living (Tenant Protection) (Scotland) Act 2022, the previously agreed 1.5% rent increase will be applied for 2023/24. Arrangements are in place for tenants to be notified in accordance with the statutory requirements and the rent increase will be effective from Thursday 6 April 2023, which is the start date of rental period 2.
- 4.2 In reviewing the rental charges for 1 bedroom new build properties, it is acknowledged that by continuing to apply a 1.5% increase (£1.35 per week) to the rent level for new build flats in 2023/24, this will increase the variance in the comparison to the mainstream rental charge for 1 bedroom flats and will impact on the comparable rent charge with 2 bedroom new build flats. Therefore, it is proposed to apply a rent freeze to 1 bedroom new build flats in 2023/24. This will result in a reduced level of rental income of £0.009m in 2023/24 and is included in the proposed 2023/23 budget as outlined in [Appendix 1](#). The previously agreed increase of 1.5% for new build bungalows is not affected.
- 4.3 The HRA monitoring report for the period to 31 December 2022 (period 9) was reported to and approved by Cabinet on 15 February 2023. It projected a 2022/23 in year surplus of £0.155m and committed the sum of £0.950m to the Housing Capital Programme for window replacement in 2023/24, this is in line with agreed tenant priorities.
- 4.4 The audited HRA accumulated surplus brought forward from 2021/22 was £9.531m. The table below has been updated following Cabinet on 15 February 2023 and illustrates the latest commitments against the accumulated HRA reserves and provides a projected surplus as at 31 March 2023:

<b><i>Accumulated Surplus</i></b>	<b><i>Amount £m</i></b>	<b><i>Amount £m</i></b>
<b>HRA accumulated surplus as at 1 April 2022</b>	<b>9.531</b>	
<b>2022-23 projected surplus</b>	<b>0.155</b>	
<b>Minimum working balance</b>	<b>(2.000)</b>	
<b>Projected surplus for the year ended 31 March 2023</b>		<b>7.686</b>
<b>Current commitments:</b>		
Previously approved draws on surplus now committed as part of the Capital Programme	5.401	
Welfare reform - mitigating risks to HRA (per Council report of April 2013)	0.064	
Transformation within Housing - support costs	0.044	
Tenant Participation - support aims of TP Strategy	0.030	
Costs associated with Home Loss Payments at Riverside High Flats and provision for Disturbance Allowance approved by Leadership Panel 26 November 2019	0.169	
2020/21 CFCR underspend to be used for increased housing repair costs in 2023/24 approved by Cabinet 15 February 2023	1.000	
Council House Window Replacement programme approved by Cabinet 15 February 2023	0.950	
<b>Total current commitments</b>		<b>7.658</b>
<b><i>Projected uncommitted surplus at 31 March 2023</i></b>		<b>0.028</b>

4.5 A continuation of the previously agreed approach to maintain a £2m minimum uncommitted reserve has been applied. Therefore, based on current period 9 projections it leaves the sum of £0.028m uncommitted. The current commitments included in the above table will be updated as part of the year end accounts process, to reflect actual outturn position for 2022/23. Following review of the 2022/23 final outturn position for the HRA, consideration will be given to the allocation of any sums above the minimum uncommitted reserve, in line with the priorities identified by tenants from the feedback in the last rents setting consultation. Proposals will be submitted to Cabinet for approval as part of the Period 12 budget monitoring report.

#### 4.6 **2022/23 HRA Revenue Budget**

4.6.1 In preparing the proposed base budget for 2023/24, it is acknowledged that the current rate of inflation is higher than previously assumed and this is impacting on revenue and capital expenditure. However, in recognition

that 2023/24 is the final year of the previously agreed 1.5% rent increase following the last round of tenant consultation and taking account of the other cost of living pressures being experienced by tenants, the Council is committed to maintaining the 1.5% increase in 2023/24. Officers have reviewed the HRA revenue budget and taking account of areas of underspend in 2022/23 in supplies and services, transport costs and administration costs, budgets have been adjusted for 2023/24, to contribute to offsetting increased pressures in other areas. There is a £1m commitment included within the accumulated surplus to deal with any anticipated increased housing repair costs in 2023/24. In addition, if required, there is a £2m minimum working balance within the HRA. The proposed base budget for 2023/24 includes for the following:

- payroll costs that reflect the proposed Council pay award;
- current bad debt provision at 2% of rents receivable in the year;
- debt charges are based on planned capital investment detailed in 4.8 below and as outlined in [Appendix 2](#);
- housing and lock-up stock numbers, and future lock-up demolitions previously approved by Council;
- maintenance costs taking account of required uplifts to Schedule of Rates,
- the level of revenue contribution required to fund the housing capital programme – Capital Funded from Current Revenue (CFCR); and
- rental income is calculated taking account that the rent increase will be applied from 6 April 2023

4.6.2 The approved 2022/23 and proposed 2023/24 HRA budget are outlined in [Appendix 1](#).

4.7 As previously outlined, 2023/24 is the final year of the previously agreed 3-year setting of rents and other charges within the HRA. As part of the ongoing cycle to refresh stock condition data, surveys have been completed and the results are being analysed to determine future investment requirements. Survey results are indicating that increased levels of investment will be needed to upgrade and improve the external fabric of the housing stock and to support the programme of window replacement over the five year period from 2024/25. Members are asked to note that the survey findings will be used to inform proposed future investment requirements within the HRA Business Plan. Officers will review and update the assumptions within the HRA Business Plan to inform the proposals and potential options for the next round of consultation with tenants on rent setting considerations for 2024/25 onwards.

#### 4.8 ***Housing Capital Budget 2023/24 – 2027/28***

4.8.1 The Housing Capital Programme is presented in a rolling five year planning cycle to provide greater certainty over future capital investment activity and to allow for better year on year planning and engagement with tenants. The table at [Appendix 2](#) outlines the proposed housing capital investment programme for the period 2023/24 – 2027/28, indicating a proposed cumulative spend of **£182m** over the five year period. Progress

against the housing capital investment programme will be reported to Cabinet periodically throughout the year. Each year an updated budget will be presented to Council as part of the HRA budget setting process.

- 4.8.2 The proposed five year housing capital investment programme outlined in [Appendix 2](#) takes account and reflects the re-profiling relating to approved Council house building projects. It also takes account of other adjustments agreed by Cabinet as part of the Capital Programme Monitoring Reports. In addition, it reflects commitments included in the approved Strategic Housing Investment Plan (SHIP). Following completion of the analysis and review of the stock condition data and findings, proposed levels of investment from 2024/25 onwards will be updated and this will be used as the basis for consultation with tenants on future rent setting proposals.

## **5. Legal and Procurement Implications**

- 5.1 The recommendations in this report are consistent with legal requirements and reflect appropriate advice.
- 5.2 The recommendations in this report are consistent with procurement requirements. The Procurement Team are aware of the investment proposals in the proposed housing capital investment programme and this can be managed within existing resources.

## **6. Financial Implications**

- 6.1 The proposals within this report ensure that the HRA Business Plan is fundable and sustainable over 40 years, taking account of considered risks and the current levels of proposed investment.

## **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 Rejecting the recommendations may impact on the reputation of the Council, and affect the financial position of the HRA and the delivery of the housing capital investment programme.

## **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 3](#).

## 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 Commitments 1 and 6 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness; and A Better Place to Live/ Enhanced environment through social, cultural and economic activities.

## 13. Results of Consultation

- 13.1 Previous consultation was undertaken with tenants during November/December 2020. The results from this consultation were outlined in the report considered and approved by Council on 20 January 2021.

- 13.2 An information and consultation session was held on Friday 17 February 2023 with members of the Tenants Monitoring Group made up of tenant representatives and interested tenants. The proposals contained in the report were outlined and tenants were supportive of them. In line with previous arrangements, tenant representatives are keen to be involved in the future rent setting consultation process.

- 13.3 Consultation has taken place with Councillor Martin Kilbride , Portfolio Holder for Buildings, Housing and Environment 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 Purposes

- 14.1 If the recommendations above are approved by Members, the Depute Chief Executive and Director of Housing, Operations and Development and Head of Finance, ICT and Procurement 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:

<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
To set up appropriate accounting budgets for 2023/24 to reflect Council decision	31 March 2023	Head of Finance, ICT and Procurement

<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
Implement agreed rent setting with effect from 6 April 2023	6 April 2023	Service Lead – Housing Services

**Background Papers**    Report to South Ayrshire Council (Special) of 20 January 2021 – [Setting of Council House Rents and Other Rents and Charges \(2021/22 – 2023/24\) and Proposed Housing Revenue Account \(HRA\) Revenue Budget 2021/22 and Capital Budget \(2021/22 - 2025/26\)](#)

Report to South Ayrshire Council of 3 March 2022 – [Housing Revenue Account \(HRA\) – Revenue Budget 2022/23 and Capital Budget 2022/23 to 2026/27](#)

Report to Cabinet of 15 February 2023 – [Budget Management – Revenue Budgetary Control 2022/23 – Position at 31 December 2022](#)

Report to Cabinet of 15 February 2023 – [Housing Capital Programme 2022/23: Monitoring Report as at 31 December 2022](#)

**Person to Contact**    Tim Baulk, Head of Finance, ICT and Procurement  
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Phone 01292 612921  
E-mail [michael.alexander@south-ayrshire.gov.uk](mailto:michael.alexander@south-ayrshire.gov.uk)

**Date:** 20 February 2023



## Approved 2022/23 and Proposed 2023/24 HRA Revenue Budget

<b>Approved Budget 2022/23 £m</b>	<b>Subjective Analysis</b>	<b>Proposed Budget 2023/24 £m</b>
5.130	Employee costs	5.232
12.607	Property costs	12.869
0.378	Supplies and services	0.327
0.094	Transport costs	0.070
1.560	Administration costs	1.405
1.766	Support service costs	1.801
0.028	Third party payments	0.029
0.071	Transfer payments	0.114
3.868	Financing costs	4.257
8.700	CFCR	7.510
<b>34.202</b>	<b>Gross Expenditure</b>	<b>33.614</b>
(34.202)	Income	(33.614)
<b>0</b>	<b>Net Expenditure</b>	<b>0</b>



**Proposed Housing Capital Budget 2023/24 – 2027/28**

<b>Activity</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Major Component Replacements – Allocated	13.844	0	0	0	0
Major Component Replacements – Unallocated	10.000	7.500	7.500	7.500	7.500
Contingencies	0.269	0.269	0.269	0.225	0.225
Demolitions	0.200	0	0	0	0
Structural and Environmental	7.586	2.350	2.350	2.350	2.350
Sheltered Housing Environmental Improvements	0.248	0	0	0	0
Fees	0	0	0	0	0
Footpaths	0.020	0	0	0	0
Window Replacement Programme	0	0	0	0	0
Environmental Improvements	0.821	0.707	0.707	0.707	0.707
Buy back properties	0.800	0.800	0.800	0.800	0.800
New builds	41.951	26.179	13.781	9.725	9.725
<b>Total Expenditure</b>	<b>75.740</b>	<b>37.805</b>	<b>25.407</b>	<b>21.307</b>	<b>21.307</b>

This capital programme would be funded as follows:

<b>Income Source</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
CFCR	7.510	5.967	5.478	5.885	5.767

Draw on Accumulated surplus	0	0	0	0	0
Borrowing	53.671	31.838	19.929	11.747	11.865
Scottish Government Funding	14.559	0	0	3.675	3.675
2nd Homes Council Tax	0	0	0	0	0
Other Income	0	0	0	0	0
<b>Total</b>	<b>75.740</b>	<b>37.805</b>	<b>25.407</b>	<b>21.307</b>	<b>21.307</b>
<b>Net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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. See information here: [Interim Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018.

### 1. Policy details

Policy Title	<b>Rent Setting and Housing Revenue Account (HRA) – Revenue Budget 2022/23 and Capital Budget 2023/24 – 2027/28</b>
Lead Officer (Name/Position/Email)	Michael Alexander – Service Lead – Housing Services

**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 – gender identity (issues specific to women & men or girls & boys)	-	-
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? (Fairer Scotland Duty). 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**

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<b>NO</b>
<b>Rationale for decision:</b>  <b>An Equality Impact Assessment is not required on this occasion. This report is seeking a decision from Council on setting of rents and other charges, which will be applied to all tenants. The decision on this has no specific equality implications.</b>	
<b>Signed :</b> Mike Newall  Depute Chief Executive and Director of Housing, Operations and Development	
<b>Date:</b> 7 February 2023	

**South Ayrshire Council**

**Report by Head of Legal and Regulatory Services  
to South Ayrshire Council  
of 1 March 2023**

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**Subject: Review of Political Decision Making Structure,  
Working Groups and Outside Bodies**

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**1. Purpose**

1.1 The purpose of this report is to seek consideration of changes to the Political Decision Making Structure, composition of Working Groups and list of Outside Bodies.

**2. Recommendation**

**2.1 It is recommended that the Council:**

**2.1.1 considers the contents of this report;**

**2.1.2 approves the amendments to the Political Decision Making Structure as outlined at 4.1;**

**2.1.3 approves the addition of Age Concern and SOPA to the list of approved Outside Bodies and agrees that the Council is represented on these bodies by a member of the Conservative Group;**

**2.1.4 requests that the Independents confirm their representative for Cabinet and Group Leaders for their Groups to the Service and Partnerships Performance Panel, Outside Bodies and Working Groups as identified in paragraphs 4.1, 4.2 and 4.3 ;**

**2.1.5 approves the changes to the composition of Working Groups as outlined at 4.3;**

**2.1.6 requests that the Head of Legal and Regulatory Services makes revisions to the proposed timetable of Panel meetings for the period August 2023 to June 2024;**

**2.1.7 requests that the Head of Legal and Regulatory Services arranges publication of the revised Scheme of Delegation incorporating any proposed amendments; and**

**2.1.8 notes the update in respect of Freeport (Scotland) Limited.**

### 3. Background

- 3.1 A new decision-making structure was approved by the Council on 19 May 2022 (see [Appendix 1](#)) and appointments made to approved Panels on 26 May 2022.
- 3.2 Appointments to approved lists of Working Groups and Outside Bodies were also made on 26 May 2022. Copies of the current lists are attached (Working Groups - [Appendix 2](#); Outside Bodies – [Appendix 3](#)).
- 3.3 At its meeting on 13 October 2022, the Council requested the Chief Executive to seek clarity on the Council's ability to appoint an Elected Member to the Board of Freeport (Scotland) Limited and report back to a future meeting of the Council.

### 4. Proposals

4.1 Members of the Administration have requested the following changes to the Political Decision Making Structure:

- Cabinet - Creation of an additional Portfolio Holder for Developing South Ayrshire with oversight of future developments and special projects - Independent Member; and
- Merge Service and Performance and Partnerships Panels – Chair (Labour Group) and increase membership to 8 Elected Members including Chair; and
- Membership of the new Service and Partnerships Performance Panel, to comprise members as follows: Labour (1), SNP (4) and Conservative (3).

#### 4.2 *Outside Bodies*

4.2.1 In February 2021, in her capacity as Portfolio Holder for Adults' Health and Social Care, Councillor Julie Dettbarn was confirmed as the Council's representative for Age Concern and SOPA (as Older People's Champion).

4.2.2 It is proposed that the Council:

- adds Age Concern and SOPA to the list of Outside Bodies;
- approves a Conservative member as the Council's representative (as Older People's Champion); and
- requests that the Conservative Group confirms the Conservative representative.

#### 4.3 *Working Groups*

4.3.1 It is proposed that the Council:

- agrees that membership of the Planning Liaison Group be increased to 8 members and appoints a Conservative Councillor as the additional member;

- agrees that membership of the Equality and Diversity Forum be increased to 5 members and appoints a Labour Councillor as the additional member; and
- agrees that the Budget Working Group be removed from the list of approved working groups.

4.4 Group Leaders are requested to confirm the representatives for their Groups to the Service and Partnerships Performance Panel as set out in paragraph 4.1 and to the Working Groups referred to in paragraph 4.3.1 above.

4.5 Revisions to the timetable of Panel meetings for the period August 2023 to June 2024 will be required if proposals contained within this report are approved.

4.6 Revisions to the Scheme of Delegation will also be required to reflect any proposed changes. The revised remit of the Service and Partnerships Performance Panel is detailed at [Appendix 4](#) (changes marked in **bold** text) and responsibilities of the Portfolio Holder for Developing South Ayrshire at [Appendix 5](#).

#### 4.7 **Freeport (Scotland) Limited**

4.7.1 At its meeting on 13 October 2022, the Council approved the appointment of the following officers as the Council's representatives for Freeport (Scotland) Limited (as Directors):

- Depute Chief Executive and Director of Housing, Operations and Development; and
- Assistant Director – Planning and Development.

4.7.2 Freeport (Scotland) Limited have advised that there are no plans to seek to change the company name and would prefer that Council representation was from officers rather than Elected Members.

### 5. **Legal and Procurement Implications**

5.1 Officers have taken King's Counsel (KC) legal advice which has confirmed that where the decisions on the recommendations which relate to the changes to the Political Decision Making Structure, composition of Working Groups and list of Outside Bodies result in a tied vote that the decision falls to be decided by the Provost's casting vote in accordance with the provisions of Standing Order 28.3. .

5.2 There are no procurement implications arising from this report.

### 6. **Financial Implications**

6.1 The proposals outlined in this report will require amendments to Members' remuneration and these are outlined in a separate report to this meeting.

### 7. **Human Resources Implications**

7.1 Not applicable.

8/

## **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 6](#).

## **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 Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

## **13. Results of Consultation**

13.1 There has been no 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 Head of Legal and Regulatory Services 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:



<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
Publish details of membership of Panels, Working Groups and Outside Bodies	10 March 2023	Service Lead – Democratic Governance
Publish updated meeting timetable	10 March 2023	Service Lead – Democratic Governance
Updated Scheme of Delegation to be published and notified to employees	10 March 2023	Head of Legal and Regulatory Services

**Background Papers**    **Report to South Ayrshire Council of 19 May 2022 – [Review of Political Decision Making Structure and Appointments to Panels](#)**

**Report to South Ayrshire Council (Special) of 26 May 2023 – [Representation on Working Groups, Etc](#)**

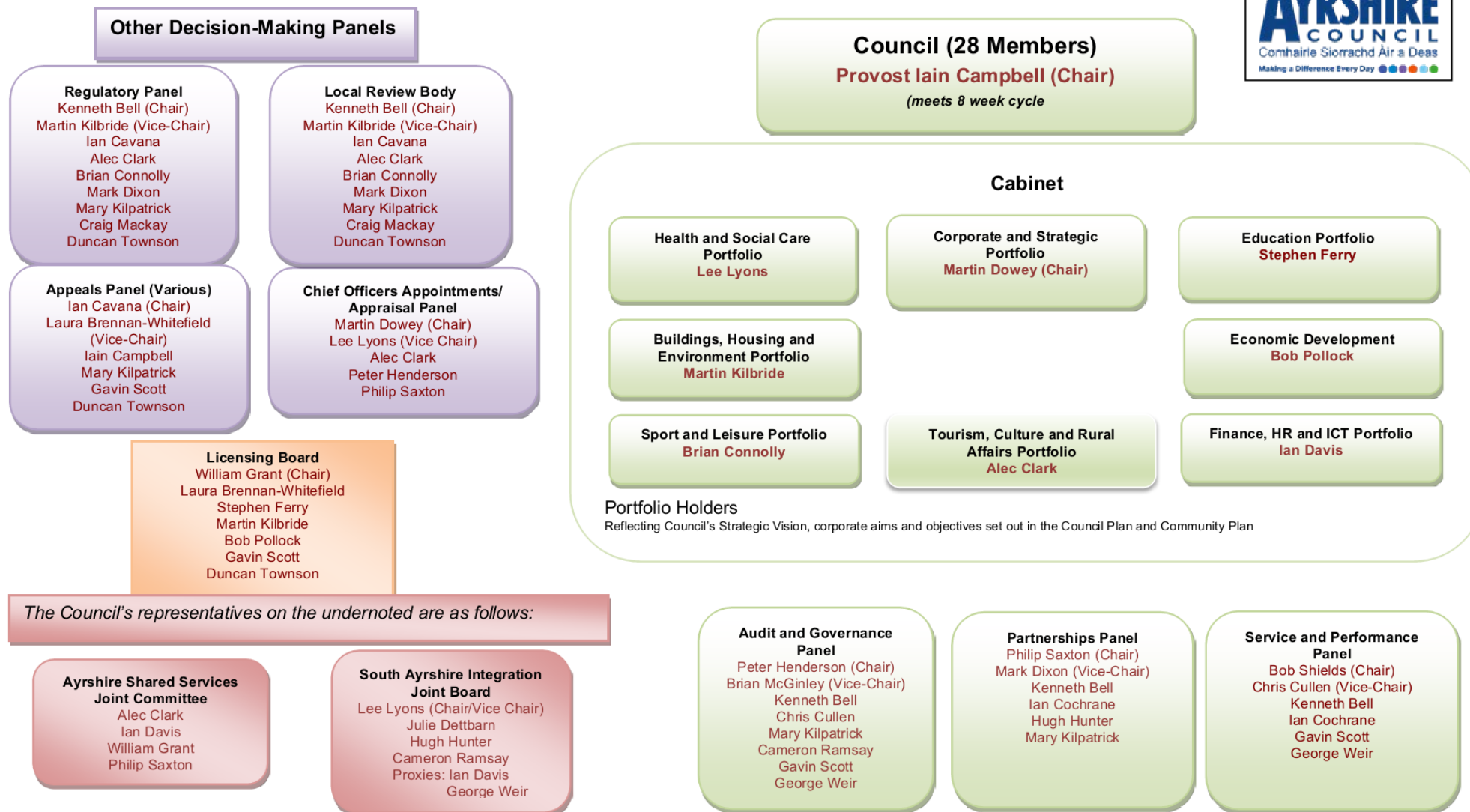
**Report to South Ayrshire Council (Special) of 26 May 2022 – [Representation on Outside Bodies](#)**

**[Scheme of Delegation](#)**

**Person to Contact**    **Catriona Caves, Head of Legal and Regulatory Services  
County Buildings, Wellington Square, Ayr, KA7 1DR  
Phone 01292 612556  
E-mail [catriona.caves@south-ayrshire.gov.uk](mailto:catriona.caves@south-ayrshire.gov.uk)**

**Date: 23 February 2023**

## Political Decision Making Structure



## Working Groups

Working Group	Nos	Representative(s)	Officer(s)
1st Tier Joint Consultative Committee	5	Iain Campbell, Martin Dowey, Peter Henderson, Lee Lyons and Cameron Ramsay	Eileen Howat, Mike Newall, Jane Bradley, Lyndsay McRoberts, Tim Eltringham, Catriona Caves, Tim Baulk, Wendy Wesson and Carol Boyd
Ayrshire Growth Deal/Levelling Up Fund/Shared Prosperity Fund Member/Officer Working Group	5	Brian Connolly, Peter Henderson, Lee Lyons, Brian McGinley and Bob Pollock	Jane Bradley
Best Value Member/ Officer Working	5	Brian Connolly, Martin Dowey, Ian Davis, Peter Henderson and Brian McGinley	Eileen Howat, Mike Newall and Kevin Anderson
Budget Working Group	5	Brian Connolly, Ian Davis, Martin Dowey, One SNP Member and One Labour Member	Eileen Howat, Mike Newall, Jane Bradley, Tim Eltringham, , Lyndsay McRoberts, Tim Baulk and Tom Simpson
Community Planning Board	3	Peter Henderson (Chair), Alec Clark and Martin Dowey	
Community Safety Partnership	3	Chris Cullen, Ian Davis and Stephen Ferry	
Community Wealth Building Member/ Officer Working Group	4	Martin Dowey, Ian Davis, Peter Henderson and Hugh Hunter	Louise Reid, Theo Leijser and David Alexander
Cost of Living Crisis Member/Officer Working Group	5	Ian Cavana, Ian Davis, Julie Dettbarn, Hugh Hunter and Lee Lyons	Mike Newall
Equality and Diversity Forum	4	Laura Brennan-Whitefield, Ian Davis, Hugh Hunter and Bob Shields	
External Risk Member/ Officer Working Group	5	Ian Davis, Mark Dixon, Peter Henderson, Mary Kilpatrick and Bob Shields	Catriona Caves, Mike Newall and Theo Leijser
Gypsy/ Traveller Member/ Officer Working Group	6	Alec Clark, Julie Dettbarn, Martin Dowey, Martin Kilbride, William Grant and Bob Shields	Mike Newall and Michael Alexander
Lifelong Learning Partnership	3	Stephen Ferry, Bob Pollock and George Weir	
Multi-Agency Partnership to Tackle Violence Against Women and Children	3	Laura Brennan-Whitefield, Ian Cavana and Ian Davis	
Planning Liaison Group	7	Ian Cavana, Alec Clark, Brian Connolly, Martin Kilbride, Mary Kilpatrick, Craig Mackay and Duncan Townson	Louise Reid and Craig Iles
Significant Capital Projects Member/ Officer Working Group	5	Ian Cochrane, Chris Cullen, Ian Davis, Bob Pollock and Duncan Townson	Louise Reid and Derek Yuille
Sounding Board for Ayr Town Centre	4	Martin Dowey, Lee Lyons, Bob Shields and George Weir	Eileen Howat

<b>Working Group</b>	<b>Nos</b>	<b>Representative(s)</b>	<b>Officer(s)</b>
South Ayrshire Cycling Forum	3	Kenny Bell, Craig Mackay and Cameron Ramsay	
South Ayrshire Local Access Forum	3	Alec Clark, Ian Davis and Craig Mackay	
Sustainable Development and Climate Change Member/Officer Working Group	5	Ian Cochrane, Martin Dowey, Peter Henderson, Hugh Hunter and Martin Kilbride	Eileen Howat, Mike Newall, Louise Reid, Tom Burns and Kenny Dalrymple
Station Hotel Member/Officer Working	5	Chris Cullen, Martin Dowey, Lee Lyons, Brian McGinley and Bob Shields	Mike Newall
Trauma Informed Member/Officer Working Group	4	Kenny Bell, Julie Dettbarn, Stephen Ferry and Brian McGinley	

**February 2023**

**Outside Bodies**

<b>Outside Body</b>	<b>Nos</b>	<b>Member Representative(s)</b>	<b>Officer Representative(s)</b>
Armed Forces and Veterans Champion	1	Iain Campbell	
Ayr Gaiety Partnership Board	1	Brian Connolly (as Director)	
Ayr United Football Academy Limited	1	Brian Connolly	
Ayrshire and Arran Health Board (subject to Ministerial approval)	1	Lee Lyons (as Director)	
Ayrshire Area Support Team/ Children's Hearings Scotland	1	William Grant	
Ayrshire Community Wealth Building Commission	2	Martin Dowey (as Leader) and Bob Pollock	Director of Strategic Change and Communities
Ayrshire Engineering Alliance	1	Peter Henderson (as an Observer)	
Ayrshire Flood Steering Group	1	Bob Pollock	
Ayrshire Economic Joint Committee	3	Martin Dowey, Peter Henderson and Bob Pollock	
Ayrshire Economic Joint Committee Sub-Committee	1	Bob Pollock	
Ayrshire Economic Partnership	3	Martin Dowey, Peter Henderson and Bob Pollock	
Ayrshire Valuation Joint Board (South Ayrshire – Chair)	5	Hugh Hunter (Chair) Iain Campbell, Mark Dixon, Bob Shields and Cameron Ramsay	Clerk: Service Lead – Democratic Governance Treasurer: Head of Finance, ICT and Procurement

<b>Outside Body</b>	<b>Nos</b>	<b>Member Representative(s)</b>	<b>Officer Representative(s)</b>
Bill Barr South Ayrshire Enterprise Award Trust	1	Stephen Ferry (as a Trustee)	
British Red Cross Disaster Fund Appeal (The Council's Disaster Fund)	4 (including Provost)	Iain Campbell (as Provost) Laura Brennan-Whitefield, Martin Dowey, Lee Lyons, Duncan Townson	
Business Loans Scotland	1 (plus Proxy)	Peter Henderson Proxy: Bob Pollock	
CK Marr Educational Trust	4	Craig Mackay, Bob Pollock and Philip Saxton	Director of Education
Clyde Marine Planning Partnership	1	Iain Campbell	Strategic Planner
Community Justice Ayrshire Board	1 (plus Substitute)	Julie Dettbarn Substitute: Stephen Ferry	
David Elder Edward's Trust	2 (Portfolio Holder and Provost)	Iain Campbell (as Provost) Alec Clark (as Portfolio Holder)	Director of Strategic Change and Communities
Energy Agency – South Ayrshire	3	Martin Kilbride (Chair) Craig Mackay, Philip Saxton (as Directors)	
Fairtrade	1	Martin Kilbride	
Freeport (Scotland) Ltd	N/A	N/A	Depute Chief Executive and Director of Housing, Operations and Development; and Assistant Director – Planning and Development (as Directors)
Galloway and Southern Ayrshire Biosphere Scottish Charitable Incorporated Organisation (Partnership Board)	1 (plus Substitute)	Alec Clark Substitute: Martin Kilbride (as Charitable Trustee)	

<b>Outside Body</b>	<b>Nos</b>	<b>Member Representative(s)</b>	<b>Officer Representative(s)</b>
Glasgow Prestwick International Airport Consultative Committee	2	Ian Cochrane, Bob Pollock	Depute Chief Executive and Director of Housing, Operations and Development
Industrial Communities Alliance	2	Martin Dowey, Peter Henderson	
Lowland Reserve Forces' and Cadets' Association	1 (Provost)	Iain Campbell (as Provost)	
Maclaurin Bequest	4 (including Provost)	Iain Campbell (as Provost) Martin Dowey, Mary Kilpatrick, Duncan Townson (as Curators)	
McKechnie Institute Trust, Girvan	3	Alec Clark, Peter Henderson, Gavin Scott (as Members of Ward 8)	
Scotland Excel	1 (plus Substitute)	Peter Henderson Substitute: Lee Lyons	
Scottish Council Committee on Radioactive Substances	1	Craig Mackay	Team Leader (Trading Standards and Environmental Health) (Gordon Lauder)
Skypath Aerospace Training Community Interest Company (CIC)	n/a	n/a	Co-ordinator, Economy and Regeneration (as Board Member)
South Ayrshire Sports Council Executive	2	Brian Connolly, Chris Cullen	
South Ayrshire Waste and Environment Trust	1	Martin Kilbride	
South West Scotland Community Rail Partnership Limited	1	Peter Henderson	
Strathclyde Concessionary Travel Scheme Joint Committee	1	Ian Cochrane	
Strathclyde Partnership for Transport	1 (plus Depute)	Duncan Townson Depute: Gavin Scott	

<b>Outside Body</b>	<b>Nos</b>	<b>Member Representative(s)</b>	<b>Officer Representative(s)</b>
Strathclyde Pension Fund – Pension Board Employer Representative		Ian Davis	
Supplier Development Programme Board	1	Peter Henderson	
SWHub Territory Partnering Board	1	N/A	Depute Chief Executive and Director of Housing, Operations and Development
Hub SW Ayr DBFM Co Limited; Hub SW Ayr Holdco Limited; Hub SW QMA DBFM Co Limited; Hub SW QMA Holdco Limited	1	N/A	Depute Chief Executive and Director of Housing, Operations and Development
Thomas Davidson Trust	3	Alec Clark, Peter Henderson, Gavin Scott (as Members of Ward 8)	Head of Legal and Regulatory Services
Town Twinning Forum	1 (plus Depute)	Iain Campbell Depute: Mary Kilpatrick	
West of Scotland Archaeological Service Joint Committee	1	Gavin Scott	
West of Scotland European Forum	1 (plus Substitute)	Martin Dowey Substitute: Lee Lyons	
West of Scotland Road Safety Forum	1	Bob Pollock	Manager, Neighbourhood Services
Youth Champion	1	Cameron Ramsay	

October 2022



## Terms of Reference and Delegations to Scrutiny Panels

Scrutiny Panels will focus on issues being decided on by the Cabinet and which support the Council Plan and the Council's Strategic Objectives and Outcomes.

In *all but one case* the specific legislative powers of the Council have either been reserved to the Council itself or delegated to officers, Joint Boards, Committees, Sub-Committees, Joint Committees, Panels or the Cabinet. The *one exception* is in the case of the Council's statutory audit function which has been delegated to the Audit and Governance Panel.

The Audit and Governance Panel has a specific power to consider and determine call ins of decisions of the Cabinet (see section 4 below).

The **Service and Partnerships Performance** Panel will receive and consider petitions received by the Council from the public in accordance with the Petitions Protocol.

Otherwise the Scrutiny Panels' functions relate to the governance and scrutiny of decisions, performance and improvement activity and all recommendations arising from the carrying out of the scrutiny process are to be reported back to the Cabinet or Council for decision.

In any situation of uncertainty, it is for the Chief Executive to determine which Scrutiny Panel should undertake any particular scrutiny activity.

The Council has established ~~three~~**two** Scrutiny Panels and their remits and terms of reference are as follows:

### 1. **Audit and Governance Panel**

- 1.1 To act as the Audit Committee of the Council within the remit and powers as set out in detail in the [Audit Committee Handbook](#) approved by Council, and including:
  - 1.1.1 considering the overall adequacy and effectiveness of the Council's framework of governance, risk management and control arrangements, including the associated anti-fraud and anti-corruption arrangements;
  - 1.1.2 undertaking regular scrutiny of the Council's risk register and challenging the effectiveness of the risk mitigations put in place by risk owners to reduce the risks in line with the Council's risk tolerance;
  - 1.1.3 receiving and considering the Council's unaudited Annual Accounts (including the statements which form part of the Annual Accounts) as submitted to the auditor by the Proper Officer (unless received and considered by full Council);
  - 1.1.4 receiving and considering the Annual Report to Members of the Council and the Controller of Audit in the annual audit;
  - 1.1.5 receiving, considering and approving the audited Annual Accounts (including the statements which form part of the Annual Accounts) by no later than 30 September immediately following the financial year to which the accounts relate (unless received, considered and approved by full

Council), and in so doing to have regard to any report made or advice provided on the Annual Accounts by the Proper Officer or appointed auditor;

- 1.1.6 ensuring that any issues arising from the process of drawing up, auditing and certifying the Annual Accounts are properly dealt with;
  - 1.1.7 undertaking the same role and remit as set out in paragraphs 1.1.2, 1.1.3, 1.1.4 and 1.1.5 above in relation to the Annual Accounts of charitable trusts administered by the Council and of which Councillors are Trustees;
  - 1.1.8 receiving and reviewing summary Internal Audit reports and the main issues arising, and seek assurance that action has been taken where necessary;
  - 1.1.9 receiving the annual report of the Chief Internal Auditor and monitoring the performance of the Internal Audit service;
  - 1.1.10 receiving and considering all reports of the external auditors, Audit Scotland, Accounts Commission (and other inspection agencies, where not within the remit of the Cabinet), including reports relating to charitable trusts administered by the Council and of which Councillors are Trustees, and, where appropriate, remit to another Scrutiny Panel for further detailed scrutiny;
  - 1.1.11 monitoring management action in response to the issues raised by the external auditors, including but not limited to the Strategic Audit Priorities and follow-up to any Best Value Audit reports.
- 1.2 To deal with called-in decisions of the Cabinet for further discussion, consideration and investigation, all in accordance with the provisions of the [Scrutiny Handbook](#), and to:
- 1.2.1 agree the Cabinet decision(s); or
  - 1.2.2 continue the matter to the next meeting of the Panel (which may include an additional meeting held in terms of Standing Order 35.3 (2)) for further discussion, consideration, investigation or agreement; and/ or
  - 1.2.3 refer the matter back to the Cabinet, with recommendations, for final deliberation.
- 1.3 To deal with applications for review of decisions in relation to Community Asset Transfer requests for further discussion, consideration and investigation, and to:
- 1.3.1 agree the Cabinet decision(s); or
  - 1.3.2 continue the matter to the next meeting of the Panel (which may include an additional meeting held in terms of Standing Order 35.3 (2)) for further discussion, consideration, investigation or agreement; and/ or
  - 1.3.3 refer the matter back to the Cabinet, with recommendations, for final deliberation.

- 1.4 To keep under review the Council's local Code of Corporate Governance (in terms of the Delivering Good Governance Framework) and ensure arrangements for its review and continuing relevance leading to the publication of an annual statement as part of the Council's Annual Accounts confirming how well the Council is complying with the framework.
- 1.5 To monitor and review the effectiveness of the Council's Scrutiny Panel arrangements having regard to the Council's powers and duties under Best Value, continuous improvement and effective resource management in the provision of services, performance management frameworks, value for money, and business improvement/ re-design.
- 1.6 To promote and maintain high standards of conduct by all Elected Members of the Council, including consideration of the management and operation of ethical standards as set out in the Councillors' Code of Conduct within the Council, and recommending to Council, if appropriate, the adoption of any protocols relating to Members' conduct supplementary to the Councillors' Code of Conduct, and to consider and advise the Council on any requirements for supplementary training or additional support for Members in relation to ethical standards or any other matters.
- 1.7 To consider any issues which are referred to it by the Council or Cabinet for detailed scrutiny.
- 1.8 To ensure that areas of concern arising from the Audit Committee function are reported to Council, including those that may require further scrutiny either by the Panel or Council.
- 1.9 To make recommendations to the Cabinet or Council (as appropriate) on matters arising from the outcome of the scrutiny processes carried out by the Panel including recommendations for areas for Service Review in accordance with the Council's approved [Framework](#).

## **2. Service and Partnerships Performance Panel**

- 2.1 To monitor, review and challenge the performance of the Council's services and service delivery having regard to the Council Plan, the Council's strategic objectives and outcomes, corporate improvement programme, the approved Service and Improvement Plans and performance targets, across all service areas, ~~(but excluding the delivery of services by or in partnership with external bodies falling within the remit of the Partnerships Panel)~~, in accordance with the [Scrutiny Handbook](#) and including:
  - 2.1.1 receiving and considering regular reports in relation to performance in terms of the approved Service and Improvement Plans and corporate improvement programme;
  - 2.1.2 receiving and considering service benchmarking information; and
  - 2.1.3 reviewing the effectiveness of performance reporting arrangements.
- 2.2 To consider external inspection agency reports relating to services which have been referred to this Panel by the Cabinet or the Audit and Governance Panel.
- 2.3 To undertake in-depth reviews of particular issues of concern in areas of service provision where performance issues have been identified through the Panel's

consideration of the Service and Improvement Plans or other performance reports, all as detailed in, and in accordance with, the [Scrutiny Handbook](#) and as set out in the Panel's annual work programme, and to refer any recommendations arising from such review to the Cabinet for consideration.

2.4 To receive and consider regular reports on public complaints handling and information governance arrangements within the Council.

~~2.5 Where necessary, to remit reports to the Partnerships Panel for detailed scrutiny of matters falling within the terms of reference of that Panel.~~

2.65 To consider any issues which are referred to it by the Council, Cabinet or the Audit and Governance Panel for detailed scrutiny.

2.67 To make recommendations to the Cabinet or Council (as appropriate) on matters arising from the outcome of the scrutiny processes carried out by the Panel, including recommendations for areas for Service Review in accordance with the Council's approved [Framework](#)

### ~~3. Partnerships Panel~~

~~3.12.7~~ To monitor, review and challenge the performance of services in South Ayrshire which are delivered through or in partnership with external bodies, including improvement actions and performance targets, where applicable, having regard to the Council Plan and the Council's strategic objectives and outcomes, and its duties of Best Value, Following the Public Pound, continuous improvement and effective resource management, in accordance with the [Scrutiny Handbook](#), and including (but not limited to) performance of and in relation to:

~~3.12.7.1 Ayr Renaissance LLP and~~ any Leisure trusts and other arm's length external organisations in which the Council participates;

~~3.12.7.2~~ Police Scotland;

~~3.12.7.3~~ the Scottish Fire and Rescue Service;

~~3.12.7.4~~ the use of Common Good funds and assets;

~~3.12.7.5~~ Community Planning (including funded projects);

~~3.12.7.6~~ Ayrshire Shared Services Joint Committee;

~~2.7.7~~ hub South West Scotland Ltd; and

~~3.12.7.87~~ any other South Ayrshire Council funded projects and organisations.

~~3.22.8~~ To receive and hear Petitions addressed to the Council from members of the public, in accordance with the Council's Petitions Protocol, and to determine the appropriate action to be taken within the terms of that Protocol, including, where considered appropriate by the Panel, to report to Cabinet with recommendations.

~~3.3 Where necessary, to remit reports to the Service and Performance Panel for detailed scrutiny of matters falling within the terms of reference of that Panel.~~

- ~~3.4 To consider any issues which are referred to it by the Council, Cabinet or the Audit and Governance Panel for detailed scrutiny.~~
- ~~3.5 To make recommendations to the Cabinet or Council (as appropriate) on matters arising from the outcome of the scrutiny processes carried out by the Panel including recommendations for areas for Service Review in accordance with the Council's approved [Framework](#)~~

## **Proposed Responsibilities of Portfolio Holder for Developing South Ayrshire**

### **4.12 *Developing South Ayrshire Portfolio***

- 4.12.1 To exercise strategic and political leadership and to formulate appropriate strategic and operational plans to achieve the Council's objectives in relation to the development of South Ayrshire area.
- 4.12.2 The following functions comprised within this Portfolio are hereby delegated to the Cabinet as specific delegations (subject to the exceptions at para 1.1 above and in addition to the general delegation to the Cabinet at para 3.1 above and on the basis that the Cabinet will make recommendations to Council as appropriate in accordance with the provisions set out in Section 1 of this Scheme):
- 4.12.3 In pursuit of this remit, the Portfolio Holder will oversee the following functions/ services to ensure their effective management and continuous improvement:
- Special Projects.

## 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	Review of Political Decision Making Structure, Working Groups and Outside Bodies
Lead Officer (Name/Position/Email)	Catrina Caves, Head of Legal and Regulatory Services – catrina.caves@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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low
<b>Foster good relations</b> 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

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<del>YES</del> <b>NO</b>
<b>Rationale for decision:</b>  <b>This report seeks Council approval of changes to the political decision making structure, working groups and outside bodies. Their decision on this has no specific equality implications</b>	
<b>Signed :</b> Catriona Caves	<b>Head of Service</b>
<b>Date:</b> 21 February 2023	

**South Ayrshire Council**

**Report by Head of Legal and Regulatory Services  
to South Ayrshire Council  
of 1 March 2023**

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**Subject: Members' Remuneration**

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**1. Purpose**

1.1 The purpose of this report is to seek consideration of changes to the Members' Remuneration.

**2. Recommendation**

**2.1 It is recommended that the Council:**

**2.1.1 considers the contents of this report; and**

**2.1.2 approves the revisions to Members' Remuneration as outlined at 4.2 and 4.3.**

**3. Background**

3.1 A new decision-making structure was approved by the Council on 19 May 2022 and appointments made to approved Panels.

3.2 In addition to the Leader of the Council and the Civic Head, each local authority may have a maximum number of Senior Councillors, and a total budget for paying them. The maximum set for South Ayrshire Council is 14 Senior Councillors within a budget of £342,524 for 2022/23.

3.3 On 19 May 2022, the Council approved 13 Senior Councillors – 7 members of Cabinet at £26,305 and 6 other members (Panel Chairs) at £23,704 – a total of £326,359. The number of Senior Councillors was reduced to 12 and cost reduced to £300,054 when Depute Leader was appointed to Ayrshire and Arran Health Board and reverted to receiving a basic allowance.

**4. Proposals**

4.1 Members of the Administration have requested the changes to the Political Decision Making Structure in an earlier report on the agenda:

- Cabinet - Creation of an additional Portfolio Holder for Developing South Ayrshire with oversight of future developments and special projects; and
- Merging of the Service and Performance and Partnerships Panels.

4.2 The proposed changes outlined at 4.1 impact on the Members' remuneration approved by Council in May 2022 and are summarised as follows:

- Additional Senior Councillor £26,305 (Portfolio Holder – Developing South Ayrshire); and
- Reduction in Senior Councillor £23,704 (Panel Chair, through merger of Service and Performance and Partnerships Panels).

4.3 The Administration has also requested that the post of Depute Provost be a Senior Councillor and receive £23,704.

## 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 The proposals outlined in this report will increase the cost of Members' Remuneration to £326,359 and the number of Senior Councillors to 13. This is within the permitted budget and overall number of Senior Councillors.

## 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 1](#).

## 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 Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

## 13. Results of Consultation

13.1 There has been no 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 Head of Legal and Regulatory Services 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>
Make arrangements for payment of salaries to reflect decision	10 March 2023	Service Lead – Democratic Governance

**Background Papers**    Report to South Ayrshire Council of 19 May 2022 – [Review of Political Decision Making Structure and Appointments to Panels](#)

Report to South Ayrshire Council of 19 May 2022 - [Members' Remuneration](#)

**Person to Contact**    Catriona Caves, Head of Legal and Regulatory Services  
County Buildings, Wellington Square, Ayr, KA7 1DR  
Phone 01292 612556  
E-mail [catriona.caves@south-ayrshire.gov.uk](mailto:catriona.caves@south-ayrshire.gov.uk)

**Date:** 23 February 2023

## 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	Review of Political Decision Making Structure and Appointments to Panels
Lead Officer (Name/Position/Email)	Catrina Caves, Head of Legal and Regulatory Services – catrina.caves@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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low
<b>Foster good relations</b> 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

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<del>YES</del> <b>NO</b>
<b>Rationale for decision:</b>  <b>This report seeks Council approval of changes to Members' remuneration. Their decision on this has no specific equality implications</b>	
<b>Signed :</b> Catriona Caves	<b>Head of Service</b>
<b>Date:</b> 21 February 2023	

**South Ayrshire Council**

**Report by Head of Legal and Regulatory Services  
to South Ayrshire Council  
of 1 March 2023**

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**Subject: Appointments to Panels, Working Groups, Etc**

---

**1. Purpose**

1.1 The purpose of this report is to seek approval to make alterations to the lists of Panels, Working Groups, etc.

**2. Recommendation**

**2.1 It is recommended that the Council:**

**2.1.1 notes the change in the representative nominated by the Administration identified in 4.1.1 as the Conservative member of the Ayrshire Shared Services Committee;**

**2.1.2 notes the change in the representatives nominated by the SNP and Labour Groups identified in 4.1.2 as the SNP and Labour members of the Best Value Member/ Officer Working Group;**

**2.1.3 notes the change in the representative nominated by the SNP Group identified in 4.1.3 as the SNP member of the Sustainable Development and Climate Change Member/ Officer Working Group;**

**2.1.4 requests that officers make the required amendments to the lists of Panels and Working Groups to reflect these changes; and**

**2.1.5 considers any other amendments which might be required to membership of Panels, Working Groups, etc.**

**3. Background**

3.1 In terms of para 11.1 of the Council's Scheme of Delegation, amendment of the membership of the Cabinet and other Panels, Committees and Sub-Committees is reserved to Council.

3.2 In terms of para 11.2 of the Council's Scheme of Delegation, the selection and de-selection of Councillors and officers to serve on and/ or to represent the Council on Joint Committees, Joint Boards and other external bodies and organisations is reserved to Council.

**4/**



## **4. Proposals**

4.1 Political groups have requested the following changes to their party membership of Panels, Working Groups, etc:

4.1.1 The Administration has requested that Councillor Bob Pollock replaces Councillor Ian Davis as the Conservative member of the Ayrshire Shared Services Joint Committee.

4.1.2 The SNP and Labour Groups have requested that Councillors Julie Dettbarn and Duncan Townson, respectively, replace Councillors Peter Henderson and Brian McGinley as the SNP and Labour members on the Best Value Member/ Officer Working Group.

4.1.3 The SNP Group has requested that Councillor Craig Mackay replaces Councillor Ian Cochrane as the SNP member of the Sustainable Development and Climate Change Member/ Officer Working Group.

## **5. Legal and Procurement Implications**

5.1 Officers have taken King's Counsel (KC) legal advice which has confirmed that, where parties are nominating representatives to replace the positions they fill as political parties on Panels, Working Groups or Outside Bodies, then this is a decision for the Groups to nominate.

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 1](#).

## 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 Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

## 13. Results of Consultation

- 13.1 There has been no 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 Head of Legal and Regulatory Services 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:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Publish details of membership of Panels, Working Groups, etc	10 March 2023	Service Lead – Democratic Governance

**Background Papers**    [Scheme of Delegation](#)

**Person to Contact**    **Catriona Caves, Head of Legal and Regulatory Services**  
**County Buildings, Wellington Square, Ayr, KA7 1DR**  
**Phone 01292 612556**  
**E-mail [catriona.caves@south-ayrshire.gov.uk](mailto:catriona.caves@south-ayrshire.gov.uk)**

**Date: 23 February 2023**

## 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	Appointments to Panels
Lead Officer (Name/Position/Email)	Catriona Caves, Head of Legal and Regulatory Services – catriona.caves@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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low
<b>Foster good relations</b> 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

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<del>YES</del> <b>NO</b>
<b>Rationale for decision:</b>  <b>This report seeks approval to make alterations to the lists of Panels, Working Groups, etc. Their decision on this has no specific equality implications</b>	
<b>Signed :</b> Catriona Caves	<b>Head of Service</b>
<b>Date:</b> 21 February 2023	

**South Ayrshire Council**

**Report by Depute Chief Executive and Director  
of Housing, Operations and Development  
to South Ayrshire Council  
of 1 March 2023**

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**Subject:      Ayr Station Hotel Update**

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**1.      Purpose**

1.1      The purpose of this report is to provide an update on matters relating to the Station Hotel in Ayr and to seek approval for the continuation of funding for the protective measures in place at the building until the end of September 2023, and for the appointment of an external expert to support the development of a programme of works for the demolition of the southern wing of the building and for securing all necessary permissions for doing so.

**2.      Recommendation**

**2.1      It is recommended that the Council:**

**2.1.1      agrees funding of £500,000 from uncommitted reserves to continue the building encapsulation until the end of September 2023; to carry out works to future-proof the encapsulation to extend the lifetime of the protective measures; and to appoint an external expert to support the development of a programme of works for the demolition of the southern wing of the building and for securing all necessary permissions for doing so;**

**2.1.2      notes the activity undertaken by the stakeholders and the Ayr Station Hotel Strategic Governance Group on the Atkin's Phase 2 Option Appraisal Review;**

**2.1.3      notes the ongoing engagement with interested action groups and potential developers of the building; and**

**2.1.4      requests that officers submit an update report to the Cabinet in September 2023.**

**3.      Background**

3.1      At its meeting on 15 December 2022, the Council agreed that Option 3 from the Mott McDonald structural survey report, [the demolition of the southern wing of the building](#), was the preferred way forward to allow the Council, as Building Standards Authority, to address the significant health and safety concerns relating to the condition of the building and to satisfy the requirements of Section 29 of the Building (Scotland) Act 2003.

- 3.2 [Appendix 1](#) sets out works undertaken by Council officers since the Council meeting of 15 December 2022, and confirms the number of meetings and correspondence exchanges that have taken place with individuals and groups seeking to find a solution to save the former Station Hotel building, and with strategic partners who are working towards a resolution to the public safety concerns currently present.
- 3.3 In addition to this, a Member/ Officer Working Group meeting took place on Friday 24 February 2023 where Members were brought up-to-date with all actions associated with the former Station Hotel building.

#### **4. Proposals**

- 4.1 Members are requested to agree to continue to fund the encapsulation arrangements until the end of September 2023; to agree that works are undertaken to future-proof the encapsulation to extend the lifetime of these protective measures; and to appoint an external expert to support the development of a programme of works for the demolition of the southern wing of the building and to secure all permissions to do so. Members are requested to approve a sum of £500,000 from uncommitted reserves for these activities.
- 4.2 Officers are continuing to pursue through the Ayr Station Hotel Strategic Governance Group the reinstatement of the shared funding arrangement for the encapsulation costs. The next meeting of the Strategic Governance Group will take place on Thursday 9 March 2023.
- 4.3 It is proposed that officers present a further update report to the Cabinet in September 2023.

#### **5. Legal and Procurement Implications**

- 5.1 Members will be aware that the Council has been pursuing recovery of all costs incurred so far in relation to the Station Hotel building from the absentee owner, Mr. Ung, through both British and Malaysian legal processes.
- 5.2 Whilst the building remains in a dangerous condition, there will be ongoing costs incurred by the Council in the discharge of its statutory duties under the Building (Scotland) Act 2003.
- 5.3 There are no procurement implications immediately arising from this report as the appointment of an external expert to support the Building Standards team to prepare a programme of works for the demolition of the southern wing of the building will be through approved procurement frameworks.

#### **6. Financial Implications**

- 6.1 As the building remains in a dangerous state, the Council is required to meet its duty under the Building (Scotland) Act 2003. At its meeting on 15 December 2022 the Council agreed to continue to fund the encapsulation of the building until the end of March 2023.
- 6.2 The ongoing costs of the encapsulation, beyond March 2023, will require to be funded by the Council until either an alternative safety solution is implemented, or the Station Hotel site is redeveloped. Whilst the £0.500m requested funds (per para 4.1) can currently be met from uncommitted reserves, a permanent solution

requires to be identified to prevent the Council from continuing to have to fund on an ongoing basis. If a solution is not found in the near term the ongoing burden will eventually deplete the Councils uncommitted reserves below tolerable levels.

- 6.3 To date no further funding sources have been identified that will support the payment of the demolition of the southern wing of the building.

## **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 agreeing to the above recommendations.

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

- 8.2.1 There is a risk that, if the above recommendations are rejected, the Council will not be in a position to fulfil its legal duties as set out in the Building (Scotland) Act 2003.

## **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 this report contribute to Commitments 4 and 6 of the Council Plan: South Ayrshire Works, Make the most of Local Economy; and A better place to live, Enhanced environment through social, cultural and economic activities.

## **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, and with local Elected Members



Councillors Chris Cullen, Mary Kilpatrick and Brian McGinley, 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 Depute Chief Executive and 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:

<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
Implement any further actions as required under the Building (Scotland) Act 2003 in relation to the Station Hotel building in Ayr	30 September 2023	Service Lead - Planning and Building Standards
Appoint an external expert to support the development of a programme of works and to secure all necessary permissions to enable the demolition of the southern section of the Hotel building	30 September 2023	Assistant Director – Planning and Development
Explore alternative funding sources for the proposed demolition of the southern wing of the Hotel building	30 September 2023	Assistant Director – Planning and Development
Provide a further update to the Cabinet	26 September 2023	Assistant Director – Planning and Development

**Background Papers:** **Report to South Ayrshire Council of 15 December 2022 – [Station Hotel Update](#)**

**Persons to Contact:** **Mike Newall, Depute Chief Executive and Director of Housing, Operations and Development,  
County Buildings, Wellington Square, Ayr, KA7 1DR  
Phone 01292 616231  
E-mail [mike.newall@south-ayrshire.gov.uk](mailto:mike.newall@south-ayrshire.gov.uk)**

**Chris Cox, Assistant Director – Planning and Development  
County Buildings, Wellington Square, Ayr, KA7 1DR  
Phone 01292 612981  
E-mail [chris.cox@south-ayrshire.gov.uk](mailto:chris.cox@south-ayrshire.gov.uk)**

**Date: 23 February 2023**

## Ayr Station Hotel – Timeline of Events

No	Date	Event
1	26.09.22	An Ayr Station Hotel Community Action Group meeting took place in Ayr Town Hall where three speakers: one an Architect; the second who was the Strathclyde Lead of the Architectural Heritage Society of Scotland; and the third who gives support to the “SAVE Britain’s Heritage” group sought to gather support from the wider Ayr community to save the Station Hotel building.
2	02.10.22	Email from a Community Action Group <sup>1</sup> regarding the press release following the Public Meeting in the Town Hall on 26 <sup>th</sup> September 2022.
3	10.10.22	Letter from SAVE Britain’s Heritage to the Leader of the Council requesting clarification about access to the interior of the building.
4	20.10.22	Internal Council meeting to discuss the ‘ATKINS Ayr Station Hotel Phase 2 Options Review’ report dated May 2021.
5	21.10.22	Internal Council meeting to discuss the need to reconvene at the earliest opportunity an Operational Working Group meeting
6	21.10.22	Email from a Community Action Group requesting access into the Station Hotel building.
7	21.10.22	Copy of an email from a member of a Community Action Group to Lord Offord of Garvel, Parliamentary Under Secretary of State for Scotland which was copied to the Leader of the Council in relation to a request for support to save the Station Hotel building.
8	24.10.22	Internal Council meeting to discuss the content of the Mott MacDonald ‘Ayr Station Hotel RIBA Stage 2 Cost Plan Revision A Issued 14/10/22’.
9	24.10.22	Internal email Council exchange setting out the legal position and legal implications associated with the recovery of sums due by the absentee owner of the Ayr Station Hotel building.
10	24.10.22	Email exchange between the Community Action Group, Elected Members and Council Officers requesting access to the interior of the building.
11	25.10.22	Internal Council meeting to discuss proposals for the way forward to seek to remove the ongoing costs incurred by the Council.
12	25.10.22	Meeting between the Depute Chief Executive and a representative from Scotrail to discuss the ongoing matters associated with the Station Hotel building.
13	28.10.22	Meeting between the Depute Chief Executive and a member of a Community Action Group regarding options that may be considered in the efforts to save the Hotel building.
14	03.11.22	Internal Council meeting to discuss ongoing costs incurred by the Council for the building encapsulation works, and to consider improved security measures following a break-in by the group known as the ‘Urban Explorers’.

<sup>1</sup> References to ‘a Community Action Group’ relate to any and all individuals and groups who have expressed an interest in saving the Station Hotel building. To date there have been more than five individuals or groups.

No	Date	Event
15	09.11.22	Email from a Community Action Group to the Depute Chief Executive to advise of the video link to the Urban Explorer's video from October 2022 that displayed the interior condition of the Station Hotel building.
16	10.11.22	Email from a Community Action Group to the Depute Chief Executive to advise that the group would be seeking political support from both Westminster and Holyrood to save the Ayr Station Hotel building.
17	10.11.22	Email from a Community Action Group to the Leader of the Council and copied to the Depute Chief Executive regarding concerns about the condition of the former Station Hotel building.
18	11.11.22	Email from the Council's Head of Legal and Regulatory Services to the Depute Chief Executive regarding the Joint Opinion of Counsel in relation to the Ayr Station Hotel building.
19	14.11.22	Meeting of the Strategic Governance Group. Actions from the meeting: <ul style="list-style-type: none"> <li>• All public bodies to submit their costs and revenue losses as a result of all ongoing actions with the Station Hotel building;</li> <li>• Request for a meeting with the Transport Minister Jenny Gilruth and the Leader of the Council to seek to restore the cost sharing agreement of the building encapsulation works;</li> <li>• Terms of Reference for the Strategic Governance Group to be drafted and agreed;</li> <li>• The Council to act as lead on all joint communication messaging;</li> <li>• The Strategic Governance Group will meet every two months, subject to diary commitments, to set the strategy and the route map on how this project will be taken forward;</li> <li>• The Station Hotel Working Group will recommence and begin the process and work up proposals for station options; and</li> <li>• The next meeting will take place in February 2023, subject to diary commitments.</li> </ul>
20	15.11.22	Email exchange from a Community Action Group to the Leader of the Council copied to the Depute Chief Executive relating to a letter from the Lord Offord of Garvel, Parliamentary Under Secretary of State for Scotland that set out the concerns associated with the lack of funding and purpose for the Ayr Station Hotel building, but the letter also highlighted that the building may benefit from retrofitting especially in the transition towards carbon neutral goals.
21	16.11.22	Email from a Community Action Group to the Depute Chief Executive requesting a meeting to discuss the Station Hotel building.
22	16.11.22	Phone call from a member of a Community Action Group requesting that the Council consider starting a Compulsory Purchase Order process to take ownership of the Hotel building. This request was not taken forward as the Council have no need for the building.
22	17.11.22	Email from the Depute Chief Executive to a Community Action Group confirming dates for a meeting.
23	17.11.22	Meeting with the Heritage at Risk Team Leader from Somerset West and Taunton Council to discuss the successes that that Council has had in saving a number of buildings at risk and dangerous buildings from demolition.

No	Date	Event
24	18.11.22	Email from a Community Action Group to the Depute Chief Executive regarding background information associated with the absentee owner of the former Station Hotel building.
25	22.11.22	Email from a prospective developer expressing an interest in the Ayr Station Hotel building to the Leader of the Council and copied into the Depute Chief Executive.
26	23.11.22	Email from the Depute Chief Executive to the prospective developer in relation to the expressed interest in the Station Hotel building. A meeting date of 25 November 2022 was agreed.
27	25.11.22	Email from the Service Lead for Economy and Regeneration advising of an email from an Ayr citizen criticising the Council's handling of matters associated with the Ayr Station Hotel building.
28	25.11.22	Meeting with a prospective developer who expressed an interest in refurbishing the Station Hotel Building. Following a detailed discussion about the condition of the building, and the estimated costs associated with bringing the building back into use, the meeting concluded with the prospective developer confirming that the project was unaffordable.
29	29.11.22	Meeting with a Community Action Group who advised that funding was being sought from a range of sources in the efforts to find a way forward to save the Hotel Building. Requests were also made to set up a Working Group to include all interested parties.
30	30.11.22	Meeting with a Community Action Group who recommended that the key to resolving the issue of the Station Hotel building was to take ownership of it. The Depute Chief Executive confirmed the Council has no interest in taking ownership of the building.
31	03.12.22	Email exchange between a Community Action Group and the Depute Chief Executive where a further request was made for the Council to take over the ownership of the Hotel building. It was confirmed again that the Council has no interest in taking ownership of the Hotel building.
32	05.12.22	Internal Council meeting to discuss the ongoing costs associated with safety works for the Station Hotel building.
33	09.12.22	Meeting with a Community Action Group where the representatives from the group advised they are in contact with the SAVE Britain's Heritage group to seek their support to save the Hotel building and also together political support also to save the Hotel building.
34	11.12.22	Email from a Community Action Group to the Depute Chief Executive enclosing a draft 'Articles of Association of Ayr Development Trust' as part of their considerations to save the Hotel building
35	15.12.22	A report was presented at the South Ayrshire Council meeting recommending that the southern wing of the Station Hotel building be demolished due to its unsafe condition. This recommendation was approved.
36	17.12.22	Email exchange between the Depute Chief Executive and a Community Action Group regarding the Council decision of 15 December 2022.
37	17.12.22	Email exchange between the Depute Chief Executive and another community Active Group in relation to the Council decision taken on 15 December 2022.

No	Date	Event
38	17.12.22	Email exchange between the Depute Chief Executive and a further Community Action Group in relation to the Council decision taken on 15 December 2022.
39	19.12.22	Email from a Community Action Group to the Depute Chief Executive setting out a proposal that the Station Hotel building could be utilised to support the aerospace industry at Prestwick airport.
40	16.01.23	Call out following extreme storm weather which resulted in damage to the encapsulation. Building Standards officers carried out an immediate inspection and instructed remedial action to repair the damage.
41	16.01.23	Meeting with a Community Action Group who requested that the Council contact a Director of Heritage Architecture who is based in Edinburgh to discuss aspirational plans he had prepared for Ayr town centre.
42	16.01.23	Email exchange between a Community Action Group and the Depute Chief Executive relating to a request for Council premises to hold public meetings about saving the Station Hotel building.
43	19.01.23	Meeting with a Community Action Group to discuss access to the interior of the Station Hotel building to undertake a structural survey. It was confirmed at the meeting that permission to access the building must first be granted by the owner and then only after appropriate risk assessments and safe working methods have been approved could access to the interior of the building be considered.
44	23.01.23	Internal Council meeting to discuss the progress of works associated with the Council decision of 15 December 2022.
45	24.01.23	Meeting with an external expert consultant in relation to the ongoing works associated with the Hotel building.
46	02.02.23	Call out to site following further damage to the building encapsulation by Building Standards officers. It was established that the damage had been caused by vandalism. Instructions were issued to the contractor to repair the damage.
47	06.02.23	Inspection by Building Standards of completed repair works to the encapsulation.
48	07.02.23	Email exchange between the Depute Chief Executive and a Community Action Group requesting access to the interior of the building to carry out survey works. Previous conditions were reiterated.
49	08.02.23	Internal Council meeting to discuss the storm damage to the encapsulation works to the building and the costs associated with the required repairs.
50	10.02.23	Meeting held with encapsulation contractor to discuss the following: <ul style="list-style-type: none"> <li>• Security – to prevent further vandalism;</li> <li>• Repair works following on from the storm damage;</li> <li>• Future-proofing works required to extend the lifetime of the encapsulation;</li> <li>• Discussions associated with the proposed demolition of the southern wing of the building and specifically the requirement for risk assessment, method statements and a project plan.</li> </ul>

No	Date	Event
51	13.02.23	Email exchange between the Depute Chief Executive and a Community Action Group which set out the desire of the Community Action Group to establish a Preservation Trust as part of the efforts to save the Hotel building from demolition.
52	14.02.23	Email exchange between the Depute Chief Executive and a Community Action Group where a request was made to access a Council premises to hold regular progress meetings by the Action Group in their efforts to save the Hotel building from demolition. Advice on how to secure a let for a Council building was shared.
53	14.02.23	The Depute Chief Executive sent out invitations to the Strategic Governance Group for the next meeting. The next meeting will take place on 9 March 2023.
54	18.02.23	Email exchange between the Depute Chief Executive and a Community Action Group which enclosed an article on how the SAVE Britain's Heritage group helped to save and reopen a hotel in Liverpool that had been closed for 90 years. The project to reopen the hotel in Liverpool was a refurbishment as there were no structural concerns associated with the building. This was not the same case in Ayr where Hotel building requires significant structural repair works completed before any form of refurbishment can be considered.
55	21.02.23	Internal Council meeting to discuss the legal implications and progress of the Court actions taken against the absentee owner of the building.
56	23.02.23	Meeting with a Community Action Group to discuss the progress of their efforts to save the Hotel building.
57	24.02.23	Meeting of the Ayr Station Hotel Member Officer Working Group to appraise Elected Members of the works undertaken to date following on from the Council decision taken on 15 December 2022.

**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. See information here: [Interim Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018.

### 1. Policy details

Policy Title	Station Hotel Update
Lead Officer (Name/Position/Email)	Mike Newall Depute Chief Executive and Director of Housing, Operations and Development <a href="mailto:mike.newall@south-ayrshire.gov.uk">mike.newall@south-ayrshire.gov.uk</a>

**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	n/a	n/a
Disability	n/a	n/a
Gender Reassignment (Trans/Transgender Identity)	n/a	n/a
Marriage or Civil Partnership	n/a	n/a
Pregnancy and Maternity	n/a	n/a
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	n/a	n/a
Religion or Belief (including lack of belief)	n/a	n/a
Sex – gender identity (issues specific to women & men or girls & boys)	n/a	n/a

Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	n/a	n/a
Thematic Groups: Health, Human Rights & Children’s Rights	n/a	n/a

**3. What likely impact will this policy have on people experiencing different kinds of social disadvantage? (Fairer Scotland Duty). 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	n/a	n/a
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	n/a	n/a
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	n/a	n/a
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	n/a	n/a
Socio-economic Background – social class i.e. parent’s education, employment and income	n/a	n/a

**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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low
<b>Foster good relations</b> 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	Medium
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Medium



## 5. Summary Assessment

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<b>YES</b>  <b>NO</b>
<b>Rationale for decision:</b>  <b>The proposal to continue the encapsulation of the Ayr Station Hotel building and to work with external experts to develop a programme of works for the demolition of the southern wing of the building is not considered to have either a positive or negative impact on equalities.</b>	
<b>Signed:</b> Mike Newall, Depute Chief Executive and Director of Housing, Operations and Development  <b>Date:</b> 22 February 2023	

**South Ayrshire Council**

**Report by Depute Chief Executive and Director  
of Housing, Operations and Development  
to South Ayrshire Council  
of 1 March 2023**

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**Subject: LDP2 Supplementary Guidance Site Design Brief: South East Ayr**

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**1. Purpose**

- 1.1 The purpose of this report is to seek approval to publish the draft Local Development Plan 2 Supplementary Guidance Site Design Brief for South East Ayr for public consultation.

**2. Recommendation**

- 2.1 **It is recommended that the Council approves the draft Site Design Brief for South East Ayr for public consultation.**

**3. Background**

- 3.1 The Local Development Plan 2 (LDP2) and Supplementary Guidance (SG) documents including Design Briefs and Housing Land Supply were submitted to Scottish Government in April for their consideration before final adoption by South Ayrshire Council. However, following a complaint by a landowner relating to the preparation and consultation for the South East Ayr Design Brief, Council took the decision in June 2022 to withdraw the Design Briefs Supplementary Guidance for consideration by Scottish Government and to resubmit the SG to Government excluding the South East Ayr section. Council further agreed to the preparation of a new Supplementary Guidance Design Brief specifically for South East Ayr, working with relevant landowners and stakeholders.
- 3.2 Planning officers have been working since June to redraft the Design Brief for South East Ayr. Given the scale and complexities of the South East Ayr site and its significant infrastructure requirements, it has been important to ensure close collaboration and engagement with all of the landowners, agents, key agencies and other stakeholders involved in the delivery of this major site.

**4. Proposals**

- 4.1 The purpose of the design brief is to provide guidance on, and the requirements associated with the urban expansion allocation of South East Ayr (referred to as 'AYR4' in LDP2). It is intended as the second constituent part of Supplementary Guidance Housing Site Design Briefs, and as such, it will form part of the Development Plan once adopted. Therefore, once adopted, all planning

applications for the South East Ayr area will be considered against this Supplementary Guidance.

- 4.2 The vision for South East Ayr, and the aim of the Brief, is to ensure that South East Ayr is developed so as to provide a distinctive new urban area, set within a comprehensive and appropriately generous green and blue network of bio-diverse recreational, amenity and functional open space, together with community facilities and essential infrastructure for day to day needs. It will also ensure that there are effective physical connections to Ayr and the communities beyond and which will in time be a community able to adapt to changing patterns of living, working, travelling and communication.
- 4.3 The Design Guide sets out what the main land uses, physical elements and common infrastructure on the site should be, including a neighbourhood centre, primary school, two footbridges across the A77, road infrastructure and active travel routes across the site. The design guidance sets out that, given the settlement extension relates to in excess of 2,700 houses, a primary school will be needed once the 400th house threshold is reached. It is intended that the Council will front fund the delivery of the School with the costs being recouped from developers via a roof tax on completed houses. Provision is also made for open spaces and a landscape framework to provide a high quality setting and recreational opportunities within this new urban area.
- 4.4 Maximum housing capacities are also indicated for each parcel/phase of development, as well as the sequencing of delivery of common infrastructure, and a mechanism for the apportionment of costs to ensure that all necessary elements of the site can be delivered and funded properly.
- 4.5 If the draft Design Brief is approved, a full public consultation will commence to gather the views of local communities and all stakeholders and inform a finalised version of the Design Brief.
- 4.6 The landowners/agents associated with each phase/area of the site were informally consulted in September/October 2022 on an initial draft of the Design Brief. A second round of engagement took place in January and February 2023. The feedback received has been considered in relation to the revised draft Design Brief, which is attached as Appendix 1.

## **5. Legal and Procurement Implications**

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

## **6. Financial Implications**

- 6.1 There are financial implications relating to the requirement to deliver the primary school. The Supplementary Guidance expects the Council to finance the provision of the Primary school, and thereafter recoup its expenditure from the Housing Developers in the form of a roof tax upon the completion of each dwelling house over the lifetime of the South East Ayr development. It is anticipated that the primary school would require to be provided approximately in line with the construction on the 400th house at South East Ayr. Further collaborative work is required, between the Council, the landowners and potential developers to establish that the exact details of this financial arrangement are suitable for all parties.

## **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 is a risk that if the recommendations are rejected that there will not be an agreed and consistent basis for determining future planning applications for the South East Ayr site, or securing the necessary infrastructure and financial contributions required to delivery a successful development.

## **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)*** – SEA has previously been undertaken in relation to this designated housing site as part of the Local Development Plan process and the previous version of the South East Ayr Design Brief.

## **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 Commitments 4 and 6 of the Council Plan: South Ayrshire Works/ Make the most of the local economy; and A Better Place to Live/ Enhanced environment through social, cultural and economic activities.

## **13. Results of Consultation**

13.1 Consultation has taken place with Councillor Bob Pollock, Portfolio Holder for Economic Development, and the contents of this report reflect any feedback provided.

13.2 The landowners and agents for all of the land parcels with the SE Ayr site have been informally consulted on an initial draft version of the document.

## 14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Depute Chief Executive and 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
Consultation on the draft document will be held from March 2023. The results of this and a finalised version of the Design Brief Supplementary Guidance will be taken back to Council in June 2023	June 2023	Service Lead - Planning and Building Standards

**Background Papers**    **Report to South Ayrshire Council (Special) of 10 March 2022 – [Proposed South Ayrshire Local Development Plan 2 Modification and Adoption](#)**

**Report to South Ayrshire Council of 29 June 2022 – [Local Development Plan 2, Supplementary Guidance Design Brief](#)**

**Person to Contact**    **Craig Iles, Service Lead – Planning and Building Standards  
County Buildings, Wellington Square, Ayr, KA7 1DR  
Phone 01292 616 417  
Email [craig.iles@south-ayrshire.gov.uk](mailto:craig.iles@south-ayrshire.gov.uk)**

**Date:** 20 February 2023

**Draft Supplementary Guidance:  
Housing Site Design Briefs (Part 2): South East Ayr**

Appendix 1



March 2023

# SOUTH EAST AYR – Housing Site Design Brief

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# **SOUTH EAST AYR – Site Design Brief.**

## **Introduction**

### **Fundamental principles**

The purpose of this design brief is to provide guidance on, and the requirements associated with the urban expansion allocation of South East Ayr. This document is intended as the second constituent part of Supplementary Guidance Housing Site Design Briefs, and as such, it will form part of the Development Plan once adopted. Its content focusses on matters concerning land within, and associated with the South East Ayr land allocation referred to as 'AYR4' in LDP2. The vision for SEAYr and the aim of the Brief is to ensure that South East Ayr is developed so as to provide a distinctive new urban area, set within a comprehensive and appropriately generous green and blue network of bio-diverse recreational, amenity and functional open space, together with community facilities and essential infrastructure for day to day needs. It will also ensure that there are effective physical connections to Ayr and the communities beyond and which will in time be a community able to adapt to changing patterns of living, working, travelling and communication.

As the most significant urban expansion of Ayr for many generations, the Council expects a degree of urban design and foresight for, and the consideration of future residents which reflects this status, and will work with respective land owners, developers and stakeholders to ensure this comes to fruition.

This draft brief takes cognisance of, and has been influenced by the original expectations for the site as contained in the South Ayrshire Local Plan 2007, the 2014 South Ayrshire Local Development Plan, the 2019 Draft SG Housing Site Design Briefs, the Report of Examination into representations made on LDP2 (2022), comments submitted to the draft SG (2019), comments made on the Council's 2022 Notice of Intention to Adopt SG Housing Site Design Briefs, ongoing discussions with prospective developers / interested parties and stakeholders, and a consideration of pre-existing PPP, detailed consents and minded to grant consent for land parcels within the wider SEAYr allocation (as at August 2022).

This SG refers to 'land parcels.' These parcels comprise areas of land within the SEAYr allocation that are further defined as (in alphabetical order): Alton, Anderson, Cockhill, Corton, Dawn/Springfield, Glenparks and Trillium. The land parcels are illustrated in Appendix B.

This Supplementary Guidance, once adopted, shall form an integral element of the Adopted Local Development Plan 2. As such, planning applications shall be made in accordance with this SG (as forming part of the South Ayrshire Local Development Plan 2) unless material considerations indicate otherwise.

Note: Planning Circular 3/2022 'Development Management procedures' clarifies the definition of what may constitute 'Material Considerations' .

Note 2: Changes made by The Planning (Scotland) Act 2019 provide that in the event of any incompatibility between a provision of the National Planning Framework and a provision of a local development plan, whichever of them is the later date is to prevail.



**NB: With regard to the above, it is anticipated that the developments with consent as of August 2022 will progress as per those consents, but any amendments, alterations and new applications will be expected to conform to the principles and guidance contained within this SG.**

A **Design Framework for SE Ayr** (including Strategic Green Corridors & active travel routes, and Strategic Traffic Routes) is provided as Appendix A to this Brief.

The Land Parcels referred to in Appendix B comprise (in Alphabetical order) Alton, Anderson, Cockhill, Corton (including Dawn/Springfield parcel Glenparks, and Trillium.

## **Part 1: Substantive Themes:**

### **➤ Transport and connections**

All parcels of the greater SEAYr allocation will require to comply with the basic principles of the Design Framework diagram, creating a new urban expansion for Ayr with at least two active travel connections to Ayr, comprehensive and logical active and vehicular routes through development parcels, with active travel connections across the entire SEAYr allocation across / beneath the Railway line at points including Glengall Bridge (underpass), High Glengall overbridge (directly linking Corton and Alton) and Corton Bridge overbridge (directly linking the Corton and Cockhill) on the Framework. Provision for the future establishment of a railway station/interchange with park and ride facilities (approx. 1 hectare) shall be safeguarded with land set aside for parking, bus shelters, cycle (and 'wheeler') storage on land adjacent to the railway within the Corton land parcel. Access shall also be safeguarded on the opposite side of the railway line within the 'Alton' land parcel. Access and accessibility statements shall be expected to accompany each application(s) for development of each land parcel to ensure comprehensive network connections across the SEAYr allocation.

[Further information and expectations are included in Part 2, below.](#)

### **➤ Open space, green (and blue) networks**

The SEAYr allocation shall realise a vision to create a new urban area that is set within a strong and comprehensively generous open space framework. The residential density of the SEAYr allocation has therefore been estimated (the LDP sets an indicative capacity of 2700 units) in such a way as to reflect the expectation and requirements of achieving this balance of development within substantial green and blue networks of landscaped, shelterbelt, woodland, screening, amenity, natural and recreational (both informal and formal) open spaces. Each phase / development parcel will be required to demonstrate this commitment to such a philosophy in its design statement, development plot layout and specific open space strategy in documentation submitted in support of planning application(s).

The Council considers that 'open space' in its many forms and with its many formal and informal functions will be a fundamentally important component in creating a new urban area, and will embrace the principles of placemaking, the 6 qualities of place. The LDP requires that development should provide services, facilities and infrastructure, that it should respect the character of the landscape and setting of settlements, and that, where possible, it should contribute to the Central Scotland Green Network. The Council considers that open spaces and a comprehensive, integrated and connected landscape framework should be regarded as being amongst the highest-level considerations in the design and layout of this major urban expansion. Strategic Policy 2 of the LDP states that the Council will ensure that development proposals "include open space and landscaping that is appropriate for the location and use of the proposed development". This SG has been written to provide guidance as to how such a layout can be established and the consequential expectations of the Council.

Note: The first consent(s) for SEAYr have been for the 'Corton' land parcel, with open space provision in the order of some 15 Hectares (as indicated within the application(s) supporting documentation). The diagrams associated with the application(s) showed that the overall open space provision would include land for structural landscaping, infrastructure corridors, safety

zone standoff corridors, riparian networks, the setting of the new settlement, nature conservation (and biodiversity enhancements), and provisions for sustainable urban drainage. The Council is supportive of such an approach, particularly where the open spaces are linked and form significant open space networks.

➤ **Neighbourhood Centre and Education Facilities**

The main commercial and community focus of the SEAYr allocation will be within the 'Corton' land parcel, and shall comprise of a Neighbourhood Centre that will enable opportunities for the provision of a small range of shops, offices, healthcare facilities and other amenities of a scale and range that is appropriate to serve the local community. A Primary School and Early Years facility, together with sporting facilities (including a floodlit full-size community football pitch) shall also be located within the Corton land parcel.

Additional facilities and commercial floorspace may be appropriate in other locations and land parcels, but proposals for such will require to be justified and be in accordance with the general principles and specific policies of LDP2.

Active travel routes shall be created to ensure that the neighbourhood centre and Education facilities are easily accessible by appropriate Active and public transport networks.

[Further information and expectations are included in Part 2, below.](#)

➤ **Common infrastructure commitments**

Common infrastructure is that which is determined to be essential for the integrating of all land parcels within the SEAYr allocation, those which are required for the integration of the SEAYr allocation with Ayr, and those which are required as a consequence of the development of 2700 new homes at SEAYr. Specific elements of the common infrastructure will therefore be required to be made available for use at certain key 'milestones' in the development process, irrespective of which land parcel is being developed at a specific point in time. No development shall commence until these facilities are proven implementable prior to/ by the point of any agreed thresholds/ timescales associated with their delivery.

[Further information and expectations are included in Part 3, below.](#)

➤ **Design code**

Each application for a phase of development / land parcel must be accompanied by a design code, submitted by the applicant as supporting documentation for that application. The design code shall take account of the Scottish Government's Creating Places: A Policy Statement on Architecture and Place for Scotland or subsequent guidance, the SEAYr Framework and any pre-existing approved design code for other part(s) of SEAYr to ensure SEAYr has local distinctive character. The Code shall be submitted with each application(s) to consider land parcels. Substantial / significant alterations to any pre-existing consents shall also require revisions to any associated design code(s) where the Council considers that such revisions are necessary for it to provide an appropriate level of design guidance

➤ **Design and Access Statement**

Each application for a phase of development / land parcel, must be accompanied by a Design and Access Statement, submitted by the applicant as supporting documentation for that application. This statement shall set out design principles that determine the design, layout, open space / green landscape framework, and transport/active travel hierarchy as it relates to that particular development parcel, and its inter-relationship with other land parcels, extant consents and any relevant pre-existing approved Design Code(s).

The Statement shall be a document for consideration and determination as part of the associated planning application (or subsequent satisfaction of condition).

## Part 2: Key elements to be included in the development:

### 1. Residential Development

- The SEAyr allocation shall provide an indicative number of 2700 new homes including 25% affordable housing, which will provide housing for approximately 5,700 residents (see Table 1, below)
- Excluding the Hospital sites (Ayr General, Ailsa and Carrick Glen) the site allocation extends to approx. 165 hectares, divided into distinct land parcels/areas.

**Table 1: Maximum Housing Numbers and resultant population(s)\***

Site Area (approx. Hectares)	Anticipated residential units as a Gross density (at approx. 16 per Hectare)	Anticipated population**
Alton (25)	400	852
Anderson (16)	256	545
Cockhill (48)	768	1635
Corton (57)	912	1942
(Dawn/Springfield parcel) (2)	32	68
Glenparks Neil (9.5)	250 (based on 'minded to grant' consent)	532
Trillium (8)	128	272
Hospitals (46 +7 Carrick Glen)	N/A	
<b>Total</b>	<b>2746</b>	<b>5848</b>

\*the anticipated population levels are increased from the original 5700 estimate by reason of the higher number of residential units within the Glenparks land parcel.

\*\*Based on Gov.Scot Household statistics 2020: 52,571 households, 112,140 population = average household size of 2.13

**Note:** The Council anticipates that whilst the number of residential units has been estimated at approx. 16 units per hectare gross, it would not be possible to develop all of the land due to site specific requirements and constraints. Residential densities within net developable areas (referred to as 'Development Pods' within this SG) are however anticipated to be greater than 16 units per hectare. Notwithstanding, suitable arrangements must be put in place for the long-term management and maintenance of all other land within each parcel which does not comprise a Development Pod. There is an expectation that such areas will likely fall under the broad definition(s) of open space, as described within the Substantive Theme section of this SG.

**Due to the expectations associated with realising the vision for the overall development of the SEAYr allocation, the Council will not be supportive of proposals for development within any land parcel unless and until a strategic landscape framework has been designed and approved [likely to be by the assessment and determination of a planning application or legal agreement] and a mechanism is in place to ensure its delivery and long-term management and maintenance.**

## **2. Neighbourhood Centre**

- Neighbourhood Centre: acceptable uses include restaurant, hotel, offices, local shops and commercial uses of a scale commensurate with the local SEAYr community.
- Total gross internal floorspace of retail / commercial units within the Neighbourhood Centre shall be no more than 2,500 sqm. The mix of acceptable uses shall comprise Class 1 retail (convenience and comparison), Class 2 office, Class 4 business use, class 11 assembly and leisure use, class 3 restaurant, Sui Generis hot food takeaway. Healthcare facilities will also be considered compatible within any unit. No unit shall be greater than 2000 sqm (Gross internal) and at least 5 units shall be provided, each of a minimum of 50sq metres.
- Public realm of the neighbourhood centre shall create focal point of the SEAYr development which reflects the 6 principles of design (as defined in 2014 SPP)
- Small convenience shops within other phases may be appropriate providing they are compliant with retail policies within the Local Development Plan.
- Recycling facilities shall be provided at the neighbourhood centre (bottle/glass bank, Cans/metal bank, Clothes/fabric bank, plastic and card). An area of 300 sq metres hard standing with LGV service access is required.
- Provision for electric charging points / or ducting for future provision.
- Serviced land of approximately 1 hectare for the provision of approx. 2,300 sq metres (Class 2 and 4 uses) shall be safeguarded, grassed and retained for future development adjacent to the Neighbourhood Centre. Alternative uses for this land may be considered acceptable after completion of the Corton Phase / land parcel, subject to the provisions of LDP2.

## **3. Education Campus**

- Serviced land for a 3- stream primary school within the 'Corton' land parcel including nursery (early years) provision, associated playground space, playing fields (including a floodlit full size football pitch), community changing facilities, school hall suitable for Community Use, active travel and vehicular access and car/ cycle/ wheel parking.
- The Council must approve the location, layout and access of the primary school, method and financing of its delivery prior to any residential development commencing.
- Provision of proportionate educational contributions towards the provision of new combined nursery (early years) and primary school with site, associated facilities and costs associated with school site purchase.
- No more than 400 residential units may be occupied (anywhere throughout the SEAYr allocation) until the school is complete and ready for occupation/use.

## 4. Active Travel

- Leisure peripheral active travel path with outward links to existing networks.
- Active travel routes – Within all phases but key link connections to Neighbourhood Centre, A77 overbridges and railway overbridges and rail underpass within site. Must be of a suitable gradient for all abilities, should be separated from vehicles and have the appropriate lighting. The primary emphasis should be on creating high quality active travel connections across the site that have primacy over other modes of transport and link to the existing settlement of Ayr, NHS Ayr and Ailsa hospital campus and the wider countryside to promote transportation behavioural shift for climate change, health and wellbeing benefits.
- Two active travel bridge linkages to Ayr and associated connections at either side:
  - a) Near Maybole Road – Equestrian and active travel bridge- Prior to occupation of any development at Corton.
  - b) Near Bankfield Roundabout – active travel only – Prior to occupation of any development at Alton or Glenparks/ Cockhill
- Pedestrian and Vehicular access to the rail station with an associated maintenance area shall be provided within the Alton land parcel.
- Within Corton land parcel, Serviced land of 1 hectare for Travel/ mobility hub: Inter modal travel hub, which enable users to switch between active travel, public transport and private vehicle modes, suitable secure storage/parking facilities for wheeler/cycle, parking bays for buses with waiting shelters, car parking for 178 vehicles and electric charging point for all types of vehicles. This should be easily accessible from rail station area to encourage onward travel by rail as well as bus. The travel hub may be established in advance of the Rail station and its use thereafter continued alongside and as an integral element of this combined travel interchange area.
- Active travel links between different land parcels of development are required. The linkages across (over and under) railways shall be established in principle, incorporated into the framework to be retained / provided and thereafter maintained (mechanism to be agreed by negotiation prior to commencement of development, and secured in agreement with Network Rail).
  - a) Slapburn underpass- Prior to occupation of any development on any land parcel
  - b) High Glengall Overbridge – Prior to occupation of any development in Corton or Alton
  - c) High Corton Bridge – Prior to occupation of any development in Glenparks/ Trillium / Cockhill

## 5. Open Space and Landscape Framework

As indicated within the Substantive Themes section of this SG, the Council expects that SEAYr will be set within a landscape framework that will assimilate the development into its surrounding natural and woodland landscape context and which will provide opportunities for the enhancement of biodiversity.

Within this section, the term 'open space' does not imply that this shall all be 'active use' open space. Whilst it may include active / formal open spaces, other types of open space such as structural landscape frameworks, infrastructure standoff areas, woodland and nature conservation areas and riparian corridors also fall within this description. Mechanisms and responsibility for the long- term management of all types of open space will however require to be established as part of the planning application and consent process relating to each of the land parcels within the SEAYr allocation. Examples of planning consent condition relative to these matters, are listed at the foot of this section.

The overall Open Space and Landscape Framework is not being strictly defined in this SG. Instead, the Framework(s) shall be established by planning applications, through which the Council will consider whether proposals meet aspirations relative to the vision for the development of the SEAYr allocation and provide an appropriate setting and network of integrated green and blue networks.

Notwithstanding the above, and as discussed in the 'note' to Table 2, development is expected to be focussed within 'development pods' rather than across the entire SEAYr allocation uniformly. Within these pods, development would likely be at a density of some 32 residential units per hectare. This density figure has been suggested by landowner / agent(s) during preparation of this SG. Whilst the figure of 32 units per hectare has not been suggested as either a maximum or minimum figure, it provides a useful indicator from the development industry.

The Council is minded to agree that the above stated set of circumstances is a reasonable scenario. Additional information and illustrative material have been provided by landowners /Agents on this matter. This has been useful to further aid an understanding into the implications and opportunities regarding the amount of land that will not comprise a 'development pod'. Whilst some of that land may be required for infrastructure such as distributor roads to connect development pods and land parcels, it gives an insight into the potential that the SEAYr allocation has to address the SG's stated fundamental principles and substantive themes relative to the open space and landscape framework.

**As referenced elsewhere, due to the expectations associated with realising the vision for the overall development of the SEAYr allocation, the Council will not be supportive of proposals for development within any land parcel unless and until a strategic landscape framework has been designed and approved [likely to be by the assessment and determination of a planning application or legal agreement] and a mechanism is in place to ensure its delivery and long-term management and maintenance.**



Table 2 below does not imply an assumed requirement for open space, but is given as an aid to understanding the limitations and opportunities associated with net developable areas when compared with the extent of SEAYr allocation as a whole.

**Table 2\***

Land Parcel est. hectares	Estimated net development area	Land for other requirements
Alton 25 ha	13 ha	12ha
Anderson 16 ha	8 ha	8ha
Cockhill 48	22.5 ha	25.5ha
Corton 57 ha**	37 ha	20 ha
Glenparks 9.5	7.5	2 ha
Trillium 8ha	5.5	2.5 ha

\*Table 2 is based on estimated net indicative development area (development pods) through consultation with landowners/ agents.

\*\*Corton Land Parcel includes sites for the provision of a neighbourhood centre primary school and park and Ride facility (with an estimated combined size of some 6-7hectares)

The Council anticipates that the Open Space and Landscape Framework shall result in a development that is set within a landscape framework which will assimilate that new development into its surrounding agricultural and woodland context, and which provides opportunities for enhancement of biodiversity. It is also expected to incorporate the following elements:

- Open spaces throughout the development land parcels and across the SEA allocation, as linked green and blue open space corridors.
- The creation of green corridors between land parcels, development pods and to the Neighbourhood Centre and Primary School.
- The retention and integration of riparian corridors, water features, pre-existing established woodland, shelterbelt and naturalised areas as elements of the inter-connected green (and blue) landscape and open space framework.
- Safeguarding and management of existing woodlands and areas of nature conservation interest.
- Sustainable urban drainage systems (SuDS) for each land parcel which take into consideration areas of flood storage and a nature-based water management solution that will improve water quality, reduce flood risk within the development, adjacent hospital site and downstream. Links to the Green and Blue networks should be integral in SuDS schemes.
- Landscape plans and associated schedules shall include species types that support and encourage wildlife and facilitate connected green and blue habitat corridors throughout the SEAYr allocation. Management and maintenance schedules for communal green spaces shall be provided by the applicant/ developer for each phase of development.
- Landscape maintenance schedule; to incorporate the potential for future allotment provision and /or Land for community food growing spaces in each phase, subject to community request and capacity to manage facility. Discussion on provision at each planning application for land parcel / area.
- Green and Blue networks shall be designed and managed to increase biodiversity. (subject to consultation with the CAA concerning bird strike and aviation risk)

- The development standoff from the high pressure gas pipeline shall be integrated into the wider green network with an appropriate landscaping / planting scheme
- The Council also anticipates that informal recreational and sports / games opportunities (such as levelled areas for kickabouts, or contoured areas for mountain biking, no dig and informal paths) will be provided within the open space /landscape frameworks. These spaces should encourage rather than discourage public access, with recognisable entrance points if fenced, or preferably, no barriers to entrance.
- That a MUGA should be provided within the Cockhill land parcel / area.

In addition to the above, the Council is mindful that the SEAYr allocation does not benefit from the pre-existence of established large-scale public open space/parkland provision that is more readily available within urban areas to the west of the A77 Ayr bypass. The Council considers that such provision may reasonably be regarded as a public facility, and one that would also reasonably be expected to be available (or within a short active travel distance) for a community with an expected population of some 5700 residents. For this reason, and in taking cognisance of the diagrammatic information associated with the pre-existing planning consent for Corton, and schematic diagrams presented to the Council for consideration in the compilation of this SG, the Council notes and advocates for the identification of some 2 hectares of land for use as an informal neighbourhood park, linked to active travel routes and connected to the wider green landscape networks. The Council further considers that the Corton land parcel would be the most suitable location for such provision as it will be where most community uses are to be established, and it would therefore strengthen and compliment this focus of community activity.

#### **Open Space provision associated with the residential Development Pods**

Open space provision within, and associated with, the development pods shall be in full compliance with the terms stipulated within the LDP and information contained within the Council's Guidance document 'Open Space and Designing New Residential Developments', and shall include provision of formal equipped play areas, village greens and areas of amenity open space. For ease of reference, using the anticipated distribution of residential development across the SEAYr allocation, the anticipated population levels within each land parcel are detailed in Table 2.

#### **Example of conditions which may be applied to the granting of consents within the SE Ayr allocation:**

**That the first application for Approval of Matters Specified in Conditions shall provide a phasing plan and programming for the provision of structural landscaping, provision of strategic active travel networks, provision all village greens, provision of the Sustainable Urban Drainage system in the form of detention ponds and a detailed programme of works for each phase of development including landscaping and play provision to be agreed with the planning Authority. The phasing plan shall be adhered to unless otherwise agreed with the Planning Authority.**

**Full details of the structural landscaping and wildlife corridors within each land parcel shall be submitted. A landscape play provision bond(s) shall be implemented within each land parcel prior to the occupation of the last house in that parcel**

**Each phase of the housing development [a development pod] shall comply with the Council's guidance 'Open Space and Designing New Residential Developments'.**

## 6. Road Infrastructure

- Vehicular links / through routes shall be created within the Corton land parcel which also ensure / safeguard appropriate vehicular access to the Springfield land parcel. Potential vehicular links from Alton to the Ailsa site shall be established and safeguarded. Links and through-routes shall be created within and between the Glenparks area to and through Cockhill and Anderson areas, with a safeguarded link to the Ailsa area from Glenparks.
- Provide contributions for strategic road upgrades required to accommodate the development, and additional proportionate contributions relative to the A77 traffic Corridor Improvements [to be stipulated by and in association with Transport Scotland].\* Improvements are likely to include matters relating to:
  - a) Modification of Bankfield Roundabout junction
  - b) Modification of Whitletts Roundabout junction
  - c) Modification of Holmston Roundabout junction
  - d) Modification to Sandyford Roundabout
  - e) Modification to Dutch House roundabout
  - f) Creation of Maybole Road RoundaboutAnd
  - g) A77 Dualling between Whitletts and Holmston.

\* Research work with Transport Scotland is ongoing to establish the implications of development and the requirements for A77 transport corridor improvements. These requirements shall be proportionate to the impacts of individual development proposals but would not be applied retrospectively as an additional requirement for any pre-existing or minded to grant consent which does not reference or include condition or [require a] legal agreement for such provision.

## 7. Public Transport

- Regular and frequent public transport service to all phases of development to ensure all homes are within 400 metres of a bus stop for a scheduled bus route.

## 8. Site re-grading

- Any regrading proposals of any land to accommodate development should respect and reflect natural topography of the local area.

## 9. Miscellaneous Infrastructure

- High speed digital connection to service all homes and businesses.
- Provisions for a Community Heat network shall be considered for and within each phase of development. Viability statements shall be provided for the consideration of the Council where the applicant/ developer asserts that feasibility, delivery and viability are not justifiable.
- Provisions for the reduction of CO2 by provision and facilitation of renewable energy shall be considered for, and within each phase of development. Viability statements shall be provided for the consideration of the council where the applicant/ developer asserts that feasibility, delivery and viability are not justifiable.
- All required services including water (foul and surface water) and high-speed digital connections to service all homes and businesses.
- Lighting strategy for masterplan which minimises impact on wildlife, and encourages active travel through illumination of main / strategic active travel pathways.

General Infrastructure Delivery: with each application for land parcel / development area, the applicant shall provide information on the infrastructure on and off site that will be delivered as part of each stage, together with an anticipated timescale for its delivery.

## 10. Sequencing of Development.

- **As referenced elsewhere in this SG, due to the expectations associated with realising the vision for the overall development of the SEAYr allocation, the Council will not be supportive of proposals for development within any land parcel unless and until a strategic landscape framework has been designed and approved [likely to be by the assessment and determination of a planning application or legal agreement] and a mechanism is in place to ensure its delivery and long-term management and maintenance.**
- Sequencing plan(s) for the provision of all infrastructure and landscaping (transportation, SUDS, serviced site for school campus [transferred to Council for subsequent delivery]\*\*, school construction\*\* community facilities\*, access to travel hub site and transfer of associated land for its provision\*, landscaping and open space) shall be provided with each planning application for land parcel / phase of development to ensure residents have access to the necessary facilities at the earliest appropriate stage of development.
- It is anticipated that Corton will be the initial land parcel that is developed. Notwithstanding, providing infrastructure / common infrastructure is provided, the Council considers that flexibility in the development of land parcels/ areas may facilitate the development of the wider locality and assist in funding streams.
- A Sequencing Plan will be required for each land parcel / area of SEAYr as supporting documentation associated with pertinent planning application(s)
- Key infrastructure and community facilities shall be provided in accordance with Table 3, at key stages (and or 'trigger points') of the overall SEAYr development

\*Sequencing of infrastructure and community facilities associated with the Corton Land Parcel.

\*\*the sequencing and availability of the school will be a significant material consideration in the sequencing of all land parcels, although its location will be within the Corton Land Parcel.

## **Part 3: Common Infrastructure**

The costs for the strategic (common) infrastructure, including land (on-site and off-site) are extensive and will need to be proportionately divided between all land parcels. Unless otherwise agreed, this shall be based on the capacity of each land parcel, using the averaged 16 residential unit per hectare as the definitive mechanism for apportioning a share of costs. All financial developer contributions will be indexed linked.

Anticipated common infrastructure is indicated in Table 3 below:

**Table 3: Common Infrastructure**

<b>Common Infrastructure / facility</b>	<b>Point in development process by which time the infrastructure [or facility] shall be available and /or the point at which development may not progress unless infrastructure [or facility] is available.</b>
Adoptable access to, and serviced land for Primary and Early years campus (Minimum 3.5 hectares)	Prior to any house being constructed.
Primary School / Early year Campus Building, floodlit Community Sports Pitch / changing facilities and hall suitable for community use.	No more than 400 residential units shall be occupied before completion and ready for use
Land for Community facilities including Railway Station, park and ride (transport interchange hub) at Corton. Circa 1-hectare land to provide for 176 cars (with access and circulation for cars and buses) bus shelters, cycle storage racks and provision / ducting for electric vehicle charging points.	Prior to any house being constructed within the Corton land parcel
Provision of Railway Station	Not to be funded by proportional cost distribution. Future provision dependent on STPR2.
Provision of park and ride (transport interchange hub) at Corton. Minimum 1 hectare and to provide for 178 cars (with access and circulation for cars and buses) bus shelters, cycle storage racks and provision / ducting for electric vehicle charging points.	Not to be funded by proportional cost distribution. Future provision dependent on STPR2.
Land for access to, and maintenance of potential Railway station platform at Alton circa 0.25 hectares.	Prior to the occupation of any residential unit in the Alton Land Parcel.

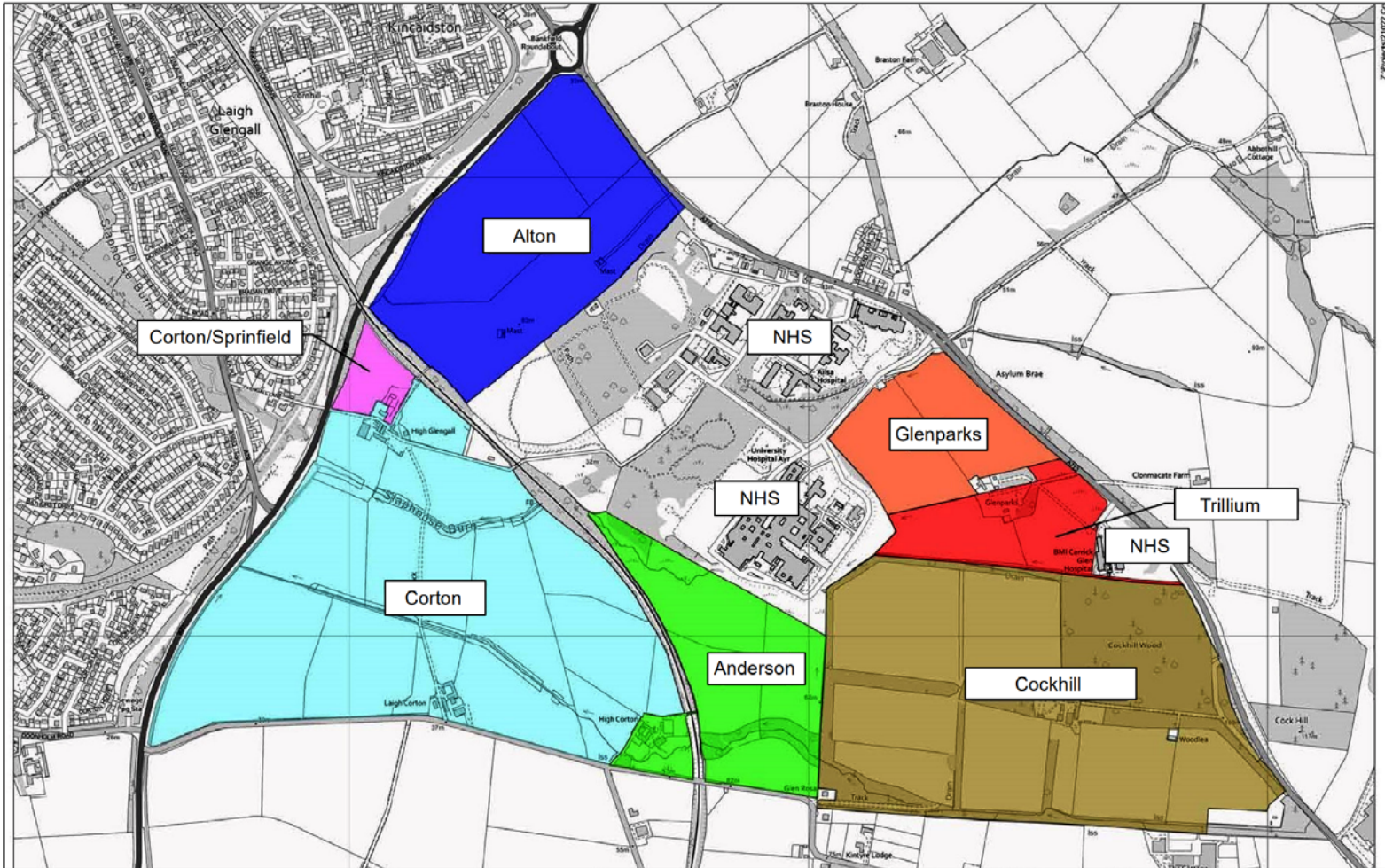
Railway crossing High Glengall overbridge with servitude right of access, any necessary physical improvement measures and footpath connections.	To be available prior to the occupation of any residential unit in Alton land parcel
Railway crossing Corton Bridge overbridge with servitude right of access, any necessary physical improvement measures and footpath connections.	To be available prior to the occupation of any residential unit in Glenparks, Trillium or Cockhill land parcel.
Railway crossing Glengall Bridge underpass with servitude right of access, any necessary physical improvement measures and footpath connections.	To be available prior to the occupation of any development in any land parcel
A77 overbridge for active travel and equestrian use (near Maybole Road).	To be available for use by the time any development within Corton land parcel is occupied.
A77 overbridge for active travel use (near Bankfield Roundabout).	To be available for use by the time any development within the Alton land parcel is occupied.
A77 Road Corridor Improvements (list and caveats as per table 1. Item 6)	Specific requirements and delivery to be determined in association and agreement with transport Scotland through planning application and consent process.



## Appendix A: Strategic Green Corridors, Active Travel Routes and Strategic Travel Routes



## Appendix B: South East Ayr Land Parcels





## 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	South East Ayr Design Brief
Lead Officer (Name/Position/Email)	Craig Iles Service Lead Planning & Building Standards <a href="mailto:craig.iles@south-ayrshire.gov.uk">craig.iles@south-ayrshire.gov.uk</a>

**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	N/A	N/A
Disability	N/A	N/A
Gender Reassignment (Trans/Transgender Identity)	N/A	N/A
Marriage or Civil Partnership	N/A	N/A
Pregnancy and Maternity	N/A	N/A
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	N/A	N/A
Religion or Belief (including lack of belief)	N/A	N/A
Sex – (issues specific to women & men or girls & boys)	N/A	N/A

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

**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	N/A	N/A
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	N/A	N/A
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	N/A	N/A
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	N/A	N/A
Socio-economic Background – social class i.e. parent’s education, employment and income	N/A	N/A

**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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low Positive
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low Positive
<b>Foster good relations</b> 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 Positive
Increase participation of particular communities or groups in public life	Low Positive
Improve the health and wellbeing of particular communities or groups	Low Positive
Promote the human rights of particular communities or groups	Low Positive
Tackle deprivation faced by particular communities or groups	Low Positive

**5. Summary Assessment**

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<b>No</b>
<b>Rationale for decision:</b>  Not required as there is no specific impact on communities, groups of people, employees or thematic groups.	
<b>Signed :</b> Craig Iles <b>Service Lead -Planning &amp; Building Standards</b>  <b>Date:</b> 3 <sup>rd</sup> February 2023	

**South Ayrshire Council**

**Report by Director of Strategic Change and Communities  
to South Ayrshire Council  
of 1 March 2023**

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**Subject: Council Plan 2023-28**

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**1. Purpose**

1.1 The purpose of this report is to seek approval from the Council for the Council Plan for 2023-2028.

**2. Recommendation**

**2.1 It is recommended that the Council:**

**2.1.1 approves the Council Plan for 2023-2028 attached as Appendix 1 to this report; and**

**2.1.2 notes that, following approval, service plans based on the agreed outcomes will be developed by each service area and made available for scrutiny by Members at the Council meeting in June 2023.**

**3. Background**

3.1 The previous Council Plan 2018-22 was approved on 1 March 2018, with a mid-term refresh approved on 5 March 2020. Due to the Council elections in May 2022, it was agreed on 18 January 2022 that the Council Plan 2018-22 (mid-term refresh) should be extended until 31 March 2023 to allow a new administration time to set its strategic priorities.

3.2 Since the last plan was agreed, local, national and global events have altered the landscape of how we operate. The COVID-19 pandemic fundamentally changed the way we work and live and the war in Ukraine has led to a humanitarian emergency and contributed to an ongoing cost of living crisis.

3.3 While much has changed, many of the long-term, strategic challenges faced by our residents and communities remain the same such as child poverty, climate change and our ageing population.

3.4 The plan has been developed following consultation with elected members, our communities, our partners and our employees.

3.5 Development of this plan has sought to recognise best practice and emerging innovative approaches to service delivery throughout Scotland. The Council have engaged heavily with the Improvement Service and the priorities and outcomes

identified below have been influenced by the Places and Wellbeing Outcomes, a joint initiative between Public Health Scotland and the Improvement Service aimed at recognising the important effect our places have on the wellbeing of our communities and environment.

**4. Proposals**

4.1 The proposed Council Plan is split into 8 sections:

- Introduction;
- About the Council Plan;
- Overview of South Ayrshire;;
- Our vision and values;
- The role of our support services;
- Council priorities;
- Cross cutting themes; and
- Challenges facing local government in Scotland.

4.2 The introduction is provided by the Leader of the Council and Chief Executive and the overview provides background to the plans development along with some key facts and figures about South Ayrshire.

4.3 The challenges section draws from Audit Scotland’s overview of Local Government in 2022 and provides context to our service delivery.

4.4 Our vision and values highlight the work carried out in partnership with colleagues over 2019 and 2020 to establish the South Ayrshire Way. The South Ayrshire Way articulates our shared purpose as an organisation and the values that underpin the way we work.

4.5 The plan acknowledges the critical role our support services play in enabling the Council’s activities to be delivered to our communities.

4.6 The proposed Council priorities and outcomes place an emphasis on the connection between our places and the wellbeing of our communities and environment. The place-based approach recognises that every area has a different blend of physical, social and economic characteristics that influence each other and aims to address complex problems that no one service alone can solve.

4.7 The priorities provide a common framework, aimed at promoting a shared understanding that encourages services and partners to work collaboratively to achieve improved outcomes and wellbeing for our communities.

4.8 The proposed priorities and associated outcomes are:

Priority	Outcomes
Spaces and Places	<b>Moving around and the environment</b> – Everyone can access streets, places and spaces that are well-connected, well designed and maintained.

Priority	Outcomes
	<b>Play, Sport and Recreation</b> – Everyone can access a range of high quality, safe, well maintained, accessible places with opportunities for play, sport and recreation.
Live, Work, Learn	<b>Education and lifelong learning</b> – Everyone benefits from high quality education and lifelong learning and is supported to learn and fulfil their potential.
	<b>Work and economy</b> – Everyone benefits from a local economy that provides opportunities for people and helps our businesses flourish
	<b>Housing</b> – Everyone can find a good quality home that they can afford, that meets their needs and is in an area where they feel safe and connected.
Civic and Community Pride	<b>Pride in South Ayrshire</b> – Everyone (residents, visitors and tourists) can enjoy attractive destinations and people are proud to live in our towns and villages and celebrate our culture and heritage.
	<b>Community Engagement</b> – Everyone has the opportunity to influence and contribute to what happens in their local area.

4.9 The cross-cutting themes section recognises the complex legislative and strategic landscape that local authorities operate in and proposes a new impact assessment process that will ensure key national and local priorities are always considered when developing new policies, strategies and initiatives. Areas proposed to be included in the impact assessment are:

- Equalities (required);
- Fairer Scotland Duty (required);
- United Nations Convention on the Rights of the Child;
- Sustainability, Climate Change and Adaptation;
- Our Ageing Population;
- South Ayrshire’s Parenting Promise;
- Trauma Informed Practice; and
- Best Value.

4.10 Once approved, officers will develop new service plans that will capture existing activities that contribute to the priorities and highlight new actions aimed at meeting the agreed outcomes. The Performance Management Framework will be revised and submitted to a future Cabinet for approval to ensure that the governance and reporting on the plan is robust and sustainable.

## 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 The Council Plan has been prepared in anticipation of what might be agreed in revenue budget and capital budget, which are the subject of separate reports to this meeting. Service plans will be developed in line with available funding.

## **7. Human Resources Implications**

7.1 Not applicable.

## **8. Risk**

### ***Risk Implications of Adopting the Recommendations***

8.1.1 The ongoing risks associated with the delivery of the Council Plan will be managed within existing operational activities and reference to the status of mitigations will be updated through the Strategic Risk and Service Registers

### ***Risk Implications of Rejecting the Recommendations***

8.2.1 Failure to approve the Council Plan could result in a perceived lack of a clear strategic direction, and that the Council is not seen as maintaining its agreed performance management framework.

## **9. Equalities**

9.1 An Equalities Impact Assessment (EQIA) has been carried out on the proposals contained in this report, which identifies potential positive and negative equality impacts and any required mitigating actions. The EQIA is attached as Appendix 2.

## **10. Sustainable Development Implications**

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - Sustainable development considerations will be considered as part of the progression of all elements of the Plan.

## **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 Not applicable.

## **13. Results of Consultation**

13.1 Public consultation took place from 20 December 2022 until 10 February 2023 and there were 99 responses and these have been considered in the development of the plan.

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 Director of Strategic Change and Communities 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
All services to develop new Service Plans based on new priorities	May 2023	Service Lead – Policy, Performance and Community Planning
Service Plans submitted to Council	June 2023	Service Lead – Policy, Performance and Community Planning
Submit new Performance Management Framework for approval by Cabinet	June 2023	Service Lead – Policy, Performance and Community Planning
Develop Integrated Impact Assessment on cross-cutting themes	September 2023	Service Lead – Policy, Performance and Community Planning

**Background Papers**    [Council Plan 2018–2022](#)

[Our People, Our Place Council Plan 2018-2022 \(2020 mid-term refresh\)](#)

[Report to Service and Performance Panel – 8 February 2022 – South Ayrshire’s Performance Management Framework \(Update January 2022\)](#)

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Email [kevin.anderson@south-ayrshire.gov.uk](mailto:kevin.anderson@south-ayrshire.gov.uk)

**Date:** 22 February 2023



# South Ayrshire Council Plan 2023-2028











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# Introduction

We are delighted to present to you our Council Plan covering 2023-28.

South Ayrshire stands out in Scotland as an area of outstanding natural beauty, with its coastal and rural communities, and long record of innovation and ambition. We are an area rich in heritage, with strong historical connections, fantastic community spirit, welcoming people, a thriving voluntary sector, beautiful scenery, and strong ambitions for an economic and sustainable future where people choose South Ayrshire as a place to live, visit and invest in.

Since we produced our last Council Plan in 2018 the world has changed. Local, national, and global events have altered the landscape of how we operate and the challenges we must address. The COVID-19 pandemic fundamentally changed the way we work and live and the war in Ukraine has led to a humanitarian emergency and contributed to an ongoing cost of living crisis. While much has changed, many of the long-term, strategic challenges faced by our residents and communities remain the same such as child poverty, climate change and our ageing population.

The Council faces unprecedented financial challenges and increasing demand from communities that quite rightly expect the highest quality of services. As demand for quality services rises and resources are restricted, we need to provide best value for money – better services at lower cost.

Despite these challenges, we remain an ambitious council and we will place people at the centre of everything we do as we look to deliver the best possible outcomes. We are ambitious for our communities too and our new Council Plan is based on priorities and outcomes that we believe will have the greatest impact on the wellbeing of our communities, our local economy, and our environment.

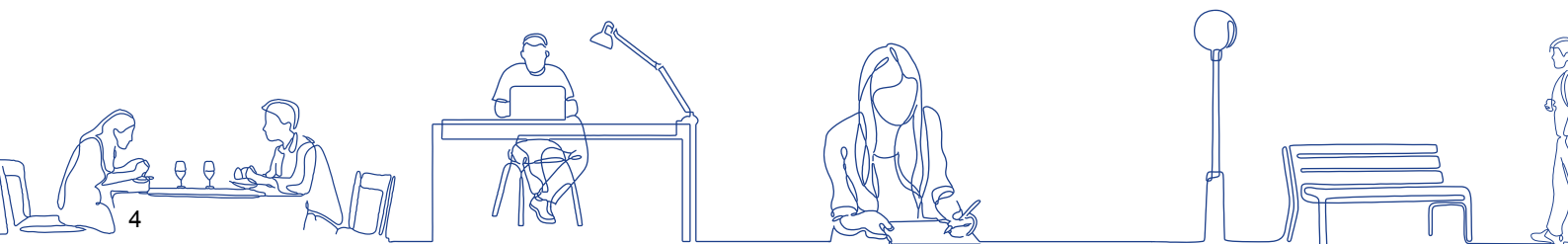
This is a challenging plan but also an exciting plan. We look forward to working with Council staff, with our partners and most importantly with the people and communities of South Ayrshire to deliver it.



**Councillor Martin Dowey,  
Leader of South Ayrshire Council**



**Eileen Howat,  
Chief Executive, South Ayrshire Council**





## About the Council Plan

This Council plan was developed through a process of research and engagement and identifies key areas of focus over the next 5 years. Development of this plan has sought to recognise best practice and emerging innovative approaches throughout Scotland.

The Council has engaged heavily with the Improvement Service and the priorities and outcomes identified below have been influenced by the Places and Wellbeing Outcomes, a joint initiative between Public Health Scotland and the Improvement Service, aimed at recognising the important effect our places have on the wellbeing of our communities and environment. Drawing on the principles recommended by the

Christie Commission for the future of public services, our priorities are:

- preventative in nature
- drive collaboration between services and partners
- require the participation and meaningful involvement of those with local lived knowledge of their community.

Alongside our priorities, the plan highlights cross-cutting strategic themes that will be considered in all our decision making, ensuring that collaboration is embedded in our everyday practice and our resources are used as efficiently and effectively as possible.



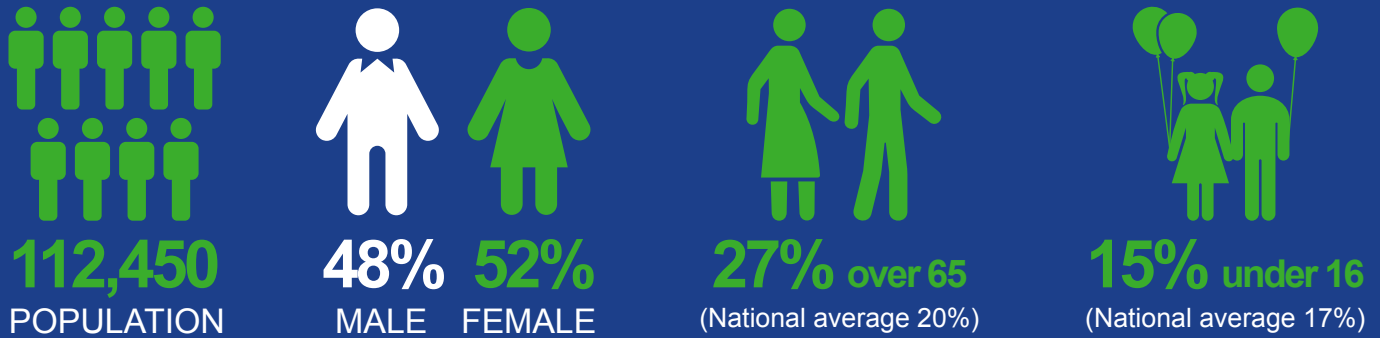
# South Ayrshire Overview

By 2043, the South Ayrshire population is projected to be 105,191 – a decrease of 6.5% compared to the population in 2018. The population of Scotland as a whole is projected to increase by 2.5%.

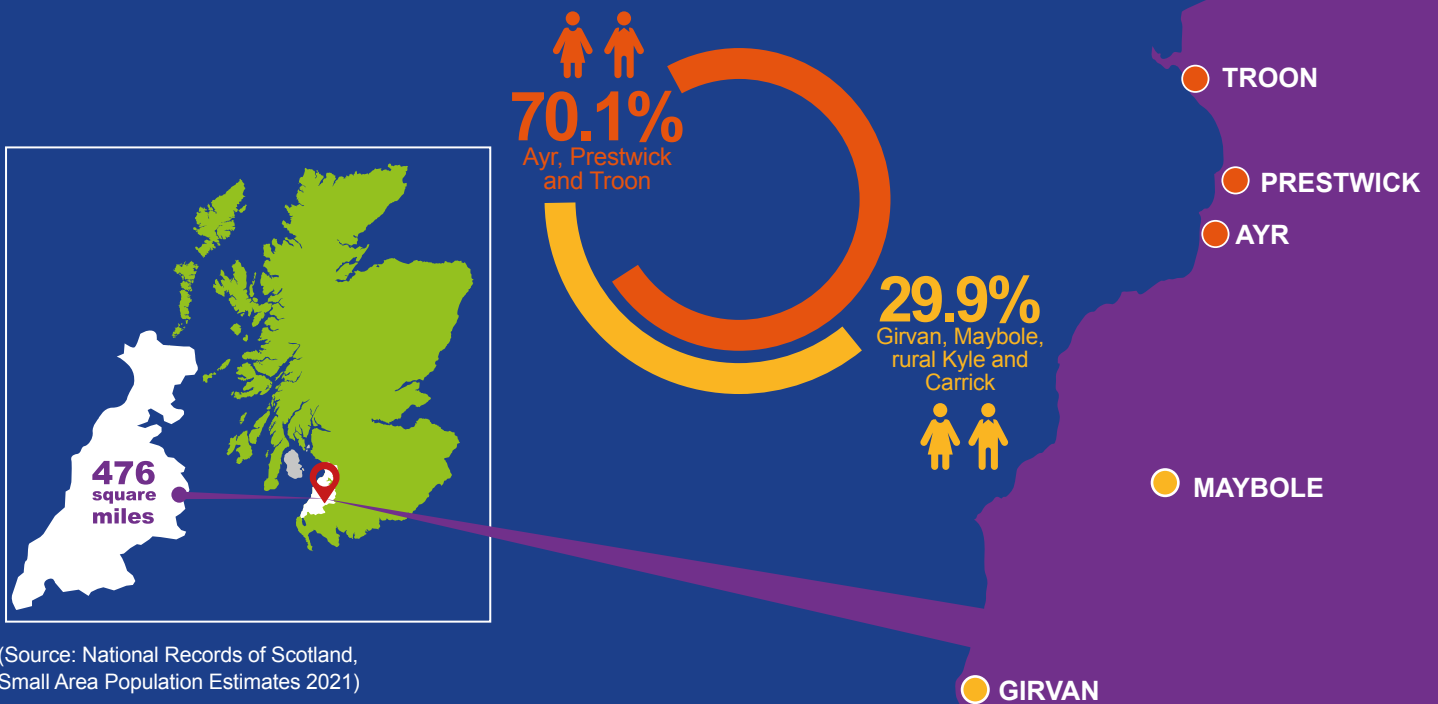
The pensionable age population is, however, projected to increase by 17% by 2043. More dramatically, the South Ayrshire population aged 75+ is projected to increase by 65% by 2043.

The projected change in South Ayrshire is not evenly spread across the different age groups. The number of children aged 0-15 years is projected to decrease by 17% and our working age population by 14%.

These anticipated changes to the population will have considerable consequences for the Council as it strives to ensure social, educational, housing and community services continue to meet the needs of the community.



(Source: National Records of Scotland, 2021 Mid-Year Population)



(Source: National Records of Scotland, Small Area Population Estimates 2021)

## About The Council

Elected Members  
(Post 2022 Election)

- CONSERVATIVE 10
- SNP 9
- LABOUR 5
- INDEPENDENT 4



Staff

**4,640** full-time equivalent  
(as at 31 March 2022)



# Our Purpose, Vision and Values



## Our Purpose

To Serve South Ayrshire

## Our Vision

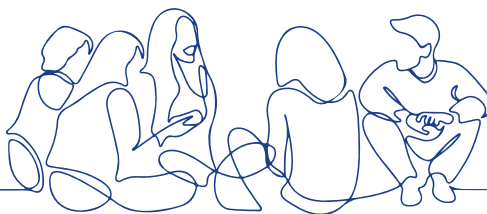
To Make a Difference Every Day

## Our Values

Respectful, Positive, Supportive, Proud and Ambitious



## Community Planning



The Community Empowerment (Scotland) Act 2015, states that community planning is about how public bodies work together, and with the local community, to plan for; resource and provide; or secure the provision of services which improve local outcomes in a local authority area, with a view to reducing inequalities. In other words, it is about working together to make a real difference to our local

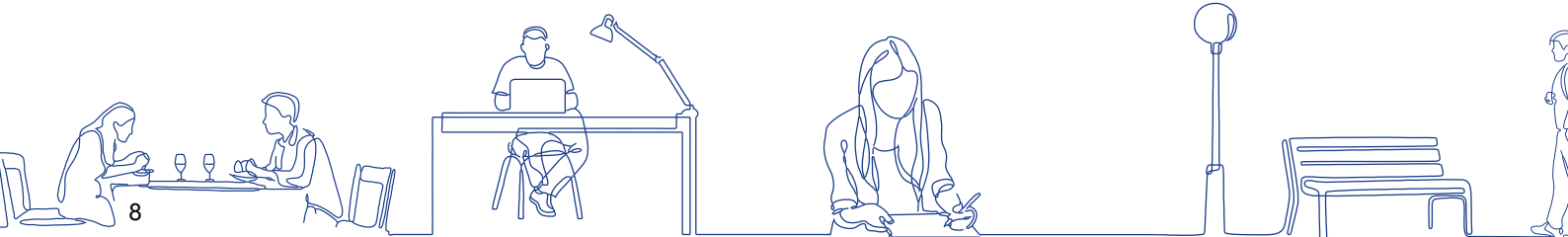
communities and people's lives.

The Community Planning Board is the executive and decision-making body of [South Ayrshire Community Planning Partnership \(CPP\)](#) and is chaired by an elected member.

Membership comprises:

- South Ayrshire Council
- NHS Ayrshire & Arran
- Scottish Fire and Rescue Service
- Scottish Enterprise
- Ayrshire College
- NatureScot
- Ayrshire Chamber of Commerce
- South Ayrshire Health and Social Care Partnership
- Police Scotland
- Strathclyde Partnership for Transport
- Skills Development Scotland
- University of the West of Scotland
- Jobcentre Plus
- Voluntary Action South Ayrshire

The plan on a page provides an overview of the CPP high level outcomes





**Reducing inequalities and improving outcomes** for people in South Ayrshire is a key focus of [South Ayrshire Community Planning Partnership](#) (CPP). The Community Planning Board is the executive and decision-making body of South Ayrshire Community Planning Partnership (CPP). It makes decisions on priorities, [strategic outcomes](#) and objectives for the CPP and has responsibility for the delivery of the Local Outcomes Improvement Plan.

The Community Empowerment (Scotland) Act 2015 has given CPPs a statutory purpose regarding public service reform at a local level. The Act requires CPPs to produce a Local Outcomes Improvement Plan (LOIP) which sets out a vision and focus based on agreed local priorities where, through collaborative working with our community planning partners

and local communities, we can work to reduce inequalities and improve outcomes in South Ayrshire.

South Ayrshire CPP has two strategic themes as an agreed area of focus for the LOIP – these are: **‘Supporting older people to live in good health’** and **‘Closing the poverty-related outcomes gap’**. Under the strategic themes there are five supporting improvement priorities:

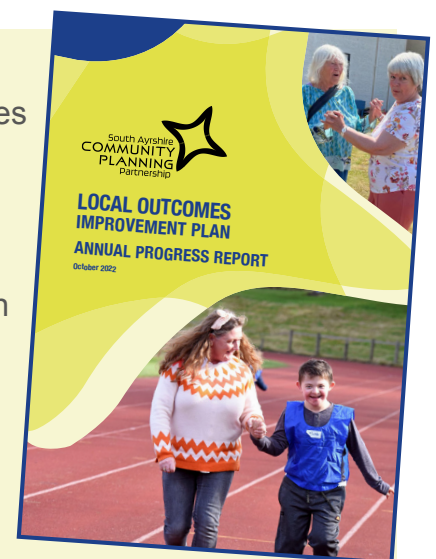
- reducing social isolation and loneliness;
- support for people living with dementia and their carers;
- improving outcomes for care experienced children and care leavers;
- providing support for young people who are carers; and
- employability and lifelong learning.

The latest annual progress report for the LOIP (2022) can be found [here](#). Work will take place during 2023 to refresh our Local Outcomes Improvement Plan to identify a new set of priority areas from April 2024 onwards.

In addition to producing a LOIP, there is also a requirement to identify smaller areas within South Ayrshire and prepare and publish locality plans to improve outcomes on agreed priorities for these areas. In South Ayrshire locality plans are known as ‘place plans’.

The CPP is currently in the process of developing a route-map towards locality-based working – ongoing engagement is taking place with partners, including South Ayrshire Council, on how to take this forward.

Engagement has taken place with the CPP on the Shaping Places for Wellbeing programme to support a common understanding amongst partners and how we can use this framework to underpin future strategic development.



# Enabling Services



We would not be able to achieve successful outcomes for our communities without the support of our enabling services. While rarely involved in frontline service delivery, it is critical that these services continue to be run efficiently and effectively to allow our outcomes and priorities to be achieved. Our enabling services include:



## Corporate Planning and Improvement

Corporate Planning and Improvement works with other services and partners on improvement planning including:

1. The development of the Council Plan, Service Plans and Partnership Plans.
2. They also provide research, information, and analytic services and give advice and guidance on the design and use of strategic and corporate performance indicators.
3. Carry our performance monitoring and reporting both internally and externally.
4. They produce the Council's Annual Performance Report and Local Government Benchmarking Report and represent the Council at key national forums, ensuring good practice is shared and brought back to South Ayrshire

subsequent production of Minutes and Action Plan/Work Plan follow ups.

**Democratic Support** generally provide, via County Buildings Officers, direct support to allow Council Headquarters to operate effectively including the provision of a comprehensive security and janitorial service, delivery of items within the building, mail duties, room setups, minor maintenance and driving duties.

Member Support staff provide administrative support to elected members including to the Leader of the Council and to the Provost and Civic Office. Democratic Support staff generally play an important role in elections as they are involved in providing key support to the Returning Officer in the preparation and facilitating of electoral events.



## Democratic Support

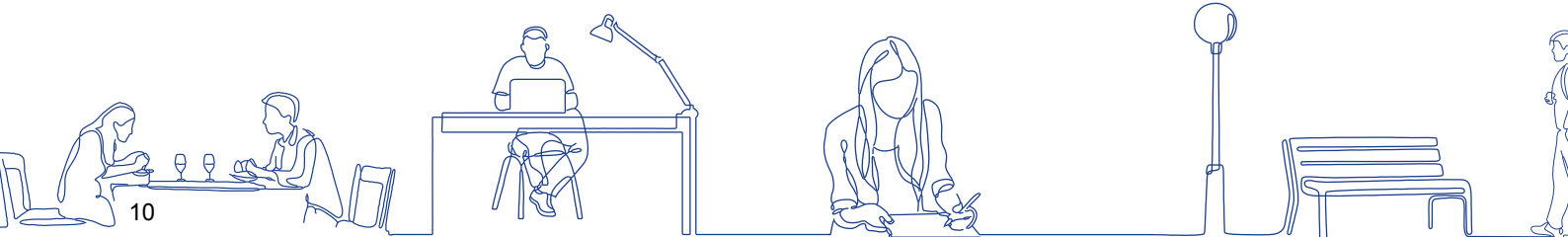
**Committee Services** support the decision-making process of the Council by providing administrative support to the Council's Panels, Boards and a variety of Member/ Officer Working Groups. This work includes the preparation and electronic distribution of reports ahead of council meetings, clerking the meeting, dealing with system requirements in relation to broadcasting the meeting and the



## Finance, ICT and Procurement

The Service has the following responsibilities:

1. Corporate and service finance, including accounting and budgeting
2. Treasury, banking, and income management
3. Revenues Administration
4. Benefits Administration
5. ICT Operations and delivery
6. ICT Enterprise Architecture
7. Corporate procurement and accounts payable





## Health and Safety, Risk Management, Insurance and Civil Contingencies

The Risk and Safety Team provides advice, guidance and support to internal Council Directorates in the following areas:

- Strategic and Operational Risk Management
- Insurance Provision and Claims Handling
- Health and Safety at Work
- Civil Contingency Planning
- Business Continuity Planning



## HR and Payroll

HR and Payroll play a lead role in developing and implementing the strategic framework of employment policies, procedures and

conditions of service including pension administration in line with employment and HMRC legislation.

The service supports Council priorities through the provision of policy frameworks and standards in relation to the management of Council employees and the promotion of a positive and inclusive working culture. The service also works in partnership with recognised Trade Unions to develop and implement new initiatives.

The service is committed to continuous improvement in the delivery of our services by way of service redesign and implementing

new ways of working through enhanced digital functionality which supports organisational change and modernisation of working and employment practices in the achievement of Council strategic plans and priorities.

More recently the development and implementation of Oracle Fusion an integrated financial, procurement, HR and payroll system has been one of the main projects for the service which will deliver improved ways of working within the service as well as across the council through the roll-out of manager and employee self-service functionality.

Continually working with services to identify strategies to support the recruitment and retention issues currently experienced across council services. A pivotal project for the service has been the design and implementation of a new pay model where the first point of the pay model is above the Living Wage rate, making the Council an employer of choice in the local area.

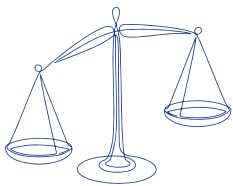
Post COVID-19 there has been a strong emphasis on employee wellbeing particularly in relation to mental health where additional resources have been made available and continue to be developed.





### Internal Audit & Corporate Fraud

Internal audit is an independent, objective assurance and consulting activity. The main objectives are to; examine, evaluate and report on the adequacy of internal controls as a contribution to the efficient, effective and economic use of resources; follow up the implementation of audit action points; prepare an annual evidence based opinion on the adequacy of the Council’s internal control systems; assist officers and members of the authority in the effective discharge of their responsibilities including the Section 95 Officer responsible for ensuring the proper administration of the authority’s financial affairs; and, support the Chief Executive in discharging their overall responsibilities as Head of Paid Service. The Corporate Fraud Team is a specialist investigative unit with the Internal Audit and Corporate Fraud Service with responsibility for proactively and reactively investigating all types of fraud against the Council.



### Legal and Licensing

The Legal and Licensing Service provides advice and support to Council Services, Elected Members and the Council including legal advice for the Council and its various panels and committees, and for all other Services across a broad range of areas including litigation, property, contract matters and regulatory considerations within the planning system. The Service also provides licensing services to the public (Liquor, Civic Government and Gambling).



### Organisational Development

Organisational Development support the design and implementation of corporate and change projects such as organisational culture change; employee engagement; workforce and succession planning and reward and recognition. They support managers to develop the workforce and assist in the implementation of the people strategy and the employee deal.

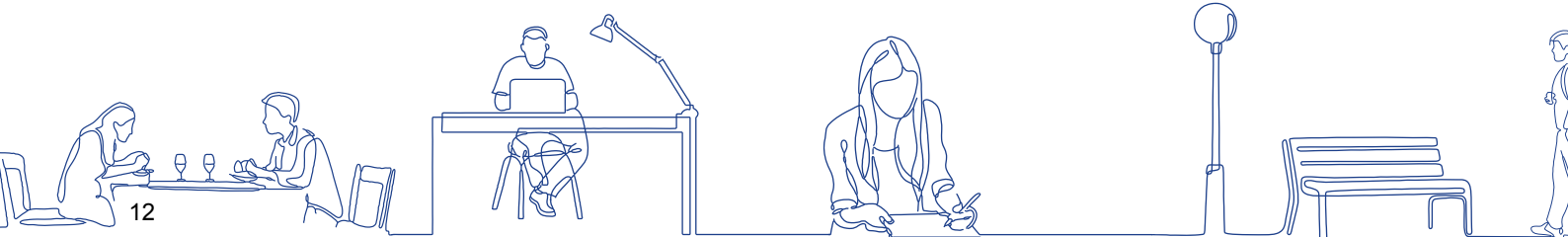


### Procurement

The Procurement Service have 4 key objectives,

1. Procurement Capability Development;
2. Maximising Efficiencies Through Procurement;
3. Development of Collaborative Opportunities;
4. Fulfilment of Sustainable Procurement Duties.

These objectives, alongside the Public Contracts (Scotland) Regulations 2015, provide the framework for all the Council’s procurement activities.





## Registration, Records and Information Services

### Ayrshire Archives

Ayrshire Archives was formed in 1996 to comply with Sections 53 and 54 of the Local Government (Scotland) Act 1994, as local authorities have a statutory obligation to make proper arrangements for the preservation and management of records transferred to them or created by them. The Ayrshire Archives is funded by all three Ayrshire Councils, with South Ayrshire Council acting as the lead authority. Public access to archived records and documents is provided for South Ayrshire at South Harbour Street, Ayr. The team are responsible for selecting, appraising, cataloguing, and interpreting records and making them or information about them available to the public.

### Information Governance

The Information Governance (IG) Team provides a central resource in supporting the Council meeting its legal obligations under Freedom of Information and Environmental Information Requests, compliance with the Public Records (Scotland) Act 2011, Records Management, Complaints and Data Protection Legislation. They also coordinate the postal voting service during Elections and provide general support for a variety of election functions including answering general queries for the election office, collating equipment for polling staff, assisting with the allocation of materials/registers /notices to polling staff.



## Transformation and Strategic Change

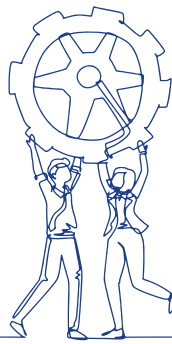
In our Council Plan we set out the range of work we are doing to create a prosperous South Ayrshire. Our Transformation and Change Programme will accelerate how we do this, both in terms of delivering investment in the right areas and changing how we work as an organisation, to become more efficient and cost effective, bringing benefits to our residents.

We will be looking at how we work as a Council, increasing the digitisation and automation of services to make it easier for residents and businesses to access Council services



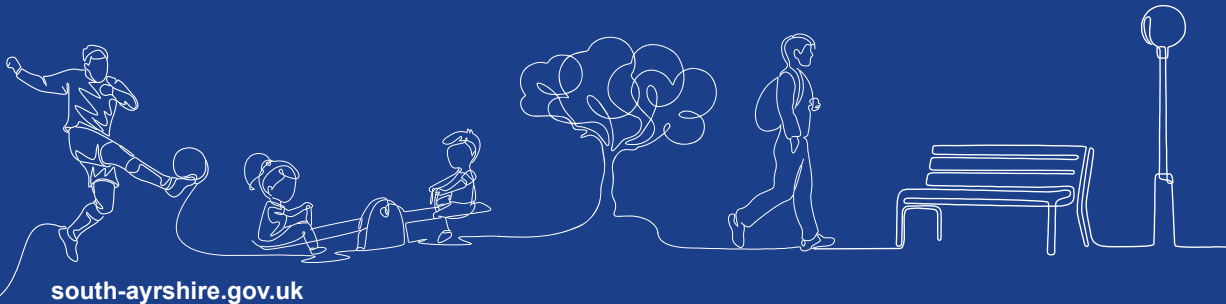


# Council Plan Priorities and Outcomes 2023-2028



The Council's priorities and outcomes place an emphasis on the connection between our places and the wellbeing of our communities and environment. The place-based approach recognises that every area has a different blend of physical, social, and economic characteristics that influence each other and aims to address complex problems that no service alone can solve. The priorities provide a common framework, aimed at promoting a shared understanding that encourages services and partners to work collaboratively to achieve improved outcomes and wellbeing for our communities.

## Priority One Spaces and Places



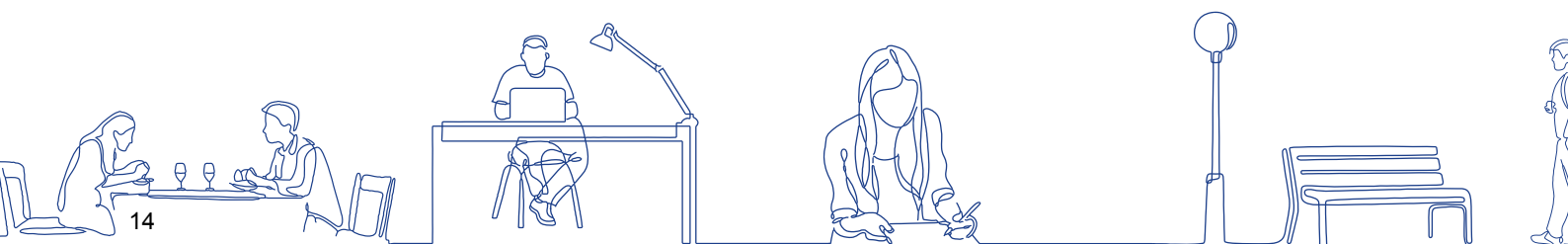
[south-ayrshire.gov.uk](https://south-ayrshire.gov.uk)

### Moving around and the environment

Everyone can access streets, places and spaces that make a positive contribution to wellbeing, are well connected, well designed, and maintained.

### Play, Sport and Recreation

Everyone can access a range of high quality, safe, well maintained, accessible places with opportunities for play, sport and recreation.



## Priority Two Live, Work, Learn



[south-ayrshire.gov.uk](http://south-ayrshire.gov.uk)

### Education and lifelong learning

Everyone benefits from high quality education and lifelong learning and is supported to learn and fulfil their potential.

### Work and economy

Everyone benefits from a local economy that provides opportunities for people and helps our businesses to flourish.

### Housing

Everyone can find a good quality home that they can afford, that meets their needs and is in an area where they feel safe and connected.







# Priority Three

## Civic and Community Pride

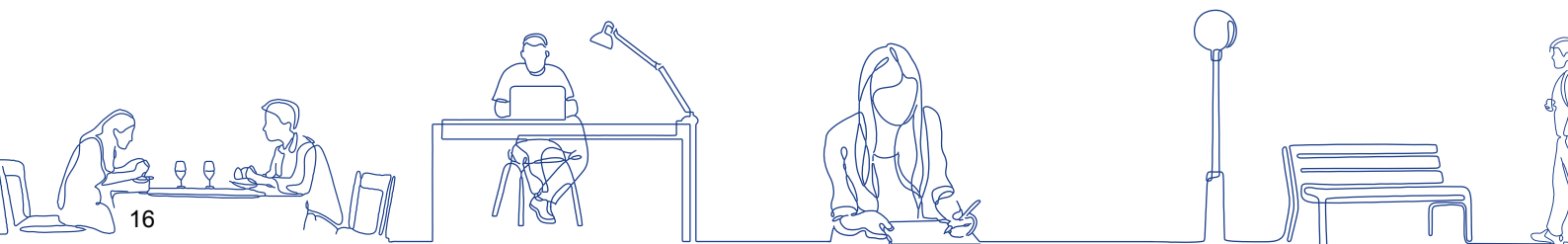


### Pride in South Ayrshire

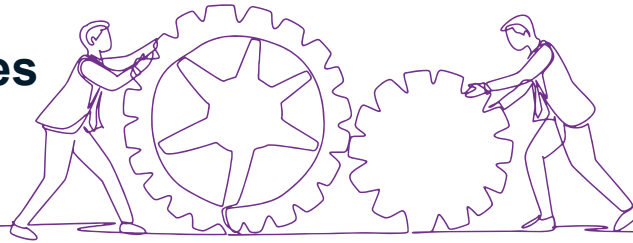
Everyone (residents, visitors, and tourists) can enjoy attractive destinations and people are proud to live in our towns and villages and celebrate our culture and heritage.

### Community Engagement

Everyone has the opportunity to influence and contribute to what happens in their local area.



## Our cross-cutting themes



Local government and partner agencies work in complicated legislative and strategic landscapes that often unintentionally result in silo working and inefficient use of resources. To increase opportunities for effective collaboration and ensure key local and national priorities are always part of our decision-making process, a new integrated impact assessment will be developed. The impact assessment will encourage services to explore where priorities overlap and converge, allowing for a more joined up approach to tackling shared strategic challenges.

Our cross-cutting themes that will be incorporated into the impact assessment include:



### Equalities and the Fairer Scotland Duty

The Public Sector Equality Duty (PSED) (or general duty) in the Equality Act 2010 came into force in April 2011, this requires the Council in the exercise of their functions to have 'due regard' to the need to:

1. Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct.
2. Advance equality of opportunity between those who share a protected characteristic and those who do not; and
3. Foster good relations between those who share a protected characteristic and those who do not.

As a local authority we must also give due regard to reducing socio-economic disadvantage such as low/no wealth, low income, area deprivation and material deprivation.

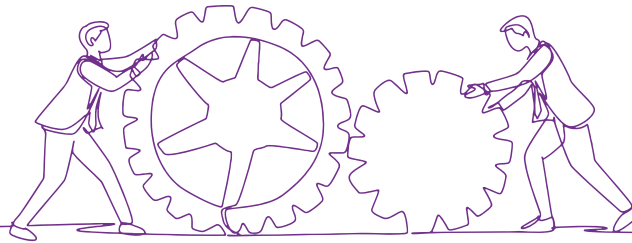
Equalities Impact Assessments (or scoping papers) that incorporate the Fairer Scotland Duty are already a requirement for all Council decisions and will continue to be so.



### United Nations Convention on the Rights of the Child (UNCRC)

The proposed enshrinement of the UNCRC into domestic law requires public bodies and the children's services partnership to act in a manner which is compatible with the UNCRC and report every three years on what they are doing and plan to do to meet the UNCRC requirements.





## Sustainability, climate change and biodiversity

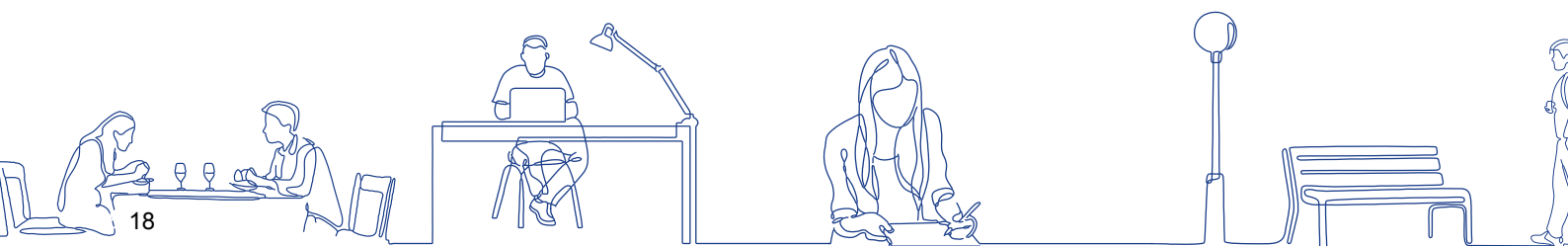


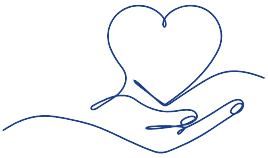
The council aims to both fulfil and show leadership in relation to our statutory climate change, sustainability, and biodiversity duties across all our services, decision making and work with partners. We have committed to be net zero by 2045 and to adapt to the already locked in impacts of a changing climate. In doing so we aim to ensure a just transition for people and nature, supporting ecological recovery and wellbeing, reducing inequalities and creating sustainable, liveable places where people are connected to nature, climate literate and understand the natural systems we rely on, are supported to develop green skills and can work in a fast-evolving local green jobs market, travel less overall and make active and sustainable travel choices first.

## Our Ageing Population



South Ayrshire has one of the oldest populations in Scotland and this will get increasingly pronounced. For example, the over-75 population will almost double in the next 20 years. This results in challenges not just for formal health and care services – like hospitals, primary care and care homes – but also the wider supports that older people may need to keep independent, healthy, active and connected. This means that services that South Ayrshire Council has responsibility for such as housing, leisure, libraries, as well those of wider Community Planning Partners (such as transport, NHS, Health and Social Care Partnership, voluntary groups) will be materially affected by this very significant local demand. Developing a workforce sufficient to meet this issue will be one of the most significant collective challenges in the locality.





## Trauma Informed Practice

The Council has agreed to become a trauma-informed Council. Officers are developing proposals which deliver on the following objectives:

- to become a trauma-informed organisation that recognises the impact trauma can have on people's lives;
- to deliver services in a way that responds to individuals' needs by creating nurturing and supportive environments where people feel valued;
- adopt the trauma-informed principles of safety, choice, collaboration, empowerment, and trust in our approach to service delivery; and
- to support our partner organisations in adopting a trauma-informed approach as part of a Trauma Informed South Ayrshire.



## The Promise

In 2020 Scotland made [the Promise](#) that care experienced children and young people will grow up loved, safe and respected. By 2030, that promise must be kept.

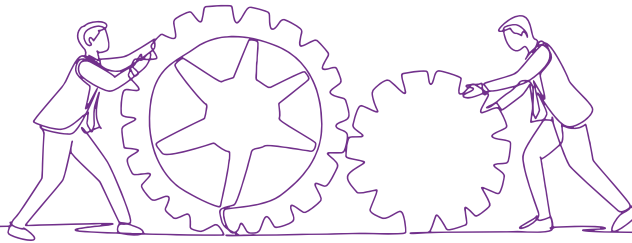
South Ayrshire's Parenting Promise is a plan written for those who are care experienced and details what you can expect of us as your Corporate Parents. As Corporate Parents, under the Children and Young People (Scotland) Act 2014, it is our role to make sure that our attention and resources are focused on upholding the rights, safeguarding and promoting the wellbeing of South Ayrshire's 'looked after children' and 'care leavers'.

We want to make South Ayrshire the best place it can be for children, young people and their families and it matters to us that all young people get the chance to grow up loved, safe and respected to be the very best they can be.

It is important to us that South Ayrshire's Parenting Promise shows how committed we are in South Ayrshire to working together to [#KeepThePromise](#) to all the children and families that we work with and for.

We are leading, collaborating, and driving change through South Ayrshire's 10 Improvement areas right now. You will find South Ayrshire's 10 improvement areas within our [Promise outline](#).





## Best Value

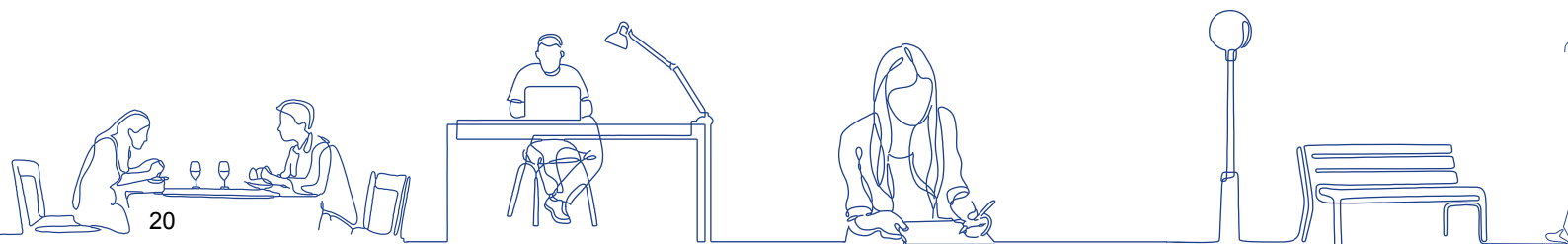
South Ayrshire Council has an ongoing commitment to Best Value which is monitored through a Members Officers Working Group that supports the development of South Ayrshire's approach to meeting key aspects of Best Value. Areas of focus include:

- Delivery of South Ayrshire's Best Value Action Plan
- Council Plan and Community Planning
- Performance and outcomes reporting
- Medium and long-term financial plans
- Workforce Plan Strategy
- Transformation Strategy
- Treasury Management Strategy
- Community Engagement Strategy
- Elected Member training and development

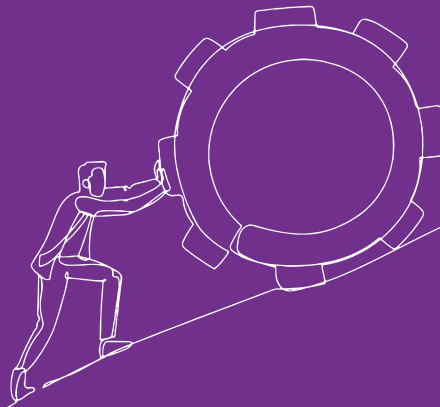


## Reporting and Governance

In order to report effectively on our progress towards meeting the Council's priorities, new service plans will be developed by each service. The service plans will show the specific activities required to deliver our priorities and a range of performance measures, data and targets will be developed which will help measure our impact. Regular reports will be submitted to the Service and Performance panel for scrutiny.



# The Challenges



The [Local Government in Scotland Overview 2022](#) has outlined the major challenges and changing local government environment faced by Scottish local authorities:

- Alongside the ongoing response to the pandemic, councils have faced challenges in recovering services, dealing with increased demand and backlogs, and meeting community needs and expectations. This has taken place against a backdrop of long-standing pressures such as increased demand from an ageing population and rising poverty.
- Councils are operating in a difficult and uncertain strategic context and face longer-term financial pressures, a lack of certainty and flexibility over long-term funding, and the prospect of major service reforms. This challenging context needs local government leaders skilled in effective strategic thinking, decision-making and collaborative working, and able to learn lessons from new ways of working. Collaborative leadership is more important than ever as councils work with partners, communities, and citizens to support recovery and improve outcome.
- Councils are continuing to experience challenges with skills shortages and issues with staff wellbeing. Workforce plans will need to be critical and wellbeing support for the workforce must be maintained.
- Councils have worked hard and adapted well to maintain service delivery. However there are some areas where Council services are still under pressure. Councils must ensure that the most vulnerable people in our community are supported.
- The early response showed what could be achieved by working closely with communities and the voluntary sector. This momentum may be lost if communities and the voluntary sector are not involved in shaping recovery. Flexible governance and decision-making structures will be needed, as will opportunities for more local participation.
- Data has been important in guiding the response to the pandemic but there are key areas where a lack of data could hamper recovery, such as unmet needs, service demands and backlogs. Data is a key tool in tackling inequality but there are gaps in equality data, particularly at a local level.



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**AYRSHIRE**  
COUNCIL  
Comhairle Siorrachd Àir a Deas  
Making a Difference Every Day



**South Ayrshire Council**  
**Equality Impact Assessment including Fairer Scotland Duty**

**Section One: Policy Details\***

Name of Policy	Council Plan 2023-28
Lead Officer (Name/Position)	Kevin Anderson, Service Lead Policy, Performance and Community Planning
Support Team (Names/Positions) including Critical Friend	Jane Murnin, Co-ordinator, Strategic Planning Susan McCardie, Lead Officer Community Planning

\*The term Policy is used throughout the assessment to embrace the full range of policies, procedures, strategies, projects, applications for funding or financial decisions.

What are the main <b>aims</b> of the policy?	<p>The Council Plan and the Council's cross-cutting themes sets out the priorities and outcomes that will drive the work of the Council.</p> <p>Our cross-cutting themes include: <b>Transformation</b></p> <p><b>Sustainability, climate change and biodiversity</b> The council aims to both fulfil and show leadership in relation to our statutory climate change, sustainability and biodiversity duties across all our services, decisions and work with partners. We have committed to be net zero by 2045 and to adapt to the already locked in impacts of a changing climate. In doing so we aim to ensure a just transition for people and nature, supporting ecological recovery and wellbeing, reducing inequalities and creating sustainable, liveable places where people are connected to nature, climate literate and understand the natural systems we rely on, are supported to develop green skills and can work in a fast evolving local green jobs market, travel less overall and make active and sustainable travel choices first.</p> <p><b>Fairer Scotland Duty</b> – as a local authority we must give due regard to reducing socio-economic factors such as low/no wealth, low income, area deprivation and material deprivation. Also taking account of poor skill and attainment, low quality, less secure and lower paid work, greater chance of being a victim of crime,</p>
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less chance of being treated with dignity and respect and lower healthy live expectations.

### **Trauma Informed Practices**

South Ayrshire Council have made a commitment to develop trauma informed and responsive systems and services, and due to Government funding allocated to Community Planning Partnerships, now have a dedicated Trauma Lead Officer who will focus on supporting the implementation. A strategic governance group and a lived experience led, multi-agency group has been established; a comprehensive training plan has been developed; new policies and strategies have been reviewed in line with the 5 national principles of trauma informed practice; staff-wellbeing initiatives are currently being implemented; and plans to develop and strengthen partnership networks to reduce silo working, operationally and strategically, are on-going. It is the hope that in January, the Community Planning Partnership will support the signing of the Trauma Pledge which commits to working towards a trauma informed and responsive Scotland.

### **The Promise**

In 2020 Scotland made [the Promise](#) that care experienced children and young people **will** grow up loved, safe and respected. By 2030, that promise **must be kept**.

We are leading, collaborating, and driving change through South Ayrshire's 10 Improvement areas right now. You will find South Ayrshire's 10 improvement areas within our [Promise outline](#).

### **Workforce Planning**

Workforce planning considers talent management activities, with specific focus in areas such as pipeline development, skills gaps, and succession planning. A range of templates and training for managers has been put in place to help embed workforce and succession planning within Service Plans and Service Reviews (and other strategic change) and inform and progress the Council's corporate workforce plan. The aim is help facilitate a shift from reliance on short-term operational planning to strategic longer-term planning.

### **Older People**

Work on supporting older people to live in good health continues to be led through the social isolation and loneliness strategy and dementia strategy. Both these strategies are supported by implementation plans which

	<p>are monitored through the Health and Social Care Partnership. Reporting on the LOIP priorities will take place via the Communities and Population Health Strategic Delivery Partnership.</p> <p>South Ayrshire has one of the oldest populations in Scotland and this will get increasingly pronounced. For example, the over-75 population will almost double in the next 20 years. This results in challenges not just for formal health and care services – like hospitals, primary care and care homes – but also the wider supports that older people may need to keep independent, healthy, active and connected. This means that services that South Ayrshire Council has responsibility for including housing (including sheltered housing), leisure, libraries, as well those of wider Community Planning Partners (such as transport, workforce development, voluntary groups) will be materially affected by this very significant local demand. Developing a workforce sufficient to meet this issue will be one of the most significant collective challenges in the locality.</p> <p><b>United Nations Convention on Rights of the Child (UNCRC)</b></p> <p>The proposed enshrinement of the UNCRC into domestic law requires public bodies and the children’s services partnership to act in a manner which is compatible with the UNCRC and report every three years on what they are doing and plan to do to meet the UNCRC requirements.</p>
<p>What are the intended <b>outcomes</b> of the policy?</p>	<p><b>Priority One - Spaces and Places</b></p> <p><b>Moving around and the environment</b>  Everyone can access streets, places and spaces that make a positive contribution to wellbeing, are well-connected, well designed, and maintained.</p> <p><b>Play, Sport and Recreation</b>  Everyone can access a range of high quality, safe, well-maintained, accessible places with opportunities for play, sport and recreation.</p> <p><b>Priority Two - Live, Work, Learn</b></p> <p><b>Education and lifelong learning</b>  Everyone benefits from high quality education and lifelong learning and is supported to learn and fulfil their potential.</p> <p><b>Work and economy</b></p>

	<p>Everyone benefits from a local economy that provides opportunities for people and helps our businesses to flourish.</p> <p><b>Housing</b> Everyone has access to a variety of housing types and sizes and a home that is affordable, energy efficient and adaptable to changing needs.</p> <p><b>Priority Three - Civic and Community Pride</b></p> <p><b>Pride in South Ayrshire</b> Everyone (residents, visitors and tourists) can enjoy attractive destinations and people are proud to live in our towns and villages and celebrate our culture and heritage.</p> <p><b>Community Engagement</b> Everyone has the opportunity to influence and contribute to what happens in their local areas.</p>
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**Section Two: What are the Likely Impacts of the Policy?**

<p>Will the policy impact upon the whole population of South Ayrshire and/or particular groups within the population? (please specify)</p>	<p>Yes, the Plan will impact the whole population of South Ayrshire.</p>
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**Considering the following Protected Characteristics and themes, what likely impacts or issues does the policy have for the group or community?**

**List any likely positive and/or negative impacts.**

Protected Characteristics	Positive and/or Negative Impacts
<p><b>Age:</b> Issues relating to different age groups e.g. older people or children and young people</p>	<p>There are five outcomes that will have a positive impact on age.</p> <ul style="list-style-type: none"> <li>• Play, sport and recreation</li> <li>• Moving around and the environment</li> <li>• Education and lifelong learning</li> <li>• Housing</li> </ul>

	<ul style="list-style-type: none"> <li>• Community engagement</li> </ul>
<b>Disability:</b> Issues relating to disabled people	<p>There are five outcomes that will have a positive impact on disability.</p> <ul style="list-style-type: none"> <li>• Play, sport and recreation</li> <li>• Moving around and the environment</li> <li>• Education and lifelong learning</li> <li>• Housing</li> <li>• Community engagement</li> </ul>
<b>Gender Reassignment – Trans/Transgender:</b> Issues relating to people who have proposed, started or completed a process to change his or her sex	<p>There are three outcomes that will have a positive impact on gender reassignment.</p> <ul style="list-style-type: none"> <li>• Education and lifelong learning</li> <li>• Community engagement</li> <li>• Play, sport and recreation</li> </ul>
<b>Marriage and Civil Partnership:</b> Issues relating to people who are married or are in a civil partnership	No specific impact
<b>Pregnancy and Maternity:</b> Issues relating to woman who are pregnant and/or on maternity leave	<p>There are two outcomes that will have a positive impact on pregnancy and maternity.</p> <ul style="list-style-type: none"> <li>• Moving around and the environment</li> <li>• Community engagement</li> </ul>
<b>Race:</b> Issues relating to people from different racial groups,(BME) ethnic minorities, including Gypsy/Travellers	<p>There are five outcome that will have a positive impact on race.</p> <ul style="list-style-type: none"> <li>• Housing</li> <li>• Community engagement</li> <li>• Play, sport and recreation</li> <li>• Work and economy</li> <li>• Education and lifelong learning</li> </ul>
<b>Religion or Belief:</b> Issues relating to a person’s religion or belief (including non-belief)	<p>There are two outcomes that will have a positive impact on sexual orientation.</p> <ul style="list-style-type: none"> <li>• Education and lifelong learning</li> <li>• Community engagement</li> </ul>
<b>Sex:</b> Issues specific to women and men/or girls and boys	<p>There are two outcomes that will have a positive impact on sex.</p> <ul style="list-style-type: none"> <li>• Work and economy</li> <li>• Community engagement</li> </ul>
<b>Sexual Orientation:</b> Issues relating to a person’s sexual orientation i.e. LGBT+, heterosexual/straight	<p>There are two outcomes that will have a positive impact on sexual orientation.</p> <ul style="list-style-type: none"> <li>• Education and lifelong learning</li> <li>• Community engagement</li> </ul>

<b>Equality and Diversity Themes Relevant to South Ayrshire Council</b>	<b>Positive and/or Negative Impacts</b>
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<p><b>Health</b> Issues and impacts affecting people's health</p>	<p>There are four outcomes that will have a positive impact on health.</p> <ul style="list-style-type: none"> <li>• Play, sport and recreation</li> <li>• Housing</li> <li>• Moving around and the environment</li> <li>• Community engagement</li> </ul>
<p><b>Human Rights:</b> Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections.</p>	<p>There are five outcomes that will have a positive impact on human rights.</p> <ul style="list-style-type: none"> <li>• Community engagement</li> <li>• Moving around and the environment</li> <li>• Education and lifelong learning</li> <li>• Work and economy</li> <li>• Housing</li> </ul>

<b>Socio-Economic Disadvantage</b>	<b>Positive and/or Negative Impacts</b>
<p><b>Low Income/Income Poverty:</b> Issues: cannot afford to maintain regular payments such as bills, food and clothing.</p>	<p>There are three outcomes that will have a positive impact on low income/income poverty.</p> <ul style="list-style-type: none"> <li>• Education and lifelong learning</li> <li>• Work and economy</li> <li>• Housing</li> </ul>
<p><b>Low and/or no wealth:</b> Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future</p>	<p>There are three outcomes that will have a positive impact on low income/income poverty.</p> <ul style="list-style-type: none"> <li>• Education and lifelong learning</li> <li>• Work and economy</li> <li>• Housing</li> </ul>
<p><b>Material Deprivation:</b> Issues: being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies</p>	<p>There are five outcomes that will have a positive impact on material deprivation.</p> <ul style="list-style-type: none"> <li>• Education and lifelong learning</li> <li>• Work and economy</li> <li>• Housing</li> <li>• Play, sport and recreation</li> <li>• Pride in South Ayrshire</li> </ul>
<p><b>Area Deprivation:</b> Issues: where you live (rural areas), where you work (accessibility of transport)</p>	<p>There are six outcomes that will have a positive impact on area deprivation.</p> <ul style="list-style-type: none"> <li>• Housing</li> <li>• Work and economy</li> <li>• Education and lifelong learning</li> <li>• Pride in South Ayrshire</li> <li>• Community engagement</li> <li>• Moving around and the environmen</li> </ul>

**Section Three: Evidence Used in Developing the Policy**

<p><b>Involvement and Consultation</b>  In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation?  <b>Who</b> did you involve, <b>when</b> and <b>how</b>?</p>	<p><b>Elected Members and Leadership</b>  An Elected Members Seminar was held in October 2022 facilitated by the Improvement Service to discuss the Council Priorities.</p> <p>Meetings took place with CLT and the Administration</p> <p><b>Place Planning</b>  South Ayrshire Council Thriving Communities services carried out a series of place planning sessions with communities throughout South Ayrshire between September 2021 and February 2022.  The engagement consisted of a number of focused meetings with community groups as well as an online survey. The Scottish Government designed Place Standard toolkit was used to measure and assess the community's priorities.</p> <p>The Place Standard sees a score awarded for each of the identified topics that make up a successful place. This ranges from 1, where most improvement is needed, to 7, where no improvement is needed. The scores given by each member of the community who took part were averaged to give an indication of priorities.</p> <p>Over 1,100 people took part in the engagement by attending one of the sessions or completing the survey online. A full summary of the results were collated for each area and place plans will be produced.</p> <p><b>Public consultation</b>  Public consultation started on 20<sup>th</sup> December 2022 and ran until 10<sup>th</sup> February 2023, results available in Appendix 3.</p> <p>Reminders were issued to the Council on 17 January 2023 via the Council's Comms Team.</p> <p>A wide range of in-depth consultation have taken place over the last 2 years, these have been summarised in Appendix 4.</p> <p><b>Staff, Leadership and Elected Members</b>  The consultation was highlighted to staff, leadership and elected members via the internal communication network.</p> <p>Moving forward we will continue our community conversation with target groups such as, the Youth Forum, Older People's Forum, Lived Experience Forum and Community Councils.</p>
<p><b>Data and Research</b>  In assessing the impact set out above what evidence has been collected from</p>	<p>The Council's research area on the Intranet is updated with a wide range of data which can be access by all members of staff and elected members.</p>



research or other data. Please specify <b>what</b> research was carried out or data collected, <b>when</b> and <b>how</b> this was done.	Elected Members were issues with data packed which contained demographic information at council, locality and ward level.
<b>Partners data and research</b> In assessing the impact(s) set out in Section 2 what evidence has been provided by partners?  Please specify partners	Improvement Service Place and Wellbeing Outcomes  <a href="#">Shaping Places for Wellbeing Programme   Improvement Service</a>
<b>Gaps and Uncertainties</b> Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?	Budget uncertainty Robust service planning process

**Section Four: Detailed Action Plan to address identified gaps in:**

- a) evidence and
- b) to mitigate negative impacts

No.	Action	Responsible Officer(s)	Timescale
1	Develop a service planning process that will deliver the priorities and outcomes set out in the Council Plan 2023-28	Kevin Anderson	June 2023
2	Review the Performance Management Framework to ensure that there is appropriate governance around the Council Plan, including monitoring and reporting to Elected Members	Kevin Anderson	June 2023
3			
4			

**Note: Please add more rows as required.**

**Section Five - Performance monitoring and reporting**

Considering the policy as a whole, including its equality and diversity implications:

When is the policy intended to come into effect?	1 April 2023
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When will the policy be reviewed?	Continuous consultation will take place on the Council Plan via the Council's Communication and Engagement Platform, Consul. Feedback will be reviewed regularly and any suggested changes to the plan submitted to Cabinet.
Which Panel will have oversight of the policy?	Service and Performance Panel

**Section 6**

**South Ayrshire Council**

**Appendix .....**

**Summary Equality Impact Assessment Implications & Mitigating Actions**

**Name of Policy:** .....Council Plan 2023-2028.....

This policy will assist or inhibit the Council’s ability to eliminate discrimination; advance equality of opportunity; and foster good relations as follows:

<p><b>Eliminate discrimination</b></p> <p>The Council Plan and the cross-cutting themes of the Council aims to eliminate discrimination through the implementation of the Council Plan and other plans and strategies adopted by the Council</p>
<p><b>Advance equality of opportunity</b></p> <p>Each outcome takes account of the needs of different populations and geographies and is applied in a way that ensure they achieve equitable outcomes for all.</p>
<p><b>Foster good relations</b></p> <p>In delivering the Council Plan we will continue to foster good relations by developing communication and engagement networks and work in collaboration with partners and the third sector.</p>

<b>Summary of Key Action to Mitigate Negative Impacts</b>	
<b>Actions</b>	<b>Timescale</b>
Review the equality impact assessment documentation to include the cross-cutting themes and provide an online integrated equalities impact assessment solution for officers to use.	April 2024
All new plans and policies being brought forward for consideration by the Council will have undergone an integrated equalities impact assessment to ensure that consideration is given to the cross-cutting themes.	April 2024

**Signed: Kevin Anderson.....Service Lead**

**Date: ..9/2/23.....**



**South Ayrshire Council**

**Report by Director of Strategic Change and Communities  
to South Ayrshire Council  
of 1 March 2023**

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**Subject:        Golf Strategy 2022-2032**

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**1.        Purpose**

- 1.1        The purpose of this report is to provide an update on progress made with the implementation of the Golf Strategy and to seek approval to provide an additional £5m investment for a programme of works to upgrade Darley and Belleisle Golf Courses.

**2.        Recommendation**

**2.1        It is recommended that the Council:**

- 2.1.1        considers the progress made by officers in the implementation of the Golf Strategy (a full update report is outlined in [Appendix 1](#)); and**
- 2.1.2        approves the allocation of £5m from the capital programme to invest in a programme of works to upgrade Darley and Belleisle Golf Courses (as outlined in [Appendix 2](#)).**

**3.        Background**

- 3.1        On 16 March 2021, the Leadership Panel agreed to establish a short-term Member/ Officer Working Group (MOWG) to consider the Council's proposed Golf Strategy. Four Councillors were appointed to this group on a cross party basis.
- 3.2        In December 2021 the Leadership Panel approved the Golf Strategy 2022-32 and funding of £0.500m from uncommitted reserves and £0.500m from the existing capital programme. It was agreed that further consideration would be given through the capital programme as part of future budget setting processes.
- 3.3        From the £0.500m reserves allocation, £42,000 has been spent on course appraisals, £190,000 has been committed as a contribution towards a drainage and nature restoration project at Belleisle Golf Course and £100,000 has been committed as a contribution to a paths improvement project at Darley Golf Course. The remaining £168,000 is currently uncommitted. There has been no spend to date from the £0.500m allocated from the capital programme.
- 3.4        The following strategic objectives were identified to deliver the Golf Strategy in South Ayrshire 2022-2032:

- Achieve Golfing Excellence;
- Evaluate and Remove Obstacles;
- Create the Environment;
- Health and Wellbeing;
- Environmental Sustainability; and
- Management Control.

3.5 In August 2022, Golf Course Architects, KimberGlen, were appointed through a procurement exercise, to undertake a comprehensive appraisal of six Golf South Ayrshire courses. Belleisle and Darley Golf Courses were previously appraised in 2018 and 2020 respectively also by KimberGlen.

3.6 The appraisals considered all aspects of the golf courses including:

- Course layout;
- Enhance playability and reputation;
- Health and Safety;
- Resilience to climate change; and
- Reduce long-term operational/ maintenance costs.

3.7 In September 2022, the service engaged with South Ayrshire Council's Commercialisation, Thriving Communities and Procurement teams to improve the range of Member Benefits to increase the economic impact of Golf South Ayrshire for the region. These are set to be launched in time for the commencement of the 2023/24 golfing season.

#### **4. Proposals**

4.1 We will develop a fully costed marketing plan with a renewed focus and recognition that Golf is a main tourism driver for the region. Specific campaigns will be launched in partnership with the wider Destination South Ayrshire team to increase awareness of South Ayrshire Council golf courses and other related businesses and organisations.

4.2 Our 5-year development plan has been produced and we will begin to actively increase the opportunity for young people and new golfers in South Ayrshire and the service will look to obtain several internal and external partners, such as the Children's Golf Trust, Professional Golfers Association and Scottish Golf, to assist its delivery. The development plan sets out to increase the number of golfers in key areas including young people, females, and other under-represented demographics.

4.3 The replacement of maintenance and staff welfare facilities at Troon Links and Health and Safety (H&S) issues will continue to be progressed. Procurement and Professional Design Services, (P.D.S.), have engaged Golf Course Architects, KimberGlen, to progress the H&S work and P.D.S. are going through the design and build options.

- 4.4 Internal Audit has highlighted weaknesses within the current management of cash transactions in our Clubhouses. Employees have been given updated management procedures and training to reflect this. We will upgrade our customer services with a move to cashless catering and membership benefits.
- 4.5 Options for the redevelopment of courses were included in the golf course appraisals, which would enable South Ayrshire Council to achieve the agreed Strategic Outcomes and increase income from visitor and members. Based on the recommendations made by KimberGlen, it is proposed that the two priority courses for investment will be Darley and Belleisle, as outlined in [Appendix 2](#). Costs for each project will be confirmed once a schedule of works is agreed, and prices established through relevant procurement processes. Options for the redevelopment of the remaining courses should be considered when further investment becomes available.
- 4.6 Investment is required to ensure that the condition of our courses does not deteriorate and significantly impact year-round playability, and visitor and member income.

## **5. Legal and Procurement Implications**

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications immediately arising from this report; all procurement of project work must comply with the process requirements of the Council.

## **6. Financial Implications**

- 6.1 There is currently £0.500m allocated to golf in the capital programme, which will be carried forward into 2023/24, and a further £0.500m allocated in reserves. There has been no spend to date from the capital allocation. The reserves allocation has had a spend of £42,000 for course appraisals and a further £290,000 committed to projects at Darley and Belleisle golf courses with £168,000 currently uncommitted.
- 6.2 If approved, the proposed £5m investment detailed in this report would come from the capital programme. This would provide a total of £6m investment over 5 years: £1m in 2023/24 followed by £1.5m in 2024/25, £2.5m in 25/26 and £1m in 2026/27. Re-profiling of this allocation can be undertaken once a schedule of works is agreed, and prices established. The newly proposed funding of £5m requires to be incorporated into the 12 year 2023/24 to 2034/35 Capital Investment Programme included as part of the 2023/24 Council budget (report elsewhere on this Council agenda).

## **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/



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

8.2.1 The risk is that the condition of the courses deteriorates which will significantly impact year-round playability, and visitor and member income.

## 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 3](#).

## 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 Commitments 3, 5 and 6 of the Council Plan: Grow Well, Live Well, Age Well/ Health and care systems that meet people's needs; Stand up for South Ayrshire/ Increase the profile and reputation of South Ayrshire and the Council; and A Better Place to Live/ Enhanced environment through social, cultural and economic activities.

## 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 Brian Connolly, Portfolio Holder for Sport and Leisure, 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 Strategic Change and Communities 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:

<b><i>Implementation</i></b>	<b><i>Due date</i></b>	<b><i>Managed by</i></b>
Enter into a procurement process to appoint contractors to deliver works at Darley and Belleisle Golf Courses	31 December 2023	Service Lead – Destination South Ayrshire
Provide Council with a report on the implementation of the strategy at the end of year 2	31 December 2023	Service Lead – Destination South Ayrshire

**Background Papers**    **Report to South Ayrshire Council of 9 December 2021 – [Golf Strategy 2022-2032](#)**

**Person to Contact**    **Laura Kerr, Service Lead – Destination South Ayrshire  
County Buildings, Wellington Square, Ayr, KA7 1DR  
Phone 01292 616421  
E-mail [laura.kerr4@south-ayrshire.gov.uk](mailto:laura.kerr4@south-ayrshire.gov.uk)**

**Date: 20 February 2023**

## **GOLF STRATEGY IMPLEMENTATION UPDATE**

### **Our Strategic Objectives**

The following strategic objectives have been identified to deliver the Golf Strategy in South Ayrshire 2022-2032:

#### **1. Achieve Golfing Excellence**

- Provide golf courses with a year-round playing experience that is equal to, or better than, any comparable course in the region.
- Establish a high-quality development programme and practice facilities which support all standards of golfers and to increase participation, particularly by female golfers, families, and young people.
- Invest in golf courses to ensure they are compliant with modern safety standards, reflect advances in technology and meet the needs of members, visitors, and other users.

#### **2. Evaluate and Remove Obstacles**

- Establish a membership fee structure which supports inclusive golf.
- Establish a comprehensive and professional internal and external communications programme to raise the profile and reputation of Golf in South Ayrshire.

#### **3. Create the Environment**

- Ensure a warm, friendly, and welcoming environment for all members and visitors.
- Continue to invest in non-course assets to ensure that they are secure, maintained and developed to a high standard.
- Provide a consistent, high quality and cost-effective bar and catering service which supports both golfing and non-golfing activities.

#### **4. Health and Wellbeing**

- Establish a comprehensive programme to maximise the benefits of golf for all.
- Provide ease of access, year-round, for all.

#### **5. Environmental Sustainability**

- Ensure best greenkeeping practices and the latest techniques are used to maintain the courses.
- Achieve recognised environmental accreditation.
- Identify potential sources of green energy and income generation.
- Protect the courses from the effects of climate change.
- Ensure all working practices and facilities are compliant with current regulations.
- Meet or exceed reductions in annual carbon budgets to support the achievement of the Council's Net Zero ambitions by 2030.

## 6. Management Control

- Establish a sustainable and business aware management operation that guides the long-term ambitions of golf in South Ayrshire.
- Ensure that best practice governance sits at the core of decision making.
- Improve financial performance and planning through cost control, implementation of efficiency savings, and maximise opportunities to increase income generation.

These strategic objectives will be delivered across nine functional areas.

### 1. THE COURSES

In August 2022, Golf Course Architects, KimberGlen, were appointed through a procurement exercise, to undertake a comprehensive appraisal of six Golf South Ayrshire courses. Belleisle and Darley Golf Courses were previously appraised in 2018 and 2020 respectively also by KimberGlen.

The appraisals considered all aspects of the golf courses including:

- Course layout
- Enhance playability and reputation
- Health and Safety
- Resilience to climate change
- Reduce long-term operational/maintenance costs

Options for the redevelopment of courses were also included, which would enable South Ayrshire Council to achieve the agreed Strategic Outcomes and increase income from visitor and members.

Based on the recommendations made by KimberGlen, it is proposed that the two priority courses for investment will be Darley and Belleisle, as outlined in [Appendix 2](#). Costs for each project will be confirmed once a schedule of works is agreed, and prices established through relevant procurement processes. Options for the redevelopment of the remaining courses should be considered when further investment becomes available.

Investment is required to ensure that the condition of our courses does not deteriorate and significantly impact year-round playability, and visitor and member income.

An appraisal has not been carried out for the Maybole Golf Club; KimberGlen visited the site and reported that the upgrade required for the course would not warrant the investment.

Golf South Ayrshire is continuing to engage with Agronomists to undertake an agronomical assessment of all eight courses. The reviews will provide an insight into current turf and environmental conditions as well as current maintenance practices to assist the service to create five year maintenance plans.

Whilst engaging with the Golf Environmental Organisation and South Ayrshire Council's Environmental Team, a benchmark of 399.35 (TCO<sub>2e</sub>) of Carbon Emissions (excluding sequestration) has been set for 2021/22. To achieve recognised environmental accreditation, several targeted actions are required and several KPI's have to be met. These KPI's will also be used to meet South Ayrshire Council's agreed annual carbon reduction targets to achieve net zero by 2030. These KPI's are set to be agreed by March 2023.

Completing these actions will ensure Golf South Ayrshire fulfils the following objectives:

- **ACHIEVE GOLFING EXCELLENCE**
- **ENVIRONMENTAL SUSTAINABILITY**
- **MANAGEMENT CONTROL**

## **2. MEMBERSHIPS**

Following a significant upturn in popularity of the game during and post COVID, Membership sales have remained strong in 2022/23. Demand for tee times at both Troon Links and Belleisle Park courses have continued to be very high.

Several possible scenarios have been considered but wholesale changes to how the Season Tickets are categorised and priced would be fully dependant on the impact of the current cost of living crisis and the levels of investment the Council commits to the improvement of the courses.

Work is ongoing in relation to affiliated golf clubs who have permission to play on the courses. Consultation will be planned for season 2023-24 and implementation in season 2024-25.

In September 2022, the service engaged with South Ayrshire Council's Commercialisation, Thriving Communities and Procurement teams to improve the range of Member Benefits to increase the economic impact of Golf South Ayrshire for the region. These are set to be launched in time for the commencement of the 2023/24 golfing season.

Completing these actions will ensure Golf South Ayrshire fulfils the following objectives:

- **EVALUATE AND REMOVE OBSTACLES**
- **HEALTH AND WELLBEING**
- **MANAGEMENT CONTROL**

## **3. MARKETING**

Further work on a fully costed marketing plan is being developed with a renewed focus and recognition that Golf is a main tourism driver for the region. Specific campaigns will be launched in partnership with the Destination South Ayrshire team to increase awareness of South Ayrshire Council golf courses and other related businesses and organisations.

The tour operator and hoteliers' scheme will be relaunched, and the region is looking to be represented at Bunkered Live at the NEC, Birmingham and the Scottish Golf Tourism event held in St Andrews early in 2024.

The current Golf South Ayrshire website is over 6 years old. It is the intention of the service to replace the current website to improve its internet presence using several techniques including professionally created video footage of the courses and improved photography to

increase the number of visitors to the region. The cost of this project will be met within existing revenue budgets.

Completing these actions will ensure Golf South Ayrshire fulfils the following objectives:

- **EVALUATE AND REMOVE OBSTACLES**
- **CREATE THE ENVIRONMENT**
- **MANAGEMENT CONTROL**

#### **4. DEVELOPMENT**

A comprehensive 5-year development plan to actively increase the opportunity for young people and new golfers in South Ayrshire has been created and the service will be looking to obtain several internal and external partners, such as the Children's Golf Trust, Professional Golfers Association and Scottish Golf, to assist its delivery. The development plan sets out to increase the number of golfers in key areas including Young People, Females, and other under-represented demographics.

The development plan sets out to increase the number of golfers in key areas including Young People, Females, and other under-represented demographics. The development plan is due to commence in April 2023 and will be completed at the end of the 2028 season.

Key events such as 'The Open', Royal Troon and the 'Scottish Ladies Open', Dundonald and others not yet announced, should be used to increase participation and opportunity for the key demographics previously identified. A 15-month roadmap will be set out working with key partners, such as the Children's Golf Trust, Professional Golfers' Association and Scottish Golf, and will be completed by March 2023.

Completing these actions will ensure Golf South Ayrshire fulfils the following objectives:

- **ACHIEVE GOLFING EXCELLENCE**
- **EVALUATE AND REMOVE OBSTACLES**
- **CREATE THE ENVIRONMENT**
- **HEALTH AND WELLBEING**

#### **5. CLUBHOUSES**

A temporary post of Clubhouse Officer was appointed in August 2022 to assist the service in delivering an improved Clubhouse experience focussing on the catering delivery.

Following a recruitment campaign, the service addressed many of the issues relating to staffing and the Stables Café re-opened on a limited number of days in September 2022. Whilst the business is still in its relative infancy after a lengthy closure, levels of custom are increasing, however the retail catering industry is challenging at present.

The Belleisle Park and Troon Links Golf Clubhouses are currently being reviewed and a full report is expected to be completed by March 2023. We are anticipating that the review will report that we need to attract more non-golfing customers to increase income through sales.

Completing these actions will ensure Golf South Ayrshire fulfils the following objectives:

- **MANAGEMENT CONTROL**
- **ACHIEVE GOLFING EXCELLENCE**
- **ENVIRONMENTAL SUSTAINABILITY**

## **6. ANCILLARY BUILDINGS AND INFRASTRUCTURE**

Replacement of maintenance and staff welfare facilities at Troon Links and Health and Safety (H&S) issues are progressing. Procurement and Professional Design Services, (P.D.S.), have engaged KimberGlen to progress the H&S work and P.D.S. are going through the design and build options at present.

Funding has been secured from NatureScot and as such the service is working in partnership with the Environment and Sustainability Team and the Scottish Wildlife Trust to complete a Nature Restoration and Environmental Project on Belleisle Golf Course. This will see the creation of a network of open water areas and linked waterways aimed at both enhancing the playability of the Golf Course and increase biodiversity through habitat creation. This project is currently on target to be completed by March 2023.

Additional funding has been secured through the Place Based Investment Programme to create a network of paths to create a safe walking route through and around the perimeter of Darley Golf Course, Troon. The funding for this project will be committed by March 2023.

The service has also recently engaged with Ayrshire Roads Alliance and SWECO to discuss the potential impact to Lochgreen and Darley Golf Courses with the planned upgrading of the National Cycle Network. A number of course alterations are required to ensure the safety of Pedestrians and Cyclists using the upgraded route.

Following the successful progression of the outstanding P.D.S. Projects, the Service will further engage with P.D.S. to assist in the creation of a costed 10-year Capital Investment Programme based on the requirements of the Service to further enhance the Courses and Staff Welfare facilities at each location. This would be in addition to the proposed investment for upgrading Darley and Belleisle Golf Courses and would run from years 5-10 of the investment.

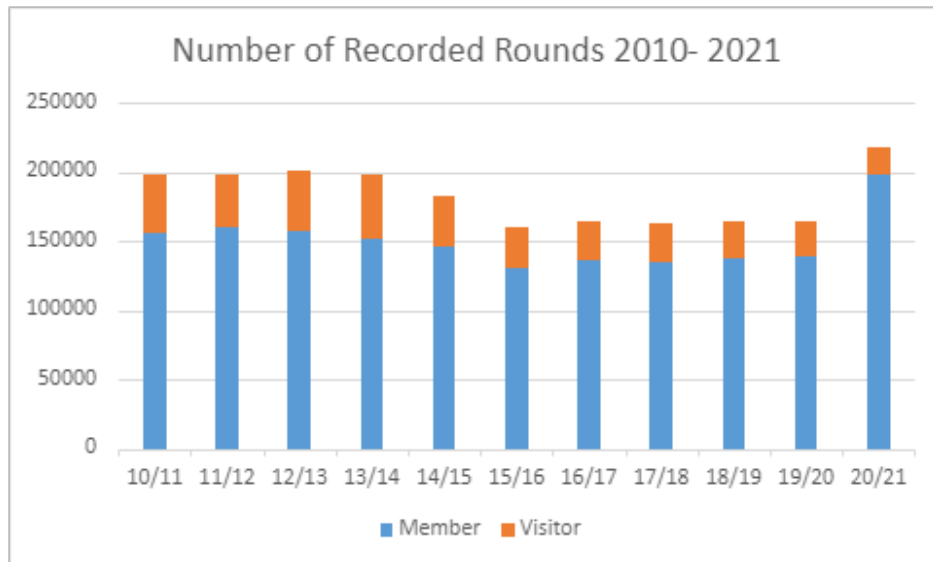
Completing these actions will ensure Golf South Ayrshire fulfils the following objectives:

- **ACHIEVE GOLFING EXCELLENCE**
- **ENVIRONMENTAL SUSTAINABILITY**
- **MANAGEMENT CONTROL**

## **7. SALES AND ADMINISTRATION**

Following the unprecedented growth experienced during the pandemic, the demand for tee times from season ticket holders remains very high. Tee time availability is challenging, although non-member rounds have shown a decrease of 5% YTD:





Course utilisation of season ticket times, particularly on club competition days, generally Wednesday, Saturday and Sundays has improved significantly since the move to online priority booking and remains high, however levels of demand decrease significantly in the afternoons/twilight times and marketing activities will focus on improving the utilisation of these times.

Non-Member rounds remain lower than desired and corporate income targets remain unachievable. Further investigations are required to establish whether any changes to tee time booking rules are necessary. The service will therefore continue to monitor course usage for the 23/24 season before making recommendations to alter tee sheet rules.

The pre-existing Hotel and Tour Operators Scheme has been updated and the service will work on increasing the number of partners using the scheme. The service continues to be in discussions with colleagues in the Destination South Ayrshire team on how to maximise the economic impact of the golf courses for tourism and help achieve income targets.

A review meeting of 2021 Golf Festivals (Ayr Golf Week, Troon Links Weekender, Girvan Classic) was undertaken in October, with some changes in the format of competitions introduced for season 23-24.

Generally, events are showing lower than desired attendances and the information gathered will form the basis of any future changes to the competition formats.

Completing these actions will ensure Golf South Ayrshire fulfils the following objectives:

- **ACHIEVE GOLFING EXCELLENCE**
- **EVALUATE AND REMOVE OBSTACLES**
- **CREATE THE ENVIRONMENT**
- **MANAGEMENT CONTROL**

## 8. FINANCIAL

FUNCTIONAL AREA	ACTION	COMPLETION DATE	ASSIGNED TO
Financial	Complete profiled projections for each key area of the service to achieve relevant KPI's as agreed	MARCH 2023	GSA
Financial	Review current budget monitoring process and create Income and Expenditure budgets based on actual costs and projected income	MARCH 2023	GSA/Finance
Financial	Complete a Commercialisation Review of the Service exploring opportunities for new revenue streams and sources of income	MARCH 2023	GSA/Commercialisation Team

Completing these actions will ensure Golf South Ayrshire fulfils the following objectives:

- **EVALUATE AND REMOVE OBSTACLES**
- **MANAGEMENT CONTROL**

## 9. GOVERNANCE

Internal Audit has highlighted weaknesses within the current management of cash transactions in our Clubhouses. Employees have been given updated management procedures and training to reflect this. Progress is being made to upgrade our customer services with a move to cashless catering and membership benefits.

Further actions in this functional area are due for completion by March 2023. These are:

FUNCTIONAL AREA	ACTION	COMPLETION DATE	ASSIGNED TO
Governance	Review and propose a revised Structure for Golf based on achieving outcomes agreed within Strategy and new Council objectives.	MAR 2023	GSA
Governance	Review and Update where necessary all Terms and Conditions and Operational Policies	MAR 2023	GSA/Trading Standards / Legal
Governance	Review and Implement all Operational Health and Safety Policies	MAR 2023	GSA
Governance	Review Golf Insurance Product and	FEB 2023	GSA/Risk and

	Re-Tender		Insurance / Procurement
Governance	Review all Staff Handbooks and Operational Procedures including Annual Leave and other internal procedures	JAN 2023	GSA

Order of priority	Location	Overview of works	Duration of Works
Project 1	Darley Golf Course	<p>Full modernisation of Golf Course to address accessibility and safety issues to increase usage. Formalise all new paths and safe walking routes for non-golfing residents in Troon (North) and Barassie.</p> <p>Upgrade to existing irrigation system (greens, approaches, fairways and tees) and sustainable water sources.</p>	3 – 6mth construction + 6 – 9mth grow-in
Project 2	Belleisle Golf Course	<p>Partial redesign of golf course, which would include options for a golf academy.</p> <p>Modernisation of all bunkering</p> <p>Installation of irrigation system (greens, approaches and tees and practice facilities) and sustainable water sources.</p>	3 – 6mth construction + 6 – 12mth grow-in

## 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	Golf Strategy 2022 - 2032
Lead Officer (Name/Position/Email)	Laura Kerr Service Lead – Destination South Ayrshire <a href="mailto:Laura.kerr4@south-ayrshire.gov.uk">Laura.kerr4@south-ayrshire.gov.uk</a>

**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		X
Disability		X
Gender Reassignment (Trans/Transgender Identity)		X
Marriage or Civil Partnership		X
Pregnancy and Maternity		X

Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers		X
Religion or Belief (including lack of belief)		X
Sex – (issues specific to women & men or girls & boys)		X
Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight		X
Thematic Groups: Health, Human Rights & Children’s Rights		X

**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		X
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		X
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		X
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)		x
Socio-economic Background – social class i.e. parent’s education, employment and income		x

**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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low

<b>Foster good relations</b> 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

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<input type="checkbox"/> YES NO <input checked="" type="checkbox"/>
<b>Rationale for decision:</b>  <b>Additional funding to upgrade golf courses will have a positive impact, however it will be a low impact and it does not give rise to equality considerations related to a particular protected group.</b>	
<div style="text-align: center; margin-bottom: 10px;">  </div> <b>Signed</b> <b>Laura Kerr, Service Lead – Destination South Ayrshire</b>  <b>Date:</b> .....6/1/23.....	