

North Ayrshire Council  
18 January 2023

At a Special Meeting of North Ayrshire Council at 1.00 p.m. involving a combination of participation by remote electronic means and physical attendance within the Council Chambers, Irvine

**Present (Physical Participation)**

John Bell, Eleanor Collier, Joe Cullinane, Anthea Dickson, Stewart Ferguson, Robert Foster, Alan Hill, Tony Gurney, Cameron Inglis, Margaret Johnson, Jean McClung, Nairn McDonald, Matthew McLean, Ronnie Stalker and John Sweeney.

**Present (Remote Electronic Participation)**

Timothy Billings, Todd Ferguson, Scott Gallacher, John Glover, Amanda Kerr, Tom Marshall, Louise McPhater, Davina McTiernan, Jim Montgomerie, Donald Reid and Donald L. Reid.

**In Attendance**

C. Hatton, Chief Executive; C. Cameron, Director (Health and Social Care Partnership); R. McCutcheon, Executive Director (Place); A. Sutton, Executive Director (Communities and Education); M. Boyd, Head of Service (Finance); F. Walker, Head of Service (People and ICT); and A. Craig, Head of Service, R. Lynch, Senior Manager (Legal Services), M. McColm, Senior Manager (Communications), M. Anderson, Senior Manager (Committee and Member Services) and H. Clancy and C. Stewart, Committee Services Officers (Democratic Services).

**Chair**

Provost Dickson in the Chair.

**Apologies**

Councillors Marie Burns, Scott Davidson, Christina Larsen, Shaun Macaulay, Ian Murdoch, Chloé Robertson and Angela Stephen.

**1. Provost's Remarks**

The Provost welcomed those present to the Special Meeting of the Council, which had been called following a requisition in terms of Standing Order 3.4.

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

## **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. Motions**

The Provost introduced this item of business, reminding Members that a period of 45 minutes was allocated for dealing the motion, in terms of Standing Order 15.6.

In terms of Standing Order 3.4, a written requisition, signed by nine Members of the Council, had been submitted calling for consideration of the undernoted motion:

- (1) a motion proposed by Councillor Foster and seconded by Councillor McDonald in the following terms:

“North Ayrshire Council expresses its extreme disappointment with the budget settlement for local government and with its presentation which the Labour Group believe is both unethical and dishonest and is in no way consistent with a partnership approach.

Council notes that most of the supposed £550m additional funding is for existing commitments and that the £71m of uncommitted funding goes no way towards meeting the identified budget gap in council funding of £612m due to inflation, energy prices and demand pressures, and the requirement for more than £400m likely to be needed for pay settlements in the coming year to address recruitment and retention issues and avoid understandable industrial action by trade unions.

This budget settlement means another massive real terms cut in councils' core funding, after more than 10 years of real terms cuts, and will lead to socially harmful cuts to vital local services and the loss of jobs within local authorities and from local companies that rely on councils for their employment.

Council further notes the additional burden on council finances from revaluation of non-domestic properties and condemns the threat by the Scottish Government to cut grant funding if councils were to be successful in appealing against redeterminations. For North Ayrshire Council, the initial assessment of the local government settlement by the Council's finance team estimates a budget gap of over £10million in 2023/24.

Council therefore agrees:

1. That the Council should make a robust public response to the budget statement, challenging in the strongest possible terms the presentation of the supposed £550m additional funding and highlighting the massive real terms cut in funding for vital local services;
2. That the CEO writes a letter to the First Minister and the Deputy First Minister on behalf of the Council that rejects that this is a fair settlement; highlighting the massive real terms cut to the council's funding and the impact this budget settlement will have on vital local services and demanding a fair settlement to defend vital local services and jobs;
3. That the Council undertakes an assessment of the likely job losses within the council and local economies that will result from this budget settlement; and
4. The Council agrees to offer a meeting of group leaders with the local government trade unions to set out our assessment of the impacts of this budget settlement and seek to undertake joint action to defend vital local services and jobs."

As an amendment, Councillor McLean, seconded by Councillor Billings, moved as follows:

"North Ayrshire Council expresses its extreme disappointment with the budget settlement for local government and with its presentation which Conservative Group elected members believe is both unethical and dishonest and is in no way consistent with a partnership approach.

Council notes that most of the supposed £550m additional funding is for existing commitments and that the £71m of uncommitted funding goes no way towards meeting the identified budget gap in council funding of £612m due to inflation, energy prices and demand pressures, and the requirement for more than £400m potentially needed for pay settlements in the coming year to address recruitment and retention issues and avoid industrial action by trade unions.

This budget settlement means another massive real terms cut in councils' core funding, after more than 10 years of real terms cuts, and will lead to a reduction in local services and the loss of jobs within local authorities and potentially to local companies that rely on councils for their employment.

Council further notes the additional burden on council finances from revaluation of non-domestic properties and condemns the threat by the Scottish Government to cut grant funding if councils were to be successful in appealing against redeterminations.

For North Ayrshire Council, the initial assessment of the local government settlement by the Council's finance team estimates a budget gap of over £10 million in 2023/24.

Council therefore agrees:

1. That the Council should make a robust public response to the budget statement, challenging in the strongest possible terms the presentation of the supposed £550 additional funding and highlighting the massive real terms cut in funding for vital local services;
2. That the Chief Executive writes on behalf of North Ayrshire Council to the First Minister and the Deputy First Minister to state that:
  - the Council does not accept that the 2023/24 Scottish local authority budget settlement by the Scottish government is fair or reasonable and that it will result in significant reductions in critical local services that will have detrimental impacts on services provided to the most vulnerable within our communities.
  - the Council supports COSLA's response from December 16 2022 which registered Council Leaders' extreme disappointment at the budget settlement and the Scottish Government's failure to respond to COSLA's SOS campaign call. North Ayrshire Council endorses calls made by COSLA for a better budget settlement in order to defend local services.
3. The Council agrees that as part of the North Ayrshire Council budgeting process impact assessments on any proposals will be undertaken to ensure that Elected Members are aware of the impacts of any possible decision. Further, once the 2023/34 North Ayrshire Council budget has been set, Council will work collaboratively to try to mitigate any negative impacts.

As a further amendment, Councillor Gurney, seconded by Councillor Johnson, moved as follows:

“Council is deeply concerned about the impacts of the settlement that Scottish Government has proposed for Local Government as part of this year's Scottish Budget.

The budget settlement as it stands means another real terms cut to Councils' core funding, at a time when many in our communities are struggling with the impact of rocketing prices across fuel, food and other bills, and facing unprecedented levels of poverty. This budget settlement will have a detrimental impact on vital local services, on our ability to focus the necessary resources and supports to our communities and on those who are already impacted by this cost-of-living crisis.

In addition, Council opposes the prospect of the Scottish Government cutting grant funding if Councils were to be successful in appealing against redeterminations, as it negates any purpose to the appeal and removes much needed resources within Local Government.

Council acknowledges the impact of inflation and global economic factors that are continuing to weigh heavily on the Scottish Government's budgets and spending plans. In addressing this, we believe that a partnership approach with Local Government would be more likely to succeed in achieving better outcomes for those who need our support the most.

Council therefore instructs the Chief Executive to write to the Deputy First Minister in support of COSLA's request for a special meeting of Leaders to hear our concerns first-hand and to work collaboratively in identifying a way forward."

In terms of Standing Order 16.5, Councillor Foster, with the agreement of his seconder, agreed to incorporate into his motion the terms of the amendment by Councillor McLean, seconded by Councillor Billings. The following, which became the substantive motion, was duly displayed in the meeting and circulated to all Members:

"Council therefore agrees:

1. That the Council should make a robust public response to the budget statement, challenging in the strongest possible terms the presentation of the supposed £550m additional funding and highlighting the massive real terms cut in funding for vital local services;
2. That the CEO writes a letter to the First Minister and the Deputy First Minister on behalf of the Council that rejects that this is a fair settlement; highlighting the massive real terms cut to the councils funding and the impact this budget settlement will have on vital local services and demanding a fair settlement to defend vital local services and jobs and the Council supports COSLA's response from December 16th 2022 which registered Council Leaders' extreme disappointment at the budget settlement and the Scottish Government's failure to respond to COSLA's SOS campaign call. North Ayrshire Council endorses calls made by COSLA for a better budget settlement in order to defend local services
3. That the Council undertakes an assessment of the likely job losses within the council and local economies that will result from this budget settlement; and
4. The Council agrees to offer a meeting of group leaders with the local government trade unions to set out our assessment of the impacts of this budget settlement and seek to undertake joint action to defend vital local services and jobs.
5. The Council agrees that as part of the North Ayrshire Council budgeting process impact assessments on any proposals will be undertaken to ensure that Elected Members are aware of the impacts of any possible decision. Further, once the 2023/34 North Ayrshire Council budget has been set, Council will work collaboratively to try to mitigate any negative impacts."

Thereafter, Councillor McLean, with the agreement of his seconder, agreed to withdraw his amendment.

Members asked a question, and received clarification, in respect of the mover and seconder of the substantive motion, namely Councillors Foster and McDonald, respectively. Clarification was also provided with regard to one reference within the text of the motion, which referred in error to the sum of “£500”, rather than “£500m”.

Councillor Hill joined the meeting at this point.

There followed debate and summing up.

On a division and a roll call vote, there voted for the remaining amendment, Councillors Collier, Dickson, Gurney, Hill, Johnson, McClung and McTiernan (7) and for the motion, as amended, Councillors Bell, Billings, Cullinane, S. Ferguson, T. Ferguson, Foster, Gallacher, Glover, Inglis, Kerr, Marshall, McDonald, McLean, McPhater, Montgomerie, Donald Reid, Stalker and Sweeney (18), Councillor Donald L. Reid abstaining, and the substantive motion was declared carried.

Accordingly, the Council agreed as follows:

1. That the Council should make a robust public response to the budget statement, challenging in the strongest possible terms the presentation of the supposed £550m additional funding and highlighting the massive real terms cut in funding for vital local services;
2. That the Chief Executive write a letter to the First Minister and the Deputy First Minister on behalf of the Council (i) rejecting that this was a fair settlement; (ii) highlighting the massive real terms cut to the Council’s funding and the impact this budget settlement would have on vital local services and demanding a fair settlement to defend vital local services and jobs; (iii) supporting COSLA's response from December 16th 2022 which registered Council Leaders’ extreme disappointment at the budget settlement and the Scottish Government’s failure to respond to COSLA’s SOS campaign call; and (iv) endorsing calls made by COSLA for a better budget settlement in order to defend local services;
3. To undertake an assessment of the likely job losses within the council and local economies that would result from this budget settlement;
4. To offer a meeting of Group Leaders with the local government trade unions to set out our assessment of the impacts of this budget settlement and seek to undertake joint action to defend vital local services and jobs; and
5. That, as part of the North Ayrshire Council budgeting process, impact assessments on any proposals would be undertaken to ensure that Elected Members were aware of the impacts of any possible decision. Further, once the 2023/34 North Ayrshire Council budget had been set, Council would work collaboratively to try to mitigate any negative impacts.”

## **5. Urgent Items**

There were no urgent items.

The meeting ended at 1.40 p.m.