

North Ayrshire Council
1 March 2017

IRVINE, 1 March 2017 - At a Special Meeting of North Ayrshire Council at 1.00 p.m.

Present

Ian Clarkson, John Bell, Matthew Brown, John Bruce, Marie Burns, Joe Cullinane, John Easdale, John Ferguson, Alex Gallagher, Willie Gibson, Tony Gurney, Alan Hill, John Hunter, Tom Marshall, Grace McLean, Catherine McMillan, Peter McNamara, Ronnie McNicol, Louise McPhater, Jim Montgomerie, Alan Munro, David O'Neill, Irene Oldfather, Donald Reid, Robert Steel and Joan Sturgeon.

In Attendance

E. Murray, Chief Executive; L. Friel, Executive Director, M. Hogg, Head of Finance, F. Walker, Interim Head of Service (People and Transformation) and D. Forbes, Senior Manager (Financial Management) (Finance and Corporate Support); C. Hatton, Executive Director and R. McCutcheon, Head of Service (Commercial Services) (Place); Iona Colvin, Director and S. Brown, Head of Service (Children, Families and Criminal Justice) (Health and Social Care Partnership); J. Butcher, Executive Director (Education and Youth Employment); K. Yeomans, Executive Director, A. Sutton, Head of Service (Connected Communities) and C. McAuley, Head of Service (Economic Growth) (Economy and Communities); and A. Fraser, Head of Democratic Support, C. Andrew, Senior Manager (Legal Services) and M. Anderson, Committee Services Team Leader (Chief Executive's Service).

Chair

Provost Clarkson in the Chair.

Apologies for Absence

Robert Barr, Anthea Dickson, Jean Highgate and Elizabeth McLardy.

1. Apologies

The Provost invited intimation of apologies for absence, which were recorded.

2. Declarations of Interest

There were no declarations of interest in terms of Standing Order 10 and Section 5 of the Councillors' Code of Conduct.

There were no declarations of the Party Whip.

3. Minutes of Special Meeting of Cabinet

Submitted report, being the Minutes of the Special Meeting of the Cabinet of North Ayrshire Council held on 1 March 2017. Appendix NAC1 to the Minute contained amendments submitted by the Administration in respect of the officer proposals.

The Chief Executive made reference to the circulation of a paper setting out a further amendment proposed by the Administration in respect of the proposed application of the £2.462m Tarryholme project underspend (which was reported to the Cabinet at its meeting of 28 February 2017) to a Community Investment Fund. The Chief Executive advised Members that no robust review or appraisal had been carried out in respect of this proposal and that her advice, and that of the Council's Section 95 Officer, would be that the proposal did not represent Best Value as defined in the Local Government in Scotland Act 2003.

Noted.

4. Audit Scotland Report: Local Government in Scotland Financial Overview 2015/16

Submitted report by the Executive Director (Finance and Corporate Support) on the findings of the recent Audit Scotland report outlining the current position in North Ayrshire. The Audit Scotland report on its 2015/16 financial overview of local government in Scotland, was set out in Appendix 1 to the report. Appendix 2 contained a separate self-assessment supplement which identified a number of questions which can assist councillors in understanding their council's financial position and scrutinising its financial performance.

Councillor Cullinane, seconded by Councillor Bell, moved that the Council agree to (a) note (i) the findings of the recent Audit Scotland report and (ii) the current position in North Ayrshire; and (b) consider the findings as part of its budget deliberations. There being no amendment, the motion was declared carried.

5. General Services Revenue Estimates 2017/18 to 2019/20 and Capital Investment Programme 2017/18 to 2025/26 (Budget Paper 1)

Submitted report by the Executive Director (Finance and Corporate Support) on (a) the Council's revenue spending requirements and anticipated funding for the years 2017/18 to 2019/20; (b) the level of reserves and fund balances held by the Council; (c) options to address the funding gap; and (d) the draft Capital Investment Programme to 2025/26. The appendices to the report provided information on the summary position, the detailed base budget adjustments, savings approved in 2016/17 for 2017/18, the revised expenditure requirements for 2017/18, information on IJB service pressures and proposed new savings options, proposed increases to charges in line with inflation, the budget matrix, the approved capital expenditure programme and proposed changes to it, and aspirational projects.

Councillor Cullinane thanked officers for their work in preparing the report and addressed the meeting on the Administration's budget proposals.

Thereafter, Councillor Cullinane, seconded by Councillor Bell, moved that the Council approve the proposals set out in the report, subject to (i) amendments contained in the appendix to the Minute of the Special Meeting of the Cabinet held on 1 March 2017 and (ii) a further amendment set out in Appendix NAC 1 to the Minute in respect of the application of the £2.462m Tarryholme project underspend (which was reported to the Cabinet at its meeting of 28 February 2017) to a Community Investment Fund.

The Council adjourned for a recess at 1.35 p.m., reconvening at 1.40 p.m. with the same Members and Officers present and in attendance.

Councillor Burns then addressed the meeting as Leader of the Opposition, thanking officers for their work and responding to the Administration's budget proposals.

Thereafter, Councillor Burns, seconded by Councillor Hill, moved as an amendment that the Council approve the proposals set out in the report, subject to further amendments set out in Appendix NAC 2 to the Minute.

The Council then adjourned for a further recess at 1.55 p.m., reconvening at 2.05 p.m. with the same Members and Officers present and in attendance.

Councillor Hunter addressed the meeting as Leader of the Three Towns Independent Group, thanking officers for their work. He requested, and received, clarification in relation to budget line SP-PL 16-25 within Appendix 3 to the report, that the public toilets located at the shorefronts of Ardrossan, Saltcoats and Largs would remain open. Councillor Hunter then proposed the removal of the previously approved budget saving relating to the reduction of opening hours at Household Waste Recycling Centres (as set out in budget line SP-PL 16-11 within Appendix 3). Following receipt of information from the Chief Executive, Councillor Hunter withdrew his request.

Thereafter, Councillor Marshall addressed the meeting, thanking officers for their work and responding to the motion and amendment before the Council.

Councillor Marshall, seconded by Councillor Hunter, moved as a further amendment that the Council approve the proposals set out in the report, subject to an amendment to remove the proposed 3% Council Tax rise, the cost of which would be met in 2017/18 from reserves and 2016/17 underspend.

Councillor Steel then addressed the meeting on behalf of the Kilwinning and Dalry Independent Group, thanking officers and speaking in support of Councillor Marshall's amendment.

Members asked questions and debated the motion and amendments.

The Council adjourned for a recess at 2.30 p.m., reconvening at 2.40 p.m. with the same Members and Officers present and in attendance.

In terms of Standing Order 14.5 and with the agreement of Councillors Cullinane and Bell, the motion was amended to accept the terms of Councillor Burns's amendment.

A roll call vote was requested, but failed to secure the support of the requisite six Members.

On a division, there voted for the amendment 3 and for the motion 23 and the motion was declared carried.

Accordingly, the Council agreed to approve the proposals set out in the report, subject to the amendments set out in Appendix NAC 2 to the Minute.

6. Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and Rent Levels for 2017/18 (Budget Paper 2)

Submitted report by the Executive Director (Finance and Corporate Support) on the HRA capital investment programme and revenue budget for 2017/18 and the consequential rent levels. The appendices to the report set out the proposed 2017/18 HRA Capital Programme, the proposed 2017/18 HRA revenue budget, with planned expenditure of £48.257m mainly funded by rental income and charges for services, in addition to details of the consultation undertaken with tenants.

Councillor Cullinane, seconded by Councillor Bell, moved that the Council agree to (a) approve (i) the HRA capital investment programme for 2017/18, as detailed in the attached Appendix 1 to the report; (ii) the HRA revenue budget for 2017/18, as detailed in the attached Appendix 2; (iii) a rent increase of 2.79% in 2017/18 for council houses (including sheltered housing); (iv) a garage site increase of £0.07 per week and a lock-up increase of £0.15 per week to £2.77 and £5.53 per week respectively, equivalent to 2.79%; and (v) an increase of 7.9% in sheltered housing service charges, as part of equalisation of the cost of service charges, for existing tenants; and (b) note the indicative rent increases of 2.79% for 2018/19 and 2.93% for 2019/20. There being no amendment, the motion was declared carried.

7. Treasury Management and Investment Strategy 2017/18

Submitted report by the Executive Director (Finance and Corporate Support) on the Treasury Management and Investment Strategy for 2017/18 and the policy on the repayment of loans fund advances. The proposed Treasury Management and Investment Strategy for 2017/18 was set out in Appendix 1 to the report.

The Executive Director (Finance and Corporate Support) advised Members of the Head of Finance and her team's success in being named as finalists in the Public Finance Innovation Awards 2017 for their approach to Treasury Management.

In response to a question by Councillor Hunter, the Executive Director (Finance and Corporate Support) undertook to provide Members with a breakdown of the categories which appeared under the heading of PPP/NPD long-term liability in the table at Section 3(b) of the appendix to the report.

Councillor Cullinane, seconded by Councillor Bell, moved that the Council agree to approve (i) the Treasury Management and Investment Strategy for 2017/18 as attached at Appendix 1 to the report and (ii) the policy on the repayment of loans fund advances contained within Appendix 3 of the Strategy for implementation in 2016/17. There being no amendment, the motion was declared carried.

8. Revenue Estimates 2017/18 - Common Good and Trusts

Submitted report by the Executive Director (Finance and Corporate Support) on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council. Appendices 1 and 2 to the report provided details of the remaining smaller trusts administered by the Council and the anticipated income and expenditure for the Common Good Funds and major Trusts, respectively.

Members asked questions, and received further information, on the following:-

- whether funds from the dormant Charitable Trust (Largs) could be applied to Largs Common Good Fund;
- the implications of the different grant criteria applicable to Trusts and Common Good Funds;
- whether the Charitable Trust (Irvine) income set out in the table at Section 2.13 of the report related entirely to interest paid; and
- income in relation to rental of property at Routenburn Golf Club, given an earlier decision in respect of its sale.

The Executive Director (Finance and Corporate Support) undertook to provide Members with clarification on the position with regard to rental income relating to Routenburn Golf Club.

Councillor Cullinane, seconded by Councillor Bell, moved that the Council agree to (a) approve the 2017/18 revenue estimates for the Common Good Funds and registered charitable trusts noted at Section 2.13 of the report; (b) delegate authority for approval of the individual disbursements from all Common Good and Trusts to the Locality Partnerships, provided that the annual budgeted level of expenditure is not breached; and (c) delegate authority to the Locality Partnerships to approve proposals in relation to dormant trusts later in the year. There being no amendment, the motion was declared carried.

The meeting ended at 3.05 p.m.

ADMINISTRATION BUDGET OPTIONS 2017/18

	Funding Source	£	wte
Proposals			
1 Removal of Savings			
1.1 Revised Budget savings (non HSCP)	1	£693,763	
1.2 Removal of new savings HSCP	1	£1,486,113	
Addressing Food, Income and Vulnerability			
2 Poverty			
2.1 Better off North Ayrshire web interface	1	£100,000	
2.2 Financial Inclusion linkages to HSCP	1	£300,000	3.00
2.3 Digital Skills	1	£100,000	
2.4 Fair for All	1	£150,000	1.00
2.5 Basic Income Pledge	1	£200,000	
2.6 Poverty Challenge Fund*	2	£873,124	
3 Community Capacity Building			
3.1 Community Empowerment Unit	1	£230,000	2.00
3.2 Community Investment Fund ****	2/4	£3,462,000	
4 Food Security			
4.1 Community Food Plan	1	£122,000	1.00
5 Modern Apprenticeships	1	£200,000	12.00
6 HSCP Challenge Fund**	3	£2,570,000	
7 Local Rates Relief	1	£325,000	
8 Ardrossan Harbour Car Park Investment	2	£800,000	
9 Roads	5	700000	
Total non recurring investment		£12,312,000	19.00

Funding Streams

Investment Funds	1	£3,809,000
2016/17 underspend***	2	£2,771,000
Reduce unearmarked reserves to 2%	3	£2,570,000
Capital Programme - Tarryholme underspend	4	£2,462,000
Additional SG capital grant	5	£700,000

Total Investment Funds	£12,312,000
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* Value dependent on 2016/17 final outturn

**total fund £4m (including £1.5m of HSCP savings)

***period 8

**** revenue £1m / capital £2.462m

**North Ayrshire Council
Revenue Budget 2017/18
Revenue Budget Savings to be Approved**

Council Objective/Service	Saving	Reference	2017/18 Officer £	2017/18 Administration £
Protecting and enhancing the environment for future generations				
Place	Garden Tidy Scheme - cease service or increase charges	SP-PL-17-01	(5,000)	
Place	Cemetery Provision - increase charges by 5%	SP-PL-17-02	(22,000)	
Place	Winter Maintenance - introduction of route based forecasting	SP-PL-17-07	(10,000)	(10,000)
Place	Review of sign illumination in line with revised regulations	SP-PL-17-08	(7,000)	(7,000)
Place	5% increase of Fees & Charges across Roads service	SP-PL-17-09	(2,600)	
Place	Organic Waste - reduction from weekly to fortnightly collection	SP-PL-17-15	(105,000)	(105,000)
Place	Increase Special Uplift charges to achieve break even over 2 years	SP-PL-17-17	(36,000)	
Total			(187,600)	(122,000)
Helping all of our people to stay safe, healthy and active				
Total			-	
Ensuring people have the right skills for learning, life and work				
Education and Youth Employment	Reduce librarian staffing by 50%	SP-EY-17-01	(120,235)	
Education and Youth Employment	Reduce music service by 10%	SP-EY-17-02	(35,977)	
Education and Youth Employment	Reduce centrally held ICT budget	SP-EY-17-03	(60,000)	(60,000)
Education and Youth Employment	Reduce various budgets across Education	SP-EY-17-04	(25,860)	(25,860)
Education and Youth Employment	Reduce CPD training budgets by 20%	SP-EY-17-06	(40,959)	
Education and Youth Employment	Cease payments for supervisory meals in schools	SP-EY-17-09	(29,233)	
Education and Youth Employment	Reduce payments to parent councils	SP-EY-17-10	(3,470)	
Education and Youth Employment	Performance Management - removal of post	SP-EY-17-11	(56,962)	(56,962)
Education and Youth Employment	Remove supported study budgets from secondary schools	SP-EY-17-12	(28,504)	
Education and Youth Employment	Remove determined to succeed budgets from secondary schools	SP-EY-17-13	(50,035)	
Education and Youth Employment	Reduce School non payroll budgets	SP-EY-17-17	(100,000)	
Education and Youth Employment	Review School Technician Services	SP-EY-17-24	(73,231)	
Total			(624,466)	(142,822)
Working together to develop stronger communities				
Economy and Communities	Community Facilities - reorganisation of support staff	SP-EC-17-01	(51,239)	
Economy and Communities	Community Developments - redesign staff and budgets	SP-EC-17-02	(145,084)	(100,084)
Economy and Communities	Information and Cultural Services - redesign to reflect new facilities	SP-EC-17-03	(155,594)	(155,594)
Total			(351,917)	(255,678)
Growing our economy, increasing employment and regenerating towns				
Total			-	
Underpinning our priorities				
Chief Executive and Democratic Services	Policy, Performance and CPP restructure	SP-CX-17-03	(35,457)	(35,457)
Chief Executive and Democratic Services	Legal and Licensing restructure	SP-CX-17-05	(5,548)	(5,548)
Finance and Corporate Support	Audit, Risk and Insurance - reduced staffing and increased income	SP-FCS-17-01	(70,795)	(70,795)
Finance and Corporate Support	Change Team - reduced staffing	SP-FCS-17-02	(27,000)	(27,000)
Finance and Corporate Support	Remove Corporate Training Budget in HR & OD	SP-FCS-17-03	(37,000)	(37,000)
Finance and Corporate Support	Customer & Digital Services - introduction of performance management tool	SP-FCS-17-07	(9,287)	(9,287)
Finance and Corporate Support	Reduction of management and services within ICT	SP-FCS-17-12	(50,280)	
Finance and Corporate Support	Review operation of Insurance Fund	SP-FCS-17-22		-
Place	New commercial opportunities - letting and catering	SP-PL-17-20	(20,000)	(20,000)
Place	Restructure teams within PMI following service review	SP-PL-17-27	(56,000)	(56,000)
Place	Reduced Staff Travel from sustainable business travel	SP-PL-17-38	(25,000)	(25,000)
Total			(336,367)	(286,087)
Corporate Savings				
Total			-	
TOTAL SAVINGS TO BE APPROVED			(1,500,350)	(806,587)
Funds required due to revised savings approval				(693,763)

BUDGET OPTIONS 2017/18

	Funding Source	£	wte
Proposals			
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1.1 Revised Budget savings (non HSCP)	1	£693,763	
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2.5 Basic Income Pledge	1	£200,000	
2.6 Poverty Challenge Fund*	2	£848,124	
3 Community Capacity Building			
3.1 Community Empowerment Unit	1	£230,000	2.00
3.2 Community Investment Fund ****	2/4	£3,162,000	
3.3 Participatory Budgeting	1	£100,000	
4 Food Security			
4.1 Community Food Plan	1	£122,000	1.00
5 Skills Investment			
5.1 Modern Apprenticeships	1	£200,000	12.00
5.2 Skills for Life	1	£50,000	
6 HSCP Challenge Fund**	3	£2,570,000	
7 Inward Investment Fund	1	£200,000	
8 Ardrossan Harbour Car Park Investment	2	£800,000	
9 Roads *****	4/5	£1,000,000	
Total non recurring investment		£12,312,000	19.00

Investment Funding Streams

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**total fund £4m (including £1.5m of HSCP savings)

***period 8

**** revenue £1m / capital £2.162m

***** £300k Tarryholme capital underspend / £700k SG grant

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Revenue Budget Savings to be Approved**

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Finance and Corporate Support	Review operation of Insurance Fund	SP-FCS-17-22		-
Place	New commercial opportunities - letting and catering	SP-PL-17-20	(20,000)	(20,000)
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Total			(336,367)	(286,087)
Corporate Savings				
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TOTAL SAVINGS TO BE APPROVED			(1,500,350)	(806,587)
Funds required due to revised savings approval				(693,763)