

Cabinet
17 February 2016

IRVINE, 17 February 2016 - At a Special Meeting of the Cabinet of North Ayrshire Council at 10.00 a.m.

Present

Willie Gibson, Alan Hill, John Bruce, Marie Burns, Anthea Dickson and Ruth Maguire.

Also Present

Robert Barr, Alex Gallagher, John Hunter, Ronnie McNicol and Jim Montgomerie (Agenda Budget Papers 1 and 2) and John Bell, Ian Clarkson, Joe Cullinane, John Ferguson, Jean Highgate, Grace McLean, Catherine McMillan, Peter McNamara, Tom Marshall, Donald Reid, Robert Steel and Joan Sturgeon (Agenda Budget Papers 1, 2 and 3) and John Easdale (Agenda Budget Papers 2 and 3).

In Attendance

E. Murray, Chief Executive, L. Friel, Executive Director and M. Hogg, Senior Manager (Financial Management) and L. Aird, Head of Finance (Finance and Corporate Support); C. Hatton, Executive Director (Place); J. Butcher, Executive Director; I. Colvin, Director (Health and Social Care Partnership); K. Yeomans, Executive Director, (Economy and Communities); A. Fraser, Head of Democratic Services, M. Anderson, Committee Services Team Leader, J. Hutcheson, Communications Officer and D. McCaw Committee Services Team Leader (Chief Executive's).

Chair

Councillor Gibson in the Chair.

Apologies for Absence

Tony Gurney.

1. Declarations of Interest

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

2. General Services Revenue Estimates 2016/17 to 2017/18

Submitted report by the Executive Director (Finance and Corporate Support) on (a) the Council's revenue spending requirements and anticipated funding for the years 2016/17 to 2018/19; (b) the level of reserves and fund balances held by the Council and (c) options to address the funding gap.

The Executive Director (Finance and Corporate Support) circulated a replacement Appendix 9A reflecting additional information which had been omitted from the original Appendix 9 outlining charges proposals.

The expenditure requirements identified for 2016/17 to 2017/18 were summarised at Appendix 1 to the report with further details provided in Appendix 3. As part of the 2015/16 revenue budget, savings were approved for 2016/17 and 2017/18, and these were detailed at Appendix 2. Base budget adjustments were detailed at Appendix 4. The IJB has reassessed the ability to deliver a number of the previously approved savings and developed alternatives which were detailed at Appendix 5, subject to IJB approval. Appendix 8 contained a list of the charges which are proposed to be increased on 1 April 2016 and 1 April 2017 in line with inflation, with further proposed increases provided at Appendices 9 and 9A. A summary of the workstreams to support future year funding gap was provided at Appendix 7. Appendix 10 detailed the budget matrix for 2016/17. A summary of the EIAs was provided at Appendix 11.

Councillor Maguire proposed that the Cabinet further agree to recommend to Council that up to £5m of resources freed up from the 2015/16 underspend together with the £300,000 revenue income from the industrial portfolio be utilised to bring improvements to the learning environments at Auchenhavie, Irvine Royal and Kilwinning Academies. Cabinet Members were in agreement with this proposal.

Members asked questions and were provided with further information in relation to:-

- the ongoing monthly financial costs associated with the existing PPI schemes;
- that the budget decisions being approved over a 2 year period puts the Council in a sound position; and
- clarification on the level of monies available to fund the Council Tax freeze.

The Cabinet agreed to (a) note the revenue funding gap from 2016/17 to 2018/19; (b) support the proposals to address the funding shortfall including baseline budget adjustments and savings proposals detailed in Appendices 4 and 6 to the report, subject to the amendment that up to £5m of resources freed up from the 2015/16 underspend together with the £300,000 revenue income from the industrial portfolio be utilised to bring improvements to the learning environments at Auchenhavie, Irvine Royal and Kilwinning Academies; (c) support the increases to Council fees and charges with effect from April 2016 and April 2017; (d) note the budget matrix for 2016/17; and (e) refer the report to the Council for determination.

3. Capital Investment Programme 2016/17 to 2025/26

Submitted report by the Executive Director (Finance and Corporate Support) on the draft Capital Investment Programme to 2025/26.

A review of the current capital programme to 2022/23 has been undertaken with details provided at Appendix A to the report. Appendix B detailed projects where funding could be released or reprofiled. Priority projects identified were provided in Appendix C with aspirational projects shown in Appendix D. The North Ayrshire Health and Social Care Partnership has not yet developed its capital investment requirements and these will be brought forward as part of the annual review of the 10 year plan. The revised programme for 2016/17 to 2025/26 was included in Appendix E to the report, with the first 5 years being a firm plan and the second 5 years an indicative plan.

Members asked questions and were provided with further information in relation to:-

- whether the sale of Perceton House would fund the completion of the refurbishment of Cunninghame House;
- clarification that the capital investment programme will be subject to annual review and reprofiling; and
- the specific additional amount of capital receipts from the land released in relation to the development of the new Largs Campus.

The Executive Director (Finance and Corporate Support) undertook to provide information to Members in relation to the specific additional amount of capital receipts from the land released from the development of the new Largs Campus.

The Cabinet agreed to (a) support the proposals outlined in the report, subject to noting the amendment regarding funding improvements to the learning environments at Auchenharvie, Irvine Royal and Kilwinning Academies as agreed at item 2 ; and (b) refer the report to the Council for determination.

4. Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and Rent Levels for 2016/17

Submitted report by the Executive Director (Finance and Corporate Support) on the HRA capital investment programme and revenue budget for 2016/17 and the consequential rent levels.

The proposed 2016/17 HRA Capital Programme was detailed at Appendix 1 to the report. Appendix 2 outlined the proposed 2016/17 HRA revenue budget, with planned expenditure of £46.420m mainly funded by rental income and charges for services. The report proposed to increase housing rents by 1.5% for 2016/17 with an anticipated rent increase of 2.5% for 2017/18 and 2018/19. Appendix 3 and 4 to the report outlined the consultation undertaken with tenants on the proposed rent increase and the feedback received.

Members asked a question and were provided with further information in relation to the properties at Dickson Court, Beith being considered as a reconfiguration of those units and not a refurbishment.

The Cabinet agreed to (a) support the proposals outlined in the report; and (b) refer the report to Council for approval.

The meeting ended at 11.05 a.m.