

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

19 March 2026

Dear Councillor

## **SOUTH AYRSHIRE COUNCIL**

You are requested to participate in a meeting of South Ayrshire Council to be held **on Thursday 26 March 2026 at 10.00 a.m.** for the purpose of considering the undernoted business.

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

**Yours sincerely**

**CATRIONA CAVES**  
Chief Governance Officer

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

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

(a) Minutes of previous meetings.

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

- (i) 19 February 2026 (copy herewith).

(b) Minutes of Panels.

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

- (i) Appeals Panel of [17 December 2025](#)
- (ii) Audit and Governance Panel of [3 December 2025](#)
- (iii) Cabinet of [20 January 2026](#) and [17 February 2026](#)
- (iv) Regulatory Panel – Licensing of [26 November 2025 \(Site Visit\)](#) and [22 January 2026](#)
- (v) Regulatory Panel – Planning of [5 February 2026](#)
- (vi) Service and Partnerships Performance Panel of [11 February 2026](#) and [26 February 2026 \(Special\)](#)

4. Corporate Workforce Plan 2026-31 – Submit report by Chief HR Officer (copy herewith).

5. Additional Public Holiday – Submit report by Chief Executive (copy herewith).
6. Granting of the Freedom of South Ayrshire to Ayr Sea Cadets and Royal Marines Cadets – Submit report by the Chief Governance Officer (copy herewith).
7. Decision in Favour of the Council in the Judicial Review by the Petitioner Allanvale Homes(Prestwick ) Limited – Submit report by Chief Governance Officer (copy herewith).
8. Procurement Strategy Update 2026/27 – Submit report by the Chief Financial Officer (copy herewith).
9. Treasury Management and Investment Strategy 2026/27 – Submit report by the Chief Financial Officer (copy herewith).
10. Maybole Regeneration Programme II - Submit report by Depute Chief Executive and Director of Housing, Operations and Development (copy herewith)
11. Prestwick Regeneration – Potential Projects – Submit report by Depute Chief Executive and Director of Housing, Operations and Development (copy herewith).
12. Redevelopment of Burns Statue Square – Submit report by Depute Chief Executive and Director of Housing, Operations and Development (copy herewith).
13. Formal Questions
14. **ARA Parking Service Review - Submit report by Depute Chief Executive and Director of Housing, Operations and Development (Members Only)**
15. **Redevelopment of the Former Hourstons Building and Former Arran Mall, Ayr - Submit report by Depute Chief Executive and Director of Housing, Operations and Development (Members Only)**
16. **Consideration of Above Confidential Reports.**

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)  
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**SOUTH AYRSHIRE COUNCIL.**

Minutes of a hybrid webcast meeting  
on 19 February 2026 at 10.00 a.m.

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

Present Remotely: Councillors Ian Cochrane, Chris Cullen and Lee Lyons.

Apologies: Councillors Kenneth Bell, Martin Dowey, Stephen Ferry and Brian McGinley,

Attending in County Buildings: S. Penman, Chief Executive; K. Braidwood, Depute Chief Executive and Director of Housing, Operations and Development; J. Bradley, Director of Communities and Transformation; S. Mulholland, Director of Education; M. Inglis, Director of Health and Social Care; C. Caves, Chief Governance Officer; T. Baulk, Chief Financial Officer; C. Cox, Assistant Director – Planning, Development and Regulation; J. Tait, Acting Assistant Director – Communities; T. Burns, Service Lead – Asset Management and Community Asset Transfer; A. Mutch, Service Lead – Sport, Leisure and Golf; R. Jamieson, Co-ordinator (Asset Management). C. Robertson, Local Heat and Energy Efficiency Strategies Officer; J. McClure, Committee Services Lead Officer; J. Chapman, Committee Services Officer; and C. McCallum, Clerical Assistant.

Attending Remotely: C. McGhee, Chief Internal Auditor.

**1. Provost.**

The Provost

- (1) welcomed everyone to the meeting, outlined the procedures for conducting this meeting and advised that this meeting would be broadcast live;
- (2) intimated that apologies had been received from Councillors Bell, Dowey, Ferry and McGinley; and
- (3) advised that he had written, on the Council's behalf, to express the Council's warmest congratulations to the following who had received Honours in the King's New Year's Honours List:
  - (a) Wilma Milligan from Prestwick who received the MBE for Services to Charity and Food Poverty; and
  - (b) Dr Kirsty Darwent of Ayr who received the OBE for her work as Chair of the Scottish Fire and Rescue Service and the Chair of Redress Scotland.

## 2. **Sederunt and Declarations of Interest.**

The Chief Executive called the roll and 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.

Councillor Bob Pollock advised that he was named within the report entitled "Final Investigation Report" however, he did not form part of the investigation, therefore, this did not compromise his ability to consider the report.

Councillor Philip Saxton advised that, in relation to the report entitled "2026/27 Budget - Fees and Charges Uplift Proposals", he was a member of a South Ayrshire Golf Club, however, this would not impact on his ability to take a decision on this item.

## 3. **Minutes of previous meetings**

### (1) **Minutes of Previous Meeting of the Council.**

Provost Iain Campbell, seconded by Councillor Mary Kilpatrick, moved the [Minutes](#) of South Ayrshire Council of 11 December 2025 as a correct record.

As Councillor Scott was not present at this meeting, he was not eligible to vote on these Minutes.

The Council

**Decided:** to approve the Minutes of 11 December 2025 and authorise these minutes to be signed as a correct record.

### (2) **Minutes of previous meetings of Panels.**

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

- (i) Appeals Panel of [3 November 2025](#), [17 November 2025](#) and [17 December 2025](#).
- (ii) Audit and Governance Panel of [3 December 2025](#).
- (iii) Cabinet of [25 November 2025](#).
- (iv) Chief Officers Appointments/Appraisal Panel of [3 September 2025](#), [16 September 2025](#), [24 September 2025](#), [2 October 2025](#), [7 October 2025](#) and [9 October 2025](#).
- (v) Local Review Body of [24 June 2025](#).
- (vi) Regulatory Panel – Licensing of [27 November 2025](#)
- (vii) Regulatory Panel – Planning of [12 November 2025](#) (Site Visit), [13 November 2025](#) and [10 December 2025](#).
- (viii) Service and Partnerships Performance Panel of [18 November 2025](#).

#### 4. 2026/27 Budget - Fees and Charges Uplift Proposals

Reference was made to the meeting of South Ayrshire Council of 11 December 2025 (Page 4, paragraph 6) when it had been decided to continue consideration of this matter to this meeting; and there was submitted a [report](#) (issued) of 27 January 2026 by the Chief Financial Officer seeking agreement on the level of change, either in percentage change or by value, to be applied to a variety of fees and charges levied by the Council for the 2026/27 financial year.

The Chief Financial Officer introduced the report and advised

- (1) that this report was seeking agreement on a variety of fees and charges for 2026/27;
- (2) that the report entitled “2026-27 Budget Strategy and Budget Update” had been approved at the meeting of South Ayrshire Council of 6 November 2025 with the various proposed fees and charges uplifts submitted to Council in December 2025 for consideration and subsequently continued to this meeting for approval; and
- (3) that the Appendix to the report contained twenty four proposals to generate income, with eighteen of these proposals having one option and six of the proposals having a base option and one or two further options with the Council being requested to agree an option.

Councillor Ian Davis, seconded by Councillor Brian Connolly, moved:

“that 2.1.1 and 2.1.3 of the recommendations in the report be removed and replaced with the following recommendations:

- 2.1.1 to implement all Option 1 proposed fees and charges, as detailed in Appendix 1 to the report from 1 April 2026 with the exception of:
- 2 – Instructional Lesson Price Increase – Progress instead with Option 2
  - 4 – Golf Season Ticket Price Increase – Progress instead with Option 2
  - 20 – Increase Crematorium prices each year (3% already agreed) – Progress with a 2% further increase (5% total)
  - 21 – Increase brown bin charge from £50 – Reject an increase
- 2.1.3 to note the estimated additional income of £602,904 that this would generate, reducing the anticipated budget gap previously reported to Council in November 2025.”

By way of Amendment, Councillor Julie Dettbarn, seconded by Councillor George Weir, moved

“to delete the existing 2.1.1 and 2.1.3 and substitute the following recommendations in their place:

- 2.1.1 to implement all Option 1 proposed fees and charges, as detailed in Appendix 1 from 1 April 2026, with the exception of:
- Item 2 – Instructional Lesson Price- Increase price by £1/month instead of the proposed £2/month, reducing income generated by £30,000;
  - Item 13 – Walker hall – 4% increase instead of the proposed 3%, increasing income generated by £433;

Item 20 – Crematorium Pricing – increase prices by a further 1% instead of the proposed 4%, reducing income generated by £32,400;

Item 21 – Brown Bin Charge – increases charge by 5% instead of the proposed 10%, reducing income generated by £55,870

Item 23 – Burial Fees - increase of 4% (inclusive of the previously agreed 3%) instead of the proposed 9% (inclusive of the previously agreed 3%), reducing income generated by £36,400

- 2.1.3 to note the estimated additional income of £542,007 that this would generate reducing the anticipated budget gap previously reported to Council in November 2025.”

By way of Counter Amendment, Councillor Duncan Townson, seconded by Councillor Cameron Ramsay, moved

- “(1) to implement all Option 1 proposed fees and charges, as detailed in Appendix 1 from 1 April 2026, with the exception of:

- 2 – Instructional Lesson Price Increase – Progress with Option 2 instead;
- 15 - Dolphin House – reject any increases;
- 7 – ARA Temporary Traffic Signal pricing changed to:

- 1 week permit £200;
- 1 week extension £350;
- 2 week extension £475;
- 3 week extension £1,000;

ARA to confirm amounts with these changes. Circa expected additional income of £30,000.

- 18 - Increase Harbour Fees and Road Traffic permits – Reject any increase;
- 19 - Standardise Allotment fees to £1 per square meter – Reject any increases;
- 21 – Increase brown bin charge from £50 – Reject any increase;
- 22 - Increase special uplift fee – Reject any increase;
- 24 - Introduce new charging structure for the collection of Persistent Organic Pollution items – Reject new charge; and

- (2) to note the estimated additional income of £483,387 that this will generate, prior to the inclusion of the further income generated through item 17 to be confirmed by ARA, reducing the anticipated budget gap previously reported to Council in November 2025.”

Questions were raised and comments made by Members in relation to:

- (a) the next few items on the agenda all being related to the overall budget position; that 80% of the Council's budget was from the Scottish Government settlement and 20% from fees and charges, including Council Tax; that the budget settlement for Scottish local authorities was very poor and not adequate to maintain general services and placed additional pressures on health and social care services; that the position was unlikely to improve and that there were few options available to balance service costs other than increasing fees, reducing services or increasing Council Tax; and that an increase in fees was not taken lightly, however, budget pressures required to be acknowledged to produce a sustainable budget going forward;

- (b) that there were no easy options for Members when setting this budget, however it was important not to place additional burdens on members of the public if avoidable; and that the golf pricing structure should be reviewed to examine the potential of raising the cost of visitor passes to generate more income;
- (c) that the funding from the Scottish Government was not sufficient, however, Members had to produce a budget to make the monies work for the people of South Ayrshire;
- (d) whether the visitors' fees for golf courses were included in the "green fees" within the budget; and the Service Lead – Sport, Leisure and Golf confirmed that they were; and
- (e) asking Councillor Davis, as Mover of the Motion, if it was reasonable to increase the golf season ticket price by 10% whilst removing the increase in brown bin charges; and Councillor Davis advised that there had been a significant investment in the Council's golf estate and increasing the golf season ticket cost was a way of maintaining the golf courses; and that difficult choices had required to be made, however, all three of the proposed budgets were very similar.

A Member requested a roll-call vote.

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

The Chief Governance Officer took the vote by calling the roll as follows:-

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

Four Members voted for the Counter-Amendment and six Members voted for the Amendment with fourteen Members abstaining. The Amendment was accordingly declared to be carried and became the substantive Amendment.

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

The Chief Governance Officer then took the vote by calling the roll as follows:-

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

Six Members voted for the Amendment, fourteen voted for the Motion with four Members abstaining; and the Council, having thanked all officers involved in this matter,

**Decided:**

- (i) to agree to implement all Option 1 proposed fees and charges, as detailed in Appendix 1 to the report from 1 April 2026 with the exception of:
  - 2 – Instructional Lesson Price Increase – Progress instead with Option 2
  - 4 – Golf Season Ticket Price Increase – Progress instead with Option 2
  - 20 – Increase Crematorium prices each year (3% already agreed) – Progress with a 2% further increase (5% total)
  - 21 – Increase brown bin charge from £50 – Reject an increase
- (ii) to note the concession arrangements that were available to assist in mitigating the impact of the proposed price increases, as detailed in Appendix 2; and
- (iii) to note the estimated additional income of £602,904 that this would generate, reducing the anticipated budget gap previously reported to Council in November 2025.

## 5. General Services Capital Investment Programme 2026/27 to 2037/38

There was submitted a [report](#) (issued) of 3 February 2026 by the Depute Chief Executive and Director of Housing, Operations and Development seeking approval for the proposed Capital Investment Programme for 2026/27 to 2037/38; and to note the associated debt charge implications.

The Depute Chief Executive and Director of Housing, Operations and Development introduced the report.

Councillor Ian Davis, seconded by Councillor Brian Connolly, moved the recommendations as outlined in the report.

By way of Amendment, Councillor Craig Mackay, seconded by Councillor Laura Brennan-Whitefield, moved

“that recommendation 2.1.1 be amended as follows :-

approves the proposed Capital Investment Programme for the twelve -year period 2026/27 to 2037/38 as detailed in Appendix 2 with the exception of:-

Delete Dunure Heritage Project (£2,500,000 less any sums spent to today's date.)

Delete Prestwick Steeple Works (£750,000 less any sums spent to today's date)

Insert instead:-

Additional capital investment – Roads Reconstruction & Improvement £800,000 (2026/27); £1,700,000 less any sums spent to today's date on Dunure (2027/28); £750,000 (less any sums spent to today's date on Prestwick Steeple Works) (2028/29).”

Questions were raised and comments made by Members in relation to:

- (1) being supportive of the additional items added to the Programme, with most of these items added to the 2037/38 year of the Plan; that there were less changes than previous years of the Capital Programme due to pressures on the market, the costs of borrowing and interest rates; that two Capital reviews had been carried out over this financial year which had substantially benefited the overall General Services budget by reducing debt charges, however this should not diminish the ambitious items within the Capital Plan such as investment into the school estate, regeneration works in towns and communities and investment into many leisure facilities across South Ayrshire;
- (2) budgets being increasingly about making difficult choices and working to achieve the public's priorities; that the Dunure Heritage Priority was not, in the SNP Group's opinion, an immediate priority and could await other funding, possibly from external sources; that replacing the Prestwick Steeple had failed to secure public support and the fact that this item continued to have a budget line was a matter for the Administration, however, in in these tight financial times the SNP Group also did not see this as a priority; that roads maintenance and the significant backlog on resurfacing works was a priority and that failure to address this would only increase costs at a later date; and that the £3.5m proposed in the SNP amendment to divert from the Dunure and Prestwick projects could start to address the situation with the roads;

- (3) the Heritage Centre in Dunure and replacement of the steeple in Prestwick and these being of benefit if the budget allowed, however, in the current climate there were concerns should these projects go ahead; and was there a business case for each of these projects; and the Depute Chief Executive and Director of Housing, Operations and Development advised that the local community in Dunure had a business plan in place for the Dynamic Dunure Project which had been supported by the Council during the development of this business case;
- (4) where the monies earmarked for ICT infrastructure would be utilised; and the Chief Financial Officer advised that these monies were to replace and update systems and to invest further in IT security, therefore, would be wisely spent;
- (5) the disrepair of the roads; and whether there was a business case and community consultation for the Prestwick Steeple; and the Assistant Director – Planning, Development and Regulation advised that a report on all Prestwick Regeneration Projects would be submitted to the meeting of South Ayrshire Council of 26 March 2026 for consideration which would set out the outcome of the public consultation and the more in-depth engagement workshop which was held in Autumn 2025; and would include a full options appraisal and business case;
- (6) the outcome of the consultation on the Prestwick Steeple; and the Chief Executive advised that this project and many others had previously been approved by Council, therefore officers were instructed to proceed with those; that a number of further reports would be brought back to Council and inevitably, as matters progressed, these may have an impact on the Capital Programme, however, as they had been approved by Council they were being progressed appropriately by officers; and that he could provide further information on this in writing to members;
- (7) projects utilising regeneration monies requiring all Ward Councillors to be in agreement of the proposal and should not proceed if only one Ward Member was in favour of the project and had this happened with the Prestwick Steeple Project; and the Chief Governance Officer advised that regeneration monies were different from Ward Capital monies and had a different process; and that a report would be submitted in due course in relation to the projects utilising regeneration monies;
- (8) that £40m was being spend on education over the next three years and a huge amount of money being spent on leisure facilities throughout South Ayrshire; and that the disrepair of roads was a national problem and should not take away from this achievement;
- (9) that this report outlined the successes of the Council with investment in schools, libraries, leisure facilities, golf, the Council's residential estate, heritage, regeneration and energy and that Ward Capital monies had benefited every town and village in South Ayrshire; and that, due to the lack of monies from the Government for roads, the Council could only maintain the roads and improve them when able to;
- (10) that this report was a good news story for the Council, however, the SNP Group considered it was important to protect frontline services such as roads, therefore had submitted an amendment to the proposals outlined in the report;
- (11) that the opposition members were merely seeking to source means of saving money for the Council in ways that benefited the wider public in South Ayrshire and that the two projects referred to in the SNP amendment did not demonstrate best value at this time;

- (12) that this was an excellent report which outlined the efforts the Council was putting into its education facilities;
- (13) that, whilst this was a good budget in terms of proposals and overall spend, savings should not be dismissed wherever they could be found; and the replacement of the Prestwick Steeple brought no economic benefit and this money could be better spent on improving the roads of South Ayrshire; and
- (14) that there was a lot of positive work within this report and in the report entitled "[General Services Capital Programme 2025/26: Monitoring Report as at 31 December 2025](#)" which had been presented to Cabinet on 17 February 2026.

A Member requested a roll-call vote.

The Council then proceeded to vote on the terms of the Motion moved by Councillor Davis and seconded by Councillor Connolly and the Amendment moved by Councillor Mackay and seconded by Councillor Brennan-Whitefield.

The Chief Governance Officer then took the vote by calling the roll as follows:-

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

Ten Members voted for the Amendment, fourteen voted for the Motion and the Motion was accordingly declared carried; and the Council, having thanked all officers involved in this matter,

**Decided:**

- (a) to approve the proposed Capital Investment Programme for the twelve-year period 2026/27 to 2037/38 as detailed in Appendix 2 to the report; and
- (b) to note the associated debt charge implications as detailed in Appendix 3.

## 6. **2026-27 Budget Update and Medium-Term Financial Plan**

There was submitted a [report](#) (issued) of 27 January 2026 by the Chief Financial Officer providing a final update on the anticipated 2026-27 budget gap; and seeking approval of the Council's updated Medium Term Financial Plan 2026-27 to 2030-31.

The Chief Financial Officer introduced the report; provided background to the various recommendations in paragraphs 2.1.1 to 2.1.5; and advised that, following approval of the previous two reports on the agenda, the revised anticipated budget gap as referred to in paragraph 2.1.1 of the report was now £8.463m.

Councillor Ian Davis, seconded by Councillor Brian Connolly, moved the recommendations as outlined in the report.

Comments were made by a Member in relation to the current settlement not being sustainable and the implications for the Council; that local authorities were requiring to take measures to ensure a legal budget could be set and to reduce future shortfalls which would involve difficult decisions; that future years required to be considered when setting the budget as savings could not be pushed into future years; and that the Budget Building consultation had been very successful in giving members of the public an understanding of balancing the budget and highlighting their preference of savings to allow Members to align the budget to the feedback received.

The Council

### **Decided:**

- (1) to note the revised anticipated budget gap for 2026-27 of £8.463m as identified in Table 3 at paragraph 4.5.2, prior to the agreement of any savings or Council Tax uplifts;
- (2) to note the results of the recent 2026-27 'Budget Builder' consultation, attached as Appendix 1 to the report;
- (3) to consider and approves the Medium-Term Financial Plan (MTFP), attached as Appendix 2 to the report;
- (4) to note the potential cumulative five-year budget gap ranges from £20.6m to £28.6m based on the various key planning assumptions and two alternative Council Tax uplift scenarios; and
- (5) to agree that the Council's new Workforce Plan, due to be brought for approval in March 2026, include a specific targeted percentage reduction in the Council workforce.

## 7. **Treasury Management and Investment Strategy Mid-Year Report 2025/26**

There was submitted a [report](#) (issued) of 19 January 2026 by the Chief Financial Officer providing a mid-year treasury management update for the financial year 2025/26.

The Chief Financial Officer introduced the report and advised that the Audit and Governance Panel of 3 December 2025 had considered the Treasury Management and Investment Strategy Mid-Year Report 2025/26 and had agreed to remit it to this meeting of South Ayrshire Council for approval.

Councillor Ian Davis, seconded by Councillor Brian Connolly, moved the recommendations as outlined in the report.

Comments were made by Members in relation to:

- (1) thanking the Members of the Audit and Governance Panel for their scrutiny work; and thanking the officers in the Treasury Management Team for their work on this matter; and
- (2) thanking Councillor Davis for his work in relation to the budget; thanking the Chief Financial Officer and his team for their assistance; and thanking the Cabinet Members for all their work to reach this stage

The Council

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

## 8. **Community Councils – Scheme for Establishment of Community Councils**

There was submitted a [report](#) (issued) of 30 January 2026 by the Director of Communities and Transformation seeking approval of changes and updates to the Scheme for Establishment of Community Councils following the consultation period.

The Acting Assistant Director – Communities introduced the report and outlined the background to this matter; and provided an update in relation to there being no Community Council in North Ayr advising that, since the last Council meeting a Community Association had been established with representation from local ward members and officers who would support this moving forward; and that a report would be submitted to a future meeting of South Ayrshire Council as Fort, Seafield and Wallacetown were seeking approval to extend their boundary to include the whole of Wallacetown which was a positive move for North Ayr.

Councillor Brian Connolly, seconded by Councillor Chris Cullen, moved the recommendations as outlined in the report.

Questions were raised and comments made by Members in relation to:

- (1) thanking the Acting Assistant Director – Communities and his team for their work on this project; and outlining that this document covered areas which previously were not covered and would give assurances and guidance to Community Councils;
- (2) thanking the members of all Community Councils who did a fantastic job as volunteers carrying out work in their community; outlining that Dundonald Community Council were concerned they would not have adequate members to maintain their Community Council following the elections in Spring 2026; and requesting that an officer meet with these members to discuss their objections to areas within the Scheme; and the Acting Assistant Director – Communities advised that a Steering Group had been established at the start of the process and Dundonald Community Council had been represented on this Group; that the document was clear and consistent with other Schemes, however, he had taken the comments on board and responded to the members of the Community Council and was happy to meet with the members to discuss their objections; and

- (3) concerns regarding a reduction in Community Council members; and noting that the consultation had taken place over the festive season when Community Councils did not meet and were therefore unable to discuss the amendments to the Scheme which may be reflected in the responses received; and the Acting Assistant Director – Communities advised that the timing of the third stage of the consultation had been discussed at the meeting of South Ayrshire Council on 11 December 2025 when he had made a commitment to extend the date for responses should there be significant concerns regarding the timing of the consultation, however, having consulted with colleagues in Legal Services, they had advised that he had exceeded the expectation of a consultation; that Barr Community had made a late submission which had been accepted; and that Dundonald Community Council had submitted a response as outlined in Appendix 1 to the report, which was the most detailed response of any Community Council;
- (4) it being pleasing to note that there was now a Community Association in North Ayr and encouraging residents of Wallacetown to join the Association; and that, as Wallacetown had one of the highest rates of deprivation in the country, it was pleasing to have an Association for local people to bring forward any issues;
- (5) that consultation was very important to seek the views of Community Councils, however, it was also important that Community Councils demonstrate how they had undertaken their consultation and how they had come to their views;
- (6) Ayr North Local Members and officers had attempted to recruit members to Ayr North Community Council, however, there had been very little response;
- (7) whether guidelines could be established on when consultations were carried out to ensure that Community Councils were active during the term of the consultation; commending the responses from Community Councils; and referring to the administration grant which had not risen in seventeen years; and the Acting Assistant Director – Communities advised that the consultation over the festive period was the third consultation which had taken place since March 2025, therefore, giving Community Councils sufficient time to submit responses; and that the administration grant was regularly raised by Community Councils, however, this was a fee which would require to be considered during the Council's budget setting process;
- (8) thanking Dundonald Community Council for their submission, having called a special meeting on 17 January 2026 to consider the Scheme for Establishment of Community Councils; and
- (9) the report reflecting the thorough consultation process which had been carried out; that the work undertaken by the Acting Assistant Director – Communities and his officers ensured that there was a clear, concise and legally robust Scheme for Establishment of Community Councils; outlining that Community Councils played an important role in democracy; and that this updated Scheme provided clarity around governance, finance, meetings and responsibilities; and that this process had been comprehensive and proportionate.

The Council

**Decided:**

- (a) to note the findings from stage 3 of the consultation, as outlined in Appendix 1 to the report;
- (b) to approve the draft Scheme for Establishment of Community Councils following stage 3 of the consultation, as outlined in Appendix 2 to the report; and

- (c) to request that officers publish the new updated draft Scheme for Establishment of Community Councils following approval at this meeting.

### **Adjournment**

The time being 11.25 a.m., the Council adjourned.

### **Resumption of Meeting**

The Council resumed at 11.40 a.m.

## **9. Asset Management Plan (Land and Buildings) 2026**

There was submitted a [report](#) (issued) of 30 January 2026 by the Depute Chief Executive and Director of Housing, Operations and Development seeking approval of the Council's revised Asset Management Plan (Land and Buildings) and proposing the development of a Corporate Asset Management Strategy for South Ayrshire Council.

The Service Lead – Asset Management and Community Asset Transfer introduced the report.

Councillor Martin Kilbride, seconded by Councillor Alec Clark, moved the recommendations as outlined in the report.

Questions were raised and comments made by Members in relation to:

- (1) criticism from interested parties regarding timescales for dealing with Community Asset Transfers and duplication of work in dealing with several Council departments; and the Service Lead – Asset Management and Community Asset Transfer advised that the timescales were as set out within the Act and could not be changed by the Council; advised of the process for dealing with a Community Asset Transfer application; and outlined that, if any member of the public had to communicate with other Departments on a Community Asset Transfer he would liaise with them. The Co-ordinator (Asset Management) further advised that the Community Asset Transfer Team Leader liaised with Groups to identify tight timescales, resolve any issues and expedite these matters where possible;
- (2) properties being revalued every five years and how was this managed and changes recorded; and the Chief Financial Officer advised that a new methodology had been introduced for 2025/26 year end from the CIPFA Code of Practice which introduced an indexation process whereby assets were revalued every five years, however, in the intervening period the indexation was also used to ensure there were no surprises when year five was reached;
- (3) how the six workstreams were managed; and the Chief Executive advised that linking Asset Management with the future capital investment proposals and plans was critical to delivering the Council plan; that these linkages would be governed by the Corporate Management Team and that various proposals would require Council approval throughout the next year aimed at marrying up the overall Council Plan with the various strategies; and it would be expected that there would be fewer strategies as a result; and
- (4) referring to the large Council estate and the vast workload of the Asset Management Section

The Council, having thanked the Service Lead – Asset Management and Community Asset Transfer and the Co-ordinator (Asset Management) for their excellent work on this matter,

**Decided:**

- (a) to approve the 2026 South Ayrshire Council Asset Management Plan (Land and Buildings) attached as Appendix 1 to the report;
- (b) to agree that officers continue work with services to develop the prioritisation and challenge of property assets with a view to increase efficiency, reduce costs, improve service delivery and enhance the alignment of capital resource allocation to achieve these ends; and
- (c) to agree that officers work to develop a single consolidated South Ayrshire Council ‘Corporate Asset Management Strategy’ (CAMS) which would: encompass property, roads and structures, open spaces, ICT, and fleet; align these strategic objectives with the process of capital resource allocation for all asset classes and categories thus driving forward a best value agenda.

**10. Formal Questions.**

In terms of Council Standing Order No. 26.2, there were submitted [Formal Questions and Responses](#) from Councillors George Weir and Craig Mackay.

Councillor Weir thanked the Assistant Director – Planning, Development and Regulation and the Service Lead – Corporate Accounting for the very detailed response.

Councillor Mackay raised a supplementary question as follows: “can I ask the Policy Lead whether he agrees with the figures quoted by Ayrshire Roads Alliance that every £1 spent on active travel yields £13 of local economic benefit; and Councillor Clark, as Policy Lead – Depute Council Leader, Commercial/Operational Services responded: “I have discussions with officers based on any report and I will continue to do so but need to take into consideration the feedback from consultations and, based on that feedback, I will take forward whatever actions necessary”.

**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 items of business on the grounds that they involved the likely disclosure of exempt information in terms of paragraphs 1, 8 and 9 of Part 1 of Schedule 7A of the Act.

**11. Solar Farm Update 2026**

There was submitted a report (Members only) of 30 January 2026 by the Depute Chief Executive and Director of Housing, Operations and Development providing an update on progress for potential development of solar farms in South Ayrshire.

The Depute Chief Executive and Director of Housing, Operations and Development introduced the report.

Councillor Martin Kilbride, seconded by Councillor Alec Clark, moved the recommendations as outlined in the report.

Following a full discussion and questions, the Council

**Decided:**

- (1) to note the progress to date on the three potential solar sites;
- (2) to approve the prioritisation of sites in the following order: Auchincruive Bing; Cockhill; and placing Greenan Grazing on hold for the time being;
- (3) to approve £8.32m of Capital to progress the Auchincruive Bing Site to operational completion;
- (4) to request that officers progress the sequence of work set out in Appendix 1; and
- (5) to agree that a report be brought back to Council in February 2027 in order to update Council on the progress of the project.

**12. Prestwick Proposition-Commercial Build**

There was submitted a report (Members only) of 11 February 2026 by the Depute Chief Executive and Director of Housing, Operations and Development seeking approval of the Conditional Full Business Case (FBC) for the commercial build phase of the Prestwick Proposition. This followed its recent conditional endorsement by both UK and Scottish Governments.

The Depute Chief Executive and Director of Housing, Operations and Development introduced the report.

Councillor Brian Connolly, seconded by Councillor Chris Cullen, moved the recommendations as outlined in the report.

Following a full discussion and questions, the Council

**Decided:**

- (1) to approve the conditional FBC for the commercial build to enable the team to progress with pre-construction design work and purify Government conditions (Appendix 1); and
- (2) to otherwise note the contents of the report.

**13. Final Investigation Report**

There was submitted a report (Members only) of 27 January 2026 by the Chief Executive advising of the findings of an investigation report commissioned from an independent consultant ('the consultant'); and seeking approval of the response to the consultant's recommendations.

The Chief Executive introduced the report.

Councillor Julie Dettbarn, seconded by Councillor Alec Clark, moved the recommendations as outlined in the report. Councillor Dettbarn, as Chair of Audit and Governance Panel outlined why this report was remitted by Audit and Governance Panel to this meeting of South Ayrshire Council.

Following a full discussion and questions, a Member requested a roll-call vote.

The Chief Governance Officer then took the vote by calling the roll For or Against the Motion as follows:

Iain Campbell	For
Mary Kilpatrick	For
Laura Brennan-Whitefield	For
Ian Cavana	For
Alec Clark	For
Ian Cochrane	For
Brian Connolly	For
Chris Cullen	For
Ian Davis	For
Julie Dettbarn	For
William Grant	For
Wullie Hogg	For
Hugh Hunter	For
Martin Kilbride	For
Alan Lamont	For
Lee Lyons	For
Craig Mackay	For
Bob Pollock	Abstain
Cameron Ramsay	For
Philip Saxton	Abstain
Gavin Scott	For
Bob Shields	For
Duncan Townson	Abstain
George Weir	For

Twenty one Members voted for the Motion and three Members Abstained and the Council

**Decided:**

- (1) to note the consultant's report, attached as Appendix 1 to the report; and
- (2) to agree the proposed Council response to the consultant's recommendations (attached as Appendix 2 to the report).

**14. Consideration of Disclosure of the above Confidential Reports.**

Following advice from the Chief Governance Officer, the Council

**Decided:**

- (1) to authorise the disclosure of the following report under Standing Order 32.4 subject to redaction and GDPR:
  - Solar Farm Update 2026
- (2) not to authorise the disclosure of the following report under Standing Order 32.4 as negotiations were ongoing
  - Prestwick Proposition Commercial Build
- (3) not to authorise the disclosure of the following report under Standing Order 32.4:
  - Final Investigation Report

**Provost**

Provost thanked everyone in attendance for their contribution.

The meeting ended at 12.55 p.m.

DRAFT

**South Ayrshire Council**  
**Report by Chief HR Officer**  
**to South Ayrshire Council**  
**of 26 March 2026**

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**Subject: Corporate Workforce Plan 2026-31**

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**1. Purpose**

1.1 The purpose of this report is to present the Council's 5-year Workforce Plan.

**2. Recommendation**

**2.1 It is recommended that Council:**

**2.1.1 Approves the Workforce Plan (Appendix 1); and**

**2.1.2 Approves that progress and annual updates will be presented to Service and Partnerships Performance Panel.**

**3. Background**

3.1 The Council has developed a corporate Workforce Plan since 2018, and this will be the third iteration.

3.2 A range of recommendations from Audit Scotland's thematic audit in 2024 are incorporated into the Workforce Plan.

3.3 The Workforce Plan now aligns with the Medium-Term Financial Plan (MTFP). It is now the same term as the MTFP and also considers the projected budget gap detailed in the MTFP.

3.4 A strategic working group was created to assist the development of the Workforce Plan, with cross-directorate membership and trade union representation.

3.5 A Transformation project that focuses on defining and delivering the Council's 'Our Future Workforce' was approved by the Transformation Board in 2025. The project will be informed by the Workforce Plan and incorporate key actions into Transformation benefits reporting.

3.6 Although the Council plan incorporates applicable employees, the Health and Social Care Partnership (HSCP) is required to present its own Workforce Plan to the Scottish Government. The HSCP Plan provides further detail and context related to the Partnership workforce. However, the HSCP is awaiting further guidance on content and timescales from the Scottish Government.

## 4. Proposals

4.1 The Workforce Plan is a strategic document that encompasses four elements –

- **Plan** - Defining the workforce, and the steps we will take to address the challenges, and how we will monitor progress.
- **Recruit and Retain** - Being an attractive employer to new and existing employees.
- **Train** - Ensuring our workforce has the skills to meet current and future requirements.
- **Wellbeing** - Supporting the wellbeing of the workforce and maximising attendance.

4.2 The following actions will support the elements –

- Enhanced strategic oversight, led by the Council Management Team.
- A revised strategic working group focused on the implementation of the Workforce Plan.
- Improved reporting that incorporates additional updates to Service and Partnerships Performance Panel via Transformation reporting.
- A defined workforce costs reduction expectation that aligns to the MTFP.
- Development of a succession planning framework.
- Establishing a distinct corporate training budget that will support required qualifications and accreditation, career pathways, and succession planning.
- A Service Design methodology that advocates employee input into service reviews.
- Closer alignment between the Workforce Plan and applicable Transformation projects, including Business Support and Customer Contact.
- Further self-assessment by Service Leads on their workforce planning maturity.
- A refreshed corporate induction including a welcome event for new employees and managers.
- Ongoing employability support including apprenticeships and tailored jobs.
- Development of a corporate digital skills employee programme.
- Creation of a steering group that will help progress activities that support the mental, physical, emotional, and social health of our employees.

## 5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

## 6. Financial Implications

6.1 Not applicable. (Note - the workforce reduction percentage will be progressed through a range of service designs and budget reduction activities.)

## 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 increase the financial burden on the Council.

## 9. Integrated Impact Assessment (incorporating Equalities)

Our Integrated Impact Assessment (IIA) considers the following areas:

- Public Sector Equality Duty, Human Rights and Fairer Scotland Duty;
- United Nations Convention on the Rights of the Child (UNCRC);
- Sustainability, climate change and biodiversity;
- Potential impact on older people;
- Rural communities;
- Health and wellbeing;
- A trauma informed organisation; and
- The Promise.

9.1 The workforce reduction percentage will be progressed through a range of service designs and budget reduction activities. Individual IIAs will apply where these activities impact on employees.

## 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.
- 11.2 The workforce reduction percentage will be progressed through a range of service designs and budget reduction activities. Individual option appraisals will be considered within each activity.

## **12. Link to Council Plan**

- 12.1 The matters referred to in this report contributes to the priority that services continue to be run efficiently and effectively.

## **13. Link to Shaping Our Future Council** Yes x No

- 13.1 The matters referred to in this report contribute to the Council's transformation priority area Our Workforce.
- Our people are productive and have the right skills to deliver our services;
  - Our people are empowered to respond to the needs of our customers;
  - Our people are inspired to identify and make improvements to service delivery; and
  - We value the wellbeing of our people and promote healthy working lives.
- 13.2 The Transformation Business Case related to 'Our Future Workforce' will define any cashable, qualitative and quantitative benefits.

## **14. Results of Consultation**

- 14.1 There has been no public consultation on the contents of this report.
- 14.2 Consultation has taken place with Councillor Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.
- 14.3 Consultation has taken place with Trade Unions and the contents of this report reflect any feedback provided. A draft of the Workforce Plan was shared with members of the strategic working group.
- 14.4 Consultation has taken place with Service Leads through various engagement sessions, and the contents of this report reflect any feedback provided.

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

- 15.1 If the recommendations above are approved by Members, the Chief HR Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Service and Partnerships Performance Panel 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 the necessary arrangements to communicate and publish the Workforce Plan.	31 March 2026	Chief HR Officer

**Background Papers**    [Audit Scotland Workforce Thematic Audit 2024](#)

[Medium Term Financial Plan](#)

**Person to Contact**    **Wendy Wesson (Chief HR Officer)**  
**County Buildings**  
**Phone 01292 612816**  
**E-mail [wendy.wesson@south-ayrshire.gov.uk](mailto:wendy.wesson@south-ayrshire.gov.uk)**

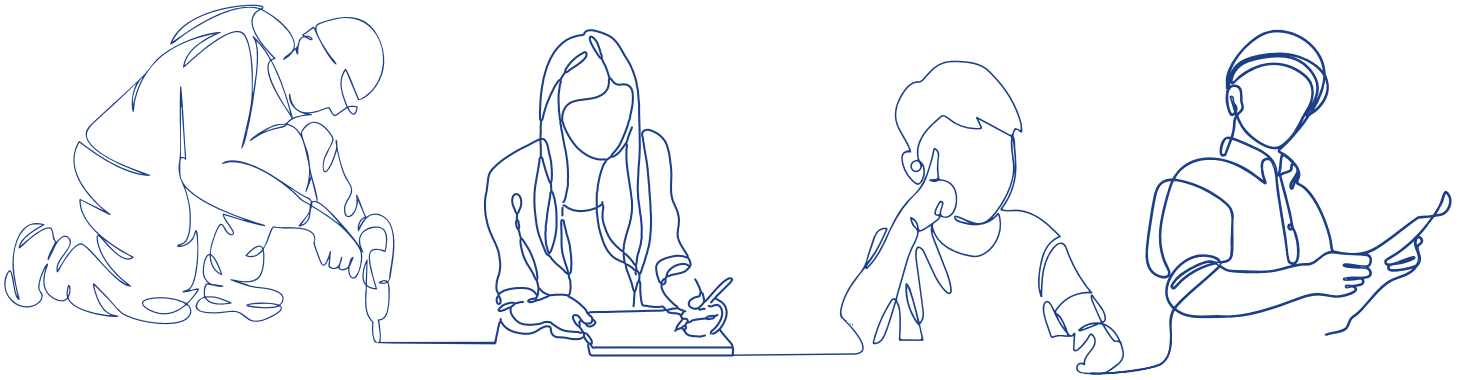
**Date:** 3/3/26

# Workforce Planning Action Plan 2026-31





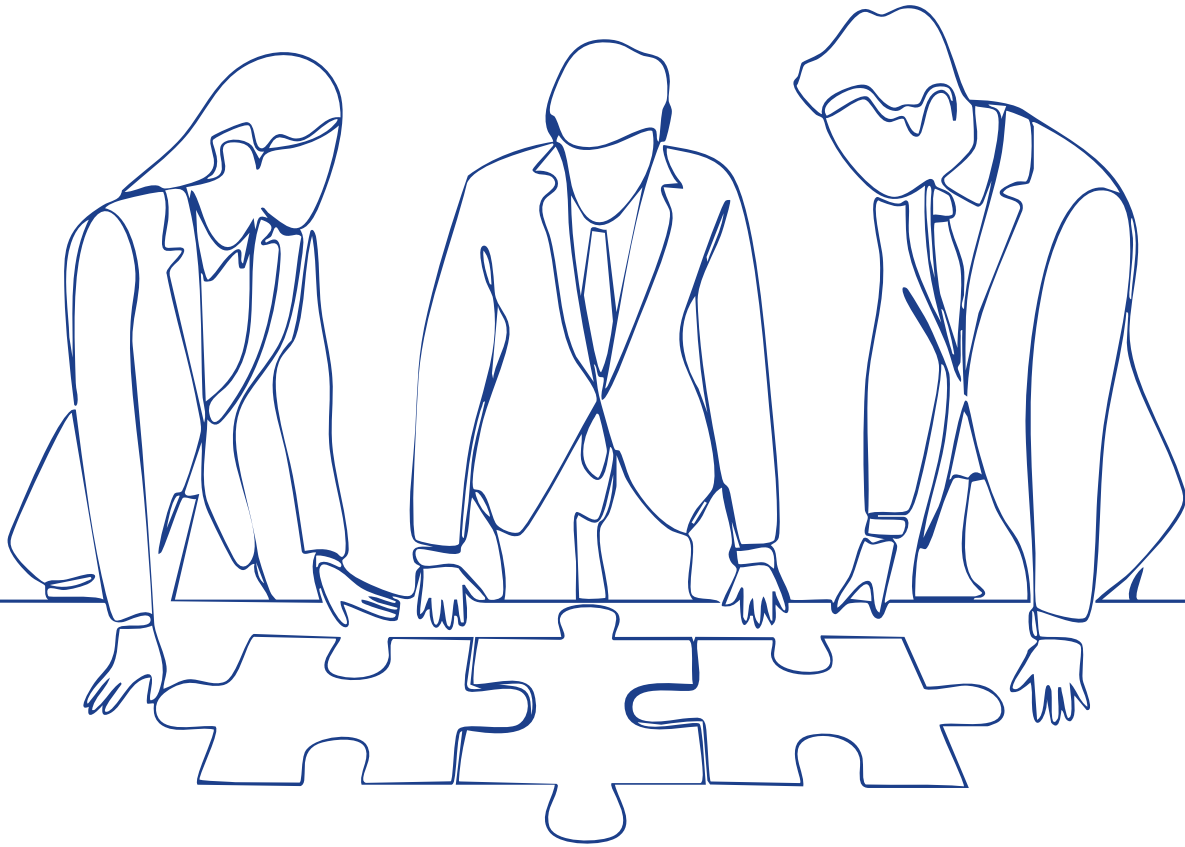
**This is the Council's third workforce plan (WFP) and due to the scale of organisational and workforce change required, and to align with our medium-term financial plan, it will cover the next 5 years.**



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# Strategic vision approach



## Plan



A redesign of Council services will include a workforce costs reduction target, contributing to a smaller Council within the next 5 years.

Enhanced oversight of workforce planning (including workforce numbers, styles, data, risks, and costs) by leadership and elected members, with performance tracking and benefits realisation.

A corporate succession planning framework will be developed to mitigate 'brain drain'.

## Recruit and Retain



Our approaches to employee communication, performance reviews and engagement will be improved, underpinned by a refreshed corporate culture.

We will continue to support career pathways for those in South Ayrshire who face barriers to employment.

## Train



Employee digital confidence will become a leadership priority and services will identify and define the levels of digital skills required.

A more layered and targeted approach to training, establishing a new central training fund and maximising externally funded opportunities.

Strengthen strategic relationships with Ayrshire College and University West of Scotland.

## Wellbeing



Creation of a steering group and champions network that will progress our 5 key wellbeing themes.

Develop a range of training, awareness and sign-posting activities that support mental, physical and financial employee wellbeing.

Support managers in implementing the revised Maximising Attendance at Work Framework.

## Stephen Penman Chief Executive



The professionalism and commitment of our workforce as they deliver and support the wide range of services we deliver is truly impressive. They really do make a difference every day and our workforce is, simply, our strongest asset.

The unprecedented financial challenges we face will require a workforce that is different in size and shape. The budget gap over the next five years is projected to be between £20m and £28m, and as more than 50% of the council's budget is spent on employee costs, we will have to consider that there will be a smaller workforce by 2031.

Effective workforce planning will be vital in balancing the need for savings while still being an employer of choice. After all, we will remain the largest local employer with the majority of our workforce residing in South Ayrshire. That means we will continue to provide meaningful career

## Brian Connolly Leader of the Council



pathways and employment opportunities that supports the local economy.

Our Workforce Plan is therefore also a commitment to a positive corporate culture that values training and development, succession planning, and employee wellbeing.

Ensuring the Workforce Plan helps deliver the ambition of the Council Plan, while managing the undoubted challenges we face, is critical. But this can only be done with the engagement and expertise of our workforce, so there is an additional focus on their input into how we redesign our services.

It will be important that the Council can evidence progress of the Workforce Plan and regular updates will be reported to the Services and Partnerships Performance Panel and to our other stakeholders.

**The aim is clear  
- a meaningful  
Workforce Plan that  
values the workforce  
and supports them  
so they continue  
to be our strongest  
asset and keep  
making a difference  
every day.**



# Introduction


This is the Council’s third workforce plan (WFP) and due to the scale of organisational and workforce change required, and to align with our medium-term financial plan, it will cover the next 5 years (our previous plans were 3 years).

The challenges, barriers and opportunities related to the Council’s workforce are not unique. Audit Scotland<sup>1</sup> have confirmed that across local government –


- Workforce redesign, transformation and reduction will be key to meeting financial pressures.
- Workforce planning is still not fully aligned with other corporate strategies.
- There is a need to prioritise workforce planning and development, address sickness absence, and embrace innovation and digital technology and increase collaborative working.


The strategic and financial priorities of the Council will inform our workforce planning activity and the decisions we make, and these are highlighted in the next section.

The WFP is split into 4 key themes and now fully encompasses any previous people-related strategies.

 **Plan**  
Defining our workforce, and the steps we will take to address the challenges, and how we will monitor progress.

 **Recruit and Retain**  
Being an attractive employer to new and existing employees.

 **Train**  
Ensuring our workforce has the skills to meet current and future requirements.

 **Wellbeing**  
Supporting the wellbeing of the workforce and maximising attendance.



The WFP determines and defines our future workforce at a corporate and strategic level. However, it is recognised our services routinely undertake a wide range of workforce planning activities at a local level.

Aspects of our workforce are reported separately and therefore are not included in the WFP, for example our workforce equality profile<sup>2</sup>.

For some elements of the Council, the WFP is not the only strategic driver. South Ayrshire Health and Social Care Partnership (SAHSCP) submits its own workforce plan to the Scottish Government for review and approval, and Education undertakes an annual workforce planning exercise where teacher numbers are defined by the Scottish Government. However, the WFP affects all our workforce in some form.

Although workforce planning is an evolving process, a series of core actions are identified throughout the WFP to meet current and future challenges, and these are summarised on our strategic vision approach on page 4.

The more far-reaching and impactful actions will be incorporated into our Transformation programme, whilst others will form business as usual activities.

The WFP references a range of data and insight sourced from internal workforce-related systems and manager/employee engagement in 2025. Some data and information may precede that but only where there is confidence it is still relevant. There are normally two determinations of workforce numbers - headcount (the number of employees) and FTE (the full-time equivalent). In line with previous reports and associated plans such as the SAHSCP WFP, there is a focus on FTE.

<sup>1</sup>Audit Scotland 2025 - [Delivering for the future: Responding to the workforce challenge](#).  
<sup>2</sup>2025 Equality Outcomes and Mainstreaming Progress Report – Appendix 1.

## Strategic Workforce Plan Priorities

Our workforce is our biggest asset in delivering the priorities within the Council Plan and associated strategies such as the Local Outcomes Improvement Plan<sup>4</sup>.

Therefore, our current and future workforce will be designed to support the following strategic themes -

- Spaces and Places
- Live, Work, Learn
- Civic and Community Pride
- Place and Community Wellbeing

The WFP incorporates recommendations made from recent Audit Scotland inspections<sup>5</sup> which focused on workforce and transformation themes. These require the Council to consider –

- Alignment of workforce planning and financial planning
- Defined workforce targets and expectations
- Impact of digital technology on the workforce
- Workforce data and reporting (including updates to Elected Members)

The WFP requires strategic priority and prominence from the Council’s Management Team and must inform (and be informed by) the Council Plan and Financial Plan. On that basis, a revised oversight process will be put in place to ensure the WFP delivers (see Section 1).

The Medium-Term Financial Plan<sup>6</sup> confirms how we will manage financial resources to achieve Council

priorities and outcomes. Considering a range of assumptions, it confirms the financial outlook is exceptionally challenging with a cumulative budget gap projection over the next 5 years of up to £28m.

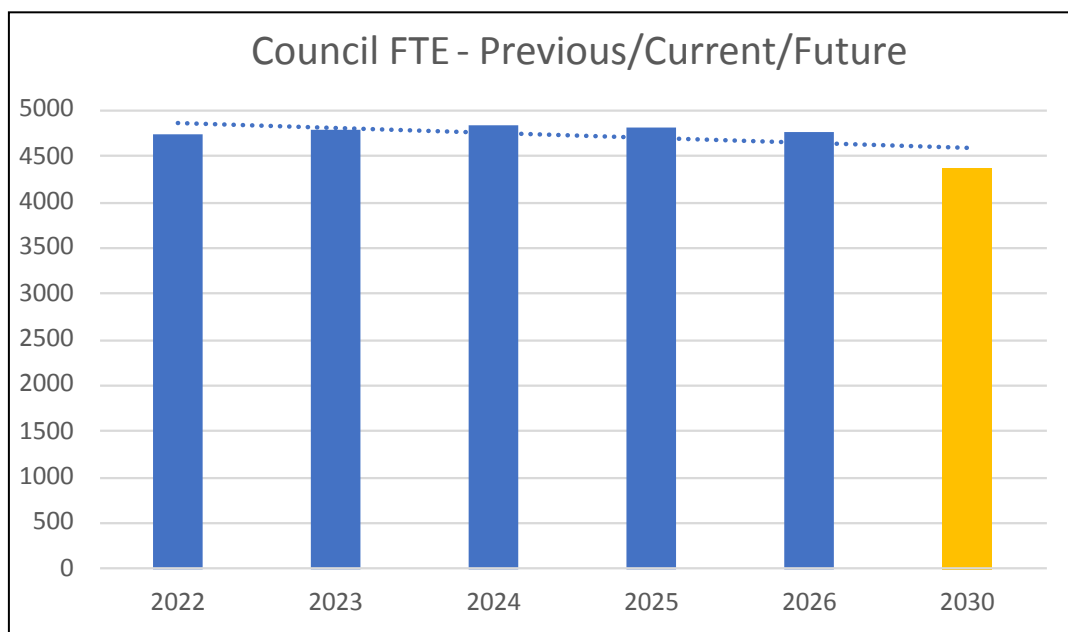
When considering the Council’s controllable budget, the current and future financial challenges, and that around 50% of Council net spend each year is in relation to pay, it is clear the Council’s FTE will not remain static as it has done within the last 3 years.

The scale of the funding shortfall over the lifetime of the WFP requires a new workforce related assumption - that our overall staffing costs will reduce, with a targeted FTE reduction of between 5 and 8% over the next 5 years<sup>7</sup>. This will require an honest conversation with elected members, trade unions, but most importantly with our workforce.

As Scottish Government funding for Education is significantly shaped by the national policy of maintaining teacher numbers, and the HSCP (via the Integrated Joint Board) has responsibility for its financial planning and management of resources, the impact of workforce reduction will be significantly more prevalent in other Council services.

The revised size and shape of the workforce will be determined by the priorities set by the Council’s Management Team and Elected Members.

Section 1 details how services will then redesign accordingly and confirms workforce change will be undertaken in a measured and structured way.



<sup>4</sup>Council Plan [Local Outcomes Improvement Plan 2024-29](#)

<sup>5</sup>Audit Scotland – South Ayrshire Council Thematic Audits [September 2024](#) and [March 2025](#)

<sup>6</sup>SAC - [SAC190226\\_Budget\\_Update.pdf](#)

<sup>7</sup>Based on 50% of the budgeted gap per year, using an average salary.

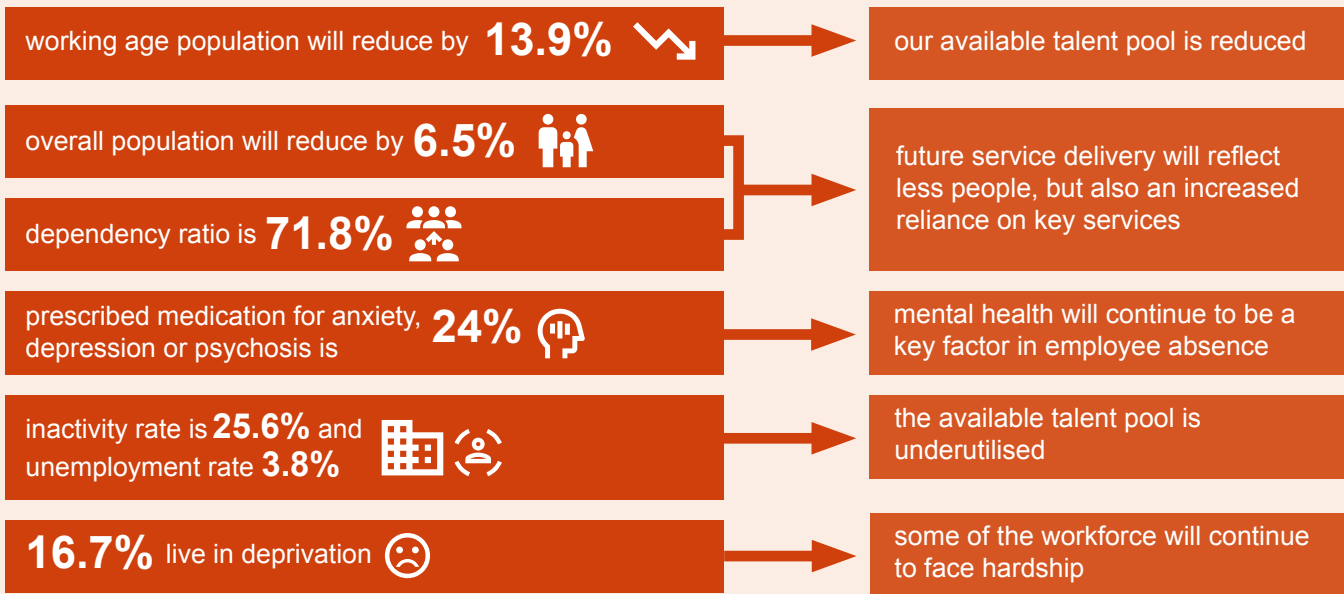


# Section 1 Plan

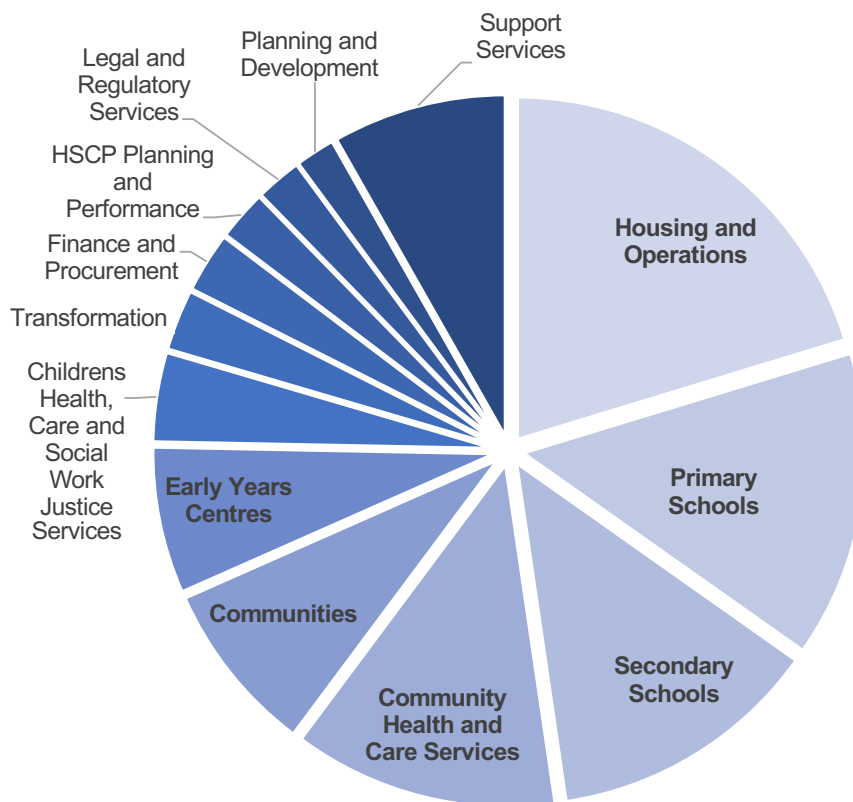


## Our Workforce

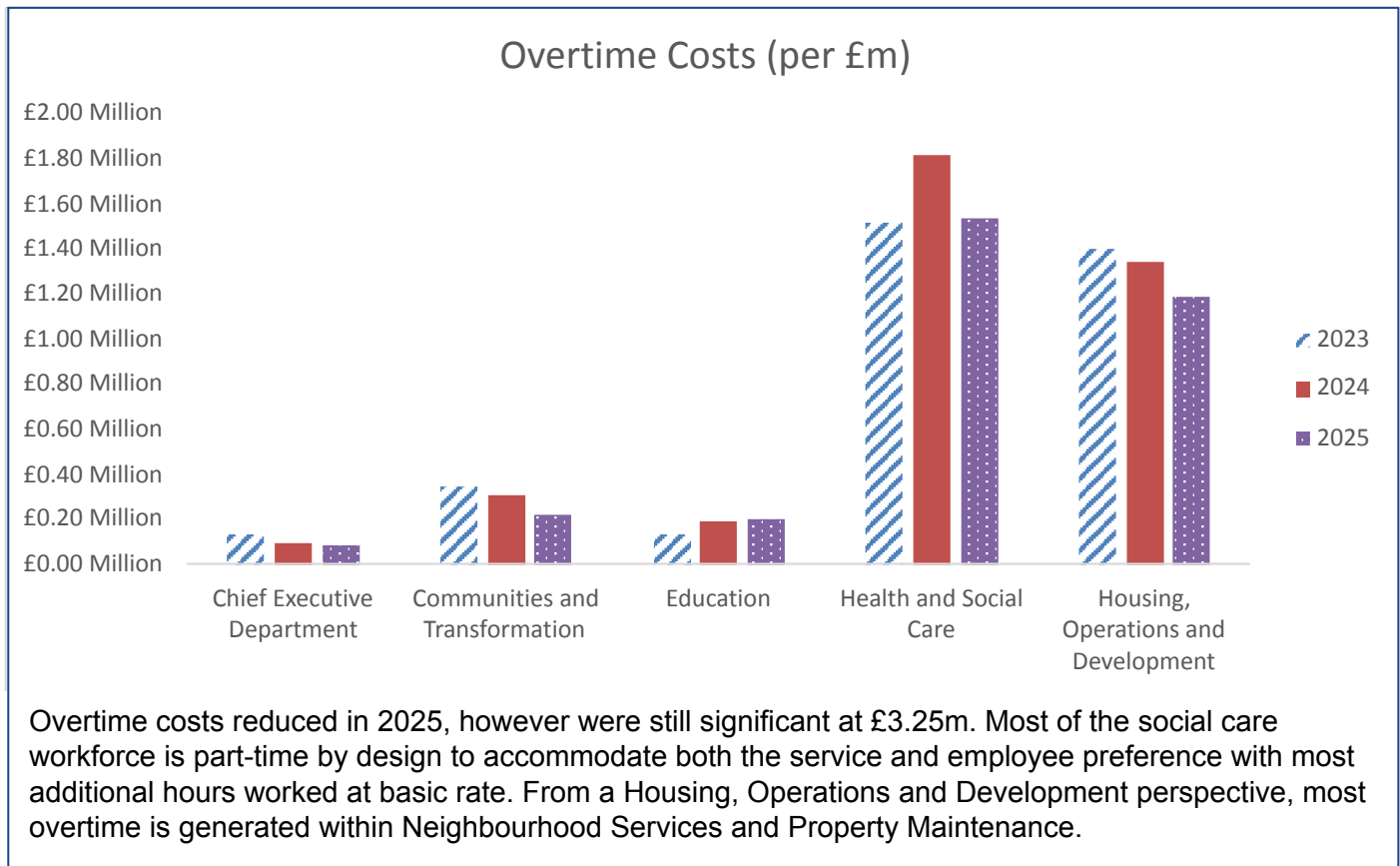
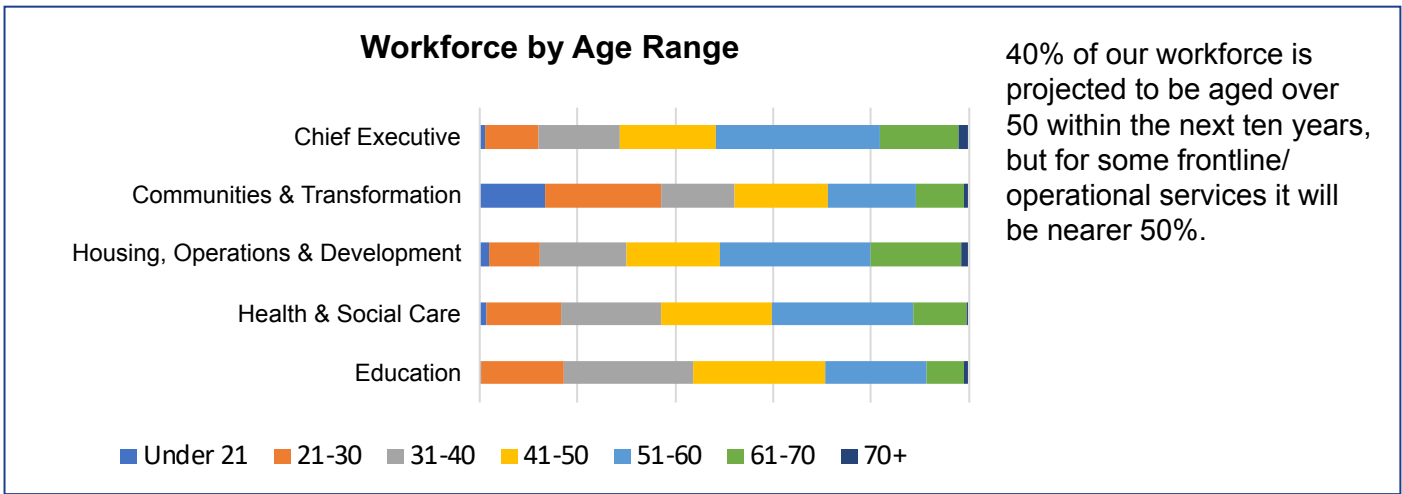
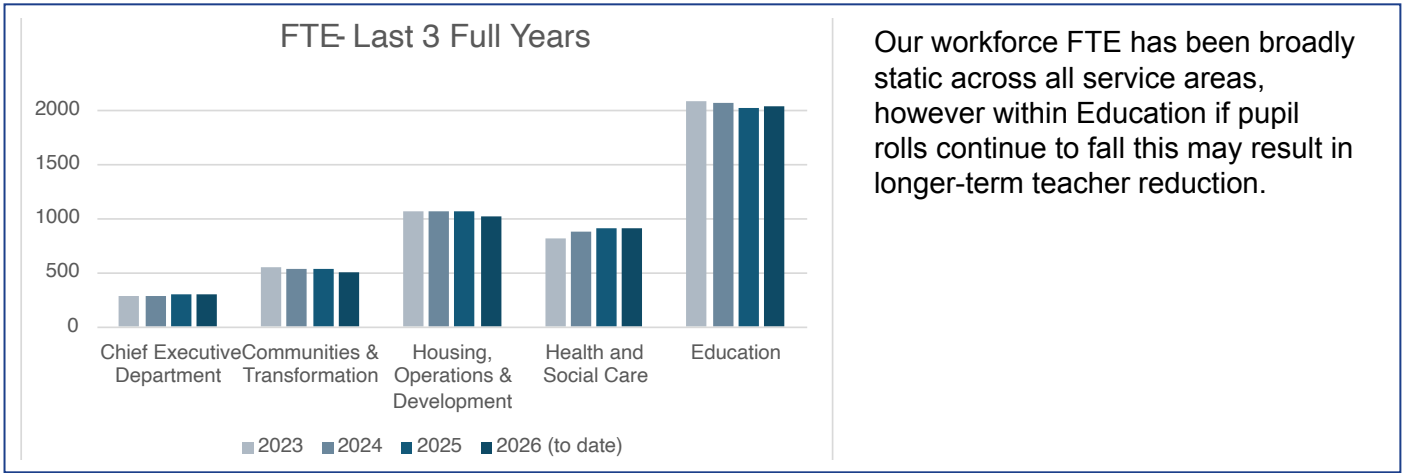
85% of our workforce live within South Ayrshire, meaning that our current and future workforce is interlinked with the region’s demographics<sup>8</sup>. This will impact our future approaches to recruitment, career pathways, skills development, and employee wellbeing.



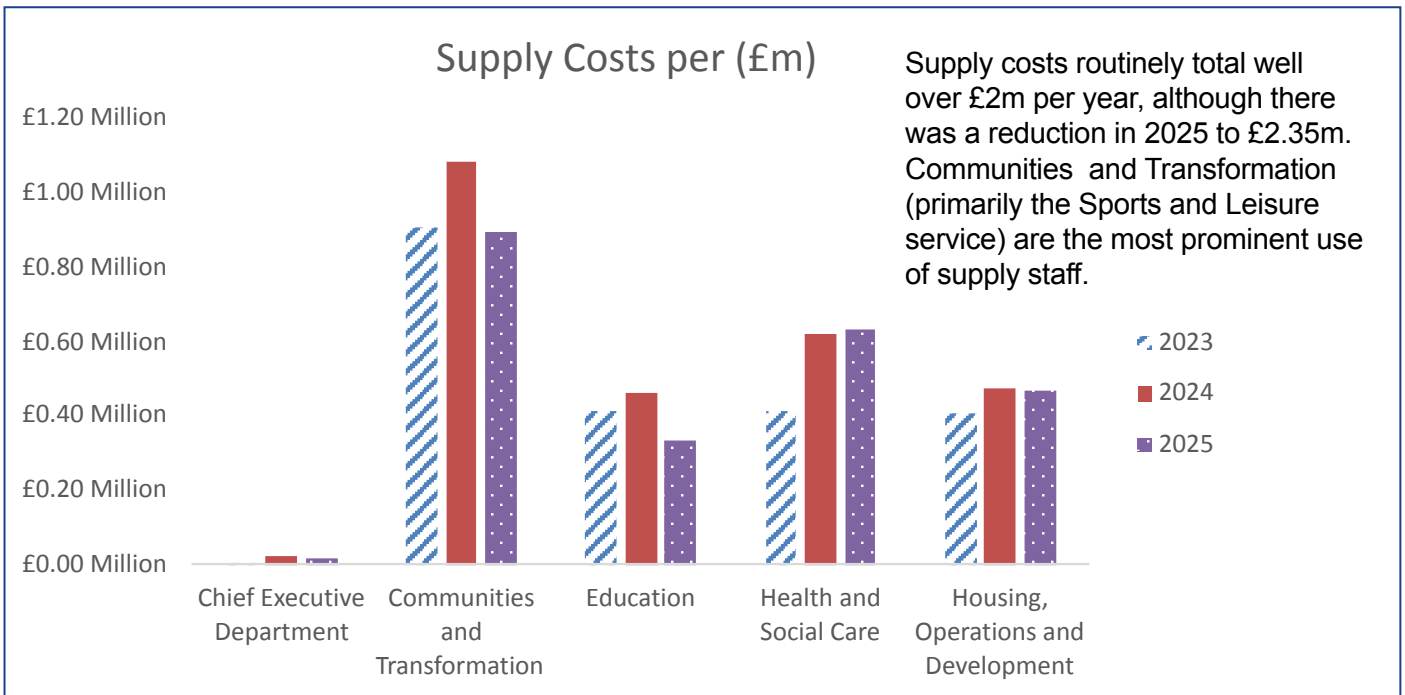
Our workforce breakdown per service area is below and confirms approximately ¾ of the workforce undertake frontline and operational delivery within Education and Health and Social Care.



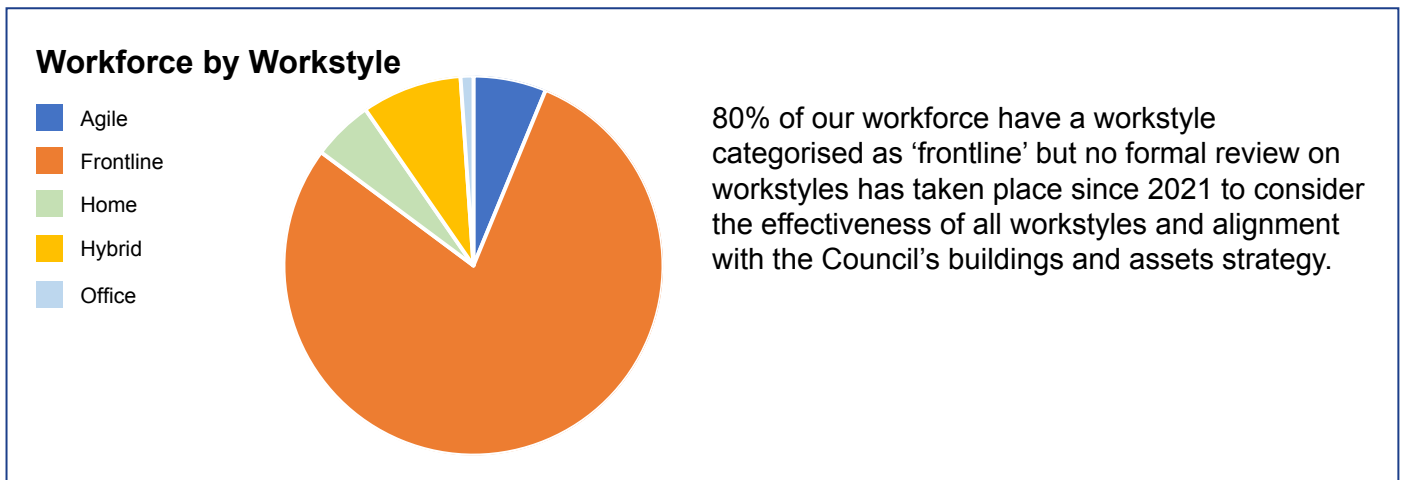
<sup>8</sup>Within the illustration – a high dependency ratio broadly indicates a greater economic burden to support and provide services needed by children and by older people. Inactivity rates relate to those not in employment, but would like a job, are available to work, and have actively sought work.



\*For this report overtime is, broadly, any hours worked over and above contracted hours.



It is recognised that overtime and supply are vital elements of service delivery, allowing services to respond flexibly to meet service priorities, especially those elements that are statutory and income generating. However, overtime and supply costs will, alongside FTE reduction, be a key consideration within Service (Re)Design.



The following workforce demographics have remained static over the last few years.

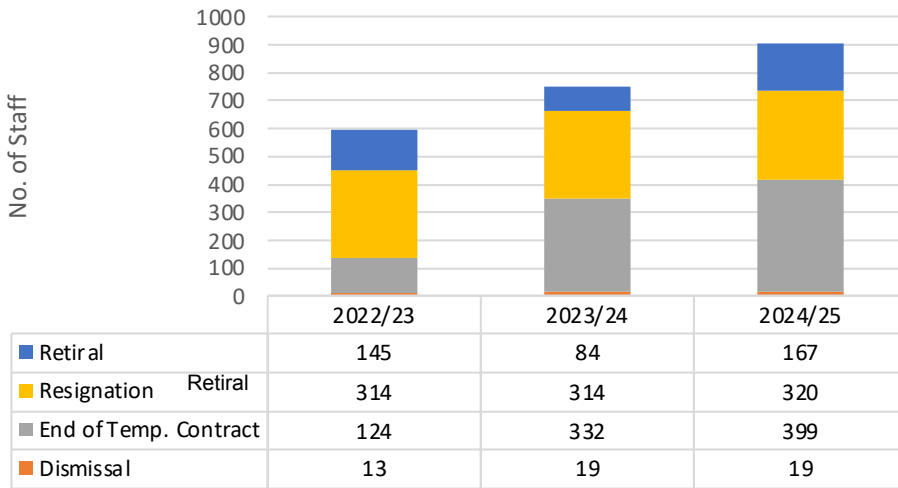
**75% female**    **25% male**

**68% full-time**    **32% part-time**

**88% permanent**    **12% temporary**

The split by sex is representative of traditional (and national) prominence in areas such as teaching and homecare (female) and waste services (male). However, steps are taken within our recruitment process and employability programmes (such as apprenticeships) to remove any perception that roles cannot be undertaken by either sex.

### SAC Termination Reason



With regards to turnover, the level of resignations has been consistent and averaging 315 per year (see Section 2 for related leaver feedback).

The increase in end of temporary contracts reflects withdrawal of external funding sources, and service budget restrictions where internally funded.

It is anticipated retirals will likely increase, reflective of the ageing workforce and changes to the flexible retirement policy, however the extent of any increase is unclear as some employees may continue working where personal financial pressures/hardship apply.



### Workforce Data

As identified by Audit Scotland in 2024, the Council needs to ensure workforce data is available to aid decision making at a local and strategic level.

Improvements have been made to our HR/Finance system, with a suite of enhanced reports that can be downloaded and analysed further.

However, there is still a requirement to develop a standard set of key workforce performance indicators (via easily accessible and 'live' dashboards) that will help the Management team and services respond more quickly to emerging themes and trends. Insight would be routinely shared with elected members.

Workforce data will also form a key consideration within the oversight process defined at the end of Section 1.

# Workforce and Service Change

## Service (Re)Design

In 2025 the Council implemented a revised Service Review process that incorporates Service Design methodology, termed ‘Service (Re)Design’. Guidance toolkits were developed for managers with the expectation that many services will commence the process during 2026.

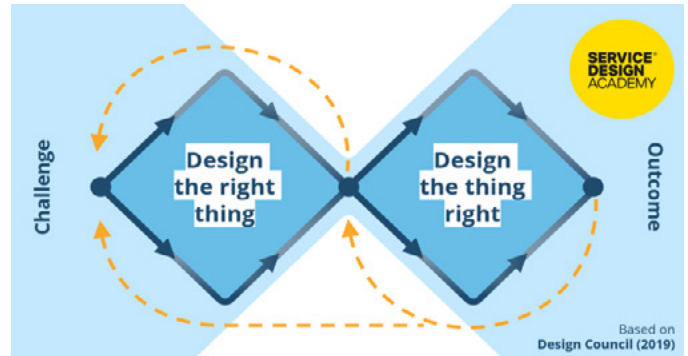
The ethos behind Service (Re)Design is engagement and innovation. It focuses on 4 key elements (known as the Double Diamond) that can also be considered from a workforce planning perspective -

**Discover** – Gathering data and insight with employees about opportunities and blockers within service delivery.

**Define** – Understanding and agreeing with employees the problems that need solved.

**Develop** – Generating ideas and solutions to the problems with employees.

**Define** – Developing a new service business model, which confirms the size and shape of the workforce.



The Council Management Team will confirm with managers the required outcomes, which include one or more of following –

- Headcount Reduction
- Increased Productivity
- Income Generation
- Maintained or Improved Outcomes for Service Users

The process encourages early visibility of potential workforce changes to Trade Unions, Human Resources, and Finance. It reinforces the requirement for managers to consider a range of Managing Change activities to help shape their future workforce.

## Public Sector Improvement Framework (PSIF)

Several services including Housing Operations and Human Resources have been identified as the first tranche to fully complete the Public Sector Improvement Framework<sup>10</sup>. The process helps services challenge existing performance and identify improvement areas. PSIF will be informed by, and inform, Service (Re)Design and workforce planning.



<sup>10</sup>The [Public Service Improvement Framework](#) (PSIF) is a self-assessment approach to support improvement in organisations.



## Transformation

The ‘Shaping Our Future Council’<sup>11</sup> Transformation Programme was launched in 2024.

A key priority is ‘Our Workforce’ which focuses on productivity, skills, empowerment and wellbeing. However, the other priority areas (Delivery Model, Technology, and Assets) will also have a significant impact on our workforce.

Current and future projects, including the following examples, will increase workforce productivity and help meet our FTE reduction target over the next 5 years.

### **Business Support**

This project has comprehensively analysed the tasks of 300 administration/clerical employees. In addition, several workshops were held with employees that confirmed current pain points and opportunities for change and productivity gains. This insight has informed a new delivery model that will be presented to the Transformation Board early 2026.

### **Customer Contact**

Our workforce deal with a significant volume of customer enquiries. This project will develop a revised model making use of available technology such as webchat and chatbot, reducing employee interaction and improving how the Council provides a service to all of our customers.

### **Process Improvement**

High-volume, rule based, and repeatable tasks can be redesigned or automated. Data and information (and other task-driven work) can often be processed faster and more reliably, enabling employees to focus on more value added activity. Throughout the wide scope of Transformation activity across the Council there will be a need for process-mapping especially related to administrative tasks to identify needless duplication and low-value elements, and to utilise new and existing technical solutions to further streamline. (Note - Artificial Intelligence is covered in Section 3).

<sup>11</sup>The [programme](#) includes a wide portfolio of transformation projects, a Transformation Fund, and a Transformation Board.



## Managing Change

The Council has a Managing Change Framework. This includes a range of people policies that ensure workforce change is fair and legal. There is also a dedicated budget to facilitate the shorter-term costs of workforce change where longer-term savings will be generated.

Examples of workforce change include –

- A reduction in the number of posts of a particular kind.
- Structural changes involving the deletion of existing jobs and the creation of new jobs.
- Changes to job remit, working pattern, location, hours of work, or grade.
- Variation to contract.

A range of strategic decisions and considerations (including the outcomes of

Service (Re)Design, Transformation and service-specific projects) will change the size and shape of the future workforce.

Workforce change will be achieved by the following –

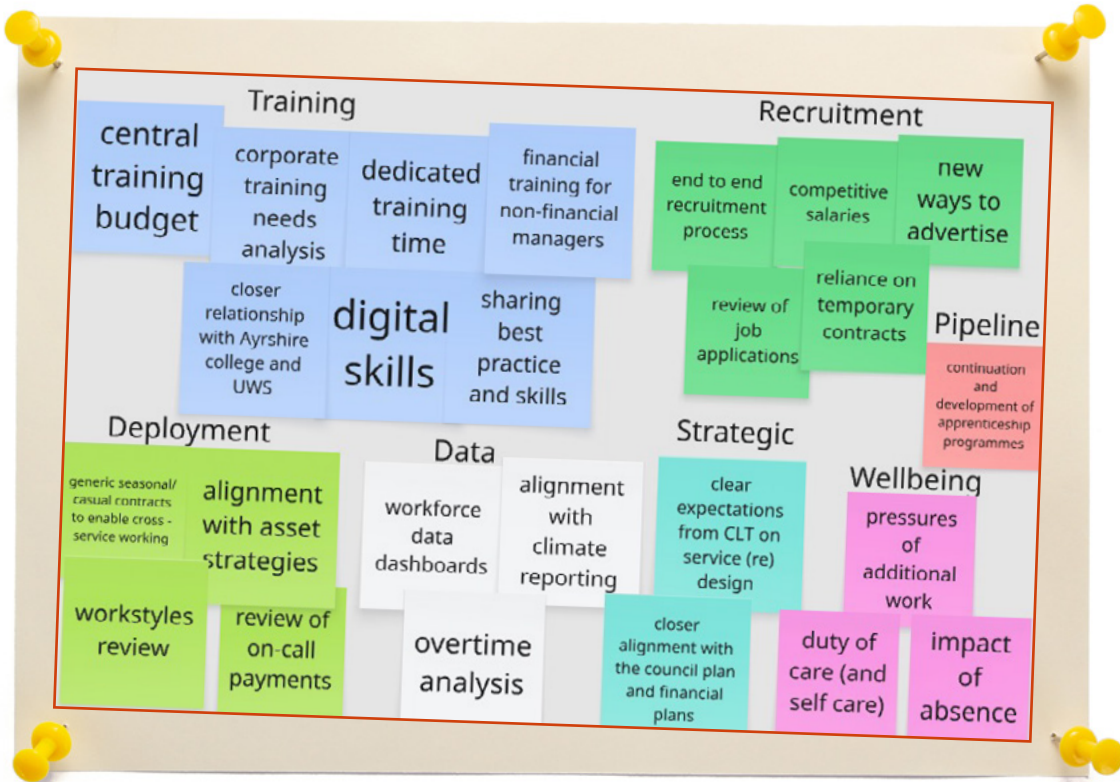
- Voluntary Severance / Voluntary Early Retirement
- Recruitment Freezes
- Post Deletion
- Redundancy<sup>12</sup>
- Job Evaluation/Re-evaluation

Recent changes to the Managing Change Framework now include a Flexible Retirement Policy that supports skills transfer and can fund trainee positions for professional/technical/hard-to-fill posts. Introduced in early 2025, it has already helped facilitate an early and managed exit of several employees.

<sup>12</sup>In March 2025 our 'No Compulsory Redundancy Pledge' was replaced with 'Alternative Employment'. This means that if an employee is displaced, they will, wherever possible, be offered a suitable alternative role

# Workforce Challenges and Risks

Leadership engagement events in 2025 focused on workforce planning. Service Leads from across all services identified corporate workforce planning issues and opportunities they felt should be considered and explored further.



Several are already identified within the WFP and others will be explored and considered further and prioritised accordingly.

Service Leads also complete workforce and succession planning templates confirming risks and opportunities at a local level.

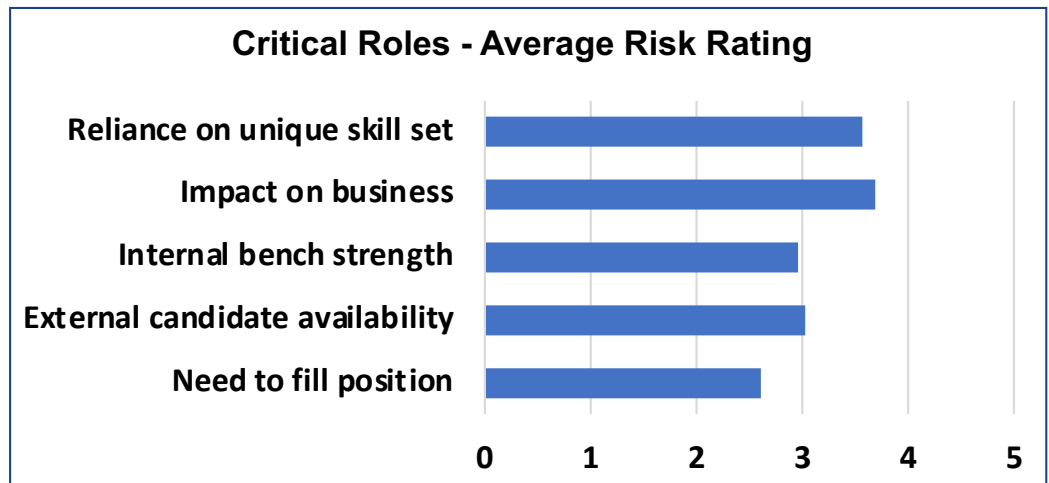
The workforce planning template helps services identify internal and external workforce factors, skills variances, training requirements, short-term and long-term strategic planning, innovation, and impact on other services (see Appendix 1).

All services completed the templates in 2023/24 and the results are below. It was agreed that they will revisit the templates alongside future Service Planning activities, and any key variances will inform future WFP updates.

8 key workforce risks are ranked by services, with the top 3 corporate risks being recruitment/pipeline, skills gaps, and age.

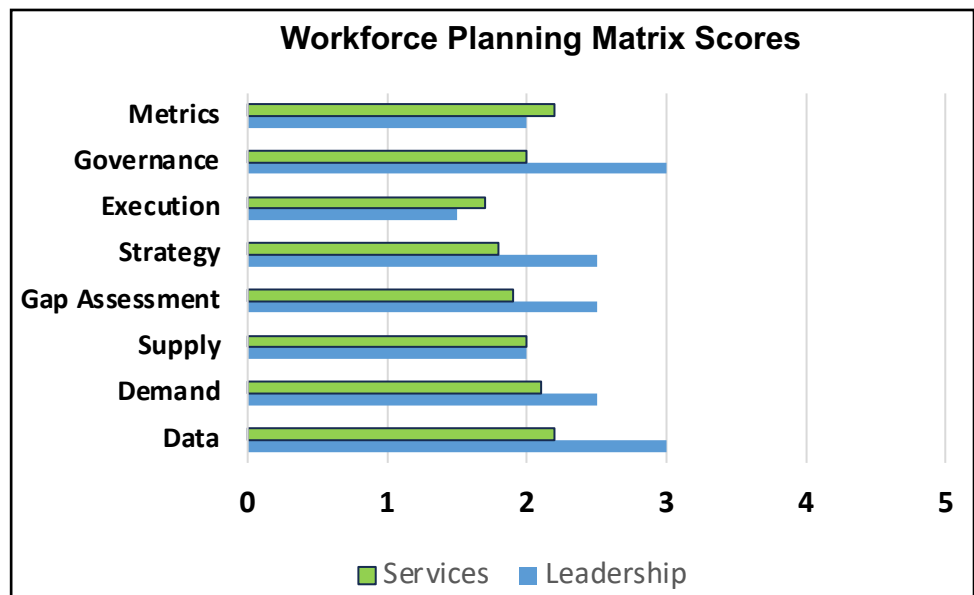


The succession planning template identifies critical roles which are then risk assessed and scored using recognised criteria from the Local Government Association<sup>13</sup>. Across the Council 142 critical roles were scored (1=low risk, 5 = very high/urgent).



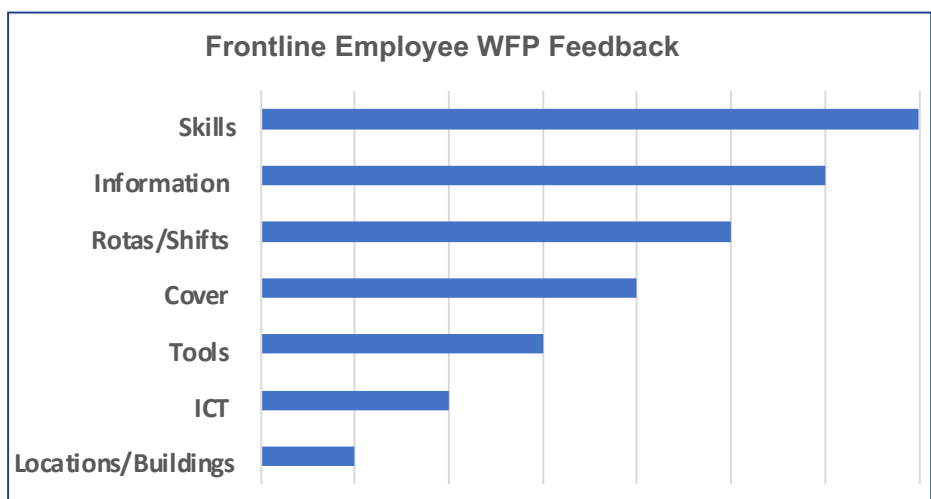
The scoring confirms significant risk related to critical roles where the operational knowledge is tied to ‘one person/one role’, and the potential immediate disruption to service delivery if they leave. This reinforces the requirement to embed a corporate approach to succession planning to support services.

Finally, from a leadership and management perspective, a workforce planning self-assessment matrix was completed by services and the Council Management team. Whilst there were some variances between services and leadership, most elements scored towards the mid-lower end indicating further work at a local and corporate level to embed workforce planning methodology<sup>14</sup>.



Frontline and operational employees were asked to confirm their priorities from a workforce planning perspective. They confirmed that their top 3 requirements were –

- training and development to do the job (skills)
- being kept up to speed on work priorities/news (information)
- getting people in the right place at the right time (rotas/shifts)



<sup>13</sup>The LGA's (England & Wales) approach to workforce planning is advocated by the national improvement organisation for Local Government in Scotland (Improvement Service).

<sup>14</sup>Workforce planning scale – 0 = none/1=ad-hoc/2=some /3=mostly/4=strategic/5=fully integrated



## Oversight

The WFP will initially focus on those priorities on our 'plan on a page', however moving to a 5-year plan allows more opportunity to address a wider range of workforce considerations. To ensure meaningful progress and outcomes, more robust oversight will be put in place.

### **Council Management Team**

The Management Team will be accountable for the WFP, review progress at a corporate and directorate level, and provide strategic direction of future activities.

### **Transformation**

Key priorities within the WFP will be subject to ongoing benefits realisation monitoring, which will be tracked and reported by the Council's Portfolio Management Office (PMO). Updates will be regularly shared with the Transformation Board (which includes Trade Union representation).

### **Elected Members**

The following updates will be provided to the Council's Service and Partnerships Performance Panel –

- Transformation benefits reports (every 6 months).
- An annual update of the WFP confirming progress on activities and future focus.
- Regular updates to the Portfolio Holder.

### **Trade Union Liaison**

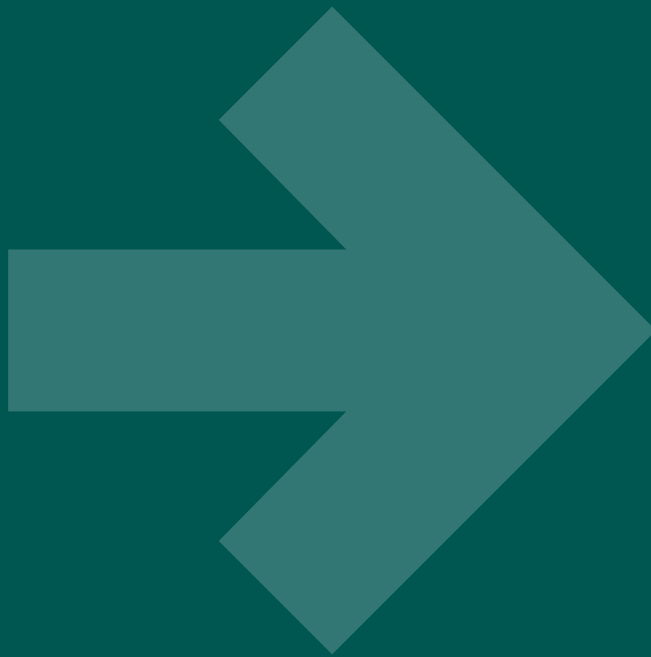
Regular engagement with Trade Unions, with their input at a variety of strategic working groups and governance processes.

Current and meaningful workforce data must be available across all elements of oversight to identify themes and trends, scenario plan and inform decision-making.



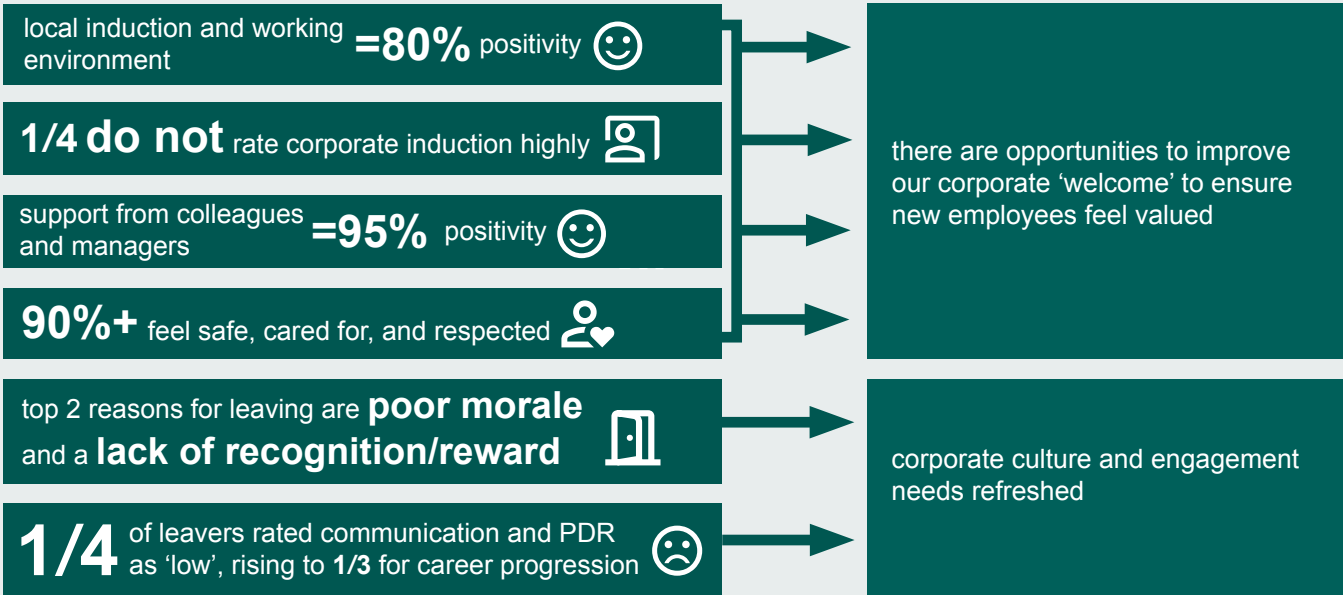
Section 2

# Recruit and Retain



## Employee Feedback

Our starter and exit surveys confirm an overall positive experience but a more muted response related to onboarding, corporate induction, and career progression.



Our corporate induction will be refreshed to consider how we improve the corporate 'welcome' at the point a new employee signs their contract, not just their first day of work. To ensure consistency with SAHSCP employees, there will be in-person opportunities for new employees to understand their role within the wider organisation and meet the Management team. Section 3 provides further clarity on training that can support career progression.

As a large-scale employer, there is significant recruitment activity to ensure services achieve their staffing requirements. Over 700 adverts are created within the MyJobScotland website<sup>15</sup> with the majority advertised externally to maximise candidate suitability. The average number of applicants per advert is approximately 20, and 90% of adverts result in a preferred candidate being offered the position without the need to re-advertise.

There are a small number of specialised roles that have recruitment challenges, especially where there is competition from the central belt. To mitigate this, the benefits of joining South Ayrshire (or relocating) are emphasised, such as flexible and hybrid working opportunities, employee benefits including car lease schemes, excellent school and leisure facilities etc. Where the challenge remains, services will look to consider 'grow your own' development opportunities – see section 3.

Improvements in processes have seen reduction in the onboarding time, and this will continue to be a focus. The Council has also considered other innovative ways to recruit, including international visa sponsorship however the numbers are small (12 within care at home) and the rules and regulations are often subject to change meaning it is becoming a less viable option, therefore the focus remains on the local talent pool.



<sup>15</sup>All Scottish Councils part-fund the MyJobScotland platform, which is the key online recruitment platform for public sector roles.

## Employability Support

The Thriving Communities team supports a range of employment opportunities through co-ordination and delivery of programmes driven by the principal that no-one should be left behind<sup>16</sup>.

Services benefit from these programmes as they support skills gaps and address future workforce needs, and aid service resilience.

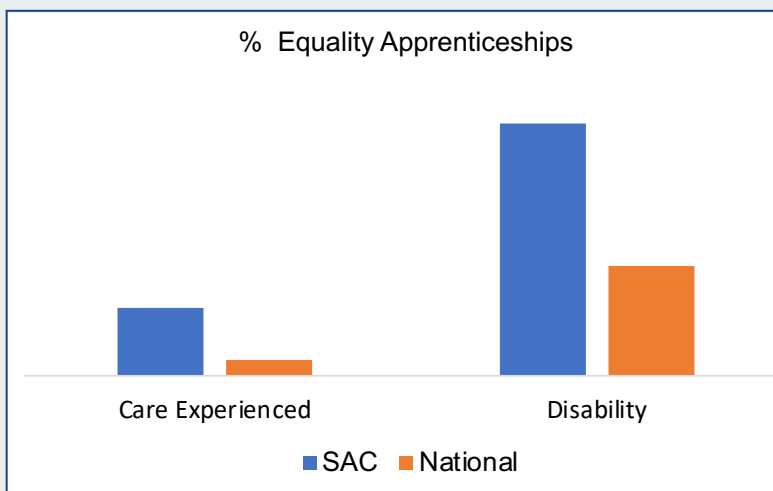
### Modern Apprenticeships

Considered our flagship programme and available for those aged 16-19, and those up to 29 who are care experienced, to enable them to achieve work-based qualifications.

Modern Apprenticeships include Horticulture, Business and Administration, Craft Trade, Active Schools & Sport and Leisure, Youth Work and Health and Social Care.

During the last 4 years over 120 people have progressed through their apprenticeship, with 70% securing employment (many with the Council) or have progressed into further education.

Thriving Communities continue to surpass the national average related to care experienced and disability opportunities by some margin.



Performance and outcomes are monitored by Skills Development Scotland and the Scottish Qualifications Authority, alongside self-assessment and quality action planning. This ensures continual evaluation (and evolution) of a high-quality programme aligned with both local and national priorities.

It can be challenging for Modern Apprentices to secure employment within the Council following completion of their qualification due to a limited number of permanent, seasonal and entry level positions within staffing structures.

### Specialist Employment Support

Our commitment to supported employment has resulted in the creation of part-time Tailored Jobs. These are 23-month supported work placements within the Council targeted to those with additional support needs and/or long-term health conditions. They aim to support individuals to develop the necessary skills and experience to support them into meaningful and sustainable employment. Opportunities are designed around the skills, interests and capabilities of the individual.

18 Tailored Job opportunities have been created in the last 3 years within Sport and Leisure, Active Schools, Thriving Communities, SAHSCP, Destination South Ayrshire and Waste Management.



<sup>16</sup>'No One Left Behind' – Scottish Government Employability Strategic Plan

## EVOLVE Programme

EVOLVE aims to support individuals who are long-term unemployed, which is defined as being out of work for 1 year. Individuals are offered six-month paid employment within a Council department or Third Sector organisation, with participants paid the real living wage and supported by their workplace supervisor and a dedicated Thriving Communities Officer who will support identify employment opportunities beyond Evolve.

98 placements have been created during 2022-25, providing participants and employers with the opportunity to determine suitability for more permanent employment.

The ability to offer opportunities through EVOLVE is subject to external funding available.



## Graduate Programmes

Funding sources are identified by Thriving Communities that facilitate a small number of graduates into the workplace to maximise progression pathways. Whilst our graduate interns often secure permanent employment with the Council, the overall number of internships across the Council has fallen as service budgets and external funding are cut.



## Future Priorities

Whilst it is recognised financial pressures will impact across all services, the Council is still committed to -

- Positive outcomes for apprentices, ensuring there are job opportunities within the organisation on completion. However, these opportunities may be different in scale and scope going forward.
- Exploring new vocational opportunities, alongside consideration of ring-fencing that can aid progression to permanent employment.
- Investment in adult apprenticeships for specific areas where there will be a shortage of skilled staff/workforce.

A key focus for the Thriving Communities team will be to maximise opportunities based on available internal and external funding, and to –

- Review existing vocational areas where there is no retention of apprentices following completion of their apprenticeship.
- Continue to work with Council services to create Tailored Job opportunities for individuals with additional support needs and/or long-term health conditions.
- Create paid work-experience opportunities with the Third Sector for individuals who are long-term unemployed to allow them to develop the necessary skills and experience to progress to meaningful employment.
- Assist services in identifying skills shortages that may benefit from a graduate (whether service or externally funded.)

## Organisational Culture

### Employee Feedback

The Council has historically undertaken an employee engagement survey every 2 years, with the most recent in 2024 based around the workforce planning themes of Plan, Employ, Train, and Wellbeing. Overall results were positive however the areas of lower positivity will remain a priority’.

#### High Positivity

- cross-service working
- performance measures
- understanding how my role relates to the work of the overall Council
- reflective job descriptions
- knowing what is needed to do the job
- sharing skills and knowledge with colleagues
- being supported when off work



#### Top 3 Motivators Overall

- work/life balance
- work that’s meaningful to me
- getting well paid



#### Lower Positivity

- involvement in changes and being asked my opinion
- time to learn
- development opportunities
- a caring culture

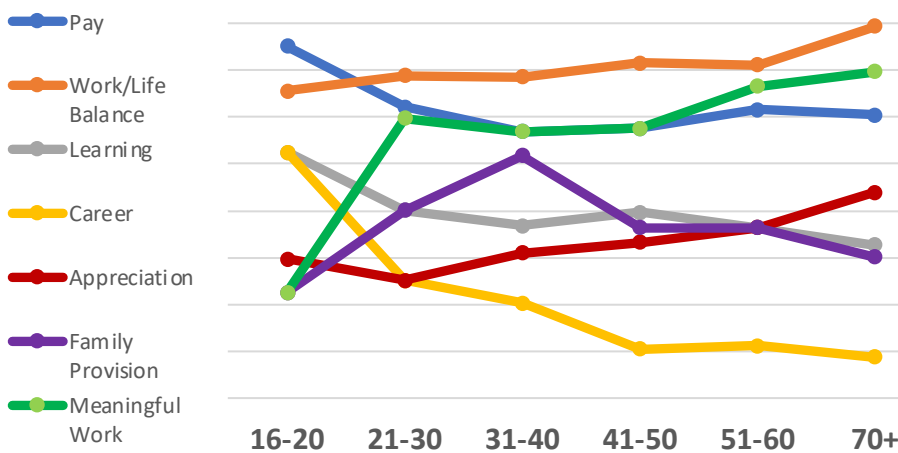


Service (Re)Design (see Section 1) should increase employee involvement in service change, and a range of wellbeing activities covered in Section 4 should evidence our ongoing commitment to a caring culture.

Employees also confirmed their top 3 work motivators, but that these can change significantly for different age groups and reinforces the requirement for more layered and tailored approaches when considering the workforce. For example –

- pay is the top motivator in the 16-20 age range, but work-life balance is more important for those aged over 21.
- meaningful work continues to rise in importance as employees get older.
- providing a better future for their children become a key motivator for those aged 31-40.
- career aspirations become the least important motivator for those agreed over 40.

**Workforce Motivators by Age Range**



## Employee Communication

Services will undertake a range of communication and engagement with employees, and for operational/frontline staff that may include staff briefings, pre/post shift catch-ups and in-service days.

For those employees with access to a work computer or mobile, a range of collaboration will happen via MS Teams, and corporate communications (including updates from the Chief Executive) are issued via the Microsoft Viva Engage platform.

However, employee engagement and interaction levels can be low, especially with harder to reach frontline/operational employees. It is important that all employees can digitally collaborate on a wide range of work topics with colleagues, management and leadership. Learning from a recent pilot of an online engagement tool has highlighted a need to review current mechanisms and determine a preferred and consistent approach, with a focus on developing a deeper culture of respect, openness, and transparency.

## Corporate Culture

The Council's corporate culture<sup>17</sup> is centred around our Purpose, Vision, and Values, and these are incorporated and referenced in our recruitment competency framework, corporate branding, and the Council Plan.

However, there is recognition that there has been limited promotion or positioning of our corporate culture since 2020, nor are services asked to evidence how they practically embed it.

It should underline everything our employees do, across all levels.

The development of a new corporate induction will provide a starting point in refreshing and repositioning aspects of our corporate culture, followed by a wider roll-out. The aim is to ensure a meaningful and positive corporate culture designed with the workforce, and which reflects the strategic vision of the Council's Management team.



**Purpose:**  
To Serve South Ayrshire

**Vision:**  
To Make a Difference Every Day

**Values:**  
Respectful, Positive, Supportive,  
Proud and Ambitious



## Check-In

In early 2026 we launched our Check-In process, which is our commitment to all employees that there will be a structured conversation at least once every 12 months with their manager, either individually or in a group setting. It will focus on health and wellbeing, work priorities, service improvement and personal development, and help employees feel better about the work they do, their vital role within the Council, and support opportunities.

The Check-In also provides an opportunity for managers and employees to revisit our core values at an individual, team and organisational level.

The process was co-designed with services, and over 800 managers and employees have attended awareness sessions with positive feedback. Check-In will be rolled out by services throughout the remainder of 2026.

<sup>17</sup>SAHSCP has its own defined culture themes, which are broadly similar - [About us - Health and Social Care Partnership](#)



# Section 3 Train



## Corporate Delivery

### Organisational Development (OD)

OD develops, co-ordinates and delivers a range of employee, team, and supervisor development. This includes a mix of face-to-face and online delivery to accommodate the needs and availability of the workforce.

A key element of OD's role is to work with services to develop online training modules, and recent examples include Education (United Nations Convention on the Rights of the Child), Performance, Community Planning and Sustainability (Integrated Impact Assessments), Procurement (Standing Orders Relating to Contracts) and Human Resources (Sexual Harassment Awareness).

However, increasing legal and statutory requirements are resulting in an expectation that employees have a greater awareness of a wider range of issues. Considering employee feedback about a lack of time to undertake learning, training solutions will need to be more layered, targeted and proportionate.

Key activities for OD in 26/27 will include supporting-

- HR and managers in the awareness and implementation of 'People Policies' such as Discipline and Grievance and Maximising Attendance.
- Leadership training requirements.
- Improvements to corporate induction.

OD will also promote and co-ordinate funded training and career pathway opportunities that can support staff development whilst in work. Current opportunities include –

- Graduate Apprenticeships (degree course subjects including Data Science, Town Planning, and Business Management.)
- Professional Development Awards for those aged under 24 (diplomas related to Data Analytics, Networking, Cyber Security and Software Development).
- Skills Scholarships (entry-level courses related to technology, data, customer engagement, marketing, and environment.)

OD recently co-ordinated training to address a corporate excel/data skills gap, resulting in 50 employees from a wide variety of services attending a 2-day advanced course delivered by Ayrshire

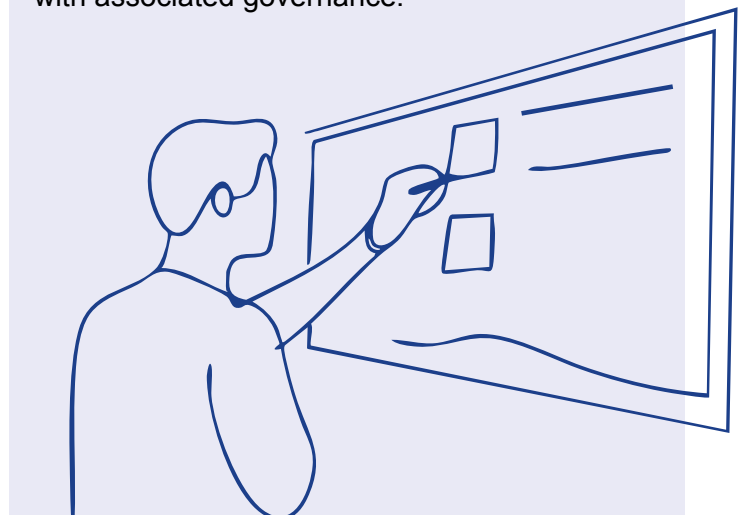
College. Feedback from attendees has been positive with immediate service improvements related to data analysis, supplier management, and targeted support for additional support needs.

Both the excel courses (Ayrshire College) and Graduate Apprenticeship/Skills Scholarships opportunities (University West of Scotland) highlight the need for the Council to work more closely with the College and University. There is no strategic partnership agreement in place (compared to the SAHSCP and the University<sup>18</sup>) and OD will lead on developing stronger relationships with both organisations to address skills gaps across services.

#### Training Funding

Services will have their own training budgets to address a range of service-specific mandatory and statutory training requirements. However, the Council has no defined training budget or governance process that supports and addresses corporate training gaps (some of which were raised by managers in Section 1). The excel/data training referenced above was funded by the Council's Transformation Fund as it aligned to the Council's Data Plan, however the Fund's focus has shifted to projects that support financial sustainability

Therefore, a key action of the workforce plan will be to establish a defined central training budget which will source cost-effective solutions to corporate gaps, facilitated by OD with associated governance.



<sup>18</sup>HSCP/UWS [Strategic Partnership Agreement](#)

## Practice Development Team

The SAHSCP Practice Development Team is primarily responsible for the delivery of Social Care and Social Work training that supports registration and professional development for relevant Council employees.

The team is instrumental in coordinating training placements from higher educational institutes that support workforce recruitment within SAHSCP. The team have also been instrumental in implementing the Newly Qualified Social Work ‘supported year’ that supports the retention of staff and sets out mandatory standards for new workers to achieve.

In 2025 the team designed and piloted four new training courses, Self-Neglect and Hoarding in Practice, Financial in Adult Support & Protection, Child Protection Level 2 and Understanding Harmful Sexual Behaviour in Young People.

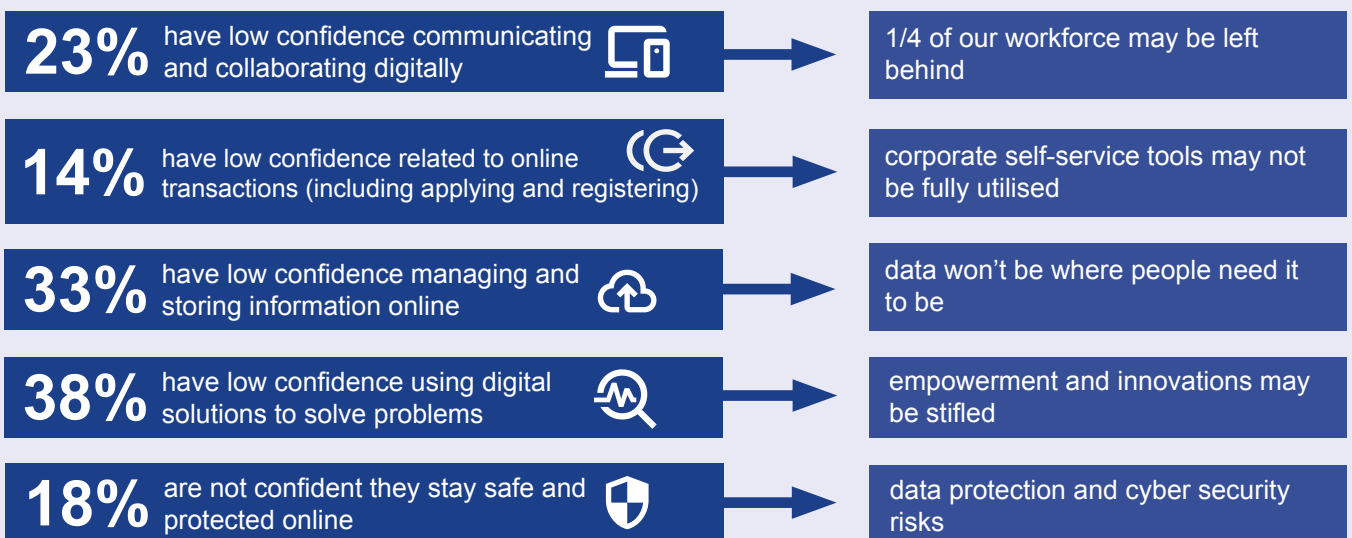
They also developed a learning passport to track and record knowledge, skills and competence which aligns with the Newly Qualified Social Worker (NQSW) Supported Year. The evaluation and research element will complete in 2025, with the potential to share findings across the network of 32 local authorities in Scotland.

The team collaborate with colleagues in North and East Ayrshire HSCPs to offer selected training courses on a Pan-Ayrshire basis with key stakeholders and partners such as Police Scotland.



## Digital Skills

Feedback from services and employees<sup>19</sup> confirms the pressing need to increase digital confidence within work, especially for frontline and operational employees.



<sup>19</sup>Employee Engagement Survey 2024 and Digital Skills Survey 22/23

Work has been undertaken during the last 3 years to improve digital confidence including -

- 2 digital skills graduate interns that supported employees at foundation level in areas such as self-service, basic Outlook and Word, and screen navigation.
- 1 ICT Project Officer who delivered a comprehensive training programme to advance M365 skills.
- Development of a Competency Framework<sup>20</sup> to support services in defining required digital skills and levels for job roles and help develop a detailed understanding of skills gaps.
- Creation of a digital training suite in County Buildings.



However, the interns and officer roles were temporary and uptake of the Framework by services has been minimal. To drive this forward, a Digital Skills Project Board has been created, and Transformation funding has supported the creation of a Lead Officer to develop a corporate digital skills programme. This will be supported by both OD and ICT.

Within Education there is a wider range of digital support (including digital training calendars, an M365 support hub, annual digital roadshows) and a specific focus on the Technologies Curriculum which supports teachers to gain the skills, knowledge, and confidence to teach Digital Literacy and Computing Science.

## Future Focus

Digital skills for employees will need to continually evolve and must be given more prominence corporately, especially when considering the impact of new systems, process improvement (see Section 1) and generative artificial intelligence (<sup>21</sup>Gen AI).

The Council recently developed a Gen AI policy which highlights potential opportunities, risks and associated ethical considerations. However, even with a justifiably cautious approach, it is likely that the pace of change will result in Gen AI radically changing aspects of our work, and that will be a consideration within service reviews, transformation projects, and procurement of future systems. To support this, the organisation will need to build foundational AI awareness and skills to maximise Gen AI tools such as M365 Copilot that can increase productivity in data analysis, reporting, and workflow management.

<sup>20</sup>The Framework is advocated by the [Digital Office](#) and referenced in the [Council's Digital and ICT strategy](#).

<sup>21</sup>Generative Artificial Intelligence (Gen AI) is a specialised form of AI that learns from data about existing artefacts in order to generate new variations of content. This can include images, video, music, speech and text.



Section 4

# Employee Wellbeing

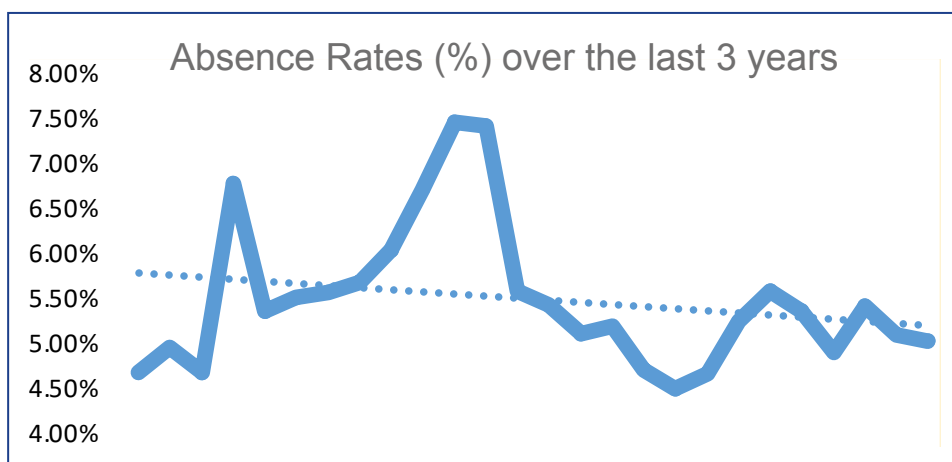
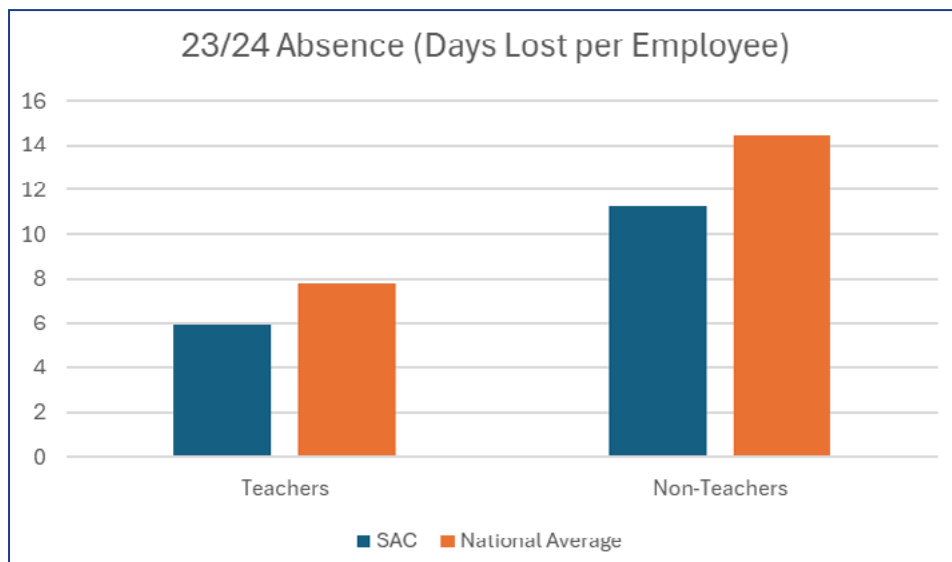


## Absence and Support

### Absence

Our approach to staff wellbeing is partly influenced by our need to minimise absence.

The Council's absence rate is positive when compared nationally<sup>22</sup> and there has been a downward trend within the last few years.



However, the impact of absence on service planning and delivery remains significant as it equates to over 50,000 working days lost per annum. The direct cost of absence in 24/25 was £4.95m.<sup>23</sup> However, there are associated indirect costs such as overtime and supply for mandatory or statutory services. For these services, such as care at home, the cost is effectively doubled as resource (normally via overtime or supply) is paid to fill the gap.

Even a 1% reduction in absence rates could save the Council over £1m, and with over two-thirds of absence classed as long-term,<sup>24</sup> there is a focus on supporting employees back into work when off.

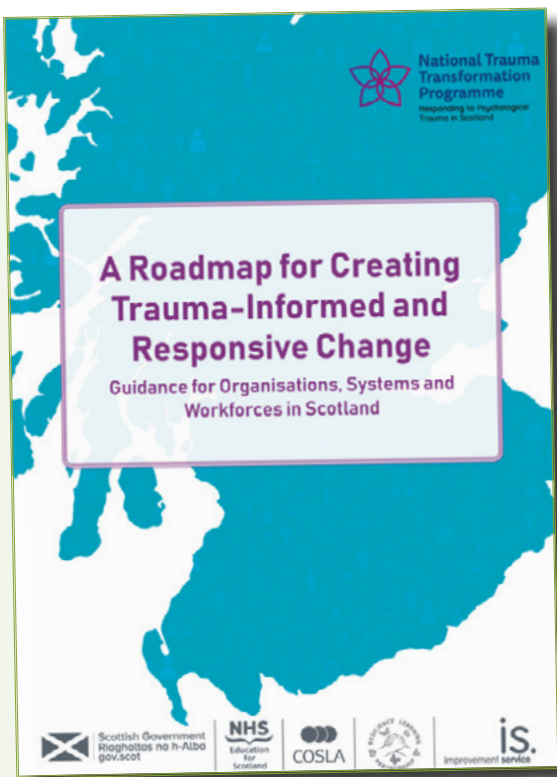
Although overall absence has reduced, psychological absence continues to be prominent, and represents one-third of absence cases. Other reasons for absence are varied but the most prominent categories are musculoskeletal, hospitalisation-related, respiratory and gastrointestinal.

<sup>22</sup>2025 - Local Government Benchmarking Framework – Data Dashboard

<sup>23</sup>SAC Annual Report - Employee Absence 24/25

<sup>24</sup>A period of absence that lasts more than 4 weeks.

Absence is also impacted by age, with an average additional day lost per employee as they age 10 years, with approximately 6 days lost for the under 50 age group and 8 days for the over 50.



### Trauma informed and responsive systems

South Ayrshire Council has made a commitment to developing and sustaining trauma informed and responsive systems and services. A Roadmap has been developed to ensure policies, strategies and programmes of work have a ‘trauma lens’ and are in line with the 5 national principles of safety, choice, collaboration, trust, and empowerment. This aims to support recovery, reduce re-traumatisation, and support access to systems and services for those in need.

### Occupational Health

To help mitigate absence and support employee wellbeing, the Council provides an occupational health service, and a new supplier was contracted in 2024.

Occupational health focuses on maintaining the physical and mental well-being of employees, ensuring a safe work environment, and preventing work-related illnesses.

On average over 600 employees per year are referred to occupational health, with 1/3 provided physiotherapy to address specific musculoskeletal issues (which has a greater impact for frontline/operational employees as they age).

Occupational health will help provide further clarity on absence reasons and potential adjustments, providing managers with more information to support employees and manage the absence process.

A benefit of the new contract is the provision of a 24/7 confidential Employee Assistance Programme (‘Your Care’) offering a range of personal, emotional, and financial wellbeing tools. The Supporting Employee Wellbeing framework will also bring alignment and consistency of occupational health services between teaching and non-teaching staff.



## Employee Feedback

Our most recent wellbeing survey confirmed the following –

### Wellbeing Survey Feedback

Top 3 causes of stress



Workload



Work/life balance



Administration

62%

had experienced stress and burnout

25%

felt mental and physical health was unsupported

### Top 2 requests



wellbeing activities



discounted gym membership

Employees asked that wellbeing support was proactive and preventative, rather than just crisis intervention, and that there was an additional focus on mental health.

## Employee Wellbeing Support

The mental, physical, emotional, and social health of our employees is a priority, and we aim to contribute to employees' wellbeing and quality of life inside and outside of work.

Our approach to employee wellbeing will be driven by the following 5 key themes and priorities -

**Mental and Emotional Wellbeing** – extending support, reducing stigma, and building emotional resilience.

**Physical Wellbeing** - promoting healthy lifestyles, prevention, and creating safe workspaces.

**Social Wellbeing and Inclusion** – creation a sense of belonging and connections.

**Financial Wellbeing** – supporting employees in managing money and reducing financial stress and hardship.

**Culture and Leadership** - championing a positive corporate culture and wellbeing. (See Section 2 which confirms our purpose, vision and values and approaches to employee engagement).

Recent and current support includes –

- Creation of a Mental Health First Aid Network with members trained in providing support to colleagues.
- Workshops that support individuals in creating their own plan for recovering, sustaining, and/or improving their wellbeing.

- Discounted gym membership taken up by over 600 employees.
- 76 grant funded team wellbeing activities of up to £500 per team that has benefited 1500 employees and received positive feedback.

*“Personally, my health and wellbeing has not been great this year. The program that has been provided by SAC has been so important and I am hoping that you will be able to continue to provide sessions for staff to help maintain our health and wellbeing”*

- Early intervention activities including health checks for over 800 employees across key workforce locations.
- Menopause guidance developed for employees and managers.
- HR Advisor sessions with the Council's Information and Advice Hub<sup>25</sup> to aid referrals and sign posting.
- A review of the Council's Managing Attendance at Work Framework.
- An employee benefits scheme that includes a car lease scheme, cycle to work scheme, and the ability to spread the cost of a range of lifestyle and electronic products.

<sup>25</sup>The Council's [Information and Advice Hub](#) support includes benefits information, budgeting guidance, and debt advice.



Examples of future activities and considerations include -

- Developing short courses to raise awareness of mental health in the workplace and help combat stigma.
- Embedding wellbeing employee engagement activities, including the online employee engagement pilot.
- Exploring best practice/benchmarking to further support menopausal/ andropause colleagues at work and related training.
- Ensuring the Council becomes a more neurodivergent friendly workplace. (We already have strong relationships with NEST<sup>25</sup> helping them provide support to our communities which many of our employees can access)
- Training for managers to support the revised Maximising Attendance Framework absence.
- Development of a wellbeing steering group (with Trade Union involvement) that will help embed a wellbeing focus across all departments.
- Creation of a wider wellbeing champions network.
- Advancing the Be Well: Live Well wellbeing project as an internal 'brand' to support the 5 key wellbeing themes, and to support development of an online hub of tools, information and resources.

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<sup>25</sup>Ayrshire's Neurodevelopmental Empowerment & Strategy Team

## Appendix 1



# Workforce Planning Service Templates Summary

The following tables are selected highlights from detailed workforce planning templates completed by all Service Leads. The detailed templates will inform a range of local and strategic workforce planning.



Internal and External Workforce Factors		
Political and Legal	Economic and Social	Technological and Environments
<p>Political strategies and decisions will often result in statutory and legislative requirements that impact on workforce planning. Examples include -</p> <ul style="list-style-type: none"> <li>• School Meals - nutrition standards/ delivery of universal free school meals</li> <li>• Waste Services - deposit return scheme/ extended producer responsibility / landfill ban</li> <li>• Community Services - period poverty / trauma services</li> <li>• Business – EU exit export and imports processes / controls and certificates</li> <li>• Welfare - council tax, non-domestic rates / welfare fund (subject to current review) / discretionary housing payments / self-directed support and charging for non- personal care functions / Universal Credit migration &amp; housing support for pension age customers.</li> <li>• Housing and Homelessness - prevention agenda and the 'Housing First' approach / resettlement schemes to support displaced households / the Asylum Dispersal Scheme / house allocations policy review / housing online functionality,</li> <li>• Corporate reporting - Good Nation (Scotland) Act 2022 / United Nations Convention (Rights of the Child) / Data Protection / Scottish Housing Regulators Regulatory Framework annual assurance statement / introduction of Statutory Performance Information direction/ climate and emissions</li> <li>• Safety – Electrical and Gas safety industrial standards/ Control of Substances Hazardous to Health</li> </ul>	<p>Often interlinked, economic and social factors that impact on the workforce include -</p> <ul style="list-style-type: none"> <li>• Costs - world food prices / labour costs / inflation / increased contractual pricing / high outsourcing costs/ lack of a corporate training budget</li> <li>• Cuts - budget reductions where the main substantive service costs are employee-related / increased reliance on temporary contracts</li> <li>• Cost-of living crisis - redirection of resources to address increased hardship / increased advice and information and additional signposting / accommodation sustainment / revenues collection</li> <li>• Competition - salaries within private sector are often viewed as more competitive</li> <li>• Age – increased % of employees aged 50+/ ageing population / additional reliance on Council services and provision of aids and adaptations</li> <li>• Community Services - an increase in workforce deployment to mitigate deprivation and homelessness / an increase in mental ill-health</li> <li>• Work - increased home and hybrid working expectations / benefit provision that inhibits the talent pool undertaking lower graded roles/ employee absence and increase in psychological reasons for absence</li> <li>• Digital – lack of wider digital confidence beyond foundation skills /increased use of social media / customer digital 'shift' slow and ongoing reliance on traditional channels (e.g., phone)</li> </ul>	<p>Technological change, and environmental considerations (especially climate related), are moving at pace. Examples include -</p> <ul style="list-style-type: none"> <li>• Automation and innovation - process automation / Gen AI / M365 including increased Power BI activity.</li> <li>• Digital and data capability - harnessing and consolidating data to inform business decisions / prioritising customer channel shift / increased employee access to, and training on digital systems and solutions / development of a Council CRM and web and live chat</li> <li>• Digital Workforce –digital capability performance measures that reflect new ways of working / increased digital skills and confidence (hardware and software) for frontline and operational employees</li> <li>• Infrastructure – increased charging points and power functionality for electronic vehicles and tools</li> <li>• System Improvements – CareFirst replacement system for social care support functions / Housing Asset Management system / Oracle Fusion development</li> <li>• Sustainability - waste disposal / recycling / carbon budgets / ultra-low emission vehicles / Scottish Housing Quality Standard / Energy Efficiency Standard for Social Housing</li> <li>• Climate change – inclement weather and impact on service delivery / extended summer and growing season resulting in an increase in seasonal staff / protective equipment for all-season working</li> </ul>

## Workforce Planning Considerations and Activities

Workforce skills challenges include –

### Low digital confidence

- Increased digital skills are required in foundation, work-based and specialist levels. This will also support an increased reliance on corporate digital systems including Oracle Fusion and Microsoft Excel.

### Grow Your Own /Career Progression

- Multi-skilling will increase, but role development requires time (often beyond 12 months) to embed and for benefits to be realised. Identify opportunities to increase transferable skills across services.
- Services highlight the lack of a central training budget to support development opportunities/.
- Maximise degree and professional development opportunities for existing employees.
- Maintain a focus apprenticeships and traineeships to mitigate national shortages (such as the construction industry). Maximise opportunities for trainees and interns when external funding stops.
- Enhanced succession planning, especially for critical roles in smaller services.

### Mandatory/Statutory

- Ongoing and increasing requirements in subjects related to catering, sustainability, systems, environment health, welfare rights, machine and vehicle operation, health and safety,

### Example Training Mitigations

- Elementary, advanced, and intermediate food hygiene, nutrition training, SVQ Level 3 Professional Cookery
  - Climate literacy training
  - Supervisor development
  - Graduate Apprenticeships (Data / Town Planning)
  - Consideration of professional diploma in Housing Studies
  - Property Maintenance training room and corporate digital training suite

A range of services are currently undertaking, or shortly will commence, a Service (Re)Design– see Section 1.

Workforce planning priorities and activities include -

- **Facilities Management** – Required staffing support delivery of infant school meals, re-opening of closed production kitchens, and an increase in breakfast clubs and holiday feeding. Evaluate the use of sub-16hour contracts across the service.
- **Customer Services** – Supporting the Transformation Customer Assistance project which seeks to improve digital availability of services to customers, promote self-service and reduce costs. / Increasing use of technology, especially a proposed customer relationship system and ongoing roll out of chat bot/ live chat will impact on requirements of some roles and skillsets.
- **Performance and Community Planning** – Role redesign and service resizing to improve efficiency and succession planning. / Input into the wider public service reform work taking place in Ayr North and the staffing requirements to support it.
- **Property Maintenance** – Continuation of successful adult apprenticeships and multi-skilling activities which has reduced skills gaps.
- **Environmental Health/Trading Standards** – A review of the Consumer and Business Advice Centre to reflect a long-term change in the volume of enquiries. / Training to address a national under-funding of qualified Officers.
- **Housing** – Review of workforce requirements to support key technological projects such as Housing Online and a proposed Housing Asset Management system. / Use Service (Re)Design to explore the ‘housing apprenticeships’ which could offer a training scheme with access to accredited housing qualifications.
- **Revenue and Benefits** – Increased resource approved by Cabinet to meet increased caseloads. / Job shadowing arrangements to meet known skills gaps. / Development of online forms. /Participation in Transformation process automation proof of concept.

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**AYRSHIRE**  
COUNCIL  
Comhairle Siorrachd Àir a Deas  
Making a Difference Every Day

**South Ayrshire Council**  
**Report by Chief Executive**  
**to Council**  
**of 26 March 2026**

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**Subject: Additional Public Holiday**

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**1. Purpose**

- 1.1 The purpose of this report is to advise the Council of the decision of the Scottish Government, following royal proclamation to grant Monday 15 June 2026 as a one-off Scottish bank holiday.

**2. Recommendation**

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

- 2.1.1 do not approve the additional public holiday, as the associated costs are prohibitive and cannot be justified within the current financial context.**

**3. Background**

- 3.1 The Scottish First Minister announced on 5 January 2026 the proposal for a national bank holiday to celebrate Scotland's participation in the men's World Cup.
- 3.2 The additional public holiday was formally approved by the King on 4 February 2026.
- 3.3 South Ayrshire, like most other Councils, has published school holidays for 2026. If the additional public holiday is agreed, the Service Lead – Education Support Services will progress an exceptional closure request from the Scottish Government.

**4. Proposals**

- 4.1 The Council is facing significant financial pressures, with a current budget gap for 2026/2027 of £9.8M making difficult decisions unavoidable. The current financial position will inevitably have implications for the workforce as service redesign and savings options are considered. In this context, the additional costs associated with implementing an additional public holiday are prohibitive and cannot be justified within the Council's present financial constraints.

**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 cost of the additional public holiday on 15 June 2026 will be approximately £105,508.

## **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. Integrated Impact Assessment (incorporating Equalities)**

Our Integrated Impact Assessment (IIA) considers the following areas:

- Public Sector Equality Duty, Human Rights and Fairer Scotland Duty;
- United Nations Convention on the Rights of the Child (UNCRC);
- Sustainability, climate change and biodiversity;
- Potential impact on older people;
- Rural communities;
- Health and wellbeing;
- A trauma informed organisation; and
- The Promise.

9.1 A previous Equality Impact Assessment was carried out and is still relevant and 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 public consultation on the contents of this report.

13.2 Consultation has taken place with **Councillor Brian Connolly**, Portfolio Holder for Economy and Strategy Policy Lead, and **Councillor Ian Davis**, Portfolio Holder for Finance and Corporate Services, and the contents of this report reflect any feedback provided.

## 14. Next Steps for Decision Tracking

14.1 If the recommendations above are approved by Members, the Chief Executive 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 the necessary arrangements to communicate and implement the additional public holiday and any change to the public holiday on 16 June 2026	March 2026	Chief HR Officer

**Background Papers**    **None**

**Person to Contact**    **Wendy Wesson, Chief HR Officer**  
**County Buildings, Wellington Square, Ayr, KA7 1DR**  
**Phone 01292 612186**  
**Email [wendy.wesson@south-ayrshire.gov.uk](mailto:wendy.wesson@south-ayrshire.gov.uk)**

**Date:**    **4 February 2026**

## 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	Additional Holiday
Lead Officer (Name/Position/Email)	Wendy Wesson, Chief HR Adviser – wendy.wesson@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>The requested decision on this has no specific equality implications</b>	
<b>Signed :</b> Wendy Wesson  <b>Date:</b> 17 December 2022	<b>Service Lead</b>

**South Ayrshire Council**

**Report by Chief Governance Officer  
to South Ayrshire Council  
of 26 March 2026**

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**Subject:        Granting of the Freedom of South Ayrshire to Ayr Sea Cadets and Royal Marines Cadets**

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**1.        Purpose**

1.1        The purpose of this report is to seek the Council's agreement to grant the Freedom of South Ayrshire to the Ayr Sea Cadets and Royal Marines Cadets.

**2.        Recommendation**

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

**2.1.1        Grants the Freedom of South Ayrshire to the Ayr Sea Cadets and Royal Marines Cadets.**

**3.        Background**

3.1        Local authorities may award the Freedom of their area to individuals or organisations in terms of the Local Government (Scotland) Act 1973. Although originally the title of 'freeman' accorded certain rights and privileges on the holder, no such rights or privileges are now conferred, and the Freedom is now awarded as a mark of respect.

3.2        2026 sees the 85th anniversary of the Ayr unit of the Ayr Sea Cadets and Royal Marines Cadets. There will be a special event and a civic reception which will include the presentation of new Colours for their unit and hopefully involve their Admiral, HRH The Princess Royal.

3.3        In terms of the Council's Scheme of Delegation, requests for civic receptions and hospitality are delegated to the Council's Chief Governance Officer.

**4.        Detail**

4.1        South Ayrshire Council has granted the Freedom of South Ayrshire on four previous occasions, to The Royal Navy (HMS Gannet) and to The Royal Air Force (Prestwick), both in 2009; and to The Royal Highland Fusiliers, The Royal Regiment of Scotland in 2013, and The Ayrshire (Earl of Carrick's Own) Yeomanry in 2014.

4.2        It is proposed to grant the Freedom of South Ayrshire to the Ayr Sea Cadets and Royal Marines Cadets.

4.3 If approved, it is proposed that the Freedom Ceremony takes place on 29 August 2026.

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

5.1 In terms of Section 206 of the Local Government (Scotland) Act 1973, it is a requirement that a resolution be passed to grant the Freedom by not less than two-thirds of the members voting and present at the meeting of the Council.

5.2 There are no procurement implications arising from this report.

## **6. Financial Implications**

6.1 The costs of the ceremony and associated activity will be met from the existing Civic budget

## **7. Human Resources Implications**

7.1 Not applicable.

## **8. Risk**

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

8.1.1 There are no risks associated with adopting the recommendations.

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

8.2.1 There are no risks associated with rejecting the recommendations.

## **9. Integrated Impact Assessment (incorporating Equalities)**

9.1 The proposals in this report do not require to be assessed through an Integrated 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 Priority 4 of the Council Plan: Efficient and effective enabling services.

13. **Link to Shaping Our Future Council** Yes  No

13.1 Not applicable.

## 14. Results of Consultation

- 14.1 There has been no public consultation on the contents of this report.
- 14.2 Consultation has taken place with Councillor Brian Connolly, Council Leader and Policy Lead for Economy and Strategy, and the contents of this report reflect any feedback provided.
- 14.3 Consultation has also taken place with all Group Leaders and the contents of this report reflect any feedback provided.

## 15. Next Steps for Decision Tracking Purposes

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

<b>Implementation</b>	<b>Due date</b>	<b>Managed by</b>
Freedom Ceremony	29 August 2026	Wynne Carlaw Service Lead Democratic Services

**Background Papers**    None

**Person to Contact**    **Wynne Carlaw,**  
**Service Lead for Democratic 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:** 5 February 2026

**South Ayrshire Council  
Report by Chief Governance Officer  
to South Ayrshire Council  
26 March 2026**

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**Subject: Decision in favour of the Council in the Judicial Review by  
the Petitioner Allanvale Homes (Prestwick ) Limited**

---

**1. Purpose**

- 1.1 The purpose of this report is to advise Members of the decision by Court of Session in favour of the Council in the judicial review which had been raised against the Council by Allanvale Homes Limited against the council decision not to approve in principle the provision to them of £21.41 million of funding in relation to the development of the land at Corton and to seek member approval to seek the expenses of the action.

**2. Recommendation**

**2.1 It is recommended that the Council**

**2.1.1 notes the decision in favour of the Council in the petition for judicial review by Allanvale Homes (Prestwick) Limited against the Council as set out in Appendix 1; and**

**2.1.2 notes that the Council will seek the expenses of the action from Allanvale Homes (Prestwick) Limited.**

**3. Background**

- 3.1 A report was presented to Council on 12 December 2024 to advise the Council of the financial, legal and procurement implications arising from the request by Allanvale (Prestwick) Homes Ltd (“the Developer”) for funding from the Council for Corton, Ayr related to their planning applications 23/00261/FURM and 23/00345/APP. Council was being asked if it approved in principle providing funding of £21.41m to the Corton Landowner, and if so to authorise officers to negotiate terms with the Developer. This report focused on the principle of the Developer’s proposal rather than detailed terms, which if approved would have had to be negotiated by officers.

- 3.2 The report is an exempt report available to members as a background paper. The decision by Council was to refuse the applications for the reasons stated in the report. A link to the Council decision can be found here [MSAC121224.pdf](#)

- 3.3 A petition for judicial review was served on the Council by the Developer on 27 February 2026 seeking the reduction of this Council decision of 12 December 2024 and stating that the decision was unlawful for the following reasons:
- (a) all relevant material was not provided to the councillors responsible for making the decision.
  - (b) an irrelevant matter was considered by councillors, namely councillors were informed that the provision of a financial contribution to the petitioner would, in all circumstances, be an unlawful subsidy for the purposes of the Subsidy Control Act 2022;
  - (c) the provision of a financial contribution by the respondent to the petitioner would not risk being an unlawful subsidy for the purposes of the Subsidy Control Act 2022 as it would serve the public interest to create the public infrastructure necessary to unlock the development potential of the whole site.
  - (d) the provision of a financial contribution by the respondent to the petitioner would not risk a breach of Regulation 14 of the Public Contracts (Scotland) Regulations 2015; and
  - (e) the respondent did not undertake a lawful assessment of whether the provision of a financial contribution to the petitioner would provide best value for the purposes of section 1 of the Local Government in Scotland Act 2003.
- 3.4 Officers instructed external legal advisors Brodies and a KC to represent them and oppose the granting of the petition.

#### **4. Detail**

- 4.1 The judicial review was heard at the Court of Session on 9 and 11 September 2025. On 10 March 2025 the judge delivered his opinion. The opinion can be read on the Court website : [2026csoh25-petition-of-allanvale-homes-prestwick-for-judicial-review.pdf](#) and is attached as Appendix 1( “the Opinion”).
- 4.2 The judge decided it was a suitable decision for judicial review and upheld the Council arguments on all accounts rejecting those put forward by the Developers.
- 4.3 The following key points from the Opinion provide important guidance for officers and members for the drafting and consideration of reports and for members on how they should perform their decision-making duties. The key points are summarised below under the headings used in the Opinion for ease of reference.

#### **Failure to provide relevant information to councillors**

The Developers argued that not all Councillors had received the opinions. In response to this point the judge found that

*“Whether or not individual councillors received the opinion was and is irrelevant – they had the report. Moreover, they [ (the two councillors advising they had not received opinions) knew the opinions existed and could have requested them if they wanted. It was not necessary that they be included in the papers given to Councillors.”*

If Councillors have requested information and consider they have not been given it, they should raise this issue before a vote is taken on the decision.

### **Report did not accurately reflect the advice**

The report provided a fair and accurate summary of the legal advice that had been received from Lord Wolffe KC and from the external advisors Brodies.

### **The Subsidy Control Act 2022**

The Council was entitled to instruct an opinion of counsel that set the bar for the risk that the Council was willing to accept where it did. There clearly was the potential for this to constitute a subsidy.

*“The report is very clear that it is applying a precautionary approach. It notes the council did not have funds to make the payment sought so would have to borrow them, and that the lawfulness of the payment would be critical to whether there was an entitlement to borrow. In that situation it was entirely understandable that the report would take a cautious approach. It was no doubt for this reason that the question to counsel was framed in the terms it was.”*

### **The Public Contracts (Scotland) Regulations 2015**

The report stated: -

- (iii) the provision of grant funding to the Landowner to procure infrastructure works at Corton without ensuring that the Applicant appointed a contractor following a regulated procurement procedure may place the Council in breach of its duty under regulation of the Public Contracts (Scotland) Regulations 2015.

The Judge agreed the Council’s statement was correct. In other words, *“if there is no regulated procedure it **may** – rather than will place them in breach of the duties imposed by the Regulations.”* [Chief Governance Officer has added the word in bold]

### **Obligation to secure best value**

The advice in the report concerning the best value duty was accurate and sufficiently thorough. He also noted that the duty to make arrangements to secure best value imposed by the 2003 Act means that it was appropriate for the council to consider the issue as part of their decision – even at the preliminary stage.

### **Reasons**

As the council were concerned with risk, there was no need to provide reasoning for rejecting what had been said by the Developer.

*“As the council note, this was not a situation in which there was a dispute on which the council had to make a determination. **It was decision as to how the council would apply its resources.**”* [Chief Governance Officer has added the words in bold]

4.4 Members are therefore now asked to note the decision and that the Chief Governance Officer will instruct the external legal advisors to seek the expenses of the action from the Developers.

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

5.1 The Council is seeking recovery of its expenses and a motion seeking these will call at the Court of Session. The Petitioner has 21 days to reclaim, and this period expires on 31 March 2026..

5.2 There are no procurement implications arising from this report.

## **6. Financial Implications**

6.1 The Council has been billed £101,051.20 for external legal costs in relation to the judicial review which includes the cost of Counsel and court fees. It covers the cost of an additional court hearing where the Developer had sought to introduce additional pleadings. This was refused by the court. The Council will seek to recover its judicial expenses from the Developer.

## **7. Human Resources Implications**

7.1 Not applicable.

## **8. Risk**

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

8.1.1 There are no risks associated with adopting the recommendations.

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

8.2.1 Rejecting the recommendations could result in reputational damage to the Council.

## **9. Integrated Impact Assessment (incorporating Equalities)**

9.1 The proposals in this report do not require to be assessed through an Integrated 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 Priority 4 of the Council Plan: Efficient and effective enabling services.

**13. Link to Shaping Our Future Council** Yes  No

13.1 Not applicable.

**14. Results of Consultation**

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

14.2 Consultation has taken place with Councillor Brian Connolly, Council Leader and Policy Lead for Economy and Strategy, and the contents of this report reflect any feedback provided.

**15. Next Steps for Decision Tracking**

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

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Seek recovery of the judicial review expenses or in the event of a reclaiming action take appropriate steps to preserve the Council's position.	June 26	Catriona Caves – Chief Governance Officer

**Background Papers** [MSAC121224.pdf](#)

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**Date: 17 March 2026**



OUTER HOUSE, COURT OF SESSION

[2026] CSOH 25

P209/25

OPINION OF LORD LAKE

in Petition of

ALLANVALE HOMES (PRESTWICK)

Petitioner

for

Judicial Review

**Petitioner: MacGregor KC, Blair; Shepherd and Wedderburn LLP**

**Respondent: Crawford KC; Brodies LLP**

10 March 2026

**Introduction**

[1] The petition concerns an area of land in Ayrshire owned by the petitioner and known as Corton. It forms part of an area known as the South-East Ayr Strategic Expansion Area. At a meeting of the councillors making up the respondent on 12 December 2024, a decision was made not to approve in principle the provision to the petitioners of £21.41 million of funding as requested by them in relation to development of the land at Corton. The petitioners contended that the funding was necessary to make development economically viable. The refusal to provide funding was expressly said to be for the reasons detailed in the report which had been submitted to the council for the meeting. In addition, the minute of the meeting noted four outline reasons for the decision:

- (i) that there was a significant risk that the provision of funding would be unlawful as being prohibited by section 12(1)(b) of the Subsidy Control Act 2022,
- (ii) that provision of funding was not consistent with the duty placed on the council by the Local Government in Scotland Act 2003 to secure best value,
- (iii) that the provision of funding without ensuring that the applicant appointed a contractor only after a regulated procurement procedure might place the council in breach of its duties under the Public Contracts (Scotland) Regulations 2015, Regulation 14, and
- (iv) that the provision of funding to purchase land at the values requested by the applicant would breach the council's acquisition and disposals policy and the valuation of land at the levels sought did not represent best value.

All but one of the councillors voted in favour of the motion not to approve in principle the funding. The one who did not vote in favour abstained. The petitioners seek reduction of this decision.

[2] The land at Corton has been the subject of earlier planning permissions for mixed use development and the South-East Ayr Strategic Expansion Area is allocated for development in the Local Development Plan adopted by the council in 2022. This plan anticipates that a new primary school will be required following residential development and requires the safeguarding of land for a park and ride facility. In 2023 the petitioner made a further application for planning permission in respect of Corton and, in 2024, the respondent decided they were minded to grant planning permission and planning permission in principle for a mixed-use development. As is common for developments of the scale proposed, the expression of willingness to grant planning permission was made subject to

agreement being reached between the council and the petitioner as to conditions that would be incorporated into the permission and the terms of agreement under the Town and Country Planning (Scotland) Act 1998, section 75, in terms of which the petitioners would contribute to the costs of infrastructure required as a consequence of the development.

[3] The negotiations undertaken in respect of the section 75 agreement were wider than just the scope of the agreement itself. In the course of them, the petitioner provided draft Heads of Terms to the council which contained proposals for the council to undertake actions and make payments which would fund infrastructure works. The first element of the draft entailed payment of £8,792,555 to the petitioner by the council as consideration for the transfer of land for a primary school, a neighbourhood park and a park and ride site. The second element was payment by the council to the petitioner of a sum of £12,626,920 which was described in the report to the councillors considered below "as a contribution towards the Applicant's anticipated costs of £18.42m for the provision of what the Applicant describes as 'Common Infrastructure'". The infrastructure works included provision of a new roundabout on the A77 giving access into the Corton site, provision of an access road to the primary school, provision of an equestrian bridge over the A77 and payment of fees of £3.34 million. The intention of the petitioner in preparing these draft Heads of Terms was that payments made and sums provided by the council would be recouped during the course of future developments of the South-East Ayr Strategic Expansion Area and, to that end, section 75 agreements would be entered into between the council and the developers in future to bring this about.

[4] Ahead of the council meeting on 12 December 2024 which was to consider in principle the council making available the funding sought, the Council Director of Housing, Operations and Development prepared a report dated 5 December 2024. This examined

issues that arose from the petitioner's application for funding and recommended that the council should not approve provision to the petitioner of £21.41 million. The report itself ran to 17 pages. Within the body of the report, there is an indication that there are 12 appendices which relate to work carried out on the proposal. This includes the following entry:

“Appendix 9 – Kings Counsel Opinion:

- i) Opinion dated 20 June 2024;
- ii) Opinion dated 22 November 2024”

The appendices run to 290 pages although one of the arguments made by the petitioner is that some appendices - and in particular the opinions of counsel - were not provided to the members. The council decided to refuse the application in accordance with the recommendations of the report and, as noted above, the decision stated expressly that it was for the reasons set out in the report. This means that although *North Lanarkshire Bio Power Ltd v Scottish Ministers* [2021] CSIH 47 says that where a decision has been taken in accordance with recommendations in a report, the contents of the report will be taken to provide the reasons, in the present case no legal presumption is required as it is expressly stated in the decision.

### **Grounds of challenge**

[5] In Statement 4, the petition states the following bases for the contention that the decision was unlawful:

- (a) all relevant material was not provided to the councillors responsible for making the decision;
- (b) an irrelevant matter was considered by councillors, namely councillors were informed that the provision of a financial contribution to the petitioner would,

in all circumstances, be an unlawful subsidy for the purposes of the Subsidy Control Act 2022;

- (c) the provision of a financial contribution by the respondent to the petitioner would not risk being an unlawful subsidy for the purposes of the Subsidy Control Act 2022 as it would serve the public interest to create the public infrastructure necessary to unlock the development potential of the whole site;
- (d) the provision of a financial contribution by the respondent to the petitioner would not risk a breach of Regulation 14 of the Public Contracts (Scotland) Regulations 2015; and
- (e) the respondent did not undertake a lawful assessment of whether the provision of a financial contribution to the petitioner would provide best value for the purposes of section 1 of the Local Government in Scotland Act 2003.

Most of these points are subdivided thereafter resulting in many different legal bases of challenge. The respondents dispute that the decision was unlawful. In addition, they submitted that this was not a situation in which the supervisory jurisdiction of the court was engaged. It makes sense to address that issue first.

### **Applicability of the supervisory jurisdiction of the Court of Session**

[6] The petitioner contends that the council's decision is subject to review by the court. In support of that position, it was argued that the need for the tripartite test identified in *West v Secretary of State for Scotland* 1992 SC 385 is not absolute. In this regard I was referred to *Wightman v Secretary of State for Exiting the European Union* 2019 SC 111, *The State of Mauritius v The (Mauritius) CT Power Ltd* [2019] UKPC 27, *Abundance Investment Ltd v Scottish Ministers* 2020 SLT 163 and *Redcroft Care Homes Ltd v City of Edinburgh Council* 2025 SC 103.

Some emphasis was placed on the comments of Lord Drummond Young in *Wightman* which were repeated by Lord Clark in *Abundance* in a passage later approved by the Inner House in *Redcroft*.

[7] The petition identifies legislation and orders which it is said may have constrained the exercise of powers by the respondent (the Local Government in Scotland Act 2003, the Public Contracts (Scotland) Regulations 2015 and the respondent's Scheme of Delegation) and on that basis it was submitted that the decision was a matter of public law and, as such, was subject to judicial review. However, despite identifying these controls on the exercise of decision-making powers, the petition does not identify the source of the power to make payments to assist in bringing about development of land. The minute of the meeting makes no reference to the basis on which the application was made or what power they were being invited to exercise. The basis of the decision is not identified in the petitioner's Note of Arguments. However, in the course of submissions at the hearing, for the first time, it was contended that it can be viewed as a decision made under the Local Government in Scotland Act 2003, section 20. That section gives a local authority a power to do anything which it considers is likely to promote or improve the well-being of the area and/or the persons within that area. This can include giving financial assistance to any person to bring this about.

[8] The respondents contend that it is not possible for the court to review the decision in exercise of its supervisory jurisdiction. They contend that the opinions expressed in *Abundance* and *Redcroft* require that there is focus on the particular decision and the particular exercise of delegated power to decide whether judicial review is available. They pose the question of what area of judgement have the council embarked upon and submit that there was no obligation on them to provide funding. They contend that it is an attempt

to review a decision by the council not to enter into a commercial arrangement. They accept that the council had the power under section 20 of the 2003 Act but note that the decision did not identify that that was what was in mind.

[9] The late reliance by the petitioner on section 20 is critical to this issue. Although the decisions in *Wightman*, *Abundance* and *Redcroft Care Homes* have developed what was said in *West*, they have not overruled it and that decision therefore remains binding on me. In *West*, after a detailed review of the various authorities, Lord Hope said that the supervisory jurisdiction of the court gave it the power:

“to regulate the process by which decisions are taken by any person or body to whom a jurisdiction, power or authority has been delegated or entrusted by statute, agreement or any other instrument.” (page 412-413)

He noted that the purpose of the jurisdiction was to ensure that the decision-maker does not exceed or abuse his powers or fail to perform a duty. In *Wightman*, Lord Drummond Young expressed the matter more broadly and stated that the purpose of judicial review was to ensure that all actions of public authorities are carried out in accordance with the law and that the scope of the supervisory jurisdiction must be determined by that purpose.

However, the opinions of the other members of the court (Lord President (Carloway) and Lord Menzies) did not proceed on that basis and it cannot be said that these comments formed the basis of the decision. In Lord Clark’s opinion in *Abundance*, the answer to the issue of whether review is available turns on consideration of the act or decision and the basis of that act or decision (para [42]). Lord Clark noted also that if the decision was taken under a statutory power or in implement of a statutory duty it might have the effect of opening it up to judicial review (para [46]). These passages from Lord Clark’s opinion were what was approved by the Inner House in *Redcroft*. They are consistent with the rationale expressed in *West*.

[10] On the basis of the petitioner's submissions as they were developed at the hearing, it is now apparent that the test in *West* is satisfied. Section 20 of the 2003 Act confers a discretion on the council as to whether it will make funding available. The test that the council must apply in exercising that discretion is whether doing so will promote well-being. That concept might normally be thought of as referring to issues of health and happiness such that it seems incongruous to apply it to a geographical area rather than people. However, it is apparent from section 22(13) of the Act that the actions permitted by section 20 include ones to promote the economic development of an area. So, while it might seem odd to describe provision of funding as improving the well-being of a place, that is the nature of the decision contemplated in the 2003 Act. Proceeding on the basis it was under that section that the council were acting, the issue is whether the decision not to exercise the power has been taken lawfully. That decision is one to which the supervisory jurisdiction as described in *West* applies. Because it does fall within the tripartite jurisdiction described there, it is not necessary to consider whether there is some alternative basis on which the court may exercise powers of review. For completeness, I should add that I place little weight on *The State of Mauritius v The (Mauritius) CT Power Ltd* [2019] UKPC 27 in this regard as it was not decided under Scots law and is therefore not directly of relevance to the scope of the supervisory jurisdiction of the Court of Session.

### **Failure to provide relevant information to councillors**

[11] While the broad heading referred to in the petition seeks a finding that the decision was unlawful because "all relevant material was not provided to the councillors responsible for making the decision", the averments made and submissions advanced at the hearing refer to the following inter-related grounds in this regard:

- (a) Two opinions that had been obtained from senior counsel were not included in the papers sent to councillors and this means that the statement in the minute that the council had “carefully considered” the documents was wrong. It was claimed that this error of fact vitiated the decision.
- (b) The failure to include the opinions had the result that the councillors failed to have regard to a material consideration (ie the opinions) in making the decision and this vitiated the decision
- (c) The opinions, if they were provided, were not in fact carefully considered in that at least the leader of the council, Councillor Dowey, had not considered them prior to the meeting. This was said to mean that the minute of the meeting was inaccurate and that, again, there was a failure to have regard to a material consideration.
- (d) The report did not fairly represent the advice that had been tendered in the opinions from senior counsel. It is contended that the summary it gave was not fair and accurate and failed to represent the whole of the advice that had been tendered. It is claimed that this had the effect that a relevant issue in relation to whether the payment would be a subsidy was not considered.

There was some overlap between these arguments and some arguments appeared in relation to more than one ground. Nonetheless, I will address them each in turn.

*Papers for councillors did not include senior counsel’s opinion*

[12] At the stage of considering the application, the council obtained an opinion of the Rt Hon James Wolffe KC on the question of whether, if the council made the payment sought, it could amount to a breach of the Subsidy Act 2022. The council disclosed this

opinion to the petitioners who had some concerns regarding it. In light of those concerns, the council obtained a second opinion from Mr Wolffe. This was not disclosed to the petitioners prior to the council meeting. The petitioner alleges that some of the councillors who attended and voted on the motion had not received copies of the opinions. The petition states that the petitioners are not able to state what was available or to whom but seek a proof before answer to establish what was provided to councillors.

[13] Both parties have lodged affidavits concerning the issue of distribution of the report and appendices for the meeting. The petitioners provided affidavits from Councillors Dowey and Kilbride. Both claim that copies of counsel's opinions were not provided in the set of papers that had been printed out for them. It is clear from both affidavits, however, that for some time prior to the meeting, they were aware that the first opinion at least existed.

[14] The council have provided affidavits from Councillors Pollock, Ferry and Hunter and also the council's Chief Governance Officer and Head of Legal and Regulatory Services, Catriona Caves. The councillors confirm that they were provided with electronic versions of the papers which included counsel's opinions. Councillor Pollock states that he worked from a hard copy which was no different from the electronic version and he was not aware of any missing papers. Councillor Hunter states that he prefers to work from hard copies and that he is provided with this by a member of the secretarial staff. He recalls seeing counsel's opinions. Ms Caves set out the procedure whereby emails with the papers are sent out to all councillors in advance of a meeting. She notes that if a councillor requests a hard copy it is prepared for them by member services. She says that no councillor has ever said to her that he or she did not get papers and, specifically, that no such concerns were expressed to her directly or indirectly in relation to the meeting on 12 December. She notes that she

did get an email from Councillor Dowey noting that he has not received a copy of an opinion from Mr Wolffe which he attached to his email but that, on examination, the opinion he attached was from Mr Barrett KC and had been instructed by and received by the petitioners. It had not formed part of the papers which were to be distributed to councillors. Ms Cave states that the hard copies provided by secretarial staff are a printout of the electronic version attached to the emails sent out. She notes that if there had been an error and the latter part of the papers was not printed off, it would have meant that the councillors affected, including Councillor Dowey, would not have received papers for the item on the agenda which followed the issue of payment to the petitioner. That related to the Burns Statute Square project in Ayr. This issue was discussed at the meeting, and it was Councillor Dowey that had proposed the report in relation to that matter. Neither he nor any other councillor stated that they had not received papers for that item.

[15] Obviously, there is a factual dispute as to what was provided to the councillors. As was submitted by the petitioner, it is not one which I am in a position to resolve on the basis of the pleadings and the conflicting affidavits. The issue before me is therefore whether the outcome of this dispute is material to the disposal of the application for judicial review such that an evidential hearing should be fixed. Having regard to the authorities cited to me, the decision I am required to make does not depend on resolution of the factual dispute and a hearing is therefore not required.

[16] The first issue is whether failure to provide the opinions to councillors is of itself enough to vitiate the decision. As noted above, the report makes it clear that there were two opinions from counsel in relation to the proposal. The report summarises the advice given. The petitioners challenge the accuracy of the summary that is given and that is considered below. For the moment, however, I am considering the challenge based on the claim that

councillors did not have a copy of the opinions and did not therefore have a chance to consider them.

[17] In the course of submissions, the petitioner directed me to *Patton v East Renfrewshire Council* [2017] CSOH 158 where, in relation to reports to councillors ahead of a meeting, Lord Glennie said:

“The purpose of such a Report is to summarise for the benefit of the committee members the material planning guidance, statutory and otherwise, to identify the important issues which they will have to decide, and to summarise the material and arguments on the basis of which their decision has to be made.” (para [8])

I was referred also to *Cran v Campden London Borough Council* [1995] RTR 346 in which McCulloch J noted that the object of a report is to provide fair objective summaries of the issues on which their decision is required. Although this was in the context of considering the accuracy of the content of the report (which is examined below), it is relevant also to the issue of whether there was a requirement to send out a copy of the legal advice itself to each councillor. The authorities note that there is often a substantial volume of business to be considered at council meetings. The complexity of the issues that can arise in relation to those issues is known to the courts from the cases that arise. The requirement for reports to provide summaries of the issues and considerations is precisely because it would not be practicable, having regard to the volume of business that must be considered at council meetings and all the documents that will be relevant, to put them all before the councillors. It is therefore not surprising that I was referred to no authority to suggest that there was a duty to place all source materials before the councillors. All that is required is that a summary of the material is provided and that is what the council officers sought to do in the report.

[18] This this position is strengthened where, as here, the councillors have been made aware that a document forming the source material exists even if they have not been given a copy. It would be open to any councillor who wished to consider the matter in more detail to request a copy of the document. If they had done so and considered that their request was not met, it would be for them to raise this before the vote. They might insist on getting the document or information in question and / or might seek to have consideration of the issue put off to another meeting in future. Taking that action would be consistent with securing the proper conduct of council business and making decisions which can be relied upon by the public. If a councillor who was aware of a document and wanted to see it but had not been given an opportunity, is able simply to vote in favour of a proposal without raising concerns and later claim the vote is invalid, it is apparent that the efficient and proper disposal of council business would be adversely affected. It would be necessary to verify that all documents had been provided to all councillors before a decision could fully be relied upon. Although there is a presumption of regularity which would support a conclusion that the documents were received, it is just that - a presumption. It could be overcome by proof to the contrary. Taking the approach that the petitioner urges on me would create a position that would be unworkable.

***Report did not accurately reflect the advice***

[19] It is apparent from the authorities referred to above that the report has an important function to play to secure that, when taking their decision, the councillors are aware of material considerations and the issues that arise. The petitioners contend that the report fell short of the standard required as it did not provide a fair and accurate summary of the advice the council has received, was not objective, exaggerated risks and did not present all

relevant issues. The council argued that it was adequate for its purposes. The starting point for resolving this issue is to identify from authority what is required of reports to councillors. The parties directed me to *Cran* and *Patton* referred to above and also *R (Hindawi) v Secretary of State for Justice* [2011] EWHC 830 (QB), *R (Crematoria Management Ltd) v Welwyn Hatfield Borough Council* 2018 EWHC 382 (Admin), [2018] Env LR 26, and *R (JP) v NHS Croydon Clinical Commissioning Group* [2020] EWHC 1470 (Admin).

[20] *Patton* was a judicial review of a decision of East Renfrewshire Council to grant planning permission for a housing development. After the passage quoted in para [17] above, Lord Glennie went on to set out a distillation of the position from other cases as to what is required of reports to councillors as follows,

“In the absence of contrary evidence it is a reasonable inference that members of the planning committee will have followed the reasoning of the Report, at any rate where the recommendation contained in the Report is adopted. For this reason a Report of this kind has to be sufficiently clear and full to enable councillors to understand the important issues and the material considerations that bear upon them and decide those issues within the limits of planning judgment that the law allows them. But this does not mean that the Report has to cover every point in great detail. It should be focused and concise. If it is too long, too elaborate or too defensive, there is a danger that councillors will not read it or, if they do read it, will not understand it fully. A careful judgment has to be made by the planning officer as to how much detail to include in the Report. The assessment of how much and what information should go into the Report is a matter for the planning officer exercising his own expert judgement and that judgement is entitled to respect. If he gets it wrong to the extent that the Report contains insufficient information to enable the committee to perform its function, or is positively misleading, then a decision taken by the committee on the basis of that Report may be challengeable in the courts. But the court will not lightly interfere. It will not subject the Report to the same critical analysis as might be appropriate to the interpretation of a statute. The Report must be given a fair reading. It must be assumed that it is addressed to a knowledgeable readership, in other words to councillors who, collectively, as a body, are broadly familiar with the relevant statutory tests and other relevant guidance and have some familiarity with the location with which the application is concerned. In addition, it must be borne in mind that any defect in the Report may have been corrected at the meeting of the committee by the planning officer either of his own initiative or in response to questions from members of the committee. An examination of the minutes of the meeting should enable it to be determined whether this has been

done, failing which evidence from the planning officer may be required.”  
(paragraph 8)

[21] The judgment in *Cran* emphasises a requirement that the report be fair, accurate and objective, but notes that perfection is not required. It notes that it is not enough that an appendix to a report contains the necessary information as it cannot be assumed that the councillors will have the time to “ferret out” such points. *Hindawi* concerned a report to the Secretary of State following a decision of the Parole Board and the court emphasised the requirement for fairness. In that case the report was drafted in a way that did not present the issues fairly and the problem was compounded in that it was prepared by officials who had conducted the case before the Parole Board and had been unsuccessful. The decision in *Crematoria Management* was in the context of a judicial review of a decision to grant planning permission for development of a crematorium. One of the grounds of challenge was that the report contained an error of fact as to the capacity of the applicant’s crematorium when considering the issue of whether a need had been demonstrated for the proposal. The court analysed this as the members being advised of a factor to take into account when making their decision that did not exist and therefore that the decision had been made taking into account an irrelevant consideration. This vitiated the decision. In *R(JP)* the concern was with the summary of evidence in a care assessment. That summary referred to the opinion of a specialist nurse but omitted to mention important qualifications expressed by the nurse. On that basis, Mostyn J concluded that, having relied on the summary, the decision took into account irrelevant and inaccurate information and failed to take into account relevant and accurate information (paragraph 26).

[22] Before considering the contents of the report, it is necessary to consider briefly the contents of the opinions obtained by the petitioner. The first opinion notes that the council

had determined that the payments proposed would not be consistent with the subsidy control principles stated in the Subsidy Control Act 2022. This meant that if the payment did amount to a subsidy in terms of the 2022 Act it would be unlawful. That in turn had the consequence that the council would not have the power to borrow to meet the expenditure. It was against that background that the question that had been addressed to counsel was:

*“Can the Council conclude, with a reasonable degree of certainty, that the circumstances outlined would not be capable of giving rise to a subsidy in terms of section 2 of the Subsidy Control Act 2022?”*

The instruction made it plain that when considering “a reasonable degree of certainty”, the council would not be satisfied unless there was “no real risk”. Counsel expressed an unequivocal conclusion that he could not say that there was no real risk that the payment would amount to a subsidy.

[23] Delving into the detail of the opinion a little, it is easiest to start with the proposed land purchase as the position is most straightforward there. The council had put a value of £160,000 on the land to be acquired. That is not challenged in the petition. The proposal was that the land would be acquired for £8.79 million. The opinion says that there is a subsidy when land is purchased for a sum in excess of its market value. In relation to the provision of funding for infrastructure, the position is more complex. Counsel notes that the guidance provided under the Act states:

*“Where the infrastructure is in the form of roads ... not intended to be commercially exploited and is made available to the public to use for free, the provision of access to this infrastructure will not be considered to constitute an economic activity and public funding for this infrastructure will not fall within the scope of the Act”.*

He also notes, however, that even where no fee is charged for use of the infrastructure, if its management and operation confer a specific benefit, it may still be considered a subsidy. He refers to the EU Commission decision SA.36019 – Belgium (Financing of road infrastructure

in the vicinity of a real estate project – Uplace) which had been highlighted by solicitors for the petitioner. This concerned EU State Aid rules. Counsel noted that the Competition Appeal Tribunal had noted that caution was required when reading such decisions across to the controls in the 2022 Act. He considered nonetheless that this showed that the outcome of an assessment of whether a payment was a subsidy was highly fact sensitive. On the one hand, provision of connections from the public road network to a development which were accessible to all for free was not prohibited under the EU State Aid rules. On the other, it was relevant firstly that in the Uplace decision the infrastructure in question was carried out in the public domain outside the borders of the site and, critically, would therefore not benefit one developer exclusively and, secondly, that the works would be built anyway even in the absence of the Uplace project.

[24] In reaching his opinion as to the presence of risk, counsel had regard to the fact that the regime in the 2022 Act was relatively new and that there was little case law to clarify how it would operate. This meant that there were untested issues including whether the petitioners, as assemblers of land for development, were an entity providing goods or services on the market and hence carrying out an economic activity such as to be an enterprise for the purposes of the 2022 Act. Mr Wolffe considered that it was at least possible that the concept of offering services would be construed to include bringing forward of development land for resale. He notes that unlike the position in Uplace, the position here was that there would be no reason for the council to carry out the works if it was not for the development. He expressed the view that, in this situation, the works would directly support the commercial development at Corton and, if the petitioner's activity was to be regarded as "offering goods and services on a market" such that it was an enterprise,

“these circumstances may readily be fitted within the terms of section 2(1)(b) of the 2022 Act, and therefore fall to be treated as a subsidy.”

[25] In the supplementary opinion, counsel responds to a slightly reformulated question which is, “whether the Council could ‘with a reasonable degree of certainty’ take the view that the payments the developer seeks would ‘not be capable of giving rise to a subsidy’”. The supplementary opinion notes that as a matter of fact the infrastructure works would immediately be to the benefit of the petitioner, that there is not at present any proposal to develop the wider site which would require their construction, and that there is no indication that the council would wish to fund the works in order to facilitate future development of the larger site were it not for the fact that the developer was seeking a contribution. It was relevant also that the developer’s proposal was not consistent with council policy in relation to the development of the area as a whole and that the financial contribution would improve the economic viability specifically of the petitioner’s proposal. He expressed the view that payment in these circumstances “would invite conclusion that a financial contribution to these works, in reality, on the facts as they are today, provides a specific benefit to the developer”. Counsel left open the possibility that if the council took the view that it would serve a public interest of unlocking development to the wider area, the provision of funds could be defended as not being a subsidy. However, having said that, his opinion was that he could not say with a reasonable degree of certainty that if the council were to fund these works it would not be capable of giving rise to a subsidy. He considered that even if the council thought it would serve a wider public interest, the decision would be vulnerable to challenge.

[26] Moving to consider the terms of the report in light of that opinion, it states that the advice is that the council “cannot conclude with a reasonable degree of certainty that the

financial assistance would not give rise to a subsidy" (paragraph 3.6.3). It then sets out the reasons for the conclusion in relation to each element of the infrastructure works. In respect of each it notes that while the works could in principle be used by the public at large, there are no current proposals which would require them and that they could therefore be taken as providing a selective advantage to the petitioner and that this creates "a significant risk that they would constitute a subsidy". It also states that the value of land which in terms of the petitioner's proposals is to be acquired by the council for £8.79 million has been assessed by the council's professional valuers as being £160,000 and that advice to the council is that the acquisition of land at above market value is a subsidy (paragraph 3.6.4). Following on from that, there is a statement that if the members are minded to instruct officers to negotiate with the petitioners, they would have:

"(1) to conclude, contrary to legal advice, that the Applicant's proposals would not constitute a subsidy, or (2) to conclude that the subsidy would be consistent with the subsidy control principles notwithstanding the assessment undertaken by officers." (paragraph 3.6.7)

There is also a statement that in terms of the advice from counsel and Brodies WS, the solicitors appointed by the council, there is a real risk that the payments for infrastructure will constitute a subsidy as officers have not been able to identify any present purpose other than to enable the development of the applicant's site and that in relation to purchase of land a subsidy will arise if land is purchased for a sum in excess of its market value (paragraph 5.1). Following from those comments, it concludes that: "on advice from Brodies LLP and from senior counsel, the Council cannot conclude with a reasonable degree of certainty that no subsidy arises". (paragraph 5.3)

[27] In my view when the terms of the report are considered as a whole, the summary it gives of the advice from counsel is fair and accurate. The report is very clear that it is

applying a precautionary approach. It notes the council did not have funds to make the payment sought so would have to borrow them, and that the lawfulness of the payment would be critical to whether there was an entitlement to borrow. In that situation it was entirely understandable that the report would take a cautious approach. It was no doubt for this reason that the question to counsel was framed in the terms it was. In relation to the acquisition of land at the prices suggested by the petitioner, on the basis of the values stated in the report, it correctly noted that Mr Wolffe had said that this could be a subsidy. In relation to payment for the infrastructure works, the opinion of counsel, taken as a whole, was that there was a material risk that the payment would be found to be unlawful. The report noted that there were no other development proposals for South-East Ayr on the table and on that basis it was reasonable to discount the possibility canvassed in the opinion that the funding might be seen as being for the whole area and would not therefore be considered to be of immediate benefit to the petitioner. In the circumstances, it was open to the council's Director of Housing, Operations and Development to take the view that the emphasis should be on avoiding financial risk to the council. It cannot be said that the Report is misleading or that it has given councillors inadequate information to make up their minds.

[28] The petitioners have sought to subject the report to an unduly critical reading and have not considered it as a whole. They have focussed on the issue of whether or not the payment by the council would constitute a subsidy rather than the issue considered in the opinions and the report which is whether there is a *risk* that they would be found to constitute a subsidy. The statement in paragraph 5.1 that if the councillors wished to conclude that the payments were not a subsidy they would do so "contrary to legal advice" is a summary of what is said elsewhere in the report in relation to the opinion of counsel. It

does not contain the nuances of the advice taken as a whole but those nuances are apparent from the remainder of the summary given. The petitioner seeks to take this statement in isolation but to do that would be inconsistent with the authorities noted above.

[29] The petitioner placed particular emphasis on the contents of paragraph 7 of the supplementary opinion and said it was not reflected in the report. It states:

“7. If the Council, in good faith, were to take the view that it would serve the public interest to create the public infrastructure necessary to unlock the development potential of the whole site and were to take the view that it would serve that long-term interest to procure these infrastructure works by contributing to the cost of their being undertaken by the present Developer, then I would agree that the funding of that public infrastructure (assuming at market cost or less) would not constitute a subsidy.”

This must, however, be read in the context of the opinion as a whole. That paragraph related only to the provision of the new roundabout on the A77. The following paragraph notes the problems with this approach. It notes that there would be difficulties with the argument and that the circumstances invite the conclusion that the proposal provided a specific benefit to the petitioner. It considers that the decision made on this basis could be subject to challenge. It is clear that the subjective collective view of the council, even formed in good faith, that the funding would serve the public interest by unlocking development of the wider area, would not necessarily prevent it being a subsidy. Mr Wolffe states that the position is the same in relation to improvements to the A77, the equestrian bridge and the park and ride facility. In relation to the School and Park & Ride access road and associated infrastructure he goes further and states that it is “unlikely” that it would be defended as not being a subsidy. What was required of the report, however, was a fair and accurate summary of the opinions as a whole. That was provided. There was no requirement to summarise individual paragraphs.

[30] In the petition, there is also reference to briefings given to councillors prior the council meeting. It is claimed and averred that statements were made there to the effect that the funding would be unlawful. However, the final or definitive statement of the advice in this regard was what was stated in counsel's opinions and the summary given in the report. It is this that must be examined when considering the lawfulness of the decision. If it was necessary to investigate all statements that had been made to councillors at any time, it could be a costly process, would impede the giving and seeking of such advice and adversely affect the conduct of business by councils.

*Failure to have regard to a material consideration*

[31] The petitioner claims that in the absence of a copy of the opinions being available to councillors there was a failure to take into account a material consideration – counsel's opinions. This does not add anything to the grounds already considered. There was no obligation to provide councillors with the source material in addition to the report. The councillors were notified of the existence of the opinions and were given a fair and accurate summary of them. On the basis of *Patton* it can be inferred that the councillors, in acting in accordance with the recommendation in the report, did so following the reasoning stated in the report. They may have had a copy of the opinions available to them but will have had the summary contained in the report. There is no basis for the assertion that they failed to have regard to the advice that had been obtained.

*Careful consideration*

[32] The petition includes as one of the grounds of challenge that, "The Decision states that the two Opinions of Senior Counsel were carefully considered by the relevant decision

makers before a decision was taken. That is not correct.” Ground 1 within the petition states that it was erroneous to state that the opinions were carefully considered and, “On that basis, the Decision is vitiated by an error of fact”.

[33] No authority was cited to me in which a court has evaluated whether, before a decision is taken, there has been adequate consideration of materials by a decision-maker or has even begun to address the question of what degree of consideration must be undertaken for it to be “adequate”. In exercising its supervisory jurisdiction, courts always have in mind that the decision in question must be that of the person or body to whom the power or discretion in question has been entrusted. The jurisdiction to review the lawfulness of decision-taking does not extend to conducting an exercise in which the court investigates and then rules on the quality of decision making by means of an examination of the adequacy or otherwise of the consideration by councillors of the papers provided to them.

[34] This challenge fails, however, on a more fundamental basis. The council decision did not include those words “carefully considered” founded on by the petitioner. They do not appear in the minute of the meeting of 12 December 2024. From the materials lodged in court, they appear to have been used first in an email from Ms Caves to the petitioner’s solicitors on 18 December 2024 under a heading “Summary of Council Decision of 12 December 2024”. The text that follows is not in quotation marks. As it has arisen after the decision, what was said by Ms Caves does not undermine it. There is no merit in this challenge.

### **The Subsidy Control Act 2022**

[35] The petitioner contends that the councillors took into account an irrelevant consideration in that they were informed in the report that the contribution sought by the

petitioner would be unlawful in terms of the Subsidy Control Act 2022. The petitioner argues that in fact there was no risk that the payments would be found to be unlawful under the 2022 Act and that the council had misdirected themselves – or been misdirected by the report – in proceeding on the basis it could. By reference to *R v Central Arbitration Committee ex p BTP Tioxide Ltd* 1981 ICR 843 they drew my attention to the well-known rule that a decision-maker misdirects itself when it gets the law wrong or, put another way, the discretion of the decision maker does not extend to determining the law to be applied. The petitioner contends whether or not the payment is a subsidy is a “hard-edged” question. They submit that in the circumstances, the funding would not confer an economic advantage on the petitioner and would not be a subsidy. The respondents dispute that it is a “hard-edged” question and submit that the court could not conclude to grant the declarator sought by the petitioner - that “the provision of a financial contribution by the respondent to the petitioner would not risk being an unlawful subsidy for the purposes of the Subsidy Control Act 2022”.

[36] To a large extent the arguments in relation to this ground overlap with the arguments noted above concerning the availability of Mr Wolffe’s opinion save that the petitioner’s argument here is that that opinion was wrong. Just as with the ground considered above, it is necessary to have in mind what was said in the opinion and what question had been posed by the council. It was not a definitive statement that the funding would constitute a subsidy. The question asked and answer given were couched in terms of the existence of a risk that this would be the conclusion. I consider that the council are correct to say that the matter is not hard-edged. The question of whether the funding for infrastructure is a subsidy does not have a simple clear answer. It would depend on the view taken of whether the funding constituted a benefit specifically to the petitioners. As

Mr Wolffe notes, this would require evaluation of the facts that but for the petitioner's development the council would have no reason to undertake the works. The report notes that there is no proposal to develop the wider area in a manner that would require the works and in the absence of the petitioner's proposed development, the council would not wish to fund them. These factors mean the court does not have sufficient information to state definitely that the funding cannot be a subsidy and could not grant the declarator sought.

[37] Towards the end of the averments in relation to this ground of challenge, the petitioners aver that the risk of it being found to be an unlawful subsidy is low and that if it was found to be a subsidy, there could be an application made to the Competition Appeal Tribunal. These issues were not canvassed in the submissions made to me. However, for completeness, I would say that reducing the decision on that basis would be going well beyond the proper grounds of judicial review and would mean becoming involved in the merits of the council's decision. It is for the council to determine what level of risk there is and, more importantly, what level of risk is acceptable to them. The court cannot substitute its view of the tolerability of risk for that of the council. Finally, it was submitted that contractual provisions could have been negotiated and inserted in any agreement which would have provided protection for the respondent against risks arising from the 2022 Act. What these provisions were and how they would work were not identified in the course of submissions and I consider them no further.

### **The Public Contracts (Scotland) Regulations 2015**

[38] The petitioners argue that the report was in error in referring to a danger of breaching of the 2015 Regulations as they do not apply to the works proposed or, if they do,

it was not a rational reason to refuse permission in principle. This was therefore taking into account an irrelevant matter. The petitioner notes that where the works are not undertaken by a contracting authority, Regulation 14 applies the Regulations to any “works contract which is subsidised directly by a contracting authority by more than 50%”. The report noted that:

“A sum of £12,626,920 is proposed as a contribution towards the Applicant's anticipated costs of £18.42m for the provision of what the Applicant describes as ‘Common Infrastructure’”.

The petitioner argues that the figure of £18.42 million for the total cost is incorrect. It was submitted that the correct figure should have been £34.5 million as notified to the council by the petitioner’s solicitors in a letter dated 4 July 2024. The council, in response, note that the figure of £18.42 million is consistent with the figures contained in the Heads of Terms provided by the petitioner to the council and are in line with a breakdown provided by them from the petitioner’s solicitors dated 12 November 2024. The council states that it is clear from the letter of 4 July 2024 that the figure of £34.5 million that the petitioner suggests includes the costs of works for which the council are making no contribution and that these elements would have to be stripped out to arrive at a figure which could be used to determine if the Regulations apply.

[39] On the face of the documents, it does appear that the cost figure referred to by the petitioner includes works which are not part of the proposed Heads of Terms with the council. On the basis of the letter of 4 July 2024, it appears that the figures include the costs of:

“ground stabilisation, formation, improvement, construction of new roads, associated roundabouts, alterations to existing road infrastructure on A77 and offsite roundabouts, new A77 overbridge, new utilities, internal footbridges, drainage, SUDS and landscaping.”

This is a wider scope of works and is supportive of the submission for the council.

However, as was the position in relation to the issues of the availability of counsel's opinion and whether it had been "carefully considered", it is necessary to note exactly what was decided. The full terms of the reason relating to the 2015 Regulations contained in the decision are as follows

"(iii) the provision of grant funding to the Landowner to procure infrastructure works at Corton without ensuring that the Applicant appointed a contractor following a regulated procurement procedure may place the Council in breach of its duty under regulation 14 of the Public Contracts (Scotland) Regulations 2015".

The council submits that this merely says that if there is no regulated procedure it may - rather than will – place them in breach of the duties imposed by the Regulations. The report to the council has noted that the application by the petitioner was for the council to approve providing funding in principle and that if the answer was affirmative, authority would have to be given to council officers to negotiate terms. As such, it was correct to state that there *could* be a breach of Regulation 14.

### **Obligation to secure best value**

[40] In terms of the Local Government in Scotland Act 2003, section 1(1), local authorities are under a duty to make arrangements which secure best value. The report to the council expressed the view that the provision of the funding sought to the applicant would not provide best value (paragraph 3.5.4). An assessment of the expenditure in terms of best value was contained in Appendix 4 to the report. An appraisal of the alternative ways in which the sum of £21.41 million could be used is contained in Appendix 5 of the report. These recognise that if the respondent wished to proceed, further work would be necessary to ensure that best value was secured.

[41] The petitioner's first argument in this respect is that the council's assessment of best value is vitiated by the errors referred to elsewhere in the petition. However, for the reasons set out above, I do not consider that those other allegations are well made and to that extent they do not vitiate the assessment of best value. The petitioner claims that in order to assess whether the works would secure best value, the council would have to take account of the fact that the proposed works are for the benefit of the public and would allow for the development of roads to connect with a new primary school and other communities to be developed. It said that these factors were left out of account in the assessment carried out by the council. In the alternative it is claimed that there was no rational basis for the respondent to conclude that other projects would achieve better outcomes. Finally, it is claimed that no adequate reasons have been provided to explain why the other projects would achieve better outcomes.

[42] The petitioner contends that the application to the council for funding was for a decision in principle with the clear understanding that the detail would need to be considered in negotiation. They contend that aspects of the assessment are concerned with detail and ought not to justify refusal at this stage. Despite this, the duty to make arrangement to secure best value imposed by the 2003 Act means that it was appropriate for the council to consider the issue as part of their decision – even at the preliminary stage. The assessment of best value in Appendix 4 is detailed and runs to 40 pages. The petitioner's criticisms refer to very few elements of the assessment and it is apparent they have been highly selective. The petitioners disagree with the assessment but it is not the role of the court to, in effect, hear an appeal against it. They contend that the council were under duty such as was referred to in *Secretary of State for Education and Science v Tameside Metropolitan Borough Council* [1977] AC 1014 to seek further information from the petitioner. However,

the requirement identified by Lord Diplock was that the decision-maker take “reasonable steps” to acquaint himself with the necessary information (page 1065B). The decision as to what steps are “reasonable” is for the decision-maker rather than the court. To succeed in a challenge on this basis a party must establish that the decision-maker acted unreasonably in the *Wednesbury* sense in not obtaining more information prior to taking the decision. In the petition, there is an averment that if the matters were relevant to the decision, the council was under a duty to make reasonable enquiries. I do not agree. This is not an accurate statement of the legal position.

[43] The next argument advanced by the petitioner is to the effect that the report was wrong in characterising what was sought from the council as “grant funding”. It was submitted that this was incorrect as the application was made on the basis that the council would be able to recover the payment it made from developers of other land in the vicinity in future. It was submitted that this description was apt to mislead the councillors. The report notes that the intention was that the funding would be returned to the council though future completion of developments (paragraphs 3.1.1, 3.5.11 and 3.7.3). The councillors would have been aware that the petitioner intended that there would be repayment. The proposal was quite clear from the report and I do not consider that the mention of “grant funding” would have misled the councillors. Standing *Patton*, there is no basis for the petitioner’s averment that it is unclear from the decision that any assessment of best value proceeded upon the understanding that there would be repayment.

[44] The next concern expressed by the petitioner under this heading is that what is said about the proposal for a primary school on the Corton site in relation to best value “is, at best, a partial account of the situation”. A number of council decisions and policies are referred to. Submissions for the council note that the report was correct in stating that there

was no policy to identify land within the petitioner's development for a primary school. In this regard it is necessary to have in mind what Lord Glennie said in *Patton* to the effect that when reading a report:

"It must be assumed that it is addressed to a knowledgeable readership, in other words to councillors who, collectively, as a body, are broadly familiar with the relevant statutory tests and other relevant guidance and have some familiarity with the location with which the application is concerned." (para [8])

In that the report was correct as a matter of fact and as the councillors would be aware of the background of policies and guidance from the council this element does not undermine the assessment of best value.

### **Reasons**

[45] The petitioner states that the reasons given for the decision are inadequate. The reasons stated in the decision are as stated in para [1] above. In addition, as the vote was in accordance with the report, it can be assumed that the reasoning set out in the report applied. Having regard to this information, it is not apparent in what respects the petitioner claims to be in real and substantial doubt as to the reasons for the decision. The petitioner claims that the decision made no reference to, and did not indicate why, the submissions that had been made by the petitioner were rejected. As noted above, the council elected to frame the issues that arose relating to subsidies and procurement as ones of avoiding risk. This was a decision that they were entitled to make. The petitioner sought to convince the council that the 2022 Act and the 2015 Regulations did not apply but that was not the issue that the council decided they should be considering before agreeing to pay out over £20 million. As the council were concerned with risk, there was no need to provide reasoning for rejecting what had been said by the petitioner. As the council note, this was

not a situation in which there was a dispute on which the council had to make a determination. It was decision as to how the council would apply its resources.

### **Disposal**

[46] In view of the above, I sustain the third and fourth pleas for the respondent, repel the pleas-in-law for the petitioner and refuse the remedies sought in statement of fact 4 in the petition.

**South Ayrshire Council**

**Report by Chief Financial Officer  
to South Ayrshire Council  
of 26 March 2026**

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**Subject: Procurement Strategy Update 2026/27**

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**1. Purpose**

1.1 The purpose of this report is to seek approval of minor updates to the Council's Procurement Strategy covering 2026 - 2027.

**2. Recommendation**

**2.1 It is recommended that the Council approves the updated Procurement Strategy for 2026- 2027 attached as Appendix 1.**

**3. Background**

3.1 The Council's Procurement Strategy was first published in 2011, with the last revision taking place and approved by Council on 6 March 2025. The 2025 revision aligned the Procurement Strategy with the South Ayrshire Council Plan and with procurement legislative reform.

3.2 A public body, which expects to have procurement expenditure of £5 million or more in the next financial year, must, before the start of that year, either publish a strategy, where one does not exist, or review an existing strategy making such revisions to it as the body considers appropriate and publish its revised strategy.

3.3 Any Scottish Procurement Policy notes (SPPNs) which have been published since 2025 have been taken into account within this strategy. Only minor updates are required to the Procurement Strategy to ensure a continued integrated approach and achievement of Best Value in the delivery of services. As well as updates to references to recent policy documents such as Standing Orders relating to Contracts these updates also include amendments as below:

- Increase in the percentage of contracts awarded to organisations located within South Ayrshire
- Increase in spend with supported businesses
- Improvements delivered in relation to tracking and delivering of community benefits through contracts
- Improvements with the Council's purchase ordering system in terms of "punchout" catalogue usage and other electronic catalogues.
- Increased compliance in the use of contracts

## 4. Proposals

- 4.1 Section 19 of the Procurement Reform (Scotland) Act 2014 requires a public body to notify the Scottish Ministers once it has published a new or updated strategy. Public bodies are now required to review the Procurement Strategy annually. It is proposed that any revisions required, following the next annual review and any consultations which inform it, will be brought back to Council for approval, prior to the end of the 2025/26 financial year.
- 4.2 It is proposed that the Council approves the Procurement Strategy 2026/27 (see Appendix 1, amendments tracked in **bold text**) and agrees that it is sent to the Scottish Government in March 2026 and published on the Council's website.

## 5. Legal and Procurement Implications

- 5.1 Legal implications arising from this report are that the Council must prepare an annual procurement strategy that complies with Section 19 of the 2014 Act which states a public body must notify the Scottish Ministers once it has published a new or updated strategy.
- 5.2 Procurement Implications arising from this report are that the Council's Procurement Service have prepared the Council's Procurement Strategy 2026/27 and are satisfied that the updated procurement strategy meets all of the requirements of [Section 15 of the Procurement Reform \(Scotland\) Act 2014](#).

## 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 Rejecting the recommendation may limit the Council's ability to achieve Best Value, impact on the reputation of the Council and/ or may give rise to breach of statute, legal challenge or Council liability.

## 9. Equalities

- 9.1 The proposals in this report do not require to be assessed through an Integrated 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 Priority 2 of the Council Plan: Live, Work, Learn/ Work and economy (Outcome 2).

## 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 and Corporate Services and the contents of this report reflect any feedback provided.

## 14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and 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>
Publication of Procurement Strategy 2026/27	27 March 2026	Service Lead - Procurement

**Background Papers**    **None**

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**Date:**    **26 February 2026**

# Procurement Strategy



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## Section 1 – Introduction

This Procurement Strategy sets out the Procurement Vision and objectives of South Ayrshire Council for financial year **2026-2027**.

The Procurement Reform (Scotland) Act 2014 requires that any public organisation which has an estimated regulated spend of £5 million or more (excluding VAT) in a financial year develops and reviews its procurement strategy annually before the start of the next financial year.

The Council's Key Procurement Objectives reflect both national and local policies and our aim is to build on the centralised procurement model, already in place within the Council, through our dedication to continuous improvement and a focus on:

- procurement capability development;
- maximising efficiencies through procurement;
- development of collaborative opportunities; and
- fulfilment of sustainable procurement duties.

This focus will directly impact on our ambition to improve the community we serve, by ensuring that sustainability in our procurement remains a priority and that all procurement activities contribute to the carrying out of the Council's functions and realisation of its purposes, while achieving Best Value and complying with statutory and regulatory duties.

The achievement of Best Value is reliant on a clear Procurement Strategy, aligned to the delivery of services which promotes an integrated approach across the organisation.

In order to deliver the required outcomes of this Strategy there remains a need to constantly look for improvements to our ways of working and ensure that close partnerships exist within the Council and beyond.

Commitment and communication of this Strategy are key steps on the road to embracing best practice, achieving procurement effectiveness and delivering improved outcomes for the residents and wider community of South Ayrshire.

This strategy has been informed by the Scottish Government statutory guidance, will be subject to an annual review.

## Section 2 – Procurement Vision

This Procurement Strategy has been prepared in alignment with the Council Plan objectives to support the Council's ambitions and to highlight the commitment to continuous improvement in procurement, the following Procurement Vision has been established:

### **Procurement Vision**

'To continue to grow the Procurement Service's influence across the Council, realising our ambitions for a centralised procurement model, while maintaining an excellent procurement service, as set out in our Strategy, which contributes to the transformation of South Ayrshire within available resources.'

## Section 3 - Strategy Rationale and Context

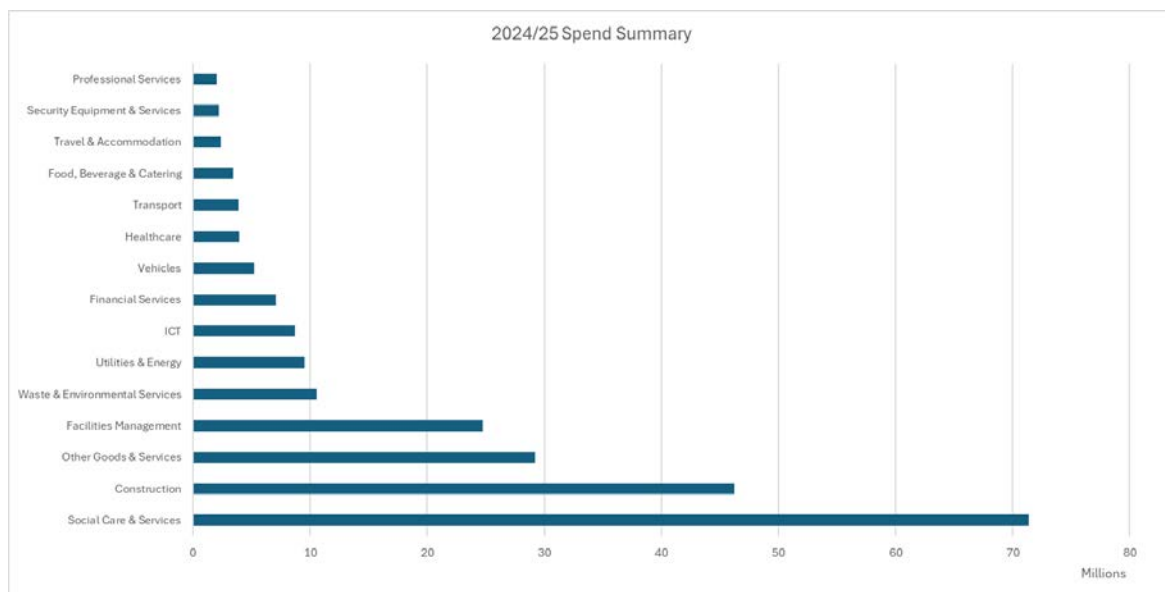
The purpose of the Procurement Strategy is to set out the procurement vision for the Council, and with this, provide an understanding of The Procurement Service's aims and objectives and how these will be achieved.

The Strategy enables the Council to understand how procurement contributes towards the Council's vision and provides focus and direction for procurement activities, ensuring a long-term perspective is in place within a framework of policies, procedures, standards, collaboration and improvement planning.

**The Council's previous Procurement Strategy and this revision are closely aligned with the overarching objectives of the Council and the requirements of the Scottish Government, delivering many improvements over the period it covered. These improvements included:**

- **Increase in the percentage of contracts awarded to organisations located within South Ayrshire**
- **Increase in spend with supported businesses**
- **Improvements delivered in relation to tracking and delivering of community benefits through contracts**
- **Improvements with the Councils purchase ordering system in terms of "punchout" catalogue usage and other electronic catalogues.**
- **Increased compliance in the use of contracts**
- **South Ayrshire's supplier spend across goods, services and works in 2025/25 was £239M. A summary of the top categories is shown in Fig1:**

**Fig1**



This spend was split between 2,305 different suppliers from all across the UK:

**Fig 2**

Area	<u>Spend</u> £	<u>Number of</u> <u>Suppliers</u>
Scotland	<u>171,103,431.89</u>	<u>1,431</u>
West Midlands	<u>21,392,675.07</u>	<u>87</u>
South East	<u>12,504,293.83</u>	<u>144</u>
South West	<u>8,660,695.29</u>	<u>67</u>
East of England	<u>7,127,926.49</u>	<u>70</u>
North East	<u>5,378,146.74</u>	<u>26</u>
London	<u>3,693,611.03</u>	<u>109</u>
North West	<u>3,564,393.67</u>	<u>103</u>
Yorkshire and The Humber	<u>2,657,813.45</u>	<u>88</u>
East Midlands	<u>1,669,474.11</u>	<u>80</u>
Northern Ireland	<u>1,457,774.03</u>	<u>16</u>
Wales	<u>335,972.31</u>	<u>19</u>
Channel Islands	<u>392</u>	<u>1</u>

**65% of contracts awarded in 2024/25** were actively influenced by a procurement professional and this strategy sets out the aims and objectives which will result in continuous improvement within the Procurement service and Council.

## **Section 4 - Strategic Aims and Objectives**

In order to support delivery of the Council's Plan, the Procurement Strategy includes 4 Key Objectives:

1. Procurement Capability Development;
2. Maximising Efficiencies Through Procurement;
3. Development of Collaborative Opportunities; and
4. Fulfilment of Sustainable Procurement Duties.

These Key Objectives are expanded on below with an explanation of how these will be met and the outcomes expected from achievement of these ambitions.

### **Key Objective 1 - Procurement Capability Development**

#### ***Ambitions***

- To use the knowledge and skills of our staff, in order to embed a more strategic and commercial approach into all of the Council's functions and purposes.
- To ensure that all procurement activities are undertaken in a consistent, robust, transparent and accountable manner, in accordance with all relevant governance.
- To keep the Council up to date with the latest developments in the wider procurement environment and maintain an awareness of current cross-functional procurement practices.

#### ***How ambitions will be met:***

**Wider staff training across the Council has, and will continue to be delivered via on-line courses which will focus on giving staff a better understanding of the Council's Standing Orders Relating to Contracts as well as day to day procurement processes such as ordering and invoicing. Procurement staff will keep up to date in terms of their knowledge and understanding of the statutory and legislative requirements derived from The Procurement Reform (Scotland) Act 2014 and The Public Contracts (Scotland) Regulations 2015.**

By working together with the Council's Legal Services in adapting our internal procedures, processes and documentation to reflect any changes in procurement legislation.

By working collaboratively with Scottish Procurement, Scotland Excel, the Crown Commercial Service and other local authorities or Public Sector organisations, to share knowledge and benchmark our performance.

Ensure that procurement activities reflect and support the Council's core values, corporate aims and objectives.

**By participating in the national Procurement and Commercial Improvement programme**

### ***Outcomes expected***

Added value in all new procurement exercises and additional benefits through better management of existing contracts.

Compliance with statutory and regulatory requirements and mitigation of the risk of legal challenge.

The Procurement Service are able to offer innovative procurement solutions and South Ayrshire Council is recognised as a leading authority in Public Sector Procurement.

## **Key Objective 2 - Maximising Efficiencies Through Procurement**

### ***Ambitions***

- To ensure that appropriate contracts are in place for all of the Council's requirements and that these deliver Best Value.
- To facilitate the modernisation of business processes across the Council through the review, implementation and development of electronic procurement solutions.
- To utilise Management Information (MI) effectively ensuring that procurement operates according to our core set of indicators and measures for best practice.
- To support Services in the identification and delivery of cost savings.
- To realise financial and efficiency savings in the successful procurement of contracts, through proactive Contract and Supplier Management.

### ***How ambitions will be met***

Through the continued proactive integration and influence of The Procurement Service, throughout all Directorates and Services, allowing for a strategic analysis of all relevant considerations to be made, when client requirements are met and contracts are put in place or renewed.

Through the use of new and existing electronic procurement systems in both the advertisement of opportunities and throughout the purchase process in the delivery of services.

Through the maintenance and publication of information, from various performance management systems, to monitor progress against targets on efficiency, capability, collaboration, compliance and savings.

Through the ongoing development of contract strategies in advance of procurement activities, to identify where savings can be made through:

- the early engagement of all stakeholders to aid in the re-design of services and the investigation into more innovative sourcing solutions and effective commercial evaluation models with a focus on process efficiency and cost reduction,

- consulting with Services on defining the criteria required to be able to determine the most economically advantageous tender, using an appropriate combination of cost and quality elements,
- the identification and benchmarking of relevant collaborative agreements to determine the Best Value procurement route,
- lessons learned from previous procurement exercises and lessons learned shared from other authorities.

Through continual engagement with contracted suppliers and a formalised system of monitoring performance against contractual requirements, to ensure the successful delivery of services and allow for a focus on the development of initiatives and innovations to help improve the procurement of these services in the future.

**Through exploring savings opportunities both at the local level and participating via national savings programmes (e.g. Scotland Excel National savings programme.)**

***Outcomes expected***

Compliance with the Council's Standing Orders Relating to Contracts and Procurement Journey resulting in a reduction in non-contracted or 'maverick' spend.

Achievement of targeted procurement cost savings.

Measurable and demonstrable improvements in the correct use of the electronic procurement systems available to the Council.

Delivery of Contract and Supplier Management driven value-added services.

<b>Key Objective 3 - Development of Collaborative Opportunities</b>
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***Ambitions***

To support Inclusive Growth by working more closely with 'anchor' organisations within Ayrshire such as East Ayrshire Council, North Ayrshire Council, NHS, Police Scotland, Fire Scotland, Scottish Enterprise, Colleges and third sector businesses by harnessing our spending power in terms of buying from local and or socially progressive businesses within the supply chain.

- Engage and liaise with these organisations regarding the wider Community Wealth Building (CWB) pledges including employment opportunities, use of land and property assets, support and encourage environmentally sustainable supply chains etc. to benefit the local economy.
- To actively participate in all appropriate collaborations and proactively support other local authorities, procurement organisations and wider Public Sector partners.
- To actively support local businesses to take advantage of procurement, and to support the local economy.
- To expand on established customer feedback mechanisms and increase customer satisfaction in procurement activities.
- To improve on the level and methods of communication with all internal and external stakeholders.
- To continue to contribute to the development of national Contract and Supplier Management processes.

### ***How ambitions will be met***

Through early identification of opportunities to aggregate spend and requirements, an increase in cooperation with neighbouring authorities and a proactive involvement with national procurement groups and forums.

Through an increase in engagement with Services, local suppliers, residents and community groups during the development stage of projects, ensuring that all opinion and feedback is recorded and considered during contract execution.

By continually reviewing what, how and when we report on our procurement activities to Services, corporate management, elected members, suppliers and the wider public, while ensuring that all necessary information is published to help support Procurement Strategy objectives.

Through continued engagement with the Scottish Government and Scotland Excel, the Centre of Procurement Expertise for Scotland's local government sector, to develop tools and processes for national collaboration on Contract and Supplier Management.

### ***Outcomes expected***

Achievement of mutually beneficial results with our collaborative partners including economies of scale, a reduction in administration and the sharing of procurement best practices and innovations.

Continuous improvement in the Council's procurement processes and practices, influenced by the impartial, independent advice and feedback received.

A procurement strategy that is fully aligned with the Council's overall ambition and vision that can be implemented as intended.

Increased opportunities for collaborative Contract and Supplier Management.

<b>Key Objective 4 – Fulfilment of Sustainable Procurement Duties</b>
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### ***Ambitions***

- Focus on sustainable procurement including the more innovative use of Community Benefits Clauses (CBCs), Community Wealth Building and targeting supplier's corporate social responsibility policies.
- To achieve improved standards of sustainable procurement throughout the Council, in accordance with the duties set out within the Procurement Reform (Scotland Act) 2014.
- An increased focus, with support from colleagues in Community Wealth Building, on the support provided to improve access to procurement opportunities for SMEs, including local businesses, Third Sector Bodies and **Supported Businesses. (taking note of SPPN 1/2025 in respect of supported businesses)**

- **In particular Supported Businesses make an important contribution to the Scottish economy. Not only through the goods and services they deliver, but also by providing meaningful employment, training and social support for those who may otherwise be excluded from the workplace. A Supported Business' primary aim is the social and professional integration of disabled or disadvantaged persons. At least 30% of the employees of those businesses should be disabled or disadvantaged.**
- To work in partnership with all Services, in line with the Council Plan, to ensure that we improve the way that we work as a Council in delivering services which benefit the area and communities we operate in, with a focus on reducing inequality.

### ***How ambitions will be met***

Embed sustainability in all regulated procurement activity, including consideration of Fair Work First Principles, Payment of the Living Wage, Health and Wellbeing, Ethically Traded Goods and Services.

Through Procurement's influence over Services to suggest how bespoke and relevant Community Benefits can be achieved in all procurement exercises.

An increased focus, with the support of colleagues in Community Engagement, on the recording and management of Community Benefits delivered using our Community Benefits register to promote and publicise benefits received as a result of procurement activity. The use of voluntary Community Benefits will also form part of ongoing Contract and Supplier Management processes.

Through early consideration, either at contract strategy stage or through our knowledge of forthcoming collaborative opportunities (local or national), on how SMEs, local businesses, Third Sector Bodies and Supported Businesses can be made aware of public procurement activity, while promoting established business support initiatives such as the Supplier Development Programme.

### ***Outcomes expected***

Compliance with the Sustainable Procurement Duty of the Procurement Reform (Scotland) Act 2014, which requires that the Council, before it buys anything, must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

Measurable and demonstrable social, economic and environmental benefits to South Ayrshire communities from the effect of sustainable procurement activity.

Increased awareness and ability for SMEs, Third Sector Bodies and Supported Businesses to take advantage of business opportunities within South Ayrshire or the wider Public Sector.

## Section 5 –Procedures, Policies and Procurement Tools

The delivery of this Procurement Strategy will ensure that the Council's regulated procurements adhere to the mandatory requirements as set out in Section 15(5) of the Procurement Reform (Scotland) Act 2014.

In adhering to these mandatory requirements, the Council relies on the following Procedures, Policies and Procurement Tools being in place to support its procurement activities:

### Procedures

As a contracting authority, South Ayrshire Council is responsible for establishing arrangements for ensuring the proper conduct of organisational business, including conformance to standards of good governance and accountability with regard to procurement.

To ensure Procurement Strategy Key Objectives are delivered effectively, there will remain a continuing need to recognise the requirement for and execution of an appropriate Council governance framework.

The presence of this framework will enable Key Objectives to be achieved through a decision making process which ensures required authorisation and appropriate delegations and approvals are in place.

In adhering to this governance framework, the Council ensures that, in line with this Procurement Strategy, **Key Objective 1 - Procurement Capability Development**, its regulated procurements are carried out in compliance with its duty to treat relevant economic operators equally and without discrimination and that these procurements will be undertaken in compliance with its duty to act in a transparent and proportionate manner.

In maintaining this governance framework, the Council will ensure that a continuing focus remains in relation to updating, and appropriately applying the following procedural governance documents.

### Standing Orders Relating to Contracts

The Council's Standing Orders Relating to Contracts set out how contracts for all goods, services and works will be made by the Council and are reviewed annually.

*South Ayrshire Council Standing Orders Relating to Contracts:*

[Standing Orders Relating to Contracts \(south-ayrshire.gov.uk\)](http://south-ayrshire.gov.uk)

The purpose of these Standing Orders is to ensure that contracts are appropriate for their purpose, provide the right balance between price and quality, and are procured in an open way that demonstrates probity and compliance with the Council's policies.

All Council employees are instructed to always treat tenderers equally and without discrimination and act in a transparent and proportionate manner.

The Standing Orders also set out the Council's obligations in ensuring that the suppliers and service providers it contracts with comply with all statutory requirements in respect of ensuring equal opportunity in employment, under the provisions of the Equality Act 2010 and with all current Health and Safety legislation and approved Codes of Practice (e.g. Health and Safety

at Work Act), as may be applicable to the contract. Promotion of this compliance is in line with the requirements of the Procurement Reform (Scotland Act) 2014.

## **Financial Regulations**

The Council's Financial Regulations set out the financial policies and the framework for managing the Council's financial affairs.

They seek to ensure that the Council conducts its affairs in a way that complies with specific statutory provisions, generally accepted accounting procedures and professional good practice.

The Council's Financial Regulations apply to every member and employee of the Council or anyone acting on its behalf. All members and employees have a general responsibility for taking reasonable action to provide for the security of assets under their control, and for ensuring that the use of these resources is legal, properly authorised, and provides Best Value.

*South Ayrshire Council Financial Regulations:*

[Financial Regulations \(south-ayrshire.gov.uk\)](http://south-ayrshire.gov.uk)

## **Scheme of Delegation**

The Scheme of Delegation is intended to facilitate the effective undertaking of Council business by clearly setting out the nature and extent of the powers delegated to officers by the Council, in order to ensure an efficient running of day to day operations and to allow the Council to carry out its functions and achieve its Strategic Objectives.

The Council's approach to delegation has been influenced by its commitment to facilitate community participation in the decision-making process and to delegate to Chief Officers. The result is that the Council has reserved very few powers to itself and has agreed extensive delegations to officers.

*South Ayrshire Council Scheme of Delegation:*

[Scheme of Delegation \(south-ayrshire.gov.uk\)](http://south-ayrshire.gov.uk)

<b>Policies</b>
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The Council has clear Strategic Objectives set out within the Council Plan and a strong focus on monitoring and reporting performance.

To further ensure that the Council's regulated procurements contribute to the carrying out of its functions and the achievement of its purposes, this Procurement Strategy, in line with its Key Objectives, will be delivered in accordance with the Council Plan and a set of national and local policies and strategies. These are embedded within existing procurement processes with outcomes measured against the Council's core set of indicators and measures for best practice:

[Council Plan](#)

## Statutory Guidance

**Sustainable Procurement Duty** - The Council's approach to sustainable procurement, coupled with the sustainability tools at the Council's disposal, outlined below, are rooted within the procurement process to promote a commitment to sustainability and achievement of Best Value for the Council.

In an ongoing effort to embed sustainability issues in procurement exercises, three strands of sustainability are explored at the contract strategy stage; environmental, social and economic factors along with a consideration on how the Council can facilitate the involvement of SMEs, third sector bodies and supported businesses in procurement exercises, as well as a promotion of innovation in the design and delivery of services.

This approach is in line with the Council's Procurement Strategy **Key Objective 4; Development of Collaborative Opportunities and Fulfilment of Sustainable Procurement Duties** and ensures that the Council complies with its Sustainable Procurement Duties, which is a mandatory requirement under the Procurement Reform (Scotland Act) 2014.

**Community Benefit Requirements** – The Council will adhere to all statutory guidance and legislation on the use of Community Benefits, ensuring that all regulated procurements include Community Benefits clauses. The Council's Procurement Strategy **Key Objective 4; Fulfilment of Sustainable Procurement Duties**, outlines when Community Benefits should be considered, the aim of including these in procurement exercises and how they will be implemented and monitored.

**The Council will also ensure that suppliers fulfil their community benefit pledges by monitoring progress towards delivering these benefits during the lifetime of each supplier's contract. This will be achieved via the Procurement teams Contract and Supplier management section working alongside colleagues in Community Engagement.**

**Consulting and Engaging with Stakeholders** – The Council continues to consult and engage with those affected by our procurement activities through the development of contract strategies, in advance of the procurement exercise and through our focus on identifying opportunities for collaborative Contract and Supplier Management. In line with the Council's Procurement Strategy **Key Objective 3; Development of Collaborative Opportunities** - Engagement with Services, suppliers, local businesses, tenants and community groups during the development stage of projects, while ensuring that all opinion and feedback is recorded and considered when resulting agreements are implemented and executed, ensures continuous improvement in the delivery of services and allows the Council to understand the needs of the area we serve and understand the impact of our procurement activity.

**Fair Work Practices & Payment of a Living Wage** – The Council will comply with the Statutory Guidance on the Selection of Tenderers and Award of Contracts – Addressing Fair Work Practices, including the Living Wage, in Procurement, in line with the Procurement Strategy's **Key Objective 1, Procurement Capability Development**. The Council follows the lead of the Scottish Government by promoting the payment of the Living Wage to persons involved in fulfilling procurement requirements by considering, where relevant and proportionate, when Fair Working Practices should be addressed in contracting opportunities.

Our consideration of Fair Work will allow us to explore practices in respect of recruitment, retention and the types of employment contracts in use. This also aligns to the aspiration to

run our construction contracts in a manner that is consistent with the Construction Charter, and we will work with the relevant services, Professional Design Services, Asset Management and Special Property projects, to advance this agenda. We also acknowledge existing national agreements in place in the construction sector and will strive to work only with contractors exhibiting high standards in respect of workforce practices.

**Procurement of Fairly and Ethically Traded Goods and Services** – In line with the Council’s Procurement Strategy **Key Objective 4; Fulfilment of Sustainable Procurement Duties** and where ethically traded goods and services are available, the Council will work with all relevant stakeholders and take a Best Value approach when applying fair and ethically trading principles in procurement activities. South Ayrshire Council also works closely with Fairtrade partnerships to promote Fairtrade products and explore the differences that choices on the procurement of these ethically traded goods can make to the lives of others.

**Community Health and Wellbeing and Animal Welfare in the Procurement of Food** – The Council recognises the requirement to find practical ways to supply healthy, fresh, seasonal, and sustainably grown food which represents Best Value whilst improving the health, wellbeing and education of communities in our area. Through The Procurement Service’s collaboration with our internal stakeholders and with Scotland Excel, the Centre of Procurement Expertise for Scotland’s local government sector, we will work to put in place affordable contracts which meet the nutritional requirements for food, for all users of our catering services, whilst promoting the highest standards of animal welfare, in accordance with all statutory guidance and legislation.

## **Procurement Tools**

Key tools that the Council has embedded into the procurement process, which help contribute to compliance with the mandatory requirements under the Procurement Reform (Scotland) Act 2014, are detailed below.

These tools are considered at the contract strategy stage of any contract, influencing the procurement where relevant and proportionate and, along with the procedures and policies outlined above, ensures that the Council’s regulated procurements deliver value for money.

### **Procurement Guidance Tools**

The Scottish Government’s Procurement Journey - supports all levels of procurement activity and helps to manage the expectations of stakeholders and facilitate best practice and consistency across the Scottish Public Sector.

South Ayrshire Council Procurement Journey – The Council’s version of the Scottish Government Procurement Journey with additional guidance on lower value procurements.

### **Sustainability Tools**

The Council shall comply with the Sustainable Procurement Duty To ensure compliance with this duty, the Council will consider the environmental, social and economic issues relating to all regulated procurement activity. **The Procurement team ensure services consider what to buy, how to buy, how much to buy and whether to buy at all as per [SPPN 3/2022 Public procurement - taking account of climate and circular economy considerations](#).**

All regulated procurements are subject to the development of a commodity strategy and sustainable options are deliberated and summarised e.g. how the procurement activity can facilitate involvement of SME’s, third sector, charity and voluntary organisations, inclusion of

community benefits, promotion of innovative techniques and technologies, **climate change** and environmentally friendly products etc.

### **Community Benefit Tools**

The Scottish Government's Community Benefits in Public Procurement policy assists Procurement Officers in our on-going ambition to embed Community Benefits into the procurement process where relevant and proportionate.

The Council have developed a consistent method of engaging with Community Groups to collate potential projects that could be delivered via Community Benefits. These requests are visible to any supplier bidding for a Council contract and can be selected as part of their community benefit return.

In addition, the Council has an established method of evaluation and recording Community Benefits in contracts. The Procurement service will also review the processes around communicating good news stories and acknowledging suppliers who deliver successful benefits to communities within South Ayrshire.

**Community benefits which have been pledged and delivered as part of a Council contract are detailed within the Councils Annual Procurement Report.**

### **Contract and Supplier Management Tools**

In order to manage suppliers and complete scorecards on a regular basis Procurement make use of the Public Contracts Scotland Tender Contract and supplier management module – Contracts are classified as either; Transactional, Operational or Strategic.

The Council has an established process regarding Contract and Supplier Management (CSM) which provides a consistent approach to CSM across services to further engage with suppliers to drive efficiencies and compliance in contracts.

### **Preliminary Market Consultation notice**

Where specific open challenges exist, and in order to promote innovation and see what the market can provide, Procurement will look to utilise the new Preliminary Market Consultation (PMC) tool available on Public Contracts Scotland wherever applicable.

## Section 6 – Considerations and Future Developments

### Considerations

#### Contracts Register

The main consideration affecting the delivery of this Procurement Strategy is the current Work Plan for The Procurement Service during the next financial year (2026-2027) and the available resource allocated to this.

The Contracts Register is a record of all regulated procurement activity undertaken by the Council. Along with consideration of any new ad-hoc or reactive projects in development, from the expiry dates recorded for each agreement on the Contracts Register, The Procurement Service are able to understand the forthcoming requirement for contract renewal.

*South Ayrshire Council Contracts Register:*

[Corporate Procurement - South Ayrshire Council \(south-ayrshire.gov.uk\)](https://www.south-ayrshire.gov.uk/corporate-procurement)

**The Councils contract register will be subject to an update during 2026 which will allow the public facing version of the register to be more user friendly, searchable and easier to understand for prospective suppliers and members of the public. It will assist with any Freedom of information requests as information will be easier to find and will be updated on the Council website on a monthly basis.**

#### Contract Delivery

The Procurement Service's [Annual Report](#) provides more detailed information on anticipated regulated procurements required in 2026-2027, excluding reactive supplies, services or works. It also provides more detailed information on each individual regulated procurement completed during the period that the previous Procurement Strategy covered, financial year 2024-25.

However, it should be noted that along with the regulated procurement exercises completed, the Procurement Service also delivers additional contract awards for requirements below the regulated GPA Procurement thresholds for goods, services and works.

#### **Contract and Supplier Management (CSM)**

Coupled to these requirements for contract development and renewal is the on-going need for the contract and supplier management of current contracts categorised as either Strategic, Operational or Transactional.

The Procurement Service have worked to integrate the Contract and Supplier management process into existing processes across all services including the Health and Social Care Partnership.

Details of CSM activity can be found with the latest Procurement Annual Report.

## Future Developments

### Community Benefit Process

**Part of the Contract and Supplier Management process includes monitoring Community Benefit pledges through the lifetime of a contract. The Community Benefit process has recently been reviewed and updated and is subject to continuous review as part of this strategy to improve the communications in terms of benefits fulfilled as well as promoting the importance of community benefits to each supplier working with South Ayrshire Council.**

### Purchase to Pay system development

Following the implementation of ORACLE Fusion in 2023, which integrates the Purchase to Pay functionality with the Financial Ledger and HR/Payroll functions, Procurement intends to utilise functions available via this new system to improve the purchasing process.

With Electronic Punch Out ordering, there is reduced risk of invoice mismatching. This is because the ordering process takes place through Oracle Fusion which is then directly linked through to a supplier's website and online marketplace. Implementation of this methodology will allow The Procurement Service to add or remove products to Oracle Fusion without the need for the revision and uploading of static, Excel e-Catalogues. By establishing appropriate, electronic product and service catalogues in Oracle Fusion, The Procurement Service can ensure that the correct products are bought from the correct suppliers at agreed prices. **During 2026/27 the Procurement team will implement all electronic punch out catalogues that are possible to improve the efficiency and accuracy of the ordering process. The Council now makes use of 14 punchout catalogues and 69 e-catalogues to ensure the best prices are being used during the ordering process.**

In improving maintenance of live supplier records The Procurement Service can control levels of 'maverick' non-contracted spend by insisting that only suppliers with formal contracts in place can be used above relevant procurement thresholds.

Purchase orders are mandatory for all goods, services and works which are not deemed exempt. All Non purchase order invoices will be monitored via ORACLE fusion and communications will be sent back to service areas to ensure purchase orders are always raised when required.

These projects are aligned to **Key Objectives 1 and 2** of the Procurement Strategy, **Procurement Capability Development** and **Maximising Efficiencies Through Procurement** and contributes to the modernisation of business processes across the Council, through the implementation and development of electronic procurement solutions.

## Section 7 – Monitoring, Reviewing and Reporting on the Strategy

A variety of internal and external measures will be used to monitor, review and report on the targeted outcomes of each Key Objective outlined in this Procurement Strategy.

### Council Plan

This Procurement Strategy has been developed to reflect improvement actions set out within the Council Plan. Performance is collated quarterly for some statistics i.e., number of contracts awarded that contained a community benefit clause or the number of contracts which had a CSM balanced scorecard issued and annually for others like % of local spend.

Progress is updated through the Council's Performance Management system, Pentana and scrutinised by the Council's Service & Partnerships Performance Panel.

The Procurement team also collect monthly Key Performance Indicators. These KPIs are clearly linked to the Key Objectives outlined in this Procurement Strategy and monitoring them continually ensures that they remain in alignment, with any shortfalls or negative trends reported and acted upon. This includes but is not limited to monthly contract awards, number of invoices received per month, number of "Quick Quotes" published and number of local SME's invited to quote.

### Annual Report

Duties under The [Procurement Reform \(Scotland\) Act 2014](#) require the Council to develop and review this Procurement Strategy annually. In addition to this mandatory Procurement Strategy and to meet regulatory requirements, the Council must also prepare and publish an [Annual Procurement Report](#) disclosing how its procurement activity has complied with its published procurement strategy.

The [Procurement Reform \(Scotland\) 2014 Act](#) lists the minimum requirements that an Annual Procurement Report should contain and advises that the report must include;

- A summary of the regulated procurements for the financial year and of the regulated procurements the authority expects to commence in the next two financial years;
- A review of whether procurements have complied with the contracting authority's procurement strategy;
- A summary of any community benefit requirements imposed as part of a regulated procurement and any steps taken to facilitate the involvement of supported businesses in regulated procurements.

## Section 8 – Spend / Finance

### Financial Context

In line with this Procurement Strategy **Key Objective 2 - Maximising Efficiencies Through Procurement**, The Procurement Service's assistance in maximising the impact of the Council's funding is a priority, to ensure that every pound spent makes a difference to the people and communities of South Ayrshire.

### Procurement Savings

Procurement will consider more effective commercial evaluation models within the tender process to encourage innovation, benefits and savings. Procurement will also work in partnership with Service Departments to identify Purchase to Pay improvements, efficiencies and potential cost savings.

### Annual Spend

The Council's annual procurement spend in **2024/25 was £239m** and comprises purchases of a wide variety of goods, services and works. **Further details on the Councils spend can be found via the [Annual Procurement Report](#).**

### Prompt Payment

In line with this Procurement Strategy's **Key Objective 4 - Fulfilment of Sustainable Procurement Duties** and under the requirements of the Procurement Reform (Scotland Act) 2014, the Council has an obligation to employ fair trade and ethical sourcing practices including fair pricing policies and a commitment to prompt payment of suppliers.

Prompt payment clauses requiring a 30 day payment term are included within the Council's standard terms and conditions for goods and services and the Council also publishes details of its annual prompt payment performance.

**As part of the Councils Transformation programme the Procurement team are assisting in looking at alternative methods to improve payment speed to suppliers via the Councils financial system.**

## Section 9 – Glossary

Term or abbreviation	Explanation
<b>Best Value</b>	The duty of Best Value in Public Services places a statutory duty on local authorities to: Make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance, have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.
<b>Commodity</b>	Taxonomy (classification) for the entire Council, to give the Council the ability to accurately describe the primary business activities of their suppliers.
<b>Community Benefits</b>	Community Benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social-economic and or environmental. Benefits.
<b>Contract and Supplier Management (CSM)</b>	Contract and Supplier Management is the management of post award activities and can be divided into three areas: service delivery management; relationship management; and contract administration.
<b>Flexible Framework Self-Assessment Tool (FFSAT)</b>	The tool will help organisations to assess where their current level of performance lies and the actions required improving their performance. The SSAP recommends that organisations carry out initial and periodic self-assessments against the FFAT. This enables measurement against various aspects of sustainable procurement.
<b>Light Touch Regime (LTR)</b>	A set of principles for the commissioning of Care and Support services which acknowledges a balance between human rights, outcomes for the individual, best value and procurement regulations
<b>Pentana</b>	An electronic Performance Management System which helps to ensure that objectives are delivered in line within the standards and timescales anticipated.
<b>Procurement and Commercial Improvement Programme</b>	Procurement and Commercial Improvement Programme (PCIP) is part of the Scottish Governments public procurement reform agenda and guides how local authorities undertake procurement of goods and services
<b>Punch Out</b>	A <b>Punch Out</b> system is a method for a buying organisation to order directly from a supplier's website from within the buyer's own procurement application or hosted e-procurement system (e.g. Oracle).

Term or abbreviation	Explanation
<b>Quick Quote</b>	Quick Quote is an online request for quotation facility used on Public Contracts Scotland (the single electronic portal where suppliers can bid for public service contracts). It is used to obtain competitive quotes for low value/low risk procurement exercises or procurement mini competitions within framework agreements from suppliers who are registered on the website.
<b>SAC</b>	South Ayrshire Council
<b>Scheme of Delegation</b>	South Ayrshire Councils Scheme of Delegation details the decision making structure and operational requirements of the Council.
<b>Scotland Excel</b>	The Centre of Procurement Expertise for Scotland's local government sector.
<b>Self Directed Support Services (SDS)</b>	Self-Directed Support empowers people to direct their own care and support and to make informed choices about how their support is provided. Regardless of the care setting, services can be tailored to become more suited to individuals' choices and preferences.
<b>SDP</b>	Supplier Development Programme. The SDP is a partnership of Local Authorities, the Scottish Government and other public bodies working together to offer business support in all aspects of tendering. SDP assists businesses to become tender ready for public procurement and all of their support is free of charge. <a href="http://www.sdpscotland.co.uk">www.sdpscotland.co.uk</a>
<b>SME's</b>	Small and medium-sized enterprises (SMEs) are businesses whose personnel numbers fall below certain limits
<b>Standing Orders</b>	Standing Orders are the written rules which regulate the proceedings of the Council.
<b>Sustainable Procurement</b>	A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.
<b>RPA</b>	A Request for Procurement Action, sent to The Procurement Service confirming that budget is available to undertake a procurement exercise, authorised by the relevant Principal Accountant and Head of Service.
<b>Work Plan</b>	A list of upcoming procurement activity including re-tenders, extensions, and new activity.

## Section 10 – Strategy Ownership and Contact Details

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**South Ayrshire Council**

**Report by Chief Financial Officer  
to South Ayrshire Council  
of 26 March 2026**

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**Subject: Treasury Management and Investment Strategy 2026/27**

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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 2026/27.

**2. Recommendation**

2.1 **It is recommended that the Council approves the draft Treasury Management and Investment Strategy for 2026/27 (attached as [Appendix 1](#)).**

**3. Background**

3.1 The Council is operates a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, meet expenditure commitments but also to invest surplus monies in low-risk counterparties (organisations with which the Council has a financial relationship in terms of borrowings or investments), providing adequate liquidity initially before considering optimising investment return.

3.2 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 the Council can meet its capital spending operations. This management of longer-term cash will involve arranging long or short-term loans or using longer term cash flow surpluses. In addition, in certain interest rate environments debt previously drawn may be restructured to meet Council risk or cost objectives.

3.3 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021).

3.4 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.

3.5 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.

3.6 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.

3.7 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 2026/27 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 2026/27 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 2026/27 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 Quarter 1 Treasury Report** – This provides details of the actual prudential and treasury indicators for the first quarter of 2026-27.

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

4.4.3 **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 full Council for approval.

4.4.4 **A Quarter 3 Treasury Report** – This provides details of the actual prudential and treasury indicators for the third quarter of 2026-27.

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

4.4.5 **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 then to full Council for approval.

## 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. 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 If the recommendations are rejected, then the Council will be non-compliant with the requirements contained in both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

## **9. Integrated Impact Assessment (incorporating Equalities)**

9.1 The proposals in this report do not require to be assessed through an Integrated 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 as defined by the Environmental Assessment (Scotland) Act 2005.

## **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. Link to Shaping Our Future Council** Yes No

13.1 Not applicable.

## **14. Results of Consultation**

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

14.2 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 Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet 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 2026/27 treasury and investment planning and management process	1 April 2026	Chief Financial Officer

**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**

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**Date:26 February 2026**

# Treasury Management and Investment Strategy 2026/27

March 2026



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# Introduction

## **The 2021 revised CIPFA (Chartered Institute of Public Finance and Accountancy) Treasury Management Code and Prudential Code**

CIPFA published the revised Codes in December 2021. Every Authority has to have regard to these Codes of Practice when it prepares its Treasury Management Strategy Statement and Annual Investment Strategy, and related reports during the financial year, which are taken to Full Council for approval.

**The 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 Treasury Management Code requires the following: -**

1. **A 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. A **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 undertaken 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, (like 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 now 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 2026/27 will need to consider the under-noted:

1. CIPFA (Chartered Institute of Public Finance and Accountancy) Treasury Management Codes of Practice and Guidance notes 2025/26;
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 and CIPFA bulletin 22;
5. Finance Circular 7/2024, 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 2026/27 is set out in the following Sections 1 to 4 plus Annex A and B.**

## Treasury Management and Investment Strategy 2026/27

### Section 1 - Capital Plans and Prudential Indicators 2024/25 to 2028/29

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>2024/25 Actual £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
General Services	39,475	37,173	97,302	82,016	46,938
HRA	48,369	25,051	65,627	36,544	24,644
<b>Total</b>	<b>87,844</b>	<b>62,224</b>	<b>162,929</b>	<b>118,560</b>	<b>71,582</b>
<b>Financed by:</b>					
Government Grant/Other	(21,280)	(13,717)	(14,682)	(9,200)	(9,000)
Capital Receipts/Other	(11,161)	(18,791)	(20,217)	(50,805)	(27,106)
<b>Net financing need for the year – (Borrowing)</b>	<b>55,403</b>	<b>29,716</b>	<b>128,030</b>	<b>58,555</b>	<b>35,476</b>

The table above takes in to account the 2024/25 actual and 2025/26 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.

This template has now been altered to deal with bringing Right of Use leased assets onto the balance sheet to comply with the requirement for closing of the accounts from 2024/25 onwards.

## 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 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, finance leases and Right of Use (ROU) assets). Whilst these schemes increase the CFR and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council does not require to borrow separately for these schemes.

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

<b>Capital Financing Requirement</b>	<b>2024/25 Actual £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
General Services	488,913	502,933	563,778	590,495	594,366
HRA	134,528	151,150	203,677	219,712	234,939
<b>CFR</b>	<b>623,441</b>	<b>654,083</b>	<b>767,454</b>	<b>810,207</b>	<b>829,305</b>
Other Long-Term Liabilities	(126,609)	(136,042)	(130,215)	(124,469)	(119,389)
<b>Underlying Borrowing Need</b>	<b>496,832</b>	<b>518,041</b>	<b>637,239</b>	<b>685,738</b>	<b>709,916</b>
<b>Movement in underlying borrowing need</b>	<b>50,450</b>	<b>21,209</b>	<b>119,198</b>	<b>48,499</b>	<b>24,178</b>
<b>Movement in underlying borrowing need represented by</b>					
Net financing need for the year	57,954	29,716	128,030	58,555	35,476
PPP Adjustment	1,336	1,263	1,124	1,042	590
Less scheduled debt amortisation	(8,840)	(9,770)	(9,956)	(11,098)	(11,888)
<b>Movement in underlying borrowing need.</b>	<b>50,450</b>	<b>21,209</b>	<b>119,198</b>	<b>48,499</b>	<b>24,178</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.

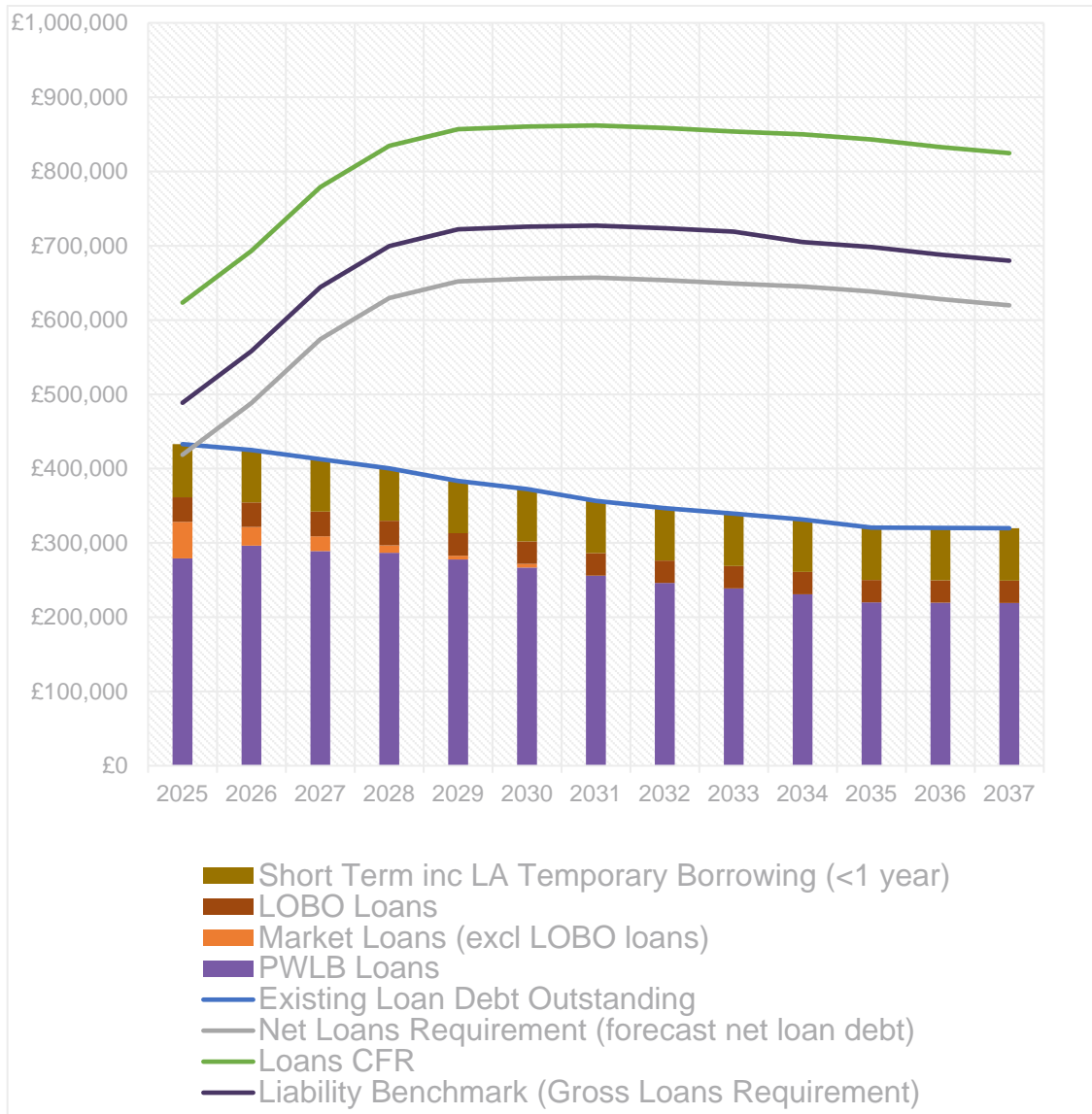
### 1.3 **Liability Benchmark**

The Authority is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

*CIPFA notes in 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 coming years, as highlighted by the purple line, 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>2024/25 Actual %</b>	<b>2025/26 Projected %</b>	<b>2026/27 Estimate %</b>	<b>2027/28 Estimate %</b>	<b>2028/29 Estimate %</b>
<b>General Services</b>	6.47	6.71	7.09	7.59	7.43
<b>HRA</b>	20.44	28.18	31.87	35.23	37.70
<b>Total Net Revenue Stream to Total Financing Costs</b>	6.72	7.51	7.97	8.51	8.04

#### 1.4.2 HRA Debt Ratios

<b>£'000</b>	<b>2024/25 Actual £'000</b>	<b>2025/26 Projected £'000</b>	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
<b>HRA debt</b>	134,528	151,150	203,669	219,705	234,931
<b>HRA revenues</b>	37,177	38,909	41,424	42,909	44,538
<b>Ratio of debt to revenues</b>	3.62	3.88	4.92	5.12	5.27

<b>£'000</b>	<b>2024/25 Actual £'000</b>	<b>2025/26 Projected £'000</b>	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
<b>HRA debt</b>	134,528	151,150	203,669	219,705	234,931
<b>Number of HRA dwellings</b>	8,313	8,491	8,552	8,587	8,657
<b>Debt per dwelling</b>	£16,183	£17,801	£23,815	£25,585	£27,137

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 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 2025, 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>2024/25 Actual £'000</b>	<b>2025/26 Projected £'000</b>	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
<b>Opening Debt on 1 April</b>	<b>387,660</b>	<b>432,935</b>	<b>460,339</b>	<b>578,943</b>	<b>626,647</b>
Long Term Debt Maturities	(85,225)	(153,096)	(12,396)	(17,296)	(23,896)
New External Debt	130,500	180,500	131,000	65,000	50,000
<b>External Debt</b>	<b>432,935</b>	<b>460,339</b>	<b>578,943</b>	<b>626,647</b>	<b>652,751</b>
Other long-term liabilities (PPP + Finance Leases)	126,608	136,042	130,215	124,469	119,389
<b>Actual Debt on 31 March</b>	<b>559,543</b>	<b>596,381</b>	<b>709,158</b>	<b>751,116</b>	<b>772,140</b>
The Capital Financing Requirement	623,441	654,083	767,454	810,207	829,305
<b>Under / (Over) Borrowing</b>	<b>63,898</b>	<b>57,702</b>	<b>58,296</b>	<b>59,091</b>	<b>57,165</b>
External Debt	432,935	460,339	578,943	626,647	652,751
Cash Investments	(14,065)	(17,185)	(25,000)	(25,000)	(25,000)
<b>Net External Debt</b>	<b>418,870</b>	<b>443,154</b>	<b>553,943</b>	<b>601,647</b>	<b>627,751</b>

Within the prudential indicators, there are several 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

2025 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 Chief Financial Officer 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>2025/26 £'000</i></b>	<b><i>2026/27 £'000</i></b>	<b><i>2027/28 £'000</i></b>	<b><i>2028/29 £'000</i></b>
Debt	495,000	615,000	665,000	690,000
Other long-term liabilities	175,000	175,000	165,000	160,000
<b>Total</b>	<b>670,000</b>	<b>790,000</b>	<b>830,000</b>	<b>850,000</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.

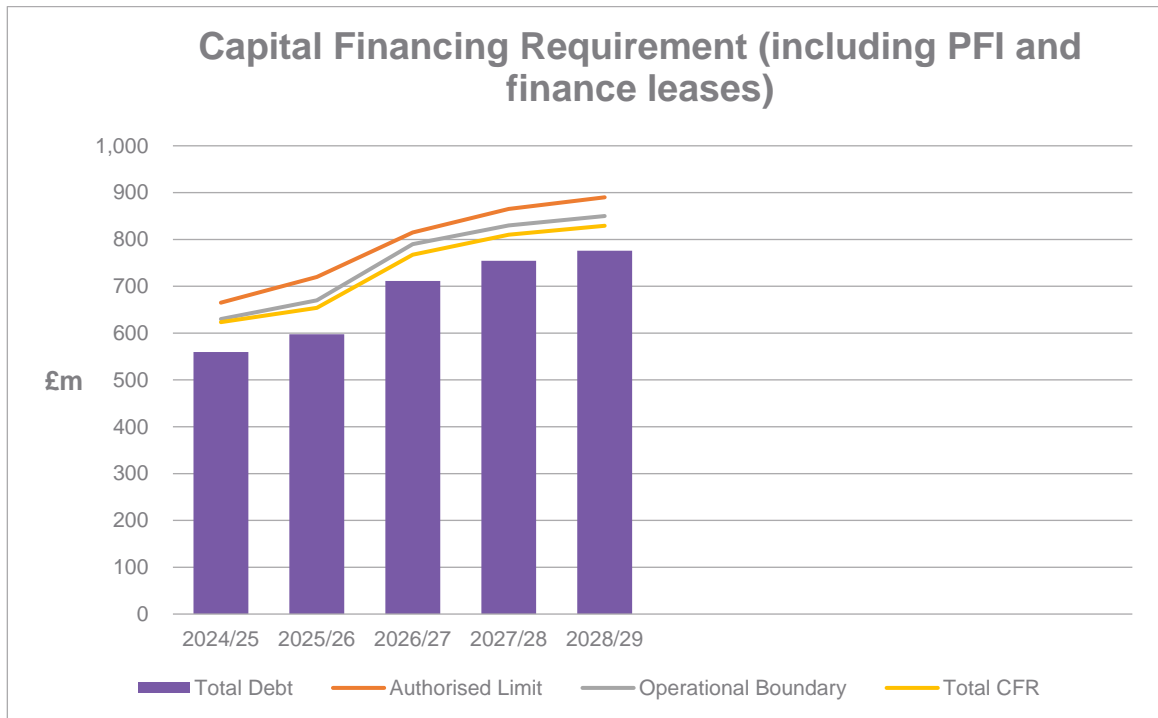
<b><i>Authorised limit</i></b>	<b><i>2025/26 £'000</i></b>	<b><i>2026/27 £'000</i></b>	<b><i>2027/28 £'000</i></b>	<b><i>2028/29 £'000</i></b>
Debt	535,000	635,000	690,000	720,000
Other long-term liabilities	185,000	180,000	175,000	170,000
<b>Total</b>	<b>720,000</b>	<b>815,000</b>	<b>865,000</b>	<b>890,000</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 (to December 2025)

- The first half of 2025/26 saw:
  - A 0.3% pick up in Gross Domestic Product (GDP) for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September.
  - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September.
  - Consumer Price Index (CPI) inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%.
  - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August (and subsequently to 3.75% in December).
  - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).
- From a GDP perspective, the financial year got off to a rough start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q (subsequently revised down to 0.2% q/q). Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern. GDP growth for 2025 - 2028

is currently forecast by the Office for Budget Responsibility to be in the region of 1.5%.

- Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK increased to 52.2 in October. The manufacturing PMI output balance improved to just below 50 but it is the services sector (52.2) that continues to drive the economy forward. Nonetheless, the PMIs suggest tepid growth is the best that can be expected in the second half of 2025 and the start of 2026. Indeed, on 13 November we heard that GDP for July to September was only 0.1% q/q.
- Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. On a monthly basis, retail sales volumes rose 0.5%, defying forecasts of a 0.2% fall, following an upwardly revised 0.6% gain in August. Household spending remains surprisingly resilient, but headwinds are gathering.
- Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.

Following the 26 November Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.

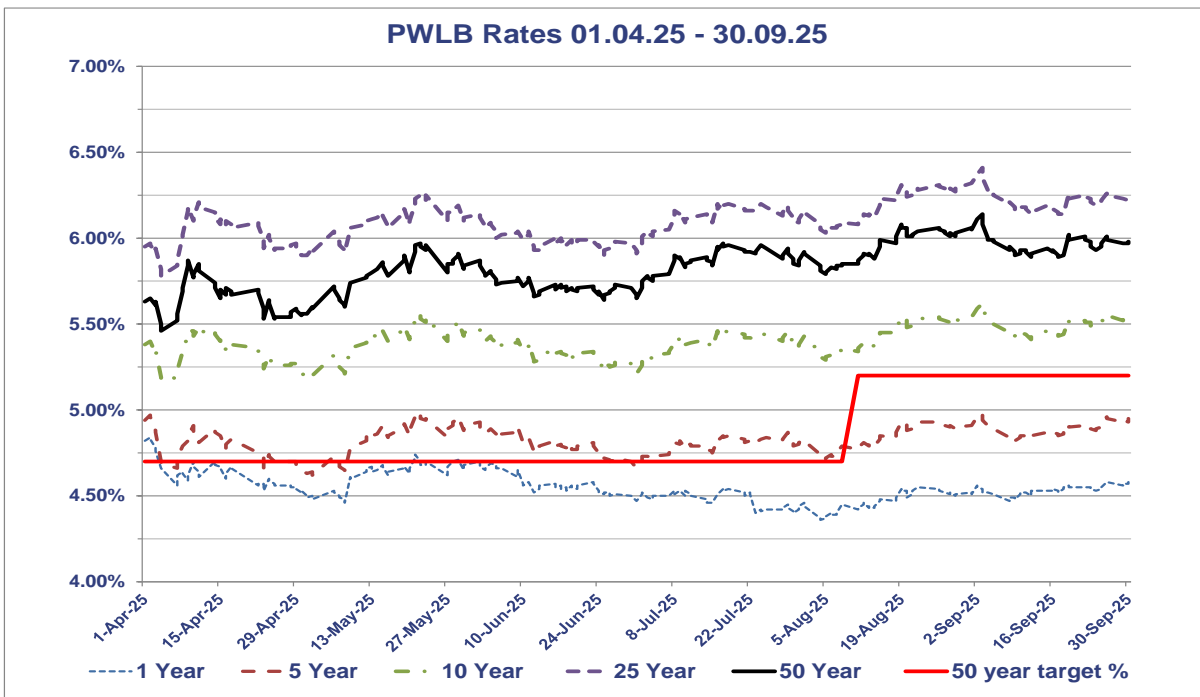
- Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.
- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nearly all the months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October 2024 Budget. The number of job vacancies in the three months to November 2025 stood at 729,000 (the peak was 1.3 million in spring 2022). All this suggests the labour market continues to loosen, albeit at a slow pace.

- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.6% in September (still at that level in November). The rate for the private sector has slipped just below 4% as the year end approaches.
- CPI inflation remained at 3.8% in September but dropped to 3.2% by November. Core inflation also fell to 3.2% by November while services inflation fell to 4.4%. Nonetheless, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the “Liberation Day” tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended June at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves’ future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK’s fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although by late December had fallen back again to a little over 4.50%.
- The FTSE 100 fell sharply following the “Liberation Day” tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed September at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors’ global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings. In early November, the FTSE100 climbed to a record high just above 9,900. By late December, the index had clung on to most of those gains standing at 9,870 on 23 December.

- **MPC meetings: May to December**

- There were six Monetary Policy Committee (MPC) meetings held between April and December. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC was wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- With wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction). Moreover, the Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggested the Bank still thought interest rates will fall further.
- At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

**PWLB RATES 01.04.25 - 30.09.25**



**2.4 Prospects for Interest Rates**

The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 22 December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
<b>BANK RATE</b>	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
<b>3 month ave earnings</b>	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
<b>6 month ave earnings</b>	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
<b>12 month ave earnings</b>	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
<b>5 yr PWLB</b>	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
<b>10 yr PWLB</b>	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
<b>25 yr PWLB</b>	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
<b>50 yr PWLB</b>	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

- Additional notes by MUFG Corporate Markets on this forecast table: -
- The last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households’ income, has provided an opportunity for the Bank of England’s Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.
- Surprisingly, to most market commentators, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most “dissenters” from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.

- Given the very small majority for a rate cut it was not unexpected to hear that although rates would continue a “gradual downward path”, suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be “a closer call”, and Governor Bailey observed there is “limited space as Bank Rate approaches a neutral level”.
- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.
- As in August, nonetheless, threats to that central scenario abound. Wage increases could remain fairly high. There are several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, there be a better forecast on whether or not the Starmer/Reeves team is going to see out the current Parliament or whether they face a Leadership challenge from within their own party. If so, it remains to be seen how gilt markets will react to these variables and will there be additional geo-political factors to also factor in, particularly the Fed’s monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- Accordingly, MUFG’s updated central forecast is made with several hefty caveats. They believe that the forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and they have marginally brought forward the timing of the next rate cut(s). But for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a “given”, and additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.
- Their revised PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. There will be a further extension to this discounted rate announced in January 2026.
- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

### Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of MUFG’s forecasts, but the risks to the forecasts are generally to the upsides. The target borrowing rates are set **two years forward** (as they expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB borrowing	Current borrowing rates as at 22.12.25 %	Target borrowing rate now (end of Q4 2027) %	Target borrowing rate previous (end of Q4 2027) %
5 years	4.81	4.10	4.20
10 years	5.39	4.70	4.70
25 years	6.01	5.30	5.30
50 years	5.78	5.10	5.10

**Borrowing advice:** MUFG's long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Their suggested **budgeted earnings rates for investments** up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now %	Previously %
2025/26 (residual)	3.80	3.90
2026/27	3.40	3.60
2027/28	3.30	3.30
2028/29	3.30	3.50
2029/30	3.50	3.50
Years 6-10	3.50	3.50
Years 10+	3.50	3.50

MUFG will continue to monitor economic and market developments as they unfold. Typically, they formally review their forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider the position on an ad-hoc basis as required.

MUFG 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. They continue to monitor events and will update the 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 2025/26 of £56.441m, (around 10.92% 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 10.92% of the borrowing requirement it removes an element of interest rate risk.

During **2026/27** it is estimated that the Council and HRA will have additional borrowing requirements of **£193,742m**.

The strategy is to fund most of this requirement from long term external borrowing of **£131m** whilst reducing the under-borrowed position to around 8.81% of the borrowing requirement. Although a reduction 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 2026/27.

The treasury team are monitoring longer term interest rate forecasts on a regular basis 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 2026/27 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 2026/27 treasury operations. The Chief Financial Officer 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>
2025/26	9,732	19,984	29,716
2026/27	71,979	56,051	128,030
2027/28	38,492	20,063	58,555
2028/29	15,781	19,695	35,476
2029/30	4,488	26,638	31,126
<b>Total 5 Yr Borrowing</b>	<b>140,472</b>	<b>142,431</b>	<b>282,903</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 2026/27 and 2027/28:

- 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.

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%	27%
1 – 2 years	0.00%	25%
2 – 5 years	0.00%	50%
5 – 10 years	0.00%	75%
10 years and above	0.00%	88%

## 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.

2.6.1 The Authority 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 Authority 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 authorities so long as a prudent provision is made each year. The Authority is recommended to approve the following policy on the repayment of loans fund advances: -

For loans fund advances made before 1 April 2016, the policy will be to maintain the practice of previous years and apply the **Statutory Method**, with all loans fund advances being repaid in equal instalments of principal/ by the annuity method.

For loans fund advances made after 1 April 2016, the policy for the repayment of loans advances will be the: -

**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.

The annuity rate applied to the loans fund repayments is based on historic interest rates and is currently 5%.

### Loans Fund Advances to General Fund

Loans Fund	Actual 2024/25 £'000	Est 2025/26 £'000	Est 2026/27 £'000	Est 2027/28 £'000	Est 2028/29 £'000
Opening Balance	314,765	330,848	334,172	399,720	431,141
Add advances	22,480	9,732	71,979	38,492	15,781
Less repayments	(6,397)	(6,408)	(6,431)	(7,071)	(7,419)
Closing Balance	<b>330,848</b>	<b>334,172</b>	<b>399,720</b>	<b>431,141</b>	<b>439,503</b>

### Loans Fund Advances to HRA

Loans Fund	Actual 2024/25 £'000	Est 2025/26 £'000	Est 2026/27 £'000	Est 2027/28 £'000	Est 2028/29 £'000
Opening Balance	103,326	134,092	150,714	203,240	219,276
Add advances	33,209	19,984	56,051	20,063	19,695
Less repayments	(2,443)	(3,362)	(3,524)	(4,027)	(4,469)
Closing Balance	<b>134,092</b>	<b>150,714</b>	<b>203,240</b>	<b>219,276</b>	<b>234,502</b>

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

The Council will not borrow more than, or in advance of its needs, purely 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 significant 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 as PWLB standard interest rate less 20 basis points for non-HRA borrowing. Borrowing using the HRA concessionary rate is available at PWLB standard interest rate less 60 basis points and is for HRA, intended primarily for new housing delivery.

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 – where this is 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 (still a viable alternative depending on market circumstances prevailing at the time).

Our advisors MUFG 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**

The list below details the available sources of both long and short term Borrowing borrowing. The sources that South Ayrshire can undertake are noted by Y.

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	Y	Y
Municipal Bond Agency	Y	Y
Local Authorities	Y	Y
Banks	Y	Y
Pension Funds	Y	Y
Insurance Companies	Y	Y
UK (United Kingdom) Infrastructure Bank	Y	Y
Market (long-term)	Y	Y
Market (temporary)	Y	Y
Market (LOBO's)	Y	Y
Stock Issues	Y	Y
Local Temporary	Y	Y
Local Bonds	Y	Y
Local Authority Bills	Y	Y
Overdraft	Y	Y
Negotiable Bonds	N	N
Internal (capital receipts & revenue balances)	Y	Y
Commercial Paper	Y	N
Medium Term Notes	Y	N
Finance Leases	Y	Y

## 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 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 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 more than 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 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 MUFG. 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 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 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 [0B] 1 year (UK (United Kingdom) 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 clearly 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 MUFG 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 complete 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 MUFG 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 daily via its Passport website, provided exclusively to it by MUFG. 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. MUFG monitor CDS prices as part of their creditworthiness service to local authorities and South Ayrshire has access to this information via its MUFG-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 and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the MUFG credit worthiness service.

Based on lowest available rating

#### AAA

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

#### AA+

- Canada
- Finland
- U.S.A.

#### AA

- Abu Dhabi (UAE)
- Qatar

#### AA-

- Belgium
- France
- 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 rates can be expected to fall throughout 2026, but only if the CPI measure of inflation maintains a downwards trend towards the Bank of England's 2% target. Rates may be cut quicker than expected if the economy stagnates.

Accordingly, while most cash balances are required 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.

#### **Investment Returns Expectations -**

The current forecast shown in paragraph 2.4, includes a forecast for Bank Rate to fall to a low of 3.25% in 2026.

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>	
2025/26 (residual)	3.80%
2026/27	3.40%
2027/26	3.30%
2028/29	3.30%
2029/30	3.50%
Years 6 to 10	3.50%
Years 10+	3.50%

As there are so many variables now, 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 regarding 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 (about 12 months)</b>			
	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Principal sums invested > 365 days (about 12 months)	£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 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 always met. 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.
2. Approval of mid-year and annual report

#### **Cabinet**

1. budget consideration and approval
2. approval of the division of responsibilities
3. approving the selection of external service providers and agreeing terms of appointment.

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

1. Reviewing the treasury management policy and procedures and making recommendations to the responsible body; and
2. Scrutiny of the quarterly performance indicators

### **4.2 *Role of the Section 95 Officer – Chief Financial Officer***

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 MUFG Corporate Markets Treasury Limited 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 Accountant. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Senior Accountant.

## Permitted Investments

The Council approves the following forms of investment instrument for use as permitted investments as set out in **Table 1-6** (page 38 to 40).

### 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 because 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 instant access to cash can be obtained from each form of investment instrument. However, it must 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 want exposure to market risk, e.g., those investing in investment instruments to obtain 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 instruments 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 investment until it has ensured it has all necessary powers and 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 the lowest risk investment form available to local authorities as it is operated by the Debt Management Office, 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 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 investment 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 investment 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 no longer available. In view of this area's fluidity, this is a generic title for all structured deposits to provide Councils 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 no longer available. In view of this area's fluidity, this is a generic title for all structured deposits to provide Councils 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).** 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 (about 2 months), 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, 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 like 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 (about 12 months) or even longer. Their primary objective is yield and capital preservation is second. They therefore have 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 (United Kingdom). 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 exposure to movements in the market prices of assets held.

5. **Bond funds.** These can be invested 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 are 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 (about 1 and a half years) 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 between purchase and sale may also adversely impact 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 like 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 like 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 are called a yield – i.e., is the interest paid by the issuer divided by the price you paid to purchase the security. These are like the previous category but corporate organisations 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 they can be sold ahead of maturity and purchased after being 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 like CDs but is issued by commercial organisations or other entities. Maturity periods are up to 365 days (about 12 months) but commonly 90 days (about 3 months).
3. **Corporate bonds.** These are (long term) bonds (usually bearing a fixed interest rate) issued by a financial institution, company, or other non-government issuer 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 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><i>Liquidity risk</i></b>	<b><i>Market risk</i></b>	<b><i>Max % of total investment</i></b>	<b><i>Max. maturity</i></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</p>	<p>Funds will only be used where the MMFs have 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>
	risk. These will primarily be used as liquidity instruments.			
<ul style="list-style-type: none"> <li>Ultra-short, dated bond funds (<b>low risk</b>)</li> </ul>	Pooled cash investment vehicle which provides very low counterparty, liquidity, and market risk. These will primarily be used as liquidity instruments.	Funds will only be used where the MMFs have an 'AAA' rated status from Fitch, Moody's or Standard and Poor's.	£10m	£10m
<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 of 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 restrict 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 daily investment dealing with these criteria will be further strengthened by additional market intelligence.</p>	See credit policy	See credit policy
<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 these types of investments, liquidity is low and term deposits can only be broken with the</p>	The counterparty selection criteria approved above restrict 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.	See credit policy	See credit policy

<i>Type of Investment</i>	<i>Treasury Risks</i>	<i>Mitigating Controls</i>	<i>Council Limits</i>	<i>Common Good Limits</i>
	agreement of the counterparty, and penalties may apply.	On daily investment dealing with these criteria will be further strengthened by additional market intelligence.		
<ul style="list-style-type: none"> <li>Government Gilts and Treasury Bills (<b>Very low risk</b>)</li> </ul>	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).	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.	See credit policy	See credit policy
<ul style="list-style-type: none"> <li>Certificates of deposits with financial institutions (<b>Low risk</b>)</li> </ul>	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 a risk in the 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.	The counterparty selection criteria approved above restrict 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 daily investment dealing with these criteria will be further strengthened by additional market intelligence.	See credit policy	See credit policy
<ul style="list-style-type: none"> <li>Structured deposit facilities with banks and building societies (escalating rates, de-escalating rates etc.)</li> </ul>	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 of value with these types	The counterparty selection criteria approved above restrict lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's.	See credit policy	See credit policy

<i>Type of Investment</i>	<i>Treasury Risks</i>	<i>Mitigating Controls</i>	<i>Council Limits</i>	<i>Common Good Limits</i>
<b>(Low to medium risk depending on period and credit rating)</b>	of investments, liquidity is very low, and investments can only be broken with the agreement of the counterparty (penalties may apply).	The selection defaults to the lowest available credit rating to provide additional risk control measures. On daily investment dealing with these criteria will be further strengthened by additional market intelligence.		
<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 of the 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 restrict 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 using 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	Term – 20 years - unlimited

<b>Type of Investment</b>	<b>Credit Criteria</b>	<b>Liquidity Risk</b>	<b>Market Risk</b>	<b>Mitigating Controls</b>	<b>Council Limits</b>
				case-by-case basis and be supported by the rationale behind the investment and likelihood of any loss.	
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 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
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 the 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 MUFG Corporate Markets Treasury Limited, 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 Chief Financial Officer, and if required new counterparties which meet the criteria will be added to the list.

**South Ayrshire Council**

**Report by Depute Chief Executive and Director  
of Housing, Operations and Development  
to Council of 26th March 2026**

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**Subject: Maybole Regeneration Programme II**

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**1. Purpose**

1.1 The purpose of this report is to recommend the initial phase of a new regeneration programme for Maybole. The programme aims to build on the work undertaken through the existing Maybole Regeneration Scheme, nearing completion.

**2. Recommendation**

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

**2.1.1 agrees officers prepare a new Maybole Shopfront Grant Improvement Scheme for the area set out in Appendix 1 with a budget allocation of £250,000 from the Maybole Regeneration Budget;**

**2.1.2 notes the finalised Maybole Shopfront Grant Improvement Scheme will be presented to Council for approval in September 2026;**

**2.1.3 approves building improvements to three Council owned properties on School Vennel (No.6-8, No.14 and No.16) in accordance with the detail set out in Appendix 1 and a budget allocation of £125,000 from the Maybole Regeneration Budget; and**

**2.1.4 agrees officers undertake consultation with the local community on the proposed improvement of the public realm at Greenside (as outlined in Appendix 1) to make greater use of the spaces and places for events and recreational activities.**

**2.1.5 agrees officers procure a design team to produce a feasibility study with a budget allocation of £600,000. for the public realm after consideration of the results of the consultation.**

**2.1.6 notes there is an unallocated balance in the Maybole Regeneration Budget of £875,000 and requests officers to engage with Ward members regarding proposals to utilise this balance.**

**2.1.7 notes a report will be brought to Council in September 2026 summarising officers' recommendations for the development of the public realm at Greenside and with recommendations for the use of unallocated balance.**

### 3. Background

- 3.1 The 2026-27 to 2037-38 Capital investment programme approved by Council in February 2026 includes capital investment of £1.850m for Maybole Regeneration.
- 3.2 The Maybole Regeneration budget allocation is a 'place marker' as none of the projects have been previously approved and recommended by the Council's Capital Asset Management Group (CAMG) as required by the Council's Financial Regulation. This means that budget has been allocated (enabling feasibility spend to be undertaken), but no project has been this far approved. These projects have now been approved by CAMG on the basis of the recommendations set out in section 2.
- 3.3 Meetings have been held with Maybole, North Carrick and Coylton ward councillors to identify priorities and potential projects to be considered within the Maybole Restoration allocation of funds. A number of broad themes and individual projects came out of discussion, with the primary aim being to encourage town centre footfall and make Maybole a destination for people to visit, linger and spend, for locals to be proud of and to encourage businesses to invest. Members were of the view that the available funding should be spent as a self-contained budget to deliver a limited number of projects in the next two years.
- 3.4 The Maybole Regeneration budget involves discretionary capital spend. In such instances it is important the evolution and approval of projects follow the Council's Protocol for Capital Justification to ensure that Best Value is being secured. This involves an options appraisal being undertaken into potential projects. Working with ward councillors a longlist of projects has been narrowed down for recommendation in the Options Appraisal set out Appendix 3. Estimated spend over £500,000 also requires a separate Best Value assessment.

### 4. Proposal

- 4.1 Following the outcome of options appraisal and Best Value assessment (set out in Appendix 4) recommended regeneration projects will aim to build on the Maybole Regeneration Scheme, nearing its conclusion, to continue to improve the area for use by residents and visitors.
- 4.2 Detail development of each project is required, but indicative project scopes are set out below:
- 4.2.1 ***Maybole Shopfront Improvement Scheme*** – The Scheme endeavors to build on the recently completed improvements, with a 'lighter-touch' approach, encouraging shopowners and tenants to improve the appearance of appearance of their building frontages via grants for e.g. redecoration and new signage. Eligible properties would be located within a targeted area of the High Street. Detailed proposals regarding the method of grant distribution and project delivery will be worked up in more detail following initial consultation with local businesses to ensure that capital is being utilised to ensure Best Value. These details, with a budget of £250,000, will be brought back to Council in September 2026 for approval.

4.2.2 **School Vennel** – targeted upgrades to be undertaken to three Council-owned properties (no.6-8, No.14 and No.16) by SAC Asset Management / Property Maintenance to improve their safety and appearance, increasing the likelihood of continuation of their long-term leases, potentially encouraging nearby owners to similarly improve their properties and encouraging new tenants / businesses to the area. The detail of these proposals, with a budget of £125,000, are set out in Appendix 2.

4.2.3 **Greenside** – Greenside has historically served as a well-used open space and has remained largely unchanged in recent decades. A key community resource, A map of the site is set out in Appendix 1. Greenside currently hosts; Christmas tree and market, Remembrance events, Main Community Noticeboard, benches, flagpole etc. These proposals continue investment to improve the public realm and use of the Greenside, offering improved potential for local visitor active use (health and well being) and visitors to the area (tourism and economic development). Greenside is located in the town centre, forming a key thoroughfare between the high street and the train station - improvements could contribute to town centre vitality and the quality of public realm asset. Initially, it is proposed that community engagement is undertaken to understand the ambitions of the local residents. Further the site comprises vehicular roads, pedestrian footpaths and hard/soft landscaping etc and the implication of change needs to be more fully developed. Commencement of this project, involving public engagement and procurement of a design team to produce a feasibility study is recommended with the outcome and recommendations on the detail of these proposals, with a budget of £600,000, being brought back to Council in September 2026. Recommendations will be informed by an Integrated Impact Assessment into the proposals being undertaken.

4.3 Subject to agreement of the proposed allocations outlined in 4.2.1 to 4.2.3, a balance of £875,000 remains unallocated. It is proposed that officers continue to liaise with Ward Members regarding proposals to utilise the balance of the Maybole Regeneration budget, with recommendations being brought to Council in due course.

## 5. Legal and Procurement Implications

5.1 The legal implications of the proposals in this report will be considered and contained in the report to Council in September 2026.. The greenspace at the centre of the Greenside site is owned by the Council, but the proposed site is bounded by a vehicular road and pedestrian footpath, therefore, following the feasibility study, the project team are recommending that Ayrshire Roads Alliance lead the development, or remain involved as a key stakeholder and will take steps to engage them in the delivery of the development of the Greenside Public Realm.

5.2 The recommendations are consistent with the Council's procurement requirements. Any commissioned studies or works will be procured in accordance with the Council's Contract Standing Orders and procurement regulations.

## **6. Financial Implications**

- 6.1 The proposals identified in 4.2.1. to 4.2.1 would be met from the Maybole Regeneration budget of £1.850m, leaving a remaining balance of £0.875m still to be allocated to regeneration projects.

## **7. Human Resources Implications**

- 7.1 The temporary contract for the officer currently employed to develop Maybole Regeneration Scheme and these proposals will shortly be terminating. The delivery of this project will require to be subsumed within duties of existing resources.

## **8. Risk**

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

- 8.1.1 Audit Scotland has commented upon the high number of capital projects relative to capacity to deliver resulting in slippage in the programme and the need to prioritise projects to better manage slippage. The addition of these projects to the capital programme will not assist with managing slippage.
- 8.1.2 There is a risk that the shopfront proposals may not be viable or effective, that there will be low interest from owners and that suitably qualified tenderers will be difficult to engage. The shopfronts on the High Street will continue to deteriorate.
- 8.1.3 There is a risk that tenants do not renew their existing leases in the SAC-owned properties, despite improvements being made.
- 8.1.4 There is a risk that the proposals for Greenside may not receive clear community consensus or identify clear placemaking, accessibility and safety considerations. In such an instance it may be that change is not recommended in the report brought back to Council in September 2026.

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

- 8.2.1 There is a risk that Capital projects are considered in a piecemeal manner without a framework to provide coherence and secure Best Value

## **9. Integrated Impact Assessment (incorporating Equalities)**

Our Integrated Impact Assessment (IIA) considers the following areas:

- Public Sector Equality Duty, Human Rights and Fairer Scotland Duty;
- United Nations Convention on the Rights of the Child (UNCRC);
- Sustainability, climate change and biodiversity;
- Potential impact on older people;
- Rural communities;
- Health and wellbeing;

- A trauma informed organisation; and
- The Promise.

9.1 This report provides an update on progress and seeks approval for feasibility and capital allocation decisions. An Integrated Impact Assessment is therefore not required at this stage.

## 10. Sustainable Development Implications

10.1 **Considering Strategic Environmental Assessment (SEA)** - The proposals in this report do not represent a qualifying strategy for consideration for SEA as the proposals involve minimal interference with current land uses and will not have a significant environmental effect. However, being a strategy prepared by a public authority a screening has been undertaken and this indicates that an SEA is not required. This is attached in Appendix 3.

## 11. Options Appraisal

11.1 An options appraisal has been carried out in relation to the subject matter of this report.

11.2 The assessment has focussed on merits within a regeneration context and how they contribute to the betterment of the town, economically, socially, and environmentally.

11.3 Details of the appraisal are contained in Appendix 3.

## 12. Link to Council Plan

12.1 The matters referred to in this report contribute to the Council Plan priority of Place and Economy, supporting town centre regeneration, heritage-led investment and tourism development

## 13. Link to Shaping Our Future Council Yes No x

13.1 The matters referred to in this report do not contribute to the Council's transformation priority area(s)

## 14. Results of Consultation

14.1 Consultations have taken place with Councillor Brian Connolly, Leader of the Council and Corporate and Strategic Portfolio Holder, Councillor Alec Clark Operations Portfolio Holder, Councillor Iain Campbell Provost and Councillor William Grant and the contents of this report reflect any feedback provided.

14.2 Public and Stakeholder consultation will be undertaken in the next stage of development of the Greenside proposals and the shopfront improvement scheme.

## 15. Next Steps for Decision Tracking Purposes

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


<b>Implementation</b>	<b>Due date</b>	<b>Managed by</b>
Design a finalised Maybole Shopfront Improvement Grant Scheme I	September 2026	John Bell Coordinator SPP
Implement the recommendations regarding the properties located on School Vennel	April 2026	John Bell Coordinator SPP
Undertake the consultation with the community re the public realm proposals for Greenside	June2026	John Bell Coordinator SPP
Progress report to Council summarising the finalised Maybole Shop Improvements Scheme and the final proposals for the development of the Public realm at Greenside.	September 2026	John Bell Coordinator SPP

### Appendices

1. **Maybole Regeneration**
2. **School Vennel initial costings**
3. **Options Appraisal**
4. **Best Value Assessment**

**Person to Contact**      **Chris Cox, Assistant Director – Planning and Development**  
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**Phone 01292 612981**  
**E-mail [Chris.Cox@south-ayrshire.gov.uk](mailto:Chris.Cox@south-ayrshire.gov.uk)**

**Date: 24 Feb 2026**

An aerial photograph of a residential street grid in Maybole, Scotland. The image is dark and semi-transparent, serving as a background for the text. Several streets are labeled with white text: "Welltrees St", "Ladywell Rd", "Dunlop Terrace", "John Knox St", "Society St", and "Seaton St". There are also some alphanumeric labels like "B77" and "23" scattered across the grid.

# MAYBOLE REGENERATION PROGRAMME II

24.02.2026

REPORT APPENDICES

# BACKGROUND

Maybole Regeneration Project has been under development since 2018 and has acted as the delivery mechanism for projects such as;

- Small Scheme
- Priority Grant Scheme
- Activities and Training Scheme

The project is nearing completion but there is an opportunity to build on the total investment of over £7m made in the town to date, through work undertaken by residents, the Council and External Funders (NLHF, HES, RCGF, NCCBC and owners).

## LEGEND

- 01 – Goudies
- 02 – 4 Whitehall
- 03 – 88-90 High Street
- 04 – Maybole Town Hall
- 05 – 55 High Street
- 06 – The Gatherings
- 07 – Maybole Castle

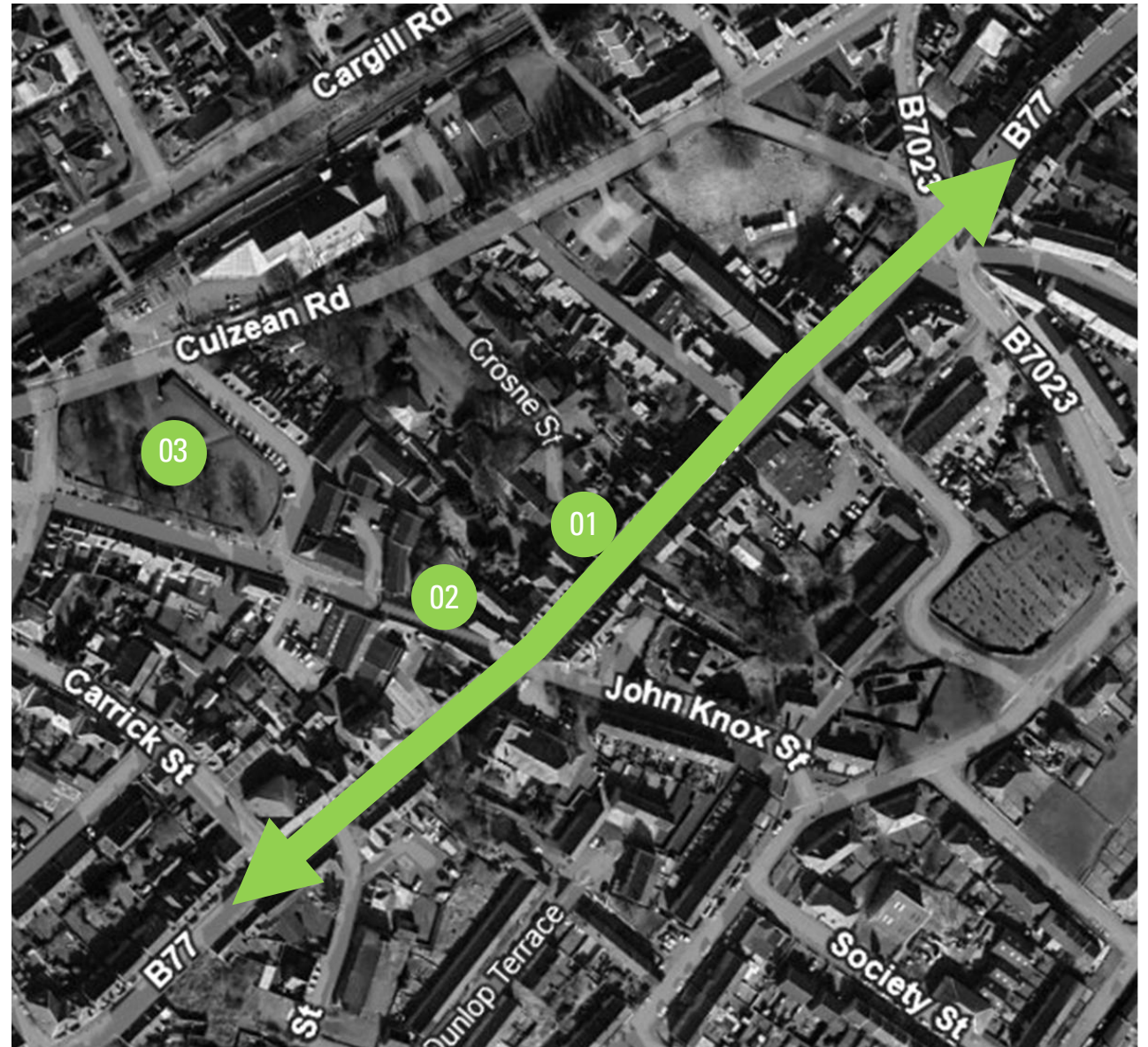


# MAYBOLE RESTORATION PROGRAMME

Interventions to build on the work undertaken through the existing Maybole Regeneration Scheme, nearing completion.

## LEGEND

- 01 – Shopfront Scheme
- 02 – School Vennel
- 03 – Greenside



# 01. SHOPFRONT SCHEME



## OUTLINE PROPOSALS

- Scope: To build on the projects currently being delivered by MRP (4 Whitehall, 55 High Street, 88-90 High Street, Goudies and The Gatherings)
- Challenges under MRP
  - Low eligibility
  - Low uptake
  - Difficulty acquiring tenders
- Proposed Costs: £250,000
- Next Steps: Compare similar projects across the country and determine method of delivery / grant distribution

# 02. SCHOOL VENNEL



## OUTLINE PROPOSALS

- Scope: Targeted upgrades to be undertaken to three Council-owned properties (No.6-8, No.14 and No.16) by SAC Asset Management / Property Maintenance to improve their safety and appearance, increasing the likelihood of continuation of their long-term leases, potentially encouraging nearby owners to similarly improve their properties and encouraging new tenants / businesses to the area.
- Each unit is currently let for a max £2500/annum
- Proposed Costs: £125,000 (see attached £60,000 outline costs provided by SAC Assets 2024, assumed 20% increase plus 15% contingency, plus additional external works) To be developed.
- Next Steps: Confirm costs and instruct works

# 03. GREENSIDE



## OUTLINE PROPOSALS

- Greenside currently hosts; Christmas tree and market, Remembrance events, Main Community Noticeboard, benches, flagpole etc
- Opportunities; develop 'arrival to Maybole' from train station
- Consultation required with community re. the best improvements that could meet their needs (reduction in traffic? More restricted parking? Cycle parking? Additional seating? More varied soft landscaping?)
- Proposed Costs: £600,000
- Next Steps: Liaise with SAC PDS/External civic/landscape design specialists to engage with the community and develop initial Stage 2 costed feasibility study for delivery by ARA.

# 03. GREENSIDE



## School Vennel Shop Units

### Property 6 to 8

	Current Condition	Recommendation	Allowance
Hot Water Heating	None	2 x Oversink Water Heaters	£400.00
	None	2 x Aircon units, 4 x Fan heaters for back areas	£6,000.00
Power Requirements	Socket Outlets - Number for area satisfactory. Some not accessible due to layout. Current Distribution Board Full	Additional required- Allowance for 6. New Distribution board to allow for additional circuits	£500.00
Lighting	Lighting in fair/poor condition. Some emergency lighting above exit doors. Unsure if working. Lighting for 2 units can only be switched from 1 point.	New light fittings throughout. Additional emergency lighting in areas as required. Additional light switch	£1,500.00
Intruder Alarm	None	New Intruder alarm system	£1,500.00
Fire Alarm	Currently Domestic smoke alarms throughout.	New commercial system	£2,000.00
Internal Others	Issue opening back door (emergency exit)	Repair/Renew door	£500.00
External	Vegetation on building at roof level. Paintwork in fair/poor condition. Fron Gutters leaking at joints	Remove vegetation. Renew gutters at front.General tidy up. Roof inspection	£4,000.00
Loft	No loft insulation	loft insulation & ridge vents	£2,000.00
		<b>Total</b>	<b>£18,400.00</b>

### Property 14


	Current Condition	Recommendation	Allowance
Hot Water Heating	Yes	None	£0.00
	None	1 x Aircon unit, 1 x Fan heaters in toilet, 1 x Panel Heater in back area	£3,000.00
Power Requirements	Socket outlets - Number for area satisfactory. Current Distribution Board Full	Distribution board to allow for additional circuits	£350.00
Lighting	Lighting in fair condition. Tenant has bought own fittings for front area. No emergency lighting.	New light fittings in back area. Consider replacing lighting in front. Install emergency lighting as appropriate.	£1,000.00
Intruder Alarm	None	New Intruder alarm system	£1,500.00
Fire Alarm	None	New commercial system	£2,000.00
Internal Others	No window security shutters	Install security shutters (conservation area so might have to be internal)	£5,000.00
External	Render coming away from corner of window openings.	Repair and paint cement surround round windows	£500.00
Loft	Unknown loft insulation	loft insulation & ridge vents	£1,500.00
		<b>Total</b>	<b>£14,850.00</b>

### Property 16

	Current Condition	Recommendation	Allowance
Hot Water Heating	Yes	None	£0.00
	None	1 x Aircon unit, 1 x Fan heaters in toilet, 1 x Panel Heater in back area	£3,000.00
Power Requirements	Socket outlets - Number for area satisfactory. Current Distribution Board Full	Distribution board to allow for additional circuits	£350.00
Lighting	Lighting in fair condition. Tenant has bought own fittings for front area. No emergency lighting.	New light fittings in back area. Install emergency lighting as appropriate.	£500.00
Intruder Alarm	None	New Intruder alarm system	£1,500.00
Fire Alarm	Domestic system	New commercial system	£2,000.00
Internal Others	Mould in toilet ceiling coming from Gutter issue at back. No extraction in main area for humidity & chemical smell from hair dye. Gaps round front door when closed.	Replace section of ceiling where mould is. Install extract fan in main area. Renew front door.	£2,000.00
External	Gutters at front leaking between 14&16. Gutter issues at back leading to mould in toilet. Roughcast coming away from building in patches. Window in toilet rotten frame	Renew Gutters front & back. Repair roughcast . Renew window/woodwork.	£5,000.00
Loft	Unknown loft insulation	loft insulation & ridge vents	£1,500.00
		<b>Total</b>	<b>£15,850.00</b>

All external paintwork carried out 6-8,14 & 16 £10,000.00

**TOTAL** £59,100.00



The Options Appraisal follows a 5 step process. Each step of the process is detailed in subsequent sheets in this spreadsheet


[Step 1: Defining the objectives](#)

[Step 2: Identifying the options](#)

[Step 3: Establishing the success criteria](#)

[Step 4: Undertaking the appraisal](#)

[Step 5: Confirming the preferred option](#)



Objectives define what we want to achieve from the project. It helps show what the intention of the project is and whether or not it is heading in the right direction: in essence, the objectives tell the story of the project.

**Objective 1** Strategic Alignment

**Objective 2** Economic Impacts

**Objective 3** Social and Community Benefits

**Objective 4** Place-based Benefits

**Objective 5** Deliverability/Feasibility

**Objective 6** Risk and Uncertainty



This section details what options have been identified for delivering the project. These options will be appraised against the success criteria.

Option 1 Shopfront Improvement Scheme

Option 2 School Vennel Properties

Option 3 Greenside

Option 4

Option #

Option #



The success criteria is what each of the options will be measured against. Success criteria must therefore be linked to the objectives of the project and appraise each option with the objectives in mind.

<b>Strategic Alignment</b>	Does it align with SAC Priorities - a place-based approach and connections between our places and the wellbeing of our communities? Also, the Scottish Government's regeneration priorities centre on creating sustainable, thriving communities by addressing area inequality, creating opportunities, and improving community well-being. Key initiatives include community-led regeneration, supporting local partnerships, and investing in town centres.
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<b>Economic Impacts</b>	Town centre locations are considered priorities, with emphasis on benefits from bringing people/footfall through complementary uses and facilities, combining visits, visibility, etc.
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<b>Viability</b>	What are the costs and financial sustainability of the project? Does it provide value for money?
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<b>Social &amp; Community Benefits</b>	How will the project improve the local community? Does it address inequality, health, climate resilience, etc.? Evidence of community support?
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<b>Risk &amp; Uncertainty</b>	Are there significant risks (political, financial, operational) that will compromise deliverability? Are there barriers to delivery? Land ownership issues, planning/roads consents/issues?
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The appraisal table is outlined below, showing the options of delivery vertically in column D and the success criteria horizontally at row 3. A score is allocated to each option in how well it can achieve the success criteria. In this case, no weighting of scores is provided

Success criteria

Options →	Shopfront Improvement Scheme	School Vennel Properties	Greenside	Option 4	Option 5	Option 6
<b>Strategic Alignment</b>	Good alignment with Council Plan priorities on Spaces & Places and Civic Pride; delivers visible place-based regeneration.	Weaker fit with wider place-based regeneration priorities.	Strong alignment with Council Plan priorities on Spaces & Places and Civic Pride; delivers visible place-based regeneration. Supports Council Plan objectives through evidence-led, community-based regeneration.			
<b>Score</b>	3	2	4			
<b>Economic Impacts</b>	Indirect economic benefit by enabling informed future investment.	Limited direct economic return relative to capital investment.	Supports tourism economy, footfall and visitor experience with early economic uplift.			
<b>Score</b>	4	1	3			
<b>Viability</b>	Unknown - Early requirement to determine grant distribution / delivery model. Opportunity to be well scoped, costed and deliverable within existing capital allocation.	Well-scoped, comparatively low costed and deliverable within existing capital budget.	Unknown - Early feasibility required. Opportunity to be well scoped, costed and deliverable within existing capital allocation.			
<b>Score</b>	2	5	3			
<b>Social &amp; Community Benefits</b>	Could improve high street experience and community pride.	Strong symbolic value based on narrative around civic importance of the building but mixed community views on prioritisation.	Could improve accessibility, public realm quality and community pride. Likely high community interest as the space is currently well used, but could potentially have strong community benefit depending on operating model			
<b>Score</b>	3	3	4			
<b>Risk &amp; Uncertainty</b>	High uncertainty and delivery risk re. potential grant application levels, amethod of procurement / delivery, availability of relevantly qualified contractors,	Relatively low financial and delivery risk.	Early feasibility to help established required outcomes and minimise risk			
<b>Score</b>	1	4	3			
<b>Total Score</b>	13	15	17	0	0	0

Score key

- 1: Little / no impact
- 2: Limited impact
- 3: Likely to achieve some impact
- 4: Confident the option will fulfill most of criteria
- 5: Option is near certain to maximise this criteria

This section describes each of the options and the reason why it has been discounted. Justification is also provided for the reason to progress with the preferred option, explaining why this option is best.

Option	Description	Reason for score/ranking
1	Greenside	Provides the best balance of impacts, delivery and strategic fit, offering viable early regeneration benefits with manageable risks. It clearly represents best value and underpins the recommended investment approach.
2	School Vennel Properties	Provides a viable, deliverable output with low risk and potential to encourage others to undertake similar investment
3	Shopfront Improvement Scheme	The option enables feasibility study to progress before further capital investment, though significant concerns or issues that could compromise viability going forward. Potentially abortive spend.
4		
5		
6		

Best Value Assessment re Maybole Restoration Projects – Greenside

<p>Vision and Leadership</p>	<p>Is the proposal consistent with the Council's vision and strategic purposes</p>	<p>Yes, it supports the Council's strategic priorities for place-based regeneration, economic development and tourism. Greenside has historically served as a well-used open space and has remained largely unchanged in recent decades. A key community resource, Greenside currently hosts; Christmas tree and market, Remembrance events, Main Community Noticeboard, benches, flagpole etc. These proposals continue investment to improve the public realm and use of the Greenside offering improved potential for local visitor active use (health and well being) and visitors to the area (tourism and economic development). Greenside is located in the town centre, forming a key thoroughfare between the high street and the train station - improvements could contribute to town centre vitality and the quality of public realm assets.</p>
	<p>Is the proposal consistent with the Council's resource allocation priorities? Will pursuing the proposal be detrimental to the achievement of higher priorities (for example through the diversion of limited funds)?</p>	<p>Unknown. The proposal is funded from the approved Maybole Restoration budget and should not be detrimental to the delivery of other corporate priorities. However, the Capital Investment Programme and is reducing significantly to meet with fiscal projections 26/27 and beyond. An evaluation of the Maybole Restoration budget against other capital budget lines has not been carried out. Given its infrastructure scope, ARA should lead the project, therefore SAC resource requirement should be minimal.</p>
	<p>Has the Council undertaken an appropriate and proportionate level of engagement with stakeholders?</p>	<p>Not yet, but if approved at CAMG, Stakeholder and community engagement for the project through consultation and workshop session should be amongst the earliest actions.</p>
	<p>Does the proposal reflect the needs of the community and relevant individuals? Is it linked in to any relevant service plans?</p>	<p>Not yet, but if approved at CAMG, early community and stakeholder engagement would be prioritised to ensure improvements are designed / developed with the community, in response to their needs and ambitions for the space in tandem</p>

		with the regeneration, planning, biodiversity and tourism objectives of the Council Plan.
	Does the proposal have clearly identified outcomes? Have these been clearly communicated to staff involved in delivery?	Yes. Outcomes include enhanced gateway locations, improved accessibility, improved visitor experience and visible regeneration impact. Relevant staff in PDS, SPP, Planning and Asset Management would be involved in the creation of the scope inception of plans, and consultation with the community.
	Are there appropriate mechanisms in place for scrutinising the outcome of the proposal, monitoring its progress and measuring its impact?	Yes. Delivery will be monitored through established capital programme reporting and Council/Cabinet decision tracking at key points through the RIBA Plan of works. Post completion evaluation will be undertaken, including assessment of visitor numbers, footfall, events, etc., to track usage of improved assets and wider place-based impacts. This will also help inform future investment decisions.
	Does the proposal achieve the best balance of cost and quality in service delivery?	The developing proposals will focus on deliverable, high-impact interventions and will be cost-checked at key milestones throughout the RIBA Plan of Works.
	Does the proposal encourage and support innovation and creativity in the way in which it will be delivered?	Yes, the project supports high-quality placemaking and coordinated public realm design / regeneration.
Governance and Accountability	Are there appropriate mechanisms in place to ensure that relevant individuals and organisations will be accountable for performance, including progress reports and monitoring?	Accountability will sit with ARA and their external design team, who will report to the SAC Director of Housing, Operations & Development and senior officers. Members have been appropriately involved, with ongoing scrutiny through Council and Cabinet reporting.
	Does the proposal have clearly identified KPIs?	Post completion evaluation will be undertaken, including assessment of visitor numbers, footfall, events, etc., to track usage of improved assets and wider place-based impacts.
	Are there appropriate arrangements in place to keep stakeholders and the public informed on progress?	Yes. SPP/ARA will work with SAC Comms to develop a Comms Plan for external and internal stakeholder engagement and reporting.

	Have relevant lessons been learned and applied from similar previous proposals?	Yes, comparable projects have been reviewed – crucially ARA resource will need to be confirmed and planned.
	Are there appropriate arrangements in place concerning the measurement and mitigation of key risks? This should include continuity plans and allowances for optimism bias	Key risks relating to cost, delivery and statutory approvals will be identified and will be managed through SPP Risk Management Strategy arrangements (e.g. including a Risk Register, managed by ARA's design team). All decisions will comply with procurement regulations. The project will be cost-checked at key RIBA stages, to ensure the developing costs reflects contributing risk factors e.g. political, economic, environmental, financial, legal, etc. and any likely budget over-runs will be reported quickly.
	Have key decisions relating to the proposal been taken transparently?	
	Have members been appropriately involved in key decisions relating to the proposal? Are there mechanisms in place which allow ongoing scrutiny and challenge to the proposal by members?	Yes. Members have been key in identifying the opportunity for improvement at the Greenside, and will be appropriately involved with ongoing scrutiny through Council and Cabinet reporting. Final decision on progression. Approval of the project still required by CAMG and Council.
	Are appropriate arrangements in place to ensure compliance with the Council's standing orders and its broader duties concerning (for example) public procurement rules, subsidy control rules, fraud prevention/whistleblowing and equalities?	Proposals have not yet been developed, but will be screened for compatibility.
Effective use of resources	Does the proposal include clear arrangements for delivery by an appropriate team that aligns with the Council's broader workforce strategy? Is the proposal an appropriate and proportionate use of Council staffing resources?	Delivery will be managed through ARA, supported by external professional services where required. Internal SAC resource requirement should be limited to scope development and engagement.
	Have the costs of the proposal been clearly identified, including whole life costs, and accounted for in Council budgeting?	Approximate costs will be clearly refined through engagement with ARA and their external design team, updated at regular cost checks, and finalised upon receipt of relevant contractor tenders.
	Does the proposal align with the Council's budget and strategic priorities?	Unknown. There are currently no strategic priorities identified through the Asset Management Plan, but the project proposes a positive capital spend 'Maybole Restoration Budget'.

	Are appropriate measures in place to monitor and report on the financial progress of the proposal and financial outturns compared with its budget?	Approximate costs will be clearly refined through engagement with ARA and their external design team, updated at regular cost checks, and finalised upon receipt of relevant contractor tenders. There will be ongoing scrutiny through Council and Cabinet reporting processes.
	Are robust financial controls in place?	The project is at its initial inception stage. There will be ongoing scrutiny through Council and Cabinet reporting processes.
	Where relevant are robust governance arrangements in place concerning the use or involvement of arm's-length external organisations (ALEOs)?	The project is at its initial inception stage - Approximate costs will be clearly refined through engagement with ARA and their external design team, updated at regular cost checks, and finalised upon receipt of relevant contractor tenders.
Partnership and collaborative working	Does the proposal make appropriate use of joint working across Council departments and where relevant with other organisations?	The proposal supports joint working across Council services and engagement with external stakeholders as required for delivery.
	Where the proposal involves other organisations are there clear divisions of roles and responsibilities and is there a clear leadership structure?	A Responsibility Matrix could be developed by SAC Senior management and ARA to ensure clarity.
Working with Communities	Have Council officers taken appropriate measures to encourage the involvement of hard-to-reach communities in the development and delivery of the proposal?	Stakeholder engagement will take place during the next phase of the project. SAC has good connections with the community in Maybole and would propose to involve the Maybole Campus, Community Council, North Carrick Community Benefit Company and other local alliances to reach out hard-to-reach networks and individuals.
Sustainable Development	Have the Council's sustainable development goals been taken into account in the development of the proposal?	The proposal supports sustainable placemaking, active travel, biodiversity, improved public realm and long-term use of council assets.
Fairness and Equality	Have equality and equity considerations been taken into account in the development and delivery of the proposal?	Equality and equity considerations have been taken into account and will continue to be through statutory planning processes.

Best Value Assessment re Maybole Restoration Projects – Shopfronts

Vision and Leadership	Is the proposal consistent with the Council's vision and strategic purposes	Yes, it supports the Council's strategic priorities for place-based regeneration, economic development and tourism, offering improved potential for local visitor active use (health and well being), increased visitor numbers to the area (tourism and economic development) and to town centre vitality.
	Is the proposal consistent with the Council's resource allocation priorities? Will pursuing the proposal be detrimental to the achievement of higher priorities (for example through the diversion of limited funds)?	Unknown. The proposal is funded from the approved Maybole Restoration budget and should not be detrimental to the delivery of other corporate priorities. However, the Capital Investment Programme and is reducing significantly to meet with fiscal projections 26/27 and beyond. An evaluation of the Maybole Restoration budget against other capital budget lines has not been carried out.
	Has the Council undertaken an appropriate and proportionate level of engagement with stakeholders?	Not yet, but if approved at CAMG, Stakeholder and community engagement for the project through consultation and workshop session should be amongst the earliest actions.
	Does the proposal reflect the needs of the community and relevant individuals? Is it linked in to any relevant service plans?	Not yet, but if approved at CAMG, early community and stakeholder engagement would be prioritised to ensure improvements are designed / developed with the community, in response to their needs, understanding and perceptions of similar grant schemes, in tandem with the regeneration, planning, and tourism objectives of the Council Plan.
	Does the proposal have clearly identified outcomes? Have these been clearly communicated to staff involved in delivery?	Yes. Outcomes include enhanced quality of shopfronts, improved visitor experience and visible regeneration impact. Relevant staff in PDS, SPP, Planning and Asset Management would be involved in the creation of the scope inception of plans, and consultation with the community.
	Are there appropriate mechanisms in place for scrutinising the outcome of the proposal,	Yes. Delivery will be monitored through established capital programme reporting and Council/Cabinet decision tracking at key points through the RIBA Plan of works. Post completion

	monitoring its progress and measuring its impact?	evaluation will be undertaken, including assessment of visitor numbers, footfall, events, etc., to track usage of improved assets and wider place-based impacts. This will also help inform future investment decisions.
	Does the proposal achieve the best balance of cost and quality in service delivery?	The developing proposals will focus on deliverable, high-impact interventions. Interest in the grant scheme, eligibility and level of grant (therefore cost/quality) is largely unpredictable at this stage.
	Does the proposal encourage and support innovation and creativity in the way in which it will be delivered?	N/A
Governance and Accountability	Are there appropriate mechanisms in place to ensure that relevant individuals and organisations will be accountable for performance, including progress reports and monitoring?	Accountability will sit with the SAC Director of Housing, Operations & Development and senior officers. Members have been appropriately involved, with ongoing scrutiny through Council and Cabinet reporting.
	Does the proposal have clearly identified KPIs?	Post completion evaluation will be undertaken, including assessment of visitor numbers, footfall, events, etc., to track usage of improved assets and wider place-based impacts.
	Are there appropriate arrangements in place to keep stakeholders and the public informed on progress?	Yes. SPP will work with SAC Comms to develop a Comms Plan for external and internal stakeholder engagement and reporting.
	Have relevant lessons been learned and applied from similar previous proposals?	A Project Evaluation is being commissioned for the current Maybole Regeneration Project Small Grant Scheme, that will clearly identify lessons learned and key points for consideration when deliberating a similar scheme.
	Are there appropriate arrangements in place concerning the measurement and mitigation of key risks? This should include continuity plans and allowances for optimism bias	Key risks relating to cost, delivery and statutory approvals will be identified and managed through SPP Risk Management Strategy arrangements (e.g. including a Risk Register). All decisions will comply with procurement regulations. The project will be cost-checked at key RIBA stages, to ensure the developing costs

		reflects contributing risk factors e.g. political, economic, environmental, financial, legal, etc. and any likely budget over-runs will be reported quickly.
	Have key decisions relating to the proposal been taken transparently?	Will be assessed via senior management at CAMG and submitted to Council.
	Have members been appropriately involved in key decisions relating to the proposal? Are there mechanisms in place which allow ongoing scrutiny and challenge to the proposal by members?	Yes. Members have been key in identifying the opportunity for improvement and will be appropriately involved with ongoing scrutiny through Council and Cabinet reporting. Final decision on progression. Approval of the project still required by CAMG and Council.
	Are appropriate arrangements in place to ensure compliance with the Council's standing orders and its broader duties concerning (for example) public procurement rules, subsidy control rules, fraud prevention/whistleblowing and equalities?	Proposals still require development and will be screened for compatibility.
Effective use of resources	Does the proposal include clear arrangements for delivery by an appropriate team that aligns with the Council's broader workforce strategy? Is the proposal an appropriate and proportionate use of Council staffing resources?	Delivery will be managed through SPP, supporting grant recipients and their professional advisors where required. Dedicated internal SAC resource requirement will be required to support Grant recipients throughout all design stages and to administer grant.
	Have the costs of the proposal been clearly identified, including whole life costs, and accounted for in Council budgeting?	The developing proposals will focus on deliverable, impactful interventions. Interest in the grant scheme, eligibility and level of grant is largely unpredictable at this stage but will be refined on receipt of grant applications and finalised upon receipt of relevant contractor tenders.
	Does the proposal align with the Council's budget and strategic priorities?	Unknown. There are currently no strategic priorities identified through the Asset Management Plan, but the project proposes a positive capital spend 'Maybole Restoration Budget'.
	Are appropriate measures in place to monitor and report on the financial progress of the	Approximate costs will be finalised upon receipt of relevant contractor tenders. There will be ongoing scrutiny through Council and Cabinet reporting processes.

	proposal and financial outturns compared with its budget?	
	Are robust financial controls in place?	The project is at its initial inception stage. There will be ongoing scrutiny through Council and Cabinet reporting processes.
	Where relevant are robust governance arrangements in place concerning the use or involvement of arm's-length external organisations (ALEOs)?	N/A
Partnership and collaborative working	Does the proposal make appropriate use of joint working across Council departments and where relevant with other organisations?	The proposal supports joint working across Council services (e.g. SPP, Planning and Finance) and engagement with external stakeholders as required for delivery.
	Where the proposal involves other organisations are there clear divisions of roles and responsibilities and is there a clear leadership structure?	N/A
Working with Communities	Have Council officers taken appropriate measures to encourage the involvement of hard-to-reach communities in the development and delivery of the proposal?	Stakeholder engagement will take place during the next phase of the project. SAC has good connections with the community in Maybole and would propose to involve the Maybole Campus, Community Council, North Carrick Community Benefit Company and other local alliances to reach out hard-to-reach networks and individuals. Absentee owners could be a key target group.
Sustainable Development	Have the Council's sustainable development goals been taken into account in the development of the proposal?	The proposal supports sustainable placemaking.
Fairness and Equality	Have equality and equity considerations been taken into account in the development and delivery of the proposal?	Equality and equity considerations will be taken into account through statutory planning processes.

Best Value Assessment re Maybole Restoration Projects – School Vennel

Vision and Leadership	Is the proposal consistent with the Council's vision and strategic purposes	Yes, it supports the Council's strategic priorities for place-based regeneration and economic development. Improvements could contribute to town centre vitality and the quality of public assets.
	Is the proposal consistent with the Council's resource allocation priorities? Will pursuing the proposal be detrimental to the achievement of higher priorities (for example through the diversion of limited funds)?	Unknown. The proposal is funded from the approved Maybole Restoration budget and should not be detrimental to the delivery of other corporate priorities. However, an evaluation of the Maybole Restoration budget against other capital budget lines has not been carried out. Works proposed are not significant, or notifiable to HSE, so SAC resource demand should be minimal.
	Has the Council undertaken an appropriate and proportionate level of engagement with stakeholders?	Works proposed are not significant, or notifiable to HSE. If approved, engagement will be required with the current tenants and a description/timescales of the proposed works should be communicated via SAC Comms to local groups.
	Does the proposal reflect the needs of the community and relevant individuals? Is it linked in to any relevant service plans?	Units are currently tenanted, and the proposed improvements would contribute to their on-going let-ability, in line with the regeneration, planning and tourism objectives of the Council Plan.
	Does the proposal have clearly identified outcomes? Have these been clearly communicated to staff involved in delivery?	Yes. Proposed scope has been developed with SAC Asset Management Team.
	Are there appropriate mechanisms in place for scrutinising the outcome of the proposal, monitoring its progress and measuring its impact?	Works proposed are not significant, or notifiable to HSE. Project Scope is clearly defined, Project Programme will be short, and completion of the project can be easily compared to the scoping document to confirm adequate delivery as agreed.
	Does the proposal achieve the best balance of cost and quality in service delivery?	Yes. Proposed scope has been developed with SAC Asset Management Team who will undertake the work directly.

	Does the proposal encourage and support innovation and creativity in the way in which it will be delivered?	N/A
Governance and Accountability	Are there appropriate mechanisms in place to ensure that relevant individuals and organisations will be accountable for performance, including progress reports and monitoring?	Works proposed are not significant, or notifiable to HSE. Project Scope is clearly defined, Project Programme will be short, and completion of the project can be easily compared to the scoping document to confirm adequate delivery as agreed.
	Does the proposal have clearly identified KPIs?	N/A
	Are there appropriate arrangements in place to keep stakeholders and the public informed on progress?	N/A
	Have relevant lessons been learned and applied from similar previous proposals?	N/A
	Are there appropriate arrangements in place concerning the measurement and mitigation of key risks? This should include continuity plans and allowances for optimism bias	Risks will be minimal, as the scope of the project is limited, but any scope creep (where additional works are required because of e.g. uncovering something on site) or likely budget over-runs will be reported quickly to Senior SAC Management and minimised where required.
	Have key decisions relating to the proposal been taken transparently?	N/A
	Have members been appropriately involved in key decisions relating to the proposal? Are there mechanisms in place which allow ongoing scrutiny and challenge to the proposal by members?	Yes. Members have been key in identifying the opportunity for improvement at these properties and will be appropriately involved with ongoing scrutiny through Council and Cabinet reporting. Final decision on progression. Approval of the project still required by CAMG and Council.
	Are appropriate arrangements in place to ensure compliance with the Council's standing orders and its broader duties concerning (for example) public procurement rules, subsidy control rules, fraud prevention/whistleblowing and equalities?	Proposals have not yet been developed, but will be screened for compatibility.

Effective use of resources	Does the proposal include clear arrangements for delivery by an appropriate team that aligns with the Council's broader workforce strategy? Is the proposal an appropriate and proportionate use of Council staffing resources?	Yes.
	Have the costs of the proposal been clearly identified, including whole life costs, and accounted for in Council budgeting?	Inflation and contingency have been combined with costs provided by SAC Asset Management in 2024. If approved, project costs will updated / refined.
	Does the proposal align with the Council's budget and strategic priorities?	Unknown. There are currently no strategic priorities identified through the Asset Management Plan, but the project proposes a positive capital spend 'Maybole Restoration Budget'.
	Are appropriate measures in place to monitor and report on the financial progress of the proposal and financial outturns compared with its budget?	Approximate costs will be clearly refined with SAC Asset Management and ongoing scrutiny through Council and Cabinet reporting processes.
	Are robust financial controls in place?	Works proposed are not significant, or notifiable to HSE. Project Scope is clearly defined, Project Programme will be short, and completion of the project can be easily compared to the scoping document to confirm adequate delivery as agreed
	Where relevant are robust governance arrangements in place concerning the use or involvement of arm's-length external organisations (ALEOs)?	N/A
Partnership and collaborative working	Does the proposal make appropriate use of joint working across Council departments and where relevant with other organisations?	The proposal supports joint working across Council services.
	Where the proposal involves other organisations are there clear divisions of roles and responsibilities and is there a clear leadership structure?	N/A

Working with Communities	Have Council officers taken appropriate measures to encourage the involvement of hard-to-reach communities in the development and delivery of the proposal?	N/A
Sustainable Development	Have the Council's sustainable development goals been taken into account in the development of the proposal?	The proposal supports sustainable placemaking and long-term use of council assets.
Fairness and Equality	Have equality and equity considerations been taken into account in the development and delivery of the proposal?	N/A

**South Ayrshire Council**

**Report by Depute Chief Executive Director of Housing,  
Operations & Development  
to Council of 26<sup>th</sup> March 2026**

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**Subject: Prestwick Regeneration – Potential Projects**

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**1. Purpose**

- 1.1 The purpose of this report is to provide an update on the development of potential regeneration projects and to identify funding priorities available for regeneration projects under the Prestwick Capital Regeneration budget.

**2. Recommendation**

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

- 2.1.1 notes the progress made in the development and assessment of potential Prestwick regeneration projects, informed by stakeholder engagement and technical appraisal;**
- 2.1.2 allocates £1,000,000 to undertake Promenade and Seafront Improvements to key “Gateway Locations”, including Links Road, Burgh Road, and Grangemuir Road locations as set out in the indicative plan attached in Appendix 1;**
- 2.1.3 agrees officers progress grant applications for funding towards potential reinstatement of the Freeman’s Hall steeple and notes a report will be presented to Members with the outcome of the grant applications and recommendations for the progress of any reinstatement;**
- 2.1.4 agrees that the budget allocation of £750,000 towards the reinstatement of the Freeman’s Hall steeple is retained until the outcome of the grant applications is confirmed.**
- 2.1.5 notes officers will work with the community to assist them with their establishment of a trust body and once established officers can consider the commissioning of a feasibility study for a proposed Lido project.**

**3. Background**

- 3.1 In April 2024, Cabinet considered heritage proposals submitted by Prestwick Civic Pride, and in December 2024 Council noted the outcome of public consultation on those proposals. As part of the approved Capital Investment Programme, £2 million was identified to support regeneration investment in Prestwick with spend on technical studies and consultancy the remaining budget is now £1.970m.

- 3.2 In December 2024, Council requested officers undertake a scoping exercise for a masterplan to regenerate Prestwick which would include a strategy for the development of the Seafront and to carry out Options Appraisal in regard to regeneration projects identified, including a workshop to be held with Ward Members and local community stakeholders to present the strategic purpose, objectives, and priorities of the emerging masterplan. This report is being brought back to Council following the conclusion of this work.
- 3.3 Of the £1.970m allocation currently in the Capital Investment Programme there is a specific allocation of £0.750m for the reinstatement of the Freeman’s Hall Steeple leaving the remaining £1.220m for other regeneration activity. Both these budget allocations are ‘place marker’ only as neither of the projects have been previously approved and recommended by the Council’s Capital Asset Management Group (CAMG) as required by the Council’s Financial Regulation. This means that budget has been allocated, but no project has been this far approved. With further detailed information, these projects have now been approved by CAMG based on the recommendations set out in section 2.1.
- 3.4 To support evidence-based decision-making and ensure alignment with community priorities, a multi-disciplinary design team led by Austin-Smith: Lord was appointed to assess regeneration options, undertake cost and feasibility work, and carry out structured stakeholder engagement.
- 3.5 A stakeholder workshop was held in October 2025, followed by written feedback submissions. The outcomes of this engagement are documented in the *Prestwick Regeneration Programme – Stakeholder Engagement Report (February 2026)* (see Appendix 2), which provides the primary evidence base for the recommendations contained within this report. An options appraisal was originally intended to be undertaken as part of the commissioned technical assessment and stakeholder engagement process. However, stakeholders were not comfortable with completing the options appraisal within the workshop and the options appraisal has been carried out subsequently based on work undertaken over the course of technical assessment and stakeholder engagement process. The preferred approach prioritises prompt delivery of Promenade Gateway Improvements, with phased feasibility work for heritage and bathing lake proposals.
- 3.6 The assessment process considered three principal project strands:
- 3.6.1 Promenade and Seafront Improvements
  - 3.6.2 Prestwick Heritage – Freeman’s Hall Steeple
  - 3.6.3 Bathing Lake / Lido Proposal

### **3.7 Promenade and Seafront Improvements**

- 3.7.1 There was strong and consistent stakeholder support for investment in the Promenade and Seafront, particularly where improvements enhance arrival points, accessibility, public realm quality, and the visitor experience.
- 3.7.2 Stakeholders identified the importance of focusing early investment on key “Gateway Locations including Links Road, Burgh Road, and Grangemuir Road, supported by a coherent design approach and future

masterplanning. Previous public consultation carried out in 2024 received strong support at 68% favouring these projects

- 3.7.3 Cost estimates prepared by the design team demonstrate that a package of Gateway Improvements can be delivered within a £1,000,000 allocation, providing visible and clear regeneration benefits.

### **3.8 Freeman's Hall Steeple**

- 3.8.1 The reinstatement of the Freeman's Hall steeple was identified by some stakeholders as a priority heritage project, reflecting its historic, architectural, and civic significance within Prestwick town centre. The building, constructed in 1844 as Prestwick's first civic building, has historically served as a focal point for public meetings, civic functions, and community activity. However, reinstatement of the Freeman's Hall was not previously favoured by 67% of the public that responded to previous public consultation in 2024.
- 3.8.2 Remarking on the historic significance of the Freeman's Hall, consultants Austin - Smith: Lord, considered that there is a good possibility that any works to reinstate the steeple could be successful through grant application to bodies such as the Heritage Lottery Fund.
- 3.8.3 Technical work undertaken to date indicates that reinstatement of the steeple, using a substantial proportion of salvaged original stone, may be feasible, subject to further intrusive investigation, structural assessment, material testing, and statutory engagement.

### **3.9 Bathing Lake / Lido Proposal**

- 3.9.1 The Bathing Lake / Lido proposal emerged during stakeholder engagement as a longer-term aspiration with strong community interest, although it was not part of the original commissioned design scope.
- 3.9.2 Stakeholders broadly supported the commissioning of a standalone feasibility study to assess technical, environmental, financial, and operational considerations before any future capital commitment is considered.
- 3.9.3 The proposal is at an early, exploratory stage and involves Prestwick Community Council. It is recognised that an external third sector organisation would require constituted to advance the project. Members of the community are working to form Prestwick Development Trust (PDT). Officers will work to assist the community on the steps required to form this legal entity Once this is complete then consideration can be given to the commissioning of a feasibility study.in the region of £50,000. Any proposed feasibility study would inform the technical, financial and governance viability of the project, including consideration of any future community asset transfer arrangements. No financial commitment to delivery or to an asset transfer is made at this stage.

## 4. Detail

- 4.1 An Options Appraisal has been carried out into the three projects set out in section 3. The outcome of the Options Appraisal has been approved by CAMG. Given the importance of the Options Appraisal to ensuring Best Value is secured from capital projects that involve discretionary spend, a copy of the Options Appraisal is included in Appendix 2. A summary of the Options Appraisal is set out in Section 11. Enhancement of the promenade receives the highest score with the Freemans Hall steeple second and support for feasibility into the Lido third.
- 4.2 All three projects represent discretionary spend with the Freemans Hall Steeple extending a property asset exceeding £200,000. In such cases the Council's Protocol for Capital Justification requires a Best Value Justification. This is set out in Appendix 3.
- 4.3 The £1.970m capital could enable progression of all 3 projects involving a significant promenade improvement and reinstatement of the steeple along with a small-scale contribution to the Lido feasibility study.
- 4.4 With regard to the promenade improvements, in addition to this project scoring the highest in the Options Appraisal, the provision of the majority of the £1.970m capital (at £1m) both aligns with the outcome of the Options Appraisal and is consistent with the views expressed through public consultation and stakeholder engagement.
- 4.5 The work undertaken since recommending to Council in December 2024, not to continue with the Freemans Hall steeple, has highlighted the historic importance of the building in the development of Prestwick. Balancing the lack of asset efficiency enhancement from the project, the lack of economic benefit and the lower public and stakeholder support for the project even with the placemaking and heritage merits of the proposal this results in a low assessment of the project benefits against Best Value criteria as set out in Appendix 3i). Together with the Options Appraisal and the Best Value assessment this project would not be recommended to Council based on full funding from the Council. However, should the project funding be offset through the securing of a minimum of 50% external match funding then this presents a much-improved positive position on Best Value, as set out in Appendix 3ii)
- 4.6 It is recommended that the Freemans Hall Steeple project be considered and approved once successful match grant funding support is secured. The cost of the steeple reinstatement works is estimated at £0.750m, however, there remains uncertainty as to the eventual cost of a steeple reinstatement in the absence of intrusive structural survey and work set out in paragraph 3.8.3. Although it is proposed that match funding of £0.375m be sought it is recommended that the existing budget provision of £0.750m be retained until both detailed costs are confirmed and match funding is secured.
- 4.7 It is recognised that stakeholder views on the use of public funding for the steeple are mixed, with most consultees raising concerns regarding prioritisation, value for money and the balance between heritage and wider place-based regeneration investment. It is recognised that some of these views may alter with the Council's financial contribution to the project being reduced due to external grant support being secured.

- 4.8 Grant applications could be progressed by the Council or potentially through the Prestwick Civic Pride Partnership or another appropriate delivery body to recognised heritage funding organisations, including Historic Environment Scotland, the National Lottery Heritage Fund, and the Architectural Heritage Fund.
- 4.9 Reinstatement of the steeple will also require listed building consent and a Building Warrant. Given the importance of first securing grant funding officers do not recommend that work progresses now to secure these consents. Later stages of grant submission will also involve more detailed cost certainty on the steeple works. It is therefore not recommended that these progress now until a first stage of grant application has been secured.
- 4.10 The proposal for a Bathing Lake / Lido emerged out of the stakeholder workshop and was not part of the scope of the original project. It is recognised that a Lido renovation could present significant health and tourism benefits. The proposal was promoted by Prestwick Community Council, who are working to establish the Prestwick Development Trust (PDT), as part of a potential future Community Asset Transfer request being submitted to the Council. As a first step community representatives are requesting that the Council contributes to the development a feasibility study. As this project would only be supported through a community-based project, grant funding will be considered once PDT are constituted as a suitable legal entity.

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

- 5.1 The Prestwick Promenade, Seafront and Freemans Hall are Common Good Assets. While it is not considered that the planned scope of works will not entail disposing, appropriating or changing the use of those Common Good assets, Legal Services will be involved in reviewing the planned works to ensure that the Council's statutory obligations in relation to public consultation and seeking consent, where required, are fulfilled. Reinstatement of the steeple will also require listed building consent and Building Warrant
- 5.2 The recommendations are consistent with the Council's procurement requirements. Any commissioned studies or works will be procured in accordance with the Council's Contract Standing Orders and procurement regulations.

## **6. Financial Implications**

- 6.1 The recommended allocations to the capital works for the Promenade and Seafront Improvements will be met from the approved Prestwick Capital Regeneration budget within the Council's Capital Programme.
- 6.2 Any future capital contribution by the Council towards the reinstatement of the Freeman's Hall steeple will be subject to the successful securing of a minimum of 50% external match funding and will be the subject of a further report to Members prior to any construction commitment. It is recommended that the budget allocation of £750,000 be maintained until both detailed costings are confirmed and match funding of estimated £0.375m is secured.
- 6.3 Any future contribution to the proposed feasibility study for the Bathing Lake/Lido is subject to the establishment of the Prestwick Development Trust.

- 6.4 No additional revenue commitments are created at this stage, however reinstatement of the steeple would inevitably involve maintenance revenue costs at a later stage.

## **7. Human Resources Implications**

- 7.1 There are no human resources implications arising from this report.

## **8. Risk**

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

- 8.1.1 Audit Scotland has commented upon the high number of capital projects relative to capacity to deliver resulting in slippage in the programme and the need to prioritise projects to better manage slippage. The addition of these projects to the capital programme will not assist with managing slippage. However, work has been committed to progressing these budget lines since Spring 2024 and the ongoing progression of the projects will not significantly increase capacity constraints.
- 8.1.2 New risks have been identified and assessed in line with the Council's risk management process, including risks relating to cost certainty, statutory approvals, and the availability of external funding.
- 8.1.3 The requirement for external match funding for the Freeman's Hall steeple mitigates financial risk to the Council by reducing sole reliance on local capital resources and ensuring appropriate leverage of national heritage funding. These risks will be managed through existing operational arrangements and monitored through the Directorate Risk Register.
- 8.1.4 The Bathing Lake / Lido proposal is at an early stage and involves an external third-sector organisation. Risks relating to funding, organisational capacity, governance, and deliverability are mitigated by limiting the Council's current involvement to a time-limited feasibility study only, with any future commitment subject to further Member approval and due diligence.

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

- 8.2.1 Rejecting the recommendations may delay regeneration investment in Prestwick and negatively impact the Council's ability to deliver agreed place-based regeneration outcomes.

## **9. Integrated Impact Assessment (incorporating Equalities)**

Our Integrated Impact Assessment (IIA) considers the following areas:

- Public Sector Equality Duty, Human Rights and Fairer Scotland Duty;
- United Nations Convention on the Rights of the Child (UNCRC);
- Sustainability, climate change, and biodiversity;
- Potential impact on older people;

- Rural communities;
- Health and wellbeing;
- A trauma informed organisation; and
- The Promise.

## 10. Sustainable Development Implications

10.1 This report does not seek approval for a plan, policy or programme requiring Strategic Environmental Assessment. Environmental considerations will be addressed through future project-specific assessments as required.

## 11. Options Appraisal

11.1 An options appraisal has been carried out in relation to the subject matter of this report. The following table summarises which options were considered and their ranking of preference:

<b><i>Option</i></b>	<b><i>Description</i></b>	<b><i>Ranking</i></b>
Promenade Improvements	Public realm improvements at key “Gateway Locations,” including Links Road, Burgh Road, and Grangemuir Road	1
Freeman’s Hall Steeple Reinstatement	Reinstatement of the steeple in a manner faithful to the original	2
Bathing Lake / Lido	Feasibility study to progress proposals for a Bathing Lake / Lido along the seafront	3

11.2 The assessment has focussed on merits within a regeneration context and how they contribute to the betterment of the town, economically, socially, and environmentally.

11.3 Details of the appraisal are contained in Appendix 2.

## 12. Link to Council Plan

12.1 The matters referred to in this report contribute to the Council Plan priority of Place and Economy, supporting town centre regeneration, heritage-led investment, and tourism development.

13. **Link to Shaping Our Future Council** Yes  No

13.1 The matters referred to in this report contribute to the Council’s transformation priority area(s): our assets; our delivery model and will deliver cashable/ qualitative/ quantitative benefits.

## 14. Results of Consultation

14.1 Public and stakeholder consultation has taken place through structured engagement and workshops undertaken in October–November 2025.

- 14.2 Consultation has taken place with Local Members, Prestwick Community Council, Prestwick Development Trust, and other stakeholders. The contents of this report reflect the feedback received, including areas of consensus and dissent.
- 14.3 Consultation has taken place with Councillors Connolly and Clark as relevant portfolio holders.

**15. Next Steps for Decision Tracking Purposes**

- 15.1 If the recommendations above are approved by Members, the Director - will Housing, Operations & Development 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><b>Implementation</b></i>	<i><b>Due date</b></i>	<i><b>Managed by</b></i>
Implement the recommendations regarding the Promenade and Seafront Improvements	April 2026	Chris Cox
Implement the recommendations regarding the Freeman’s Hall Steeple	April 2026	Chris Cox
Implement the recommendations regarding the Bathing Lake / Lido	April 2026	Chris Cox
Report to Council the outcome of first stage grant funding submissions.	December 2026	Chris Cox

**Appendices**

1. Prestwick Regeneration Programme, Stakeholder Engagement Report, February 2026
2. Options Appraisal
3. Best Value Assessment – Freeman’s Hall Steeple

**Background Papers    Capital Programme 2025-26**

**Joint Report to Council of 12 December 2024 - Outcome of Public Consultation - Heritage Proposals Submitted by Prestwick Civic Pride**  
[Item 12 SAC121224 Prestwick Civic Pride.pdf](#)

**Report to Cabinet of 23 April 2024 - Heritage Proposals Submitted to the Council by Prestwick Civic Pride**

**Person to Contact**      **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:**  26<sup>th</sup> March 2026

# Prestwick Regeneration Programme

**South Ayrshire Council**  
Stakeholder Engagement Report

December 2025



Austin-Smith:Lord

## Client



## Design Team

**Austin-Smith: Lord**



## Neilson Partnership

Job Number: 225006  
Document Number: 225006-Stakeholder Engagement Report-01

Suitability Code: FINAL DRAFT  
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- 4.2 Summary Conclusion

### Appendix

Workshop Presentation

# 1.0 Introduction and Scope of Services

## 1.1 Introduction

Austin- Smith:Lord were appointed to lead a multi-disciplinary design team by South Ayrshire Council, to undertake an assessment of options for the regeneration of specific areas within Prestwick Town Centre. The assessment of options will involve working with stakeholders to identify the projects to be allocated priority funding from a £2m capital budget.

The assessment will focus on proposals undertaken for:

- Prestwick Promenade Public Realm Improvements.
- Prestwick Heritage - Freeman's Hall

It is noted that a Council priority is to improve Prestwick Town area as a tourism destination to align with the Council aspirations under Destination South Ayrshire.

It is understood that £2m of Capital Funding is available to be directed towards one or both projects

## 1.2 Scope of Services

The scope of work will, in summary include:

- Assess previously prepared design proposals and studies
- Carry out site walkover and non-intrusive site inspections
- Carry out design and buildability review, provide conservation architecture and engineering commentary up to RIBA stage 1.
- Develop indicative budget costs for each part of the proposals prepared to date,
- Review community consultation outcomes to date,
- Develop a view on the financial viability of the projects,
- Consider alignment against the South Ayrshire Councils objectives and assess potential benefits and risks.
- Assess the projects in collaboration with the Stakeholder's vision.

## 2.0 Engagement & Workshop Overview

### 2.1 Engagement and Process

The assessment, and identification of priority projects, will be undertaken through consultation with project Stakeholders. The Stakeholders will be identified and agreed with South Ayrshire Council.

A stakeholder workshop was held on 22 October 2025, once the designs were progressed and costed.

### 2.2 Purpose of the Stakeholder Workshop

- Provide an update on progress undertaken
- Gather relevant information from the group
- Discuss project options
- Obtain feedback from the group
- Undertake evaluation of the options

### 2.3 Stakeholder Engagement Timeline

Invitations were issued to a list of stakeholders by email.

Date/Time	Activity/Notes
<b>22 October 2025, 1.30 – 4.00pm</b>	Stakeholders were invited to County Buildings to meet with South Ayrshire Council staff and Austin-Smith:Lord.
<b>30 October 2025</b>	The presentation was issued to all the attendees by email, for further review.
<b>30 October - 7 November 2025</b>	5 email responses were received from the stakeholders, providing views and comments on the proposals.
<b>Assessment criteria.</b>	<ul style="list-style-type: none"> <li>• Only one participant completed the scoring matrix, providing equal weighting to the Steeple proposals and the Promenade works, with a preference for rebuilding the Steeple with new stone.</li> <li>• PDT advised that if scoring according to the Assessment Form is required, then we would score FHS with “zero” and the Prom Gateway, and Core artwork and general works with ‘4’ &amp; ‘5’ for each success criteria. As stated above, the Matrix does not feature an option to restore the bathing lake to a Lido. However, if so, we would score it as far as possible with “5”, although not all criteria apply.</li> </ul>

## 3.0 Key Themes & Stakeholder Feedback

### 3.1 Key Themes and General Findings

- There was a sentiment of General Support for regeneration of Prestwick and an appreciation of the work progressed to date and the discussions around the projects.
- The overall tone of feedback was positive and supportive of the regeneration aims.
- The reinstatement of the Freeman's Hall Steeple and Promenade improvements were consistently highlighted as priority projects.
- Multiple stakeholders noted universal or near-universal support for proceeding with the Steeple restoration.

### 3.2 Freeman's Hall Steeple

- This is seen as a heritage landmark of strong local and historical significance.
- The estimated costs (£515k–£545k) were viewed as reasonable however lower than expected, suggesting that this could be interrogated further.
- There was a preference to use existing stone or a mix of old and new materials.
- Stakeholders argued that the Steeple project should proceed without any further consultation, as it already features in capital plans.
- Some suggested any remaining funds should be redirected to seafront improvements.

### 3.4 Promenade & Seafront Improvements

- There was strong general support for enhancements along the Promenade.
- However it was suggested that works should:
  1. Extend to include the adjacent areas such as the beach huts, Kidzplay site, and the Sailing Club.
  2. Be supported by a master plan and integrated design and cost framework.
  3. Most agree that remaining funds (after Steeple costs) should be used here.

### 3.3 Counterpoints to support for the Freeman's Steeple Project.

- Prestwick Community Council (PCC) and Prestwick Development Trust (PDT) raised formal objections to using public/Heritage Fund money for the Steeple project.
- They cited lack of due process due to there being no master plan, or impact assessments having been completed.
- They stated that the project offers limited community benefit and should be privately funded by local groups.
- They assigned the Steeple a score of zero on the evaluation matrix.

### 3.5 Bathing Lake / Lido Proposal

- This proposal has emerged as a new idea, promoted by PCC and PDT which was not considered within the ASL team study. This theme however generated interest by many stakeholders.
- Many respondents support a feasibility study for a future Lido project, with a suggested allocation of £50k separate from the £2M core fund.
- PCC/PDT expressed conditional support for the Lido redevelopment if formally scoped and assessed.

## 4.0 Consultation Observations & Summary Conclusion

### 4.1 Process & Consultation Observations

- Some participants stated that the Assessment of Options Form was overly complex and not well aligned with project realities. Only one participant completed the form.
- Calls for clearer evaluation criteria and better engagement tools in future workshops.
- Several suggested that a phase 2 should involve:
  1. Further design refinement and cost planning for seafront elements.
  2. A Phase 2 regeneration plan covering Broadway, the Sailing Club, the Salt Pans, and public art.

### 4.2 Summary Conclusion

#### Consensus priorities:

- Rebuild Freeman's Hall Steeple using allocated funds.
- Invest remainder in Promenade/seafront improvements.
- Pursue a separate feasibility study for the Bathing Lake/Lido.

#### Dissent:

PCC/PDT oppose the Steeple project and the use of public funds, preferring to focus on seafront and the Lido instead. They state that the previous consultation process, May 2024, rejected spending public money on the Steeple.

**Appendix**

**Workshop Presentation**

# 01.1 Workshop

- **Project Scope + Background**
- **Context**
- **Previous Engagement Exercise**
- **Promenade Proposals Summary**
- **Freeman’s Hall Proposals Summary**
- **Suggested Assessment Process** **30 mins**
  
- **Q+A on Proposals + Costs** **30 mins**
- **Discussion on Assessment Process** **30 mins**
- **Assessment Process** **30 mins**
- **Next Steps** **.....**

## Purpose of Workshop

- Provide an update on progress undertaken
- Gather relevant information from the group
- Discuss project options
- Obtain feedback from the group
- Undertake evaluation of the options

# 01.2 Project Brief

## Project Scope

Austin- Smith:Lord were appointed to lead a multi-disciplinary design team by South Ayrshire Council, to undertake an assessment of options for the regeneration of specific areas within Prestwick Town Centre. The assessment of options will involve working with stakeholders to identify the projects to be allocated priority funding from a £2m capital budget.

The assessment will focus on proposals undertaken for:

- **Prestwick Promenade Public Realm Improvements.**
- **Prestwick Heritage – Freeman’s Hall**

It is noted that a Council priority is to improve Prestwick Town area as a tourism destination to align with the Council aspirations under Destination South Ayrshire.

It is understood that £2m of Capital Funding is available to be directed towards one or both projects.

## Scope of Services

The scope of work will, in summary include:

- Assess previously prepared design proposals and studies,
- Carry out site walkover and non-intrusive site inspections
- Carry out design and buildability review, provide conservation architecture and engineering commentary up to RIBA stage 1.
- Develop indicative budget costs for each part of the proposals prepared to date,
- Review community consultation outcomes to date,
- Develop a view on the financial viability of the projects,
- Consider alignment against the South Ayrshire Councils objectives and assess potential benefits and risks.
- Assess the projects in collaboration with the Stakeholder’s vision.

## Engagement and Process

The assessment, and identification of priority projects, will be undertaken through consultation with project Stakeholders. The Stakeholders will be identified and agreed with South Ayrshire Council.

**Stage 1** - Preparatory Phase by Design Team

**Stage 2** - Scenario Development + Cost estimates

**Stage 3** - Stakeholder Workshop

Scenario Testing + Criteria Assessment

**Stage 4** - Final Reporting

## Objective

Through the process of review, costing, engagement and assessment, demonstrate a series of scenarios / options to show how a project or selection of projects could be combined to allocate the £2M spend.

Set out recommendations for the next steps.

## Timescale

**Stage 1** - May - June 2025

**Stage 2** - July- August 2025

**Stage 3** - October 025

**Stage 4** - October 025

# 01.2 Background Information

## Prestwick Promenade

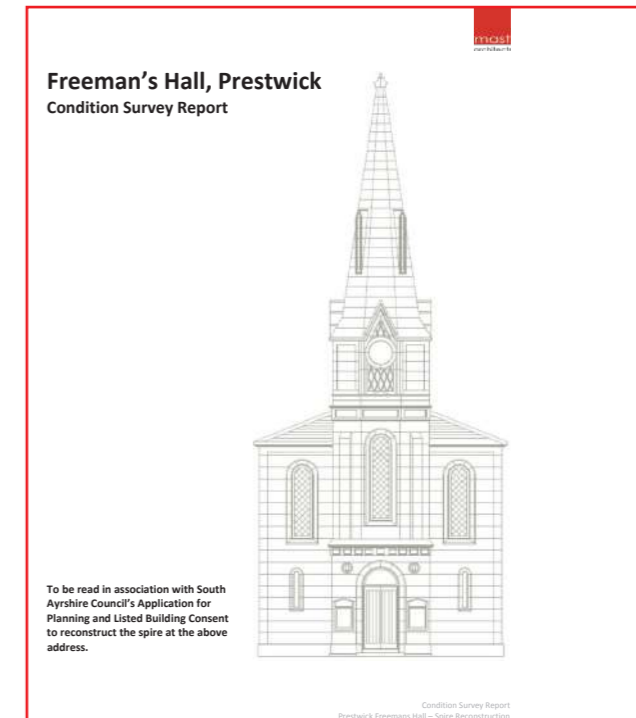
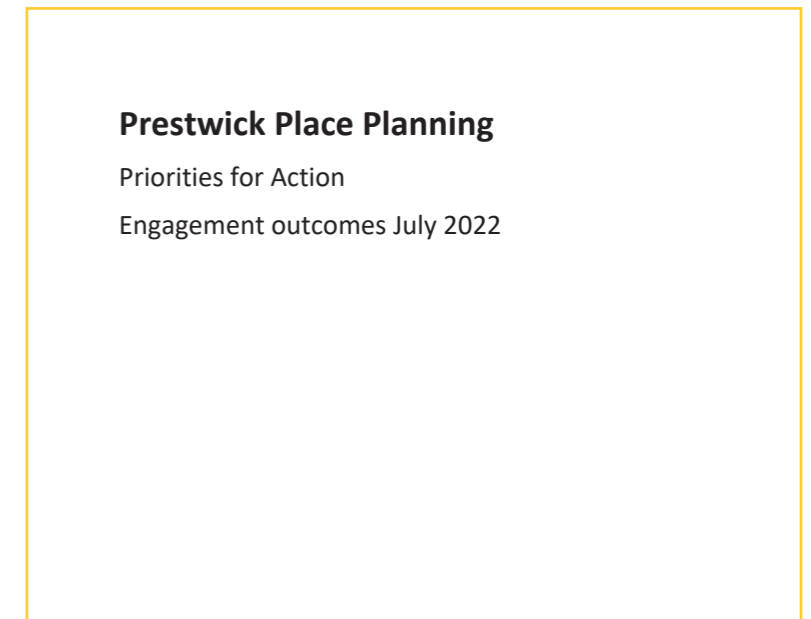
- Austin-Smith:Lord - Promenade and Seafront Enhancement, 2024

## Freemen’s Hall

- The Freeman’s Hall, Prestwick, Conservation Plan December 2023, O’Donnell Brown
- Prestwick Built Heritage Project, Freeman’s Hall & Cottage, Stage 2 Report, November 2023, O’Donnell Brown
- MAST Freeman’s Hall Condition’s Survey, 2013
- Alterations to a listed Building Ref No. 19/00611 LBC
- Alterations and Re-instatement of Steeple Ref No. 13/00576/LBC

## Engagement

- Streets UK - Prestwick Regeneration - Consultation Analysis, July 2024
- South Ayrshire Council - Prestwick Place Planning, Engagement Outcomes, July 2022



## **02** Site + Context

# 02.1 Extent of Site - Promenade

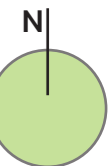


# 02.2 Context - Freeman's Hall + Heritage

## Location Plan of Historic Buildings of note.

1. The Mercat Cross
2. Old Post Office
3. 18-22 The Cross
4. Alexander Hutchison's House
5. 8 & 14 The Cross
6. Old Burgh Chambers (Freeman's Hall)
7. 5 & 7 The Cross
8. The Red Lion
9. 21-37 Main Street
10. Prestwick Sundial
11. Prestwick War Memorial
12. Former Bank at The Cross
13. John Keppie's House at 4 Station Road
14. 6 Station Road
15. Prestwick Town Railway Station & Waiting Room
16. Prestwick Golf Club
17. Greystones, 25 Links Road
18. Polish War Memorial
19. Prestwick St Nicholas Golf Club
20. Salt Pan Houses
21. Kingcase, Bruce's Well and the Ruins of St Ninians Hospital
22. The Oval Clubhouse at St Ninians
23. St Nicholas Parish Church
24. The Broadway Cinema
25. Prestwick South Parish Church
26. Prestwick Community Education Centre
27. Monkton and Prestwick North Parish Church
28. St Nicholas' Church and Graveyard
29. St Cuthbert's Parish Church
30. Shaw Monument

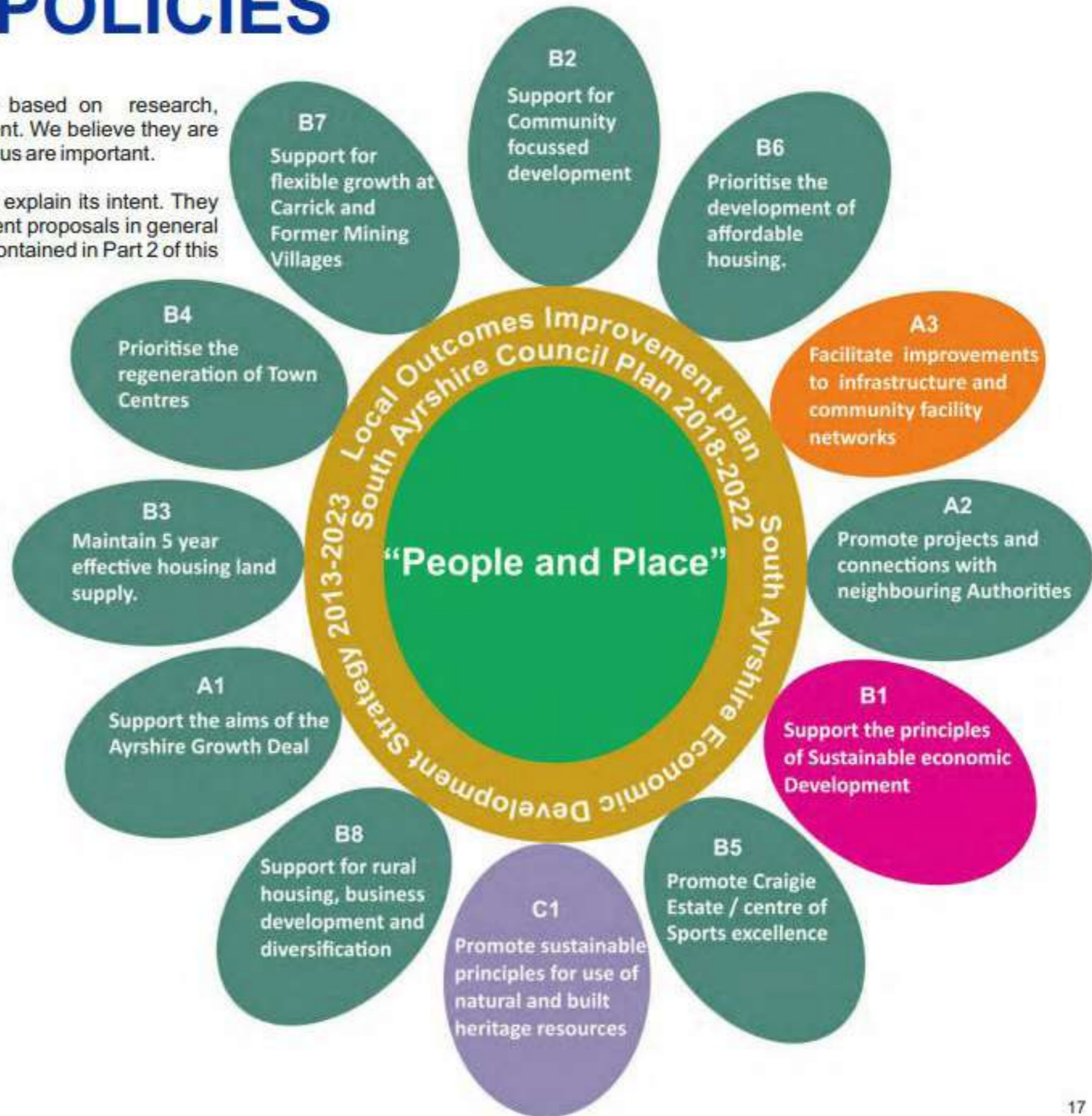
Information taken from Prestwick Heritage: Freeman's Hall & Cottage, Stage 2 Report by O'DonnellBrown, Nov 23.



# THE STRATEGIC POLICIES

The Core Principles promoted in the Strategy Section are based on research, comments submitted during consultation and public engagement. We believe they are representative of issues South Ayrshire's communities have told us are important.

The Core Principles form the foundations of LDP2 and help to explain its intent. They provide a framework for considering investment and development proposals in general terms, and provide insight into how the more detailed policies (contained in Part 2 of this Plan) will be interpreted and implemented in practice.



# 03 Previous Engagement

# 03.1 Community Engagement - Place Planning

## Prestwick Place Planning

Priorities for Action

Engagement Outcomes, July 2022.

Consultation was undertaken by South Ayrshire Council between January and February 202. The council undertook a series of Community Conversations with the community in Prestwick identify the main concerns facing residents and to inform any forthcoming Place Plans.

## The Place Standard Scores

Topic	Average
Traffic and parking	4.0
Influence and sense of control	4.0
Moving Around	4.4
Play and recreation	4.5
Care and maintenance	4.5
Streets and spaces	4.6
Housing and community	4.7
Public transport	4.8
Social contact	4.9
Work and local economy	5.0
Natural space	5.1
Feeling safe	5.3
Facilities and amenities	5.3
Identity and belonging	5.5

This ranges from 1, where most improvement is needed, to 7, where no improvement is needed.

## Feedback/ example of comments

- Local history and heritage should be better celebrated
- Where is spire on Kirk St building ?
- Old buildings need preserved not demolished
- Derelict buildings could be improved
- Empty premises
  
- More facilities down the beach
- Lack of public seating and benches
- Some streets not accessible for wheelchair users
- Play areas (especially at beach) are a poor standard and quality
- Upgrade and improve parks and play areas
- New play equipment including access for disabled / wheelchair users
- Invest and improve the beach/promenade area
- Beach and streets cleaned more regularly
- More could be done on promenade – more cafes, space for exercise, seating
- More appealing green space/parks would give people opportunity to meet outdoors
- More facilities down the beach

# 03.2 Community Engagement Outcomes - Freeman's Hall and Cottage

## Public Consultation

Consultation was undertaken by South Ayrshire Council in relation to the proposals for the Freeman's Hall and the Promenade, throughout May until June 3rd, 2024.

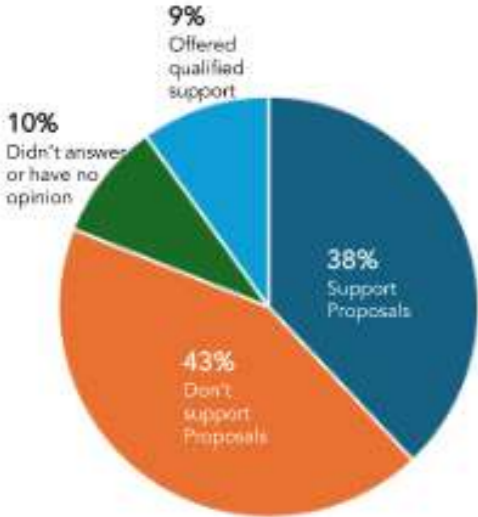
The documents, with the proposals, were made available for viewing via the South Ayrshire Council website.

A total of 357 responses were received.

Prestwick Regeneration Consultation Analysis, July 2024

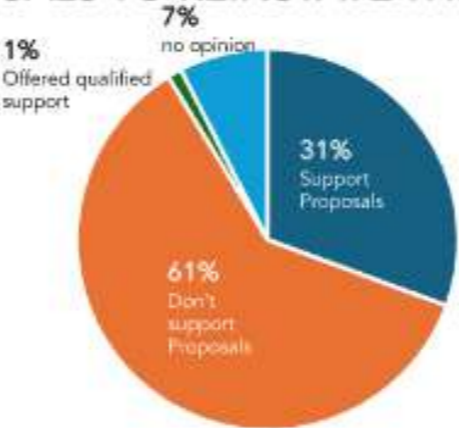
## Freemen's Hall and Cottage Consultation Questions

### Q1 What are your views on the proposals for Freeman's Hall and Cottage



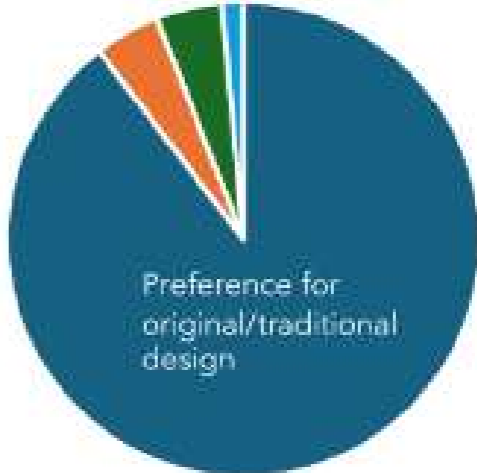
- 38% support the proposals
- 9% offered qualified support
- 43% don't support the proposals
- 10% didn't answer or had no opinion

### Q2 What are your views on the proposals to reinstate the Steeple?



- 31% support the proposals with a further 1% offering qualified support
- 61% don't support the proposals
- 7% didn't answer or had no opinion

### Are there any designs that you favour?



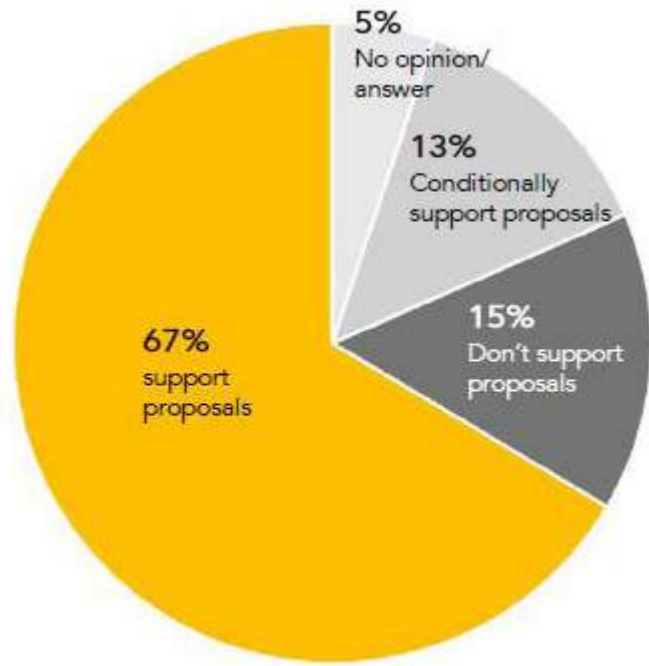
■ Original ■ Modern ■ In keeping with building ■ Stand up to storm

- Mixed response to the previous proposals for the Freeman's Hall and Cottage.
- The majority of respondents don't support the reinstatement of the Steeple.
- Of the respondents who support the reinstatement of the steeple, the majority support reinstatement of the steeple back to its original state.

# 03.3 Community Engagement Outcomes - The Promenade

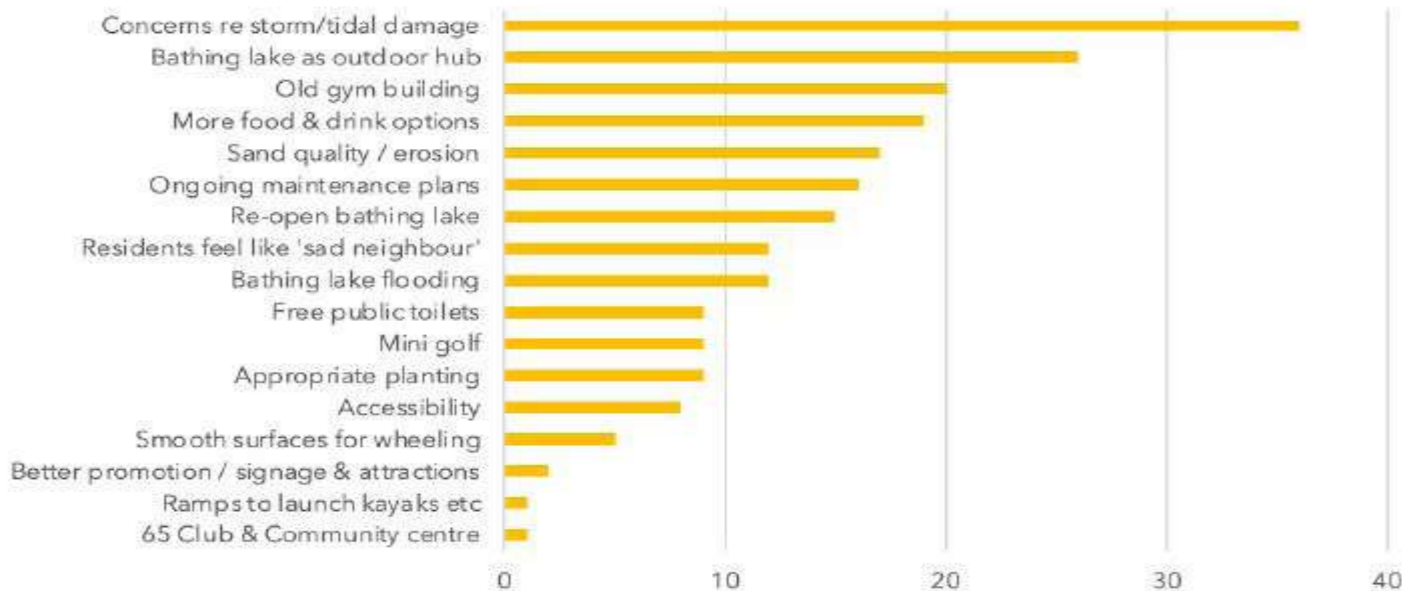
## Prestwick Promenade Consultation Questions

**Q3 What are your views on the enhancements to Prestwick Promenade?**



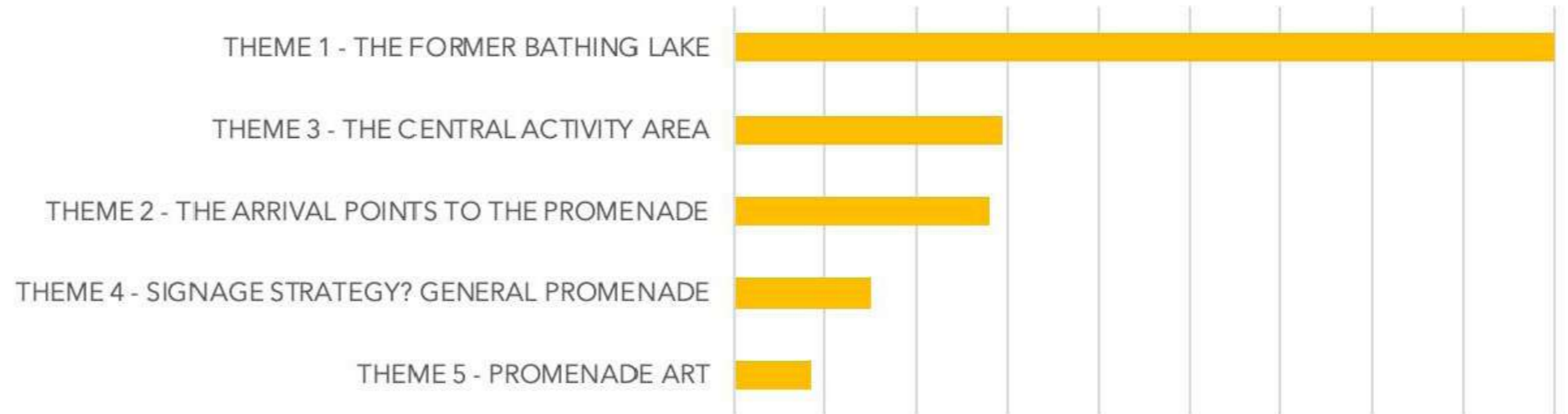
No opinion   Conditional/qualified support   This isn't a priority   Support proposals

Q3 - BREAKDOWN OF COMMENTS / QUALIFIED SUPPORT



**Q4 A selection of themes have been suggested for improvement. How would you rate the themes, in order of priority?**

BREAKDOWN OF VOTES FOR FAVOURITE CHOICE

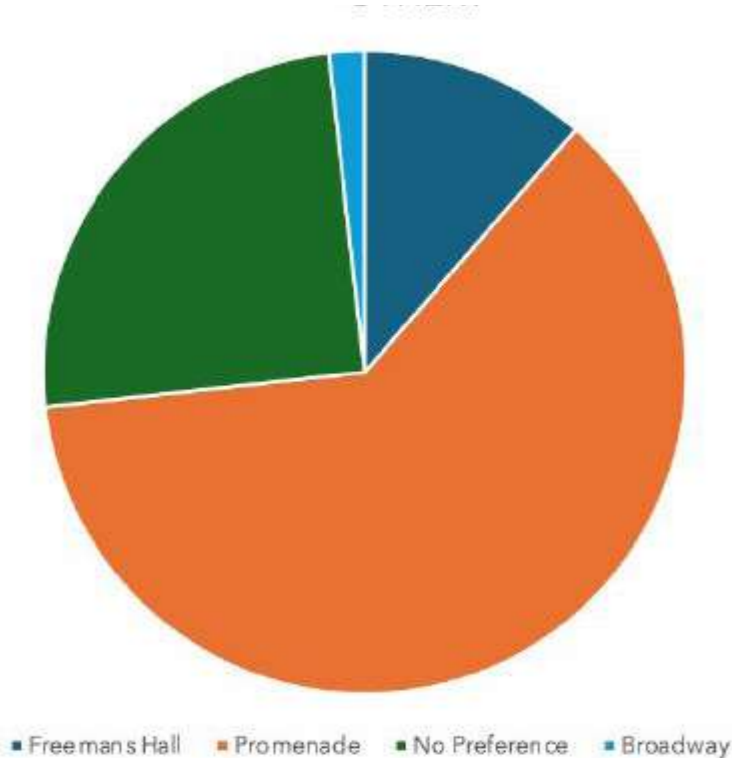


- The majority of respondents support enhancements to the promenade.
- The majority of respondents who support the promenade improvements prefer to see the former bathing lake redeveloped.

# 03.4 Community Engagement Outcomes

## Consultation Questions

**Q6 Which of the two studies would you say is the most important? Would you prioritise one set of works over the other?**



- 12% stated Freemans Hall most important
- 62% stated promenade most important
- 25% didn't answer or had no preference
- 1% suggested Broadway

# 03.5 Prestwick Academy Engagement Outcomes

## ‘YOUR PRESTWICK’

Tuesday 20th February 2024  
Prestwick Academy

### What Young people told us

Young people listened to 4 presentation and took part in various activities gathering views on the positives of living, visiting Prestwick and areas for improvements

### Consultation with 42 young people from Prestwick Academy and Cluster Primary Schools

### What do you like about Prestwick?

- The shops and places to eat
- The beach
- Swimming pool
- The Oval to play football
- Loads of clubs
- Places for walks
- Sailing club
- Golf
- Tennis club
- It's accessible

### What are the issues and improvements?

- Not enough for young people to do
- More sporting facilities
- Need a cleaner beach
- Don't feel safe at the Oval
- More cycle lanes
- More indoor and outdoor activities
- Need more places to go
- More outdoor open spaces
- Improve outdoor lighting
- More outdoor seating and shelter areas
- More food places at the beach

### Top votes on how the funds should be used:

**1st**

Invest in the Broadway Theatre as this would give young people more to do, it would improve tourism, entertainment and make Prestwick exciting

**2nd**

Improve outdoor spaces with better lighting, shelter areas and more seating and a multi-purpose Astro turf

Improvement	How money should be used	Number of votes
<p>Invest in the Broadway Cinema and improve the shop fronts and the main street. This would give young people more to do.</p> <p>We all agree that money should be spent on the Broadway – this will improve tourism, entertainment and make Prestwick exciting.</p>	<ul style="list-style-type: none"> <li>- Begin/continue and re-open the Broadway renovation for multi-purpose use: cinema/shows/comedy/concerts/modern movies/pantos</li> <li>- Open a café, book, and record exchange within it</li> <li>- It could be used as a museum – interesting for school trips</li> <li>- Include lots of seating areas/sofa spaces/recliner chairs</li> <li>- Have popcorn/pick in mix/slush puppies/candy floss/ice cream for sale</li> <li>- Restoration of the historic building</li> </ul>	27
<p>Improve big open outdoor spaces</p> <p>The oval is too small, not nice to hang out in (unsafe and easy to hide to drink/smoke). Safer to have a big open space esp for an Astro Turf (prefer at the beach)</p> <p>Improve beach area</p>	<ul style="list-style-type: none"> <li>➤ Shelter places (dug outs) with seats</li> <li>➤ Well light areas – esp at night</li> <li>➤ More benches/seating areas</li> <li>➤ Space for outdoor events/festivals</li> <li>➤ Improved cycle path's/trails</li> <li>➤ Mini golf/trampoline park</li> <li>➤ Astro turf pitch</li> <li>➤ Nets / H posts</li> <li>➤ Showers at beach</li> <li>➤ Better paths</li> </ul>	14
<p>Community Hub specially for younger age groups – for support and socialising for young people</p>		5
<p>Indoor space for activities</p>	<ul style="list-style-type: none"> <li>➤ Use the Ambassador Bowling club – as it is sitting empty</li> <li>➤ Bowling alley</li> </ul>	3
<p>School of football (similar to what Grange Academy have)</p>		2

# 04 Promenade Proposals

# 04.0 Context - Promenade + Prestwick Open Space

## Location Plan of Historic Buildings of note.

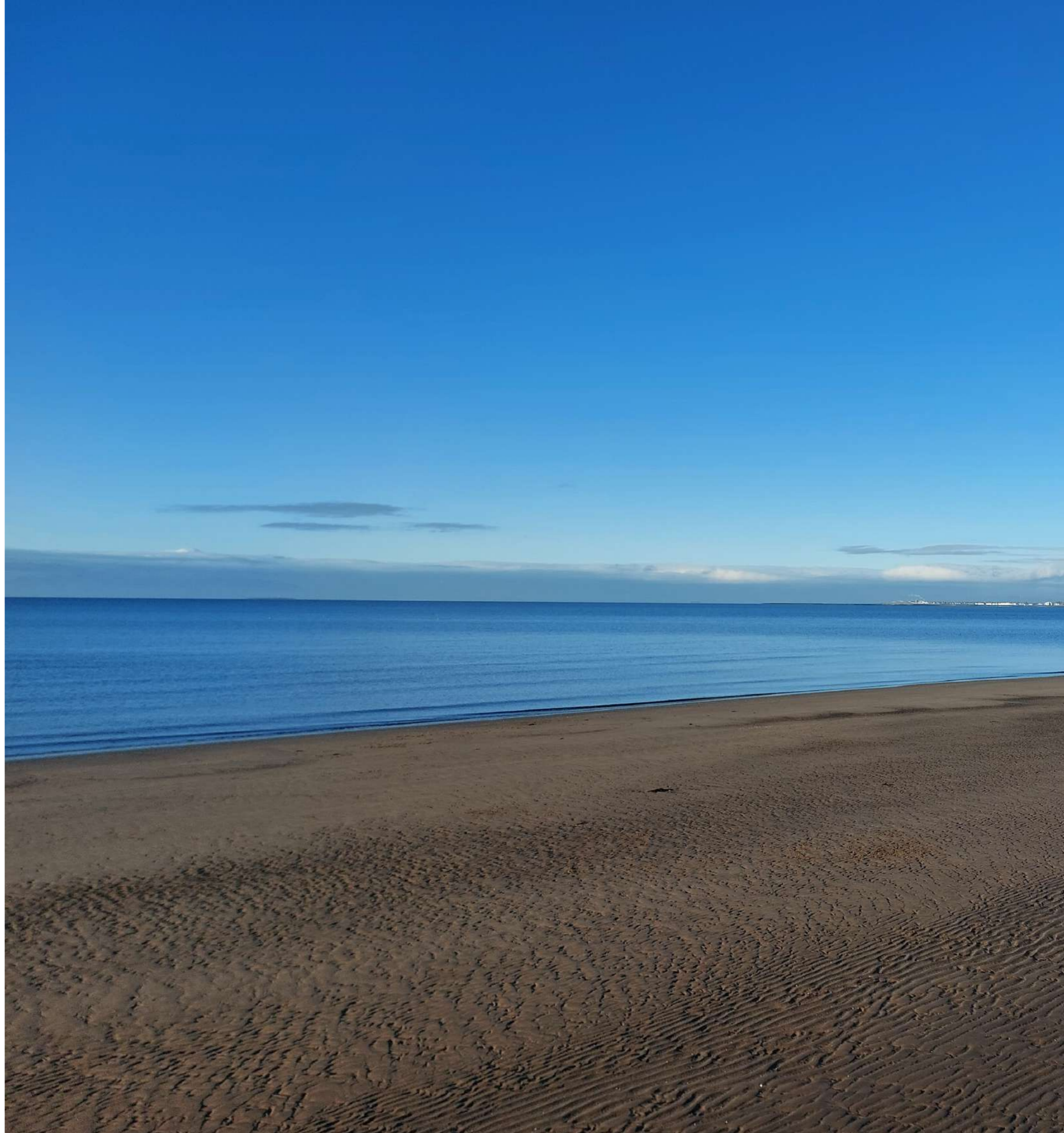
1. The Mercat Cross
2. Old Post Office
3. 18-22 The Cross
4. Alexander Hutchison's House
5. 8 & 14 The Cross
6. Old Burgh Chambers (Freeman's Hall)
7. 5 & 7 The Cross
8. The Red Lion
9. 21-37 Main Street
10. Prestwick Sundial
11. Prestwick War Memorial
12. Former Bank at The Cross
13. John Keppie's House at 4 Station Road
14. 6 Station Road
15. Prestwick Town Railway Station & Waiting Room
16. Prestwick Golf Club
17. Greystones, 25 Links Road
18. Polish War Memorial
19. Prestwick St Nicholas Golf Club
20. Salt Pan Houses
21. Kingcase, Bruce's Well and the Ruins of St Ninians Hospital
22. The Oval Clubhouse at St Ninians
23. St Nicholas Parish Church
24. The Broadway Cinema
25. Prestwick South Parish Church
26. Prestwick Community Education Centre
27. Monkton and Prestwick North Parish Church
28. St Nicholas' Church and Graveyard
29. St Cuthbert's Parish Church
30. Shaw Monument



Information taken from Prestwick Heritage: Freeman's Hall & Cottage, Stage 2 Report by O'DonnellBrown, Nov 23.

## 04.0 Prestwick Promenade - Spatial and Social Value

- Prestwick Promenade Celebrations
- Dementia Friendly Prestwick
- Putting Green (seasonal)
- Children's Play Area
- Prestwick Sailing Club
- Golf Courses (Prestwick and St Nicholas)
- Salt Pans



# 04.0 Prestwick Promenade



# 04.1 Promenade Objectives

The overall objective is to provide for a high amenity leisure space for local residents, visiting tourists and for other South Ayrshire citizens.

- Increased economic activity in Prestwick and South Ayrshire.
- A backdrop to support an improved annual planned Prestwick Events Calendar.
- A contribution to enhance health and well-being through outdoor activity for the local community and general population.
- A platform for a Prestwick Seafront Volunteer programme.
- A high quality leisure destination.



Poor quality accessibility



Difficult to maintain materials and details



Lack of events or gathering space + facilities



Mix of materials and poor accessibility



Multiple types of street furniture and signage

## 04.2 Promenade Options

The proposals for the promenade enhancements suggested four possible themes/ areas to consider:

### Theme 01- The Former Bathing Lake

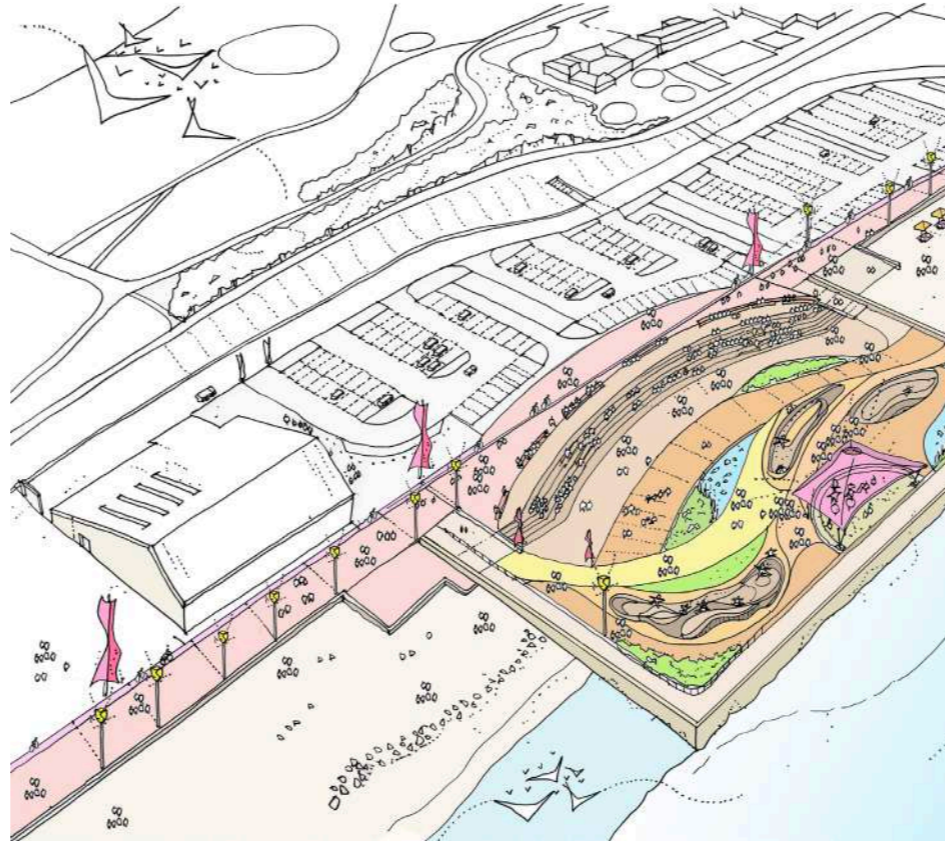
- Enhancements to the former bathing lake
- Removal of the bathing lake
- Removal of the bathing lake with a pier retained

### Theme 02 -Gateway Enhancements

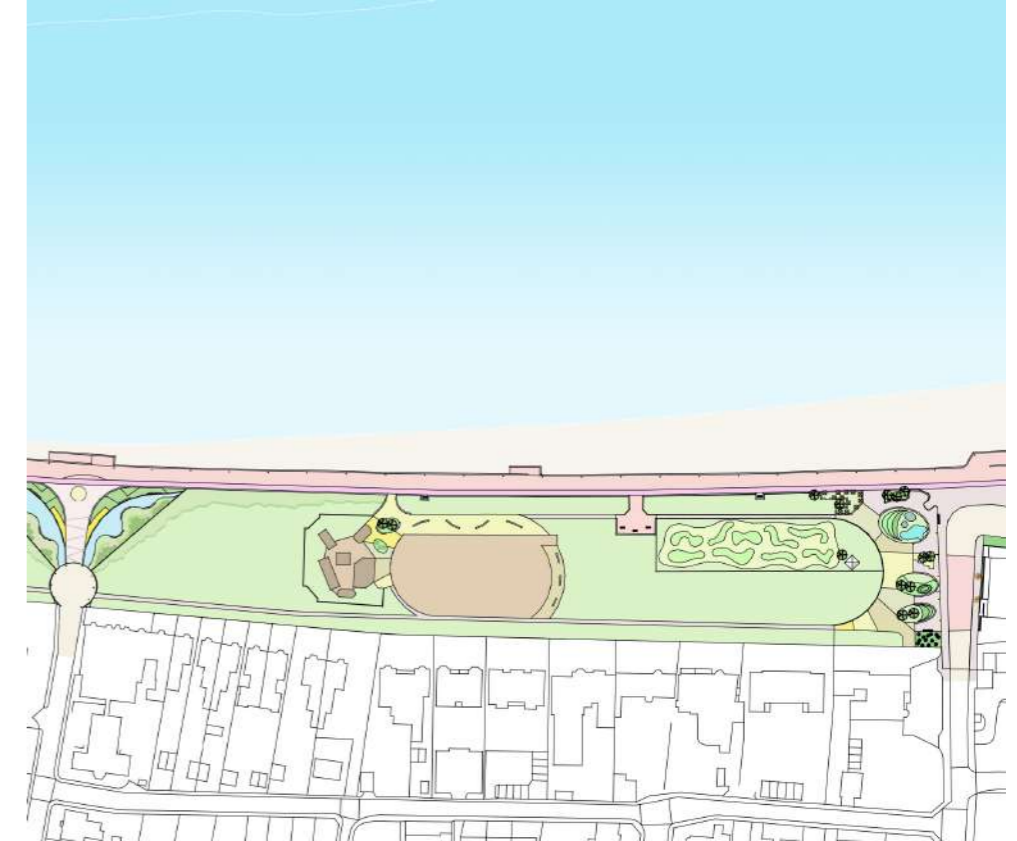
- Links Road
- Burgh Road
- Grangemuir Road

### Theme 03 -Core Area

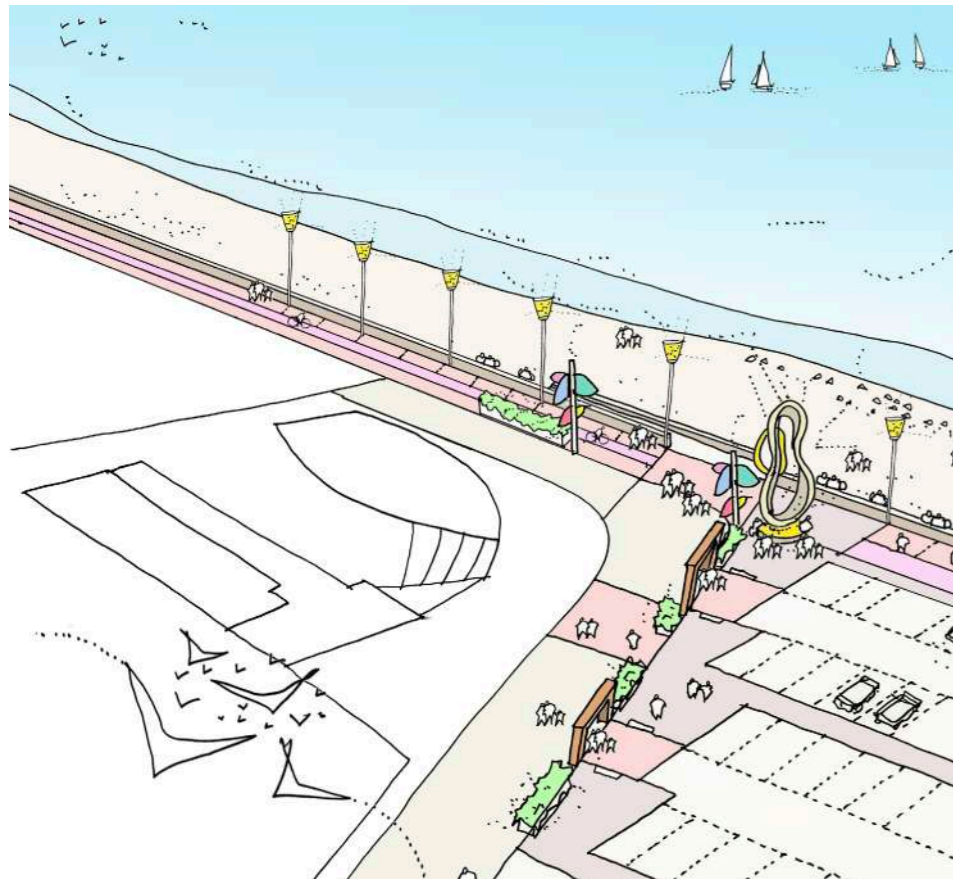
### Theme 04 - General Improvements + Art Work



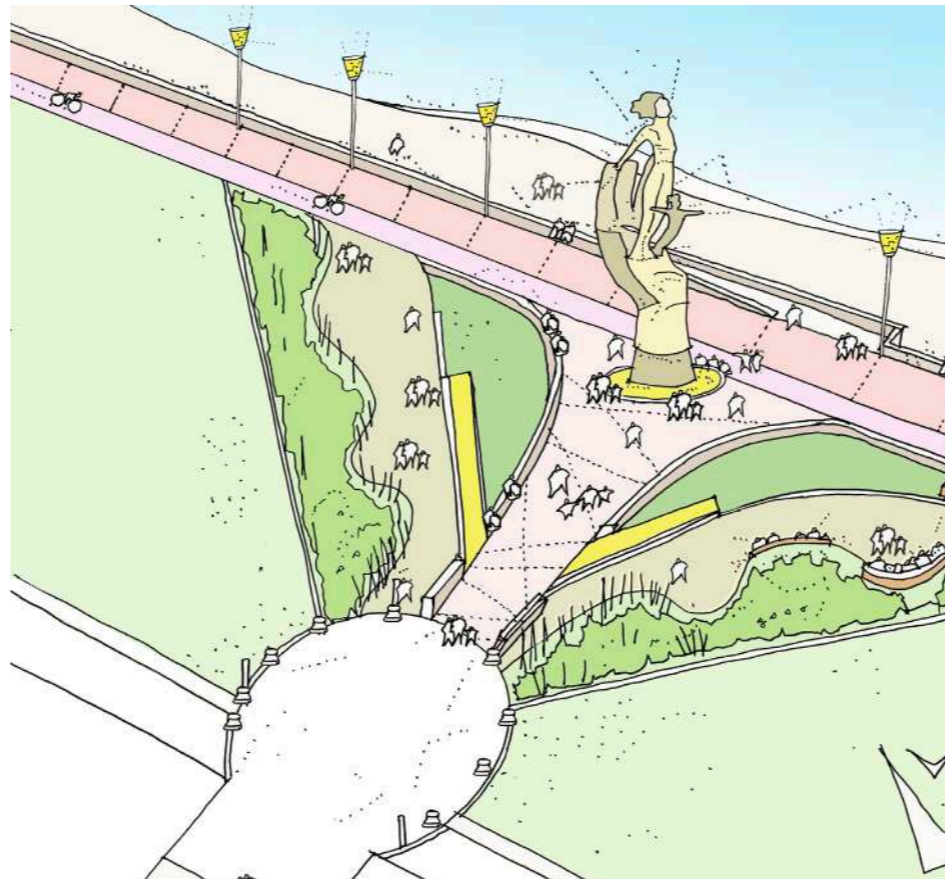
Enhancements to the former bathing lake



Enhancements to the core area



Grangemuir Road



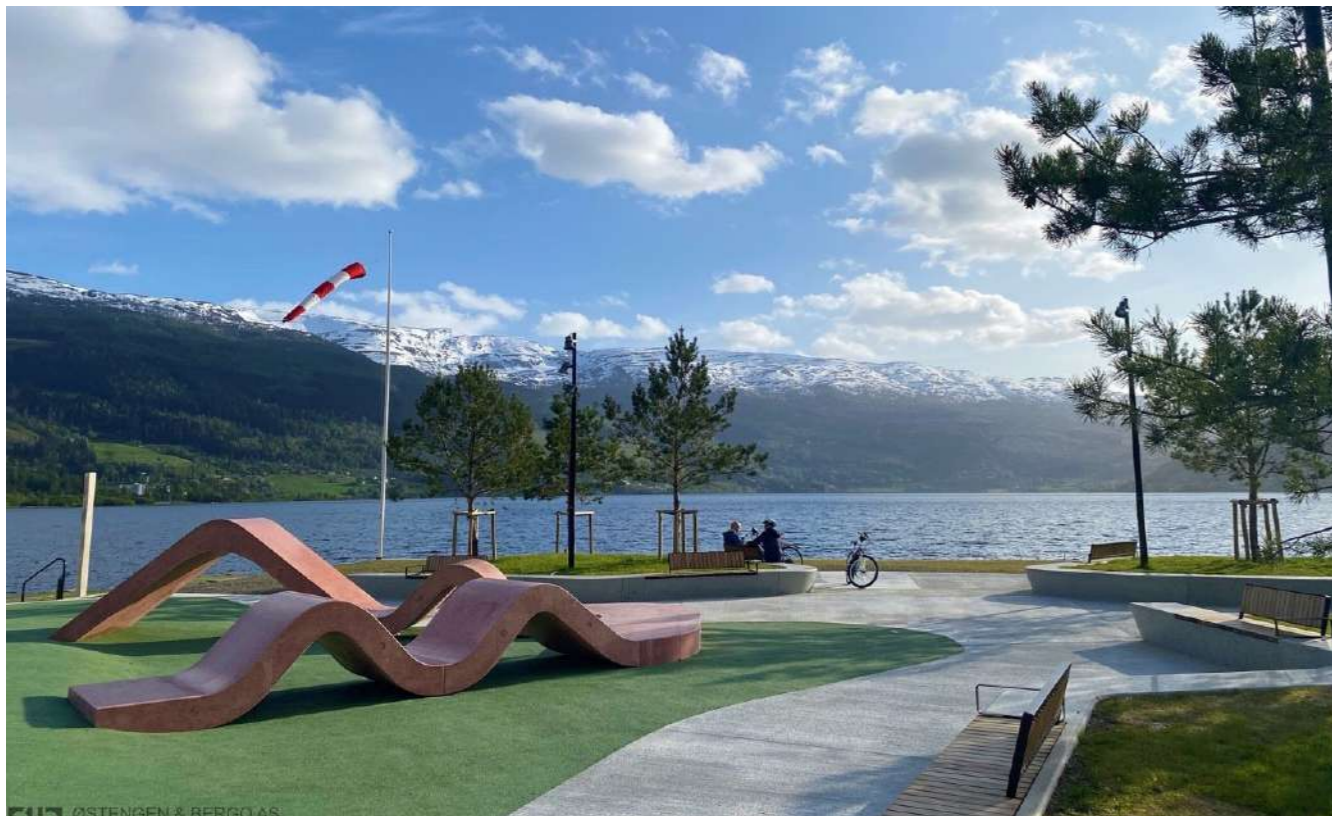
Burgh Road



Links Road

## 04.3 Promenade Aspirations

- Develop a robust, consistent, simple, crisp, high quality aesthetic.
- Create a family friendly space, with fully accessible routes and rationalisation of clutter.
- Provide spaces, flexible for public gatherings and community events
- A platform for a Prestwick Seafront Volunteer programme.
- Develop a high quality leisure destination.



## 04.4 Promenade Cost Estimates

PROJECT OPTION	COST ESTIMATE	SUMMARY/ NOTES
<b>Promenade</b>		
Bathing Lake - Option 1	£926,000	Proposed enhanced play area.
Bathing Lake - Option 2	£3,462,000	Proposed removal of the bathing lake area and reinstatement of the beach.
Bathing Lake - Option 3	£3,962,000	Proposed removal of the bathing lake area and reinstatement of beach with retained or added pier.
Links Road Gateway	£277,000	
Burgh Road Gateway	£399,000	
Grangemuir Road Gateway	£165,000	
Core Activity Area	£141,000	
General Improvements	124,000	Rationalising of street furniture and signage plus an allowance for artwork

- TOTAL (including Bathing Lake -Option 1) £2,032,000
- TOTAL (including Bathing Lake - Option 2) £4,568,000
- TOTAL (including Bathing Lake -Option 3) £5,068,000

### Basis of Budget Costs

- LAYOUTS prepared by Austin-Smith:Lord.
- Promenade Stage 1 Engineering Report prepared by Will Rudd Davidson.
- Tender levels current in third quarter of 3025 (3025), obtained by competitive tendering.
- Excluding:**
  - adverse ground conditions
  - disposal of contaminated material
  - lowering or diversion of underground services lighting & power installations
  - Mini Golf & fence
  - replacing benches & litter bins
  - tender price inflation beyond 3025
  - statutory fees
  - professional fees
  - VAT

# 04.5 Promenade Risks and Constraints

Risk and constraints associated with the former bathing lake options:

### Option 1 - Redevelopment

- Existing brick walling lining has failed
- Spalling concrete walls
- Corrosion and fixing failing on the balustrades and timber posts.
- Permeability of ground to adopt SuDs
- Structural integrity and life span of walkway and sea wall

### Option 2 - Reinstate the Beach

- Statutory consents
- Liaison with SEPA
- Demolition/ temporary works and sheet piling
- Ecology assessment/ contamination
- Fill material

### Option 3 - Reinstate the Beach with a Pier

As above with assessment of material displacement

### General

- Services and utilities
- Coastal flood risks
- General coastal environment



### Coastal Flooding

#### High Likelihood

Each year this area has a 10% chance of flooding.

#### Medium Likelihood

Each year this area has a 0.5% chance of flooding.

#### Low Likelihood

Each year this area has a 0.1% chance of flooding.

### Surface Water and Small Watercourses Flooding

#### High Likelihood

Each year this area has a 10% chance of flooding.

#### Medium Likelihood

Each year this area has a 0.5% chance of flooding.

#### Low Likelihood

Each year this area has a 0.1% chance of flooding.



# **05** Freemen's Hall Steeple

## 05.0 Freeman's Hall Stage 1 - History of Freeman's Hall

- Funded by the 36 Freeman of Prestwick
- Thought to be funded by money paid to allow the railway line to Ayr to be built in 1840
- Built in 1844 as the first civic building in Prestwick
- Held the annual meeting of the Freeman, the local court and jail, the local school and a local community room
- The steeple clocks were a community asset - known locally as the "four faced liar"
- In 19th Century became the local Burgh Hall
- Second use as a school in the early 1900's
- After the new municipal buildings were constructed on Links Road in the 1930's, Freeman's Hall became the local district council offices
- Awarded B listing status in 1971
- Steeple removed in 2011 due to structural concerns



# 05.0 Freeman's Hall Stage 1 - History of Freeman's Hall: 1857 Ordnance Survey Map: Prestwick's first civic building



# 05.0 Freemen's Hall Stage 1 - History of Freemen's Hall: 1895 Ordnance Survey Map: Development around the railway line



# 05.0 Freemen's Hall Stage 1 - History of Freemen's Hall: 1908 Ordnance Survey Map: Urban density increases



# 05.0 Freeman's Hall Stage 1 - History of Freeman's Hall: 1938 Ordnance Survey Map: Modern Prestwick is formed



# 05.0 Freeman's Hall Stage 1 Inspection Report - Introduction

## Contents

- 05.1 Introduction
- 05.2 Records of Historic Steeple and Demolition
- 05.3 Condition of Historic Stone
- 05.4 Stage 1 Assessment of Freeman's Hall External Stone
- 05.5 Stage 1 Summary of Findings
- 05.6 Proposed Reconstruction Options
- 05.7 Recommendations and Next Steps

## 05.1 Introduction

This section of the report will focus on Prestwick Heritage-Freeman's Hall in relation to the condition of the existing fabric which supported the now dismantled stone steeple and will assess the feasibility of re-instatement of the stone steeple and buildability, in relation to the previously prepared design proposals and in relation to the current structure. WRC engineers have carried out a full structural assessment which is Section 6 of this report. Documents reviewed;

- The Freeman's Hall, Prestwick Conservation Plan December 2023
- Prestwick Built Heritage Project Freeman's Hall & Cottage Feasibility Study November 2023

## 05.2 Records of Historic Steeple and Demolition

'The History of Prestwick' by John Strawhorn dates the construction of the Freeman's Hall circa 1844. The stone steeple is reported to have been built later than the original building.

ASL made enquiries to the Ayrshire Archives but no plans of the Freeman's Hall were kept on file other than some Prestwick Dean of Guild Plans, dating from 1906 to 1909. In 2011, the steeple to the Freeman's hall was carefully taken down due to structural concerns.

Our enquiries to the council archives noted the following applications for planning and listed building consents regarding the partial demolition of the listed building and applications for re-instatement of the steeple.

- Alterations to a listed Building Ref No. 19/00611 LBC
- Alterations and Re-instatement of Steeple Ref No. 13/00576/LBC



<https://canmore.org.uk/collection/2612266>  
**View from East: Image Collection: (RCAHMS),**  
Edinburgh Date: 1999, <http://canmore.org.uk/collection/1441314>

- Alterations and Re-instatement of Steeple Ref No. 13/00576/LBC

The conservation plan 2023, shows photographic evidence of masonry sections that were salvaged during the dountaking of the spire.

ASL were advised by South Ayrshire Council of the location where this masonry was stored and carried out an inspection of the retained stone in June 2025



OS National Grid 1944-1972 (1958)

# 05.0 Freeman's Hall Stage 1 Inspection Report - Research

## 05.3 Stage 1 Assessment – Condition of Historic Stone

To gain understanding of the building in relation to the steeple and the underlying reasons why it was dismantled. A significant issue is understanding the properties of the existing stone:

- to help establish if the stone is a contributing factor to the structural issues.
- to establish what is causing delamination to the masonry surface of the elevations.

### Site Visit to Steeple Stone Storage Location – 12th June 2025.

The dismantled steeple stones had been removed from site and taken to secure containers on the grounds of Ayr Police Station. Our initial impression from the previous reports had been that much of the stone could not be re-used and that material was lost or damaged from dismantling and transporting.

### Assumptions made about stone prior to the site visit

- That the stone would be in poor condition
- That much of the historic material would be damaged
- That architectural features and parts would be missing
- That the stone face would be showing signs of delamination and surface erosion as per that of the Freeman's Hall or that the stone was a different type of stone to that of the Freeman's Hall

### Observations made during the stone site inspection

- That the stone was in very good condition. The containers have kept the stone dry and secure. From what we were able to observe on site most of the stone had been retained for re-use.
- Unlike the existing masonry on the Freeman's Hall the

surface faces of the steeple stone show no signs of previous repairs.

- At the time the steeple was dismantled the stone had been removed carefully and stacked on wooden pallets with each pallet numbered to identify each course.
- The first container had the finial stone and smaller courses of stone which would suggest it was the top section. We could see various architectural features and carved stone pieces and the lattice stone below the lancet windows. This container was full all the way to the back.
- The second container was stacked higher than the first and the stone organised in a similar way to the first on numbered wooden pallets. The third container has a lesser amount of stone and was organised in a similar way to the other two containers.
- The surface on only some stones was delaminating and some of the detail carving had been lost, but in general the stone was in good condition and was not friable.
- Having closely inspected the stone's appearance, it looks very similar to the Freeman's Hall but this can only be proven by proper analysis and testing. We removed a small sample of stone which had broken off, for the purpose of future testing.



Stone stored within Container 1



Stone stored within Container 2



Stone stored within Container 3

## 05.0 Freeman's Hall Stage 1 Inspection Report - Research

### **The Clock Faces and Mechanisms**

Although shown in one of the photographs in the Freeman's Hall and Cottage Feasibility Study of 2023, the steeple clocks were not included in the storage cabins along with the steeple masonry. During discussions with South Ayrshire Council, it was mentioned they had been moved to Edinburgh. Further research identified that H.E. Weir & Son, a specialist steeple clock repair company, have three clock dials and hands. They also have the mechanisms but have recommended that these are replaced with modern mechanisms.

### **The Weathervane**

We found the support bracket for the weathervane in the containers along with the masonry but not the weathervane. H.E. Weir & Son have also confirmed that they don't have it. It may still be stored in one of the containers but until it is found we propose to make an allowance for adding a new weathervane.



Existing clock dial, photo provided by H.E Weir & Son

# 05.0 Freeman's Hall Stage 1 Inspection Report - Site Assessment

## 05.4 Freeman's Hall Inspection Visit 14th May 2025 Inspection of Supporting Steeple Walls:

Our inspection covered the internal base of the stone steeple, accessed from the first-floor landing, and to the rear of this structure, from within the roof void accessed directly above the first-floor landing. A visual review of the external elevations from ground level up to the underside of the stone cornice at roof level was carried out from the surrounding pavement. Being able to carry out close inspections of the existing elevations, we have grouped our initial comments into two categories: internal and external.

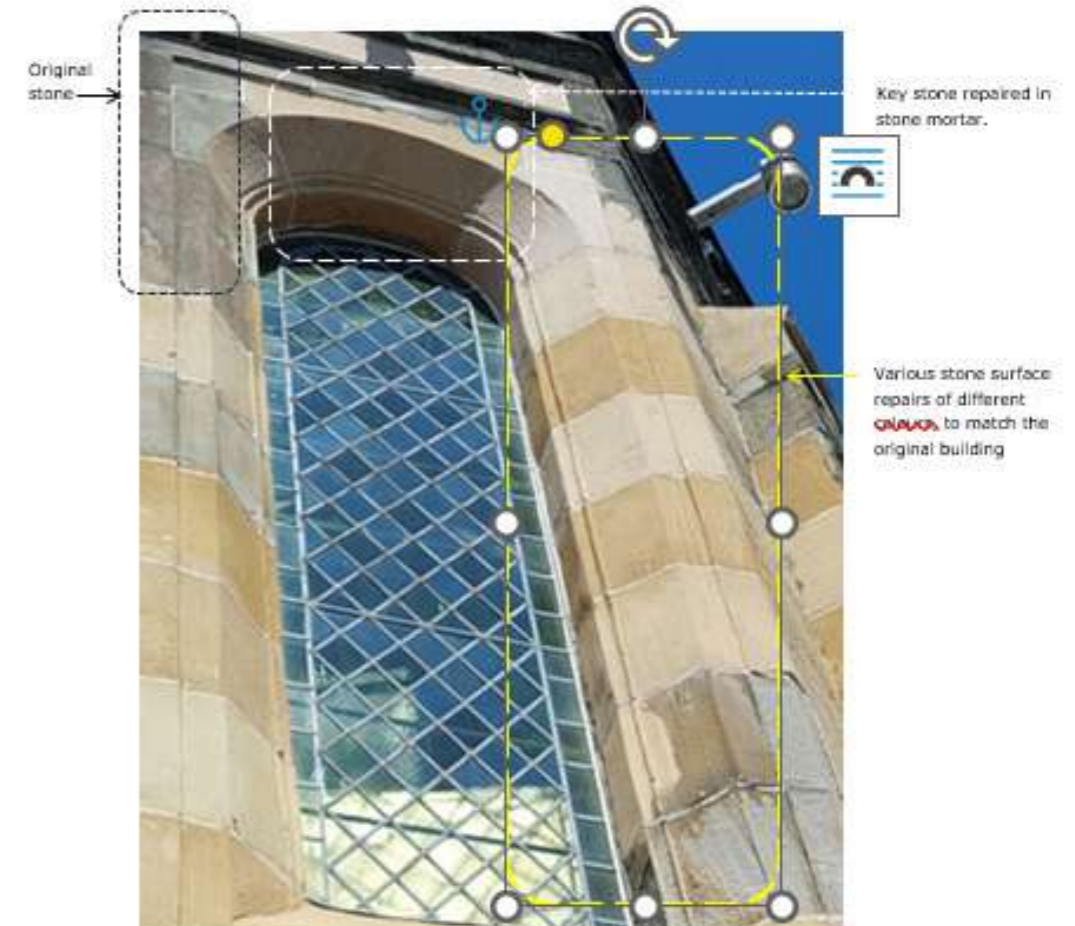
- The extent of various historic surface repairs carried out over the front elevation are extensive, more than 70% of the original surface (see photos 2 and 3). There is no consistency in the repair which has been detrimental to the visual appearance of the building. The colour, material used, pointing used and tooling of the repairs vary over the elevations, which suggests they were carried out at different times by different contractors with no common specification.
- The remaining existing stone on the principal elevations is greyish in appearance and some of this also appears to be starting to delaminate. Many of the original stone details have eroded and have been re-created with a stone repair mortar i.e. the stone edge profile of the inward and outward bands around the lancet windows.
- The existing stone is similar to that used in the surrounding buildings in this area and it is noticeable that the masonry in many of these buildings has similar delamination. Those nearer the shore have been rendered, probably to give weather protection to the masonry, indicating that the local climate is affecting masonry in this location.



Appearance of stone 1963, Image from Historic Scotland Photographic Libraray <http://canmore.org.uk/collection/1850017>



Appearance of stone 2025



Stone surface repairs carried out at different times and remaining areas of original stone

# 05.0 Freeman's Hall Stage 1 Inspection Report - Summary of Findings

## 05.5 Stage 1 Summary of findings from stone inspection process

- Most of the stone appears to be in good condition, and little has been lost.
- There is minor surface loss to the stone but only what would be expected for a building of this age.
- The stone features and tooling are visible.
- It was possible to identify many of the key features i.e. The surrounds of the clock face, lattice panels and lucarne window heads.
- The top course, through which a finial pole is threaded, appears to be concrete and not stone. The metal post section is corroded full length. It appears to be used for holding the base of the weathervane.
- The weathervane and the clock faces were not in the containers but we have since located the clocks with a specialist steeple clock repair company.
- We believe that this masonry, subject to the structural engineering assessment, could be used to re-construct the steeple.



Dismantled steeple stone held within secure containers at Ayr Police Station



Container 1



Container 2 and 3

# 05.0 Freeman's Hall Stage 1 Inspection Report - Reconstruction Options

## 05.6 Proposed Reconstruction Options

A structural feasibility study of the reinstatement options was carried out by Will Rudd Consulting Engineers, based on the findings of the condition survey. The study assesses options that are informed by further survey works and detailed research into traditional spire construction. Initial structural repairs will be required to the existing tower walls to allow any reconstruction of the steeple to be built. Our reconstruction proposals fall into two scenarios.

**Scenario 1** assumes that the existing structure can support the existing steeple. Option 1 falls into this category.

**Scenario 2** assumes that the survey works prove that the existing structural arrangement cannot support the stone steeple. Options 2, 4 and 4A fall into this category.

Project costs exclude: asbestos survey and removal; intrusive structural surveys and making good; repair works below the base of the steeple level; fabric repairs to the remaining Freeman's Hall; tender price inflation beyond 3Q 2025; statutory fees; professional fees; and VAT.

	OPTION 1	OPTION 2	OPTION 4	OPTION 4A
Proposal	Rebuild using existing stone	Rebuild using new stone	Rebuild using new slate or lead roof finish	Rebuild using new stone and slate or lead roof
New structure required	No	Yes	Yes	Yes
Impact on heritage significance	Low, recreates the original building	Low, recreates the original building but with new materials	High, uses new materials that are different to the original steeple. These match similar materials that are used in other local public buildings.	High, uses new materials that are different to the original steeple. These match similar materials that are used in other local public buildings.
Statutory consents required	Listed building consent	Listed building consent, building warrant	Listed building consent, planning permission, building warrant	Listed building consent, planning permission, building warrant
Cost Estimate	£515,000	£545,000	£345,000	£435,000





# 05.0 Freeman's Hall Stage 1 Inspection Report - Recommendations and Next Steps

## 05.7 Recommendations and Next Steps

That Option 1, to rebuild the steeple using the existing stone, is developed as the preferred option. This option assumes that approximately 20% of new stone will be required, as well as all of the stone currently stored in the containers beside Ayr Police Station.

There are five immediate next steps that will allow us to finalise these proposals and project costs:

1. Opening up work to allow an inspection of the structure below the steeple.
2. Analysis of the existing stone material by the Scottish Lime Centre Trust or equivalent stone testing laboratory.
3. Sourcing the remaining missing historic building fabric.
4. Analysis of the existing stone surface repair material.
5. Investigations into the existing roof finishes and structures.

We also propose to contact Historic Environment Scotland to update them on the current condition of the building, the existing materials that we have found and to establish that they will support these reconstruction proposals.

# 06.0 Freeman's Hall Stage 1 Structural Report - Existing Structural Arrangement

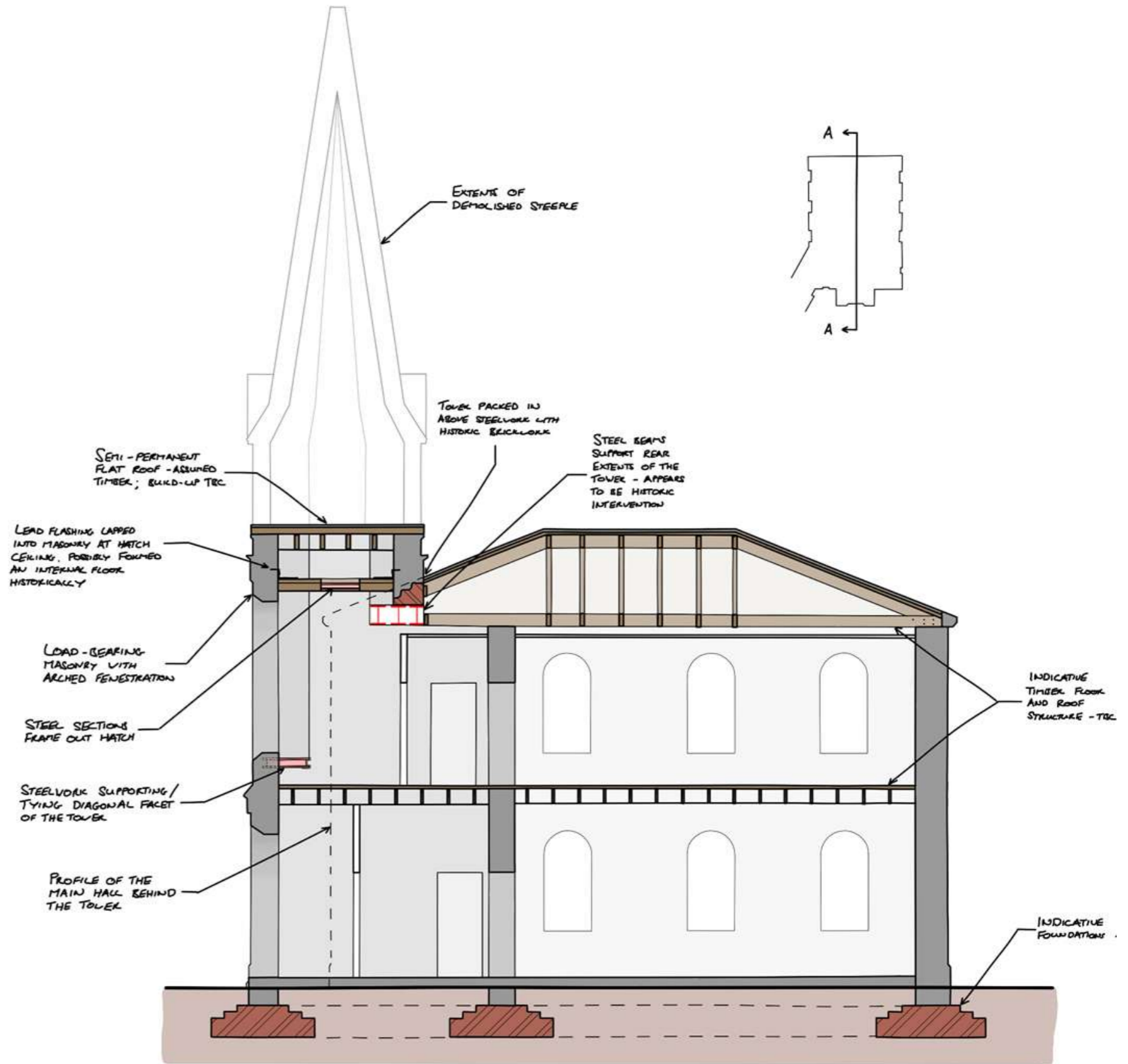
## Contents

- 06.1 Existing Structural Arrangement
- 06.2 Existing Structural Condition
- 06.3 Feasibility Study

## 06.1 Existing Structural Arrangement

A desk study was initially carried out to determine the structural arrangement of the Freeman's Hall, however no archive information was made available. Therefore, two surveys have been carried out on the Freemans Hall to establish the existing structural arrangement and condition as summarised below:

- The tower – and steeple - are not fully supported by mass masonry as initially expected.
- Our site visit revealed that steel beams have been historically installed to support approximately a third to the tower and above steeple.
- The steel beams are supported by adjacent masonry walls. These walls have large openings within them, so it is unclear if they have been designed for these loads.
- No information is available on the reasoning behind the steeple demolition; therefore, it is unclear whether the differing support conditions was a factor in the structural concerns.
- Cognisance of this arrangement must be taken when considering the feasibility options for the steeple.



SECTION A-A THROUGH TOWER STRUCTURE NTS (INDICATIVE)

Figure 1 - Indicative Structural Arrangements Observed On-Site

# 06.0 Freeman's Hall Stage 1 Structural Report - Existing Structural Condition

## 06.2 Existing Structural Condition

A structural condition report has been conducted to catalogue all observed defects and associated recommendations. Refer to G9783-WRD-XX-XX-RP-S-00001\_01 for Will Rudd's detailed findings and recommendations. See below a list of key observations:

- The steel beams discussed above were observed to be corroded. There were signs of water ingress in the surrounding roof space.
- Cracking to the masonry was observed internally within the tower.
- Externally, spalling, delamination and weathering was observed on each elevation.
- Unsympathetic surface repairs have been carried out historically to the external masonry.
- Wide, open mortar joints and cracking was externally observed on the main building – especially surrounding the arched windows and upper corning course.
- Signs of water ingress were observed on the semi-permanent flat roof. It is likely approaching the end of its design life.
- The steeple stones, stored in Ayr, were in better condition than expected. They could only be partially observed and could not be moved. It is likely that they can be at least partially reused following redressing from a suitably qualified stone mason. Material testing of the stone is recommended to understand its properties/suitability.



Figure 2 – Corroded Steel Beams supporting the tower

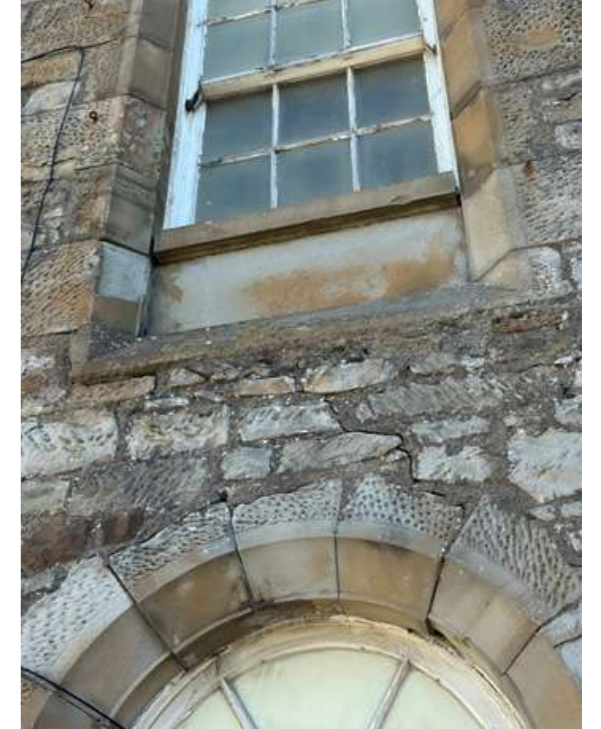


Figure 4 – Movement of voussoir stones causing cracking above



Figure 3 – Crack formations on the western facet (highlighted in yellow)



Figure 5 – Stones from demolished steeple observed in storage

# 06.0 Freeman's Hall Stage 1 Structural Report - Feasibility Study

## 06.3 Feasibility Study

A structural feasibility study of the reinstatement options is currently being conducted based on the findings of the condition survey. The study will assess options that will be informed by further survey works and detailed research into traditional spire construction.

Scenario 1 assumes that the existing structure can support the existing steeple. The following option in this scenario will be considered:

- Option 1 will assess a like-for-like reinstatement with additional structure to consolidate the stability of the steeple itself.
- Scenario assumes that the survey works prove that the existing structural arrangement cannot support the stone steeple. The following option in this scenario will be considered:
- Option 2 will look into the feasibility of strengthening of the existing structural fabric to support the steeple which will then be constructed as per option 1.
- Option 3 will investigate a new structural arrangement to support the steeple.
- Option 4 will look into a new light-weight steeple supported by the existing structure.
- High level commentary and sketches will be provided for all feasibility options with all assumptions noted.

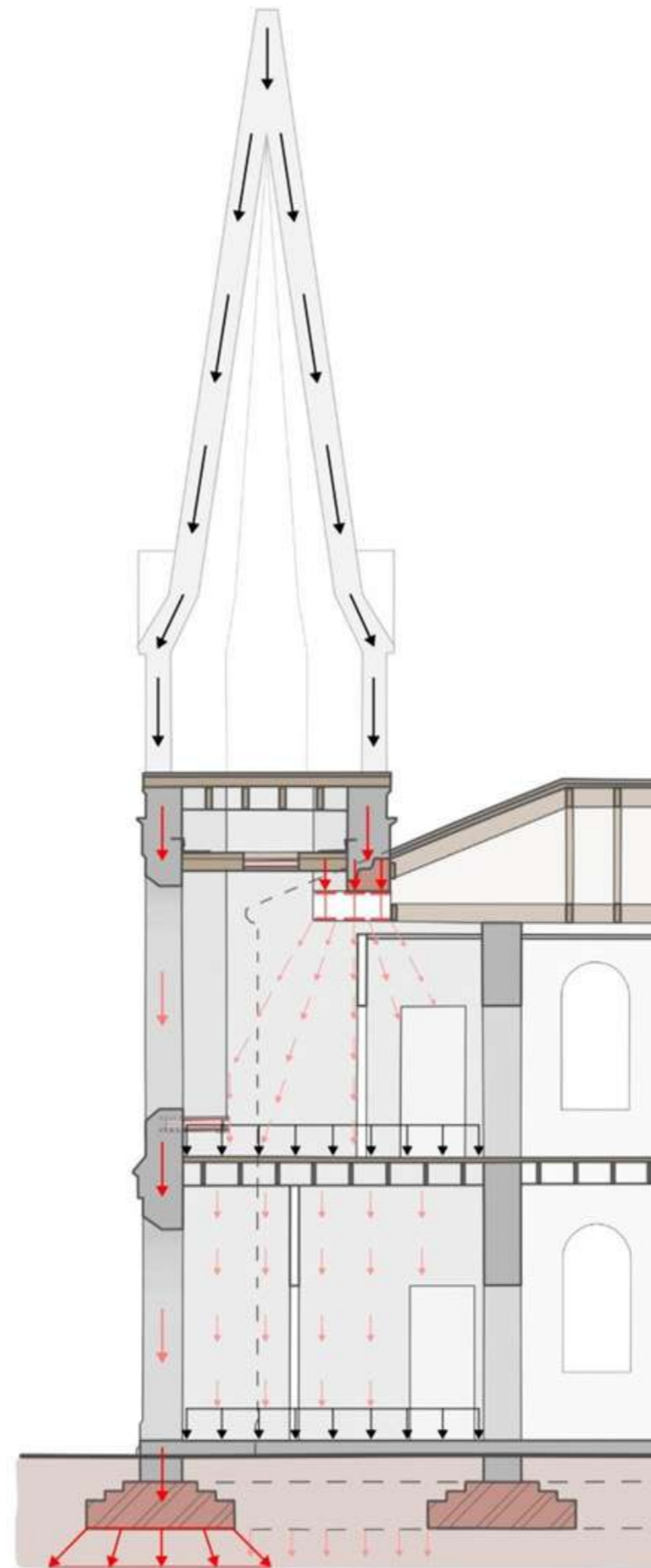
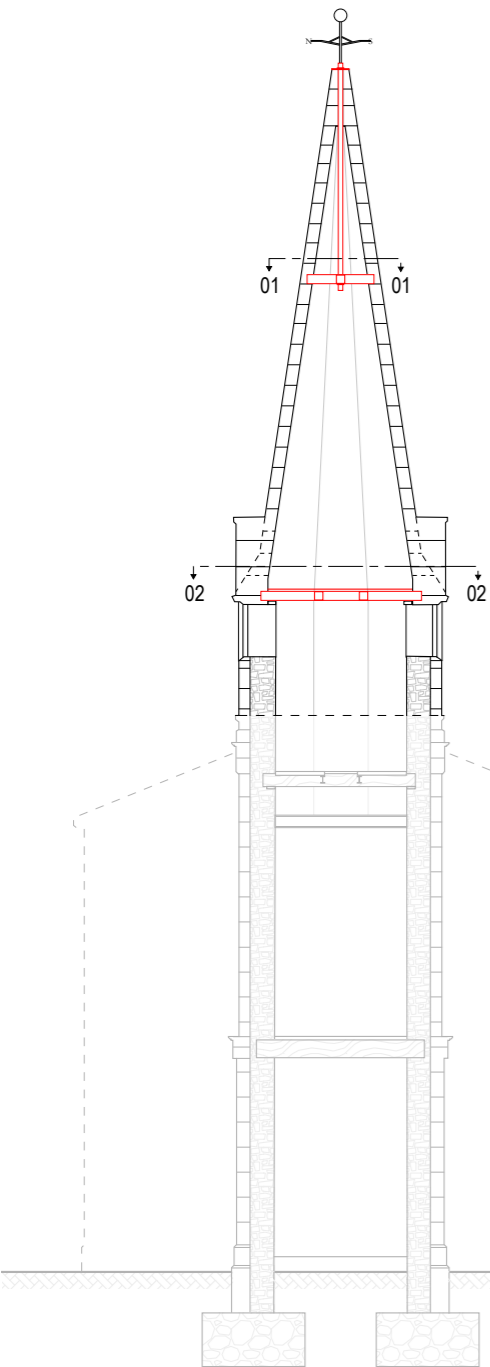


Figure 6 - Indicative loadpath of the existing arrangement

# 06.0 Freeman's Hall Stage 1 Structural Report - Option 1

**NOTE:** No detailed calculative assessment of the structure has been carried out at this stage. This sketch shows design intent only. Specifications and section sizes shown are indicative and are subject to change following verification of the existing structural system and detailed design.



**SECTION A-A - OPTION 1 REINSTATEMENT**  
NTS

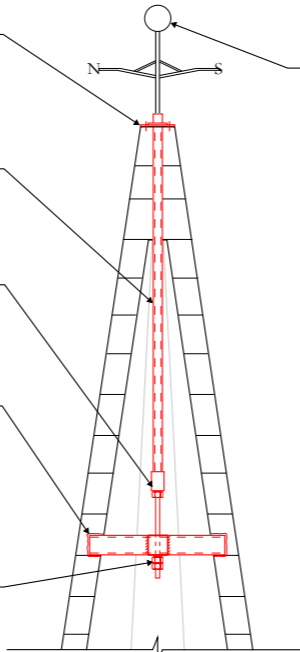
Stainless steel plate to be fixed to spire tip with resin anchors.

Stainless Steel CHS member fixed to plate at spire tip.

CHS section connected to stainless steel threaded rod.

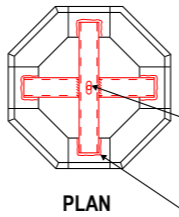
Masonry cut to allow for steel beam bearing pockets.

Threaded rod secured tightly to cross-tree with lock nuts and locking compound to engage all masonry between the tip plate and the cross tree.



**DETAIL 01 - SPIRE TIP RESTRAINT**  
NTS

Weather vane itself to be independent of the below rod to allow for rotation in the wind.



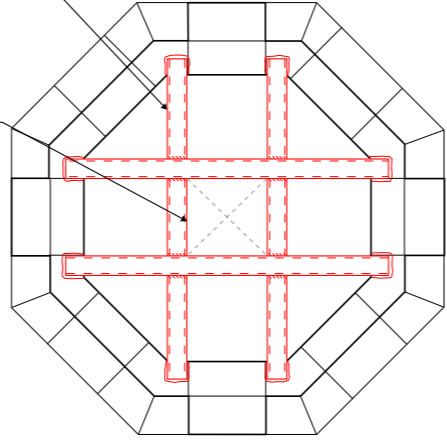
PLAN

Slotted hole to be formed through centre of the arrangement to allow for alignment of the threaded rod.

Stainless steel "cross-tree" arrangement to be formed of 3no. stainless steel SHS sections welded together off site.

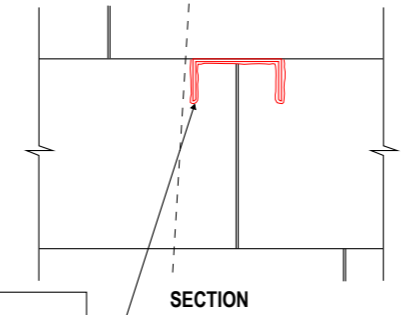
Stainless steel base restraint arrangement to be formed of 8no. stainless steel SHS sections welded together off site.

Grillage to be topped with treated OSB Board. Central bay to be used for access hatch.



**DETAIL 02 - SPIRE BASE STRUCTURE**  
NTS

Stainless steel "dog-cramp" fixed to masonry with compatible resin or traditional lead.



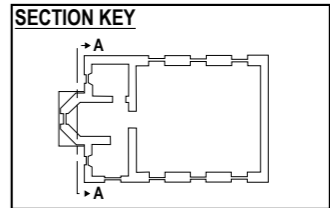
**DETAIL 03 - MASONRY CRAMP DETAILS**  
NTS

**NOTES**  
Refer to Report G9783-WRD-XX-XX-RP-S-00003\_01 for commentary on this reinstatement option.  
  
This option relies on the assumption that the existing tower structure is proven to be suitable to support the load of the steeple reinstatement as shown.  
  
All reused masonry to be assessed for structural suitability ahead of construction.  
  
All steel members to be formed of stainless steel.  
  
All welds shown to be carried out off site.  
  
Pockets for the steel members and insets for cramps to be formed in the masonry by suitably qualified stone mason while redressing of the original masonry is undertaken.  
  
Allow for cramp detail as shown in Detail 01 and 02.

- GENERAL NOTES**
- DO NOT SCALE FROM THIS DRAWING - IF IN DOUBT CONTACT PROJECT ENGINEER.
  - ALL DIMENSIONS ARE IN MILLIMETRES UNLESS STATED OTHERWISE.
  - ALL LEVELS ARE IN METRES.
  - THIS DRAWING IS TO BE READ IN CONJUNCTION WITH ALL RELEVANT ARCHITECTURAL, STRUCTURAL AND SERVICES DRAWINGS.
  - THE CONTRACTOR IS TO VERIFY ALL DIMENSIONS ON SITE AND IS RESPONSIBLE FOR ACCURATE SETTING OUT.
  - THE CONTRACTOR IS TO CONFIRM THE EXISTING BOUNDARY AND SITE STRUCTURES ETC. PRIOR TO COMMENCING THE WORKS AND IMMEDIATELY INFORM THE SUPERVISING OFFICER SHOULD THESE BE AT VARIANCE WITH THE ASSUMPTIONS SHOWN ON THE DRAWING.

**ALL DIMENSIONS SHOWN ON THIS DRAWING ARE TO BE VERIFIED BY THE ARCHITECT PRIOR TO FABRICATION / MANUFACTURE / CONSTRUCTION**

CONSTRUCTION (DESIGN AND MANAGEMENT) REGULATIONS 2015  
THE DESIGNS ON THIS DRAWING ARE PREPARED WITH CONSIDERATION OF THE NEED TO IDENTIFY HAZARDS AND GIVE REGARD TO THEIR ELIMINATION OR MINIMISATION. REFERENCE MUST BE MADE TO THE HEALTH AND SAFETY INFORMATION PREPARED BY THE PRINCIPAL DESIGNER.



P01	INFORMATION	ARH	03/07/25	GC	03/07/25
ISSUE	DETAILS	BY	DATE	CHK	DATE

STATUS:  
**INFORMATION**

PROJECT: PRESTWICK REGENERATION  
CLIENT: AUSTIN-SMITH:LORD

TITLE:  
**FREEMANS HALL - STEEPLE REINSTATEMENT OPTION 1**

DRAWN BY:	ARH	DATE:	30/06/2025
CHECKED BY:	GC	DATE:	30/06/2025
SCALE:	NTS	SHEET SIZE:	A3

PROJECT ORIG. VOL. LEVEL TYPE ROLE No. REV  
**G9783 - WRD - XX - XX - SK - S - 00003 P01**

# 06.0 Freeman's Hall Stage 1 Structural Report - Option 2

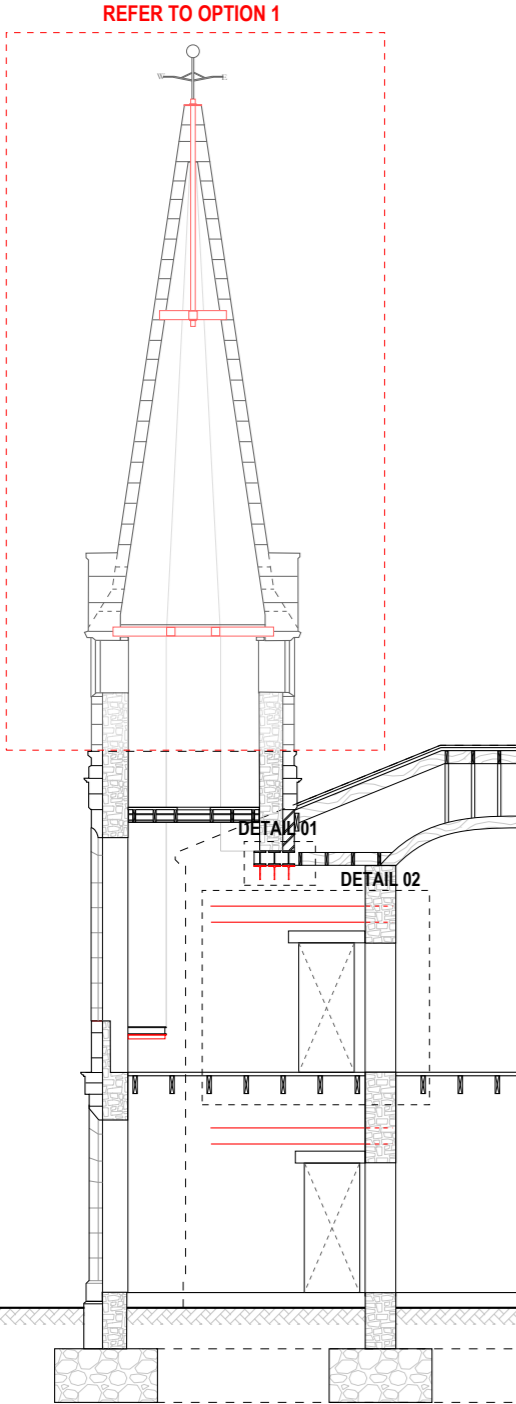
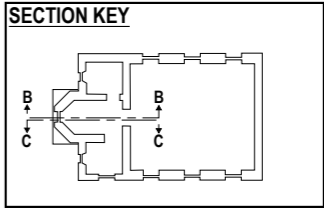
**NOTE:** No detailed calculative assessment of the structure has been carried out at this stage. This sketch shows design intent only. Extent and specifications of strengthening work shown is indicative and subject to change following verification of the existing structural system and detailed design.

**NOTES**  
Refer to Report G9783-WRD-XX-XX-RP-S-00003\_01 for commentary on this reinstatement option.  
  
This option relies on the assumption that the existing tower structure requires localised structural strengthening to support the load of the steeple reinstatement as shown.  
  
Refer to Option 1 for the steeple reinstatement that will be used following the strengthening works shown.

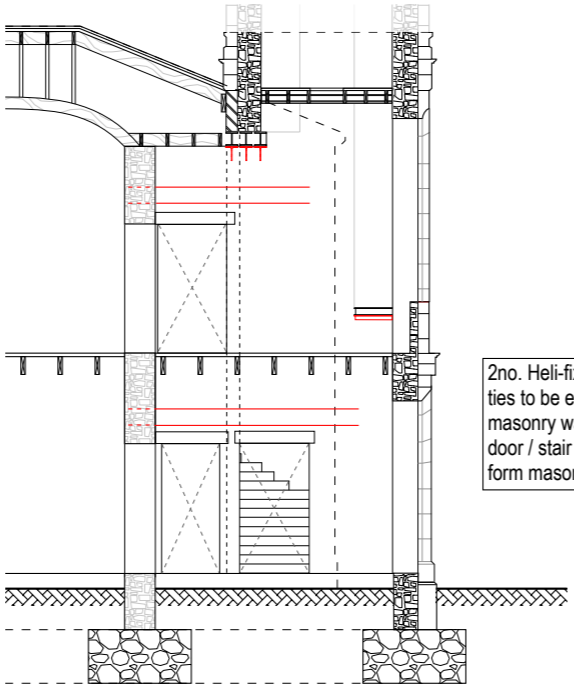
- GENERAL NOTES**
- DO NOT SCALE FROM THIS DRAWING - IF IN DOUBT CONTACT PROJECT ENGINEER.
  - ALL DIMENSIONS ARE IN MILLIMETRES UNLESS STATED OTHERWISE.
  - ALL LEVELS ARE IN METRES.
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  - THE CONTRACTOR IS TO VERIFY ALL DIMENSIONS ON SITE AND IS RESPONSIBLE FOR ACCURATE SETTING OUT.
  - THE CONTRACTOR IS TO CONFIRM THE EXISTING BOUNDARY AND SITE STRUCTURES ETC. PRIOR TO COMMENCING THE WORKS AND IMMEDIATELY INFORM THE SUPERVISING OFFICER SHOULD THESE BE AT VARIANCE WITH THE ASSUMPTIONS SHOWN ON THE DRAWING.

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**CONSTRUCTION (DESIGN AND MANAGEMENT) REGULATIONS 2015**  
THE DESIGNS ON THIS DRAWING ARE PREPARED WITH CONSIDERATION OF THE NEED TO IDENTIFY HAZARDS AND GIVE REGARD TO THEIR ELIMINATION OR MINIMISATION. REFERENCE MUST BE MADE TO THE HEALTH AND SAFETY INFORMATION PREPARED BY THE PRINCIPAL DESIGNER.

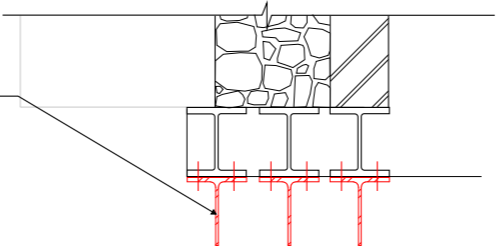


**SECTION B-B - OPTION 2 REINSTATEMENT**  
NTS



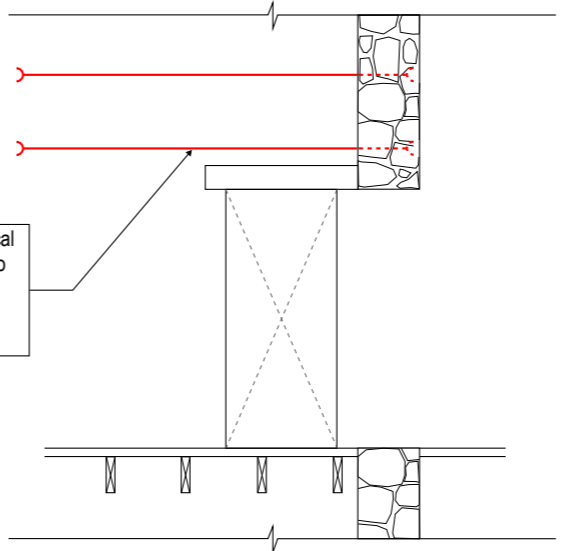
**SECTION C-C - OPTION 2 REINSTATEMENT**  
NTS

3no. Steel sections bolted to bottom flange of existing beams. Can be replaced by plates depending on level of strengthening required.



**DETAIL 01 - STEEL BEAM STRENGTHENING**  
NTS

2no. Heli-fix (EOA) helical ties to be embedded into masonry wall above all door / stair openings to form masonry "beams".



**DETAIL 02 - WALL OPENING STRENGTHENING**  
NTS

P01	INFORMATION	ARH	03/07/25	GC	03/07/25
ISSUE	DETAILS	BY	DATE	CHK	DATE

STATUS:  
**INFORMATION**

**Will Rudd**  
Consulting Engineers  
0141 248 4866  
ruddconsult.com  
Will Rudd Developer Ltd  
100 Brunel Rd, Glasgow, G11P

PROJECT: **PRESTWICK REGENERATION**  
CLIENT: **AUSTIN-SMITH:LORD**

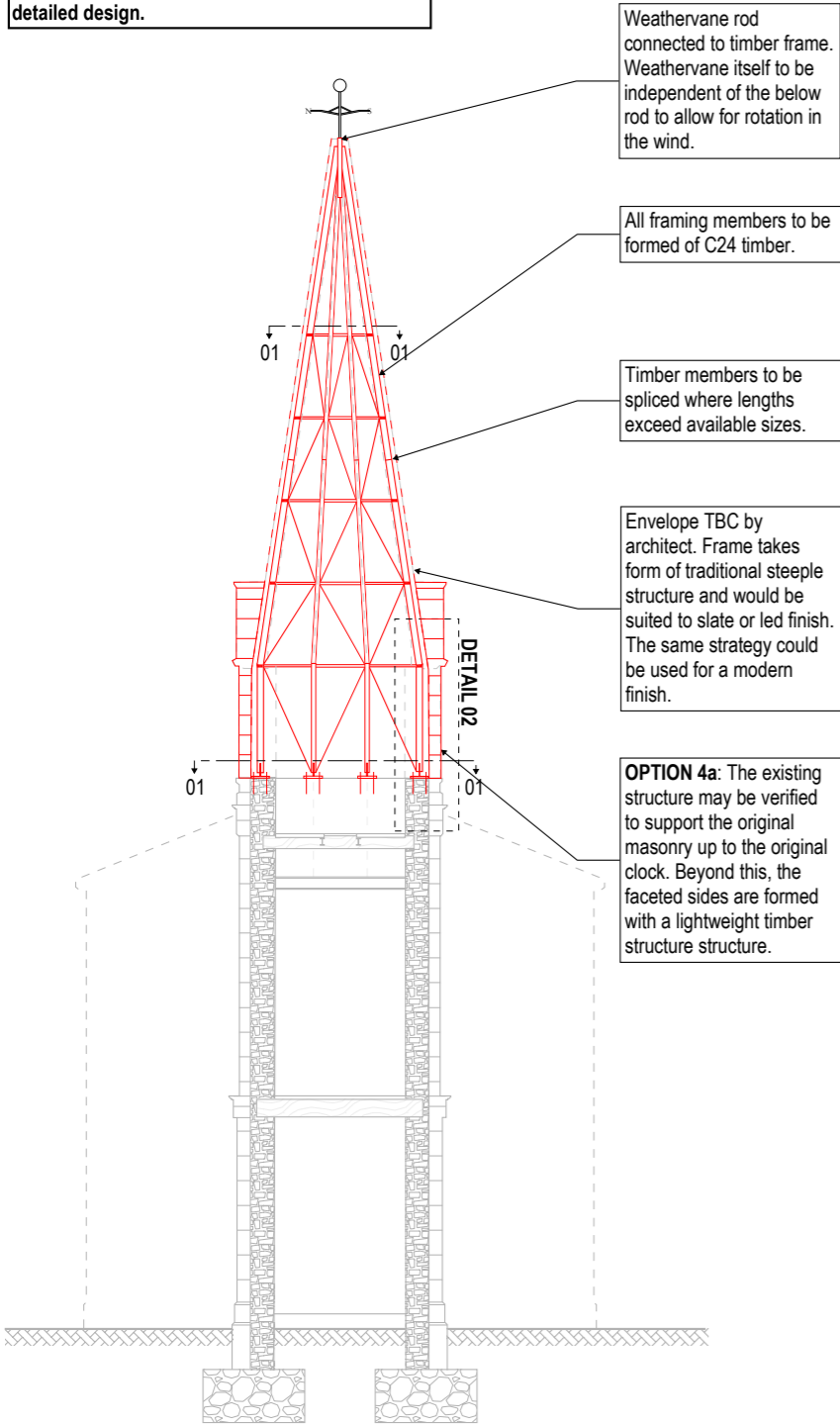
TITLE:  
**FREEMANS HALL - STEEPLE REINSTATEMENT OPTION 2**

DRAWN BY:	ARH	DATE:	30/06/2025
CHECKED BY:	GC	DATE:	30/06/2025
SCALE:	NTS	SHEET SIZE:	A3

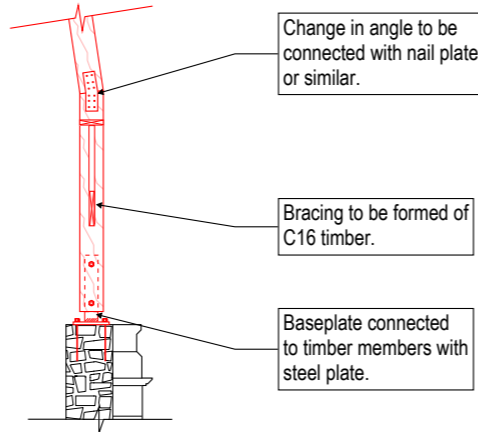
PROJECT	ORIG.	VOL.	LEVEL	TYPE	ROLE	No.	REV
G9783 - WRD - XX - XX - SK - S						00004	P01

# 06.0 Freeman's Hall Stage 1 Structural Report - Options 4 & 4A

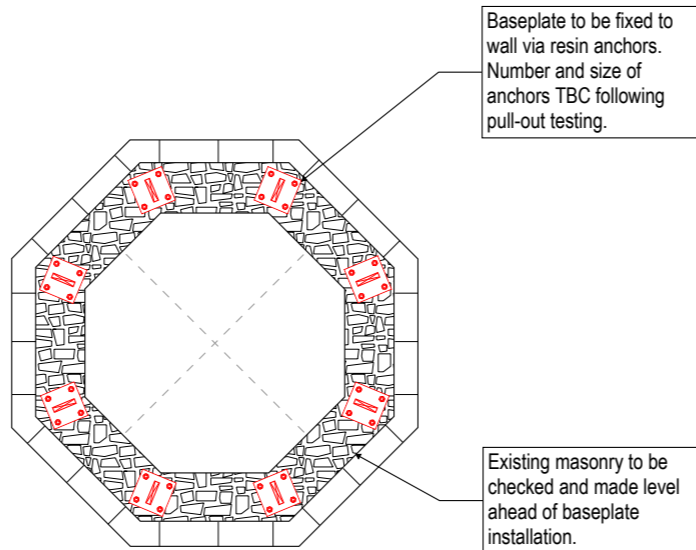
**NOTE:** No detailed calculative assessment of the structure has been carried out at this stage. This sketch shows design intent only. Extent and specifications of strengthening work shown is indicative and subject to change following verification of the existing structural system and detailed design.



**SECTION A-A - OPTION 4 REINSTATEMENT**  
NTS



**DETAIL 02 - TIMBER FRAME**  
NTS



**DETAIL 01 - BASEPLATE ARRANGEMENT**  
NTS

**NOTES**

Refer to Report G9783-WRD-XX-XX-RP-S-00003\_01 for commentary on this reinstatement option.

This option relies on the assumption that the existing tower structure is not proven to be suitable to support the load of the masonry steeple. Therefore, this design is for a lighter weight steeple replacement.

All members formed of treated C24 timber.

Various architectural finishes would be compatible with this option ie. slate or lead.

Option 4a describes a possibility of partially reuse of the reclaimed masonry while the tapered steeple itself is constructed with the light-weight timber frame as shown.

**GENERAL NOTES**

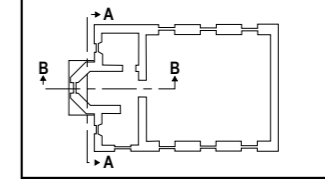
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**SECTION KEY**



P01	INFORMATION	ARH	03/07/25	GC	03/07/25
ISSUE	DETAILS	BY	DATE	CHK	DATE

STATUS:  
**INFORMATION**

PROJECT: PRESTWICK REGENERATION

CLIENT: AUSTIN-SMITH:LORD

TITLE:  
**FREEMANS HALL - STEEPLE REINSTATEMENT OPTION 4**

DRAWN BY: ARH DATE: 30/06/2025

CHECKED BY: GC DATE: 30/06/2025

SCALE: NTS SHEET SIZE: A3

PROJECT ORIG. VOL. LEVEL TYPE ROLE No. REV  
**G9783 - WRD - XX - XX - SK - S - 00006 P01**

# 06.0 Freeman's Hall Stage 1 Structural Report - Feasibility Summary



## 7.0 Feasibility Summary

The below table summarises the reinstatement options and ranks them from 5 on the following categories: Likelihood of Success, Buildability, Conservation Sensitivity, Cost, Sustainability and Risk. This is simply an outline summary of the schemes and is in no way intended to discount any of the schemes before

the intrusive survey works have been conducted but is rather intended to highlight the constraints and opportunities of each option.

Completing the survey works will greatly derisk all remaining suitable schemes and improve their likelihood of success. A flow chart outlining a prudent decision making process for the next steps has been provided in

	Masonry Steeple Reinstatement	Strengthening of Existing Structure to Support the Masonry Steeple	New Steel Structure to Support the Masonry Steeple	New Lightweight Steeple Construction
(refer to flowchart)	This option relies on the survey works verifying that the tower structure is suitable to support the steeple.	This option improves upon option 1, as the tower structure below is being strengthened and therefore is more likely to be able to support the steeple.	As this option involved a new structure, it can be designed as such that we can confirm that it is suitable to carry the loads from the steeple.	Reducing the load from the steeple improves the likelihood of the tower being able to support the required
(refer to Section)	This option involves no structural intervention to the existing building. It is the closest option for simply reinstating the steeple.	This option is similar to option 1 but requires some structural strengthening.	This option requires the most significant structural intervention, including complex internal groundworks.	Construction of a new timber framed steeple should be a comparatively straightforward construction process. Members can be prefabricated and craned into place.
	This is essentially a like for like replacement of the steeple however, some modern members will be used within the steeple to ensure long term structural	Similarly, this is a sensitive reinstatement, however, any temporary removal of historic lath and plaster finishes.	While this option will externally maintain the appearance of the historic masonry steeple, the new steel frame will change the internal character of the building.	Although this option results in replacing the steeple, it can be done in a way that matches construction methods of the time and using materials that match the character of the surrounding area.
	This option involves redressing the existing masonry and the fabrication of local stainless steel	In addition to the costs incurred by option 1, this option involves the cost of additional structural strengthening.	This option incurs the costs relating to fabrication of a new steel frame with associated foundations in addition to the redressing of the masonry. <b>this option unfeasible</b>	Construction costs of a timber framed steeple will be lower than that of the reconstruction of the masonry steeple. However, this option does not include reused
	Low embodied carbon due to quantity of reclaimed construction material and minimal new members.	Similar to option 1 with a very slight increase in embodied carbon associated with additional strengthening	Significant amount of embodied carbon due to large quantity of new steel and new RC foundations.	Lack of reuse and quantity of new construction material is detrimental to the sustainability of this scheme. Use of timber somewhat offsets this.
	This option relies the most on the existing structure supporting the full weight of the steeple which means less calculative assurance of the system	Providing structural strengthening to the existing system derisks this scheme compared with option 1.	This is the option that provides most control over the steeple support system, however the ground works due to the change in load path may disturb the existing	weight structure can be designed to suit the capacity of the existing structure, reducing the risk of overstressing the tower. The most significant risk of this option is that the new materials will require further statutory approvals from HES

# **07** Assessment of Options

# 07.1 Potential Assessment Process

Options \ Success Criteria	Promenade Bathing Lake Option 1 £926,000	Promenade Bathing Lake Option 2 £3,426,000	Promenade Bathing Lake Option 3 £3,962,000	Promenade Gateways £841,000	Promenade Core Area, General + Artworks £256,000
Strategic Alignment					
Score					
Economic Impacts					
Score					
Viability					
Score					
Social and Community Benefits					
Score					
Risk and Uncertainty					
<b>TOTAL SCORE</b>					

A score is allocated to each option in how well it can achieve the success criteria.

- Score**
- 1: Limited or No Impact
  - 2: Limited Impact
  - 3: Likely to achieve some impact
  - 4: Confident the option will fulfil most of the criteria
  - 5: Option is near to maximise this criteria

# 07.1 Potential Assessment Process

<b>Options</b>	<b>Promenade</b>	<b>Promenade</b>	<b>Promenade</b>	<b>Promenade</b>	<b>Promenade</b>
<b>Success Criteria</b>	Bathing Lake Option 1 <b>£926,000</b>	Bathing Lake Option 2 <b>£3,426,000</b>	Bathing Lake Option 3 <b>£3,962,000</b>	Gateways <b>£841,000</b>	Core Area, General + Artworks <b>£256,000</b>
Potential additional funding sources					
Score					
Statutory Consents					
Score					
Timescales					
Score					
Support recorded through previous consultation process					
Score					
Budget					
<b>TOTAL SCORE</b>					

A score is allocated to each option in how well it can achieve the success criteria.

- Score**
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# 07.1 Potential Assessment Process

Options Success Criteria	Promenade Bathing Lake Option 1	Promenade Bathing Lake Option 2	Promenade Bathing Lake Option 3	Promenade Gateways	Promenade Core Area, General + Artworks
	£926,000	£3,426,000	£3,962,000	£841,000	£256,000
Score					
Score					
Score					
Score					
<b>TOTAL SCORE</b>					

A score is allocated to each option in how well it can achieve the success criteria.

- Score**
- 1: Limited or No Impact
  - 2: Limited Impact
  - 3: Likely to achieve some impact
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  - 5: Option is near to maximise this criteria

# 07.1 Potential Assessment Process

Options Success Criteria	Promenade Bathing Lake Option 1 <b>£926,000</b>	Promenade Bathing Lake Option 2 <b>£3,426,000</b>	Promenade Bathing Lake Option 3 <b>£3,962,000</b>	Promenade Gateways <b>£841,000</b>	Promenade Core Area, General + Artworks <b>£256,000</b>
Score page 1					
Score page 2					
Score page 3					
<b>TOTAL SCORE</b>					

Based on the information provided do you have a preference for which project should be progressed:

The Freeman’s Steeple       The Promenade       Both       Neither

Comments .....

.....

.....

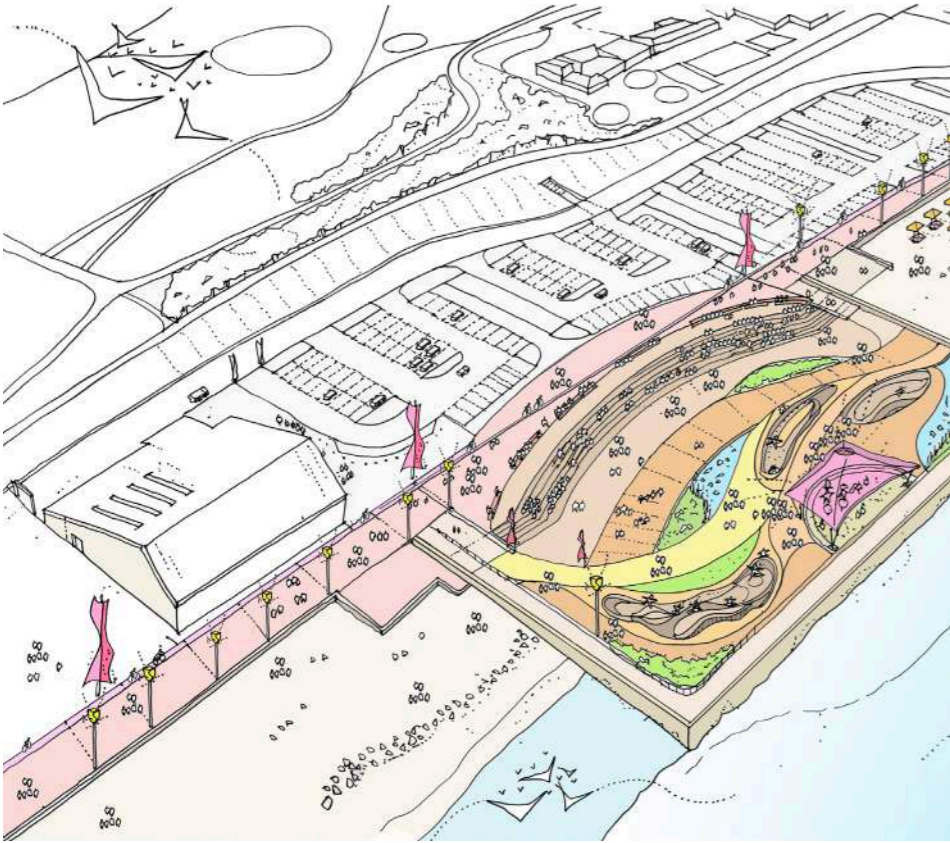
Do you think an alternative approach should be taken or have any other comments:

.....

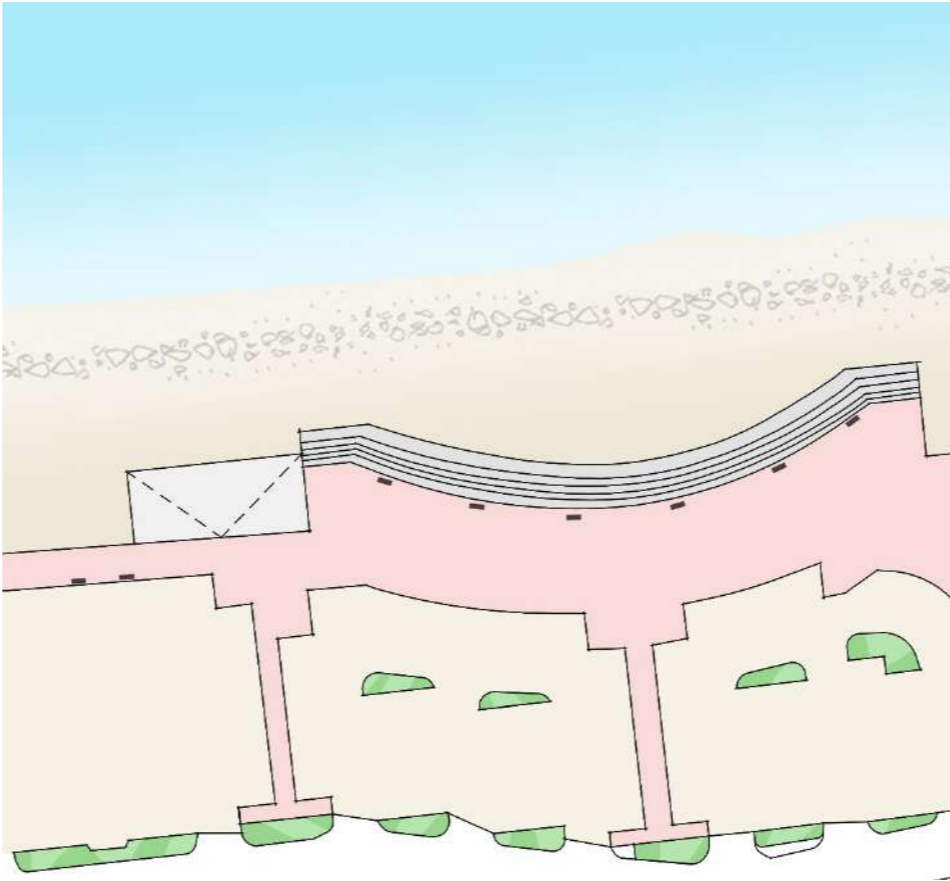
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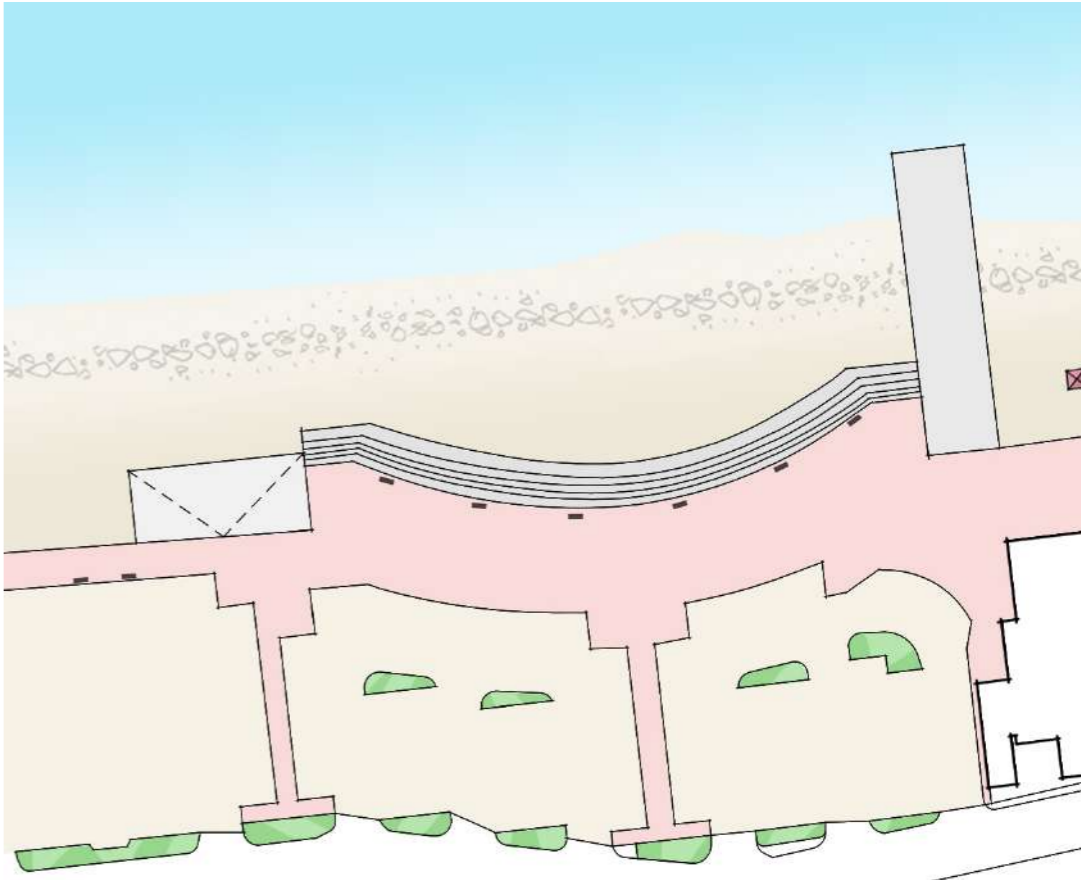
# Promenade Options- Bathing Lake



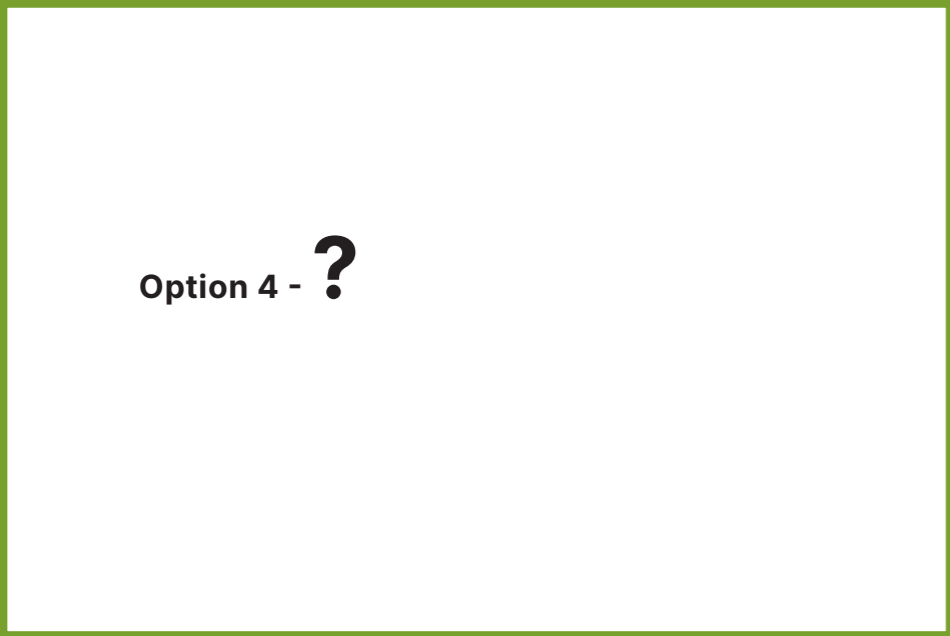
**Option 1** - Enhancements to the former bathing lake.



**Option 2** - Removal of bathing lake, beach reinstated.

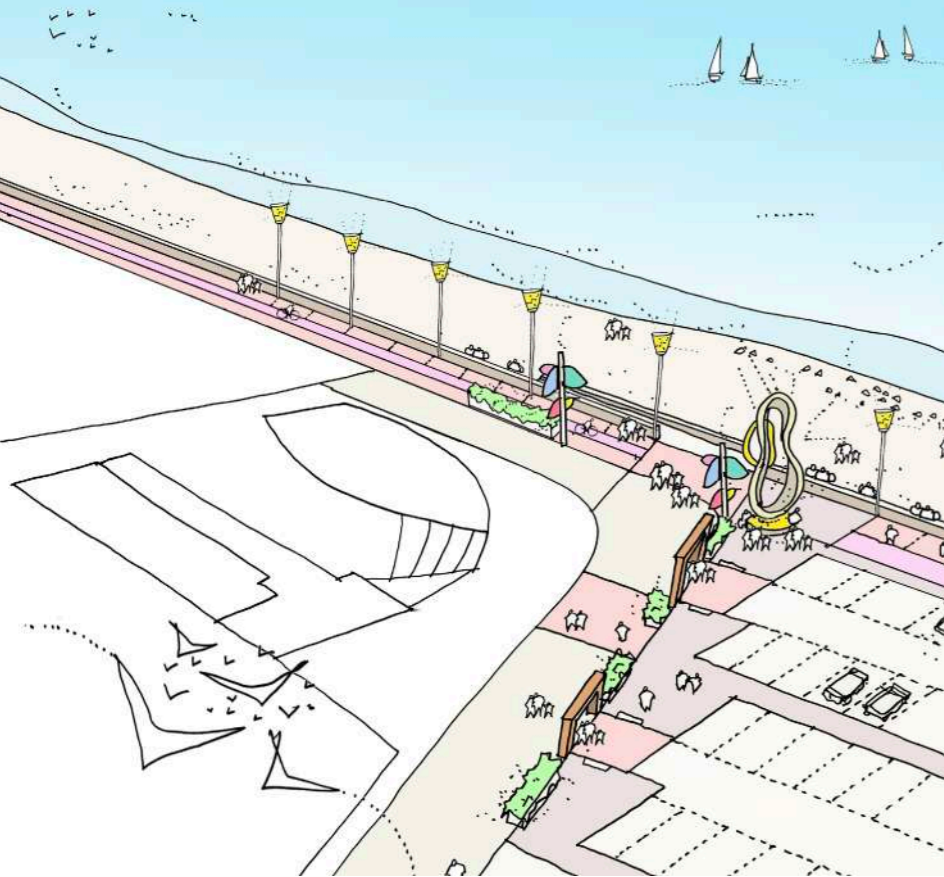


**Option 3** - Removal of bathing lake, beach reinstated, with pier added.

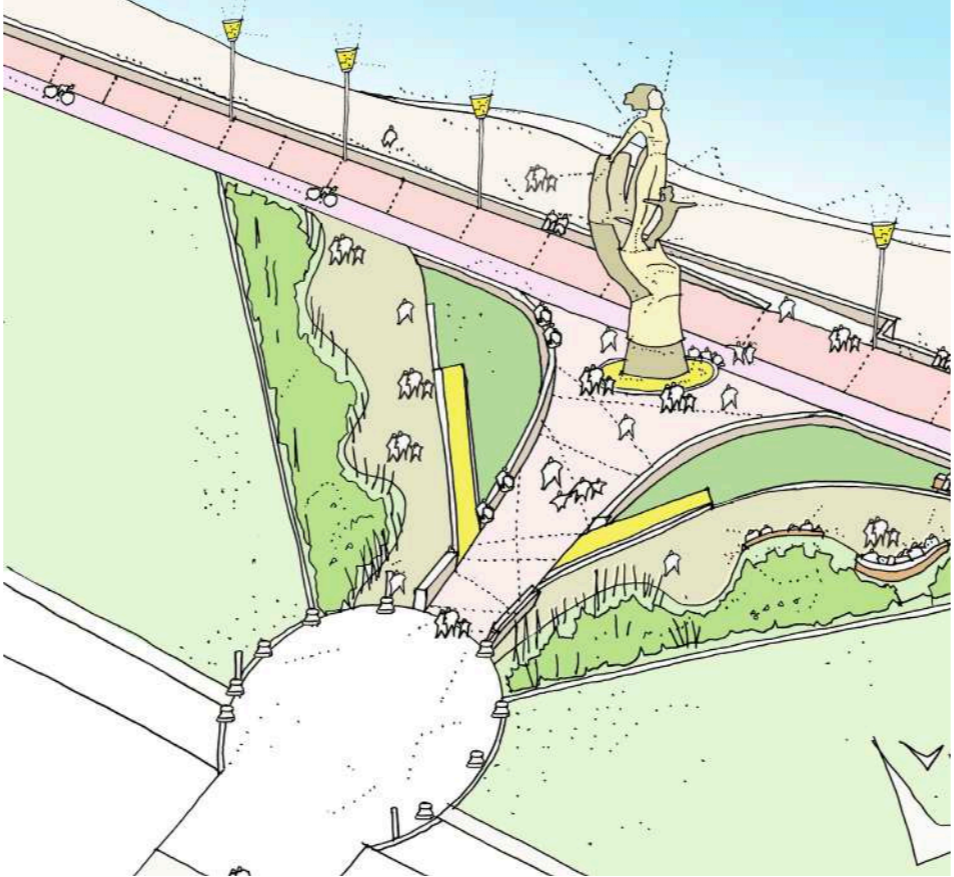


**Option 4** - Alternative approach- Refurbish and reinstate bathing lake - seek additional funding

# Promenade Options - Gateways and Central Space + General Improvements



Grangemuir Road



Burgh Road



Links Road



Central/ Core Area

# 07.2 Potential Assessment Process

Options	Steeple	Steeple	Steeple	Steeple
Success Criteria	Option 1 <b>£515,000</b> Rebuild with existing stone	Option 2 <b>£545,000</b> Rebuild with new stone	Option 4 <b>£345,000</b> Rebuild using new slate or lead roof finish	Option 4A <b>£435,000</b> Rebuild using new stone and slate or lead roof finish
Strategic Alignment				
Score				
Economic Impacts				
Score				
Viability				
Score				
Social and Community Benefits				
Score				
Risk and Uncertainty				
<b>TOTAL SCORE</b>				

A score is allocated to each option in how well it can achieve the success criteria.

- Score**
- 1: Limited or No Impact
  - 2: Limited Impact
  - 3: Likely to achieve some impact
  - 4: Confident the option will fulfil most of the criteria
  - 5: Option is near to maximise this criteria

# 07.2 Potential Assessment Process

Options	Steeple	Steeple	Steeple	Steeple
<b>Success Criteria</b>	Option 1 <b>£515,000</b> Rebuild with existing stone	Option 2 <b>£545,000</b> Rebuild with new stone	Option 4 <b>£345,000</b> Rebuild using new slate or lead roof finish	Option 4A <b>£435,000</b> Rebuild using new stone and slate or lead roof finish
Potential additional funding sources				
Score				
Statutory Consents				
Score				
Timescales				
Score				
Budget				
Score				
Support recorded through previous consultation process				
<b>TOTAL SCORE</b>				

A score is allocated to each option in how well it can achieve the success criteria.

- Score**
- 1: Limited or No Impact
  - 2: Limited Impact
  - 3: Likely to achieve some impact
  - 4: Confident the option will fulfil most of the criteria
  - 5: Option is near to maximise this criteria

# 07.2 Potential Assessment Process

Options  Success Criteria	Steeple  Option 1 <b>£515,000</b> Rebuild with existing stone	Steeple  Option 2 <b>£545,000</b> Rebuild with new stone	Steeple  Option 4 <b>£345,000</b> Rebuild using new slate or lead roof finish	Steeple  Option 4A <b>£435,000</b> Rebuild using new stone and slate or lead roof finish
<b>Score</b>				
<b>Score</b>				
<b>Score</b>				
<b>Score</b>				
<b>TOTAL SCORE</b>				

A score is allocated to each option in how well it can achieve the success criteria.

- Score**
- 1: Limited or No Impact
  - 2: Limited Impact
  - 3: Likely to achieve some impact
  - 4: Confident the option will fulfil most of the criteria
  - 5: Option is near to maximise this criteria

# 07.2 Potential Assessment Process

<b>Options</b>	<b>Steeple</b> Option 1 <b>£515,000</b> Rebuild with existing stone	<b>Steeple</b> Option 2 <b>£545,000</b> Rebuild with new stone	<b>Steeple</b> Option 4 <b>£345,000</b> Rebuild using new slate or lead roof finish	<b>Steeple</b> Option 4A <b>£435,000</b> Rebuild using new stone and slate or lead roof finish
<b>Success Criteria</b>				
Score page 1				
Score page 2				
Score page 3				
<b>TOTAL SCORE</b>				

Based on the information provided do you have a preference for which project should be progressed:

The Freeman’s Steeple       The Promenade       Both       Neither

Comments .....

.....

.....

Do you think an alternative approach should be taken or have any other comments:

.....

.....

.....

## 08.0 Next Steps

### Tasks

**Stage 1** - Preparatory Phase by Design Team and SAC Internal Briefing

**Stage 2** - Scenario Development

**Stage 3** - Stakeholder Workshop  
Scenario Testing + Criteria Assessment



**Stage 5** - Collation of responses and feedback,  
Reporting on feedback and final report to South Ayrshire Council

# Austin-Smith:Lord

Enhancing Life & Environments By Design

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The Options Appraisal follows a 5 step process. Each step of the process is detailed in subsequent sheets in this spreadsheet


[Step 1: Defining the objectives](#)

[Step 2: Identifying the options](#)

[Step 3: Establishing the success criteria](#)

[Step 4: Undertaking the appraisal](#)

[Step 5: Confirming the preferred option](#)



Objectives define what we want to achieve from the project. It helps show what the intention of the project is and whether or not it is heading in the right direction: in essence, the objectives tell the story of the project.

<b>Objective 1</b>	Strategic Alignment
<b>Objective 2</b>	Economic Impacts
<b>Objective 3</b>	Social and Community Benefits
<b>Objective 4</b>	Place-based Benefits
<b>Objective 5</b>	Deliverability/Feasibility
<b>Objective 6</b>	Risk and Uncertainty



This section details what options have been identified for delivering the project. These options will be appraised against the success criteria.

Option 1 Promenade & Seafront Gateway Improvements

Option 2 Freeman's Hall Steeple Reinstatement

Option 3 Bathing Lake / Lido

Option 4

Option #

Option #



The success criteria is what each of the options will be measured against. Success criteria must therefore be linked to the objectives of the project and appraise each option with the objectives in mind.

<b>Strategic Alignment</b>	Does it align with SAC Priorities - a place-based approach and connections between our places and the wellbeing of our communities? Also, the Scottish Government's regeneration priorities centre on creating sustainable, thriving communities by addressing area inequality, creating opportunities, and improving community well-being. Key initiatives include community-led regeneration, supporting local partnerships, and investing in town centres.
<b>Economic Impacts</b>	Town centre locations are considered priorities, with emphasis on benefits from bringing people/footfall through complementary uses and facilities, combining visits, visibility, etc.
<b>Viability</b>	What are the costs and financial sustainability of the project? Does it provide value for money?
<b>Social &amp; Community Benefits</b>	How will the project improve the local community? Does it address inequality, health, climate resilience, etc.? Evidence of community support?
<b>Risk &amp; Uncertainty</b>	Are there significant risks (political, financial, operational) that will compromise deliverability? Are there barriers to delivery? Land ownership issues, planning/roads consents/issues?

The appraisal table is outlined below, showing the options of delivery vertically in column D and the success criteria horizontally at row 3. A score is allocated to each option in how well it can achieve the success criteria. In this case, no weighting of scores is provided

Success criteria

Options →	Promenade & Seafront Gateway Improvements	Freeman's Hall Steeple Reinstatement	Bathing Lake / Lido	Option 4	Option 5	Option 6
<b>Strategic Alignment</b>	Strong alignment with Council Plan priorities on Spaces & Places and Civic Pride; delivers visible place-based regeneration.	Aligns with heritage objectives but weaker fit with wider place-based regeneration priorities.	Supports Council Plan objectives through evidence-led, community-based regeneration.			
<b>Score</b>	5	3	3			
<b>Economic Impacts</b>	Supports tourism economy, footfall and visitor experience with early economic uplift.	Limited direct economic return relative to capital investment.	Indirect economic benefit by enabling informed future investment.			
<b>Score</b>	4	2	3			
<b>Viability</b>	Well scoped, costed and deliverable within existing capital allocation.	Relatively high cost and uncertainty if external funding is conditional. Note further intrusive survey required.	Uncertain viability in terms of delivery, in terms of both capital and revenue costs and transfer of ownership			
<b>Score</b>	4	3	2			
<b>Social &amp; Community Benefits</b>	Improves accessibility, public realm quality and community pride.	Strong symbolic value based on narrative around civic importance of the building but mixed community views on prioritisation.	Uncertain community interest as the project but could potentially have strong community benefit depending on operating model			
<b>Score</b>	5	3	3			
<b>Risk &amp; Uncertainty</b>	Low delivery risk with limited statutory and funding uncertainty.	Relatively high financial and delivery risk dependant upon results of intrusive survey work. Also, associated with progressing the project in light of recent consultation feedback.	High uncertainty and delivery risk until feasibility study.			
<b>Score</b>	4	3	2			
<b>Total Score</b>	22	14	13	0	0	0

Score key

1: Little / no impact

2: Limited impact

3: Likely to achieve some impact

4: Confident the option will fulfill most of criteria

5: Option is near certain to maximise this criteria

This section describes each of the options and the reason why it has been discounted. Justification is also provided for the reason to progress with the preferred option, explaining why this option is best.

Option	Description	Reason for score/ranking
1	Promenade & Seafront Gateway Improvements	Provides the best balance of impacts, delivery and strategic fit, offering viable early regeneration benefits with manageable risks. It clearly represents best value and underpins the recommended investment approach.
2	Freeman's Hall Steeple Reinstatement	Provides a balance of compromise, if external funding is leveraged, thus allowing a key heritage aspiration to progress.
3	Bathing Lake / Lido	The option enables feasibility study to progress before further capital investment, though significant concerns or issues that could compromise viability going forward. Potentially abortive spend.
4		
5		
6		

**Best Value Assessment re Freeman’s Hall Steeple (without match funding)**

<p>Vision and Leadership</p>	<p>Is the proposal consistent with the Council’s vision and strategic purposes</p>	<p>The proposal supports heritage-led regeneration, conservation of historic assets and town centre identity, aligning with the Council’s place and cultural priorities. Balancing the lack of asset efficiency enhancement from the project, the lack of economic benefit and the lower public and stakeholder support for the project even with the placemaking and heritage merits of the proposal this results in a low assessment in the scenario without external match funding.</p>
	<p>Is the proposal consistent with the Council's resource allocation priorities? Will pursuing the proposal be detrimental to the achievement of higher priorities (for example through the diversion of limited funds)?</p>	<p>Unknown. The proposal is funded from the approved Prestwick Capital Regeneration budget and should not be detrimental to the delivery of other corporate priorities. However, the Capital Investment Programme and is reducing significantly to meet with fiscal projections 26/27 and beyond. An evaluation of the Prestwick Capital budget against other capital budget lines has not been carried out.</p>
	<p>Has the Council undertaken an appropriate and proportionate level of engagement with stakeholders?</p>	<p>Yes. Engagement and consultation have taken place, including a stakeholder workshop, and identified both support and dissent.</p>
	<p>Does the proposal reflect the needs of the community and relevant individuals? Is it linked in to any relevant service plans?</p>	<p>Mixed, i.e., the steeple is recognised as a significant local heritage asset, and the proposal’s objectives broadly align with regeneration and planning priorities. However, community and individual views expressed through consultation are mixed with certain stakeholders and groups supporting and others not. The mixed views on public funding have been acknowledged in relevant reports.</p>
	<p>Does the proposal have clearly identified outcomes? Have these been clearly communicated to staff involved in delivery?</p>	<p>Yes. Outcomes include informed decision-making on feasibility, cost certainty, statutory compliance and funding viability prior to any delivery decision. There is also a clear outcome ultimately in terms of the reinstatement of a steeple, though the details of it are still to be determined. Outcomes in terms of benefits from utility of the building are not clear as the steeple is a largely decorative feature.</p>

		Whilst arguments have been made regarding improving civic pride, and improved understanding and appreciation of local heritage, this may be difficult to measure or correlate without follow-on monitoring and evaluation.
	Are there appropriate mechanisms in place for scrutinising the outcome of the proposal, monitoring its progress and measuring its impact?	Yes. Delivery will be monitored through established capital programme reporting and Council/Cabinet decision tracking, as well as statutory planning/building warrant processes. Impacts to civic pride, understanding and appreciation of historic buildings will require follow-on monitoring and evaluation, including visitor tracking/footfall data.
	Does the proposal achieve the best balance of cost and quality in service delivery?	An Integrated impact assessment has been undertaken and highlighted regeneration benefits balanced against costs.
	Does the proposal encourage and support innovation and creativity in the way in which it will be delivered?	Potentially, if part of a wider programme for continued use of the building. Also, innovative ways to reinstate historic assets are being explored.
Governance and Accountability	Are there appropriate mechanisms in place to ensure that relevant individuals and organisations will be accountable for performance, including progress reports and monitoring?	Governance arrangements are clear, with accountability resting with senior officers. Member oversight is provided through Council and Cabinet reporting.
	Does the proposal have clearly identified KPIs?	Post completion evaluation will be undertaken, including assessment of visitor numbers, footfall, events, etc., to track usage of improved assets and wider place-based impacts.
	Are there appropriate arrangements in place to keep stakeholders and the public informed on progress?	Yes. Statutory planning processes include opportunity for consultation. Also, SPP will liaise with Communications to report on progress.
	Have relevant lessons been learned and applied from similar previous proposals?	Yes, comparable heritage and conservation projects have been reviewed and applied. Balancing the lack of asset efficiency enhancement from the project, the lack of economic benefit and the lower public and stakeholder support for the project even with the placemaking and heritage merits of the proposal this results in a low assessment in the scenario without external match funding.

	Are there appropriate arrangements in place concerning the measurement and mitigation of key risks? This should include continuity plans and allowances for optimism bias	Key risks relating to cost, delivery and statutory approvals have been identified and will be managed through risk management arrangements. All decisions will comply with procurement regulations. Budgets will be monitored against the impact of construction inflation and potential budget overruns with priorities for value reengineering being identified at project commencement. Risks to the Council increase without external match funding.
	Have key decisions relating to the proposal been taken transparently?	There has been a technical appraisal and stakeholder engagement process, which has included the steeple project. Decision-making going forward will continue to be transparent and open.
	Have members been appropriately involved in key decisions relating to the proposal? Are there mechanisms in place which allow ongoing scrutiny and challenge to the proposal by members?	Yes. Members have been appropriately involved with ongoing scrutiny through Council and Cabinet reporting. Approval of the project still required by the Council.
	Are appropriate arrangements in place to ensure compliance with the Council's standing orders and its broader duties concerning (for example) public procurement rules, subsidy control rules, fraud prevention/whistleblowing and equalities?	Proposals have been screened for incompatibility with broader duties and none have been identified
Effective use of resources	Does the proposal include clear arrangements for delivery by an appropriate team that aligns with the Council's broader workforce strategy? Is the proposal an appropriate and proportionate use of Council staffing resources?	Delivery will be managed through appropriate Council services, supported by external professional services where required.
	Have the costs of the proposal been clearly identified, including whole life costs, and accounted for in Council budgeting?	Costs are clearly identified within the Capital Programme, with financial monitoring and controls in place.
	Does the proposal align with the Council's budget and strategic priorities?	Costs are clearly identified within the Capital Programme.
	Are appropriate measures in place to monitor and report on the financial progress of the proposal and financial outturns compared with its budget?	There will be ongoing scrutiny through Council and Cabinet reporting processes.
	Are robust financial controls in place?	Yes

	Where relevant are robust governance arrangements in place concerning the use or involvement of arm's-length external organisations (ALEOs)?	n/a
Partnership and collaborative working	Does the proposal make appropriate use of joint working across Council departments and where relevant with other organisations?	Yes. The proposal supports joint working across Council services and engagement with external stakeholders as required for delivery.
	Where the proposal involves other organisations are there clear divisions of roles and responsibilities and is there a clear leadership structure?	Yes. The project, if approved, would be managed by the appropriate council service. Robust procurement processes, including appropriate project briefs, will ensure clear demarcation of roles and responsibility. Also, statutory planning processes ensure consultees are consulted.
Working with Communities	Have Council officers taken appropriate measures to encourage the involvement of hard-to-reach communities in the development and delivery of the proposal?	Limited stakeholder engagement has taken place based on existing key and targeted groups and individuals
Sustainable Development	Have the Council's sustainable development goals been taken into account in the development of the proposal?	The proposal supports sustainable reuse of historic assets and long-term conservation of the built environment.
Fairness and Equality	Have equality and equity considerations been taken into account in the development and delivery of the proposal?	Equality and equity considerations have been taken into account and will continue to be through statutory planning processes.

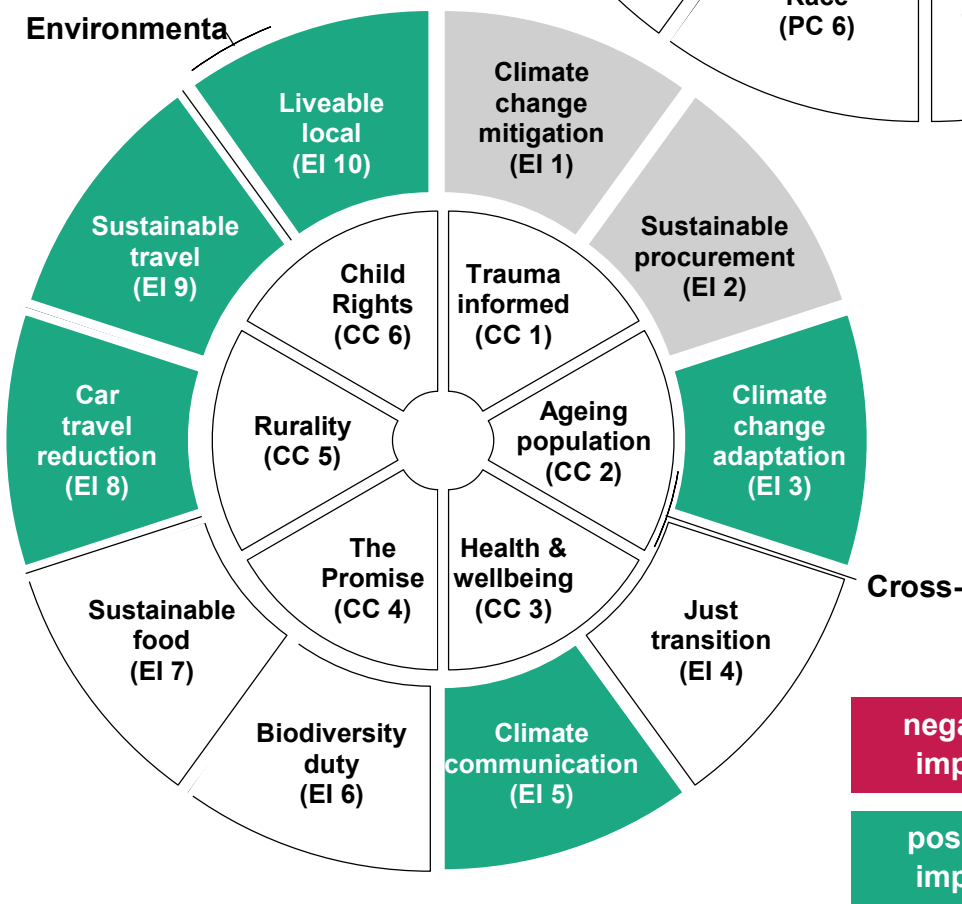
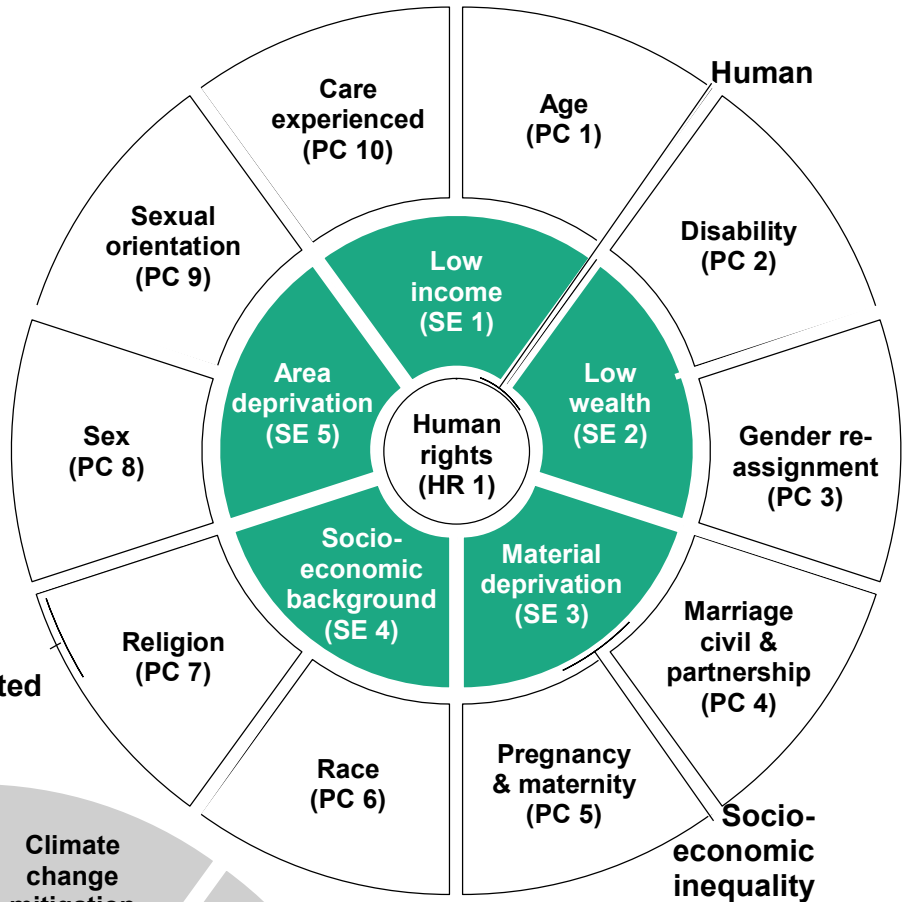
# Integrated Impact Assessment Summary Report



## Prestwick Freeman's Hall Steeple Reinstatement

Completed by:  
Derek Yuille,  
Service Lead,  
Special Property Projects

Date started 19/02/26



To be implemented on: tbc  
Review date: tbc  
Oversight Panel: tbc

negative impact	uncertain / not clear
positive impact	no impact / not applicable

**Public sector equality duty**


---

 Eliminating unlawful discrimination, harassment, and victimisation?

No impact

---

 Advancing equality of opportunity?

No impact

---

 Fostering good relations?

No impact

**Consultation declaration**


---

 We confirm consultation has been carried out as part of this process.
 

---



---

**Mitigating Actions Required (re **negative** / unclear**


---

**ENVIRONMENTAL IMPACTS**

<b>EI 1</b>	Climate change mitigation	The Council's sustainable design guidance will require to be taken into cognisance in determining the reinstatement option
<b>EI 2</b>	Sustainable procurement	Will require to comply with the Council's procurement policies, which will support local supply chains and sustainable design guide in terms of design, materials, etc

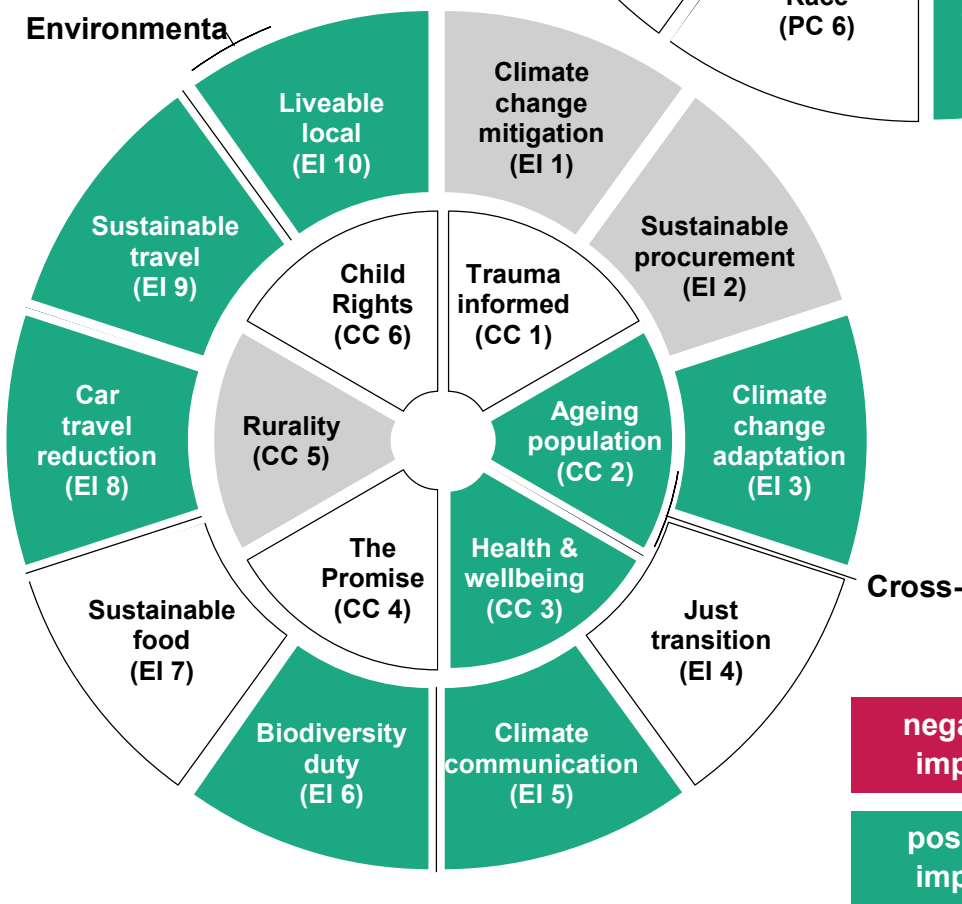
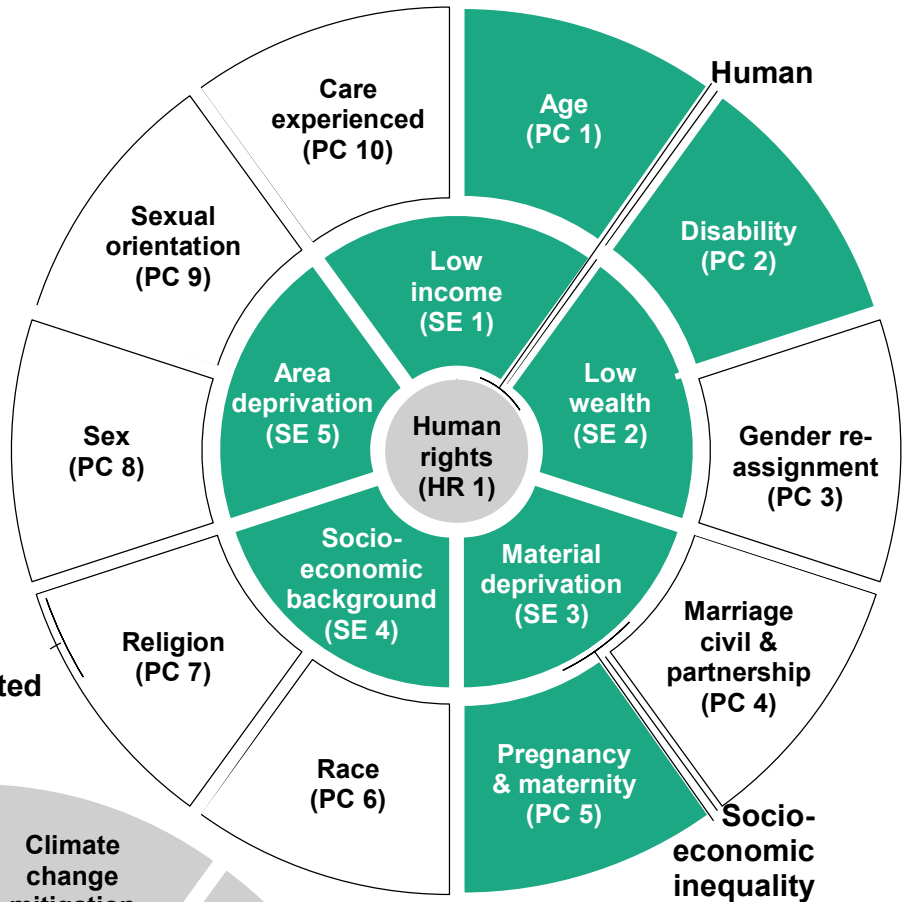
# Integrated Impact Assessment Summary Report



Bathing Lake / Lido project in Prestwick

Completed by:  
Derek Yuille,  
Service Lead,  
Special Property Projects

Date started 23/02/26



To be implemented on: tbc  
Review date: tbc  
Oversight Panel: tbc

negative impact	uncertain / not clear
positive impact	no impact / not applicable

**Public sector equality duty**

---

Eliminating unlawful discrimination, harassment, and victimisation?

No impact

---

Advancing equality of opportunity?

No impact

---

Fostering good relations?

No impact

---

**Consultation declaration**

We confirm consultation has NOT been carried out as part of this process.

---

**Mitigating Actions Required (re **negative** / unclear**

---

**EQUALITIES: impact on human rights**

---

<b>HR 1</b>	Human Rights	not applicable
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---

Mitigating Actions Required (re **negative** / unclear impacts)

**ENVIRONMENTAL IMPACTS**

<b>EI 1</b>	Climate change mitigation	Cognisance of sustainable design guidance and best practice to minimise greenhouse gas emissions is advised.
<b>EI 2</b>	Sustainable procurement	Procurement practices recognise local supply chains.

**CROSS-CUTTING IMPACTS**

<b>CC 5</b>	Rurality	Please provide detail here
-------------	----------	----------------------------

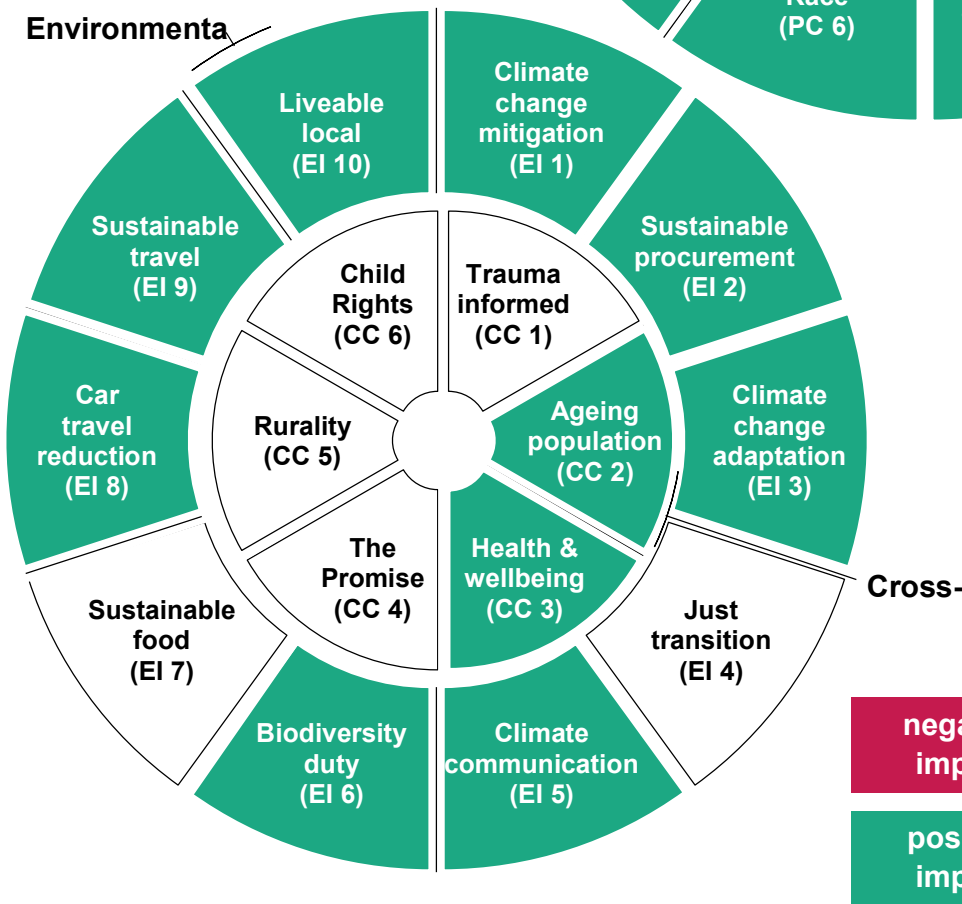
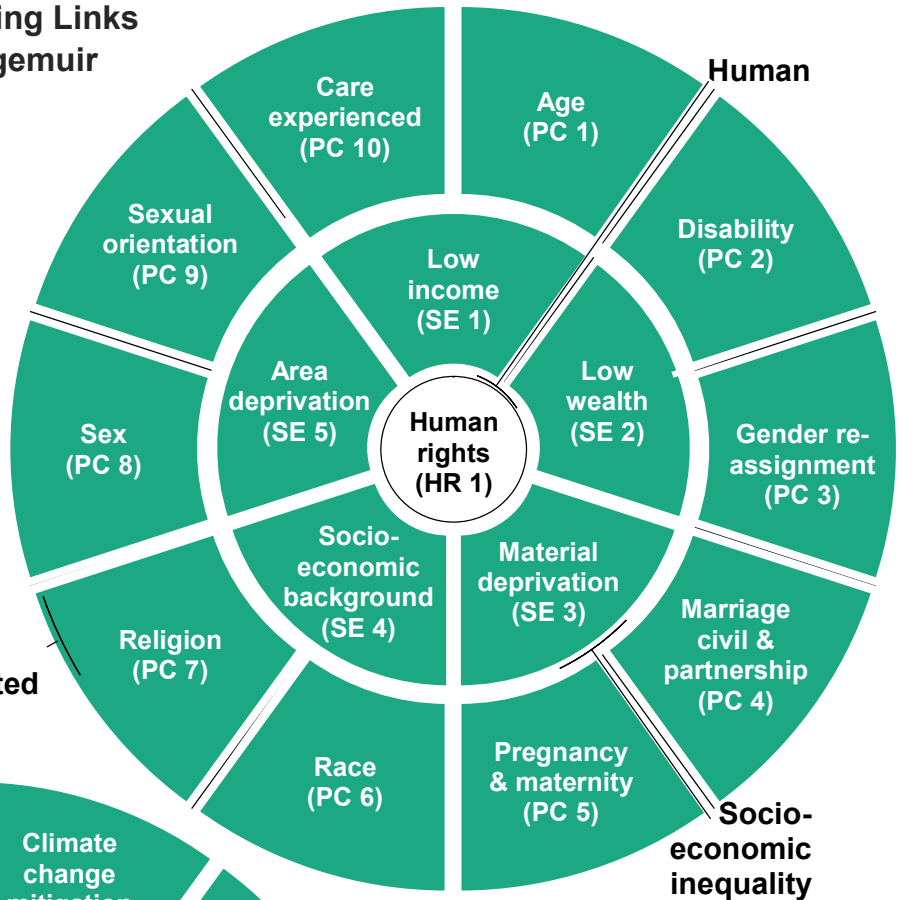
(CRWIA)? no

# Integrated Impact Assessment Summary Report

**Promenade and Seafront Improvements to key Prestwick “Gateway Locations”, including Links Road, Burgh Road and Grangemuir Road locations**

Completed by:  
Derek Yuille ,  
Service Lead,  
Special Property Projects

Date started 19/02/2026



To be implemented on: tbc  
Review date: tbc  
Oversight Panel: tbc

negative impact	uncertain / not clear
positive impact	no impact / not applicable

**Public sector equality duty**

---

Eliminating unlawful discrimination, harassment, and victimisation?

No impact

---

Advancing equality of opportunity?

No impact

---

Fostering good relations?

No impact

---

**Consultation declaration**

We confirm consultation has been carried out as part of this process.

---

**South Ayrshire Council****Report by Depute Chief Executive and Director of  
Housing, Operations and Development  
to South Ayrshire Council of 26 March 2026**

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**Subject: Burns Statue Square Redevelopment**

---

**1. Purpose**

- 1.1 The purpose of this report is to provide an update on the early work undertaken on the Burns Statue Square Project and to seek approval for the next steps.

**2. Recommendation****2.1 It is recommended that the Cabinet:**

- 2.1.1 notes the revised traffic modelling for the proposed reconfiguration of roads through and around Burns Statue Square as set out in Appendix 1;**
- 2.1.2 agrees that officers undertake extensive public & stakeholder engagement on the concept design produced by Ironside Farrar (Appendix 2) and that regular digital updates be provided throughout the design process and that two public drop-in events will be held at key project milestones;**
- 2.1.3 agrees to officers undertaking one-to-one meetings with businesses and residents within the extents of the proposed project;**
- 2.1.4 notes a further report will be submitted to Council in September 2026 to approve the final design to allow the project to progress to construction; and**
- 2.1.5 notes the anticipated commencement of construction as January 2027 with completion by 31 March 2028.**

**3. Background**

- 3.1 On 12 March 2024, the Cabinet endorsed the Ayr Town Centre Framework as a key document for the regeneration and development of Ayr Town Centre. The Cabinet also approved the development of a 3-year Project Plan to advance concept ideas for the identified priority projects supporting the Ayr Town Centre strategy. The redevelopment of Burns Statue Square is one of the priority projects, creating a major gateway into the town centre. The redevelopment objectives are to reconfigure the existing Burns Statue Square and surrounding streets away from the current arrangement of a traffic island with civic space in the middle of traffic circulation flows to develop an improved public realm space. The public realm would have many benefits including providing a high-quality place to improve walking

connections from Ayr Train Station towards the town center and also providing a high-quality place to visit, dwell and enjoy.

- 3.2 A further paper was also submitted to the Council on the 1 March 2025 whereby Members agreed to continued support for the design concept set out in the Concept Design Report included in Appendix 2. The Design Concept creates a new expanded public realm space in Burns Statue Square based upon high quality paving, seating and sculptures based upon Burns poetry themes of wildlife and the environment. The seating and paving would be laid out in an organic form taking its shape and form on the flow of the River Coyle.
- 3.3 The Ayrshire Roads Alliance have explored several options to deliver this project and in consultation with senior management within South Ayrshire Council it has been decided to engage a Tier 1 construction company through the SCAPE Framework to deliver this project on a "Design & Build" basis. The initial contract is expected to be awarded on 20 March 2026; a further contract will require to be issued for the construction element of this project in October 2026 subject to Council approval to proceed.
- 3.4 The UK Government has approved the Council's request to re-align £16m of Local Regeneration Fund (LRF) funding formally Levelling Up Fund (LUF) to cover the cost of the Burns Statue Square project, the remaining £4m of the LRF award will be used for Low Carbon Active Travel projects as previously approved. These proposals are contained within a separate report which was submitted to the Service and Partnerships Performance Panel of 11 February 2026, the ARA will continue to explore funding opportunities from external partners which can be used towards the required match funding requirements.

#### **4. Proposals**

4.1 Members are asked to:

- 4.1.1 note the revised traffic modelling for the proposed reconfiguration of roads through and around Burns Statue Square and approves option 1 rev A, as set out in Appendix 1, as the basis for working up detailed designs and public consultation;
- 4.1.2 continue to support the concept design proposals for the project produced by Ironside Farrar;
- 4.1.3 agrees that officers undertake extensive public and stakeholder engagement on the concept design produced by Ironside Farrar and that regular digital updates be provided throughout the design process and that two public drop-in events will be held at key project milestones;
- 4.1.4 agrees that officers undertake one-to-one meetings with businesses and residents within the extents of the proposed project;
- 4.1.5 notes a further report will be submitted to Council in September 2026 to approve the final design to allow the project to progress to construction; and
- 4.1.6 notes the anticipated commencement of construction as January 2027 with completion by 31 March 2028.

- 4.2 **Engagement:** ARA will undertake extensive engagement with the public, stakeholders & businesses in the coming weeks, the core purpose of this engagement will be to inform operational requirements, design changes at key locations and proposed materials. Interim engagement summaries will be included in regular members briefings.
- 4.3 **Parking Impact Assessment:** To achieve the significant benefits of the project adjustments to existing parking provision are necessary. A comprehensive assessment of the on-street parking will be undertaken. A summary of the parking impact assessment will be provided to members when available.
- 4.4 **Traffic Modelling:** To improve junction design and traffic flow through Burns Statue Square, additional traffic modelling was carried out. Results of this modelling indicate that reversing the one-way system currently in operation on Dalblair Road and Dalblair Way would significantly improve journey times at the Miller Road/Station Road/Killoch Place junction. A summary of this modelling is summarised in Appendix 1. Consultation of these proposals with affected residents/businesses along with further design work would be required before any decision on these proposals could be taken.
- 4.5 **Materials:** A proposed material palette will be created alongside consultation with key stakeholders, including South Ayrshire Council departments, the South Ayrshire Access Panel, and the public.
- 4.6 **Visualisations:** Images of what the Stage 4 designs may look like once constructed will be produced as the design progresses and these will be presented to members in advance of the proposed drop-in events.

## 5. Legal and Procurement Implications

- 5.1 Land title searches have been undertaken by Legal Services on the land earmarked for development to identify ownership (including Common Good), wayleaves and rights of way. Until the exact extent of the project has confirmed further searches may be required and this remains a risk to the project.
- 5.2 There are no procurement implications arising from this report. Though any future works identified would be subject to tender rules and procedures and subject to approval.
- 5.3 To progress the project timely the Ayrshire Roads Alliance will appoint Balfour Beatty on a Design & Build basis through the Scape Framework, this appointment fully complies with existing procurement rules.

## **6. Financial Implications**

- 6.1 The previously approved Council capital budget was returned to the Ayr Town Centre Regeneration Works budget line with a large proportion then subsequently reallocated to other Council projects as part of the review of the capital investment programme 2025/26 to 2036/37, agreed by Council in September 2025. The project is now being funded through the successful LRF bid.
- 6.2 The Ayrshire Roads Alliance will continue to explore external funding sources that will be utilised towards the £9m match funding requirement, to date the ARA have successfully secured £3m of the match funding.

## **7. Human Resources Implications**

- 7.1 Not applicable.

## **8. Risk**

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

- 8.1.1 There are a number of significant risks associated with the delivery of the project including costs, funding, land, consultation, and planning matters. A full risk register has been developed for the project and is attached in Appendix 4.

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

- 8.2.1 There is a risk that not proceeding with the project will result in the dilution of the aims and aspirations of the Ayr Town Centre Strategy.

## **9. Equalities**

- 9.1 The proposals in this report have not been subject of an Integrated Impact Assessment; however, this will be undertaken in preparation of a draft development strategy for Burns Statue Square that will be the subject of further consultation.

## **10. Sustainable Development Implications**

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - The proposals in this report do not represent a qualifying plan, programme, policy or strategy for consideration for SEA. An SEA has not been undertaken at this stage but will be undertaken in preparation of the Draft Burns Statue Square Development Strategy.

## **11. Options Appraisal**

- 11.1 A study of roads design options has been carried out and previously submitted as Appendix 1B in the report to Council dated 1 March 2025, a further traffic modelling exercise has been undertaken and the outcomes included in Appendix A.

## **12. Link to Council Plan**

- 12.1 The matters referred to in this report contribute to all three priorities within the South Ayrshire Council Plan 2023-2028: Priority One (Spaces and Places), Priority Two (Live, Work, Learn) and Priority 3 (Civic and Community Pride).

**13. Results of Consultation**

- 13.1 Public consultation was undertaken as part of the Ayr Town Centre Framework exercise in January/ February 2024.
- 13.2 Further engagement with the public, businesses and stakeholders will be undertaken as part of the design process.
- 13.3 Consultation has taken place with Councillor Alec Clark, Portfolio Holder for Commercial/Operational Services 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 Director Housing, Operation 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>Implementation</b>	<b>Due date</b>	<b>Managed by</b>
Members Briefings to be provided	Monthly until project completion	Head of Roads Ayrshire Roads Alliance
Material Palette to present to members	May 2026	Head Of Roads Ayrshire Roads Alliance
Report to the Council with recommendations on Burns Statue Redevelopment	Sept 2026	Head of Roads Ayrshire Roads Alliance

**Background Papers    Report to Cabinet of 12 March 2024 – Ayr Town Centre Framework**

**Report to Council of 12 December 2024 – Proposed Public Realm and Redevelopment at Y (Members only)**

**Report to Council of 1 March 2025 – Redevelopment of Y**

Official

**Person to Contact**      **Jane Corrie, Head of Roads – Ayrshire Roads Alliance**  
**Opera House, 8 John Finnie Street, Kilmarnock KA1 1DD or**  
**County Buildings, Wellington Square, Ayr KA7 1DR**  
**Phone 01563 503164**  
**E-mail [Jane.Corrie@ayrshireroadsalliance.org](mailto:Jane.Corrie@ayrshireroadsalliance.org)**

**Date: 27 February 2026**

# BURNS STATUE SQUARE

Microsimulation Modelling

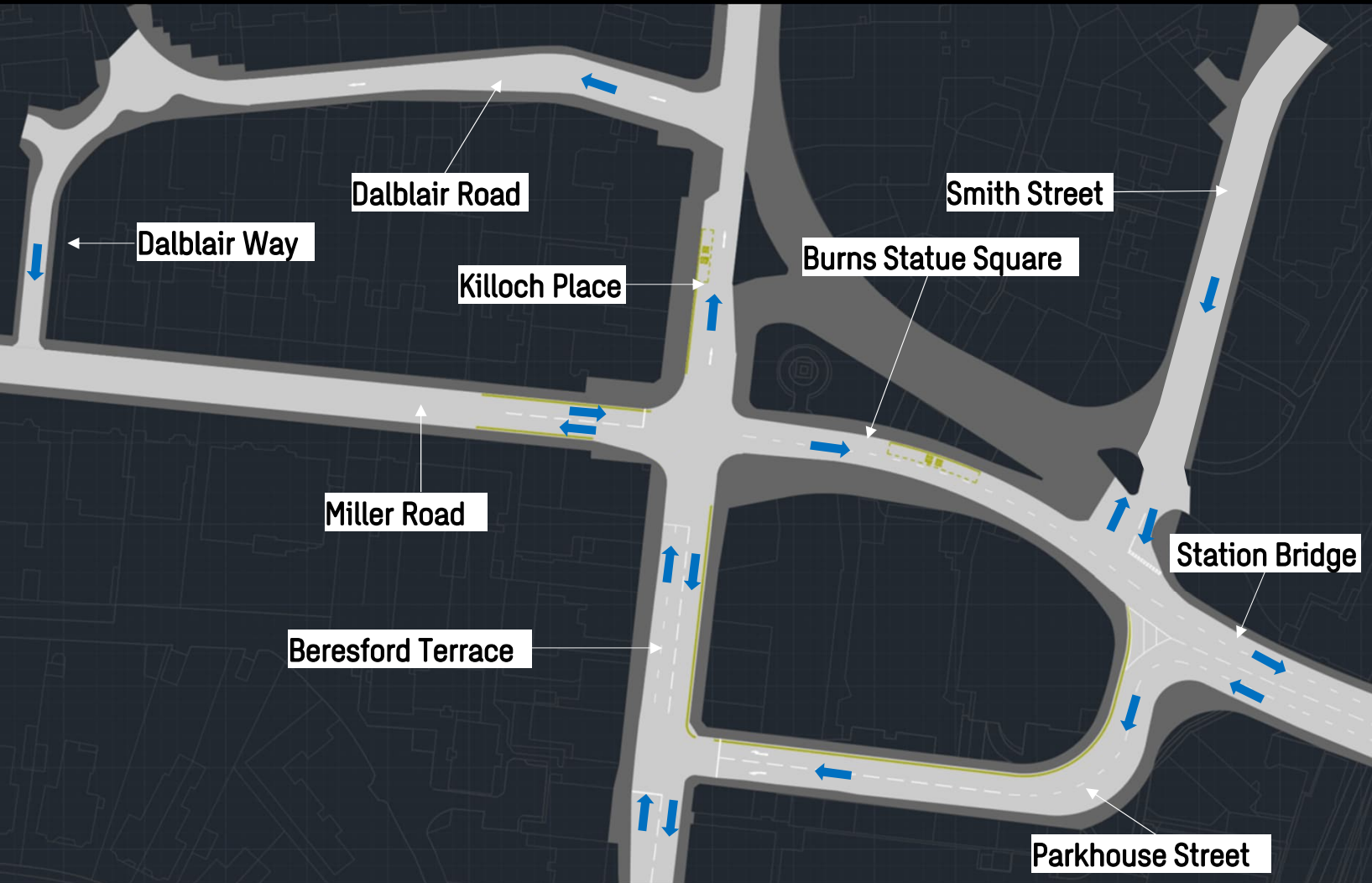
01 August 2025

## Contents

- Burn Statue Square Option 1 layout
- Speed and traffic flow heat maps
- Vehicle journey time



## OPTION 1 REV A



- One-way eastbound traffic in front of the cinema
- One-way northbound traffic on Killoch Place
- One-way westbound traffic on Dalblair Road
- One-way southbound Dalblair Way
- One-way southbound on Smith Street, open to all traffic

# MODELLING TO DATE

- This Paramics micro-simulation model was created from the Ayr Base Model, using 2024 vehicle demand and included two scheme designs:
  - Burns Statue Square option 1 Rev A (August 2025), detailed in slide above; and
  - Accessible Ayr Phase 1 active travel scheme design (July 2025)



Phase 1 Accessible Ayr,  
July 2025



# TRAFFIC FLOW AND SPEED

AM PEAK

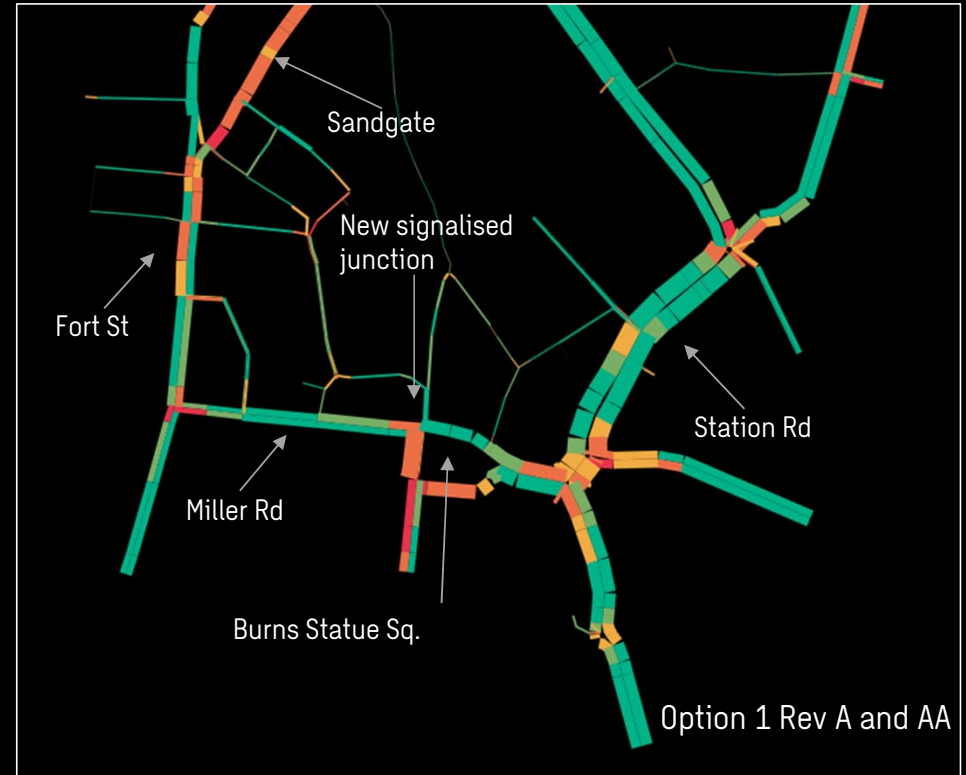
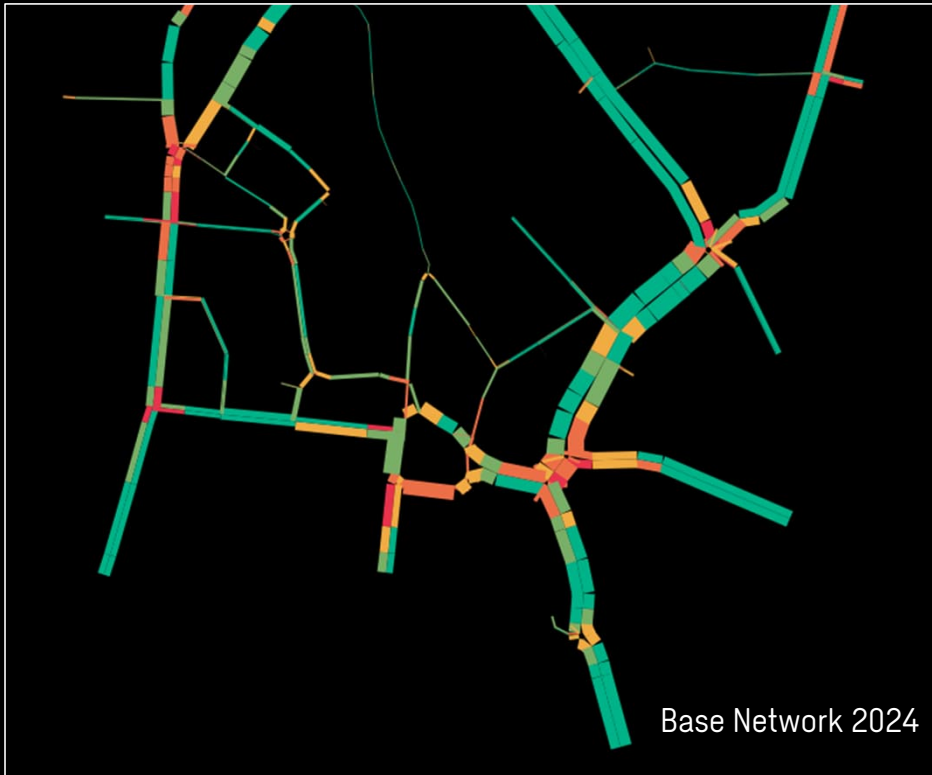


Mean speed (mph)

- 0 - 5
- 5 - 10
- 10 - 15
- 15 - 20
- 20 - 100

Vehicle Flow

- 0-200
- 200-400
- 400-600

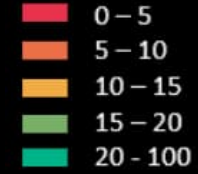


# TRAFFIC FLOW AND SPEED

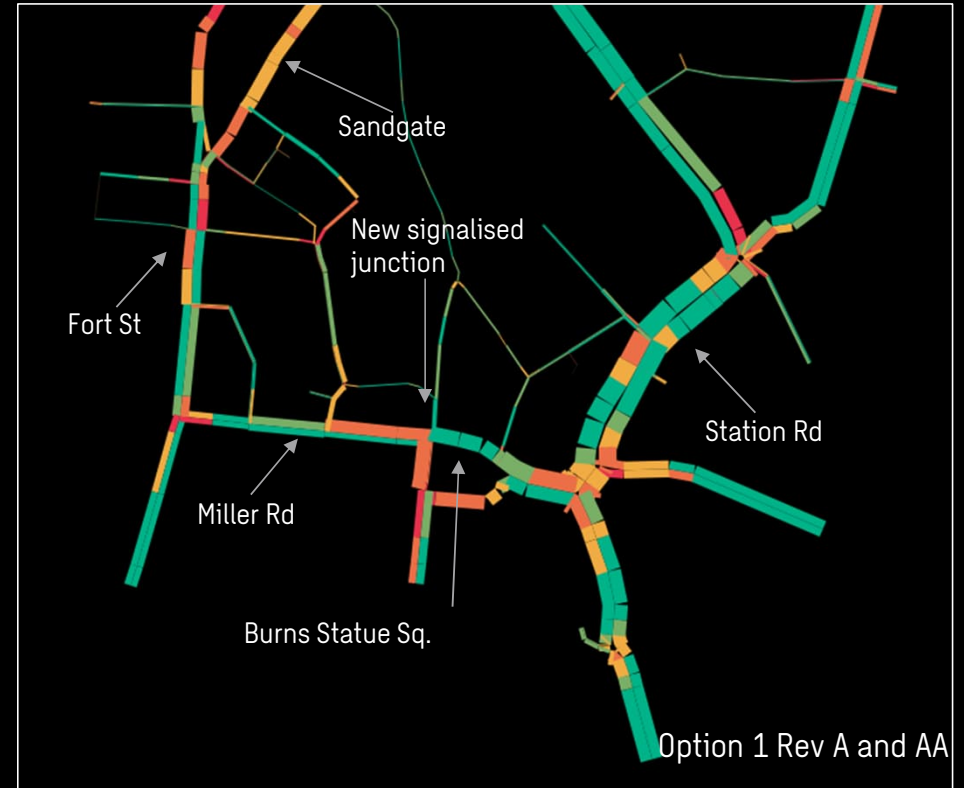
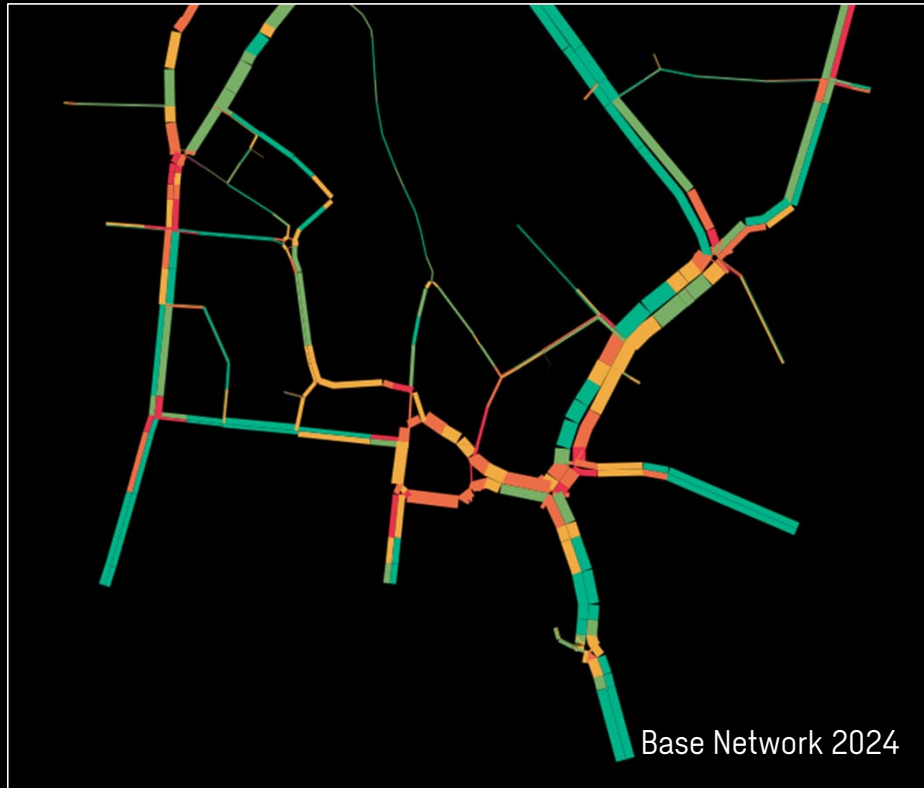
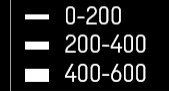
PM PEAK



Mean speed (mph)



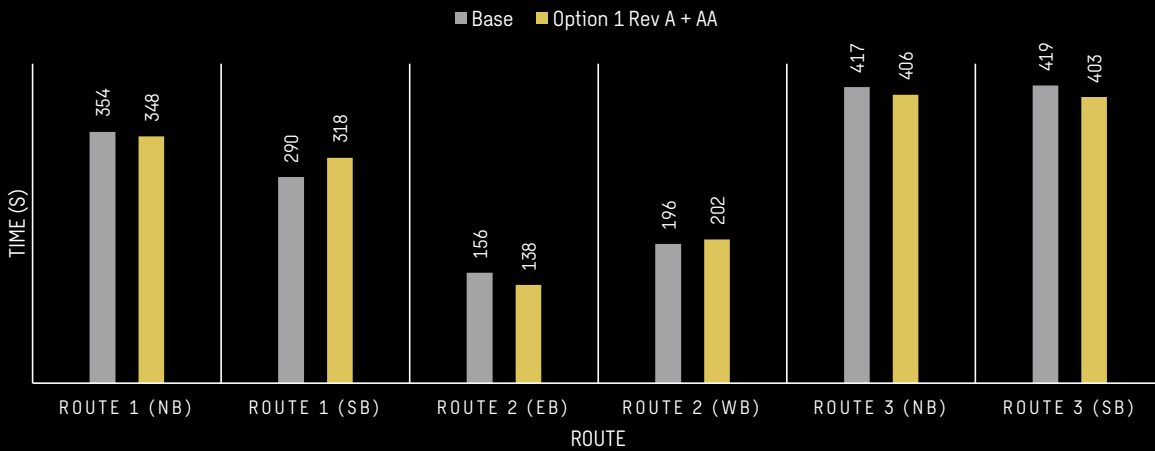
Vehicle Flow



# JOURNEY TIMES

AM Peak

## AM PEAK



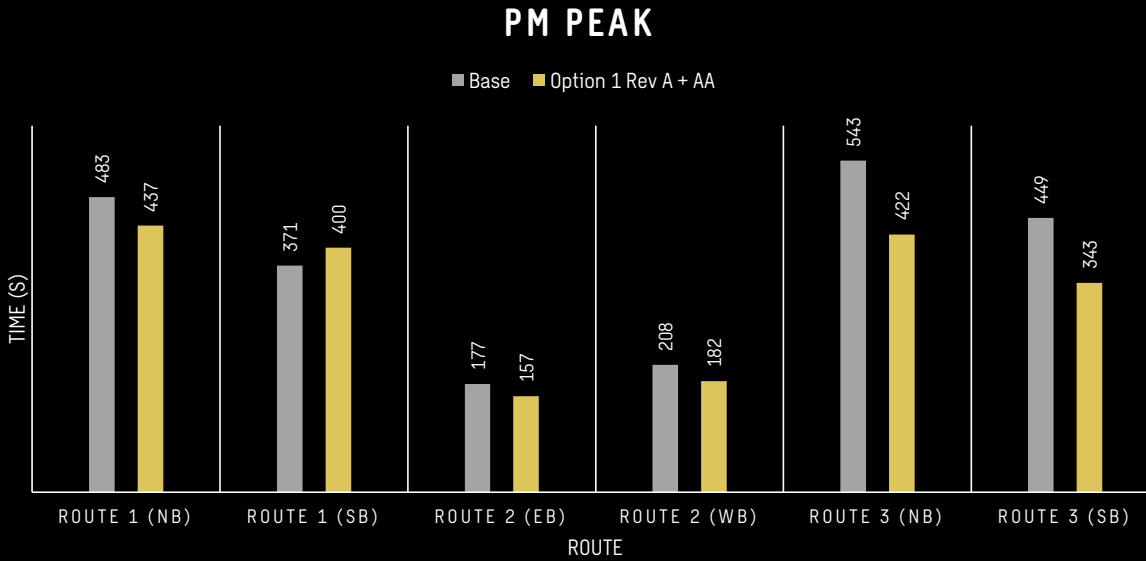
Comparison of journey times in seconds

AM Peak	Base	Option 1 Rev A + AA	% Diff Base and op1 Rev A + AA
Route 1 Northbound	354	348	-2%
Route 1 Southbound	290	318	9%
Route 2 Eastbound	156	138	-11%
Route 2 Westbound	196	202	3%
Route 3 Northbound	417	406	-3%
Route 3 Southbound	419	403	-4%



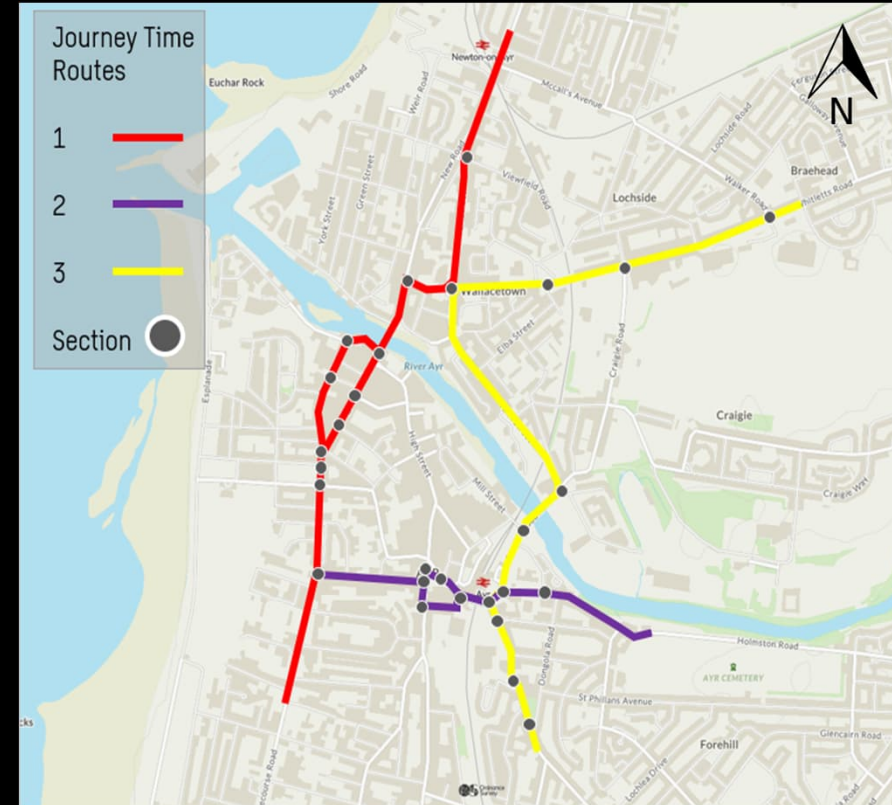
# JOURNEY TIMES

PM Peak



Comparison of journey times in seconds

AM Peak	Base	Option 1 Rev A + AA	% Diff Base and op1 Rev A + AA
Route 1 Northbound	483	437	-10%
Route 1 Southbound	371	400	8%
Route 2 Eastbound	177	157	-11%
Route 2 Westbound	208	182	-13%
Route 3 Northbound	543	422	-22%
Route 3 Southbound	449	343	-24%



# CONCLUSION

- A change in road configuration at Burns Statue Square has reduced the distance vehicles travel through this route and therefore faster journey times are shown
- New signal timings at Burns Statue Square allows different arrival patterns of vehicles at Station Bridge on approach to Holmston Roundabouts, which allows more efficient operation of these roundabouts
- Due to the change in road configuration of Dalblair Road, traffic is forced re-route to Miller Road which increases traffic flow on this route

# CONCERNS

- Bus routes that currently travel eastbound on Dalblair Road would have to be re-routed, would Dalblair Way be suitable for this?
- Is Dalblair Way suitable for both buses and HGV's to use?
- Buses travelling south from Burns Statue Square to Beresford Terrace are currently being re-routed to perform a U-Turn on Holmston Roundabout, this could cause issues on the ground



# Burn Statue Square, Ayr

Concept Design Report

IronsideFarrar  
Environmental Consultants

Prepared by Ironside Farrar on behalf of  
**South Ayrshire Council**

Ironside Farrar / 111 McDonald Road / Edinburgh / EH7 4NW

Document Reference: 64016

Authors: JMP

VERSION 01

Date: March 2025

CONCEPT REPORT

# Contents

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Concept Design Proposal	22
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# 1. Introduction

Burns Statue Square is a key initiative emerging from the Town Centre Framework, it is a priority project to support placemaking and make the town a more successful place to live, work, visit and enjoy. The project's purpose is to reshape the southern entrance to the town centre as a new attractive and appealing gateway, involving rationalisation/ realignment of road carriageways to create opportunity for more useable, connected, pedestrian friendly, high quality public realm space and arrival point.

The project seeks to connect town centre to a new transport interchange, involving a reconfigured rail station and potential co-location of the town's bus station, support retention of the town's major cinema and kick-start regeneration south of the town centre to form a vibrant new southern Gateway to the Town.





*Bird's eye view of Burns Statue Square, developed as a new, vibrant town gateway*



*Burns Statue Square 2024*

## Design Brief

The design brief seeks to bring about much needed area change; mitigating loss of the Station Hotel and gap sites resulting from earlier office demolition and giving support to the planned redevelopment of Ayr Station. Net Zero policy and a focus on sustainable travel brings new opportunities to reassess and reconfigure the scale of the road infrastructure/traffic management as well as integrate active travel initiatives promoted through Accessible Ayr.

The project brief seeks development of concept design to:

- Create new and distinctive town gateway, civic space and destination
- Celebrate place, identity & heritage of location
- Re-balance all movement needs and requirements (pedestrian/ cycle/ public transport/ traffic)
- Enhance pedestrian & cycle environment & strengthen town centre connections
- Integrate Active Travel & wider Accessible Ayr proposals
- Deliver quality, longevity and distinctiveness

## Workscope & Outputs

This report sets out to assess and develop a concept design for the public realm, bringing forward an outline proposal to describe and illustrate key public realm elements, setting the ambition and define an outline order of costs. This exercise has been undertaken based on topographic survey, visual appraisal and initial assessment of utility records/ GPRS survey. Engagement with SAC stakeholders has been progressed through Communities, Economic Regeneration, Planning and Ayrshire Roads Alliance to test in principle viability and secure support.

*Accessible Ayr Project - TGP Landscape Architects*



## 2. Context

Proposals carefully respond to and are shaped around an understanding of Burns Statue Square the place and future needs.

Issues considered and of influence address:

- its heritage - reasons for being there/ how it was formed
- its identity - how it is regarded/ how it is valued
- its function - how it is used, what works/doesn't
- its future – what is changing/ future needs and opportunities & how to respond.



### Heritage & Conservation

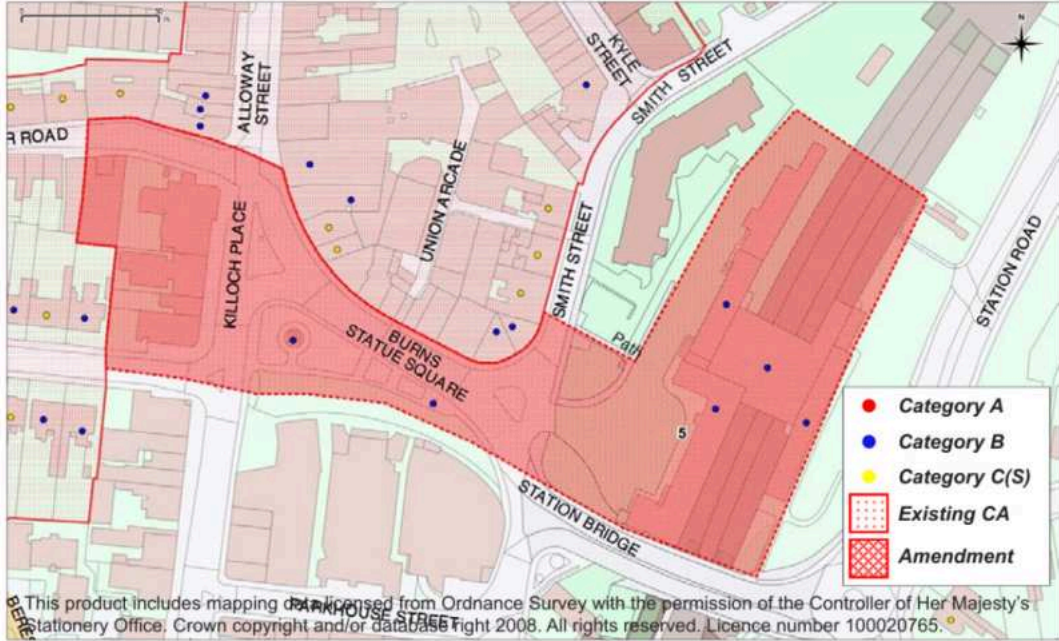
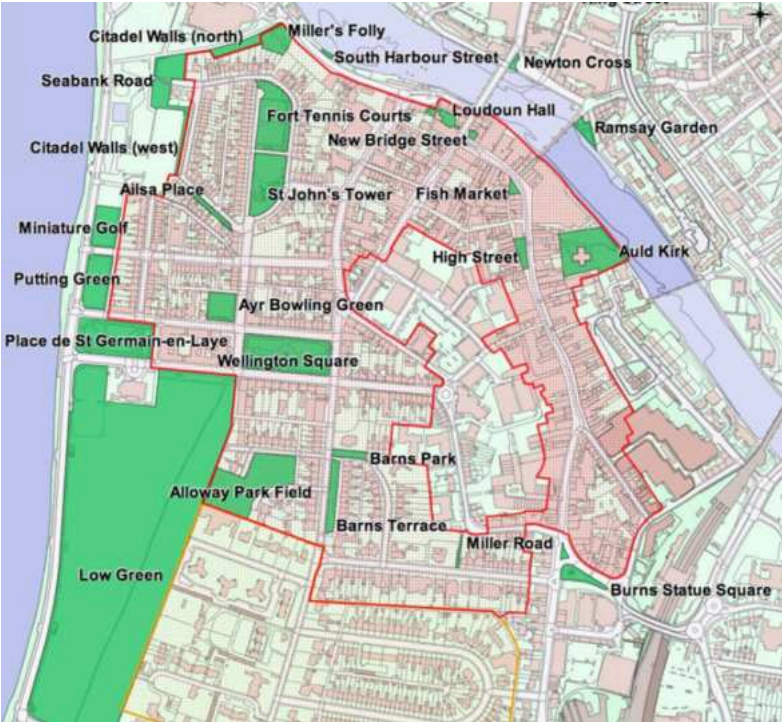
Burns Statue Square currently lies outwith, but on the southern edge of, the Town's Central Conservation Area. On the north & west Listed late 19th/ early 20th Century corner blocks of quality tenement and shops articulate street junctions with a variety of gables, towers and domes. To the east, the majority of the Grade A Listed Station Hotel has now been lost, however boundary walls and railings remain. To the south an Art Deco listed north façade mitigates the large unattractive bulky cinema building behind.

An extract from Ayr Central Conservation Area Appraisal states:

“Burns Statue Square was described by Robert Close, in 1992, as ‘a tawdry ill-assorted space, in no sense a square, containing George Lawson’s exceptionally well-executed statue of Burns (1892) and Thomas Brock’s moving, if rather neglected South African War Memorial (1902).’ Similar comments apply to this small public space and ‘pilgrimage’ site today.”

The two statues within the square are both listed. Isolated on traffic islands, and lost in a myriad of street clutter, there is a need to strengthen their relationship and role within the built environment. Latterly introduced 'protective' railings deter access to and detract from the Burns Statue and The War Memorial

Acknowledging heritage merit of the space, a potential Conservation Area Boundary Amendment is recommended within the Conservation Area Character Appraisal to include the north section of the square.



Potential Boundary Amendment No.5 Ayr Railway Station/Burns Square

*Extract for Ayr Conservation Character Appraisal*



*Burns Statue Square 2024*



BURNS STATUE SQUARE & MILLER ROAD, AYR

*Burns Statue Square c. 1940*

## Social & Cultural Identity

Burns Statue Square is a place with strong social & cultural references. Evolving as a three-sided elongated triangular space on the edge of the 19th C town centre, it is a place that has been defined by:

- Strategic Position - a busy throughfare/junction and entrance to town centre, juxtaposed between High Street & Station and access to the strategic road network
- Buildings – a mix of style, scale and quality give a varied and not strongly defined spatial character & identity.
- Railway – connected to the station and giving frontage to the former Station Hotel, the square is synonymous with station access and rail travel
- Movement – originally a simple unified open space, it is now defined by traffic and fragmented by complex road geometry and wide carriageways
- Statues – punctuate the space and bring character and identity – Ayr's association with the Scottish Baird Robert Burns is celebrated in the square in both name and sculpture.
- Greenspace – a small formal, almost civic in style, garden surrounds the Burns Statue, with its shape defined by movement (roads) its size and form has been eroded over the years through expansion of road geometry. Wider areas of uninspiring grass to the south, adjacent to the cinema, provide a temporary solution to a large vacant site waiting for redevelopment.

## Role & Function

The current square is a space to drive through or navigate around as a pedestrian, with little to offer as a destination. It is predominantly a space prioritised for vehicle movement and forms a gyratory for traffic and public transport (bus) circulation.

- Traffic – The A70 passes through the square bringing traffic into the town centre from the south, giving access to the beach/ SW town centre and routes south of Ayr. There are no issues with traffic management and the network appears to be working well within capacity.
- Public Transport – a significant number of bus stops give access to/ from bus services, the square has a significant throughput of services. Stops are often situated on narrow / congested pavements without shelter/ real time information.
- Taxis – a number of pickup and drop off points to Rail Station are located on Smith St
- Cycling – provision is currently poor with no designated routes; it is an unappealing and off- putting environment for cyclists.
- Pedestrians – footways are narrow and often congested, signalised junctions provide the key points of crossing/defining route for movement. Pedestrian environment is poor fails to respond to desire lines/ offer an attractive place to move through
- Parking – makes use of the former A70 carriageway, which has been stopped up in front to the cinema. to provide opportunity for 22 spaces
- Servicing & loading is kerbside for properties on Killoch Place and north of Burns Statue Square carriageway as these are properties without rear access.

Whilst no detail surveys have been undertaken, the environment of square is dominated by traffic having detrimental effect on noise, dust and air quality.

## Future Needs & Opportunities

Developing a new proposal for Burns Statue Square needs to respond to the new trends and role of town centres, the changing urban form/ new station development, move to sustainable travel associated with net zero/ climate emergency and contribute to making Ayr a thriving and successful place to live, work and visit.

Key opportunities:

### Heritage & Conservation:

- Statues - Strengthen association with Burns heritage and setting/ impact of both Statues within the built environment
- Station Hotel – Retain and integrate boundary wall & railings
- Key facades enhance the setting of buildings to conserve heritage merit/ active use
- Conservation Area Status Strengthen case for inclusion through enhancing value & integration of the square

### Social & Cultural Identity

- Celebrate Burns – the poet and philosopher and his connection and cultural influence in the town can be better promoted/ exploited to encourage visitors & promote tourism
- Civic Space – promote Burns Statue Square as a contemporary social/ community/ events space capturing opportunities for outdoor venue use and activity
- Gateway – promote Ayr as a contemporary, diverse and culturally rich place

### Role & Function

- Create as a new destination enhance character and quality as a place to visit and spend time in

- Active Travel Gateway – promote walking and cycling forming a key point of access into town centre
- Improve public transport access, facilities, quality of experience, operation, and bus/ rail integration
- Support business operation – integrating service access & loading
- Improve quality of the urban environment
- Promote as an outdoor venue – provide access to utilities and

### Changing urban form

- Station Hotel – adapt to demolition and proposed redevelopment
- Merlin Cinema – support retention & nighttime economy
- Station Redevelopment – anticipate and integrate within square

### 3. Design Objectives

The design seeks to build a new civic square at the same time as retain traffic access and circulation, the process seeks to align traffic management to support placemaking

#### Placemaking Objectives

**Design objectives have been developed building on the 6 key place principles (healthier/pleasant/connected/distinctive/sustainable/adaptable) to ensure successful placemaking, enhanced environments for people and communities and support for national outcomes.**

- Create place identity – establish a new gateway signalling town centre identity and arrival
- Prioritise pedestrians supporting safe and attractive access to High St and connection to station/ east of town centre
- Support Accessible Ayr integrating active travel connections to the town centre
- Form a civic space & destination which is distinctive, attractive, retains and celebrates association with Robert Burns
- Support town centre businesses/ evening economy – offering improved and enhanced frontages to cinema/F&B businesses, increased footfall and dwell time, and offer outdoor space for spill out activities/ use.
- Enhance environmental quality – reduction to traffic noise/ dust/ pollution by tree planting/ offsetting carriageway to periphery of public space improving quality of destination.









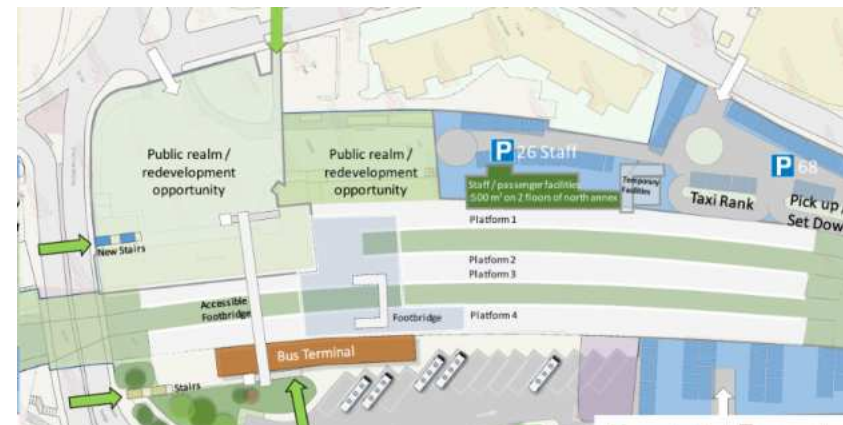
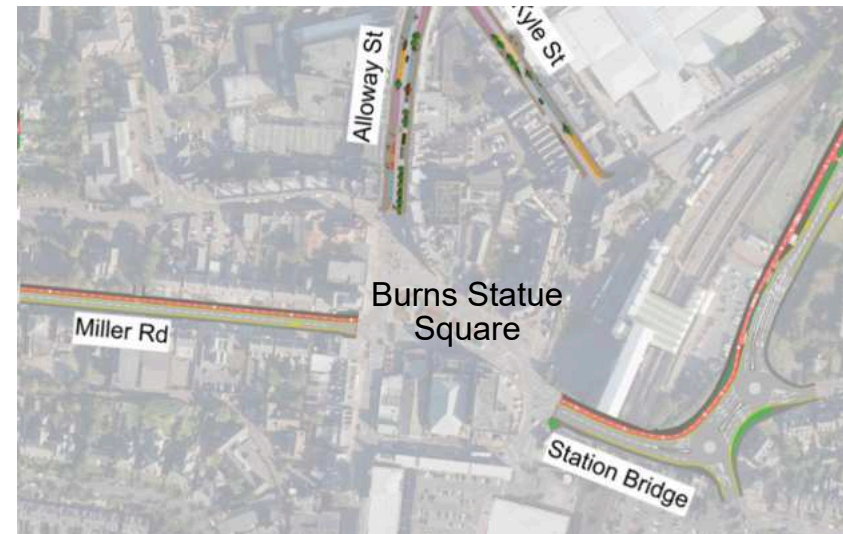
## Objectives for Transport Planning/Road Reconfiguration

Reconfiguration of road layout within the square is required to support Placemaking. In selecting the most appropriate way of doing this, transport planning and placemaking need to be carefully aligned to ensure the best solution to road network layout is found which fully responds to placemaking objectives.

These seek to:

- Support realignment of A70 Burns Statue Square carriageway, southwards away from south facing building frontages to create a quality public realm space/ building frontage
- Retain vehicle access (essential only) to town centre/ High St, as currently controlled.
- Give appropriate station access (aligned with/ aligning future development) incl car parking, drop off & taxi access and circulation. Development options are being considered for the station, some with potentially significant impact on Burns Statue Square. These need to be explored with Network Rail to secure compatible outcomes. This document provides an important statement of intent associated with Burns Statue Square
- Accommodate bus stops & loading bays supporting local public transport services & business servicing on carriageway/ layby. A service road across building frontage is to be avoided. Precedents (e.g. Grassmarket, Edinburgh) show how this can fail to deliver fully successful spaces/ become compromised.
- Accommodate active travel infrastructure (Accessible Ayr) likely to be aligned north of cinema and needing to be carefully integrated to give east-west connection and access to town centre without severing usable space/safe pedestrian movement.

- Minimise traffic noise/ pollution/dust/ negative environmental impacts within/adjacent to new public realm space to ensure a quality space is created which is attractive to spend time in.
- Ensure value for money for investment in roads infrastructure which supports and is furthering the placemaking agenda .



*Emerging Accessible Ayr active travel routes and Station access proposals*

## Traffic Modelling

Traffic modelling has tested a range of options for new traffic circulation arrangements developed by SAC/ARA with the objective to assess impact on traffic access & circulation.

A range of options have been explored which address traffic management outcomes, considerations on how to better support placemaking objectives also need to be progressed as a fundamental part of this process & reason for initiating change as follows:

## Recommendations to Support Placemaking

Key recommended actions to support placemaking are:

- Avoid increasing traffic volume on Burns Statue Square (adjacent to public space) to minimise noise/dust/pollution.
- Continue to promote traffic use of Parkhouse St/ Beresford Terrace (already a predominantly traffic environment with minimal ped flows)
- Reduce traffic on Killoch Place/Dalblair Road where possible, to mitigate difficult pedestrian crossing at junction/access route to High St which is currently very poor and spatially is difficult to resolve. However, it is noted bus routes require to be accommodated.
- Minimise traffic on Smith Street as it crosses the Square – to improve pedestrian connectivity. NOTE: Verify if station car park access from Burns Statue Square is required – station development options suggest this access point may not in fact be required and it would be prudent to recommend this.

Options which close this point of vehicle access is recommended. Car parking to east of station appears to offer better long-term solution.



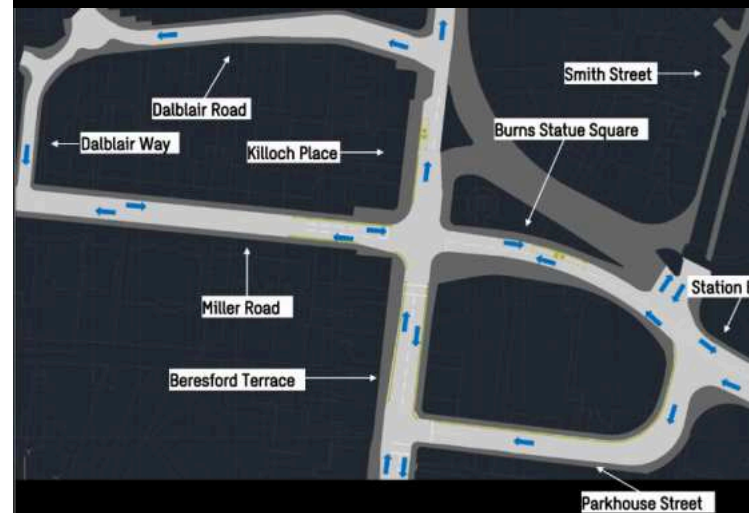
### OPTION 1

- Two-way traffic through Burns Statue Square
- Two-way traffic at Beresford Terrace
- Smith Street closed for through traffic
- Two-way traffic at Killoch Place



### OPTION 2

- One-way traffic through Burns Statue Square
- Two-way traffic at Beresford Terrace
- Smith Street closed for through traffic
- Two-way traffic at Killoch Place



### OPTION 3

- Two-way traffic through Burns Statue Square
- Two-way traffic at Beresford Terrace
- Smith Street closed for through traffic
- Killoch place become northbound only
- Dalblair Road becomes westbound only
- Dalblair Way becomes southbound only

## Key Findings

Introduction of two-way traffic flow across the realigned road north of Burns Statue Square brings added congestion, severance, noise, dust and pollution into an area of key investment. It also compromises the ability to accommodate relocated bus stops, loading bays and on street parking to retain functionality without significant compromise to both traffic flows and public realm quality.

Options 1 & 3, by introducing 2-way traffic flows, do not address the premise that environmental quality of the newly formed public space is of primary importance.

Option 2 modelling is the exercise that tests retention of one-way flow eastbound as is. It notes added strain on Beresford Terrace and impact of four stage lights at this junction. Mitigation may seek to retain Beresford Terrace one way (northbound as is) and retain southbound flows via the square, however there will be a price to pay in terms of westbound movement that is retained through the square for vehicles ultimately travelling south.

## Recommended Next Steps

A Transport Planning exercise needs to be progressed to either further develop Option 2 and/or explore alternative approaches to achieve further refinement/resolution.

Issues to be further considered in traffic management are:

- Bus stops are to be accommodated on Burn Statue Square, one-way flows will give more space for this.
- Loading bays are to be accommodated on kerb lines – one-way flows will give more space for this
- Parking to be accommodated – one-way flows will give more space for kerbside parking.
- Taxis redevelopment of station likely to significantly change requirements, one-way flows will retain flexibility for on road taxi bays to be incorporated.



*Emerging concept site plan*

# 4. Concept Design Proposal

## Place Identity & Quality

The Ayr Regeneration Strategy identifies the 'Burns Brand' as a route for promotion & identity building. Burns Statue Square can form focus/civic hub for celebrating the Baird.



*Case study : Helensburgh -The Outdoor Museum*



Dunedin

New York

Ontario



Alloway

## Commission Artists/ Sculptors to develop a Statue Collection

Burns is a cultural icon in Scotland and Scottish diaspora around the world. As a result, there are over 60+ statues to the Baird worldwide, more than any other non-religious figure but for Christopher Columbus and Queen Victoria. The building and incorporation of a new 'Burns statue collection' will celebrate his influence around the world, enhance international connections and form part of the placemaking strategy.

This can be developed through a series of new Robert Burns themed sculptural/public art commissions, on a more modest scale to the statue, to be installed in groupings, on plinths throughout the square. The public realm project can install the plinth, for installations to progress through the future, or seek to commission and install as part of the main project. This process presents an opportunity for public artist and community engagement / collaboration.

*Burns Birthplace Museum  
Artwork by Sarah Jane Coleman*

*Statues of the Kings Plaza de Oriente, Madrid*

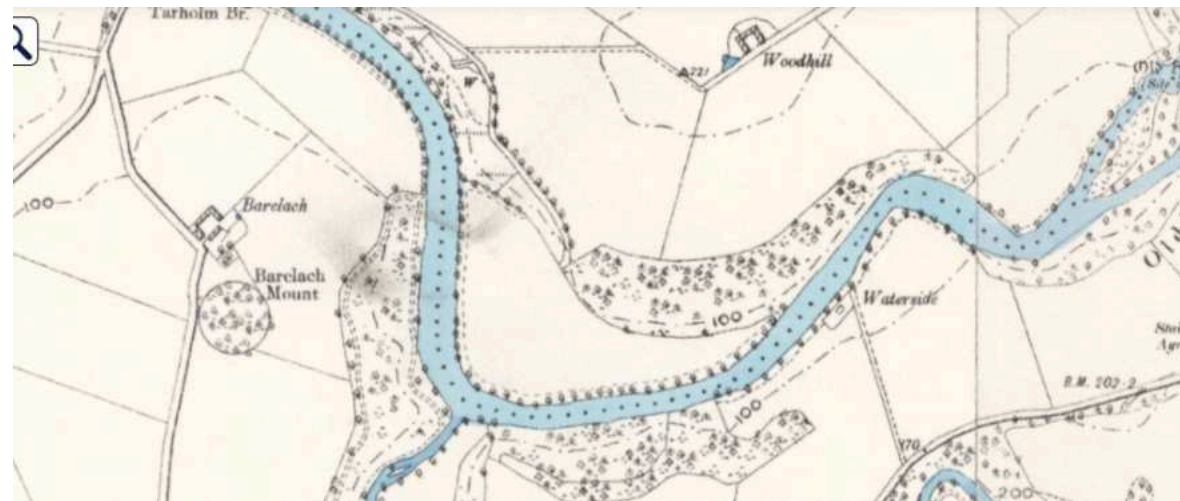


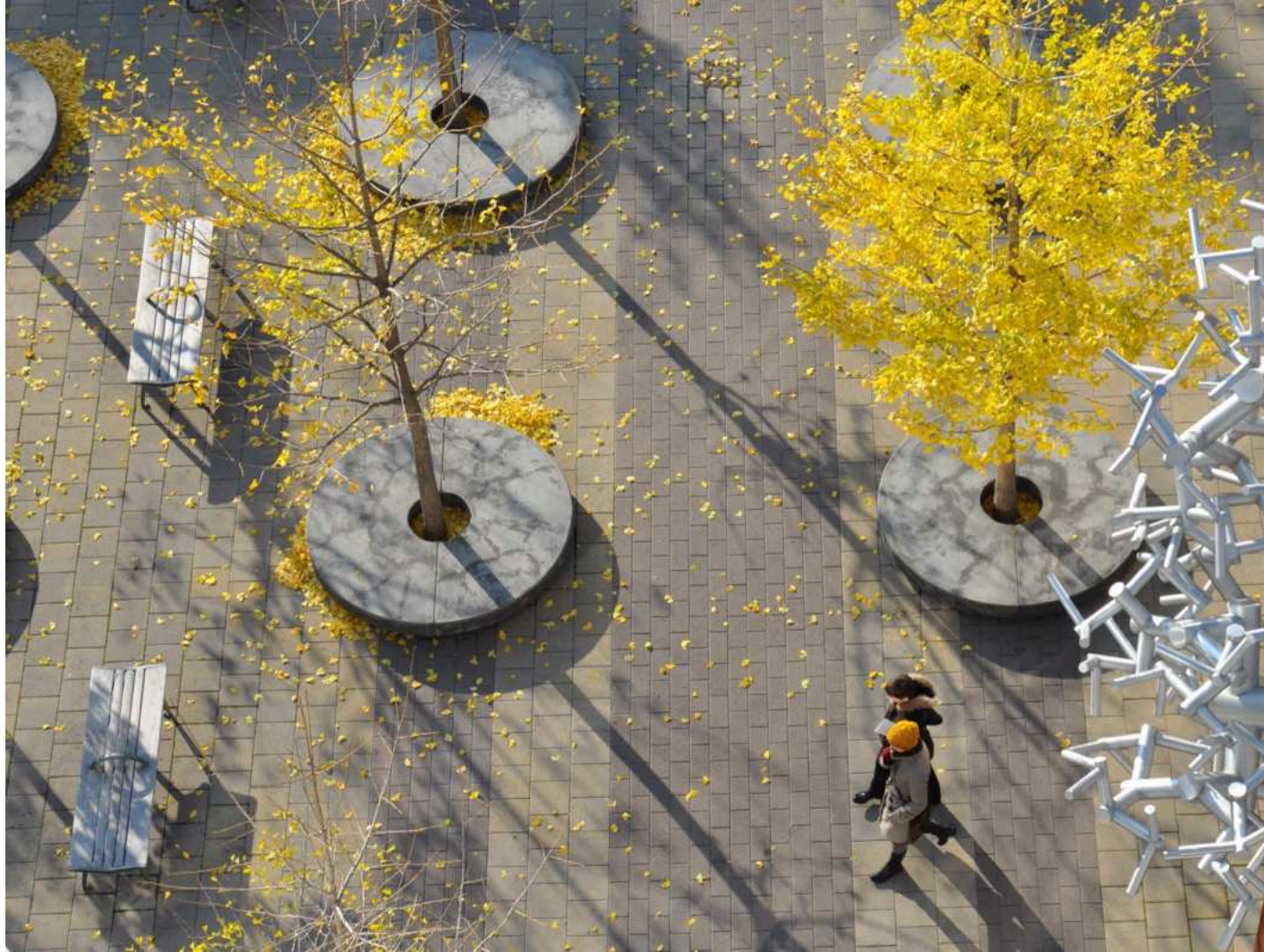
## Public Realm delivering a unique Ayrshire Landscape

A unique and very place specific place identity is built around Burns, the Statue, and his love of nature. Burns was a poet, pioneer of the romantic movement and eco-critic, his poetry was written encouraging the preservation of native flora and fauna, and he sought, through poetry, to encourage a harmonious balance between the human world and the natural environment. Ahead of his time, many of these thoughts and principles are expounded today and are of key influence in the placemaking process.

A Burn's influenced 'naturalistic' design approach shapes the character of the new square which is:

- centered on a naturalistic interpretation of the local Ayrshire landscape
- features native trees & planting, making use of specific native species mentioned in Burn's Poetry
- referenced to specifics of local places/ landscapes – the Water of Coyle is mentioned in the poem, The Soldier's Return. It is a watercourse local to the town, forms a tributary of the River Ayr.
- predicated on environment and sustainability



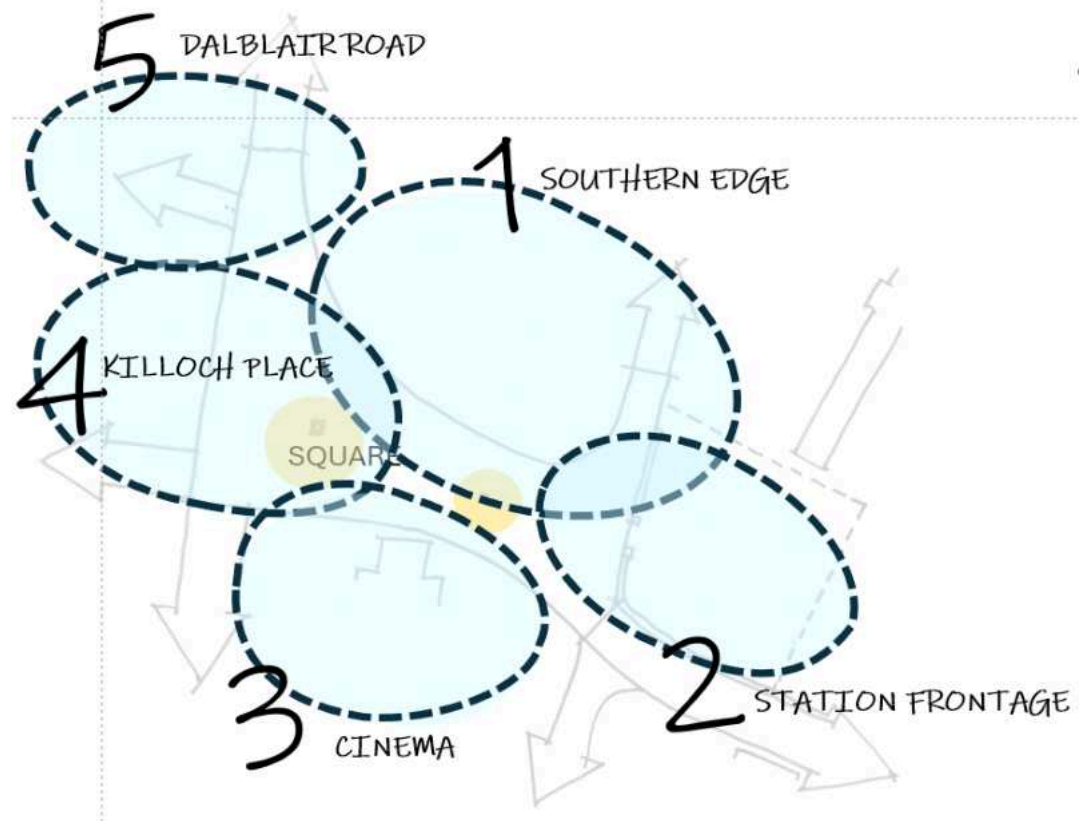


*Place Specific Landscape:  
River Ayr and the Water of Coyle  
Local landscapes celebrated in Burns' poetry*

## Spatial Arrangement

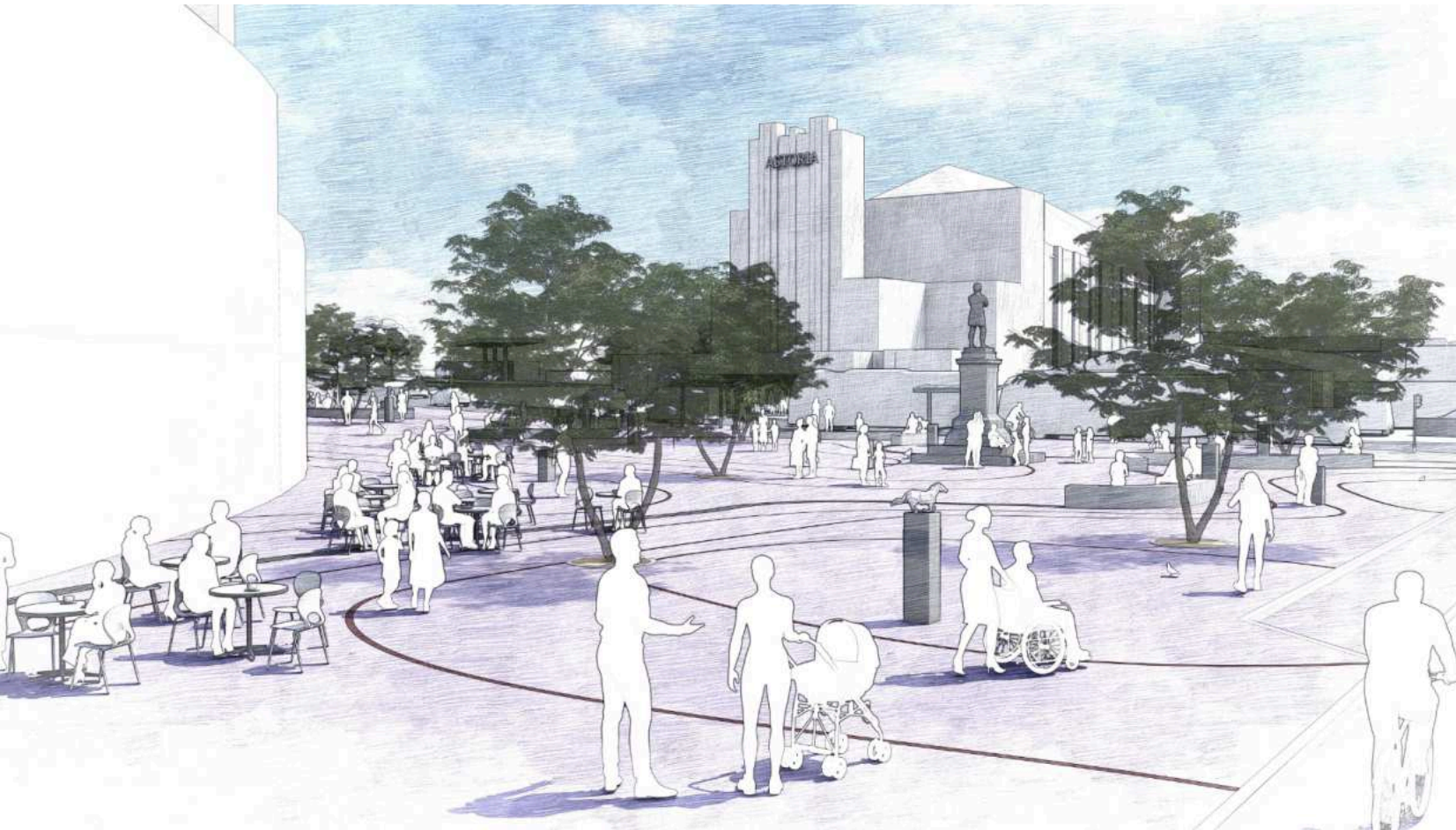
The proposal seeks to redefine the shape and extent of the square, establishing a new order structured by history, built form, access and movement. It seeks to connect the 5 key spatial components associated with its edges.

1. **Town Edge** – long curving south facing tenement/active commercial (F&B/Retail/ Service sector) frontage to the square
2. **Station Plaza** – behind the boundary railing and gates, formerly car parking for Station Hotel, long term future unknown
3. **Cinema frontage** – high footfall area at entrance
4. **Killoch Place** – active frontage with retail and F&B activity
5. **Dalblair Rd Corner** – pinch point transition towards High St
6. **Core** - Currently the core of space is the 6th spatial component which for the most part is shaped by road geometry.



## The Proposal

Concept design seeks deliver a legible unified space which is clear in use, purpose and character.



- **A new civic space**, a pedestrianised area is formed, extending edge to edge along the south facing tenement frontage from Killoch Place to Smith Street/ Station Hotel boundary walls. A quality homogenous and unifying new surface, in natural materials ( porophory/ granites/ sandstone tbc) creates a simple, accessible, legible space, which prioritises pedestrian access and movement.
- **Informal Structure and layout.** Adopting the meandering footprint of the Water of Coyle and contours of its river valley, which are picked out in contrast and finer paving detail, this element brings human scale and adds enrichment and interest as well as signaling the key desire route from Station to High St

- **Carriageways** across this space, Killoch Place and Smith St (if not closed) are surfaced in smaller unit paving (setts) for robustness and defined by low colour contrast kerbs for legibility and safety.
- **A70 carriageway realigned** to form the southern boundary of the Civic Space, width and alignment seeking to maximize scale of space whilst retaining traffic management needs and requirements.





- **Integrated Active travel.** There is sufficient capacity within the space to include a segregated cycleway giving safe cycle access and movement without conflict to pedestrians
- **Primacy of statues**
  - **Burns** is retained in its existing position and promoted as focus of the square. Protective railings and gardens are removed to give full and open access and seamless integration into a new environment, giving a generosity of access and primacy of place which the statue has not previously benefited.
  - **African War Memorial** statue is moved as a requirement of the realignment of A70, this gives opportunity to provide a generous of space and reestablish its pivotal position at the junction of Smith St.

- Large Mature Native Trees** are introduced and distributed informally throughout to enhance the environment, providing shelter, biodiversity, and a welcome greenery/natural element to town centre. Flexibility of layout ensures that final positioning be adjusted to avoid utilities, a level of sustainable urban drainage can also be incorporated into trees pits.
- Seating** is again informally arranged, offering a variety of choice, orientation and locations throughout space. Benches are integrated into the meandering pattern to give order, minimise clutter and support legibility.
- Lighting** – street lighting associated with roads will be upgraded and a new public realm lighting proposal developed for the space to create night-time interest, capacity for Christmas/ other festival use





- **Pedestrian crossings** are re positioned to reflect desire lines and movement
- **Disabled Parking** will be provided on carriageway for cinema patrons
- **Inclusion and accessibility** is ensured
- **Events, Commercial activity & use.** New opportunities are created for small scale events & activities/ the new space becomes as significant asset for business within the square, south facing and now part of an attractive new space opportunities for pavement cafes/uses is compelling and significant
- **Delivery Access and servicing** – to support the above noted opportunity deliveries and areas designated for loading are located kerbside around the periphery of the space.

## 5. Costs

A capital cost plan for the proposals has been developed assuming construction commencing financial year 2026-27. Costs assume investment in appropriate quality materials and infrastructure, includes drainage, lighting and street furniture and includes cost allowance for all works to existing and commissioning of new statues. Costs allowance have been made for utility diversions and ground works, which require to be confirmed on further investigation and liaison. Costs include for creation of a new road alignment, junction adjustments/ new signals and relocation of pedestrian crossing.

### Cost Estimate

The capital cost estimate is **£9.26m** ex VAT for the works described and illustrated, inclusive of preliminaries, contingencies, optimum bias and construction inflation. Costs are exclusive of fees and all other costs.

### Cost Summary

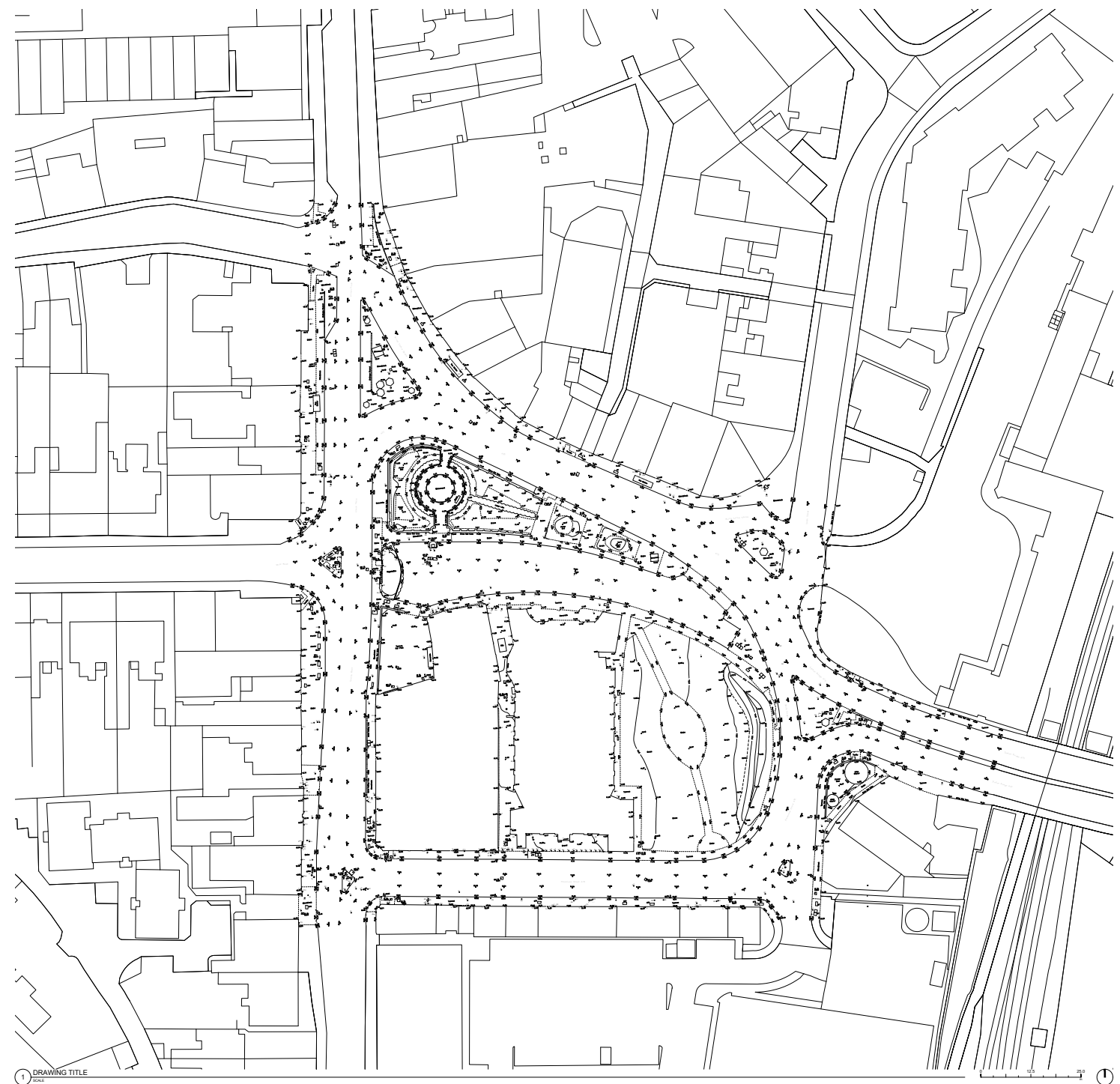
A summary of cost is as follows:

<i>item</i>	<i>cost</i>
Site Clearance	£ 182,460
Hardworks	£ 3,571,100
Street Furniture	£ 412,390
Statues and Artwork	£ 430,000
Street Lighting	£ 230,500
Drainage	£ 173,400
Softworks	£ 105,150
Miscellaneous	£ 773,836
<b>Subtotal</b>	<b>£ 5,878,836</b>
Contract Prelims	£ 1,469,709
Contract Contingency	£ 440,912
Optimum Bias	£ 881,825
Construction Inflation	£ 587,883
<b>TOTAL ex VAT</b>	<b>£ 9,259,165</b>



# Appendix 1

Topographic Survey



1 DRAWING TITLE  
SCALE

P01	03.10.24	Drawing Created	AKW	DS
Rev	Date	Information	Dr	CS

**IronsideFarrar**  
Environmental Consultants

Project:  
**Burns Statue Square, Ayr**

Client:  
**North Ayrshire Council**

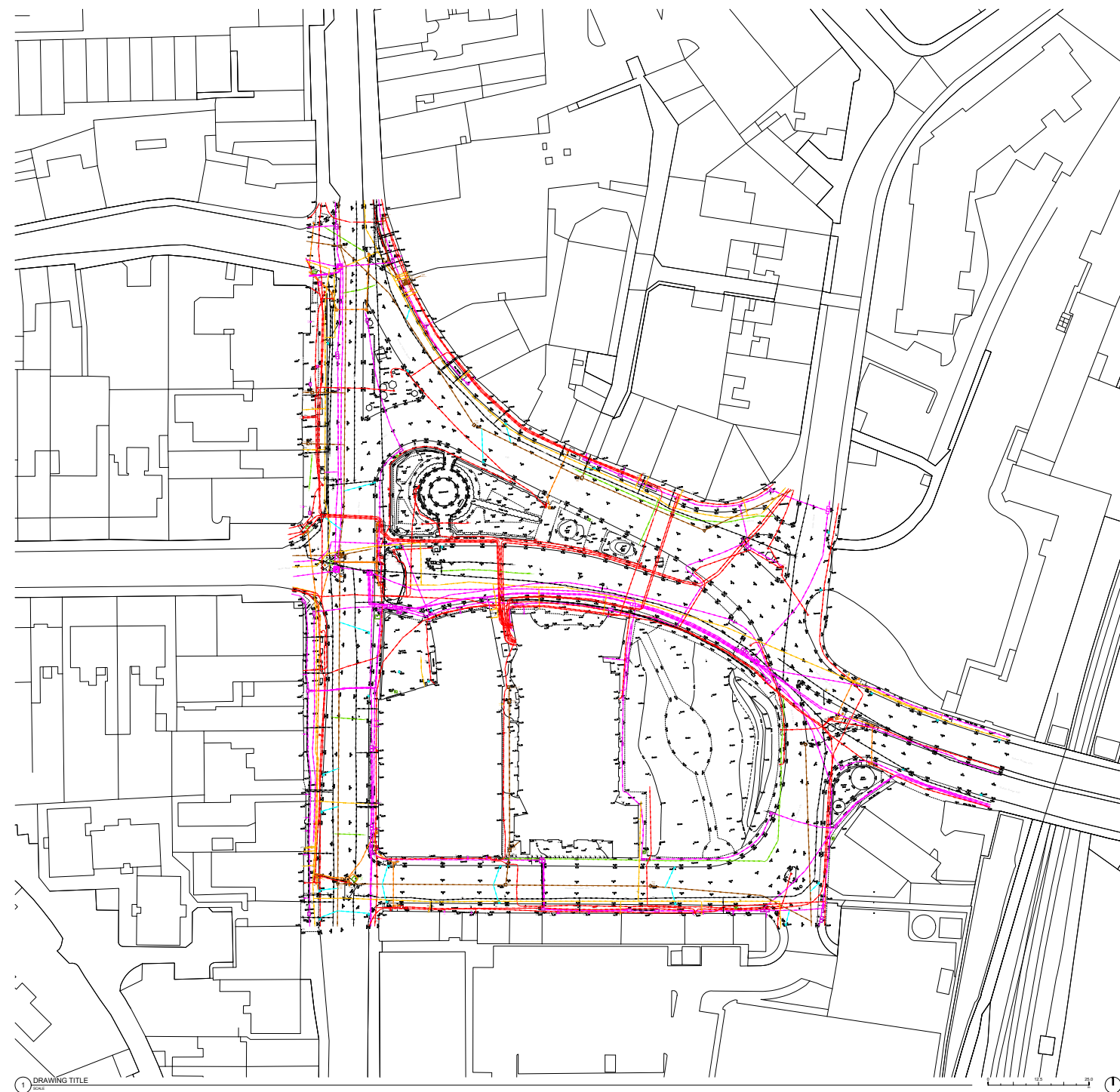
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**Existing Conditions**

Scale: 1:500 Paper Size: A1  
Status:  
**S0 - WORK IN PROGRESS**  
RIBA STAGE 2

Drawing Number:  
**64087-00-XXX** Revision:  
**P01**

# Appendix 2

Utilities



**LEGEND**

Surface Water Drainage	SD-B1
Foul Water Drainage	FD-B1
Combined Water Drainage	CD-B1
Mains Water	W-B1
Electricity Cable	E-B1
Low Voltage Electricity Cable	LV-B1
High Voltage Electricity Cable	HV-B1
Street Lighting Cable	SL-B1
Traffic Control Cable	TC-B1
Gas	G-B1
Oil	OIL-B1
Cable TV	CTV-B1
BT Cable	BT-B1
Fibre Optic	FO-B1
Telecomms	T-B1
Unknown Utility	U-B1
Unknown GPR Trace	GPR-B1
Survey Extents	

PAS 128:2022 DETECTION QUALITY LEVELS = A, B1P, B1, B2P, B2, B3P, B3, B4, C, D  
 QL-D = Taken from desktop utility record search.  
 QL-C = Location of utility is demonstrated by visual reference to street furniture, topographical features or evidence of previous street works (visible trench/scar)  
 QL-B4 = Assumed route  
 QL-B3 = Horizontal location only of the utility detected by one of the geophysical techniques.  
 QL-B2 = Horizontal & vertical location of the utility detected by one geophysical technique.  
 QL-B1 = Horizontal & vertical location of the utility detected by two geophysical techniques.  
 QL-A = Visual verification.

EDT	End of Trace	DI	Ductile Iron	d	Depth Equals
OSA	Outside Survey Area	Br	Brick	>	Direction of Flow
TFR	Taken From Records	Co	Concrete	ED	Empty Duct
NVP	No Visible Pipe	Ci	Cast Iron	X	Exit Pipe
UTR	Unable to Raise	PVC	PVC Plastic	DOC	Depth of Cover
UTS	Unable to Survey	VC	Veritified Clay		
UTT	Unable to Trace				

Inspection Cover	IC	Lamp Post	LP
British Telecom	BT	Manhole	MH
Cable T.V.	CTV	Rodding Eye	RE
Culvert	Culv	Road Sign	RS
Rain Water Pipe	RWP	Spot level	+
Soil Vent Pipe	SVP	Stop Cock	SC
Electricity Pole	EP	Telegraph Pole	TP
Earth Rod	Erd	Traffic Signal	TS
Fire Hydrant	FH	Water Riser	WR
Gas Valve	GV	Gas Riser	GR
Gully	GC	Cable Riser	CR

1 DRAWING TITLE

SCALE

Proj	03.10.24	Drawing Created	AKW	DS
Rev		Information	Dr	CS

**IronsidesFarrar**  
Environmental Consultants

Project:  
Burns Statue Square, Ayr  
  
Client:  
North Ayrshire Council  
  
Title:  
Utility Constraints

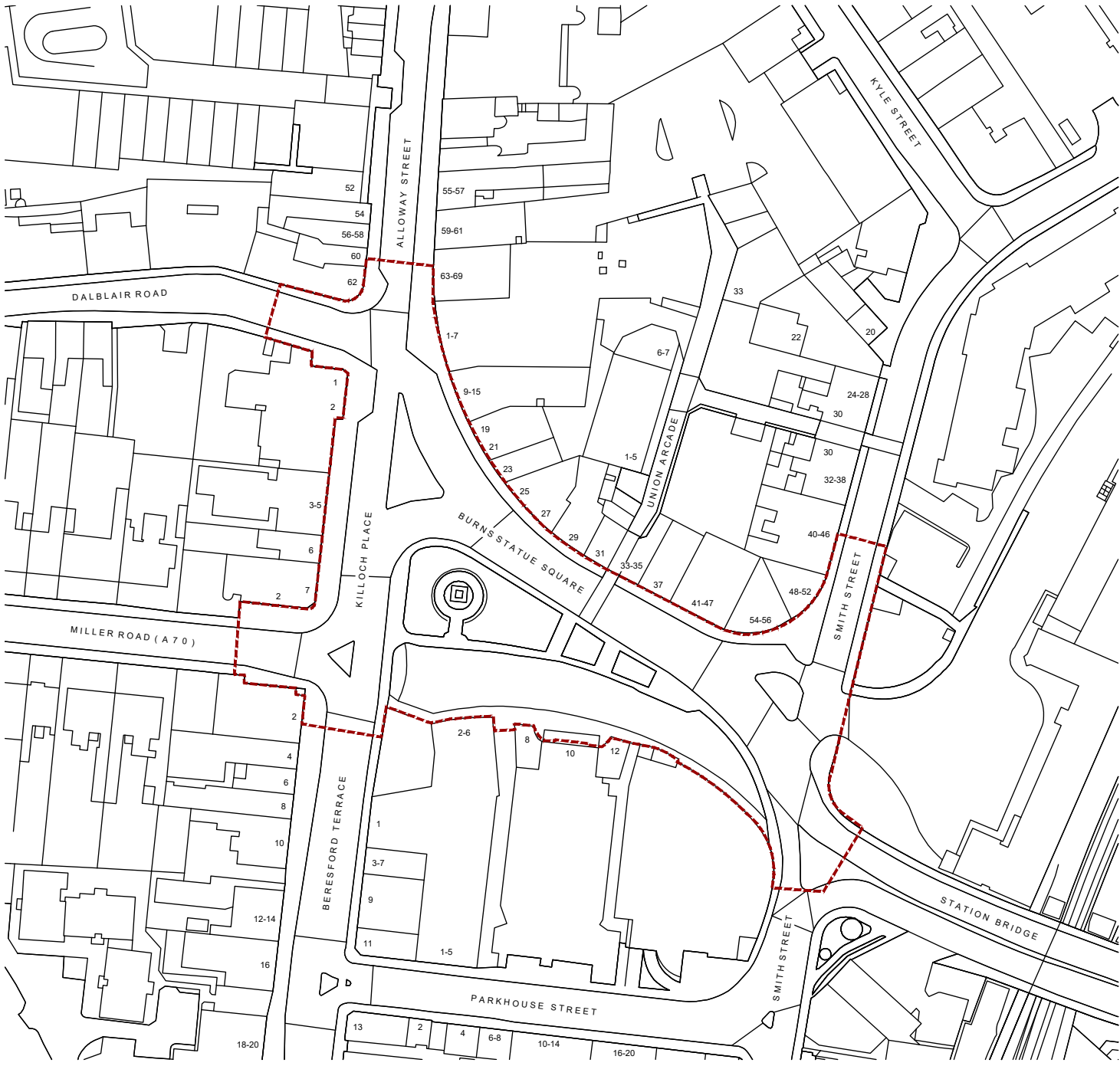
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Status:  
S0 - WORK IN PROGRESS  
RIBA STAGE 2

Drawing Number:  
64087-00-XXX  
Revision:  
P01

# Appendix 3

Site boundary

Ironsides Farrar 64087-00-002 Burns Statue Square Concept Design 15/01/2024 Red Line Boundary.dwg A:\HESEM\1524\_15012024



**SITE PLAN**

Red Line Boundary

Site location:

Grid Reference  
NS 33884 21398

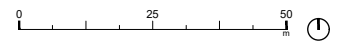
Grid Reference (6 figure)  
NS338213

X (Easting) , Y (Northing)  
233884 , 621398

Address (near):  
Burns Monument, Burns Statue Square,  
Wallacetown, Ayr, South Ayrshire, Scotland,  
KA7 1SZ, United Kingdom

Postcode (nearest):  
KA7 1SZ

1 SITE PLAN



P02	15/01/2024	Drawing updated with correct information	AI	JMP
P01	4/12/2024		DJS	JMP
Rev	Date	Information	Dr	Cr

**Ironsides Farrar**  
Environmental Consultants

Project:  
Burns Statue Square, Ayr

Client:  
South Ayrshire Council

Title:  
Red Line Boundary

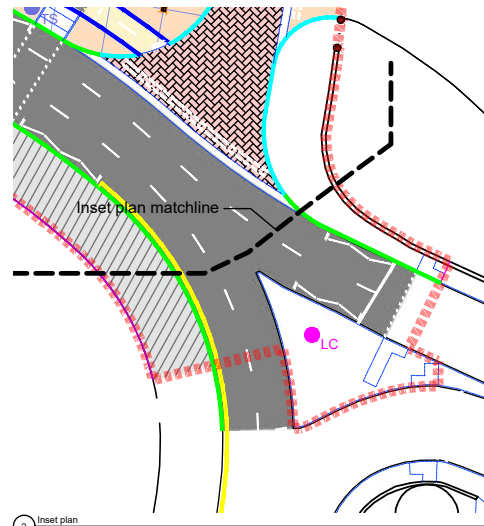
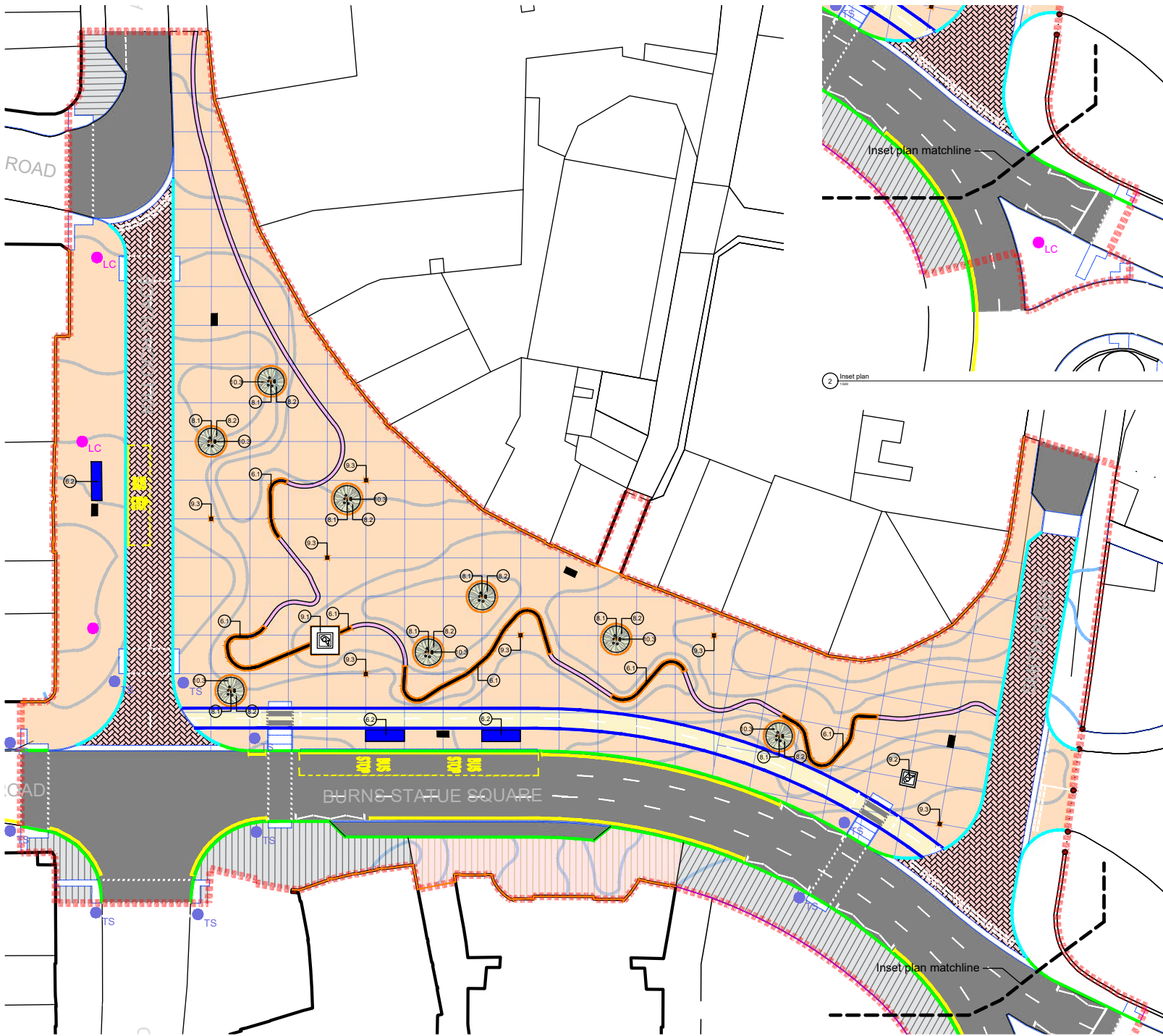
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Status:  
**S2 - FOR INFORMATION**  
RIBA STAGE 2

Drawing Number:  
64087-00-002  
Revision:  
P02

# Appendix 4

General Arrangement for Cost Estimate

I:\Projects\64087-00-001 - Burns Statue Square Concept Design\01 - General Arrangement.dwg - ANSGER\KNOX\A3.DWG - 11/11/2024  
 I:\Projects\64087-00-001 - Burns Statue Square Concept Design\01 - General Arrangement.dwg - ANSGER\KNOX\A3.DWG - 11/11/2024



- KEY:**
- SURFACING**
- 1.1 - Natural Stone (type: Sandstone/Porphyry/Granite slabs) laid within slabbed grid, detailed layout and cutting.
  - 1.2 - Feature Paving 600mm wide - Contrast colour granite textured pattern finishes, all specials, with further detail to adjacent edges
  - 1.3 - Feature Paving 'secondary contour' detail 300mm wide - Contrast colour granite, textured finishes, all specials with further detail to adjacent edges
  - 1.4 - Quality concrete slab surfaced footway
  - 1.5 - As D with laying pattern/ some natural materials & detail to frontage of cinema
  - 1.6 - Bound Resin cyclepath.
  - 1.7 - New sawn sett road surface for moderate levels of traffic (including buses)
  - 1.8 - New Carriageway, although built over existing old road in part, assume all new base/wearing courses, improvement to subbase?
- KERBS AND EDGES**
- 2.1 - Road kerbs 300mm 125mm upland granite kerbs to main carriageway
  - 2.2 - Road kerbs 300mm 600mm upland granite kerbs to connecting roads
  - 2.3 - Cycle path kerbs assume 60mm upland - in 300mm wide granite
  - 2.4 - Pin kerbs - concrete kerbs to back of concrete slab footways
  - 2.5 - Natural stone special Trims to all building edges, trees, seats, plinths and other features
- STREET FURNITURE**
- 6.1 - Curved Benches
  - 6.2 - Bus shelter
- DRAINAGE**
- 7.1 - New drainage
- PLANTING**
- 8.1 - Trees
  - 8.2 - Rain garden Planting
- STATUES AND ART**
- 9.1 - Burns statue
  - 9.2 - War Statue
  - 9.3 - Plinths
  - 9.4 - Artwork
- LIGHTING**
- 10.1 - Street Lighting
  - 10.2 - Building Lighting
  - 10.3 - Tree Lighting
- SIGNALS**
- 11.1 - Traffic Signal
  - 11.2 - Controlled Crossing

1 Site Plan

Rev	Date	Information	Dr	Ch

**IronsideFarrar**  
Environmental Consultants

Project:  
Burns Statue Square, Ayr

Client:  
North Ayrshire Council

Title:  
General Arrangement

Scale: 1:500 Paper Size: A3

Status:  
S0 - WORK IN PROGRESS  
RIBA STAGE 2

Drawing Number:  
64087-00-001

Revision:  
P01

# Appendix 5

Cost Estimate

64087 - Burns Statue Square Public Realm					
CONCEPT DESIGN Cost Estimate - November 2024					
Item No.	Description	Unit	Quantity	Rate	Price
	<b>Public Realm Works</b>				
	<b>Site Clearance</b>				
	<b>General Clearance &amp; Excavations</b>				
1.001	Clearance of street furniture items, railings, copes, small structures etc	m <sup>2</sup>	8670	£ 3.00	£ 26,010.00
1.002	Excavation & disposal of existing bituminous surfacing and below material other than rock or artificial hard material to nominal 250mm depth	m <sup>3</sup>	1565	£ 100.00	£ 156,450.00
	<b>Hardworks</b>				
	<b>Kerbs, Channels &amp; Edgings</b>				
2.001	(2.1) Granite road kerb (grey) 300mm width x 300mm depth x 915mm Length (Laid with 125mm upstand)	m	255	£ 275.00	£ 70,125.00
2.002	(2.2) Granite road kerb (grey) 300mm width x 200mm depth x 915mm Length (Laid with 60mm upstand)	m	252	£ 240.00	£ 60,480.00
2.003	(2.3) Granite Cycle Kerb (grey) 300mm width x 200mm depth x 915mm Length (Laid with 60mm upstand)	m	200	£ 240.00	£ 48,000.00
2.004	(2.4) PCC Pin Kerb (grey) 50mm width x 200mm depth x 1000mm Length (Laid with 60mm upstand)	m	45	£ 25.00	£ 1,125.00
2.005	(2.5) Natural stone special trim - to all building edges, trees pits, seats and plinths	m	634	£ 130.00	£ 82,420.00
	<b>Footways &amp; Paved Areas</b>				
	<b>New Surfacing</b>				
2.006	(1.1) Sandstone / Porphyry / Granite Slabs (Mixed Colour) 70mm Depth (Traffic Category 6 - BS 7533-101) 30mm Bedding Mortar 150mm C32/40 Concrete Support Layer	m <sup>2</sup>	4060	£ 500.00	£ 2,030,000.00
2.007	(1.2) Granite (Contrast Colour) feature paving 600mm width x 70mm depth (Traffic Category 6 - BS 7533-101) 30mm Bedding Mortar 150mm C32/40 Concrete Support Layer	m <sup>2</sup>	70	£ 1,000.00	£ 70,000.00
2.008	(1.3) Granite (Contrast Colour) feature paving 300mm width x 70mm depth (Traffic Category 6 - BS 7533-101) 30mm Bedding Mortar 150mm C32/40 Concrete Support Layer	m <sup>2</sup>	300	£ 1,000.00	£ 300,000.00
2.009	(1.4) High Quality Concrete Slab footway x 70mm depth (Traffic Category 6 - BS 7533-101) 30mm Bedding Mortar 150mm C32/40 Concrete Support Layer	m <sup>2</sup>	523	£ 150.00	£ 78,450.00
2.010	(1.5) Natural Stone (TBC) Detailed laying pattern x 70mm depth (Traffic Category 6 - BS 7533-101) 30mm Bedding Mortar 150mm C32/40 Concrete Support Layer	m <sup>2</sup>	237	£ 400.00	£ 94,800.00
2.011	(1.6) Resin Bound (Buff) cycleway surfacing laid on; 40mm AC20 Asphalt Concrete 60mm AC32 Asphalt Concrete	m <sup>2</sup>	251	£ 250.00	£ 62,750.00
<b>Page 1 Sub Total</b>				<b>£</b>	<b>3,080,610.00</b>

64087 - Burns Statue Square Public Realm					
CONCEPT DESIGN Cost Estimate - November 2024					
Item No.	Description	Unit	Quantity	Rate	Price
2.012	(1.7) Granite (Grey) Sawn Sett Road Paving x 180mm depth (Traffic Category 9 - BS 7533-101) 50mm Bedding Mortar 200mm C32/40 Concrete Support Layer	m <sup>2</sup>	817	£ 450.00	£ 367,650.00
2.013	(1.8) New Carriageway 40mm HRA Surface Course 60mm AC20 Binder Course 120mm AC32 Support Layer	m <sup>2</sup>	1940	£ 120.00	£ 232,800.00
2.014	250mm Type 1 Capping Layer (if required)	m <sup>2</sup>	1500	£ 15.00	£ 22,500.00
2.015	Allowance for integration into wider surrounds / tie ins	sum	1	£ 50,000.00	£ 50,000.00
	<b>Street Furniture</b>				
3.001	(6.1) Curved Bench Seating (Granite) - 600mm wide x 450mm height	m	95	£ 2,000.00	£ 190,000.00
3.002	(6.2) Bus Shelter - Replacement to NAC spec	nr	3	£ 25,000.00	£ 75,000.00
3.003	Cycle Stand Allowance	m <sup>2</sup>	8670	£ 2.00	£ 17,340.00
3.004	Litter Bin Allowance	m <sup>2</sup>	8670	£ 2.00	£ 17,340.00
3.005	Bollard Allowance	m <sup>2</sup>	8670	£ 3.00	£ 26,010.00
3.006	Other Street Furniture (Allowance)	m <sup>2</sup>	8670	£ 10.00	£ 86,700.00
	<b>Statues and Artwork</b>				
4.001	(9.1) Burns Statue - Survey, Repair and restoration as required. New uplighting installed	sum	1	£ 30,000.00	£ 30,000.00
4.002	(9.2) War Memorial - Survey, dismantal, store and rebuild in new location. New uplighting installed	sum	1	£ 50,000.00	£ 50,000.00
4.003	(9.3) Monolithic Stone Plinth with comisioned bronze sculptures & uplighting	nr	12	£ 25,000.00	£ 300,000.00
4.004	(9.4) Artwork /poetry carving within paving	sum	1	£ 50,000.00	£ 50,000.00
	<b>Street Lighting</b>				
5.001	Street Lighting - New Street Lighting	nr	12	£ 3,500.00	£ 42,000.00
5.002	Street Lighting - New Public Realm Lighting	sum	1	£ 100,000.00	£ 100,000.00
5.003	(10.2) Building Feature Lighting (TBC) - South façade	sum	1	£ 75,000.00	£ 75,000.00
5.004	(10.3) Tree Canopy Lighting	nr	9	£ 1,500.00	£ 13,500.00
	<b>Drainage</b>				
6.001	(7.1) All new drainage for roads and paving	m <sup>2</sup>	8670	£ 20.00	£ 173,400.00
	<b>Softworks</b>				
7.001	(8.1) Large mature trees, planted in reinforced & geocellular tree pit & Suds dariange	nr	9	£ 10,000.00	£ 90,000.00
7.002	(8.2) Raingarden Planting	m <sup>2</sup>	101	£ 150.00	£ 15,150.00
<b>Page 2 Sub Total</b>				<b>£</b>	<b>2,024,390.00</b>
	<b>Miscellaneous</b>				
8.001	(11.1) Traffic Signals	sum	2	£ 100,000.00	£ 200,000.00

64087 - Burns Statue Square Public Realm					
CONCEPT DESIGN Cost Estimate - November 2024					
Item No.	Description	Unit	Quantity	Rate	Price
8.002	(11.2) Controlled Pedestrian Crossing	sum	1	£ 35,000.00	£ 35,000.00
8.003	Allowance for Utility Diversions	m <sup>2</sup>	5441	£ 25.00	£ 136,025.00
8.004	Allowance for Electrical Supply / Cabling / Feeder Pillar etc	sum	1	£ 30,000.00	£ 30,000.00
8.005	Undefined Below Ground Works/ Upgrade Specification	m <sup>2</sup>	5959	£ 10.00	£ 59,590.00
8.006	Allowance for recessed covers and cutting of stone infill	m <sup>2</sup>	5959	£ 10.00	£ 59,590.00
8.007	Ground Investigations / Site Investigations	m <sup>2</sup>	5959	£ 2.50	£ 14,897.50
8.008	Road Signage	m <sup>2</sup>	5959	£ 5.00	£ 29,795.00
8.009	Road Markings	m <sup>2</sup>	5959	£ 1.50	£ 8,938.50
8.010	Traffic Management	sum	1	£ 200,000.00	£ 200,000.00
<b>Page 4 Sub Total</b>					<b>£ 773,836.00</b>

64087 - Burns Statue Square Public Realm					
CONCEPT DESIGN Cost Estimate - November 2024					
Project Summary					
Public Realm Works Sub Total					£ 5,878,836.00
Add - Main Contractor Preliminaries @ 25.0%					£ 1,469,709.00
Add - Main Contractor Contingency @ 7.5%					£ 440,912.70
Add - Optimum Bias @ 15.0%					£ 881,825.40
Add - Construction Inflation (2026/27 Index) @ 10.0%					£ 587,883.60
Cost Estimate Total (Exc. VAT)					£ 9,259,166.70

Cost Estimate Grand Total (Exc. VAT)		£ 9,260,000.00
<b>Information Used for Estimate:</b>		
Ironside Farrar Ltd Drawing: 64087-00-001 - General Arrangement Topographic Survey Utility Records provided by NAC		
<b>Status:</b> RIBA Stage 1/2		
<b>Date:</b> 06/11/2024		
<b>Author:</b> Ian Dooner		
<b>Checked:</b> Janet Pope		
<b>Notes &amp; Exclusions:</b>		
<ul style="list-style-type: none"> <li>- Assumes construction commences financial year 2026/27</li> <li>- Costs for sculptures includes commissioning of artist</li> <li>- Costs developed without SI knowledge and on basis of utility record drawings</li> <li>- Costs allow for excavation &amp; disposal of bituminous surfacings to 250mm depth - assumed not able to reuse existing as base</li> <li>- Drainage, Lighting and Street Furniture is based upon unit per metre square allowance</li> <li>- Allowance for utility diversions and unknown below ground works included - no detailed discussion with PU providers at this stage</li> </ul>		



