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28 November 2022

Dear Councillor

CABINET – TUESDAY, 29 NOVEMBER 2022 AT 10.00 A.M.

ADDITIONAL ITEM

Item A. Tourism, Culture and Rural Affairs.

- (a) Call-ins relating to Proposal to Deliver an Airshow in September 2023, 2024, 2025, 2026 and 2027 - Submit draft Minute excerpts from the Audit and Governance Panel of 9 November and 23 November 2022 (Special) (copies herewith).

Papers issued for the Audit and Governance Panel of 9 November 2022 ([copy herewith](#)).

Report issued for the Audit and Governance Panel (Special) of 23 November 2022 ([copy herewith](#)).

For more information on any of the items on this agenda, please telephone Andrew Gibson,
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**EXCERPT FROM THE MINUTES OF
AUDIT AND GOVERNANCE PANEL
OF 9 NOVEMBER 2022**

Call-in from Cabinet– “Proposal to Deliver an Airshow in September 2023, 2024, 2025, 2026 and 2027”

Reference was made to the Minutes of the Cabinet of 1 November 2022 (Page 3, paragraph 8) when the Cabinet had decided

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

There were submitted two [call-ins](#) (issued) from Councillors William Grant and Duncan Townson and [Responses/Feedback](#) from Officers to the reasons for the call-ins (issued).

The Panel then heard Councillors William Grant and Duncan Townson outline the details of their call-ins; and the Director of Strategic Change and Communities responded to the points raised by both Members as follows:-

- (a) that the Council had entered into a partnership contract with SKYLAB who had been involved in delivering previous airshows and that the cost of the contract would be met through the Significant Events Fund;
- (b) that officers were currently working on proposals for the events village such as food and beverages, car parking, VIP ticketed packages and land based entertainment to generate income for the Council which would be applied to offset the cost of delivering the Airshow;
- (c) that works could progress to identify sponsors, in conjunction with the Royal Airforce Benevolent Fund, once approval was granted to commence; and that she was confident that the Council could attract sponsorship packages from a wide range of organisations, some of which had already expressed an interest and that this would be marketed widely;

- (d) that having, reviewed the financial statements of the previous company who had run the Airshow, she was confident that the Council could break even or hopefully generate income over the first few years of the Airshow;
- (e) that the contract with SKYLAB was a 2 +1 + 1 + 1 contract which and that the Council required to register an interest in having military aircraft at the Airshow in the September of the year prior to the airshow;
- (f) that this was likely to be the only Airshow north of Blackpool next year which would attract significant interest with interest also registered in civilian aircraft and a number of ground attractions being examined;
- (g) that the Council would engage with local businesses to ensure that they benefited from this event and that, as the plan was to hold a three day event, visitors to the area would use local accommodation and other local businesses;
- (h) that the intention was that the Airshow would generate income in future years as it was an event of significant importance to South Ayrshire as a driver for tourism and supporting the regeneration of the local economy;
- (i) that the budget for this event would be submitted for consideration of Members at the meeting of South Ayrshire Council of 2 March 2023 and that the intention was to include the proposals for the funding of the Airshow as part of that; and
- (j) that it was difficult to be clear at present on what could be achieved in conjunction with partner organisations as approval had not yet been granted to formally approach partners; and that this report was seeking approval to liaise with the partners.

Following further comments from Councillor Grant that this was an event of national significance and that sponsorship should be sought from large national companies; and that assurances were required that other local events would not be affected due to staff being involved in this large event; the Director of Strategic Change and Communities advised that the Events Team was currently recruiting an officer who would be dedicated to developing and organising the Airshow, along with staff from a range of other services who had previously been involved in arranging this event as she was aware of the significance and size of the event and the number of staff required to arrange this, which was why approval was being sought at this time as an event of this size required a long-term plan, however she was confident this could be delivered.

Following a further question from Councillor Townson on what guarantees could be given to local businesses that the Airshow would support them economically and support the local economy throughout South Ayrshire; the Director of Strategic Change and Communities and the Service Lead – Destination South Ayrshire, Culture and Sport advised

- (i) that local businesses would be given an opportunity through the procurement process to apply to take concessions within the local village;
- (ii) that, although it was acknowledged that some visitors would drive to the event, park then leave following the event, it was hoped to encourage visitors to stay and use hotels, restaurants and shops;

- (iii) that this event would showcase South Ayrshire as a fantastic place to visit and it was hoped to have a calendar of events arranged for South Ayrshire to issue to the visitors to the Airshow to encourage them to return to the area; and
- (iv) that an app was shortly being launched which visitors to the area could download highlighting what was on offer in the area; and that activities would be taking place at the bottom of the High Street to ensure that the town centre was seen as part of the wider festival and that the businesses in the High Street also benefited from the increased footfall.

Councillor Clark, as Portfolio Holder with responsibility for this matter then responded to the comments made by Councillors Grant and Townson and referred to the organisation of the previous Airshows when the Council had less input in the organisation and staging of the event and had provided monies to a company to stage the previous airshows however, the Council had management control over the ground activities for the proposed upcoming Airshow and he had confidence that Skylab had the technical expertise to deal with the aircraft; and that he had confidence in Skylab and the Council Officers managing the event. He further advised that, as a major event, this was a chance to promote South Ayrshire and stimulate the economy while also promoting other upcoming events.

A full discussion took place and comments were made by Panel Members in relation to:-

- (A) this matter being "called in" twice detailing similar concerns which outlined that the level of information required to make a proper decision was not provided within the original report which was concerning;
- (B) that, whilst there was confidence in the Council Officers to deliver this event, there was no evidence to show that this event had been sufficiently planned and developed at this point;
- (C) that, as there was no financial plan, business plan, environmental impact plan, insurance costs or mitigations outlined within the report, this raised concerns and more information was required to allow the event to go forward;
- (D) that, as £300,000 was the base budget and marketing, clean-up and insurance costs etc would require to be included, there were concerns that, at a time when the Council was required to make significant cuts to balance the budget, the cost of the Airshow could have a significant impact on service delivery, as well as the environmental impact;
- (E) certain elements of the planning of this event required to be in place prior to the approval of the Airshow; and
- (F) concerns that the Council could not withdraw from the contract with SKYLAB after year one but could only withdraw after year two.

The Director of Strategic Change and Communities responded to the above comments by advising that this report was seeking approval to progress with the planning and delivery of the Airshow and that, until this approval was granted, she was unable to produce a more detailed plan but, if approval was granted, she would develop these plans and they would be subject to continuous review and be fully evaluated following the first event which would then inform the future delivery and any amendments to the future delivery plan; that an officer dedicated to this event was being recruited and the Events Team would be assisting with the delivery of this event and she was very confident in the Council's ability to deliver the Airshow; that the Administration had outlined its support of the event and there had been significant interest from the people of South Ayrshire; and that she appreciated the Member's confidence in the Officers concerned.

Questions were raised by Panel Members in relation to:-

- (I) the financial accounts of the previous company who managed the Airshow; and the Director of Strategic Change and Communities advised that, having examined the accounts of this company along with the Council's potential income generation, she was confident that the Council could deliver the Airshow within the budget sought;
- (II) the reference to £300,000 within the written responses as a potential increase from that allocated to the last airshow was to take account of increased costs for staging the event and this would be reviewed annually and the £1.5m was proposed but not fixed; and the Director of Strategic Change and Communities advised that, as part of the budget setting process, the £300,000 was allocated for the delivery of the Airshow, however, it was hoped that the income generated in the first few years would negate the requirement for these monies in future years. She further advised that, in advance of delivering the Airshow, deposits required to be paid but that these would be offset by the income generated by the event which was why it was requested that this was built into the process for the next five years;
- (III) the event being met through the Significant Events Budget and whether this would have an impact on other events within South Ayrshire or any future events; and the Director of Strategic Change and Communities advised that the Council was currently committed to a two year contract with SKYLAB and was requesting a base budget of £300,000 at present, no funding above that figure;
- (IV) whether running the Airshow would affect the Council's Carbon Budget; and the Service Lead – Destination South Ayrshire, Culture and Sport advised that SKYLAB had joined the British Air Display Association which represented all areas of the British Air Display Industry and encouraged and advanced safety and standards, encouraged members of the Association to embrace the air display's environmental sustainability charter and that they would be creating an environmental action plan with the aim of reducing climate impact. She further advised that the Council, as part of the five year proposition, would aim to make the Airshow the UK leader in carbon offsetting and responsible design and would look to justify each aircraft booking responsibly.

Councillor Clark, as Portfolio Holder, responded to the questions and comments by Panel Members and advised that the questions raised at Cabinet outlined that scrutiny had taken place when approving this report; that the Council was being responsible with the contract agreed with SKYLAB; and that, with the Council's professional partners, a significant and successful Airshow could take place for the people of South Ayrshire.

The Chair then thanked all Panel Members for their contribution and outlined that the role of this Panel was to scrutinise reports to ensure best value for the people of South

Ayrshire, however, he outlined concerns with the monies required to produce this Airshow due to current pressures on Council budgets and also concerns regarding the environmental impact of those travelling to and from the event. The Director of Strategic Change and Communities advised that the Council would be encouraging visitors to the event to view this as a weekend event as there would be other activities provided and, therefore use the local guest houses and restaurants; and that it was anticipated that large numbers of people would visit the event during the course of the weekend and that the event would showcase Ayr and also the whole of South Ayrshire.

The Chair then outlined the options open to the Panel when considering this call-in.

Councillor McGinley, seconded by Councillor Cullen, moved that the Panel continue consideration of this matter to the next meeting of this Panel scheduled to be held on 7 December 2022 to allow officers to compile a robust scoping exercise and indicative costs.

The Panel heard the Service Lead – Democratic Governance advise that this Motion could not be practically realised due to the short timescales; and heard from the Chief Executive and the Head of Legal and Regulatory Services in relation to the decision of the Cabinet of 1 November 2022; outlining that the £300,000 would be submitted for approval as part of the budget-setting process; and that to allow officers to develop the proposals and come forward with a business plan, officers required to be granted approval to undertake planning for the event.

Councillor McGinley as Mover of the Motion, agreed to Amend the Motion, with the agreement of the Seconder, Councillor Cullen to:-

“that officers progress the planning of the Airshow as per the Cabinet decision of 1 November 2022, with the proviso that officers bring forward information on a robust scoping exercise and indicative costs to a future meeting of this Panel, prior to the budget setting meeting of South Ayrshire Council of 2 March 2023”.

The Panel

Decided: that officers progress the planning of the Airshow as per the Cabinet decision of 1 November 2022, with the proviso that officers bring forward information on a robust scoping exercise and indicative costs to a future meeting of this Panel, prior to the budget setting meeting of South Ayrshire Council of 2 March 2023.

**EXCERPT FROM THE MINUTES OF
AUDIT AND GOVERNANCE PANEL
OF 23 NOVEMBER 2022**

Continuation of Call in from Cabinet – “Proposal to Deliver an Airshow in September 2023, 2024, 2025, 2026 and 2027”

Reference was made to

- (1) the Minutes of the Cabinet of 1 November 2022 (Page 3, paragraph 8) when the Cabinet had decided
 - (a) to agree that officers progress with the planning of the Airshow including work to identify sponsors;
 - (b) to approve that funding for the Airshow of £300,000 per year, for a period of five years, would be considered as part of the budget setting process for 2023-2024;
 - (c) to approve the name for the Airshow - The International Ayr Show – Festival of Flight;
 - (d) to approve the proposal to have the Royal Air Force Benevolent Fund as the charity partner for the event; and
 - (e) to note the progress made by the SKYLAB in relation to expressions of interest with military display teams; and
- (2) the Minutes of the Audit and Governance Panel of 9 November 2022 (Page 2, paragraph 2) when the Panel had decided that officers progress the planning of the Airshow as per the Cabinet decision of 1 November 2022, with the proviso that officers bring forward information on a robust scoping exercise and indicative costs to a future meeting of this Panel, prior to the budget setting meeting of South Ayrshire Council of 2 March 2023.

Following the decision of the meeting of this Panel of 9 November 2022, there was submitted a [report](#) (issued) of 22 November 2022 by the Director of Strategic Change and Communities providing information on a scoping exercise with indicative costs for the delivery of an Airshow in September 2023; and seeking approval to progress with the recommendations as outlined in the report.

The Director advised that extensive work was required in the planning and delivery of an Airshow and that a scoping exercise had been carried out which involved scrutinising previously available financial information and consultation with the Council's strategic partner which subsequently allowed for the provision of an estimated indicative financial projection (attached as Appendix 1 to the report). She further advised that detailed projections could not be produced until potential sponsors had been contacted and until the charity partner could contact their potential sponsors and advertisers, which once carried out, further information on this and other indicative projections could be further interrogated and details brought forward in the budget setting process.

Questions were raised by Panel Members in relation to:

- (i) the period of funding; and the Director of Strategic Change and Communities advised that funding had been sought for a period of 5 years, ie 2023, 2024, 2025, 2026 and 2027; and that separately the contract with the Council's strategic partner was on a 2+1+1+1 basis;
- (ii) whilst acknowledging the challenges faced by Officers, the lack of robust financial information was a concern and what options were open to the Panel when considering the report; and the Chief Executive outlined the options open to the Panel when considering this call-in which were:
 - (A) to agree the Cabinet decision of 1 November 2022; or
 - (B) to refer the matter back to Cabinet, with recommendations, for final determination..

Adjournment

The time being 2.46 pm., the Panel adjourned for twenty five minutes.

Resumption of Meeting

The meeting resumed at 3.11 p.m.

Councillor Bell, seconded by Councillor Kilpatrick, moved that the Panel

- (I) note the financial projections contained in Appendix 1 of the report;
- (II) request that officers present further more detailed financial information to Members through the budget setting process and in advance of the meeting of the Council on 2 March 2023; and
- (III) agree the decision of Cabinet at its meeting of 1 November 2022, as outlined at paragraphs 3.2(1), 3.2(2), 3.2(3), 3.2(4) and 3.2(5) of the report.

By way of Amendment, Councillor McGinley, seconded by Councillor Ramsay, moved that the Panel

- (aa) note the financial projections contained in Appendix 1 of the report;
- (bb) request that officers present further more detailed financial information to Members through the budget setting process and in advance of the meeting of the Council on 2 March 2023;
- (cc) agree part of the decision of Cabinet at its meeting of 1 November 2022, namely paragraphs 3.2(1), 3.2(3), 3.2(4) and 3.2(5) of the report; and
- (dd) refer the matter back to Cabinet recommending that officers be requested to present a detailed financial report to Audit and Governance Panel on 22 February 2023.

A Panel Member requested a roll call vote and the Service Lead – Democratic Governance then took the vote by calling the roll as follows:-

Peter Henderson	Amendment
Kenneth Bell	Motion
Chris Cullen	Amendment
Mary Kilpatrick	Motion
Brian McGinley	Amendment
Cameron Ramsay	Amendment
Gavin Scott	Amendment
George Weir	Amendment

Six Members voted for the Amendment and two for the Motion. The Amendment was accordingly declared carried and the Panel

Decided:

- (AA) to note the financial projections contained in Appendix 1 of the report;
- (BB) to request that officers present further more detailed financial information to Members through the budget setting process and in advance of the meeting of the Council on 2 March 2023;
- (CC) to agree part of the decision of Cabinet at its meeting of 1 November 2022, namely paragraphs 3.2(1), 3.2(3), 3.2(4) and 3.2(5) of the report; and
- (DD) to refer the matter back to Cabinet recommending that officers be requested to present a detailed financial report to Audit and Governance Panel on 22 February 2023.