

North Ayrshire Council
28 February 2024

At a Special Meeting of North Ayrshire Council at 2.00 p.m. involving a combination of participation by remote electronic means and physical attendance within the Council Chambers, Irvine

Present (Physical Participation)

John Bell, Timothy Billings, Marie Burns, Eleanor Collier, Joe Cullinane, Scott Davidson, Anthea Dickson, Stewart Ferguson, Todd Ferguson, Robert Foster, Scott Gallacher, Tony Gurney, Alan Hill, Cameron Inglis, Margaret Johnson, Amanda Kerr, Christina Larsen, Shaun Macaulay, Tom Marshall, Jean McClung, Nairn McDonald, Matthew McLean, Louise McPhater, Davina McTiernan, Jim Montgomerie, Donald Reid, Chloé Robertson, Angela Stephen and John Sweeney.

Present (Remote Electronic Participation)

Donald L. Reid and Ronnie Stalker.

In Attendance

C. Hatton, Chief Executive; C. Cameron, Director (Health and Social Care Partnership); R. McCutcheon, Executive Director and D. Hammond, Head of Service (Sustainability, Transport and Corporate Property) (Place); A. Sutton, Executive Director (Communities and Education); M. Boyd, Head of Service, D. Forbes, Senior Manager (Strategic Business Partner), N. Graham, Team Manager (Financial Management and Revenues) and K. Macdonald, Team Manager (Strategic Projects) (Finance); F. Walker, Head of Service (People and ICT); and A. Craig, Head of Service, R. Lynch, Senior Manager (Legal Services); J. Hutcheson, Senior Communications Officer, M. Anderson, Senior Manager (Committee and Member Services) and D. McCaw and S. Wilson, Committee Services Officers (Democratic Services).

Chair

Provost Dickson in the Chair.

Apologies

Ian Murdoch.

1. Provost's Remarks

The Provost welcomed those present to the meeting and dealt with preliminary matters, including intimation that the meeting, which was taking place on a hybrid basis, would be live streamed to the internet.

The Provost then expressed her sadness at the recent passing of serving Elected Member, Councillor John Glover (Conservative and Unionist Group) and of former Elected Member, Cunninghame District Council Provost and SNP Group Leader, Matthew Brown.

On behalf of the Council, the Provost extended her condolences to the families of both men and confirmed that funeral arrangements would be intimated to Members in due course.

2. Apologies

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

3. Declarations of Interest

There were no declarations of interest in terms of Standing Order 11 and Section 5 of the Councillors' Code of Conduct.

There were no declarations of the Party Whip.

4. General Services Revenue Estimates 2024/25 to 2026/27

Submitted report by the Head of Service (Finance) on the Council's revenue spending requirements and anticipated funding for 2024/25 to 2026/27, the level of reserves and fund balances held by the Council, and options to address the funding gap.

Appendices 1 and 2 to the report set out the revised expenditure requirements for 2024/25 and operational budget adjustments, respectively. Savings approved as part of the 2023/24 revenue budget and the expenditure requirements identified for 2024/25 to 2025/26, were detailed at Appendices 3 and 4. Appendix 5 summarised proposed savings, excluding the Health and Social Care Partnership, and Appendix 6 contained a list of proposed charges with effect from 1 April 2024. The budget matrix for 2024/25 was set out at Appendix 7 to the report. A revised Appendix 5 was circulated separately in a Supplementary Agenda.

The Head of Service (Finance) provided a short verbal update in relation to an announcement by the Depute First Minister on 21 February 2024 to allocate a further £62.7m to councils, advising that this would be subject to confirmation through the UK Government's Spring budget on 6 March 2024 and to councils agreeing a Council Tax freeze.

The Provost then invited the Administration to move its budget proposals.

Councillor Larsen, seconded by Councillor Burns, moved as follows:

“That the Council supports the position to freeze Council Tax at 2023/24 levels and approves the recommendations set out in the report, subject to the amendments noted below:

- a) delete £1.7m Locality Based Town Centre Fund. Replace with
 - Business Recovery and Sustainability Fund £500k
 - Community Wealth Building (CWB) For Communities £300k
 - Repurposing Property Grant Fund £350k
 - Community Asset Transfer (CAT) Fund £350k
 - School Welfare Rights Officers £160k
 - Wellbeing Alliance Fund £40k
- b) reduce the level of non-recurring investment for 2024/25 in respect of the contribution towards renewable energy development by £1,343,731
- c) remove the recurring saving to review staffing allocations to primary and secondary schools through the Devolved School Management scheme of £1,343,731 in 2024/25, and continue to engage with Scottish Government around North Ayrshire Council’s individual circumstances.”

Thereafter, Councillor Marshall, seconded by Councillor Inglis, moved the following amendment:

“That the Council supports the position to freeze Council Tax at 2023/24 levels and approves the recommendations set out in the report, subject to the amendments noted below:

- a) reduce the level of non-recurring investment for 2024/25 in respect of the contribution towards renewable energy development by £1,914,000
- b) reduce the level of non-recurring investment for 2024/25 in respect of the Locality Based Town Centre Fund by £174,163
- c) invest the sum of £1,000,000 for 2024/25 in the Roads infrastructure
- d) invest the sum of £500,000 for 2024/25 in the Council’s Streetscene operations
- e) remove the 2024/25 recurring savings option in respect of charging for garden waste collection totalling £588,163, and

- f) to address the recurring impact of removing the saving in respect of charging for garden waste, request North Ayrshire Leisure Ltd to undertake a review of their operations to identify recurring savings options to the value of £588,163 for members to consider as part of the 2025/26 Council Budget.”

Following a point of order by Councillor Burns, the Monitoring Officer provided confirmation as to the legal competence of point (f) of Councillor Marshall’s amendment. At the invitation of the Provost, the Chief Executive provided further clarification on the financial detail and implications of this element of the amendment.

Thereafter, Councillor Cullinane, seconded by Councillor Bell, moved an amendment as follows:

“That the Council supports the position to freeze Council Tax at 2023/24 levels and approves the recommendations set out in the report, subject to the amendments noted below:

- a) remove the 2024/25 recurring savings option in respect of charging for garden waste collection totalling £588,163
- b) apply an additional level of vacancy turnover to non-school staff budgets across the Council of 0.375% on a recurring basis, equating to £300,000 in 2024/25
- c) reduce the level of non-recurring investment for 2024/25 in respect of the contribution towards renewable energy development by £288,163
- d) to address the recurring impact of £288,163 from the reduction in non-recurring investment, bring forward proposals during 2024/25 to identify recurring savings for consideration as part of the 2025/26 Budget across the following areas:
 - (i) proposal to transfer the responsibility of the Redburn Grove traveller site from the Council’s General fund to the Housing Revenue Account,
 - (ii) proposal to introduce pavement parking enforcement as part of the Council’s Decriminalised Parking Enforcement policy, and
 - (iii) proposal to review the current non-domestic rates reliefs and exemptions policy.
- e) agree to invest the £7.5million contribution from earmarked reserves earmarked for use in 25/26 (£4million) and 26/27 (£3.5million), a sum which is related to the PPP service concession approved in 2023, on the following:
 - (i) top-up the Investment Fund (to be invested in renewable energy at i3, commercial estate, energy efficiency projects, invest to save and cost avoidance initiatives etc) – £7.500m”

Members then asked questions of clarification of the movers of the motion and amendments and received clarification on the following:

- further detail on the purpose and implications of point (b) of Councillor Cullinane's amendment;
- the purpose and intended benefits of the additional Community Asset Transfer funding and the additional staffing resource for Community Wealth Building referred to in point (a) of Councillor Larsen's amendment;
- whether the proposed additional funding for Streetscene operations referred to in point (d) of Councillor Marshall's amendment would form part of a general fund to be used as required, or if it was intended for a particular purpose;
- the level of expected savings to be achieved by North Ayrshire Leisure Limited in terms of point (f) of Councillor Marshall's amendment and whether discussion had taken place with NALL on how this might be achieved;
- the total number of new roles arising from point (a) of Councillor Larsen's motion;
- whether funding set aside for Community Wealth Building for communities had been fully utilised or if the £300k referred to in point (a) of Councillor Larsen's motion represented top-up funding;
- any savings which were expected to arise from the engagement with the Scottish Government referenced in point (c) of Councillor Larsen's motion;
- whether any engagement had taken place with the executive directors on North Ayrshire Leisure Limited in respect of point (f) of Councillor Marshall's amendment;
- the likely impact on next year's budget of North Ayrshire Leisure Limited being unable to achieve the level of savings set out in point (f) of Councillor Marshall's amendment;
- the loss of income which may arise from the reduction in investment in renewable energy development referred to at point (b) of Councillor Larsen's motion;
- the implications of point (c) of Councillor Larsen's motion in the context of the further cut of £1m in the Scottish Government Attainment Challenge funding for North Ayrshire;
- the Council's powers to vary the level of non-domestic rates relief and exemptions policy; and
- the impact on next year's budget of point (e) of Councillor Cullinane's amendment;

Questions in respect of the parking charges, engagement with the Scottish Government on education staffing, and the impact on communities of reduced funding to North Ayrshire Leisure Limited, were not permitted by the Provost on the grounds that they did not constitute questions of clarification.

On a point of order in terms of Standing Order 11, Councillor McClung sought, and received, confirmation that membership of the Board of North Ayrshire Leisure Limited did not preclude a Member from participating in the debate on this item of business.

In terms of Standing Order 6.8, the Provost agreed that the meeting be adjourned at 3.10 p.m. to allow Members to consider the motion and amendments. The meeting reconvened at 4.45 p.m. with the same Members and officers present and in attendance, with the exception of Councillor Gallacher.

In terms of Standing Order 16.7, the Provost sought clarification as to whether the mover and seconder of the motion or any amendment wished to alter or withdraw their motion or amendment.

Councillor Larsen, with the agreement of her seconder, intimated that she wished to alter her motion to read as follows:

“That the Council supports the position to freeze Council tax at 2023/24 levels and approves the recommendations set out in the report, subject to the amendments noted below:

- a) delete £1.7m Locality Town Centre Fund. Replace with
 - Business Recovery and Sustainability Fund £350k
 - CWB For Communities £300k
 - Repurposing Property Grant Fund £250k
 - School Welfare Rights Officers £160k
 - Wellbeing Alliance Fund £40k
 - Contribution to roads infrastructure - £750k
- b) reduce the level of non-recurring investment for 2024/25 in respect of the contribution towards renewable energy development by £1,343,731
- c) remove the recurring saving to Review staffing allocations to primary and secondary schools through the Devolved School Management scheme of £1,343,731 in 2024/25, and continue to engage with Scottish Government around North Ayrshire Council’s individual circumstances.
- d) remove the 2024/25 recurring savings option in respect of charging for garden waste collection totalling £588,163,
- e) apply an additional level of vacancy turnover to non-school staff budgets across the Council of 0.375% on a recurring basis, equating to £300,000 in 2024/25.
- f) reduce the level of non-recurring investment for 2024/25 in respect of the contribution towards renewable energy development by £438,163

g) to address the recurring impact of £438,163 from the reduction in non-recurring investment, bring forward proposals during 2024/25 to identify recurring savings for consideration as part of the 2025/26 Budget across the following areas:

- proposal to transfer the responsibility of the Redburn Grove traveller site from the Council's General fund to the Housing Revenue Account,
- proposal to introduce pavement parking enforcement as part of the Council's Decriminalised Parking Enforcement policy, and
- proposal to review the current non-domestic rates reliefs and exemptions policy"

On a point of order in terms of Standing Order 15.4, Councillor Cullinane sought and received confirmation from the Section 95 Officer as to the financial competence of the revised motion.

Thereafter, in terms of Standing Order 16.5, Councillor Cullinane, with the agreement of his seconder, intimated that he wished to alter his amendment to read as follows:

"That the Council supports the position to freeze Council tax at 2023/24 levels and approves the recommendations set out in the report, subject to the amendments noted below:

- a) remove the 2024/25 recurring savings option in respect of charging for garden waste collection totalling £588,163,
- b) apply an additional level of vacancy turnover to non-school staff budgets across the Council of 0.375% on a recurring basis, equating to £300,000 in 2024/25.
- c) reduce the level of non-recurring investment for 2024/25 in respect of the contribution towards renewable energy development by £288,163
- d) to address the recurring impact of £288,163 from the reduction in non-recurring investment, bring forward proposals during 2024/25 to identify recurring savings for consideration as part of the 2025/26 Budget across the following areas:
 - (i) Proposal to transfer the responsibility of the Redburn Grove traveller site from the Council's General fund to the Housing Revenue Account,
 - (ii) Proposal to introduce pavement parking enforcement as part of the Council's Decriminalised Parking Enforcement policy, and
 - (iii) Proposal to review the current non-domestic rates reliefs and exemptions policy.
- e) delete £1.7m Locality Town Centre Fund.

- f) remove the recurring saving to Review staffing allocations to primary and secondary schools through the Devolved School Management scheme of £1,343,731 in 2024/25, and continue to engage with Scottish Government around North Ayrshire Council's individual circumstances.
- g) £356,269 for CWB
- h) agrees to invest the £7.5million contribution from earmarked reserves earmarked for use in 25/26 (£4million) and 26/27 (£3.5million), a sum which is related to the PPP service concession approved in 2023, on the following:
 - (i) top-up the Investment Fund (to be invested in renewable energy at i3, commercial estate, energy efficiency projects, invest to save and cost avoidance initiatives etc) – £7.500m”

In terms of Standing Order 16.5, Councillor, Marshall, with agreement of seconder, intimated the withdrawal of his amendment in favour of the motion, as revised.

There followed debate.

Thereafter, on a division and roll call vote, there voted for the remaining amendment, as revised, Councillors Bell, Cullinane, Foster, Kerr, McDonald, McPhater, Montgomerie, D. Reid, and Sweeney (9) and for the motion, as revised, Councillors Billings, Burns, Collier, Davidson, Dickson, S. Ferguson, T. Ferguson, Gurney, Hill, Inglis, Johnson, Larsen, Macaulay, Marshall, McClung, McLean, McTiernan, D.L. Reid, Robertson, Stalker and Stephen (21) and the motion, as revised, was declared carried.

Accordingly, the Council, having considered (i) the equality and children's rights impact of proposed service change and (ii) feedback from the community engagement sessions to help inform budget plans; agreed as follows:

- (a) to note (i) the anticipated funding available to meet the Council's expenditure requirements and (ii) the areas of ongoing financial risk to the Council;
- (b) to approve the Council's expenditure requirements for 2024/25 and note the indicative requirements 2025/26 and 2026/27;
- (c) to approve the new strategic investments outlined in section 2.7.3 of the report, subject to:
 - (i) deletion of the £1.7m Locality Based Town Centre Fund and its replacement with the following:
 - Business Recovery & Sustainability Fund £350k
 - Community Wealth Building (CWB) for Communities £300k
 - Repurposing Property Grant Fund £250k

- School Welfare Rights Officers £160k
 - Wellbeing Alliance Fund £40k and
 - Contribution to roads infrastructure - £750k
- (ii) a reduction in the level of non-recurring investment for 2024/25 in respect of the contribution towards renewable energy development by £1,343,731
- (iii) a reduction in the level of non-recurring investment for 2024/25 in respect of the contribution towards renewable energy development by £438,163
- (d) to note the projected outturn position for 2023/24;
- (e) to note the level of reserves and fund balances held by the Council and approve any use and contributions to and from these;
- (f) to approve the additional contribution to the Health and Social Care Partnership noted at section 2.8.1 of the report;
- (g) to approve efficiencies and savings to ensure a balanced budget for 2024/25, consequential and new proposals for future years, subject to:
- (i) removal of the recurring saving to review staffing allocations to primary and secondary schools through the Devolved School Management scheme of £1,343,731 in 2024/25, and continued engagement with Scottish Government around North Ayrshire Council's individual circumstances
 - (ii) removal of the 2024/25 recurring savings option in respect of charging for garden waste collection totalling £588,163 and
 - (iii) the application of an additional level of vacancy turnover to non-school staff budgets across the Council of 0.375% on a recurring basis, equating to £300,000 in 2024/25
- (h) to approve the schedule of Council fees and charges detailed at Appendix 6 to the report;
- (i) to freeze Council Tax at 2023/24 levels, noting the Scottish Government funding to support this, as set out at section 2.3 of the report;
- (j) to note the anticipated funding gaps for 2025/26 and 2026/27;
- (k) to note progress to date on the Council's Sustainable Change Programme and Corporate Workforce Planning;
- (l) to approve the budget matrix for 2024/25 as set out at Appendix 7 to the report; and

- (m) in order to address the recurring impact of £438,163 from the reduction in non-recurring investment, bring forward proposals during 2024/25 to identify recurring savings for consideration as part of the 2025/26 budget across the following areas:
- (i) proposal to transfer the responsibility of the Redburn Grove traveller site from the Council's General fund to the Housing Revenue Account,
 - (ii) proposal to introduce pavement parking enforcement as part of the Council's Decriminalised Parking Enforcement policy, and
 - (iii) proposal to review the current non-domestic rates reliefs and exemptions policy

Councillor Stalker left the meeting during consideration of the following item of business.

5. Capital Investment Programme 2024/25 to 2033/34

Submitted report by the Head of Service (Finance) on the draft Capital Investment Programme to 2033/34.

The current capital programme to 2030/31, details of the proposed changes to the programme following the refresh, and the revised Capital Investment Programme covering the period from 2024/25 to 2033/34, were set out at Appendices 1-3 to the report, respectively. The revised Capital Investment Strategy was provided at Appendix 4 to the report.

Councillor Larsen, seconded by Councillor Burns, then moved approval of the recommendations set out in the report.

As an amendment, Councillor Cullinane, seconded by Councillor Bell, moved as follows:

"That the Council approves the recommendations set out in the report, subject to the amendments noted below:

- a) agrees that no ward should be left with no planned capital projects for a period of six years (or more) and therefore instructs officers to bring forward a report that will ensure future Capital Investment Programmes provide an equitable plan that delivers investment for all localities and communities in North Ayrshire."

In terms of Standing Order 16.5, Councillor Burns, with the agreement of the proposer, intimated her willingness to withdraw the motion in favour of Councillor Cullinane's amendment, subject to the inclusion of some wording to qualify the terms of the proposal.

Councillor Cullinane, with the agreement of his seconder, intimated his willingness to revise his amendment to insert the words "endeavour to" immediately following "to bring forward a report that will..."

A Member asked a question of clarification of the mover of the amendment on whether this represented a change from the approach of targeting capital investment on the basis of identified need.

Discussion took place on the opportunity to form a future short-life Member/Officer Working Group to review the Council's Capital Plan, current projects, identified need and geographical balance.

Thereafter, in terms of Standing Order 16.5, Councillors Larsen and Burns agreed to withdraw their motion in favour of amendment. The amendment became the substantive motion and, there being no further amendments, the substantive motion was declared carried.

Accordingly, the Council agreed as follows:

- (a) to approve the draft Capital Investment Programme 2024/25 to 2033/34 set out at Appendix 3 to the report;
- (b) to note that the programme would be reviewed on an ongoing basis, with the next major review in 2026/27;
- (c) to approve the refreshed Capital Investment Strategy set out at Appendix 4 to the report; and
- (d) that no ward should be left with no planned capital projects for a period of six years (or more) and therefore instruct officers to bring forward a report that would endeavour to ensure future Capital Investment Programmes provided an equitable plan that delivered investment for all localities and communities in North Ayrshire.

Councillor Billings left the meeting during consideration of the following item of business.

6. Revenue Estimates 2024/25 – Common Good Funds and Trusts

Submitted report by the Head of Service (Finance) on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and seeking approval for the level of grant funding to be made available for disbursement in 2024/25. The 2024/25 revenue estimates for the Common Good Funds and registered Charitable Trusts were detailed in Appendix 1 to the report. Appendix 2 listed the remaining trusts and a number of sundry bequests.

Councillor Larsen, seconded by Councillor Burns, then moved approval of the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed as follows:

- (a) to approve (i) the 2024/25 revenue estimates for the Common Good Funds and registered Charitable Trusts detailed at Appendix 1 to the report, (ii) the carry forward of funds from Irvine Common Good Fund to meet the costs of essential works required at Seagate Castle, as noted at section 2.2 of the report and (iii) the amounts available for disbursement noted at sections 2.12 and 2.13 of the report;
- (b) to approve capital spend from the dormant and low value Trusts and Common Good Funds, and instruct officers to seek approval from the Office of the Scottish Charity Regulatory (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust; and
- (c) to note that approval would now be sought from OSCR for the winding up of the James Dyer Simpson Fund H Watt Trust and JH Watt Trust held within North Ayrshire Charitable Trust.

7. Treasury Management and Investment Strategy 2024/25

Submitted report by the Head of Service (Finance) on the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2024/25. The draft Strategy document was attached as an appendix to the report.

Councillor Larsen, seconded by Councillor Burns moved approval of the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed to approve the Treasury Management and Investment Strategy for 2024/25 set out at Appendix 1 to the report.

8. Urgent Items

There were no urgent items.

The meeting ended at 5.30 p.m.