



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

North Ayrshire Council

A Meeting of the **North Ayrshire Council** of North Ayrshire Council will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Wednesday, 13 December 2023** at **14:00** to consider the undernoted business.

Meeting Arrangements - Hybrid Meetings

This meeting will be held on a predominantly physical basis but with provision, by prior notification, for remote attendance by Elected Members in accordance with the provisions of the Local Government (Scotland) Act 2003. Where possible, the meeting will be live-streamed and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>.

1 Apologies

2 Declarations of Interest

Members are requested to give notice of any declarations of interest in respect of items of business on the Agenda.

3 Previous Minute

The accuracy of the Minutes of the Meeting of the Council held on 1 November 2023 will be confirmed and the Minutes signed in accordance with Paragraph 7(1) of Schedule 7 on the Local Government (Scotland) Act 1973 (copy enclosed)

4 Provost's Report

Submit report by the Provost for the period covering 23 October - 3 December 2023 (copy enclosed).

5 Leader's Report

Submit report by the Leader of the Council for the period covering 23 October - 3 December 2023 (copy enclosed).

- 6 Minute Volume (issued under separate cover)**
Submit, for noting and for approval of any recommendations contained therein, the Minutes of Meeting of committees of the Council held in the period 9 June - 22 November 2023.
- 7 Irvine Town Centre Working Group Update**
Submit report by the Executive Director (Place) on progress made by the short life working group to evaluate options to bring the former Forum building, former Ruby Tuesdays building and subsequent surrounding buildings that have fallen into disrepair back into a usable state and to provide information on the recently announced £20m Long-Term Plan for Towns Levelling Up Fund award for Irvine town centre (copy enclosed).
- 8 Treating Care Experienced as a Protected Characteristic in North Ayrshire Council**
Submit report by the Head of Democratic Services on the impact of treating “care experienced” as a protected characteristic for the purposes of Equality Impact Assessments (EIA) and seeking approval for the next steps in implementing this policy (copy enclosed).
- 9 Long Term Financial Outlook 2024/25 to 2033/34 and Medium Term Financial Outlook 2024/25 to 2026/27**
Submit report by the Head of Finance on the financial challenges facing the Council over the next 10 years and the likely financial position of the Council's General Fund in the medium term, in order to inform the development of budget proposals (copy enclosed).
- 10 Review of North Ayrshire IJB Scheme of Integration**
Submit report by the Head of Democratic Services on progress with the review of North Ayrshire Integration Scheme ("the Scheme") further to the report to Council on 21 June 2023 (copy enclosed).
- 11 Questions**
In terms of Standing Order 14, submit:-
- (1) a question by Councillor Marshall to the Cabinet Member for Education in the following terms:**
- “49% of secondary pupils in North Ayrshire had more than 10% absences in 2022-23. What is that statistic for each of our secondary schools?”
- (2) a question by Councillor McDonald to the Cabinet Member for Finance in the following terms:**
- "To ask the Cabinet Member for the current level of school meal debt?"

(3) a question by Councillor Murdoch to the Cabinet Member for the Green Environment and Economy in the following terms:

“Can the Cabinet Member please provide a definite/confirmed time and date for the introduction of Decriminalised Parking Enforcement in North Ayrshire?”

(4) a question by Councillor McLean to the Cabinet Member for the Green Environment and Economy in the following terms:

“Can the Portfolio Holder provide an update on progress with the renovation of Marress House and indicate when completion of the building is expected?”

(5) a question by Councillor Kerr to the Cabinet Member for Finance in the following terms:

“To ask the Cabinet Member how many people have completed the online budget challenge so far?”

(6) a question by Councillor Murdoch to the Cabinet Member for the Green Environment and Economy in the following terms:

“During a Glasgow City Council, Full Council Meeting held on 9th December 2022, the following motion, as adjusted, was unanimously approved:

“Council notes the campaign launched by Radio Clyde calling for lighting to be installed along the main routes of Glasgow’s Parks: notes that this renewed call follows on from experiences during COP26: and notes that this campaign is supported by a wide range of individuals and organisations. Women’s safety requires a multi-agency response, which includes cultural and societal change.”

It also states,

“Council therefore resolves to instruct officers to prepare a paper to the relevant City Policy Committee within 2 committee cycles on the necessary infrastructure to provide sensitive lighting solutions in our parks, including the wider implications: and specifically, the equality and climate impacts of such an undertaking to ensure that the widest range of health, social and climate benefits can be realised.”

My concern is for everyone’s safety using the unlit footpaths within North Ayrshire.

Does North Ayrshire Council have any plans to light up the many footpaths across North Ayrshire that are not currently covered by street lighting of any kind?”

(7) a question by Councillor Marshall to the Cabinet Member for Education in the following terms:

“Does the Portfolio-holder accept that anti-social behaviour is a real problem in North Ayrshire Schools and how does he suggest that the Education Minister's announcement of £900,000 funding for Councils (allowing £360 per school) be used to tackle the problem?”

(8) a question by Councillor McLean to the Cabinet Member for Health and Social Care in the following terms:

“It was recently reported in the national press that in August this year, the UK Government offered cross-border support for those on long waiting lists in Scotland – including having individuals receive treatment out with Scotland – this was rejected by the Scottish Health Secretary. What impact will continued long NHS waiting lists have on HSCP services and finances?”

(9) a question by Councillor Marshall to the Leader of the Council in the following terms:

“What is the normal maximum occupational capacity for staff in both of Cunninghame House and Bridgegate House and how many staff attend each House on a minimum of two days per week?”

(10) a question by Councillor Stalker to the Cabinet Member for the Green Environment and the Economy in the following terms:

“Regal Court residential complex in Dalry now has 6 empty housing units. Some of these housing units have been empty for more than a year. It has come my attention that this complex may not be let out before the scheduled refurbishment work takes place, but with no date being given for works to commence this is being left open. Could the portfolio holder please provide an update to the situation at Regal Court?”

(11) a question by Councillor McLean to the Cabinet Member for Finance in the following terms:

“Do you know how much of North Ayrshire Council's budget is split between Statutory and Non-Statutory Spending – overall and by department?”

(12) a question by Councillor McLean to the Cabinet Member for the Green Environment and Economy in the following terms:

“Previously I had brought a motion to council regarding the Housing Allocation policy. You may remember I accepted an amendment from your group on the grounds that the points I had put forward would be put towards the tenant consultation. I then asked you on 29 March for an update on this and you informed Council that the consultation was moving forward and would be taking place in the ‘summer/autumn 2023’ and the review would ‘conclude’ in late 2023.

It is now December and that has not happened. I am now led to believe that the consultation will now take place ‘some time next year’ – spring/summer. If summer is the case that will be a full year after you had previously told us.

Can you now provide confirmation of when the tenant consultation will take place?”

12 Motions

In terms of Standing Order 15, submit:-

(1) a motion by Councillor Marshall, seconded by Councillor Inglis, in the following terms:

“In terms of the Chancellor’s Autumn Statement, there will be additional funding for the Scottish Government through the Barnett formula of £545 million, approximately (but not exactly) £233m in this financial year and £281m in the next. The main measures generating consequentialia are:

- the funding of the pay award for the NHS in England in 2023-24, which generates £235m
 - 75% relief on Business Rates in England for the Retail, Hospitality and Leisure (RHL) sections in 2024-25, up to a £110,000 cash gap, which generates £232m.
- funding of the pay award for the NHS in England in 2023-24, which generates £235m;
- freezing the small business multiplier in England in 2024-25, which generates £32m.

The Scottish Government previously operated a Business Rates Relief Scheme based on Barnett Consequentialia for the Retail, Hospitality and Leisure in 2022/23 generating a Rebate of £463,606 for North Ayrshire RHL Businesses.

Therefore, I hereby move that the Council agree that the Chief Executive write to the First Minister, the Cabinet Secretary for Finance and all MSPs representing North Ayrshire, requesting that the Scottish Government restart the Retail, Hospitality & Leisure Relief scheme for 2024/25 thus saving 528 local businesses approximately £3,168,617 and ensuring the continuing vitality of our High Streets.”

(2) a motion by Councillor D. Reid, seconded by Councillor Cullinane, in the following terms:

“That this Council recognises that the existing bus services in North Ayrshire and across the wider region are not delivering for passengers or wider society within Strathclyde.

Council notes recent case for change report by SPT indicating some key issues being:

- Above inflation increases to bus fares.
- Sustained patronage decline
- Shrinking network coverage.
- Congestion induced delays

With the absence of a National Bus Strategy, North Ayrshire Council welcomes the Strathclyde Partnership for Transport (SPT) initiative to develop a Strathclyde Regional Bus Strategy (SRBS) and SPT’s Case for Change for the West of Scotland covering over 42% of Scotland’s population, and 70% of all public transport journeys in Scotland.

Council also notes and welcomes that Phase 2 of the SRBS will consider all options to address such issues, including the provisions set out in the 2019 Transport (Scotland) Act, with the intention to present a preferred way(s) forward in March 2024 – including the proposed indicative operational and funding model, and timescales for delivery. Thereafter, work to develop a full business case for the preferred option(s) will be developed and Council welcomes this.

North Ayrshire Council encourages all interested community groups and stakeholders to engage in SPT’s consultation process when it commences work towards developing and delivering the SRBS and to ensure the bus network better serves the people and communities of North Ayrshire and the West of Scotland.”

(3) a motion by Councillor McLean, seconded by Councillor Gallacher, in the following terms:

“North Ayrshire Council recognises Auchengate as a settlement with its own challenges, history and identity and not just as an outpost of Irvine.

I therefore move that:

1. A paper should be brought to Cabinet outlining proposals and any financial implications (i) for the formal recognition of Auchengate as a village in its own right with appropriate signage to include “Welcome to Auchengate” and (ii) detailing any possible measures that can be taken for road calming measures on the Auchengate Road which connects South Ayrshire to the Meadowhead roundabout and including consideration of reduction of the speed limit on the road from 60MPH to 40MPH in line with the road speed on the South Ayrshire side of the boundary.
2. In any future review of community council boundaries etc we will put forward a case to recognise the settlement Auchengate in its own right.”

13 Urgent Items

Any other items which the Provost considers to be urgent.

Webcasting

Please note: this meeting may be filmed/recorded/live-streamed to the Council's internet site and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>, where it will be capable of repeated viewing. At the start of the meeting, the Provost/Chair will confirm if all or part of the meeting is being filmed/recorded/live-streamed.

You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the webcast will be retained in accordance with the Council's published policy, including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

Generally, the press and public seating areas will not be filmed. However, by entering the Council Chambers, using the press or public seating area or (by invitation) participating remotely in this meeting, you are consenting to being filmed and consenting to the use and storage of those images and sound recordings and any information pertaining to you contained in them for webcasting or training purposes and for the purpose of keeping historical records and making those records available to the public. If you do not wish to participate in a recording, you should leave the meeting. This will constitute your revocation of consent.

If you have any queries regarding this and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact dataprotectionofficer@north-ayrshire.gov.uk.

North Ayrshire Council Sederunt

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

Chair:

Apologies:

Attending:

North Ayrshire Council
1 November 2023

At a 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, Marie Burns, Eleanor Collier, Joe Cullinane, Anthea Dickson, Stewart Ferguson, Todd Ferguson, Scott Gallacher, Tony Gurney, Alan Hill, Cameron Inglis, Margaret Johnson, Christina Larsen, Shaun Macaulay, Tom Marshall, Jean McClung, Nairn McDonald, Matthew McLean, Davina McTiernan, Ian Murdoch, Donald Reid, Donald L. Reid, Chloé Robertson, Ronnie Stalker and Angela Stephen.

Present (Remote Electronic Participation)

Timothy Billings, Scott Davidson, Amanda Kerr and Jim Montgomerie

In Attendance

C. Hatton, Chief Executive; C. Cameron, Director (Health and Social Care Partnership); R. McCutcheon, Executive Director (Place); A. Sutton, Executive Director and R. Leith, Head of Service (Connected Communities) (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, C. Stewart and S. Wilson, Committee Services Officers (Democratic Services).

Chair

Provost Dickson in the Chair.

Apologies

Robert Foster, John Glover, Louise McPhater and John Sweeney.

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.

2. Apologies

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

3. Declarations of Interest

In terms of Standing Order 11 and Section 5 of the Councillors' Code of Conduct, the Provost declared an interest in Agenda Item 15(2) (Motions) on the grounds that a member of her family was employed by one of the organisations referred to in the motion. The Provost intimated her intention to vacate the Chair and leave the meeting during consideration of this item of business, taking no part in its determination.

There were no declarations of the Party Whip.

4. Previous Minutes

The accuracy of the Minutes of the Meeting held on 13 September 2023 was confirmed and the Minutes signed in accordance with Paragraph 7(1) of Schedule 7 of the Local Government (Scotland) Act 1973.

5. Provost's Report

Submitted report by the Provost for the period from 4 September – 22 October 2023.

The Provost highlighted the role of community leaders who worked on various community events over the course of the year and commended the efforts of those who raised money for charities and who kept traditional heritage and musical skills alive.

6. Leader's Report

Submitted report by the Leader of the Council for the period from 4 September – 22 October 2023.

Noted.

7. Council Minute Volume

Submitted for noting the Minutes of meetings of committees of the Council held in the period 22 May – 4 October 2023.

Noted.

8. Community Planning Partnership Board: Minutes of Meeting held on 22 June 2023

Submitted report by the Executive Director (Communities and Education) on the Minutes of the Community Planning Partnership (CPP) Board held on 14 September 2023. The CPP Board Minutes were attached as an appendix to the report.

The Chief Executive highlighted the Local Outcomes Improvement Plan 'Work' priority which had been the focus of the CPP Board meeting and the ongoing efforts of partners in seeking to support more people into work and reduce levels of unemployment in North Ayrshire.

Noted.

9. Congratulatory Motion

In terms of Standing Order 15.3, submitted the undernoted motion, duly proposed and seconded, which sought to congratulate, commend or recognise an individual or group in relation to their achievement or activities within North Ayrshire:

“19th Ayrshire Scout Awards

The Kilwinning Scout Group (19th Ayrshire) Camp held at Lapwing Lodge in September were able to thank and celebrate a variety of top Adult Scout Awards.

We would like to ask Council to recognise the enormous achievements by two members of the Scout Movement from Kilwinning.

Katie Roy was presented our first ever King Scout Award in the District. Katie was self-driven to achieve all aspects of her award with distinction. Katie has represented Scotland and Great Britain at worldwide camps, she also gives her time to help fellow scouts and volunteering in the community.

Active Group Scout Leader Alister Kerr – Ned - was presented his Silver Wolf Award by Katie.

The Silver Wolf Award is the Highest Award in Scouting for an adult member.

His award is based on a lifetime commitment to Active Scouting in his hometown of Kilwinning. The Kilwinning and wider Scouting movement has had the benefit of 55 years' service by Alister. The movement is indebted to him and his impact on our young people for those 55 years can never be repaid in these few words. Thank you, Ned.

In addition, we would like to note our thanks to John Allison, current District Commissioner, John took up this role in January this year. John's commitment to young people, be it in teaching, football coaching or Scouting over many years, must also be acknowledged at this time. Anyone who knows him will already know he takes people with him and all he ever wants is what's best for our young people in North Ayrshire.

Congratulations to both award winners, John on his senior role in Scouting and everyone else involved in Scouting in North Ayrshire for dedication to our communities. A huge thanks.”

There being no dissent, the congratulatory motion was declared carried.

10. Council Tax Multipliers – Scottish Government Consultation

Submitted report by the Chief Executive to resolve the Council's position on any response to the Scottish Government's consultation on Council Tax Multipliers. The report to Cabinet on 29 August 2023 was set out at Appendix 1 to the report. The call-in requests submitted to the Audit and Scrutiny Committee on 12 September 2023 were contained at Appendices 2A and 2B, and officer comments on the respective call-in requests provided at Appendices 3A and 3B. The Minutes of the Audit and Scrutiny Committee of 12 September 2023 and those of the subsequent Cabinet of 19 September 2023, were included at Appendices 5 and 6 to the report, respectively.

Councillor Larsen, seconded by Councillor McTiernan, moved that the Council note the content of the officer's report and agree not to submit a consultation response in this matter, given that the Scottish Government's consultation period had now closed.

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

"North Ayrshire Council agrees that, given the expiry of the deadline for responses, not to submit a consultation response. The Council also agrees that it does not support the Scottish Government's proposals to increase the Council Tax multipliers for Bands E to H. Council Tax is a flawed taxation which these proposals would further exacerbate and cause financial harm to families struggling with the financial crisis."

There followed debate and summing up.

On a division and a roll call vote, there voted for the amendment, Councillors Bell, Billings, Cullinane, S. Ferguson, T. Ferguson, Gallacher, Inglis, Kerr, Marshall, McDonald, McLean, Montgomerie, D. Reid, Stalker and Stephen (15) and for the motion, Councillors Burns, Collier, Davidson, Dickson, Gurney, Hill, Johnson, Larsen, Macaulay, McClung, McTiernan and Robertson (12), Councillors Murdoch and D.L. Reid abstaining, and the amendment was declared carried.

Accordingly, the Council agreed as follows:

- (a) given the expiry of the deadline for responses, not to submit a consultation response; and
- (b) that it did not support the Scottish Government's proposals to increase the Council Tax multipliers for bands E to H, Council Tax being a flawed taxation which these proposals would further exacerbate and cause financial harm to families struggling with the financial crisis.

11. Appointment to Committee

The Council was invited, in respect of the Audit and Scrutiny Committee, to note (i) the resignation of Councillor Murdoch as the Independent Member representative, effective from 11 September 2023 and (ii) the appointment of Councillor Donald L. Reid as Councillor Murdochs's replacement on the Committee, with immediate effect.

Noted.

12. Elected Member Attendance

Submitted report by the Chief Executive on the circumstances surrounding the non-attendance of an Elected Member and the relevant provisions within Standing Orders Relating to Meetings and Proceedings of the Council and its Committees.

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

Accordingly, the Council agreed as follows:

- (a) to note (i) the exceptional circumstances surrounding Councillor John Glover's non-attendance at a meeting of the Council, Committee, Joint Committee, Joint Board or other body as a representative of the Council since missing the Hunterston Site Stakeholders Group meeting on 1 June 2023 and (ii) the likelihood that Councillor Glover's absence may extend beyond the six-month period; and
- (b) that (i) in terms of Standing Orders and section 35 of the Local Government (Scotland) Act 1973, Councillor Glover's failure to attend was due to a reason approved by the Council, such approval for non-attendance being granted until the scheduled meeting of the Council on 15 May 2024 and (ii) if required, a further update would be submitted to the May 2024 meeting of the Council.

13. Working Group on Local Representation

Submitted report by the Executive Director (Communities and Education) on the findings and recommendations of a short-life Working Group on Local Representation. Appendix 1 to the report provided a copy of a presentation illustrating the range of communities involved in participating in locality planning.

Clarification on the anticipated timescale for the presentation of the draft Participation Strategy was provided.

Councillor Burns, seconded by Councillor Macaulay, moved approval of the recommendations set out in the officer's report.

As an amendment, Councillor McLean, seconded by Councillor T. Ferguson, moved as follows:

“Council should not accept the report in its current form as it does not reflect the diversity of opinion held within group discussions. The working group should reconvene in order to resolve these issues.

The paper as currently presented has not addressed concerns raised by members at the meeting and some of the points within the original motion itself.”

Councillor Burns expressed a willingness to allow the Working Group to reconvene. On that basis and, in terms of Standing Order 16.5, with the agreement of her seconder, Councillor Burns agreed to withdraw her motion in favour of Councillor McLean’s amendment. This became the substantive motion.

There being no further amendment, the substantive motion was declared carried.

Accordingly, the Council agreed:

- (a) not to accept the report in its current form as it did not reflect the diversity of opinion held within Working Group discussions;
- (b) that the Working Group should reconvene in order to resolve these issues; and
- (c) as a result, that a further report be submitted to a future meeting of the Council.

14. B714 No. 1 Compulsory Purchase Order

Submitted report by the Head of Democratic Services on a proposed Compulsory Purchase Order (CPO) to facilitate the construction of Phase 1 of the B714 Upgrade. The relevant plans were set out in the Appendix to the report. Clarification was provided that further equalities impacts were to be completed and that active travel elements referred to in the report were not part of Phase 1 of the project in relation to which the CPO was being sought.

Councillor Gurney, seconded by Councillor McClung, moved approval of the recommendations set out in the officer’s report, subject to conclusion of satisfactory equalities impact assessments.

There being no amendment, the motion was declared carried.

Accordingly, the Council resolved, subject to conclusion of satisfactory equalities impact assessments, to make a Compulsory Purchase Order to be called “The North Ayrshire Council B714 No. 1 Compulsory Purchase Order 2023”, as detailed in the report and on the plans set out at Appendix 1 to the report.

15. Questions

In terms of Standing Order 14, submitted:

- (1) a question by Councillor T. Ferguson to the Cabinet Member for the Green Environment and Economy in the following terms:

“Can the Cabinet Member provide an update into the planned walking and cycling route project for Cumbrae?”

Councillor Gurney thanked the Member for his question and responded in the following terms:

“Progress continues to be made on the feasibility study and subject to the outcome of the study, concept design works for the route will follow.

Work undertaken to date includes a route options appraisal, topographical survey and ecological appraisal to understand route constraints. This has identified that, due to width constraints on the public road corridor, additional land would be required to enable the creation of an off-road route to national standards. Initial discussions have taken place with 7 of the 12 landowners and feedback has been largely positive.

Should landowner negotiations lead to a viable route alignment being identified, we will progress with concept design drawings identifying proposed alignments and options. Public engagement would commence at this stage to obtain views from Elected Members, the local community, stakeholders and other interested parties to inform the design process. The output from this would inform the development of updated concept design drawings. The current programme aims to complete the concept design work and initial engagement by April 2024.”

- (2) a question by Councillor Kerr to the Cabinet Member for Finance in the following terms:

“In recent months, the Cabinet has consistently supported increasing Council Tax bands by up to 22%. At the Audit and Scrutiny Committee, the Cabinet Member said “in the absence (of the ability to raise more revenue to fund vital Council services) we would likely be looking at deeper cuts.”

Can the Cabinet Member tell us, in light of the First Minister’s plans to freeze Council Tax, what services the Administration will target with these ‘deeper cuts’ - will they target schools, social care, economic development, waste collections or do they intend to target other vital services?”

Councillor Larsen thanked the Member for her question and responded by advising that, although the First Minister had announced that the Scottish Government would fund a Council Tax freeze, the details were not yet known and she was not, therefore, in a position to discuss the impact.

(3) a question by Councillor Murdoch to the Cabinet Member for the Green Environment and Economy in the following terms:

“When will work be completed on the reconfiguration of Fort Street and the Pierhead in Largs?”

- (a) How much has the project cost so far?
- (b) What is the projected final cost of the project?
- (c) Does the Cabinet Member think the project is value for money?
- (d) Why was the Coach Drop Off & Pick Up Point removed from the Pierhead area?
- (e) Why are North Ayrshire Council advising coaches to use the service bus stops as alternatives to a designated Pick Up & Drop Off Point?
- (f) When will the safety bollards be replaced to prevent motorists from thinking this part of the Prom is a continuation of the road?”

Councillor Gurney thanked the Member for his question and responded in the following terms:

“The works at Fort Street and the Pierhead form part of the Bus Stop and Queuing Facilities improvement project at Largs and on Cumbrae funded by SPT’s Capital Programme. Whilst carrying out the construction works in Largs, an unrecorded stone culvert that was silted up, was identified. This required to be reconstructed.

The works in Largs are largely complete, and officers are monitoring the performance of the reconstructed culvert over the winter months. The performance of this will determine the remaining extent of works required. If the culvert performs satisfactorily, it is anticipated that the remaining short length of footpath, drop kerb and re-erection of bollards will be completed in March 2024. If there are issues with the culvert, agreement will require to be obtained for an outfall on the beach. Timescales for the consent would determine timescales for completion. Officers are not currently aware of any issues with the culvert’s operation.

- (a) The total project (Largs and Cumbrae elements) cost to date is £230,700 (from 2019 to present). The construction costs at Largs are £73,723 to date with an additional expenditure of £35,049 for the culvert replacement works. The balance of £121,928 has been spent on the following for both the Largs and Cumbrae works: initial option development, traffic surveys, topographical surveys, consultation on feasibility designs, project management, detailed design, detailed design consultation, amendments informed by stakeholder consultation.
- (b) The projected final total cost is approximately £240,000 which is inclusive of the design and feasibility costs for the Cumbrae improvements.
- (c) I am not a civil engineer, but we are all aware of inflation, and construction costs have not been immune to that. However, given this is a joint project funded by SPT, who have raised no objections, I am content that the costs are in line with norms.
- (d) The footway outside Costa required to be widened to improve access for pedestrians to and from the ferry terminal. This required the removal of the coach drop off point due to the limited space available. The removal of this was proposed through the consultation process which informed the final design.
- (e) The service bus stops are suitable and available for use for drop-off and pick-up of passengers by coaches, as is the case for other bus services. Officers are not advising coaches to park in the bus stops. Officers will support bus operators to help identify an appropriate area to park when not actively picking up and dropping off passengers.
- (f) It is anticipated that the bollards will be replaced when works are complete currently programmed for March 2024.”

As a supplementary question, Councillor Murdoch referred to a number of concerns he had in respect of the project and asked whether the Cabinet Member (i) could provide a guaranteed date for completion of the project and (ii) would assist in finding solutions to the problems created/not solved by the project.

Councillor Gurney responded by advising that completion timescales for construction were difficult, particularly when there were unforeseen works, and he suggested that the Member would not have wanted the issue of the culvert simply to have been ignored. The Cabinet Member accepted the Member's concerns about the project as his opinion but disagreed with the points made. Councillor Gurney declined to provide a guaranteed completion date, but confirmed that the job, including in relation to the culvert, would be finished appropriately.

(4) a question by Councillor McLean to the Leader of the Council in the following terms:

“Is the Verity House Agreement worth the paper it’s written on?”

The Leader thanked the Member for his question and responded as follows:

“Yes, I absolutely think that the Verity House Agreement is worth the paper it’s written on. We are very much at the start of a process and everyone is committed to making it work. There will be ‘bumps along the way.’ There have and always will be tensions between national and local government, regardless of which party is in power, and the Verity House Agreement gives us a process through which to navigate and negotiate our way through those tensions. At the COSLA Leaders’ meeting last week, we had a positive discussion on our priorities for the future and we will approach discussions with the Scottish Government constructively.”

As a supplementary question, Councillor McLean quoted parts of the Verity House Agreement, including in relation to working together, engagement, mutual trust and respect, and consultation and collaboration, and suggested that the First Minister’s party conference speech had broken the spirit and letter of the Agreement. Councillor McLean asked whether the Leader considered the Agreement was worth even the eight pence it had cost for him to print a copy.

Councillor Burns responded by expressing the view that the First Minister was entitled to speak at his party conference to offer funding for a Council Tax freeze in a cost-of-living crisis. The Leader asserted that, ultimately, the decision about setting Council Tax was a matter for each and every Council.

(5) a question by Councillor Donald Reid to the Cabinet Member for Finance in the following terms:

“What would the Cabinet Member for Finance consider as a ‘fully funded Council Tax freeze’:

* the equivalent of a 3% increase?

* the equivalent of a 5% increase (reflecting last year’s increase)?

* the equivalent of September’s rate of inflation (and would they consider it to be at the rate of CPI or RPI)?

* a % increase plus the additional levy on second homes that had previously been proposed?

* a % increase, plus the second home levy and the equivalent of the proposed changes to bands E-H?

* or funding the full projected budget deficit for 2024/25, including inflationary, pay and all other budget pressures?”

Councillor Larsen thanked the Member for his question and responded by advising that COSLA was in discussion with the Scottish Government. The Cabinet Member declined to speculate on the outcome of those discussions as she did not feel that would be helpful.

As a supplementary question, Councillor Donald Reid expressed the view that his original question had not been answered, and asked whether the Cabinet Member thought the Council or the Scottish Government should decide the Council's budget and whether or not there should be a Council Tax freeze.

Councillor Larsen responded by asserting that she had answered the Member's original question. The Cabinet Member confirmed that Council Tax would be decided by the Council but declined to pre-empt the outcome of ongoing discussions between COSLA and the Scottish Government.

(6) a question by Councillor T. Ferguson to the Provost in the following terms:

“Can the Provost provide an update into the planned activities in North Ayrshire and Arran for Remembrance Day 2023?”

The Provost thanked the Member for his question and responded in the following terms:

“Various Remembrance Sunday Parades and Service will take place in our local communities throughout North Ayrshire. The majority of the events are arranged by the local branches of the Royal British Legion Scotland and in some cases the local churches. I will attend the Remembrance Day Parade and Service in Irvine and the Depute Provost will attend Services in Saltcoats and Stevenston.

On Armistice Day on 11 November a short service will take place in the Memorial Garden, Burns Street, Irvine where a two-minute silence will be observed at 11.00 a.m. All Elected Members have been invited. A two-minute silence will also be observed in Council offices.

Wreaths are available to Elected Members who may wish to lay a wreath at a Remembrance Sunday service taking place in their ward, one wreath will be available for each event.”

As a supplementary question, Councillor T. Ferguson referred to Poppy Scotland's 'Light Up Red' campaign and asked whether the Provost would show support for the campaign by arranging for Cunninghame House to be lit up.

The Provost responded by advising that she did not believe it was possible to light up Cunninghame House, but that there were three public buildings, namely Kilwinning Abbey, the Portal and Saltcoats Town Hall, which occasionally sought permission to be lit up on particular occasions. The Provost indicated her willingness to follow up on the possibility of the three public buildings mentioned being lit up in support of the campaign.

(7) a question by Councillor Bell to the Leader of the Council in the following terms:

“Does the Leader of the Council agree with the COSLA presidential team who publicly stated, "It has been shown that previous Council Tax freezes have been regressive, having no impact for the poorest in society and eroding the Council Tax base, compounding councils' ongoing underfunding”?

The Leader thanked the Member for his question and responded in the following terms:

“The role of the COSLA presidential team is to present the collective view of COSLA Leaders, as determined by a majority vote from a Leaders' meeting. I accept that process and I am not going to undermine it by making any direct comment on COSLA statements. I am not sure if Councillor Bell supports the Council Tax freeze, but his Scottish party leader certainly does. I am not sure of his UK leader's position this week, but I have certainly had feedback from constituents who support a Council Tax freeze, as I am sure, Anas Sarwar has.”

As a supplementary question, Councillor Bell indicated that, while he was in favour of keeping Council Tax as low as possible, he was also in favour of maintaining public services which had been subject to cuts in recent years, and asked the Leader if she agreed that there were a lot of choices that could be made with the money otherwise allocated to a Council Tax freeze.

The Leader responded by agreeing that there were choices but confirmed that she agreed with the choices being made.

(8) a question by Councillor Marshall to the Leader of the Council in the following terms:

“A recent article in the Times gave me thought for concern when it reported that the Financial Conduct Authority (FCA) broke data protection rules by “intercepting and diverting” emails.

Can you please tell me who, apart from Member Services, has access to or is able to intercept or divert any Members' emails?”

The Leader thanked the Member for his question and responded in the following terms:

“Emails to Members are routed by the email system direct to them as the intended recipient. Employees in Members’ Services have access to those emails granted by individual Members to enable those employees to assist them for administrative purposes only. Should Members wish to restrict this access to their individual inboxes, they can do so. Employees in Members’ Services do not divulge the content of Members’ emails to officers and act on the instructions of the Member concerned in relation to mailbox management. Other than that, there is no policy or practice in place to intercept or divert Members’ emails. Whilst there is technical capability for IT Services to access email across all email inboxes in the Council this is not and will not be used by the organisation unless there is a regulatory or legal requirement to do so.”

As a supplementary question, Councillor Marshall thanked the Leader for the reassurance provided and asked whether there were any other rules which applied, around the use of electronic media, such as WhatsApp.

The Leader responded by suggesting that more context was required for the question but confirmed that she was happy to discuss the matter further with the Member. Councillor Burns indicated that, as far as she was aware, there was no formal use of WhatsApp to conduct Council business.

(9) a question by Councillor McDonald to the Cabinet Member for Education in the following terms:

“Inverclyde Council rolled out free school meals to all primary school pupils from August 2023. Given that the Administration in North Ayrshire has consistently voted against expanding free school meals, can the Deputy Leader tell us what is the difference between Inverclyde Council and North Ayrshire Council?”

Councillor Macaulay thanked the Member for his question and responded by advising that decisions about Inverclyde were made by Inverclyde Councillors and those relating to North Ayrshire made by North Ayrshire Councillors. The Cabinet Member asserted that the principle of free school meals was supported by the Administration and indeed that it was the SNP which had introduced universal free school meals for primary 1-5 and committed to expand on that. Councillor Macaulay expressed the view that, to date, proposals brought forward by Labour had been ill-thought-out and carried significant risk to the Council, and that, unlike the Administration, Labour as the Second Opposition had no need to face the financial reality of proposals. The Cabinet Member concluded his response by confirming a willingness, as part of the budget-setting process, to work with any councillor to develop workable and sensible proposals.

As a supplementary question, Councillor McDonald asserted that North Ayrshire had once been one of Scotland's most progressive Councils but this was no longer the case, and asked when the Cabinet Member expected the Council to start seeing the current Administration delivering on its promises.

Councillor Macaulay responded by indicating that he had, on a number of occasions, reiterated the proposals being taken forward to meet the priorities of North Ayrshire. The Cabinet Member expressed the view that the Member appeared keen to say that the SNP had cut services 'to the bone', while at the same time being triumphalist about everything which the Council had managed to achieve. Councillor Macaulay concluded his response by undertaking, as part of the forthcoming budget-setting process, to focus on supporting those most in need and taking forward ambitious proposals for the people of North Ayrshire.

(10) a question by Councillor T. Ferguson to the Cabinet Member for Education in the following terms:

"Can the Cabinet Portfolio holder for Education advise what guidance is in place to address the use of mobile phones in schools?"

Councillor Macaulay thanked the Member for his question and responded in the following terms:

"North Ayrshire Council provides policies and procedures to support schools with a range of operational and strategic matters relating to the provision of education. In terms of how schools manage the use of mobile phones, a Standard Circular has been produced which advises that schools should develop their own policy on pupil use of mobile devices taking account of some key principles, including:

- The use of mobile phones in class time is unacceptable.
- Possession of a mobile phone during a prelim or other examination should be prohibited.
- Taking photographs of staff or pupils without consent should be prohibited.
- All emergency contact between home and school should be through the school office rather than by mobile phone.
- As with all valuable items of equipment, parents should be made aware that no liability can be accepted for loss of or damage to mobile phones which are brought to school.
- The school policy should be drafted in consultation with parents, pupils, staff and the Parent Council.
- Head Teachers may wish to include specific reference to mobile phone use in school handbooks and behaviour policies.
- Head Teachers should use staff handbooks to remind all staff of GTC Scotland guidance that staff should not use texting, at any time, to communicate with individual pupils.

These guidelines are intended to offer Head Teachers consistent guidance whilst also allowing sufficient flexibility to tailor their policies to local circumstances.

It is recognised that mobile devices (including tablets and the current trial of “bring your own device”) can enhance the learning experience, provided that clear protocols around their use are in place. It is anticipated that the next update to the Standard Circular will include specific principles around the managed use of mobile devices in a curricular context, as this technology is rolled out and extended into various schools across the Education Service.”

As a supplementary question, Councillor T. Ferguson referred to a similar answer which had been provided in February 2019, and asked if the Cabinet Member agreed that this matter should now be revisited in light of shifts in attitude since then, including a United Nations report which recommended banning smart phones in schools, the decision by France and the Netherlands to ban the use of mobile phones in their school estate, and the Cabinet Secretary for Education and Skills’ intention to look at tightening restrictions around mobile phone usage in schools.

Councillor Macaulay responded by advising that the Council was currently in a review process and was trying to keep up to date with the best use of technology in schools. The Cabinet Member expressed the view that, if the key principles outlined in his response were followed, there should be no issues, but that the review process would take into account the challenges being faced by schools.

(11) a question by Councillor McDonald to the Cabinet Member for Finance in the following terms:

“To ask for a total of the Council’s usable reserves?”

Councillor Larsen thanked the Member for his question and responded in the following terms:

“The Council’s usable reserves total £136.741m. They include the Council’s unearmarked reserves of £8.053m, with the remaining balance specifically earmarked for a range of purposes, including the Housing Revenue Account reserves to support the HRA Business Plan and the loans fund reserve to support delivery of the capital programme.”

As a supplementary question, Councillor McDonald referred to an expected multi-million pound ‘windfall’ arising from changes to Strathclyde Pension Fund, and asked whether the Cabinet Member could confirm that the unexpected sum from Strathclyde Pension Fund would be used for sustainable investment in communities.

Councillor Larsen responded by advising that the Council was not yet in receipt of the monies from Strathclyde Pension Fund and she was not, therefore, in a position to discuss it.

(12) a question by Councillor McLean to the Leader of the Council in the following terms:

“Do you believe that the current Scot Government administration should stop spending its budget on reserved matters, and show proper respect to local Elected Members and officials, by using this money to fund truly sustainable local government?”

The Leader thanked the Member for his question and responded in the following terms:

“I find it ironic that a Conservative councillor is challenging the Scottish Government on funding truly sustainable local government when we have an increasing number of English councils on the verge of bankruptcy. Public services across the UK are on their knees after 13 years of Tory austerity and an ideological commitment to minimise public spending. That applies to the devolved administrations in Scotland and Wales and to English public services across the country. So, if he wants to show proper respect to local government, maybe he should be having a word with his own party leadership. But, that it not what this question is about. If anything, it is about showing respect for a democratically elected Scottish Parliament, which his party seems increasingly unwilling to do.”

As a supplementary question, Councillor McLean asked what the Leader had done – whether as a councillor, a local government leader or even just as part of the Scottish National Party - to fight against this use of public funds in order to bring greater funding to local government.

The Leader responded by asserting that the question contradicted her original response and confirmed that she would not be fighting against something with which she agreed.

(13) a question by Councillor Montgomerie to the Leader of the Council in the following terms:

“As a signatory to the Verity House Agreement, does the Council Leader believe that the Scottish Government treats Local Government with ‘respect’ in light of the First Minister breaking the spirit and letter of the agreement by announcing a Council Tax freeze as part of his SNP party conference speech?”

The Leader thanked the Member for his question and responded in the following terms:

“I refer Councillor Montgomerie back to my previous response on the Verity House Agreement. Party leaders will make funding announcements at party conferences. His own party is not immune to that. I think that the important thing now is that discussion between COSLA and the Scottish Government is ongoing and I did say earlier that that is the case. And, ultimately, we need to remember that decisions on Council Tax will be for individual councils to make.”

(14) a question by Councillor T. Ferguson to the Cabinet Member for Health and Social Care in the following terms:

“Can the Cabinet Portfolio holder for Health and Social Care provide an update on the backlog of Blue Badge applications?”

Councillor Johnson thanked the Member for his question and responded in the following terms:

“There are currently a high number of Blue Badge applications and renewals which the team are processing, with the average time from application to issue being around 12 weeks. There are nearly 10,000 existing Blue Badge holders in North Ayrshire and around 1,400 applications and renewals are in process. It is recommended that Blue Badge holders apply for their renewal 12 weeks before their current badge is due to expire. Transport Scotland set the timescale for applications to be processed within 12 weeks, and currently in North Ayrshire the HSCP are meeting this timescale. There has been an increase in the number of Blue Badge applications over the last few years and changes to the online application form and process have added to the workload of the team.

There are different criteria for eligibility for a Blue Badge, for example there is an automatic entitlement for individuals in receipt of specific benefits, whereas discretionary applications require a far greater degree of assessment input including for example Independent Mobility Assessments.

A number of steps have been taken forward by the HSCP to improve the current process and to raise awareness of the 12-week timescale for renewal, including:

- Clear communication for all renewal and first-time applicants with a letter issued on application
- Raising awareness on social media and other communication channels including the HSCP website

The service continues to explore other options including the issue of automated renewal reminders and any additional resources which may be required to ensure the 12-week processing timescale can be met.”

As a supplementary question, Councillor T. Ferguson asked if the Cabinet Member could provide reassurance that there would be no discrimination arising from the Blue Badge renewals process in the context of the forthcoming introduction of DPE (Decriminalised Parking Enforcement).

Councillor Johnson responded by undertaking to look into this matter and revert to the Elected Member.

(15) a question by Councillor McPhater to the Leader of the Council in the following terms:

“To seek an update on the 2023/24 pay settlement and future industrial action?”

In Councillor McPhater’s absence, and in terms of Standing Order 14.4, the question was asked by Councillor Cullinane.

The Leader thanked the Member for the question and responded in the following terms:

“The 2023/24 pay settlement has yet to be agreed. No notification of future industrial action has been received to date.”

(16) a question by Councillor McLean to the Cabinet Member for Finance in the following terms:

“Does the Cabinet Portfolio holder for Finance believe that all ringfenced funding should be used for its intended purpose?”

Councillor Larsen thanked the Member for his question and responded by confirming that ringfenced funding was currently in place, but that COSLA was in discussion with the Scottish Government on the relaxation of this and the outcome was awaited.

As a supplementary question, Councillor McLean made reference to UK agricultural funding which had been provided to the Scottish Government on a ringfenced basis, but which had instead been used as a saving within the relevant department. The Member asked if the Cabinet Member would be using this new-found financial flexibility around ringfenced funding in North Ayrshire’s budget and, if not, why not.

Councillor Larsen responded by advising that she could not speak for the Scottish Government but confirmed that the use of any local ringfenced funds would require to be approved by Council and the use of any national ringfenced funds would be for COSLA and the Scottish Government to approve.

(17) a question by Councillor Cullinane to the Cabinet Member for Finance in the following terms:

“TCS-eco are a local business, based in Kilwinning, that produces reusable period products. In 2021, TCS-eco were not on the Excel Scotland procurement framework but the Council purchased products, up to the legal spending limit for suppliers not on the procurement framework, as part of piloting a home delivery service for period products. As demand for reusable products exceeded that spending limit, additional products were purchased from other suppliers off the framework, however, our business team supported TCS-eco to join the Excel Scotland framework at the next opportunity as part of our Community Wealth Building work. TCS-eco have been on the framework for over a year now, can the Cabinet Member advise us how much the Council has spent with TCS-eco since then?”

Councillor Larsen thanked the Member for his question and responded in the following terms:

“There has been no spend with this local supplier since the time they have been on the Scotland Excel framework. The reason there has been no spend is simply due to there being no current demand for these particular products. I can advise awareness raising campaigns have very recently been undertaken to promote the use of these products. Moving forward if there is a change in demand then orders will be placed using this framework which includes this local supplier.”

As a supplementary question, Councillor Cullinane referred to recent social media posts by the Council and Young People’s Champion, which promoted reusable period products but referred to Hey Girls menstrual cups and not to TCS-eco products, and asked if the Cabinet Member agreed it would make sense to promote the local supplier. Councillor Cullinane asked if the Cabinet Member could find out from the Council’s Procurement team whether the Council had spent any funds with Hey Girls over the last year since TCS-eco had been included in the framework.

Councillor Larsen responded by referring to the Member’s specific mention of menstrual cups and advised that that TCS-eco did not supply this product, but Hey Girls did. The Cabinet Member advised that the Council was buying from another company as it provided a wider range of products and community benefit. Councillor Larsen agreed, however, that there was a balance to be struck and confirmed she was happy to ask the Business Development team to contact TCS-eco to establish what might be done to support them moving forward.

(18) a question by Councillor Inglis to the Cabinet Member for the Green Environment and Economy in the following terms:

“In a report by Keep Scotland Beautiful, the streets of North Ayrshire were voted third dirtiest in the country. Can the Cabinet Member explain why this is and what they are going to do to clean up the streets of North Ayrshire?”

Councillor Gurney thanked the Member for his question and responded in the following terms:

“Whilst the vast majority of residents and visitors behave responsibly, it is disappointing that a minority still engage in poor behaviour in terms of littering and environmental crime. Cleaning up discarded litter in streets and open space areas is a significant cost to the Council and is entirely preventable.

The Council has a Litter, Dog Fouling and Fly Tipping Prevention Strategy which focuses on Educating (communications, campaigns), Enabling (provision of bins) and Enforcement (the issuing of Fixed Penalty Notices to offenders). The strategy is being reviewed and an updated strategy will be published in late spring 2024. The Council is engaging with Keep Scotland Beautiful (KSB) to help facilitate workshop sessions with elected members and communities as part of this review. This will cover the implications of the new national Litter and Fly Tipping Strategy and also take account of emerging issues and themes such as littering from single use vapes.

In respect of the street cleanliness index score it is disappointing that the Council has not performed as well as in previous years. Since the audit was conducted a number of improvements have been implemented such as a review of the street cleaning schedules to identify littering hotspots and to respond to different demands post COVID, an increase in the number of internal street cleaning audits to locally monitor cleanliness, and the targeting of enforcement activities to identified littering hotspots. New larger capacity, gull proof bins are also being installed at busy coastal locations. We are also supported by a significant number of community volunteer groups who regularly carry out litter picks in their localities – and this support is very much appreciated.

The most recent audit for 2023/24 produced a score of 90.1%, which is a significant increase from the 2022/23 score of 84.6%, which indicates a positive direction of travel as we continue to tackle the blight of irresponsible littering.”

Councillor Gurney supplemented his written response by reiterating that litter did not just appear, but that people dropped it. The Cabinet Member urged adults and children to use the bins provided.

(19) a question by Councillor Billings to the Cabinet Member for Health and Social Care in the following terms:

“There is a growing concern about the level Scottish Government funding to care homes and the financial stability of care homes across Scotland.

Can the Cabinet Member tell me how the HSCP is ensuring that our local care homes remain financially viable whilst also being able to continue to provide appropriate levels of care to our vulnerable elderly residents?”

Councillor Johnson thanked the Member for his question and responded in the following terms:

“Local Authority placements to Older People’s Care homes are funded from the HSCP budget. The weekly rate paid for a care home placement is agreed nationally as part of the National Care Home Contract (NCHC) which has been in place for the last 15 years. This contract is facilitated by Scotland Excel on behalf of Local Authorities and is negotiated annually between provider representatives and COSLA.

In North Ayrshire all placements are funded in line with the NCHC agreed rates for residential and nursing care. Whilst provider representatives, including for example Scottish Care, have publicly communicated their concerns over the adequacy of funding and viability of the care home sector, it is also mutually accepted that the NCHC provides stability for care homes and commissioners.

It is the role of the Care Inspectorate as the regulatory body to assess and provide assurance over the quality of care for all registered care services. In North Ayrshire we work closely with the Care Inspectorate and other services to ensure we can support our care providers to provide a good quality of care. The position is closely and robustly monitored, the HSCP has Multi-Disciplinary Care Home Oversight arrangements in place, which were established over 3 years ago. The Care Home Oversight Group meets regularly, this allows the Partnership and other colleagues to maintain an enhanced level of support and oversight to Care Homes, ultimately seeking assurance of the quality of care provided. This provides a forum for escalation of any quality of care, safety and sustainability concerns, including financial concerns which may be highlighted by care home providers directly.

The Partnership facilitates regular Care Home Provider Forums and regular formal Contractual Meetings take place with individual providers, these include finance representatives. Whilst focussed on quality and standards of care being provided to residents, the meetings have allowed for the development of good working relationships between the Care Home Providers and the Partnership’s Teams. Providers can raise any issues or concerns they may have at the earliest opportunity which allows the Partnership to respond appropriately.”

As a supplementary question, Councillor Billings asked whether the Cabinet Member would be willing to investigate this matter further, as he believed there was an opportunity for concerns to be aired at the highest level and because the financial failure and instability of care homes ultimately impacted on the HSCP and the Council.

Councillor Johnson responded by confirming her willingness to meet with Councillor Billings to discuss the matter further.

In terms of Standing Order 6.8, the Provost agreed that the meeting be adjourned at 3.25 p.m. for a comfort break. The meeting reconvened at 3.30 p.m. with the same Members and officers present and in attendance, with the exception of Councillors Billings and Davidson, who had lost their remote connection to the meeting.

16. Motions

In terms of Standing Order 15, submitted:

- (1) a motion proposed by Councillor T, Ferguson and seconded by Councillor Gallacher in the following terms:

“That Council supports the ethos of the Wave Trust's 70/30 campaign to reduce child abuse, neglect and other adverse childhood experiences (ACEs) by at least 70% by the year 2030. Following the report presented to Council in June 2019, Council asks officers to bring a further report on progress to a future meeting of the Cabinet. This report will provide an update on how North Ayrshire Council and wider CPP partners are progressing the ambition to reduce childhood abuse and trauma in our local communities and to embed a trauma-informed approach across services. Council:

- Notes the ambitions of the national campaign to make Scotland the first Adverse Child Experiences (ACE) aware Nation.
- Notes that in 2018 this Council agreed to be ‘trauma informed:
 - to use the learning and research on Adverse Childhood Experiences (ACEs) to inform change in practice and thus be better able to reduce the negative effects of ACEs on the lives of all with whom we come in contact;
 - to work with other partners across Ayrshire to have a consistent approach to working to implement trauma informed practice;
 - commit to give officers and staff an opportunity to view the documentary ‘Resilience’ which has been the catalyst for change;
 - and to contribute to Ayrshire becoming recognised as a Centre of Trauma Informed Excellence”
- Notes that North Ayrshire Council cannot achieve these ambitions alone, there is a wider CPP responsibility and multi-agenda approach required in addition to the support of our wider communities
- Notes that supporting an early intervention approach to investment in promoting safe, stable and nurturing relationships and environments can have a positive impact of a broad range of challenges and on the development of skills that will help children and young people reach their full potential
- Continues to support and promote a trauma-informed, ACE awareness ethos to have a positive impact on both individuals and society as a whole

- Supports all frontline staff across the Council and CPP partners to be encouraged to take up opportunities for continued professional learning sessions on Adverse Childhood Experiences (ACEs)
- Acknowledges that Adverse Childhood Experiences can and do impact on learning, attainment and future prospects for children and young people.
- Seeks assurance that Trauma Informed learning is taking place across our early years and school settings to support children and young people.”

There being no amendment, the motion was declared carried.

Having declared an interest in the following item of business, the Provost duly vacated the Chair at this point and left the meeting during its consideration, taking no part in the determination.

The Monitoring Officer sought, and received, confirmation that, in the absence of the Provost and Depute Provost and in terms of Standing Order 6.6, the Council unanimously appointed Councillor Gurney to the Chair for the following item of business.

Accordingly, Councillor Gurney assumed the Chair at this point.

- (2) a motion proposed by Councillor McLean and seconded by Councillor Inglis in the following terms:

"Council agrees with the House of Lords Select Committee on the Constitution, that devolved administrations should immediately stop any improper spending and utilise funds for responsibilities within devolved competence.

The House of Lords Select Committee has unanimously agreed that devolved governments should only spend on devolved areas and that the Scottish Government should immediately stop their improper spending on things such as the Minister for Independence, overseas 'embassies' and any other reserved areas before the Cabinet Secretary takes any action necessary to stop them.

And so:

We instruct the Chief Executive of NAC to write to:

- A) John Paul Marks, Scotland's Chief Civil Servant
- B) Simon Case, Cabinet Secretary
- C) Alistair Jack, Secretary of State for Scotland
- D) Humza Yousaf, First Minister for Scotland

To express our support for the House of Lords Committee's findings and for these recommendations to be implemented with haste.

And for consideration by the Scottish Government to utilise these funds not being spent on reserved matters for the purposes of supporting local government."

Councillor Davidson re-joined the meeting at this point.

As an amendment, Councillor Burns, seconded by Councillor Hill, moved the direct negative.

There followed debate and summing up.

On a division and a roll call vote, there voted for the amendment, Councillors Burns, Collier, Cullinane, Davidson, Gurney, Hill, Johnson, Kerr, Larsen, Macaulay, McClung, McDonald, McTiernan, Montgomerie and Robertson (15) and for the motion, Councillors S. Ferguson, T. Ferguson, Gallacher, Inglis, Marshall, McLean, Stalker and Stephen (8), Councillors Bell, Murdoch, Donald Reid and Donald L. Reid abstaining, and the amendment was declared carried.

Accordingly, the Council agreed not to proceed with the terms of the motion.

17. Urgent Items

There being were no urgent items, Councillor Gurney remained in the Chair and closed the meeting at this point.

The meeting ended at 3.45 p.m.



PROVOST'S REPORT

For the period covering: 23 October – 3
December 2023

The attached report gives a summary and brief details to Council, of meetings and events attended by the Provost of North Ayrshire Council, Councillor Anthea Dickson.



PROVOST'S REPORT

For the period covering: 23 October – 3 December 2023

Since the last meeting of the Council, I have taken part in many events, including:

“New and Unusual” Exhibition Opening, Heritage Centre, Saltcoats, 26 October

On 26 October, I was delighted to officially open the “New and Unusual” exhibition in the Heritage Centre, Saltcoats. The exhibition gave visitors the rare opportunity to see a fascinating collection of artefacts altogether under the one roof, a real eclectic mix of North Ayrshire’s history.

Ayrshire Tri-Services Awards Ceremony, Grand Hall, Kilmarnock, 26 October

On 24 June, I attended the Ayrshire Tri-Services Awards Ceremony. The ceremony recognised the excellent work carried out by staff from PoliceScotland, the Scottish Fire and Rescue Service and the Scottish Ambulance Service.

Skills Academy Launch, Largs Academy, 27 October

On 27 October, the Lord Lieutenant Iona McDonald and I launched three skills projects at Largs Campus. These were: Barista Skills - Livin’ La Vida Mocha; Digital Media and Photography - Learning through a Lens and Events Management – LA Events. These projects are supported by Developing Young Workforce Ayrshire and give those participating additional skills and knowledge, preparing them for future employment.

40th AGM of Scottish Maritime Museum Trust, Irvine, 27 October

On the afternoon of 27 October, I attended the 40th Annual General Meeting of the Scottish Maritime Museum Trust in Irvine. Afterwards, there were short presentations on the past, present, and future of the Museum from key staff and volunteers.



377th Annual Celebration (Big Pie) Irvine Incorporated Trades, Volunteer Rooms, Irvine, 27 October

On the evening of 27 October, I attended the Big Pie hosted by Irvine Incorporated Trades in the Volunteer Rooms. I heard from many interesting speakers celebrating the town's rich history.

Ayrshire Fiddle Orchestra Concert, Kilwinning, 28 October

On 28 October, I attended the Ayrshire Fiddle Orchestra Concert in Kilwinning Abbey. The Concert was excellent, and I am always impressed by the talented fiddlers we have in Ayrshire, some of whom are from North Ayrshire. The Orchestra toured America this year giving the musicians a wonderful opportunity to perform on a larger stage to a different audience while promoting Ayrshire at the same time.

Employability Awards, Saltcoats Town Hall, 2 November

On 2 November, the Leader of the Council and I presented the prizes at the first ever Employability Awards in Saltcoats Town Hall. The ceremony celebrated the success of the Council's employability programmes. Congratulations to all the winners and finalists, it was inspiring listening to everyone's stories.

District Scouting Annual Presentation, Saltcoats Town Hall, 3 November

It was a pleasure to attend North Ayrshire and Arran Scouts awards evening which took place in Saltcoats Town Hall on 3 November. It was great to hear about the achievements of the young people and I was delighted to do the presentations to the adult volunteers. These amazing leaders give up their free time to give experiences and deliver activity programmes for our young people.

Young Musician of the Year, Irvine Royal Academy, 7 November

On 7 November, I attended the Young Musician of the Year event in Irvine Royal Academy. This was great evening of entertainment, and the pupils were amazing. The support staff did a fantastic job in allowing the pupils to be all they can be.



Launch of The Mount Project, Townend Community Centre, Dreghorn, 8 November

I attended the launch of The Mount Project in Townend Community Centre, Dreghorn on 8 November. The Irvine Locality Team in partnership with Greenwood Academy are piloting a series of approaches to education within a community setting tackling several issues found in education today. This includes better engagement with non-attenders to improve attendance and attainment, engaging more with the local community and forming stronger links with the third sector and businesses. It was interesting to hear from the young people how improvements have already been made in their engagement and attendance while using the Community Centre.

Armistice Day Service, Watson Memorial Garden, Irvine, 11 November

On 11th November at 11am a service was held, and a two-minute silence observed in Watson Memorial Garden in Irvine. Several local organisations, members of the public and several of my colleagues on the Council attended the event to pay their respects to the fallen and mark the armistice signed by Britain and its allies with Germany which brought WW1 to an end.

Remembrance Sunday, 12 November

On 12 November communities throughout North Ayrshire, gathered to remember the service and the sacrifice made by all those who have lost their lives in various wars. I attended the parade and service in Irvine and the Depute Provost attended services in Saltcoats and Stevenston. Many local organisations and members of the public attended these events to pay tribute to the fallen and those serving in our Armed Forces and their families.

Showmen's Guild of Great Britain Scottish Branch, Annual Luncheon, Glasgow, 17 November

On 17 November, the Depute Provost attended the Showmen's Guild of Great Britain, Scottish Branch, annual luncheon. This was a good opportunity for fairground operators to network and to hear about how fairgrounds impact on our local community and contribute to the economy.

Cunninghame Choir Concert, Beith Community Centre, 19 November

On 19 November, I attended and thoroughly enjoyed "Winter Across the Atlantic", Cunninghame Choir's latest concert held in Beith Community Centre. The concert highlighted the talent of the participants and is a fitting example of the vibrant communities we have in North Ayrshire.



Carers Rights Day, West Kilbride Village Hall, 23 November

On 23 November. On Carers Right Day, I attended a celebration event in West Kilbride Village Hall along with our Carers' Champion. The event highlighted and promoted the rights of unpaid carers across North Ayrshire. The collective recognition of the day allowed carers to connect with others in similar situations. It was also a terrific opportunity to thank unpaid carers throughout North Ayrshire for marvellous job that they do.

Ayrshire Area Support Team Reception, Irvine Townhouse, 23 November

On 23 November, in Irvine Townhouse, I hosted a reception in recognition of the volunteers serving on the Ayrshire Area Support Team. Provost Todd from East Ayrshire Council and Councillor William Grant from South Ayrshire Council joined me to thank all the AST members for the amazing contribution they have made to the lives of others. We also got the opportunity to thank former Area Convener Erica Edwards and Depute Area Convener Alan Corbett who have dedicated a substantial part of their lives to improving the lives of others.

16 Days of Action Campaign, Cunninghame House, 24 November

On 24 November, I raised the White Ribbon Flag at Cunninghame House to mark the start of the 16 Days of Action Campaign. The campaign runs from November 25, which is the International Day for the Elimination of Violence against Women (also known as White Ribbon Day) to Human Rights Day on December 10. I also attended a conference in Kilmarnock on 28 November where the three Violence Against Women Partnerships organised a Pan Ayrshire Practitioner event to explore and focus on how we can better support women involved in the selling or exchanging of sex within Ayrshire.

Women and girls, regardless of their background or where they live, can feel isolated and restricted when it comes to getting help and advice. We need to make sure women and girls know how to access services and empower them to ask for help where there is a risk of domestic violence. The North Ayrshire Violence Against Women Partnership brings together partners that have a role in tackling gender-based violence and supporting those who are affected. It includes the Council and representatives from partner organisations including North Ayrshire Women's Aid, Police Scotland and the Scottish Fire and Rescue Service.

Ayrshire Hospice Light Up a Life Campaign, Bridgegate, Irvine, 30 November

On 30 November, I was joined by staff from the Ayrshire Hospice to promote their Light Up a Life Campaign. This annual campaign gives the public the opportunity to remember the life of someone special by dedicating a star on one of the Hospice's online memory trees. This appeal raises much needed funds for such a worthwhile cause.



“Hystayria” Production, Harbour Arts Centre, 30 November

On 30 November, as part of the 16 Days of Action Campaign, I attended the showing of “Hystayria, a thought-provoking drama based on the real stories of Ayr’s barbaric witch trials. This was followed by a question-and-answer session with the cast and crew, generating discussion regarding violence against women.

The Kindness Mural Project, Dalry Community Garden, 1 December

On 1 December, I was delighted to officially reveal the Kindness Mural in Dalry Community Garden along with our Mental Health Champion. The Bee You Ambassadors and Project Delivery Officer in Mental Health and Wellbeing have worked with Garnock Valley Youth Forum and Dalry Community Gardens to get this project off the ground. The Kindness Mural Project is an environmental enhancement that promotes visual wellness and give signposting opportunities to Mental Health and Wellbeing Community Mapping.



A handwritten signature in blue ink that reads "Anthea Dickson". The signature is written in a cursive, flowing style.

Councillor Anthea Dickson
Provost North Ayrshire Council



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

LEADER'S REPORT

For the period covering: 23 October – 3
December 2023

The attached report gives a summary and brief details to Council, of meetings and events attended by the Leader of North Ayrshire Council, Councillor Marie Burns.

LEADER'S REPORT



LEADER'S REPORT

For the period covering: 23 October – 3 December 2023

COSLA LEADERS', 27 October

On 27 October, I attended a meeting of COSLA Leaders' to discuss the following Agenda items:

- Housing Situation Progress Report
- National Trauma Training Programme
- Mental Health and Wellbeing Strategy: Delivery Plan and Workforce Action Plan
- Pay update
- Local Government Finance Update
- Council Tax Second Home and Empty Home Consultation Analysis/Premium
- Flood Risk Management Programme Affordability
- National Care Service
- Settlement and Distribution
- Proposals to Freeze Council Tax

The Housing Report provided Leaders with an update on Scotland's housing situation and outlined the proposal for COSLA to continue working with Scottish Government officials to ensure that the recommendations outlined in the Solace Housing Report previously presented to COSLA Leaders are taken forward, with appropriate governance arrangements in place to ensure a proactive approach on policy reform and investment prioritisation. It also seeks approval of the establishment a Special Interest Group (SIG) for Housing comprising elected members, the Association of Local Authority Chief Housing Officers (ALACHO) and other local authority professionals.

IRVINE SENIORS FORUM INFORMATION DAY, 30 October

I was invited along to the Irvine Volunteer Rooms on 30 October to open the Irvine Seniors Forum Information Day. The annual event is useful in providing information on a range of subjects to the senior group, including stalls providing financial help and advice (North Ayrshire Council's Money Matters Team) as well as serving a light lunch and providing some entertainment.

LEADER'S REPORT

***IRVINE LOCALITY VISIT, 30 October***

Later on 30 October, together with North Ayrshire Council Chief Executive, Craig Hatton, I took part in the third locality visit, this time to Irvine, where I was able to meet some of our staff in their place of work. The first stop was a visit to Bridgegate Customer Service Centre to meet the different teams and find out more about their roles. The teams help residents with enquiries on a variety of matters, including benefits, Council Tax, the registration of births, deaths, marriages and Housing related issues.

The second stop was a visit to Trindlemoss Day Opportunities Centre to visit the team there and to find out more about the services and activities available. The Centre which is run by North Ayrshire Health and Social Care Partnership (HSCP) offers the chance for people with learning disabilities to take part in a wide range of inclusive and enabling activities in the heart of the community.

The afternoon was finished with a visit to Trinity Church and to meet with a creative writing group which is run by the Council's Employability Team. Members of the group who all live with autism, dyspraxia and dyslexia work together to boost their confidence and improve their communication skills. The group are currently working on their fifth short story together.

My thanks again to all involved for facilitating these visits and can I just say how great it is to see how far reaching the Council's work is and how it helps so many people in our community.

EMPLOYABILITY AWARDS, 2 November

On 2 November, I attended North Ayrshire Council's first ever Employability Awards held at Saltcoats Town Hall. The Awards celebrate the success of the participants of the Council's employability programmes such as "We Work for Families". North Ayrshire Council's "Your Next Move Working North Ayrshire" Employability service work with various delivery partners, to help boost confidence and support people looking to get their first job or returning to work after a period of absence.

The work carried out by partners and the Employability service is first-class and as Chair of the North Ayrshire Tackling Child Poverty Board, I have seen first-hand the positive impact this work is having on the lives of so many individuals.

Congratulations to all the finalists, winner and to the Team and Partners for their great work.

COSLA SPECIAL LEADERS, 3 November

LEADER'S REPORT



On 3 November, I attended a special meeting of COSLA Leaders to discuss the ongoing Local Government Pay dispute. COSLA will continue to work with unions to resolve this as quickly as possible.

NHS HEALTHCARE GOVERNANCE COMMITTEE MEETING, 6 November

On 6 November, I attended an NHS Healthcare and Governance Committee meeting where attendees received updates on various Patient Safety Reports. There was also an update on The Ayrshire Mental Health Conversation (AMCH)/Mental Health following publication of the Mental Health and Wellbeing Strategy and Core Mental Health Standards report.

Attendees also discussed the Winter Vaccinations programme for 2023/24.

SCOTTISH PARLIAMENTARY LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE VISIT TO ISLE OF CUMBRAE, 6 November

Later on 6 November, I attended a working lunch at Garrison House on the Isle of Cumbrae. The lunch was arranged as part of a Scottish Parliamentary Local Government, Housing and Planning Committee visit to see key examples of Community Wealth Building in North Ayrshire which will assist with the development and scrutiny of the Community Wealth Building Bill.

The lunch provided the opportunity for the Committee to discuss general issues facing Councils, with a focus on the Verity House Agreement/New Deal for Local Government and the Visitor Levy Bill.

JOINT YOUTH CABINET, 7 November

On 7 November, I was delighted to take part in the Joint Youth Cabinet held at Saltcoats Town Hall. Together with Cabinet members, our Youth Champion and senior officers from North Ayrshire Council, we were able to engage with young people from various localities in North Ayrshire.

The event, which was held during National Youth Work Week, also highlighted some of the great examples of youth work taking place throughout North Ayrshire including our youth forums, groups involved in important current issues such as climate change, tackling poverty and improving mental health. I am immensely proud of the work our youth groups are involved in and would like to congratulate them on their work and for their interest in their local communities.

LEADER'S REPORT



I would also like to thank two of the Members of Scottish Youth Parliament who were in attendance, Mais Al Diri and Pyper Logan and to thank all four of our Members of the Scottish Youth Parliament for their work over the past few years.

TACKLING CHILD POVERTY & COST OF LIVING IN NORTH AYRSHIRE BOARD, 8 November

On 8 November, I chaired a meeting of the Tackling Child Poverty and Cost of Living in North Ayrshire Board. The Board discussed the latest Cost of Living report which was brought to North Ayrshire Council Cabinet in November 2023 which provided an update on the measures being taken to support our communities struggling with the cost-of-living.

Themes which have been explored so far as part of the Board's work include:

- No Wrong Door
- Employability
- Food
- Childcare

In addition, two place-based mini-enquiries have been concluded on Arran Cumbrae to align with the Scottish Government Island Cost of Crisis Emergency Fund.

The outputs from this work have informed the three-year Child poverty strategy and annual report which was reported to North Ayrshire Council Cabinet in June. The work will continue to contribute to the work being done to combat the cost-of-living crisis.

My thanks again to the Board for their continued work and support.

I3 FLEXIBLE OFFICE SPACE GROUNDBREAKING, 9 November

On 9 November, I was invited to the groundbreaking ceremony of the i3 flexible office space here at Irvine's major business park. The space will enable the construction of an 18,000 square feet industrial unit and related yard space. The work will be delivered by Muir Construction Ltd and is scheduled for completion by August 2024

This will be the first phase of the i3 Advanced Manufacturing Flexible Space Programme that's being supported by £15m of funding through the Ayrshire Growth Deal with £11m from the Scottish Government and £4m from North Ayrshire Council.

LEADER'S REPORT



The project seeks to provide flexible modern business space for local companies looking to expand and grow or for inward investment opportunities and will complement the Council's other Ayrshire Growth Deal project at i3 – the Digital Process Manufacturing Centre (DPMC) in partnership with the National Manufacturing Institute Scotland (NMIS) and the Centre for Process Innovation (CPI).

COMMUNITY WEALTH BUILDING EXPERT PANEL MEETING, 10 November

On 10 November, I attended a meeting of the Community Wealth Building (CWB) Expert Panel. The Panel was asked to consider our CWB Strategy refresh (2024 – 2027). Since the launch of our first CWB Strategy back in May 2020, a lot has changed including the effects of the Covid-19 Pandemic, soaring fuel and food costs resulting in a cost-of-living crisis and escalating inflation. National interest in CWB has increased significantly, with CWB referenced within the National Strategy for Economic Transformation and a consultation on Building Community Wealth in Scotland in 2023.

North Ayrshire Council remains committed and continues to aspire to the vision of a Wellbeing Economy; an economy which works for both people and the planet, providing an economically and environmentally sustainable future for our communities and young people to flourish.

My thanks to Sarah Deas, Chair of the CWB Expert Panel and to all the Panel members for their continued support as we continue on our CWB journey.

MEETING WITH CORRA FOUNDATION, 13 November

On 13 November, I had an introductory meeting with the CORRA Foundation. CORRA deliver some excellent work with our communities helping to deliver positive change. It works to encourage opportunity, fairness and growth of aspirations to improve the quality of life. CORRA achieves this through grantmaking and its place-based programme of which Getting Alongside Communities is a key part.

GREENWOOD ACADEMY SCHOOL SHOW, 15 November

I was delighted to go along to Greenwood Academy on 15 November to see a wonderful school performance of "Sister Act". The performances were outstanding as was the music and singing. Well done to everyone involved, including those who work behind the scenes ensuring everything goes smoothly.

LEADER'S REPORT

***NHS AUDIT AND RISK COMMITTEE MEETING, 16 November***

On 16 November, I attended a meeting of the NHS Ayrshire and Arran Audit and Risk Committee meeting. Attendees received and discussed Integration Joint Board Internal Audit Reports and Plans from North, South and East Ayrshire Councils. The Committee also received a progress update on the vaccination programme and an update report on Infection Prevention and Control. There were also update reports on Counter Fraud and a Fraud Standard Self-Assessment and Action Plan.

AYRSHIRE ECONOMIC JOINT COMMITTEE MEETING, 20 November

On 20 November, I chaired a meeting of the Ayrshire Economic Joint Committee (AEJC). Committee members received a report on the Ayrshire Growth Deal (AGD) Internal Audit Annual Report 2022/23 and an AGD Internal Audit Plan for 2023/24.

Attendees also received an update report on the development of AGD projects (as of the end of October 2023) and how each of these were progressing. At the programme level the initial outcomes from the October discussions have identified the potential for the Programme to undergo a Review with a focus upon the key capital projects which are likely to experience significant change. A Checkpoint Review process will be developed and agreed with partners and governments to examine both the Growth Deal programme and component projects at key decision points in their lifecycle. The approach and timing of the Programme Review is yet to be finalised.

AYRSHIRE SKILLS INVESTMENT FUND, 20 November

On 20 November, I attended an Ayrshire Economic Joint Committee Sub Committee of the Ayrshire Skills Investment Fund (ASIF). The ASIF Employer Grants Programme funding is aimed at helping employers grow and to develop their employees and increase skills for Ayrshire residents. The fund will support skills development in Engineering, Digital, Clean Growth and the Visitor Economy.

GARNOCK VALLEY LOCALITY VISIT, 21 November

On 21 November, together with North Ayrshire Council Chief Executive, Craig Hatton, I took part in the fourth locality visit, this time to the Garnock Valleys. As with previous visits, the aim was to meet with some of our staff and community groups and hear more about the work they are involved in.

LEADER'S REPORT



The first visit was to the new flood storage dam being constructed as part of the Upper Garnock Valley Scheme and which recently, following a public vote, is to be named 'Robin Dam'. The Robin is the name of the pool where generations of local people have met and is synonymous with swimming, fishing and walks up the river.

The new dam will retain water during periods of peak flow to reduce flood risk downstream whilst leaving river flow unaffected at other times. The dam, combined with flood defence walls and embankments, will increase flood protection for the community after suffering from a history of flooding.

Next stop was the Garnock Valley Men's Shed, who, following a community asset transfer, have taken over a 25-year lease of a former Council Cleansing and Grounds Maintenance Depot in Kilbirnie Public Park. The group also received Council funding in 2018 for renovations to the building. The group offer skills such as machine and lathe training, scale model building, music groups, woodwork initiatives and bespoke community projects.

The last visit was to the multi-million pound development at Lochshore Park in Kilbirnie to meet with the team involved in planning and developing projects and also some of the partners. As part of North Ayrshire Council's tree planting strategy - which is looking to plant 108,000 trees - Lochshore will see around 2400 trees planted in the community area.

In addition, there is the Lochshore Park Hub – which is available “to let” to members of the public and community groups for meetings, training, workshops and small events.

Once again, my thanks again to all involved for facilitating these visits and for giving an insight into some of their work.

OLDER PEOPLE'S CONFERENCE, 22 November

I was delighted to attend the Older People's Conference in my capacity as North Ayrshire Council Older People's Champion having taken up the role a few months ago. The Conference, which was held at Saltcoats Town Hall, was well attended by various senior community groups and provided a platform to deliver useful and practical information through a range of fantastic speakers. Attendees were also invited to take part in various interactive sessions in an effort to create an engagement and participation structure for our older people.

Thank you to all those who attended and I look forward to working with many of you in the future, to ensure that our older people's needs are considered in the planning and delivery of policies and services.

LEADER'S REPORT



MEETING WITH SCOTTISH GOVERNMENT MINISTER OF TRANSPORT, 22 November

On 22 November, together with North Ayrshire Council's Cabinet Member for Communities, Alan Hill and North Ayrshire Council's Chief Executive, Craig Hatton, I attended a meeting with Fiona Hyslop, Scottish Government Minister for Transport. This follows the announcement in the Scottish Parliament on 16 November, regarding the Clyde and Hebrides Ferry Services contract. The meeting was also attended by other Local Authorities who are served by ferry services.

Stakeholders will have an opportunity to contribute their views to the development of the new contract as Transport Scotland officials will, over the coming months, be holding a series of stakeholder events starting on the 20 November, followed by the launch of a formal public consultation in December.

1ST TIER JOINT CONSULTATIVE COMMITTEE & CORPORATE HEALTH AND SAFETY GROUP MEETING, 23 November

On 23 November, I chaired a meeting of the 1st Tier Joint Consultative Committee and the Corporate Health and Safety Group. Attendees received Health and Safety reports from various Directorates.

There was also an update on the progress of the LiveWell – Healthy Working Lives Programme, which is split into five key themes: PlayWell, BeWell, WorkWell, EatWell and SaveWell. Future activities planned include badminton sessions at the Portal and Largs Campus, football at the Circuit, wellbeing webinars on mental health, positive mindset, menopause, lifestyle factors and musculoskeletal health, Grief and Loss.

COSLA LEADERS', 24 November

COSLA Leaders' met again on 24 November to discuss a packed agenda including the following items:

- 16 Days Presidential Statement
- Business Gateway National Service Specification
- COSLA Governance Meetings 2024
- Verity House Agreement Update
- Local Government Finance
- Equally Safe Refreshed Strategy

LEADER'S REPORT



- Education Reform
- National Performance Framework
- National Care Service

The Presidential Opening Statement will mark COSLA'S participation in the United Nations International 16 Days of Action Against Gender Based Violence Campaign 2023. North Ayrshire Council will be supporting the Campaign and there are a number of events planned to include pledge signing by various partners and the Reclaim the Night Walk which will take place on 5 December.

ARRAN VISIT, 27 November

On 27 November, together with North Ayrshire Council Depute Leader and Cabinet Member for Education, Shaun Macaulay, I spent the day on Arran. It was a useful and informative day with visits to Arran High School, Arran Outdoor Education Centre and a meeting with Alastair Dobson, Chief Executive at "A Taste of Arran". My thanks again to all those involved for facilitating the visits and for giving up some of their time to meet with us.

MEETING WITH SCOTTISH GOVERNMENT CABINET SECRETARY, NEIL GRAY, 29 November

On 29 November, together with North Ayrshire Council Chief Executive, Craig Hatton, North Ayrshire Council Executive Director, Russell McCutcheon and representatives from the Arran Business and Economy Group, I attended a meeting with the Scottish Government Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, Neil Gray MSP. The meeting was following a request to meet to discuss the Arran economy and highlight the increased challenges Arran faces as it recovers from the pandemic, including rising inflation pressures and the cost-of-living and operating on Arran. It is hoped that by exploring fiscal levers and making changes to support and compensate a fragile island economy, that the island economy can recover.

The 2020 Fraser of Allander Institute report on The Impact of Covid-19 on the Arran economy recognised the uniqueness of the island's economy within North Ayrshire and Scotland. Unlike many of the Scottish Islands and much of rural Scotland, Arran has a year-round tourism season which the island economy relies on. Other island economies are less reliant on tourism, as historically they cannot, for various reasons, attract tourists outside the traditional season. Due to the prevalence of the tourism industry, Arran was disproportionately affected by the pandemic.

LEADER'S REPORT



AYRSHIRE SHARED SERVICES COMMITTEE MEETING, 1 December

On 1 December, I attended a meeting of the Ayrshire Shared Services Committee where all three Ayrshire Councils received an update on the Ayrshire Civil Contingencies Plan for 2024/25. Attendees were asked to note the plan and agree the proposals put forward.

MEETING WITH PHILIPPA WHITFORD MP, 1 December

Later on 1 December, together with North Ayrshire Council Chief Executive, Craig Hatton, I attended a meeting with Philippa Whitford MP. The meeting provided the platform for discussion around current key areas of interest including:

- Ardrossan Harbour Project
- The Ayrshire Growth Deal – The Great Harbour Project
- Levelling Up
- Active Travel in North Ayrshire
- Housing Updates

FINALLY

On behalf of all the Elected Members, I would like to thank all the staff in North Ayrshire Council for their invaluable work during the year and for their continued support in helping to deliver on a range of Council priorities.

In these challenging times, I hope that everyone can enjoy their Christmas with friends and loved ones.



Marie Bruce

LEADER'S REPORT



Councillor Marie Burns
Leader of North Ayrshire Council

NORTH AYRSHIRE COUNCIL

13 December 2023

North Ayrshire Council

Title: **Irvine Town Centre Working Group Update**

Purpose: To update Council on the progress made by the short life working group to evaluate options to bring the former Forum building, former Ruby Tuesdays building and subsequent surrounding buildings that have fallen into disrepair back into a usable state and to provide information on the recently announced £20m Long-Term Plan for Towns Levelling Up Fund award for Irvine town centre.

Recommendation: That the Council:

- a) Notes the progress made by the short life working group; and
- b) Notes the award of £20m Long-Term Plan for Towns Levelling Up Fund award for Irvine town centre; and
- c) Agrees that the short life working group be disbanded with any further action being progressed under the Long-Term Plan for Towns arrangements.

1. Executive Summary

- 1.1 A short life working group of Elected Members and officers was established regarding Irvine town centre in accordance with a motion passed by Council on 17 May 2023. The purpose of the working group was to discuss and evaluate options outlining the ownership position and options for bringing the former Forum building, former Ruby Tuesdays building and subsequent surrounding buildings that have fallen into disrepair back into a usable state.
- 1.2 Council received a progress update at its meeting on 13 September 2023 which outlined the identification of short-term improvements and the development of a feasibility study for the properties and agreed to receive a further progress update by the end of 2023.
- 1.3 On 30 September the UK Government announced Irvine as one of 55 towns across the UK to benefit from £20 million of investment. This will provide endowment style funding over a 10-year period under the Levelling Up Fund and Long-Term Plan for Towns.

1.4 This report provides an update on the progress made by the working group since September 2023 and seeks approval to the disbandment of the short-like member officer working group noting that further action in relation to these properties will be considered through the evolving arrangements being established to deliver the £20m investment in Irvine town centre.

2. Background

2.1 An initial update on the progress made by the working group was provided to Council on 13 September 2023. This outlined the composition of the working group and the identification and progress of three initial actions to:

- Engage with landowners to understand their plans for the properties and increase awareness of opportunities through the Repurposing Property Grant Fund.
- Identify and implement short term improvements to improve the aesthetics of properties and surrounding area, subject to securing the necessary consents and permissions.
- Develop a high-level feasibility study to consider potential opportunities to repurpose the properties and surrounding area.

2.2 Four meetings of the working group have now been held on 30 June, 23 August, 25 October and 29 November 2023. The initial actions have been progressed by Services in the intervening period. The ownership of the properties has been confirmed, with all being within private ownership. Contact has been made with three of the four owners. Officers continue to try and engage with the remaining owners and to obtain approval for the short-term aesthetic improvements. Significant effort has been made during the life of the working group and notably over the last 15 years to engage with the remaining landowner however they remain unresponsive.

2.3 Officers have continued to pursue a series of short term improvements to improve the aesthetic of the area. These include pressure washing, weeding, soft-washing and graffiti removal. Disclaimer waivers are being sought from landowners prior to implementing any short-term improvements alongside a contribution to the works where possible. Advice is being sought from Legal Services on the implications of implementing the improvements should such agreement not be forthcoming.

2.4 Consultancy support was procured via the Council's Professional Services Framework to prepare the high-level feasibility study. Graham and Sibbald presented and discussed the findings to the working group on 25 October 2023. The study has confirmed the complex landownership position and four current landowners. The intentions and aspirations of two of the four landowners for their properties have also been established.

2.5 The study considered a range of potential alternative uses for the properties based on acceptable uses for a town centre. This identified that:

- Retail, hotel, business, public buildings or green/public space uses were not considered viable uses.
- Private sector residential development was not considered viable. It noted that affordable Housing may be viable, depending on social housing developer and grant funding available.

- Community and cultural uses would be viable as short-term/pop-up uses to stimulate activity.
 - Food and drink and leisure uses were also considered as viable options.
- 2.6 The study provided high level indicative estimates for refurbishment, redevelopment and demolition. Potential development costs could not be estimated at this stage as development proposals have not been identified. The Study could also not provide accurate values for the existing buildings as it was not possible to inspect and measure the properties internally. Existing lease agreements were also unavailable.
- 2.7 The estimated costs are based on an approximate gross area of the existing buildings of 9,000 sqm. This was informed by the limited information available on the properties. The estimated costs were calculated using average cost rates provided via the current Building Cost Information Service (BCIS):
- Indicative refurbishment costs ranged from £14,000,000 to £25,000,000 depending on proposed end use.
 - Indicative redevelopment costs ranged from £19,000,000 to £32,000,000 depending on proposed end use.
 - Indicative demolition costs were estimated at £1,000,000.
- 2.8 The indicative estimates exclude a range of factors including: Professional fees, VAT, abnormal costs, developer contribution requirement, significant statutory services infrastructure upgrades associated with drainage, power and gas supplies, costs associated with potential existing services re-routing and acquisition costs. Detailed survey inspections by suitably qualified demolition contractors would be needed to enable more accurate cost assessments to be made.
- 2.9 A meeting was held with Scotland's Towns Partnership (STP) on 26 September 2023. The advice received was to consider creating a framework for the future of Irvine Town Centre as a whole. STP advised that comparable documents prepared for other towns have provided a catalyst for regeneration and encouraged private investment. STP has offered to provide ongoing support to North Ayrshire Council for such work.
- 2.10 This approach aligns with the requirements of the recent £20m award for Irvine under the Levelling Up Fund and Long-Term Plan for Towns. The award aims to support the development of a Long-Term Plan to invest in and regenerate the town, based on the priorities of local people and put to local people for consultation.
- 2.11 On 5 December 2023 Cabinet approved the interim governance structure and early commencement of work to develop a framework for the £20m investment in Irvine town centre. The arrangements are based on existing structures and the current Long-Term Plan for Towns prospectus requirements, noting that a full toolkit and guidance will be forthcoming for Scotland informed by engagement with the Scottish Government.
- 2.12 It is proposed that the short life working group be disbanded and that further action in relation to these properties be considered through the evolving arrangements being established to deliver the £20m investment in Irvine town centre. The work to date and findings of the working group will be incorporated into considerations through this process to inform action and the framework for investment.

3. Proposals

3.1 That Council:

- a) Notes the progress made by the short life working group; and
- b) Notes the award of £20m Long-Term Plan for Towns Levelling Up Fund award for Irvine town centre; and
- c) Agrees that the short life working group be disbanded noting that the work to date and findings of the working group will be incorporated into considerations through the Long-Term Plan for Towns process to inform action and the proposed framework for investment.

4. Implications/Socio-economic Duty

Financial

- 4.1 The actions progressed to date have been funded using existing Regeneration budgets and resources.

Human Resources

- 4.2 The actions progressed to date have been delivered through existing cross Service resources.

Legal

- 4.3 Disclaimer waivers will be sought from landowners prior to implementing any short-term improvements to the properties. The feasibility study outlines the high level legal implications of the options considered.

Equality/Socio-economic

- 4.4 The actions progressed to date assist in meeting our socio-economic duty as set out in the Fairer Scotland Duty. They seek to tackle the identified long-term vacant and derelict land and buildings within Irvine town centre thereby reducing their levels and impact on communities. They also aim to build community wealth and tackle local deprivation through the regeneration of our communities by maximising the potential of underutilised land and assets.

Climate Change and Carbon

- 4.5 The potential for sustainability and low carbon related improvements has been considered through the actions progressed to date and as part of the feasibility study.

Key Priorities

- 4.6 The actions progressed to date align with and contribute to the following Council Priorities:

- Wellbeing: To transition to a wellbeing economy, delivering prosperity, wellbeing and resilience for local people and to ensure our places and spaces where we live, work and visit are well maintained and accessible.
- Communities and Local Democracy: That our places encourage strong inclusive communities and respect the local environment and cultural heritage.

Community Wealth Building

4.7 The actions progressed to date contribute to our aims to build community wealth and tackle local deprivation through the regeneration of our communities by maximising the potential of land and assets. The potential for wider community wealth building opportunities and benefits will be investigated through the feasibility study.

5. Consultation

5.1 The working group is comprised of Elected Members and Officers from across Services, who are proactively engaged in the development of this work. The feasibility study process engaged with landowners and neighbouring landowners and Scotland's Town Partnership to learn from experience across Scotland.

RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact **Claire Fitzsimmons, Interim Senior Manager – Regeneration**, on **01294 315305**.

Background Papers

Regeneration Delivery Plan, 2021

Regeneration Delivery Plan Update, 2023

Council Report: Irvine Town Centre Working Group Update, September 2023

Cabinet Report: Irvine Town Centre: Long-Term Plan for Towns Levelling Up Fund Award, December 2023

NORTH AYRSHIRE COUNCIL

13th December 2023

North Ayrshire Council

Title: **Treating Care Experienced as a Protected Characteristic in North Ayrshire Council Equality Impact Assessments**

Purpose: To consider the impact of treating “care experienced” as a protected characteristic for the purposes of Equality Impact Assessments (EIA) and approve next steps in implementing this policy.

Recommendation: Council agrees: (i) to adopt the proposed definition of “care experienced” for the purpose of EIAs; and (ii) to amend the EIA template to include “care experienced” as a protected characteristic.

1. Executive Summary

1.1. This paper provides an update on the work that has been undertaken since North Ayrshire Council agreed the following motion on 29th March 2023:

“(a) To support adding “Care Experienced” to be treated as a protected characteristic in North Ayrshire’s Equality Impact Assessments to ensure all decisions made by Council gave specific focus on how the Council could improve the lives of care experienced young people; and

(b) To request that a report be brought to the Council to outline the next steps, including the Equalities Impact Assessments required, to implement this policy.”

This paper also seeks Council’s agreement to the proposed next steps required to implement this policy.

2. Background

2.1. The Equality Act 2010 prohibits discrimination on the grounds of the following protected characteristics (hereinafter referred to as the “statutory protected characteristics”):

2.1.1. Age

- 2.1.2. Disability
- 2.1.3. Gender reassignment
- 2.1.4. Marriage and civil partnership
- 2.1.5. Pregnancy and maternity
- 2.1.6. Race
- 2.1.7. Religion or belief
- 2.1.8. Sex
- 2.1.9. Sexual orientation

2.2. The public sector equality duty requires local authorities to have due regard to:

- a) The need to eliminate discrimination, harassment, victimization and any other conduct that is prohibited by or under the Equality Act;
- b) The need to advance equality of opportunity between persons who share a relevant statutory protected characteristic and persons who do not share it; and
- c) The need to foster good relations between persons who share a relevant statutory protected characteristic and those who do not share it.

2.3. Whenever a proposed new or revised policy or practice would have an impact on the public sector equality duty outlined above, the Council must carry out an EIA to assess the impact of the proposal on people who have a statutory protected characteristic.

2.4. If a decision is taken to amend the EIA template to include “care experienced” as a protected characteristic, it will be important to include a clear definition of what “care experienced” means for these purposes. The following definition is proposed:

“Anyone under the age of 26 years in the North Ayrshire area for whom North Ayrshire Council is, or has been, the Corporate Parent, or who is, or has been, looked after by North Ayrshire Council or any other local authority at any stage of their childhood, no matter how short. By ‘looked after’ we mean that the child or young person has been looked after by a local authority in foster care, kinship care or in residential care, or has been living at home subject to a compulsory supervision order made by the children’s hearing or has been subject to a kinship care order made by the court.”

- 2.5. The Council has obtained legal advice from King’s Counsel which confirms that in principle it would be competent to treat “care experienced” (as defined above) as though it was a protected characteristic for the purpose of EIAs. However, the proposal to amend the EIA template to include “care experienced” is a proposed new or revised policy or practice which could have an impact on the public sector equality duty, and accordingly an EIA requires to be carried out to assess the impact of this proposal on those who have a statutory protected characteristic before a final decision is reached on whether to adopt the policy. An EIA has been completed to assess the impact of adopting the above definition of “care experienced” as a protected characteristic in future EIAs. The EIA concluded that the implications of treating “care experienced” as a protected characteristic in future EIAs are broadly positive.
- 2.6. For the avoidance of doubt, “care experienced” would be treated as a protected characteristic for the purposes of EIAs only: the proposed change would not amount to a wholesale adoption of the public sector equality duty in relation to care experienced people. Similarly, the definition of “care experienced” adopted for the purposes of the EIA would not be used by the Council for any other purpose.

2.7. Next steps

- 2.8. If Council approves the recommendations set out in this report then the EIA template will be amended accordingly. This change will be supported with additional guidance on the challenges people who are care experienced face, information on taking a trauma informed approach and links to additional information and support.

3. Proposals

- 3.1. It is recommended that Council agrees: (i) to adopt the proposed definition of “care experienced” for the purpose of EIAs; and (ii) to amend the EIA template to include “care experienced” as a protected characteristic.

4. Implications/Socio-economic Duty

Financial

- 4.1. There are no financial implications arising directly out of this report. If the scope of EIAs is extended as proposed then this could ultimately influence future decisions which have a financial impact, however the Council would not be compelled to reach any particular substantive decision because of the EIA. EIAs are a procedural requirement whereby Councils are required to demonstrate that they have had “due regard” to the impact of a proposed policy on people with protected characteristics. Councils can legitimately make decisions which an EIA shows will have a negative impact on people with protected characteristics provided there are countervailing factors which justify this.

Human Resources

4.2. The proposed changes can be implemented with existing resources.

Legal

4.3. The Council is under a statutory duty to carry out EIAs in respect of the statutory protected characteristics. The proposals set out in this report to expand the scope of our existing EIA template have been informed by expert legal advice.

Equality/Socio-economic

4.4. The motion has been assessed and there is nothing to suggest that the proposal is likely to have any significant detrimental impact on any of the statutory protected characteristics. The proposal is expected to have positive impacts in cases where people with statutory protected characteristics are also care experienced and experience compound discrimination as a result.

Climate Change and Carbon

4.5. None.

Key Priorities

4.6. This paper supports Our Council Plan aim a 'North Ayrshire that is fair for all'. The Communities and Local Democracy priority contains a key activity on 'ensuring an inclusive, fair, rights-based and asset-based approach to our work' and 'our residents, including our children and young people, are confident in exercising their rights and actively do so'.

Community Wealth Building

4.7. None.

Consultation

4.8. Consultation was undertaken with area experts within our Council as listed in the Equality Impact Assessment.

Aileen Craig
Head of Service (Democratic)

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NORTH AYRSHIRE COUNCIL**13 December 2023****North Ayrshire Council**

Title: **Long-Term Financial Outlook 2024/25 to 2033/34 and Medium-Term Financial Outlook 2024/25 to 2026/27**

Purpose: To outline the financial challenges facing the Council over the next 10 years and examine the likely financial position of the Council's General Fund in the medium-term to inform the development of budget proposals.

Recommendation: That Council considers the Long-Term Financial Outlook 2024/25 to 2033/34 and the financial challenges identified in the Medium-Term Financial Outlook 2024/25 to 2026/27, notes the scale of the financial challenges which the Council faces over the medium and longer terms and brings forward proposals to set a balanced budget for 2024/25 and beyond.

1. Executive Summary

- 1.1 Local authorities continue to operate in an increasingly complex, challenging, and uncertain environment with public sector funding not keeping pace with the increasing costs and demand for services, with challenges in relation to the recovery from the Covid-19 pandemic, the cost-of-living crisis and ongoing global conflict. In this climate it is important that Councils take a long-term view. The Council's General Fund Long-Term Financial Outlook is the cornerstone of the Council's strategic financial framework and establishes a sound basis for the development of the Medium-Term Financial Outlook and subsequent annual budgets, enabling the Council to address the challenges it faces and help align resources to key priorities.
- 1.2. The Long-Term Financial Outlook 2024/25 to 2033/34 has identified an estimated funding shortfall of £127m over the next ten years which the Council requires to address. £48m of this gap occurs over the next three years. This includes anticipated pressures in relation to the Health and Social Care Partnership (HSCP) and is based on best estimates with sensitivity analyses highlighting the implications of changes to the underlying assumptions.
- 1.3. The Medium-Term Financial Outlook for the period 2024/25 to 2026/27 draws on the same data and projections as the Long-Term Financial Outlook and has identified a number of specific financial challenges in relation to the availability of Scottish Government funding for local authorities, the impact that anticipated demographic profile and other demand and cost pressures will have on the Council's cost base, and the strategies available to address the resultant funding gap. This has identified a structural funding gap of £48m which must be addressed as part of the Council's Medium-Term Financial Plan.

- 1.4 To address these financial challenges, the Council requires to develop a Budget Programme which delivers sustainable change and transformation at scale and pace over the medium and longer term and for this to be considered within the context of the key priorities set out within the Council Plan 2023-2028.
- 1.5 It is also vitally important that the Council looks at how it currently uses all available powers that support financial flexibility and considers such powers within the context of the scale of the financial challenges faced by the Council, the local circumstances, and the options available in delivering balanced budgets. This is recognised as a key component of the Verity House Agreement with Scottish Government.
- 1.6 Elected members continue to receive briefings on the contents of the Medium-Term Financial Outlook and officers are currently developing proposals to support the Medium-Term Financial Plan for 2024/25 to 2026/27, which will be presented to Council for consideration on 28 February 2024.

2. Background

Long-Term Financial Outlook (LTFO)

- 2.1 The Council's previous LTFO, covering the period 2021/31, was approved by Council in December 2020. The LTFO provides the cornerstone of the Council's strategic financial framework and establishes a sound basis for the development of the Council's Medium-Term Financial Plan and annual budgets. The financial framework was developed to help guide the Council through the challenging economic climate and continuing real terms reduction in resources and support the planning for longer term financial sustainability of priority services. This has been exacerbated in recent years by the impact of high levels of inflation.
- 2.2. The significant risks that the Council faces are set out in the Council's Strategic Risk Register. There are several high scoring risks being managed by the Council. The 2 highest scoring risks are summarised below:
 - **Financial Environment** (risk score 20) - this risk reflects the ongoing financial challenge faced by the Council and notes that the level of funding for local government will require the Council to take increasingly difficult and challenging decisions to ensure that service delivery and investment is aligned to available resources;
 - **Inequalities** (Risk score 20) - this highlights the socio-economic inequalities faced in North Ayrshire reflecting those residents of North Ayrshire and, in particular, certain excluded groups will experience increasing levels of poverty and its effects resulting in the continued increase of socio-economic inequality in the area;
- 2.3. The revised Long-Term Financial Outlook 2024/25 to 2033/34, appended to this report, outlines the potential impact of :
 - The strategic financial framework;

- Local issues for North Ayrshire including our current and anticipated demographic and health profiles, employment and levels of deprivation and the impact these will have on the Council's income and cost base;
- Global and national economic performance;
- Factors affecting Scottish Government funding and funding for Local Government;
- The financial outlook for North Ayrshire including funding and expenditure requirements;
- A review of the Council's balance sheet including assets, debt, future liabilities and reserves; and
- The strategic response required by the Council to ensure future financial sustainability.

Key Messages

2.4 The LTFO highlights a number of key messages in relation to the anticipated financial environment and the potential impact on funding and expenditure requirements of the Council over the next 10 years, including:

- **Demographic Changes** – North Ayrshire's overall population is forecast to reduce by 4.2% over the period, with reductions in the numbers of children and working age adults being offset by a projected 17.1% increase in Older People. At the same time the percentage of North Ayrshire residents living with disabilities or long-term health and mental health issues is projected to be higher than the Scottish average. This will likely result in significant changes to demand for services, particularly in Communities and Health and Social Care;
- **Economic Impacts** – North Ayrshire's economy is still recovering from the pandemic. The cost-of-living crisis continues to be impacted by high levels of inflation. The percentage of adults claiming out of work benefits is 43% higher than the Scottish average and 26.9% of North Ayrshire's SIMD datazones are within the 15% most deprived in Scotland.
- **Other Expenditure Requirements** – In addition to the demographic and economic impacts on service demands, the expenditure requirements of the Council will be subject to further pressures in relation to pay and price inflation and the revenue implications of the Council's ambitious General Services Capital investment Programme which will result in increased budget pressures across the full timeframe of the LTFO;
- **External Funding** – Aggregate External Finance (AEF) is influenced by the level of Scottish Government funding allocated to Local Government each year. The Scottish Government has already indicated from its Spending Review a projected "flat cash" level of funding for local government over the medium-term. When set against a backdrop of high inflationary costs this creates a significant budget gap. From the overall quantum of anticipated funding nationally, the North Ayrshire demography is the largest influencing factor that determines our share and the

changes forecast by the National Records for Scotland have been used to quantify the potential movement in AEF for North Ayrshire over the next 10 years. The plan assumes that AEF will be fixed (flat cash) over the next 3 years. Based on previous funding settlements, although the demographic changes in North Ayrshire would normally lead to a proportionally reduced share of flat cash funding, this position has been adjusted through a mechanism known as “the Floor”. This has minimised the impact of the demographic shifts to date. The current planning assumption is that this approach will continue until 2026/27 then the impact of a falling population demographic will lead to reduced funding from 2027/28. There is also the continued direction of funding to support Scottish Government funding priorities within Health and Education portfolios. This could further limit any available funding for core services. A key focus for all Councils is to continue to work in partnership with Scottish Government via COSLA as part of the Verity House Agreement, with the aim of delivering jointly agreed outcomes whilst Councils retain financial flexibility across a range of policy areas.

- Council Tax Income and the Use of Reserves – As funding from the Scottish Government in relation to core services is not keeping pace with the increasing costs and demand for services, North Ayrshire Council will become increasingly reliant on income from Council Tax and internal reserves to fund service delivery. Following the proposed Council Tax freeze in 2024/25, as announced in October, the LTFO assumes a 3% per annum Council Tax increase over the period. AEF is expected to increase by £3.2m in 2024/25 to compensate for the freeze in Council Tax. This equates to a 5% increase in 2024/25. North Ayrshire Council approved the use of reserves generated from service concession flexibility on 1 March 2023. This won't provide a sustainable solution to the anticipated funding gaps; however, it will provide temporary mitigation through a controlled application of reserves over the medium-term. This will require to run in parallel to the delivery of more sustainable measures in reducing the Council's cost base.
- The Financial Challenge - The LTFO identifies an estimated funding shortfall of £127m over the next ten years. £48m of this gap occurs over the next three years. This is based on best estimates with sensitivity analysis highlighting that a 1% change in the underlying assumptions could result in this increasing to as much as £265m over the same period.

The Medium-Term Financial Outlook

- 2.5 The Medium-Term Financial Outlook for the period 2024/25 to 2026/27 draws on the same data and projections as the Long-Term Financial Outlook, however, brings into sharp focus the short and medium-term impacts from recent key global, UK and national events, all of which have contributed to an extremely challenging financial landscape for citizens, communities, and local government finance.

Economic Outlook

- 2.6 Funding for public services is linked to the performance of global and national economies and through the volatility in financial markets. UK Government fiscal policy and Bank of England Monetary policy decisions have a significant influence on local government finance whether it is through the level of Block grant available to

Scotland, or the purchasing power associated with this funding within the context of inflation and the level of interest rates.

- 2.7 Through 2023 /24 households will continue to experience pressures on disposable income. Pay increases over the last 2 years have not kept pace with inflation and interest rates have increased significantly. These factors also have a significant impact on local government finance.

Inflation

- 2.8 Whilst Inflation is reducing, CPI 4.6% as at November 2023, it remains above the Bank of England (BoE) target of 2%. Latest forecasts project Inflation reaching the BoE target in 2025. The biggest price rises have been connected to basic goods, like food and energy and costs of materials in the construction sector. It is important to also note the impact higher inflation has on many contracts that are linked to inflation indices. This will continue to have a material effect on the financial pressures facing local government.

Public Sector Pay

- 2.9 Employee costs represent 49% of the Council's gross expenditure budget. Inflationary pressure in this area represents the most significant pressure that will be faced by the Council over the medium and long-term. Pay awards have been agreed with all staff groups in 2023/24, with the Council funding element of the increase equating to around 3%. The planning assumption across the medium and long-term is for the Council funding element for pay awards to remain at a 3% increase each year. Future pay negotiations will be influenced by the ongoing level of inflation and the trade union commitment to progress towards a minimum pay level of £15 per hour for staff. The latter having significant financial implications for public sector finance.
- 2.10 Employees of North Ayrshire Council are members of the Strathclyde Pension Fund or the Scottish Public Pension Agency. Both pension schemes routinely review employer pension contributions. There are planned changes to Scottish Public Agency contribution rates from 23% to 26% from 2024/25. This will cost an additional £2m per annum for North Ayrshire Council. It is assumed at this time that this increase will be fully funded by Scottish Government through Barnett consequentials. There is also a planned decrease to Strathclyde Pension Fund contribution rates from 19.3% to 6.5% for 2024/25 and 2025/26 before increasing to 17.5% from 2026/27. The planning assumption made across the medium and long-term is to retain the recurring contribution rate at 17.5% as this represents the revised base structural rate for the Council. It is recognised however, that a non-recurring pension rebate will occur across 2024/25 and 2025/26. To achieve financial sustainability, the Council requires to fully address the structural budget gap faced in 2024/25 and across the medium-term. By doing this an opportunity for non-recurring strategic investment will arise in 2024/25 and 2025/26.

Interest Rates

- 2.11 The Bank of England Monetary Policy Committee met on 1 November 2023 and voted to maintain the bank base rate at 5.25%. It is projected that the base interest rate has reached its peak at 5.25% with gradual reductions forecast from the second half of

2024. Similar levels of interest rate are available to Councils for borrowing through the Public Works Loans Board. The rates available are linked to the performance of government bond yields (Gilts). Current projections indicate levels will remain fairly static through 2024.

The Scottish Landscape

2.12 The Scottish Government (SG) Spending Review published in May 2022 reinforced SG priorities of reducing child poverty, addressing the climate crisis, building a strong and resilient economy, and helping public services recover from the pandemic. The SG Medium-Term Financial Strategy was updated in May 2023 and reflected the significant impact of inflation on areas including public sector pay and capital spending.

2.13 The SG also set out details of Public Service Reform which included:-

- Efficiency levers, across digital, shared services, public sector estates, procurement and grant management, each of which are being progressed within Scottish Government, and by individual public bodies and partners.
- Revenue raising to maximise the funding available to invest in and support our public services.
- Pay sustainability and the need for a strategy be linked to both reform and to fiscal sustainability

2.14 The Spending Review also set out the critical role that local government plays in delivering services and improving outcomes for people in Scotland, while recognising the pressure on budgets experiencing growing demand. The New Deal with Local Government – The Verity House Agreement, published on 30 June 2023, agreed three shared priorities.

- tackling poverty,
- just transition to net zero and,
- sustainable public services

2.15 The Partnership Agreement set out the intention for National and Local Government to work together to deliver shared priorities. A key component of this is the Local Government Fiscal Framework which seeks to simplify and consolidate the Local Government Budget Settlement to ensure reduced reliance on ring-fenced funding and establish clear routes to explore local revenue raising opportunities. These opportunities include:-

- **A review of the Council tax multiplier for properties above Band D** – Following a SG Consultation and in view of the SG's recent announcement to freeze council tax for 2024/25 it is likely that any consideration for such changes will be in advance of the 2025/26 Budget.
- **Council tax premium for second homes** – Legislation will shortly be presented to parliament to provide councils with powers to charge a premium of up to 100% council tax. This would bring the premium in line with long-term empty properties. The policy intent being to help address the level of housing need and provision across the country. It is anticipated that this will be in

place prior to the 2024/25 Budget and a report will be presented to Council in February to consider these powers within the context of the Budget Settlement and local circumstances. Further changes to primary legislation that will allow charges of up to a 300% premium are also anticipated. This is likely to be progressed through 2024.

- **Tourist Visitor Levy** - The [Visitor Levy \(Scotland\) Bill](#) was introduced to the Scottish Parliament in May 2023. The legislation will give local councils the ability to add a tax to overnight accommodation if they wish to do so. This will be based on a percentage of the cost, with the rate set by individual councils. Councils could choose to apply the levy in all or part of their area - but will have to consult with local communities, businesses, and tourist organisations before introducing a levy. Discussions continue around this scheme with the potential cost of administration also being a key factor in any future consideration. In terms of timescale, it is unlikely that any scheme would be in place prior to 2026/27.
- **Areas of ring-fencing** – An important element of the partnership agreement is the principle of achieving agreed joint outcomes in key policy areas without the need to ring-fence resources to deliver this. This is most prevalent in funding directed to the HSCP and in Education, through maintaining teacher and support staff numbers. The current approach significantly limits the level of flexibility to local authorities and places a disproportionate level of financial pressure on other core council services.

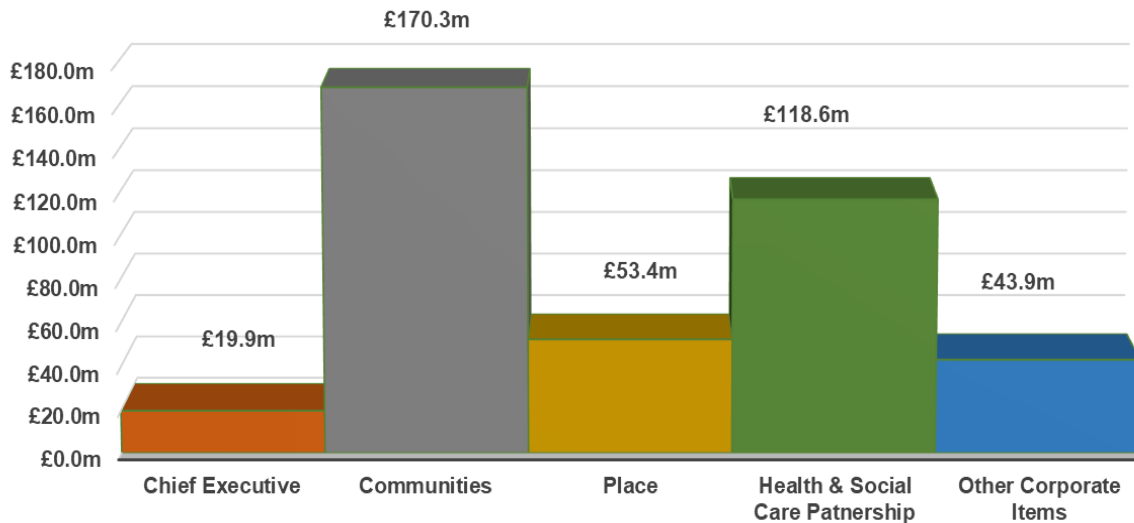
2.16 Although the use of revenue generation powers and financial flexibilities is important in helping to manage the financial resources of the Council, the case for financial sustainability and fair funding for local authorities must continue to be recognised, especially when the level of SG general grant allocation is set within the context of significant inflationary pressures, legacy pandemic and demographic pressures.

Financial Outlook for North Ayrshire Council

Allocation of Resources

2.17 The Chart below summarises the allocation of resources for 2023/24 approved at Council in March 2023, with around 50% of gross expenditure relating to employee costs;

Annual Net Budget 2023/24 - £406.1m



2.18 As noted in section 2.15 of the report it is recognised that in the last number of years, the level of influenceable budget which is not linked to Scottish Government requirements or statutory contractual commitments, be it through the Health and Social Care Partnership or large elements of the Communities budget (Education), has greatly reduced. This continues to place a disproportionate level of pressure on the other Council budgets.

Medium-Term Financial Pressures and Planning Assumptions

2.19 Following an assessment of cost pressures and income levels anticipated over the next 3 years forecasts continue to be subject to a degree of volatility. In addition, work to review the General Services Capital Programme continues to be impacted by a very high level of construction inflation. When set within the context of the current planning assumptions around funding, this has resulted in a projected medium-term funding gap of £48m (including the HSCP) and £30m (excluding the HSCP) over the next 3 years. Areas of significant pressures identified within the Medium-Term financial Outlook include:

Workforce costs

2.20 Agreement has now been reached with all bargaining groups for 2023/24, with the teachers' pay agreement running to July 2024. The Council funding element of the increase equates to around 3%. The current planning assumption across the medium and long-term is for the Council funding element of pay awards to remain at a 3% increase each year. Future pay negotiations will be influenced by the ongoing level of inflation and the trade union commitment to progress towards a minimum pay level of £15 per hour for staff. The latter having significant financial implications for public sector finance.

Staff Group	2024/25 Planning Assumption	2025/26 Planning Assumption	2026/27 Planning Assumption
Teachers	3%	3%	3%
Other Staff	3%	3%	3%

2.21 As noted in section 2.10 of the report there is a planned decrease to Strathclyde Pension Fund contribution rates from 19.3% to 6.5% for 2024/25 and 2025/26 before increasing to 17.5% from 2026/27. The planning assumption made across the medium and long-term is to retain the recurring contribution rate at 17.5% as this represents the revised base structural rate for councils. It is recognised however, that a non-recurring pension rebate will occur across 2024/25 and 2025/26. To achieve financial sustainability, the Council requires to fully address the structural budget gap faced in 2024/25 and across the medium-term. By doing this an opportunity for non-recurring strategic investment will arise in 2024/25 and 2025/26. This position will be considered by elected members as part of the budget setting process for 2024/25 and 2025/26.

Other Inflationary Costs

- 2.22 Inflationary cost increases have been included in forecasts for major utilities (electricity and gas), fuel, food and those contractual commitments with increases linked to inflation indices. In respect of utilities, cost forecasts are based on rates secured via Procurement Scotland from the advance purchases and from available price indices applied to the balance of expected energy need across each of the years. It should also be noted that additional financial provision has been made to support the activities of the council subsidiary KA Leisure. This is in recognition of the significant increase in energy costs to maintain service delivery. This support runs in parallel with an ongoing review of the leisure operations.
- 2.23 Major contracts linked to inflation indices include PPP contracts and waste contracts. Cost impacts based on inflation forecasts over the next 3 years have been included in the budget model. In addition to this an allowance has been made to cover other major contractual increases e.g. Strathclyde Passenger for Transport and to meet legislative requirements.
- 2.24 The Council makes no provision for general inflation. It is recognised that due to the high levels of inflation this will place further significant strain on operational budgets across the Council. The implications of this will include a reduced level of purchasing power for a range of materials and commodities and re-phasing of programmes / activities to operate within existing resources on an annual basis. It is important that elected members are kept fully informed of any impacts.
- 2.25 With the cost of borrowing projected to remain high this will require additional revenue investment across the medium-term to fund delivery of the Council's ambitious capital programme. This, along with high levels of construction inflation continues to place a significant burden on the affordability of the 10-year capital programme.

Local Government Funding and Anticipated Budget Gap

- 2.26 Single year settlements have been a feature of Scottish Government budget setting since 2015/16. This approach continues to create a high level of uncertainty around future funding levels and can impede progress in delivering sustainable change. This, alongside the complex interaction of block allocations from the UK Treasury, Scottish Government fiscal policy, priorities and commitments and the complexities of the distribution formulae, makes it difficult to forecast future grant funding levels. The publication of the SG Spending Review in May 2022 and the updated SG Medium-Term Financial Strategy in May 2023 provides an indication of the level of overall financial resource. This sets out a broadly “flat cash” funding position.
- 2.27 Within this funding context and with a predicted decline in overall population for North Ayrshire it is both reasonable and prudent to assume that the level of future budget settlements will remain very challenging. The LTFO forecast includes a flat cash funding projection over the duration of the next 3 years followed by funding reductions from 2027/28 as the impact of the declining North Ayrshire population demographic reduces the proportionate share of national resources based on an overall quantum of flat cash across the period.
- 2.28 Following the announcement by the SG of a Council tax freeze in 2024/25, the Medium-Term Financial Plan includes a planning assumption of SG funding to the level of a 5% increase in Council tax for 2024/25. It is recognised that there is risk to this assumption, however, current levels of inflation remain high (4.6% in November 2023) therefore it is reasonable to assume this level of funding. For 2025/26 and 2026/27 Council tax has been projected at a 3% increase for each year. This position also assumes that the SG funding for the freeze in 2024/25 will be mainlined into the Council’s base budget for 2025/26.
- 2.29 Since 2017/18 the Council has used over £18m of reserves to support recurring expenditure. A review of all revenue reserves will be carried out as part of the Medium-Term Financial Plan. The Council meeting of 1 March 2023 approved the use of reserves, generated from Service Concession flexibility, to support the Budget programme over the medium-term. Due to the scale of the budget gaps forecast this funding will be an essential element to deliver balanced budgets over the medium-term. This approach will provide only temporary mitigation, however, and will require to run in parallel to the delivery of more sustainable measures in reducing the Council’s cost base. Approved reserves to support the Budget are included in the undernoted table.

Reserves	2024/25 £m	2025/26 £m	2026/27 £m
	£5.0m	£4.0m	£3.5m

- 2.30 A summary of the anticipated funding gap position of the Council (including the HSCP) over the next three years is provided in the table below. This does not incorporate any planned use of reserves noted in the table above. Further work continues to refine the underlying assumptions. Options to address this position are

being progressed and will be presented to Council on 28 February 2024. It is recognised that the scale of the financial challenge facing the Council is significant.

	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
General Fund Gross Funding Gap	£16.0m	£7.0m	£7.0m	£30.0m
HSCP Pressures	£5.5m*	£6.3m	£6.1m	£17.9m
Total	£21.5m	£13.3m	£13.1m	£47.9m

*Total HSCP projected pressures in 24/25 £8.1m less anticipated additional Council funding of £2.6m.

Sensitivity Analysis

2.31 Given the uncertainty that underpins the assumptions, sensitivity analysis has been carried out on the key components. A +/-1% movement on these is noted below:

- Scottish Government Grant £3.4m;
- Council Tax Funding £0.65m;
- Payroll incl. HSCP £2.6m

Reserves Strategy

2.32 The Council's usable reserves are classified as either earmarked or unearmarked. The Council's current unearmarked reserves, i.e., those set aside to allow the Council to manage any unanticipated events, currently total £8.053m, equivalent to 2% of General Fund net budgeted expenditure. This represents the lowest end of recommended best practice of between 2% and 4%. In addition to unearmarked reserves, earmarked reserves have been established to meet a range of known commitments, including the Council's Investment fund and Recovery and Renewal Investment programme, and it is anticipated that these will reduce significantly over the next few years.

2.33 The level of Council reserves requires to be maintained at the right level to ensure the Council's future financial stability. These are kept under review and considered annually on the setting of the Council's Budget.

2.34 The Council also maintains statutory reserves in the form of an Insurance fund and Capital Fund. The Insurance Fund is maintained to meet the cost of future insurance liabilities, while the current Capital Fund is earmarked to support the Council's Capital Investment programme and any capital financing requirements.

Health and Social Care Partnership (HSCP)

- 2.35 The Integration Scheme sets out the Integrated Joint Board's (IJB) responsibility for financial planning and management of the HSCP's resources. The IJB has an implicit statutory obligation to set a balanced budget.
- 2.36 Information on anticipated pressures and proposed savings options are shared with North Ayrshire Council to inform the allocation of resources delegated to the IJB. The level of contribution to the HSCP is based on an anticipated "flat cash" planning assumption where the HSCP address budget pressures through the delivery of equivalent savings and with the use of reserves. The allocation of resources will also continue to be influenced by any requirements set out in the local government finance settlement. The HSCP have identified financial pressures of £8.093m (£5.537m net) in 2024/25 and £20.505m (£17.949m net) over the next 3 years. The position for 2024/25 currently assumes the passporting of Scottish Government funding to support the 2023/24 pay settlement.
- 2.37 The HSCP currently hold earmarked reserves of £9.964m, and unearmarked reserves of £6.448m, which represents around 2.3% of the HSCP Budget.

The Council's Approach

- 2.38 The reduction in resources continues to occur at a time of significant inflationary cost and demographic pressures. £70m of savings have been delivered since 2017-18 which creates a greater future challenge.
- 2.39 Together with the anticipation of continued pressure on public sector funds, this requires the Council to take a longer-term approach to financial planning. The requirement for such an approach is recognised by several bodies including CIPFA and Audit Scotland.
- 2.40 The Council's approach, as set out in the Long-Term Financial Outlook, will be considered within the context of the Council Plan 2023-28, approved at Council in June 2023. The Council's key priorities are defined as:
- Wellbeing – to transition to a wellbeing economy, delivering prosperity, wellbeing, and resilience for local people.
 - Communities and Local Democracy – we will have active, inclusive, and resilient communities.
 - Climate Change – achieving net zero by 2030.
 - A Sustainable Council – a Community Wealth Building Council that is efficient and accessible, maximising investment and focusing resources towards our priorities.
- 2.41 The Council will require to prioritise available funding in accordance with its statutory and regulatory duties and aligned with the key priorities. This will also require to be supported by the delivery of change and Transformation at scale and pace and the Council will also have to consider the use of any financial flexibility from the statutory

powers it already has and those powers that could arise through progression of the Verity House Agreement.

- 2.42 It is important to carefully plan and manage the impact of any change on the workforce. The Council continues to develop Workforce Plans that will support the scale of change and transformation the Council requires to deliver. There is planned investment to support workforce planning arrangements, including a Voluntary Early Release programme in 2024/25.

Capital Investment Programme

- 2.43 The General Services Capital Investment Programme 2023/24 to 2030/31 was approved at Council on 1 March 2023. The review currently being undertaken as part of the 2024/25 Budget will focus on the affordability of the programme when considering the additional cost pressures, mainly through high levels of construction inflation and contractor claims. The financing of the capital programme through borrowing continues to be affected by high levels of interest rates, in government Gilt yields which links directly to the rates available through the Public Works Loans Board (PWLB). It is therefore prudent to help address the ongoing financial risks, that further financial provision is incorporated in the medium-term financial plan to supplement the existing loans fund resources, recognising however, that this will place further strain on the revenue budget.
- 2.44 As well as the additional costs being incurred in the capital programme, it is also recognised that, from the impact of inflation, the purchasing power of lifecycle investments is greatly reduced. This affects capital investments in roads, property, vehicles, ICT and other infrastructure. To operate within available financial resources, even by sustaining the level of budgeted investment this will result in a real term reduction in the level of investments across these areas and will lead to the requirement to re-profile programme activity over a longer period. This position will also be reviewed as part of the 2024/25 Budget along with investment to support the Council's key priorities and delivery of the Transformation programme through invest to save initiatives.
- 2.45 In terms of funding the capital programme, further prudent assessments will be undertaken around the level and timing of capital receipts, the anticipated level of Scottish Government capital grant, the anticipated funding profiles associated with the Ayrshire Growth Deal and how the use of the Council's loans fund reserve and capital fund will support the programme across the 10 years.
- 2.46 The anticipated revenue implications of the Capital Investment Programme have been reflected in both the Medium and Long-Term Financial Outlook. However, any further operating or staffing costs resulting from changes or additions to the Capital Investment programme will result in an increased funding gap from the year of completion.

Progress and Next Steps

- 2.47 In advance of the presentation of the Medium-Term Financial Outlook report, briefings for elected members have been carried out.

- 2.48 Officers continue to progress the Budget programme and develop options to address the significant budget gap covering the period 2024/25 to 2026/27. The SG Budget Settlement for 2024/25 is due to be published on 19 December 2023. It is anticipated that the settlement will present a stark financial challenge to the Council which will require elected members to consider difficult choices. Further progress to date will be shared with elected members during January 2024.
- 2.49 Discussions continue with the Integration Joint Board to support a partnership approach to development of the Health and Social Care Partnership's budget.
- 2.50 The Council is currently running an on-line Budget engagement exercise, and this is due to close on the 15 December 2023. The results of this exercise will be shared with elected members in advance of the Council Budget meeting. An on-line community engagement session with community group representatives will take place at the end of January 2024. In view of the current financial challenges, it is important that citizens both understand the scale of the challenge and provide feedback on their views to help inform the prioritisation of resources as part of the Budget setting process.
- 2.51 It is planned that proposals for the Medium-Term Financial Plan 2024/25 to 2026/27 will be presented to Council for consideration on 28 February 2024.

3. Proposals

- 3.1 That Council considers the Long-Term Financial Outlook 2024/25 to 2033/34 and the financial challenges identified in the Medium Term Financial Outlook 2024/25 to 2026/27, notes the scale of the financial challenges which the Council faces over the medium and longer terms and brings forward proposals to set a balanced budget for 2024/25 and beyond.

4. Implications/Socio-economic Duty

Financial

- 4.1 The anticipated funding gap over the period 2024/25 to 2026/27, based on current assumptions, is £48m. Council will require to set a balanced budget for 2024/25 and future years.

Human Resources

- 4.2 It is anticipated that delivery of savings will impact on the Council's future workforce. The Council has established corporate and service workforce plans which include active management of the size of its permanent workforce; vacancy management and review of temporary contracts. During 2023 the Council has also run a corporate Voluntary Early Release programme with those staff approved for release on 31 March 2024. Communication and regular consultation will continue to take place with the workforce and Trade Unions.

Legal

- 4.3 It is a statutory requirement for the Council to set a balanced budget and appropriate level of Council Tax to support this. Development of a balanced budget is contingent on identification and subsequent delivery of significant transformation and savings alongside management of risk and pressures, particularly those of a demand led nature. Chief Officers will require to provide assurance that plans are in place to secure delivery of proposed savings and deliver services within the final financial envelope.

Equality/Socio-economic

- 4.4 An Equality Impact Assessments will be carried out for all options presented to Council to assist Council's in making decisions on the bridging of the funding gap.

Environmental and Sustainability

- 4.5 This is a key priority for the Council. Significant levels of investment are already in place through the Capital programme and Council Investment funds. Moving forward this will continue to be a key area where available investment will be prioritised in order to progress the Council towards achieving net zero.

Key Priorities

- 4.6 In addressing the financial challenge which the Council faces it will seek to minimise the impact this has on delivering its key priorities within the context of the Council Plan 2023-28.

Community Wealth Building

- 4.7 All capital and revenue investment will be considered within the context of the Council's Community Wealth Building Strategy.

5. Consultation

- 5.1 Development of the Council's medium-term financial plan is carried out collaboratively across the Executive Leadership Team and with key Partners and stakeholders.

Mark Boyd
Head of Service (Finance)

For further information please contact **Mark Boyd, Head of Finance**, on **01294 324560** .

Background Papers

None



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Long Term Financial Outlook 2024/25 To 2033/34

North Ayrshire Council

THE FINANCIAL OUTLOOK

Executive Summary

Councils are operating in an increasingly challenging environment with public sector funding failing to keep pace with the backdrop of increasing costs, demand for services and public expectations. In this climate it is essential that Councils consider the long-term financial outlook, an essential component of the overall financial framework, that sets the context for annual and medium-term financial planning and ensures that resources are targeted to key priorities. This outlook report relates to the Council's General Fund. The Housing Revenue Account has its own 30 year business plan.

Councils operate in a complex environment and are impacted by local, national and global factors. The long-term financial outlook assesses the potential impact of these on North Ayrshire, concluding that these will increase demand for services at a faster rate than available financial resources.

The long-term financial outlook will enable the Council to plan its response to these challenges and support future decision making. The outlook report identifies an estimated funding shortfall of £127m over the next ten years which the Council requires to address. £48m of this gap occurs over the next three years. This is based on best estimates with sensitivity analyses highlighting the implications of changes to the underlying assumptions.

The Financial Outlook also considers the assets that support service delivery and the longer term liabilities which the Council may be required to meet. The report shows that the Council is well placed to meet its liabilities over the ten year period and pension contributions are being made at the levels recommended by the Pension Fund.

A clear strategy is required to ensure the Council remains financially sustainable over the longer term. This will require the Council to continually review the services which will be delivered, how they will be delivered and who will deliver them. The Council's financial framework, of which this Long-Term Financial Outlook is a part, supports robust financial planning and management and helps align resources to the priorities detailed in the current Council Plan 2023 – 2028 and the development of future plans.

PURPOSE

TAKING A LONGER TERM VIEW

North Ayrshire Council is hugely ambitious for North Ayrshire and its residents and is committed to making sure the area reaches its full potential. We have well established plans for the future, with a Council Plan which outlines our priorities and ambitions and what we want to achieve by 2028.

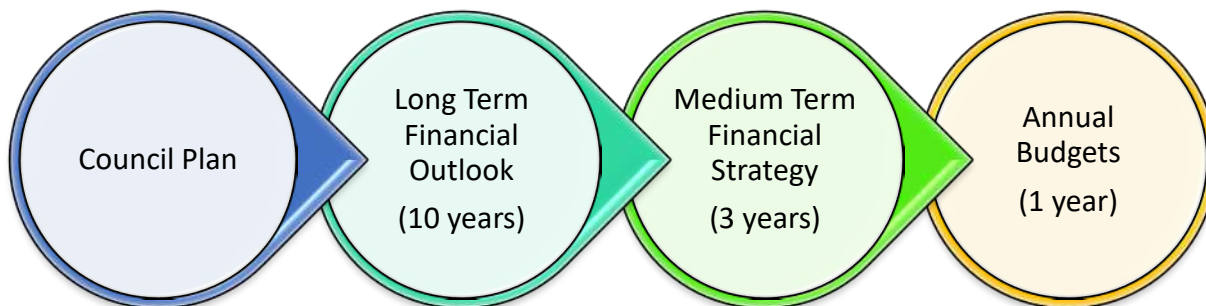


The Council Plan is supported by Directorate and Operational Plans and service strategies, investment and management plans which underpin day to day service delivery. These plans and strategies set out what the Council wants to achieve, how it will deliver this, and the resources required to secure the desired outcome.

Councils are operating in an increasingly challenging environment with public sector funding failing to keep pace against a backdrop of increasing costs, demand for services and public expectations. In this climate it is essential that Councils assess the long term financial outlook to ensure resources are targeted to key priorities and set the context for medium term and annual financial planning.

Strategic Financial Framework

North Ayrshire has a track record of sound financial planning and management with a Strategic Financial Framework which encompasses General Services, the HRA, Treasury Management and Capital Investment. In terms of the General Services, the key components of the framework supported by regular financial reporting are illustrated as follows.



Despite the unprecedented levels of uncertainty, this tiered approach is essential as it aligns with the expectations of Audit Scotland; underpins the wider strategic plans of the Council; ensures the Council has a robust financial framework in place to support financial sustainability and guarantees that the Council is best placed to manage the financial challenges that it faces.

This framework, allied to a proactive approach to transformation, continuous improvement and efficiency, has contributed to the delivery of over £70m of savings since 2017/18.

The Long-Term Financial Outlook is an important part of the Council's strategic planning process and is integral to the delivery of our ambitions. The Council's previous long-term financial strategy covered 2021-2031. This report covers the period 2024-2034.

This report outlines the forecast financial position of the Council over the next 10 years and considers whether spending is sustainable over this period of time. Crucially it identifies the financial challenges which the Council will face and the approach which will be required to deliver financial sustainability over the longer term.

In preparing the report a wide range of factors have been considered to ensure a robust financial position is established for the Council. Some of these are shown below and will be explored further.



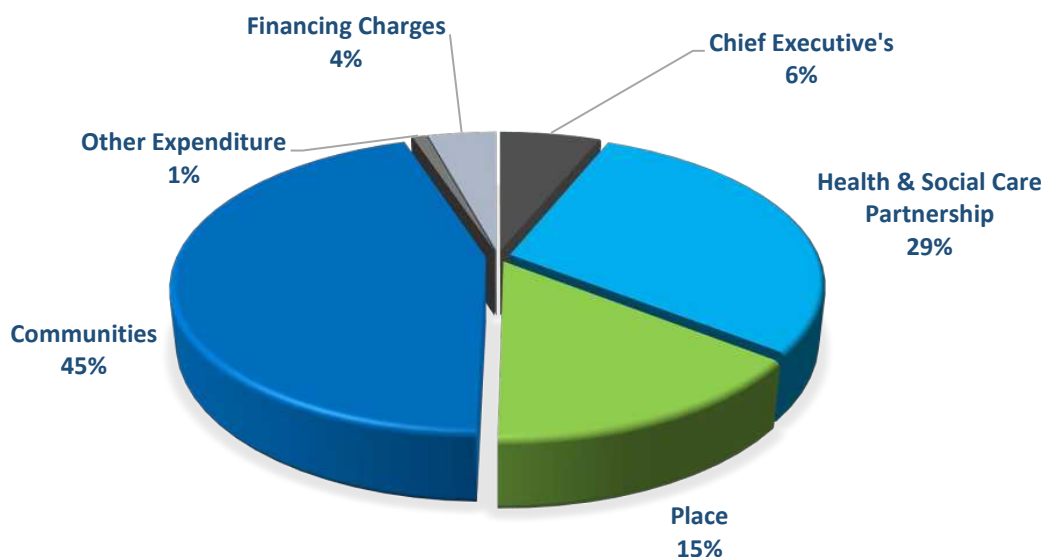
WHAT ARE THE LOCAL ISSUES?

North Ayrshire is located on the west coast of Scotland and shares borders with Inverclyde, Renfrewshire, East Ayrshire and South Ayrshire. The area covers 342 square miles and is home to approximately 133,300 people, or 64,300 households. North Ayrshire is a diverse part of Scotland, with island, coastal and rural areas comprising urban towns and villages.

Whilst the area has many positive aspects, such as good transport links, affordable housing, parks and outdoor leisure space, development potential and a distinctive cultural heritage, many residents face disadvantage, with high levels of deprivation, unemployment, and ill health.

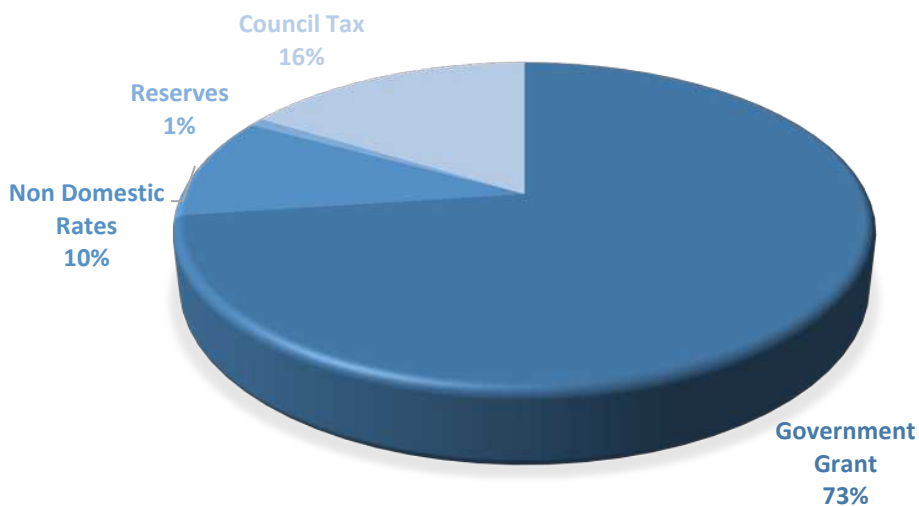
Our Budget

North Ayrshire Council delivers a range of services to its residents and in 2023-24 we budgeted to spend £406m on services.

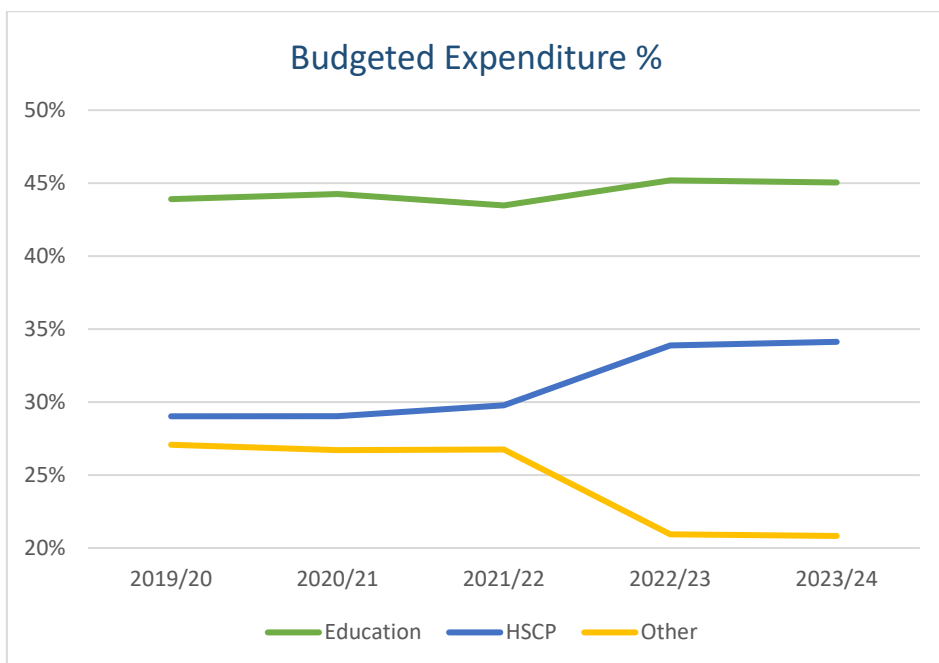


This expenditure is mainly funded from government grant. This has increased by 2.6% in real terms across Scotland since 2013/14¹ linked to the delivery of a number of national policy requirements including the expansion of Early Learning and Childcare services and the provision of Universal Free School Meals across Primaries 1-5. The balance of funding comes from Council Tax, Non-Domestic Rates and use of our reserve balances.

HOW EXPENDITURE IS FUNDED IN 2023/24



In recent years the proportion of budgets spent on Council services has also been changing. As funding is reduced, and Education and Health are prioritised both locally and nationally, budgets in other service areas are reducing at a greater pace.

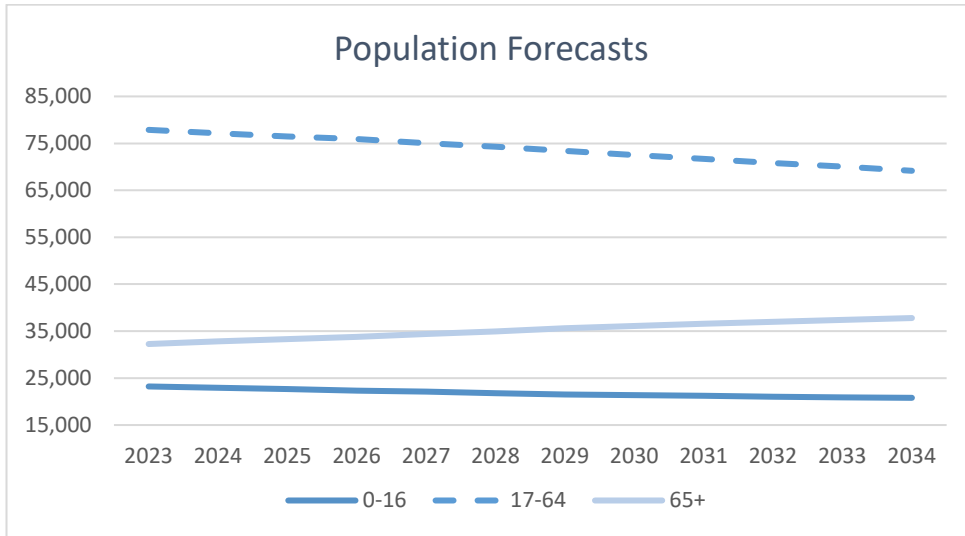


¹ Local government in Scotland, Overview 2023 – Accounts Commission, May 2023

Demography

North Ayrshire is expected to experience a significant change in its demographic profile over the next 25 years. Changes in demographic profile impacts directly on demands for our services and our funding.

North Ayrshire’s population is projected to decrease by 8.3%² by 2043, of which a decrease of 4.2%² is forecast during the life of this plan.



The change in demography is likely to see an increase in demand for services for older people, with a decrease in demand for services to younger people. The decrease in the working population will have wider economic implications for North Ayrshire including a reduction in the population available to work within the area, impacting on local employers. This could increase the likelihood for employers to look beyond North Ayrshire for future staffing needs and result in income generated from wages not being invested in our local economy. The Council, through its Community Wealth Building strategy, regeneration plans and Housing strategy will continue to focus on directing investment into North Ayrshire in order to grow employment and the wider population base.

The number of households in North Ayrshire is projected to decrease by 2%³ during the period of this plan, despite an increase of 4%³ being projected across Scotland. The profile of households will also change with an increase in single occupant households and a reduction in multi occupant households. This reduction in family support structures is expected to result in a need for additional support services from Communities and the Health and Social Care Partnership.

Key Stats

Increase of 17.1% in population aged 65+ by 2034
(21.2% in Scotland)

Decrease of 11.2% in working age population
(2.5% in Scotland)

Decrease of 10.4% in the population of children
(8.2% in Scotland)

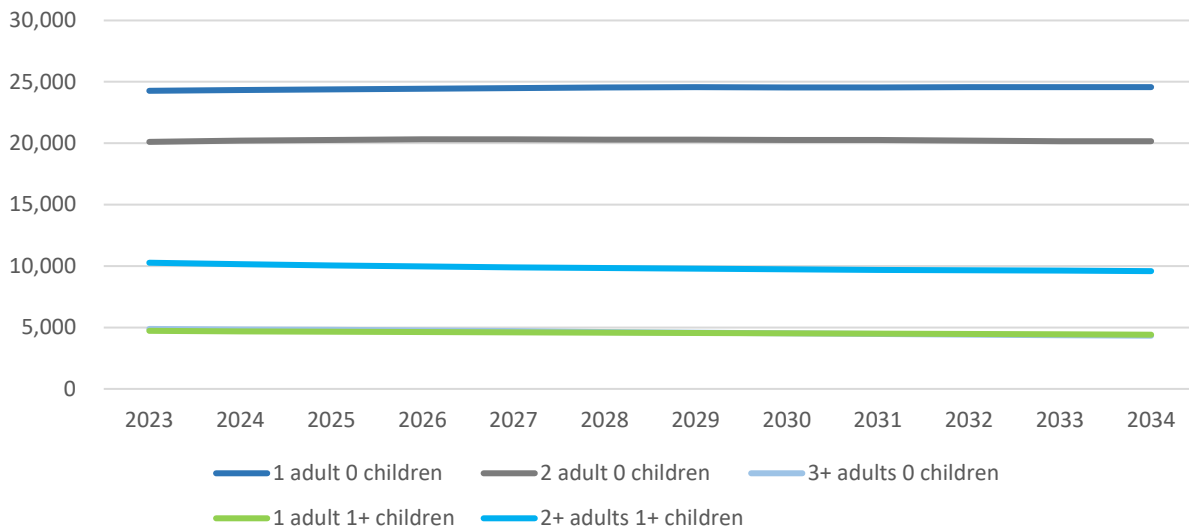
1% increase in single adult households
(7% in Scotland)

7% reduction in 2 adults and children households
(1% increase in Scotland)

² National Records for Scotland, Population Projections 2018

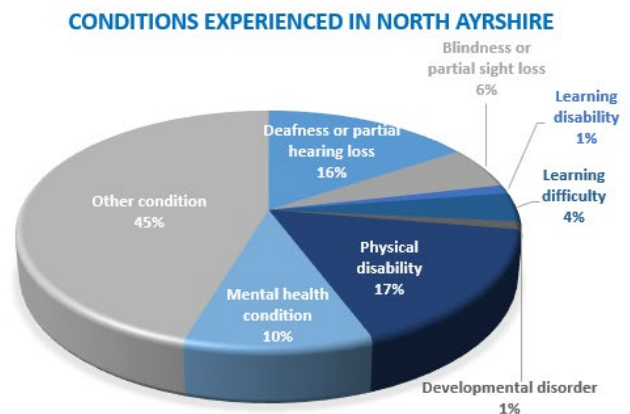
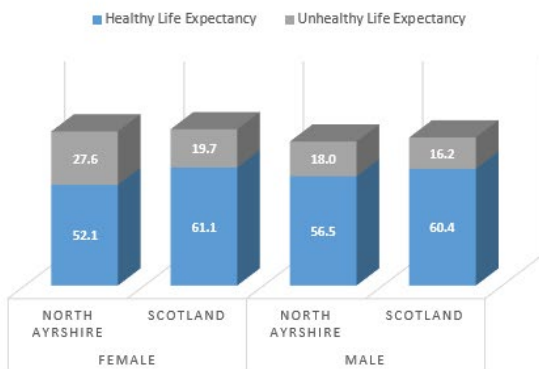
³ National Records for Scotland, Household Projections 2018

Household Projections: Household Type



Health

Life expectancy⁴ in North Ayrshire is lower than in Scotland as a whole and residents of North Ayrshire are projected to become unhealthy at a younger age and live longer with health issues, than the Scottish average. The earlier people become unhealthy, the sooner they are likely to access services from the Council to support them to remain within their own homes and local communities.



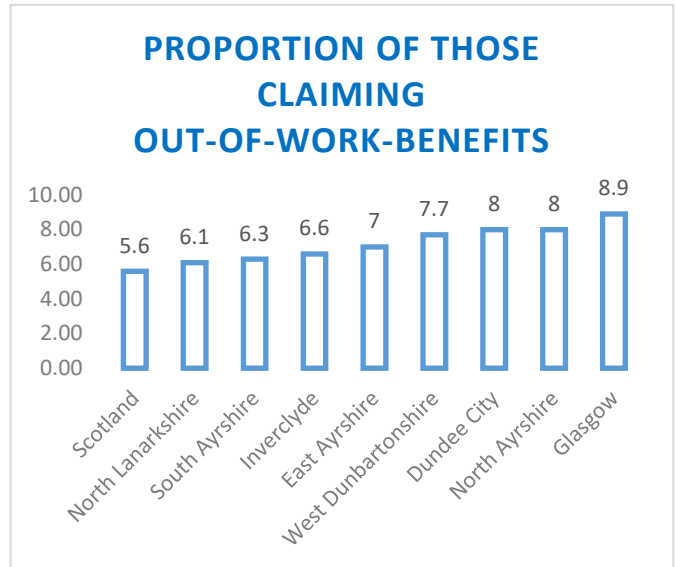
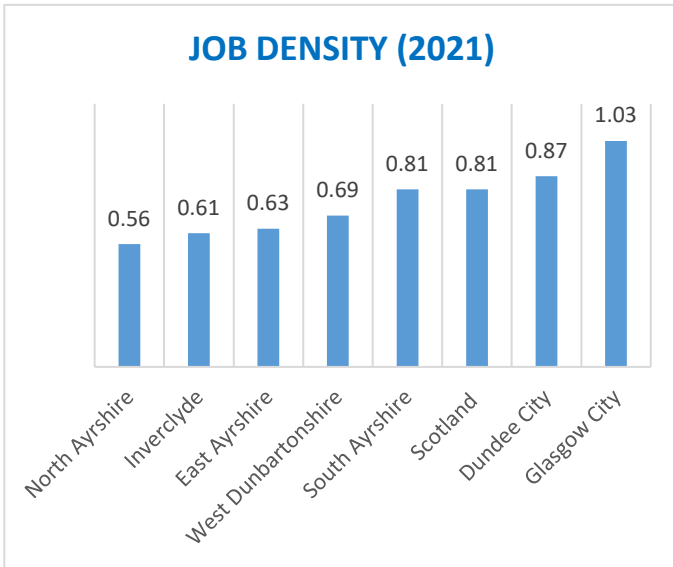
At present, 33%⁵ of North Ayrshire's residents are living with one or more long-term health condition, which is higher than the Scottish average of 30%⁵. North Ayrshire also shows higher number of residents with learning disabilities, physical disabilities and mental health conditions when compared with the Scottish average. All other categories are broadly in line with the rest of Scotland. This impacts on demand for services, mainly from Communities and the Health and Social Care Partnership and can often result in proportionately higher support levels than those experienced in other parts of Scotland.

⁴ National Records for Scotland, Life Expectancy in Scottish Areas 2019-2021

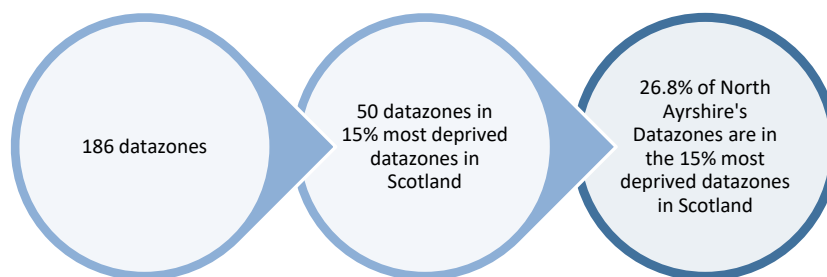
⁵ Scotland Census 2011 – People with Long Term Conditions

Employment and Deprivation

Employment opportunities within North Ayrshire are lower when compared to other areas within Scotland, resulting in a proportion of the residents of North Ayrshire commuting to work in other areas. Job density measures the number of jobs available per head of population aged 16-64. Within North Ayrshire there is only one job for every two residents aged 16-64. The proportion of the population who are out of work and claiming benefits is also high compared to the national average.



The Scottish Government publishes the Scottish Index of Multiple Deprivation (SIMD) which uses a range of socio-economic data to calculate relative deprivation across small geographical areas with populations between 500 and 2,000 people. Within North Ayrshire there are 186 areas (datazones) which have been assessed through the SIMD⁶, a large number of which are in the most deprived areas in Scotland.



Impact on the Long Term Financial Outlook

All of these factors impact on levels of demand and mix of services required to meet the needs of local communities. The financial impacts of these factors are considered later in this plan.

⁶ SIMD2020

WHAT ARE THE NATIONAL INFLUENCES?

An understanding of the national context and how this impacts on local finances is essential when developing the long term financial outlook for the Council.

The Global Economy

The global recovery from the Covid 19 Pandemic and the war in Ukraine remains slow and uneven. The International Monetary Fund (IMF)⁷ is forecasting global growth will slow from 3.5% in 2022 to 3% in 2023 with further slowing to 2.9% in 2024. Headline Inflation continues to reduce from 9.2% in 2022 to 5.9% and forecast 4.8% in 2024.

However there remains significant risk and uncertainty in any forecast improvements. Several factors are holding back the recovery including the long-term impact of the pandemic, the impact of ongoing global conflicts, extreme weather events and the effects of the monetary policy tightening to reduce inflation.

The forecast growth and inflation figures included in this report may be further significantly impacted by the developing conflict between Israel and Palestine.

The UK Economic Outlook

The UK economy continues to be impacted by high interest rates and inflation. Whilst Inflation is reducing, CPI 4.6% as at November 2023, it remains above the Bank of England (BoE) target of 2%. Latest forecasts project Inflation reaching the BoE target in 2025.⁸ An upcoming general election by 2025, together with the war in Ukraine and the middle east adds to the uncertainty within the UK economy. GDP growth is slowing and unemployment rates were 0.6% higher, (4.2%) in the quarter July to September 2023⁹, than the year prior. The unemployment rate is forecast to rise steadily to around 5% in late 2025.

Factors Affecting the Economy

Higher Interest rates and Inflation

Government Policy Choices

Global conflicts

Level of Domestic Demand

Impact of UK and Global Economic Performance

⁷ International Monetary Fund, World Economic Outlook October 2023

⁸ Bank of England Monetary Policy Report, November 2023

⁹ Office for National Statistics, Labour market overview, UK: November 2023

The table below highlights Office of Budget Responsibility (OBR) / Scottish Fiscal Commission projections¹⁰ for a number of economic indicators and highlights the upward revision to UK GDP (Gross Domestic Product), which measures economic growth, between March 2022 and March 2023;

Table 1

	2021	2022	2023	2024	2025	2026	2027
UK GDP (March 2023) *	7.6	4	-0.2	1.8	2.5	2.1	1.9
UK GDP (change since Mar 22) *	0.1	0.2	-2	-0.3	0.7	0.4	0
Scottish GDP **		1.7	-1	1.2	2.1	1.9	1.5
CPI *	2.6	9.1	6.1	0.9	0.1	0.5	1.6

Sources; * OBR Economic and Fiscal Outlook March 2023

** Scottish Fiscal Commission – Scottish Economic and Fiscal Forecasts, December 2022

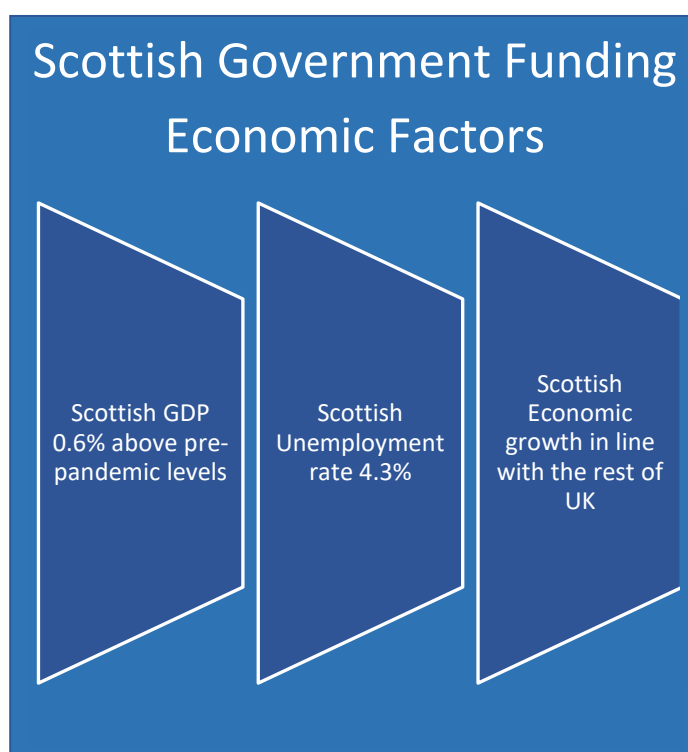
Whilst inflation is slowing it remains above the Bank of England’s 2% target. It is estimated that the base interest rate has reached its peak at 5.25% with gradual reductions forecast from the second half of 2024.

The Scottish Economic Outlook

The Scottish Government’s economic bulletin for October 2023 reports that GDP grew by 0.1% in July, however over the 3 month period to July it was down 0.1%. Weak growth was forecasted to continue in the next quarter, which is in line with expectations, with above target inflation and higher interest rates impacting economic activity.

The Office of National statistics estimated that the unemployment rate in Scotland had risen to 4.3% in the period May to July 2023, which is in line with the UK rate.

The Scottish Government’s Programme for Government 23-24 outlined the upcoming priorities including tackling poverty, growing the economy and delivering efficient and effective services.



¹⁰ OBR Economic and Fiscal Outlook March 2023, Scottish Fiscal Commission, Scotland’s Economic and Fiscal Forecasts, December 2022

Scottish Government Funding

The Scottish budget for 24/25 will be the third one set by the current parliament and the first under the current First Minister. The Programme for Government 2023-24 outlined the following three missions:

- Equality: **Tackling poverty and protecting people from harm.**
- Opportunity: **Building a fair, green and growing economy.**
- Community: **Delivering efficient and effective public services.**

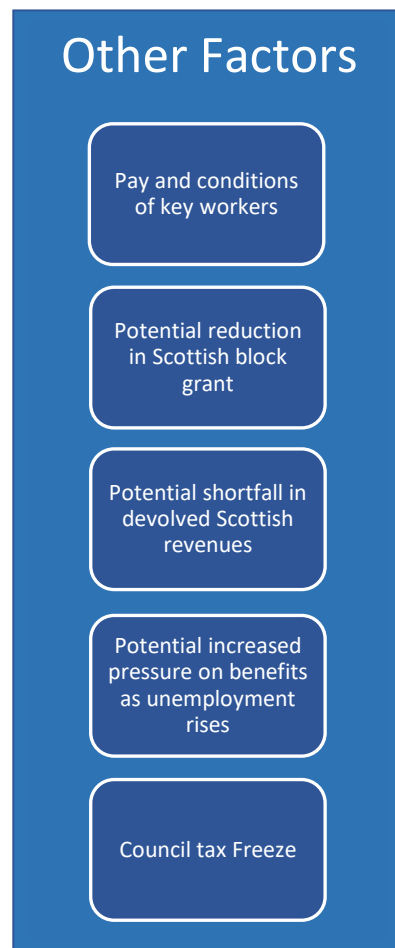
Within these missions key areas of focus include tackling the cost of living crisis, expanding free school meals, responding to the climate crisis, investing in the social care sector and addressing hospital waiting lists.

The Verity House Agreement signed in June 2023 set out how the local and national governments of Scotland will work together and progress our shared priorities: tackling poverty, just transition to net zero and sustainable public services. A focus of the government is to embed this partnership with a focus on agreeing a revised fiscal framework.

At the SNP conference in October 2023, building on the missions set in the programme for government, the first minister announced a council tax freeze for 2024/25 in response to the cost of living crisis and a £300m investment in the NHS to tackle waiting list times.

The North Ayrshire Economy

Economic performance has a significant impact on the availability of funding and the demand for public services. With Inflation remaining above the target level of 2% and interest rates remaining high, the demand for council services is expected to continue to increase as families continue to be adversely affected by the ongoing cost of living crisis in the short term.



THE IMPACT ON OUR FINANCES

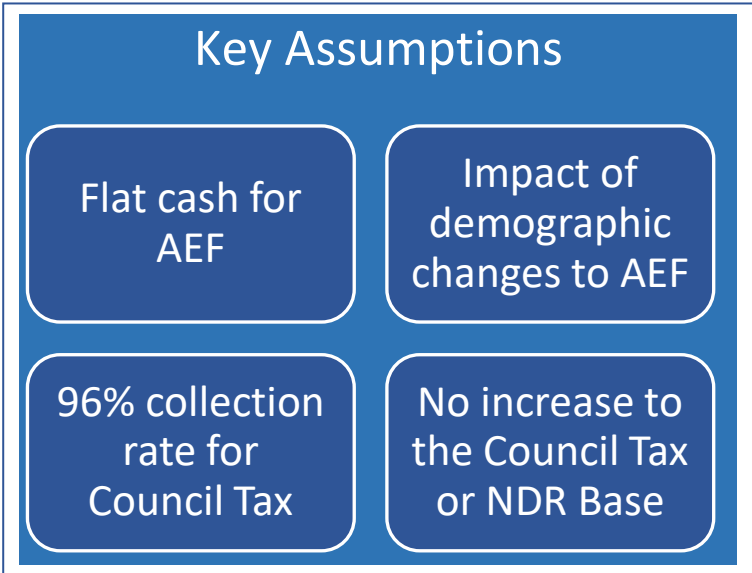
North Ayrshire Council is operating in an increasingly challenging environment and the local and national context outlined in this report highlights the main areas which will impact on our long term finances. This analysis informs the long-term outlook and enables plans to be developed which will ensure resources are targeted to support the delivery of Council priorities.

Impact on Funding

The Council has three main funding sources of recurring funding; Government Grant, Non-Domestic Rates and Council Tax. Government Grant and Non-Domestic Rate (NDR) income are paid to the Council through the Aggregate External Finance (AEF) which, in simple terms, is the funding paid from the Scottish Government on an annual basis. For the purposes of this plan these have been assessed jointly.

A range of factors impact on the funding which the Council can anticipate from these funding sources.

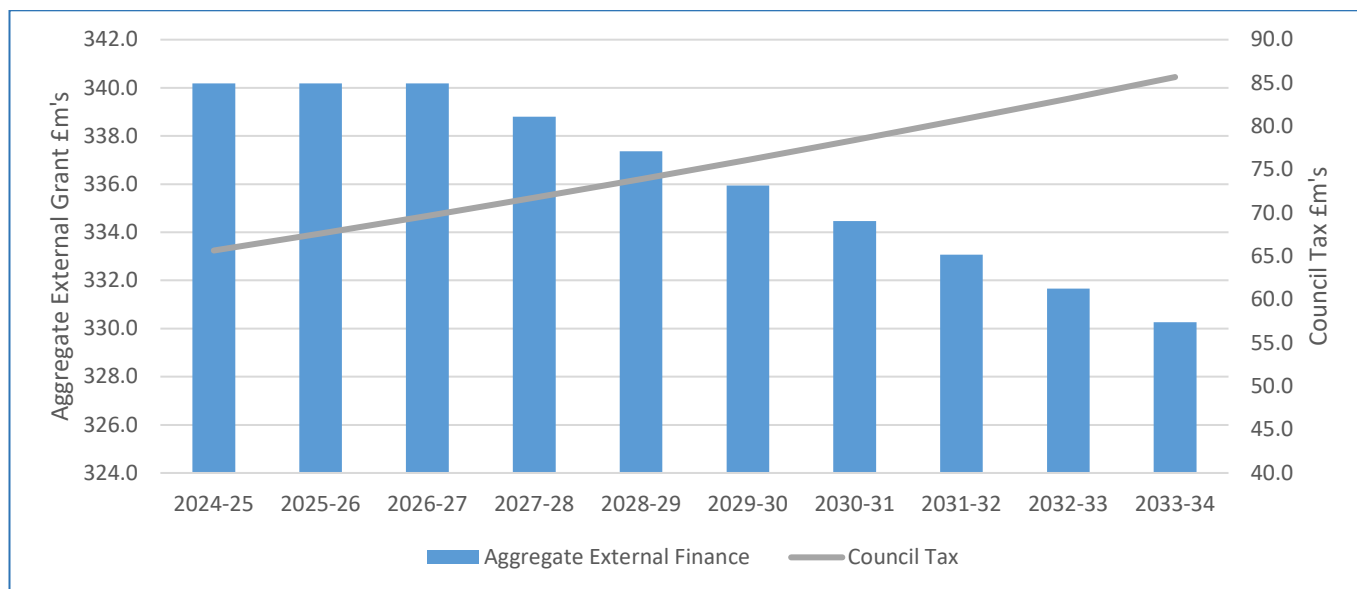
AEF is influenced by the level of Scottish Government funding allocated to Local Government each year. Individual Council allocations are also influenced by a national assessment of need relative to other Councils and includes demographic, social and economic factors. This results in a complex mix of factors which influence funding levels.



Demography is the largest influencing factor and the changes forecast by the National Records for Scotland have been used to quantify the potential movement in AEF for North Ayrshire from 2027-28 to 2033-34. For 2024-25 to 2026-27 it is assumed that AEF will be fixed, with no increase or reduction assumed. This is the only assumption which can be made at this stage due to the lack of any other data to support an alternative position.

Council Tax is a tax which is set locally by the Council, although within limits set by the Scottish Government. Following the Council Tax freeze in 2024-25, announced in October, it is assumed that Council Tax will be increased by 3% in each year of the plan from 2025-26. AEF is expected to increase by £3.2m in 2024-25 to compensate for the freeze in Council Tax.

Applying the assumptions outlined in this section of the plan results in an estimated average reduction in AEF of £1m between 2027-28 and 2033-34 based on the assessed need of North Ayrshire in comparison to the rest of Scotland. This reduction is influenced significantly by demographic data and especially North Ayrshire’s projected decline in the population of children. Council Tax income will increase by an average of £2m per annum.

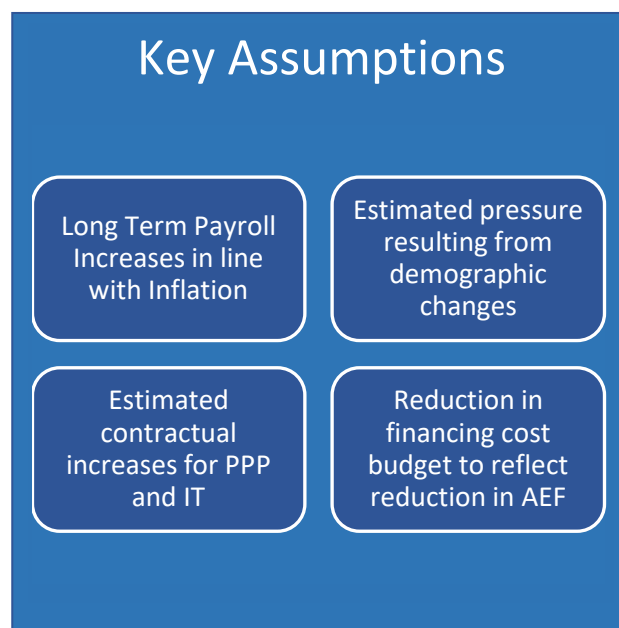


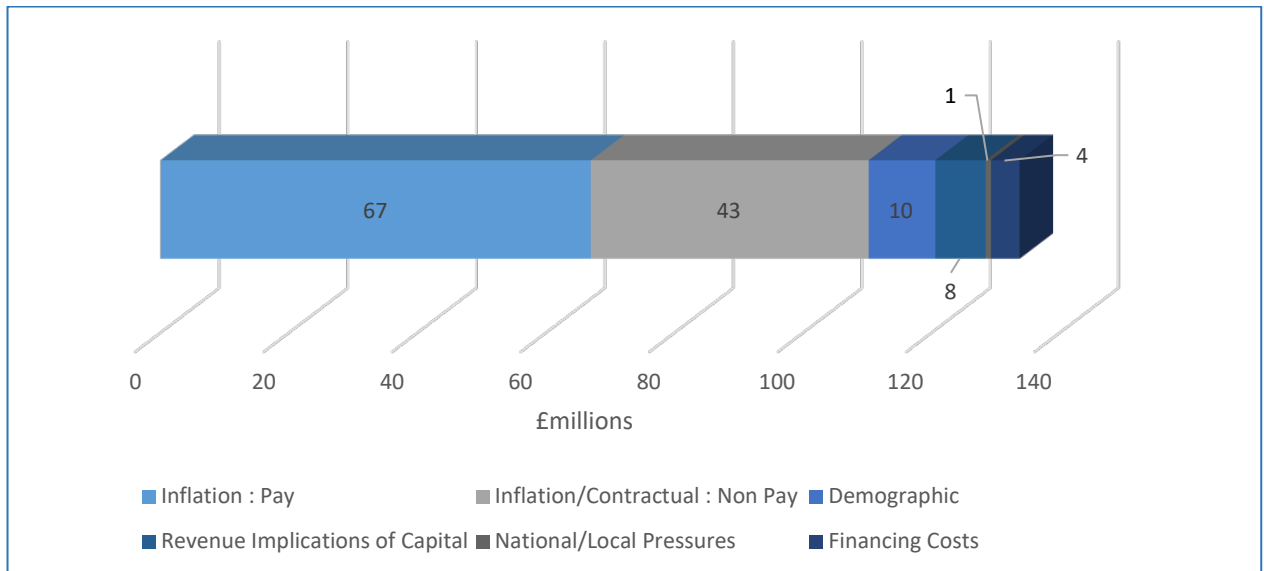
Expenditure Requirements

Financial planning requires a number of assumptions to be made about the demand and cost pressures which could be faced by the Council over the longer term. These have been informed by the local and national context within which the Council operates.

This assessment estimates that the Council will face cost pressures and demands of £133m over the next ten years. These can be analysed across 6 main areas:

- (i) Inflation: Pay
- (ii) Inflation and Contractual Commitments: Non Pay
- (iii) Demographic
- (iv) Revenue Budget Implications of Capital Projects
- (v) National/Local Pressures
- (vi) Financing Costs





(i) Inflation: Pay

Employee costs represent 49% of the Council’s gross expenditure budget. Inflationary pressure in this area represents the most significant pressure which will be faced by the Council over the next 10 years. Pay increases for employees are negotiated at a national level. This plan includes assumptions in relation to pay awards and the national commitment to living wage.

Employees of North Ayrshire Council are members of the Strathclyde Pension Fund or the Scottish Public Pension Agency. Both pension schemes routinely review employer pension contributions. There are planned changes to Scottish Public Agency contribution rates from 23% to 26% from 2024/25. It is assumed that this increase will be fully funded by Scottish Government through the Barnett consequentials. There is a planned decrease to Strathclyde Pension Fund contribution rates from 19.3% to 6.5% for 2024/25 and 2025/26 before increasing to 17.5% from 2026/27. The assumption made in the 10 year financial outlook is that this will be maintained during the lifetime of the plan. This is, however, subject to review, linked to future triennial reviews of Strathclyde Pension Fund.

(ii) Inflation and Contractual Commitments: Non Pay

Like many other organisations, North Ayrshire Council is subject to inflationary pressures. Despite this, budgets are not routinely inflated and every effort is made to contain non pay inflation pressures within existing budgets. The financial model recognises that, for some key areas, maintaining spend within budgets over the longer term is not sustainable unless additional provision is made. The key areas where specific provisions are made include: -

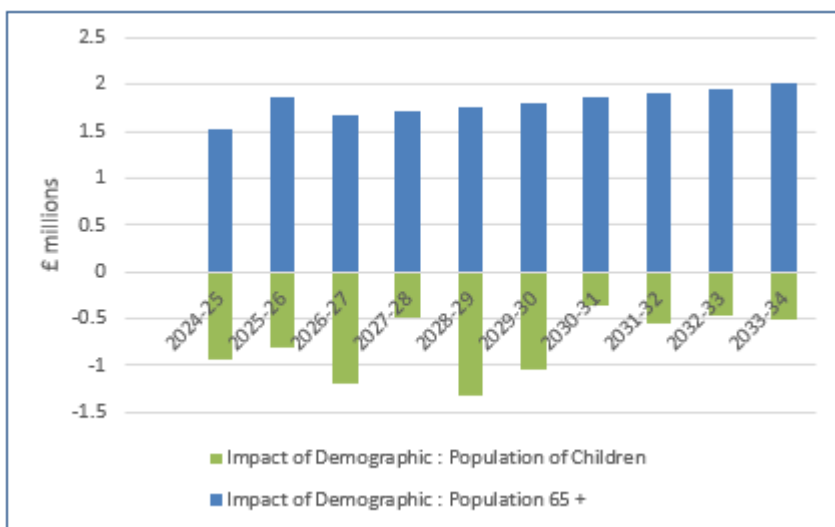
- Energy
- Fuel
- Non-Domestic Rates
- Contracts with specific annual increases linked to inflation such as the National Care Home Contract and the PPP contract
- Contracts linked to IT where delivery models are expected to move to revenue

Non pay inflation and contractual commitments equates to an average £4m per annum over the life of the plan.

(iii) Demographic and Health

There are two main demographic issues which have the biggest impact on the financial plan; an increase of 17.1% in the 65+ population and a decrease of 10.4% in the population of children. The health of North Ayrshire’s population also impacts on demand for services and both have been factored into the plan.

This results in increased demand in older people less demand in children services.



Key Statistics

Impact of demographic projections and ill-health on Health and Social Care Partnership and Education and Youth Employment

Energy increases assumed to be in line with CPI + 3%, Fuel increases at CPI + 5%

General provision of £2m per annum for pressures not yet identified

(iv) Revenue Budget Implications of Capital Projects

When the Council approves its 10 year Capital Investment Plan, the revenue implications of any investment is determined and needs to be reflected in our longer term financial plans. These relate to additional operating costs and staffing costs linked to services being delivered from new or refurbished buildings, e.g. additional costs associated with the operation of the new Montgomerie Park Primary School.

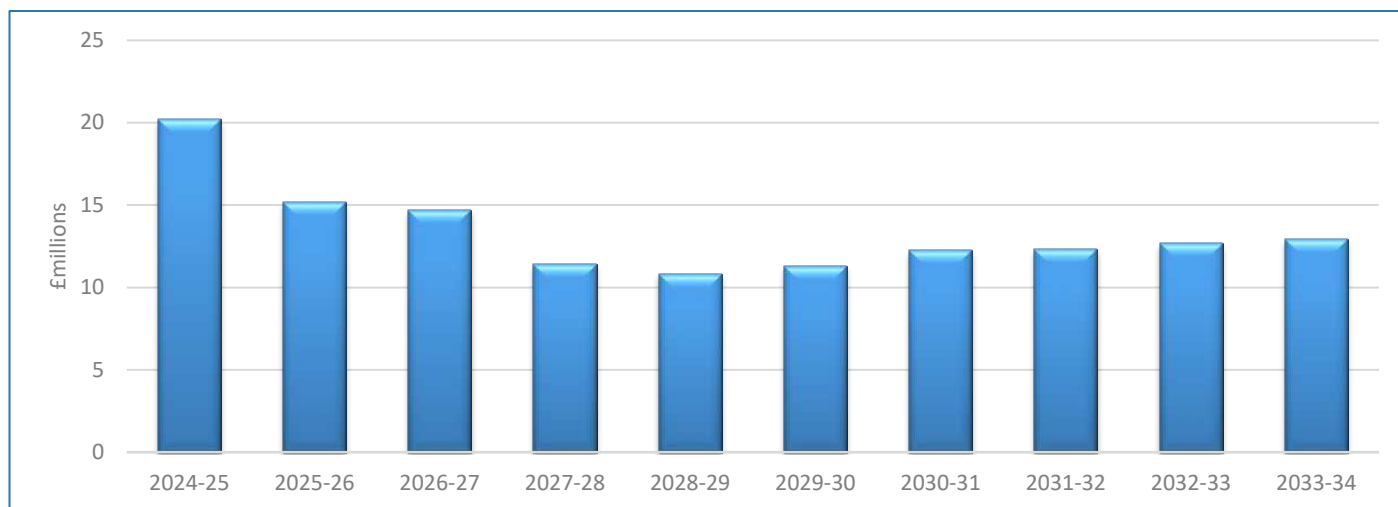
(v) National / Local Pressure

The Council is subject to a range of National and Local pressures which include legislation and regulatory or Council Priorities. The pressures included in this plan include investing in an Islands Officer.

(vi) Financing Costs

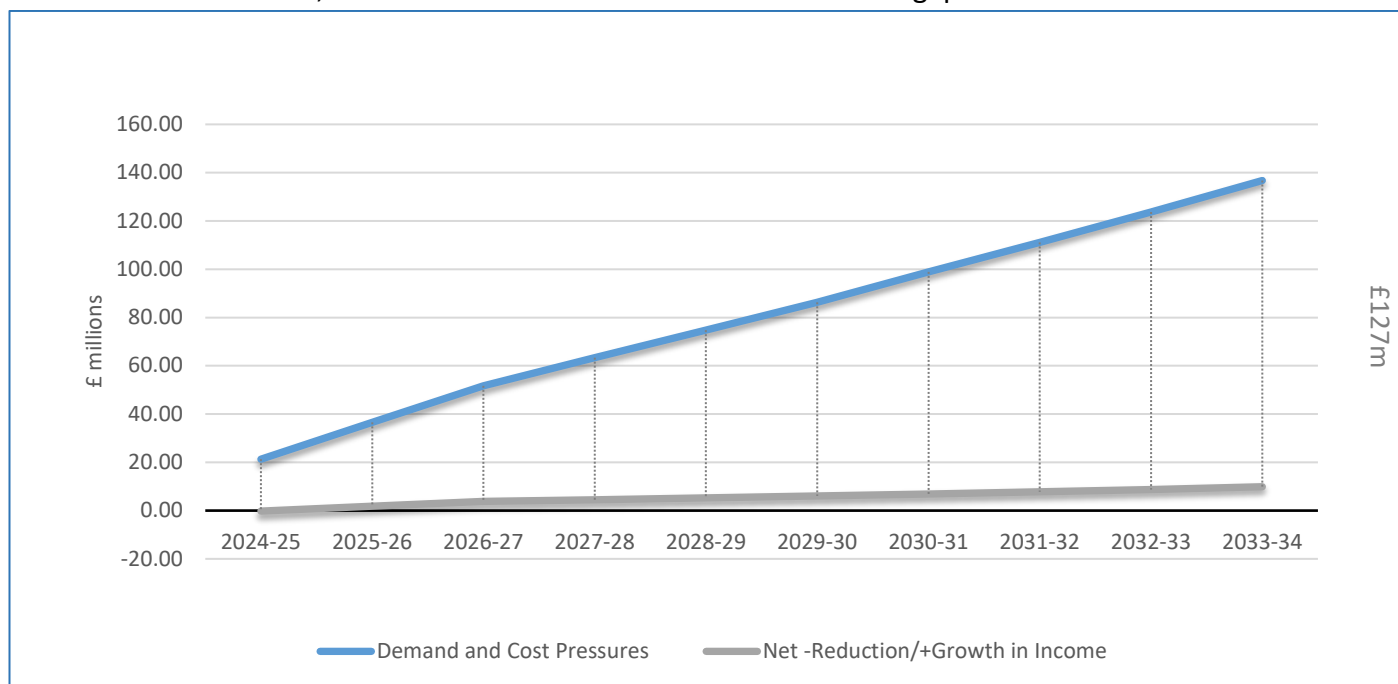
Part of the Council’s AEF includes government grant support for financing costs linked to borrowing taken prior to the introduction of the Prudential Code in 2004. The government grant support for this borrowing is being removed over time as debt matures.

It is important not only to understand the totality of the pressures, but also when they will happen. The following graph shows that the highest pressures will be experienced from 2024-25 to 2026-27 before settling to a more stable level moving forward.



Impact on Our Financial Position

The financial plan has identified a trend of relatively static levels of income from AEF and increasing demand and cost pressures across a wide range of areas. Although assumptions have been made about increases in Council Tax, this will be insufficient to cover the financial gap.



The long-term financial outlook provides long-term forecasting of the potential scale of the financial challenge, which enables the Council to plan for the future and deliver services within the resources which are available. A summary of the cumulative financial position is outlined below with more detail available in Appendix 1.

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	£millions	£millions	£millions	£millions	£millions	£millions	£millions	£millions	£millions	£millions
Estimated Expenditure	427	443	458	469	481	492	505	517	530	543
Estimated Income	-406	-408	-410	-411	-411	-412	-413	-414	-415	-416
Funding Gap	22	35	48	59	70	80	92	103	115	127

FINANCIAL OUTLOOK

THE IMPACT ON OUR BALANCE SHEET

It is important that, as well as understanding the financial implications of delivering day to day services to our local communities, the Council understands the implications that the financial position will have on the assets that support service delivery and the longer term liabilities which the Council may be required to meet.

The Council's balance sheet provides a snapshot at the 31 March 2023 of the Council's financial position and is a useful tool in assessing the financial strength of the Council and its ability to remain sustainable.



Net Assets - £897m Funded By



Usable Reserves
£136m

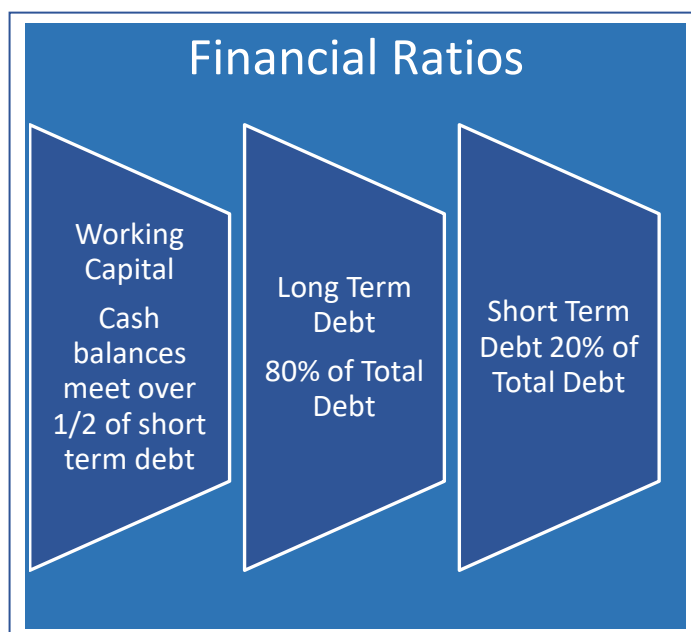
Unusable Reserves
£761m

What Does Our Balance Sheet Tell Us?

Financial Ratios can be used to determine the relative financial health of an organisation.

The Council's ratios reflect the effective treasury management policy in place to minimise the level of cash and investments which the Council holds in this period of low returns for investments. This results in low levels of **working capital** (access to cash) being held to meet short term debt. The Council has facilities to access further funds when this is required to meet short term debt as it becomes due.

It also demonstrates our policy to hold a mix of **short** (20% of total debt) and **long term debt** (80% of total debt) to manage the risk and impact of any adverse movement in interest rates.

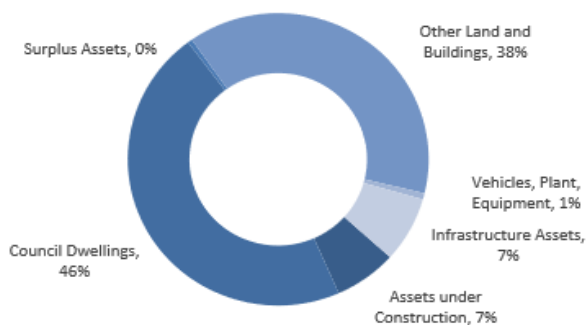


What Should We Focus On?

There are four main items that dominate the Council's balance sheet and require to be considered as part of the long term financial health of the Council.

- (i) Property, Plant and Equipment
- (ii) Debt including PPP/PFI
- (iii) Pension Scheme Liability
- (iv) Reserves

- (i) **Property, Plant and Equipment**



The Council has Property, Plant and Equipment of £1,233m on its balance sheet at 31 March 2023. This asset base will require continued investment to ensure that it is sustained in the future.

An essential part of this is the need for lifecycle investment for existing assets and an assessment of the need for new investment to support the delivery of key priorities.

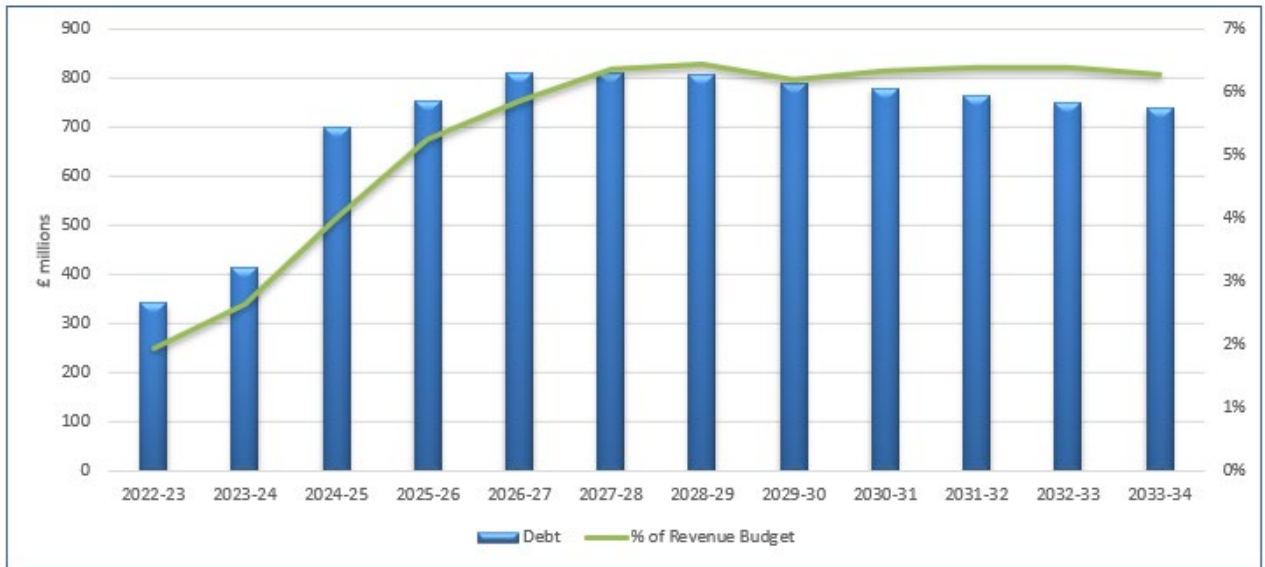
In support of this, the Council has a long term capital investment strategy which will result in £318m invested over the next seven years in our assets, excluding council dwellings. The Council does not have the funds to fully meet all investment requirements and must prioritise investment based on service demand needs and the condition of assets based on asset condition surveys.

(ii) Debt (including PPP/PFI)

The Council's Capital Investment Programme is funded through a number of income sources, one of which is borrowing. Councils are permitted to borrow to fund capital expenditure as long as they can demonstrate that this is prudent and affordable over the longer term. At 31 March 2023 the Council had outstanding debt of £342m. This represents 28% of the value of assets the Council holds and could be considered to be our mortgage on these assets. The graph below profiles the Council's projected outstanding debt across the life of the plan and shows additional borrowing of £398m over the period.

Not all of this borrowing is linked to our future investment plans, some of this is linked to projects already delivered. The Council will only borrow when it needs to and delays borrowing wherever possible to reduce the cost of financing to the Council. At 31st March 2023 the Council was under borrowed by £138m linked to the effective management of our treasury position. This borrowing will be taken over the life of the plan and forms part of the £398m noted above. The Council will also actively repay debt over this period.

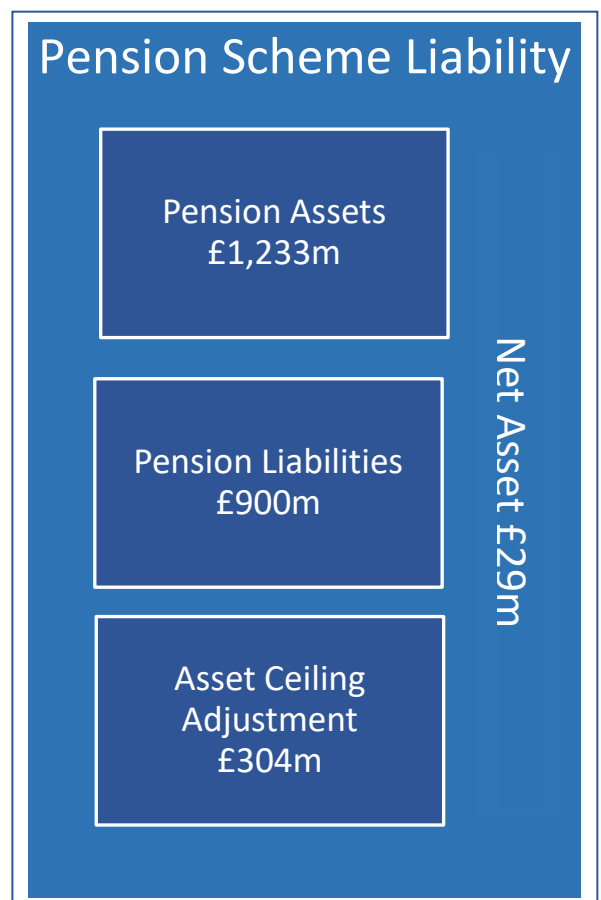
It is essential that the costs linked to this borrowing such as principal repayments and interest are affordable over the longer term. The graph shows that this cost is increasing over the period of the plan from 2% of our revenue budget in 2022-23 to 6% by 2033-34 which is reflective of the Council's ambitious Capital Programme and the cost pressures affecting this, including construction inflation and higher borrowing costs.



(iii) Pension Scheme Liability

At 31 March 2023 the Council has a net pension asset of £29m which reflects the current and future assets linked to the pension scheme for all employees with the exception of teachers. The Council’s teaching staff are members of a national teacher pension scheme administered by the Scottish Government which the Council contributes to. There is no requirement for the Council to reflect any assets or liabilities for this scheme due to the nature of the scheme and this is excluded from the balance sheet.

This asset is a snapshot valuation by the Pension Fund actuaries at 31 March 2023 and reflects prevailing market conditions at that date. In accordance with IAS 19 and IFRIC 14, the Council has applied an asset ceiling of £29m. This is on the basis that a minimum funding requirement exists in relation to the Strathclyde Pension Fund.



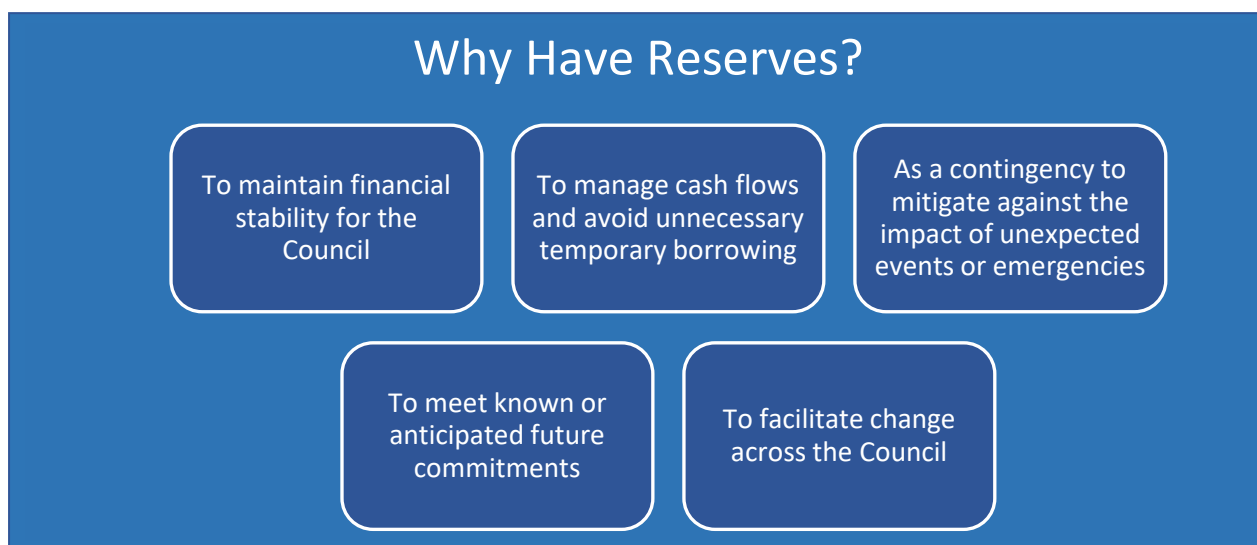
The ongoing risk to the Council is that if pension assets do not grow fast enough to cover pension liabilities, there will be pressure to increase employer pension contribution rates in order to meet the shortfall. The pension fund actuaries remain of the view that the asset holdings of the Strathclyde Pension Fund and the contributions from employees and local government employers provide sufficient security and income to meet future pension liabilities and that the scheme is adequately funded.

Strathclyde Pension Fund currently has a large surplus which has allowed for a reduction in employer contributions. The long term financial plan assumes a decrease to pension fund contributions from 19.3% to 6.5% for 24/25 and 25/26 then 17.5% from 26/27 onward. This decrease has resulted in projected savings of £3m per annum with one-off rebates during 2024/25 and 2025/26 of £16m each year.

(iv) Reserves

The Council holds two main categories of reserves: -

- (i) Usable Reserves
- (ii) Unusable Reserves



(i) Usable Reserves

Reserves are a key component of the Council’s funding strategy. At 31 March 2023 the Council had £136m of usable reserves, of which £14m is earmarked to support the HRA, with a further £12m earmarked to support the Council’s capital investment programme and future insurance liabilities. The balance of £110m is available to support the delivery of General Fund services including £102m earmarked to support the delivery of projects which span financial years, workforce planning, financial insecurity, strategic investments and change programmes. It is expected that the reserves will be used quickly at the start of the plan, reducing in the later years.

The Council’s Reserve Policy is that unearmarked reserves are held at a minimum of 2% of net General Fund budgeted expenditure. These reserves are not held to meet any specific liability and offer the Council some flexibility to deal with unforeseen events or emergencies. The Council currently holds unearmarked reserves of £8m. This is at the lower end of the recommended range of 2% - 4% for general reserves.

(ii) Unusable Reserves

Unusable reserves are not able to be utilised to provide services and are created to comply with accounting regulations and statute.

A good example of this is the Pension Reserve. Accounting regulations require the Council to recognise the costs of future liability now, however statute only requires us to account for the cost incurred directly in that year. This reserve represents the difference between these two positions over time.

WHAT IS OUR APPROACH?

Our Approach

The scale of the financial challenge facing Councils is unprecedented and follows a period where funding has already been reducing. The Council has responded well to the challenge to date, delivering over £70m in savings since 2017/18. However, given the magnitude of the challenge and the forecast impact of this on the next two years alone, the Council will require to carefully prioritise which services will be delivered and consider how these are delivered.

The key elements of the Council’s Approach are outlined below and will result in a fundamental review of the Council and the services which can be delivered within the funding which we expect to be available.



Our Approach – What We Do?

The Council remains committed to making North Ayrshire the best place to work, live and grow up in Scotland. Although the scale of the financial challenge is significant, it increases the focus on what the Council has set out to achieve. The Council will require to harness the resources at its disposal and work with partners and communities to deliver on the key priorities for North Ayrshire.



In June 2023 the Council approved a new Council Plan, North Ayrshire: A Council that is Fair for All. This plan identifies the key priorities for the Council and ensures resources are focused on the areas which will deliver priorities for local communities. This will require difficult decisions to ensure the Council operates within the funding which is available. Learning from the impact of the pandemic is also very important.

In June 2023, The Convention of Scottish Local Authorities (COSLA) and the Scottish Government agreed a new Partnership Agreement, to be known as the ‘Verity Housing Agreement’. Three shared priorities have been agreed – tackling poverty, just transition to net zero and sustainable public services. This new partnership will help set out the vision for a more collaborative approach to delivering our shared priorities for the people of North Ayrshire.

Our Approach – How We Do It?



The Council has successfully transformed how we deliver services over a number of years and this has been a major factor in securing over £70m of savings since 2017-18. The Council is committed to this journey and will continue to change through the Council’s transformation and renewal programme. However, the scale and pace of this transformation needs to increase if the Council is to respond effectively to the challenges it faces. It should be recognised, however, that transformation alone will not offer the full solution to the financial gap which has been identified within this plan.

Three key themes have been identified to respond to the challenges outlined in this strategy: -

(i) Better Ways of Working

The Council’s Change and Transformation programme includes several workstreams that align to the Council’s key priorities, and it is anticipated will deliver financial efficiencies to support the Medium-Term Financial Plan. The workstreams include investment in renewable energy (Sustainability) to contribute towards achieving net zero and generate a return on investment for the Council to help address the budget challenges. Use of land and property will also address net zero whilst also considering Best Value on the utilisation of our assets, whether its office accommodation linked to staff workstyles or maximising opportunities in commercial properties and community properties. Accessing our Council and Financial inclusion aims



to streamline contact for our customers and provide maximum support to our vulnerable citizens through a “No wrong door” approach. It is also vital that across workstreams we look to maximise digital technology to support our processes, especially in times of limited resources. The world is changing rapidly and it is important that we are agile enough to be able to change services and

harness the use of technology. The Council will continue to maximise digital technology to enable agile working, automation of processes and use of smarter technology to deliver services and improve how customers access services.

(ii) Demand Management

Effective demand management including early intervention and prevention, can be used to transform local services and deliver better outcomes.

This requires the Council to understand customer and system behaviour and how these impacts on demand to establish if there are opportunities to deliver services in a different way or offer alternative options to meet demand. This will enable limited resources to be targeted to those who have the greatest need for services from the Council.



(iii) Review of Costs and Income

The Council will continue to review the cost of service delivery and the sources of income which is available to it. This is a fundamental part of our statutory duty to deliver Best Value.



Our Approach – Who Does It?

North Ayrshire Council delivers a wide range of services to a wide range of citizens using a wide variety of service models which include our own workforce, the use of external providers including those from the independent and third sector, working with our many partners and through local communities who have been empowered to deliver services in their own localities.



Building on the success of the partnership and collaborative working approach through the pandemic, there needs to be a sustained focus on this moving forward as part of a whole systems approach to service delivery.

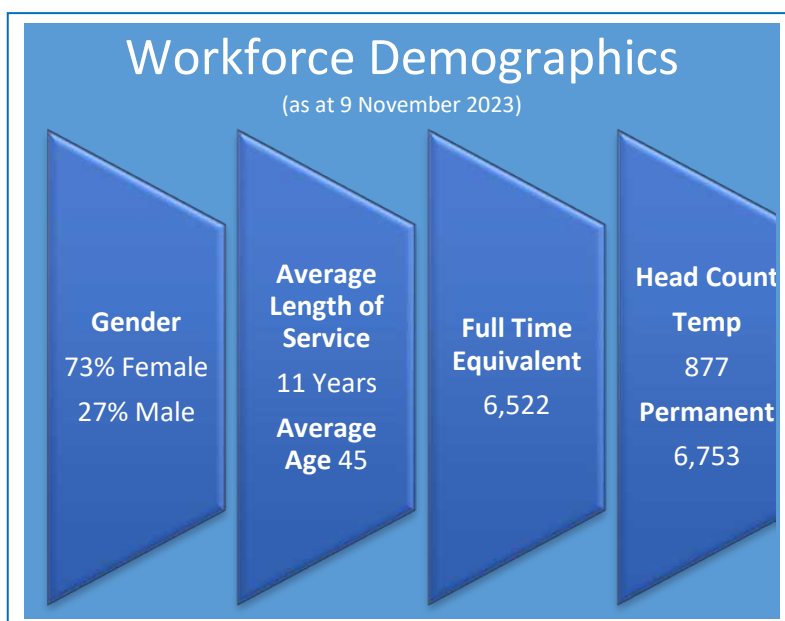
The Council's new priorities were developed from sustained engagement with its communities with one of the Council's four priorities in 'Our Council Plan 2023-28' being communities and local democracy. One of the key activities in achieving this is placemaking, including creation of Locality action plans based on the Community Plan (LOIP) priorities and support the delivery of island plans.

Our Strategy – Impact on Our Workforce

Our people are integral to our success and have been key to the success of our transformational journey.

There has been an increase in the workforce since 2020 from 7,076 to 7,630 (6,522 FTE) in 2023.

In the long-term, like many public bodies in Scotland, an ageing workforce is a significant issue which we will consider as part of our wider workforce planning. As at 2023, 42% of our workforce is over 50 years of age (27% is over 55). With changes to pensions it is predicted that individuals will continue to work longer.



Workforce Planning

The funding gap estimated for the next three financial years is £48m. To date a large number of savings have been taken from non-employee budgets. This is unsustainable and may mean that the impact on staffing levels will be higher than in previous years. Employee costs represent 49% of the Council's gross expenditure budget. If future saving proposals impact on staff proportionately to their share of the budget, then there would be a significant impact on staffing levels. This will be partially offset by any reinvestment associated with specific service pressures, such as Early Learning and Childcare. The Council has changed the way it works and how it delivers services by reducing costs, re-organising services and revising service delivery methods. This approach will continue, however, a more integrated, whole systems approach to workforce planning is required. The Council is also currently progressing a Voluntary Early Release programme and will impact in 2024/25. This will contribute towards the Medium-Term Financial Plan, however, will require to be supported by further service re-design across a range of services and Directorates.

Workforce Challenges

External Factors

Pay awards
Living Wage
National Agenda
Community priorities

Internal Factors

Skill demand including digital skills
Attraction & retention
Employee Turnover
Cultural change

Specific Supply Issues

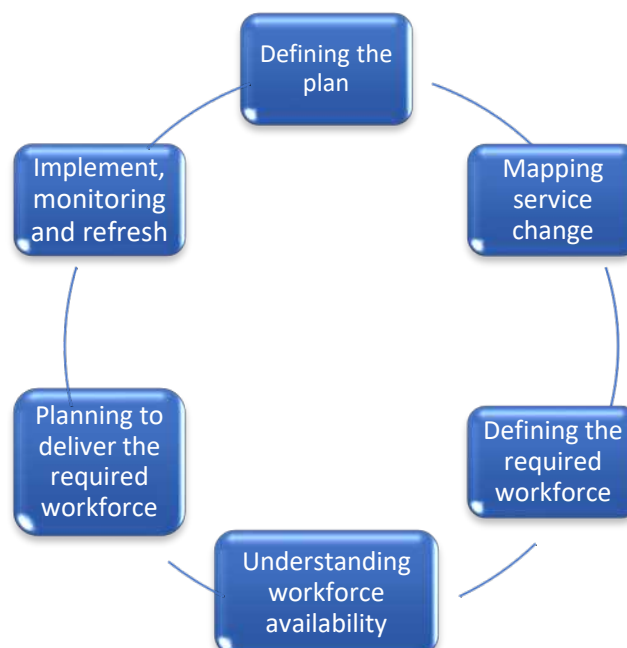
Social workers
Care at Home
Teachers
Early Learning and Child Care
Specialists e.g. Procurement etc

Six Step Methodology

Our six step methodology provides a systematic practical approach to integrated workforce planning. Adopting this approach ensures that each team, Service or Directorate anticipates:

- The current and future demand for services
- The local demographic situation
- The impact on other Services.

It also ensures a corporate approach to workforce planning.



To meet future demand, managers will require to keep pace with a rapidly changing landscape of business transformation and associated skills. This will shape our future workforce.

A key element of workforce planning is identifying gaps in workforce knowledge or skills and taking steps to address these. As 76% of our workforce live in North Ayrshire, any redesign of services could impact on our local community. Our approach includes vacancy management, redeployment and harnessing in-house talent to reduce the impact on our current workforce. We will also continue to 'grow our own talent' with Apprentice and Graduate programmes which will enhance and support the creation of our future workforce.

WHAT CAN IMPACT ON THE PLAN?

Risk

The long-term financial plan is a financial model and as such has risks associated with it. It is essential that the Council understands these risks so that they can be quantified and where possible managed to minimise the likelihood of them having a significant impact on the service delivery of the organisation.

As an organisation the Council needs to be aware of these risks but should not become risk adverse when developing its future plans.

The Council recognises strategic risks through the Council Risk Register. This is used to ensure significant risk is identified and effective actions implemented that reduce these risks to acceptable levels whilst securing service delivery within available resources.

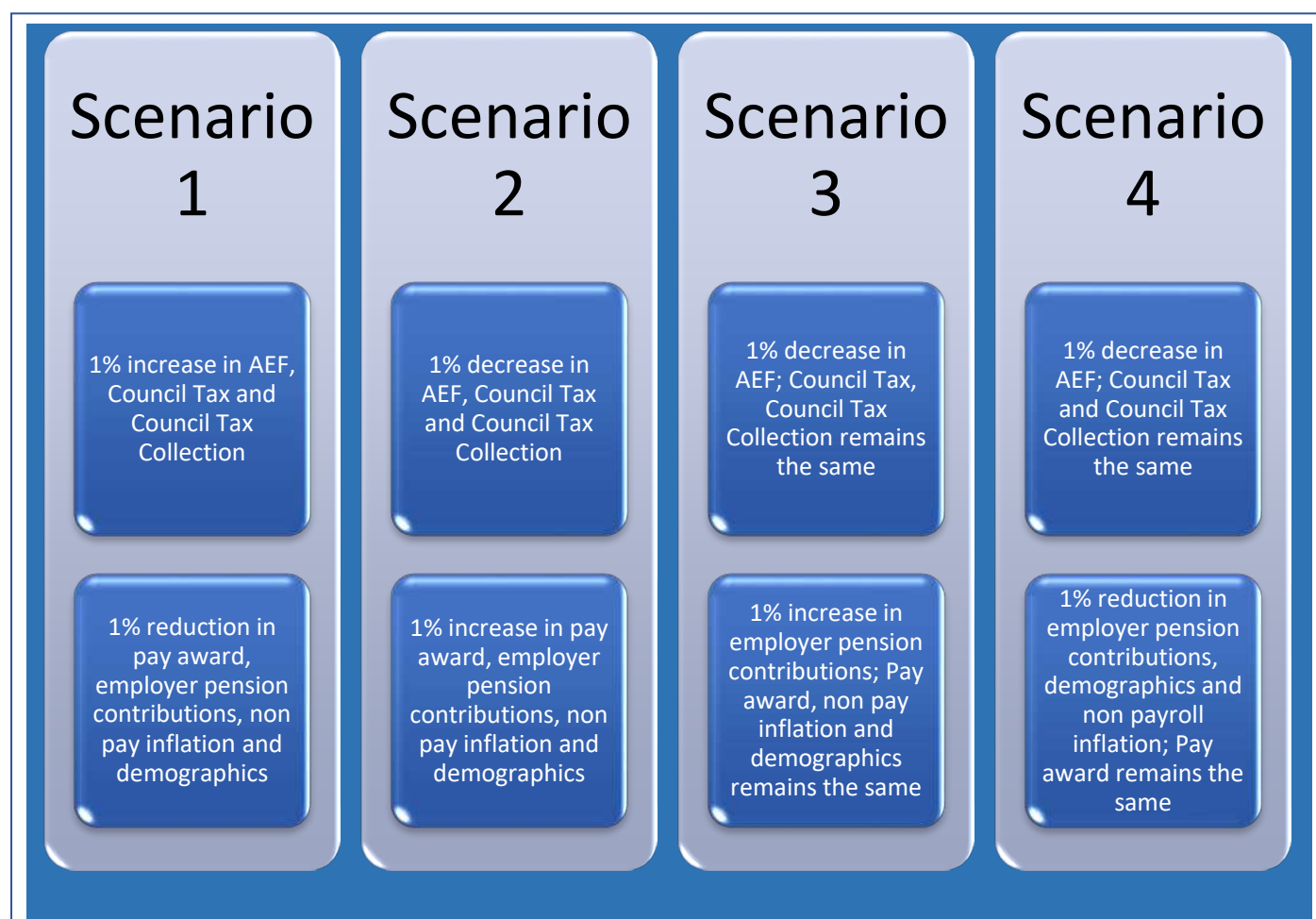


Sensitivity Analysis

Sensitivity analysis is used to test the major assumptions made by the model and understand what the implications are if assumptions change. This effectively tests ‘what if’ scenarios and enables the Council to determine the potential fluctuation which could exist within the modelling, this will assist planning. The table below shows what would happen if our main assumptions increase by 1%. For example, the income we could get from a 1% increase in AEF would be £3.402m in 2024-25 and an increase of 1% in general inflation would increase costs by £2.032m.

Sensitivity Analysis	Change in Assumption	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
AEF	Increase of 1%	-3402	-3402	-3402	-3388	-3374	-3360	-3345	-3330	-3317	-3302
Council Tax	Increase of 1%	-657	-657	-677	-697	-718	-739	-762	-784	-807	-832
Council Tax Collection Rate	Increase of 1%	-684	-705	-726	-748	-770	-793	-817	-841	-866	-893
Employee Costs - Pay Award	Increase of 1%	2756	2873	2957	3021	3048	2959	3021	3078	3139	3208
Employer pension contribution rates	Increase of 1%	1995	2061	2108	2143	2169	2199	2236	2272	2310	2347
Demographic	Increase of 1%	1219	1267	1320	1362	1404	1449	1494	1541	1589	1639
General Non-Pay Inflation	Increase of 1%	2032	2169	2218	2279	2324	2405	2451	2498	2508	2557

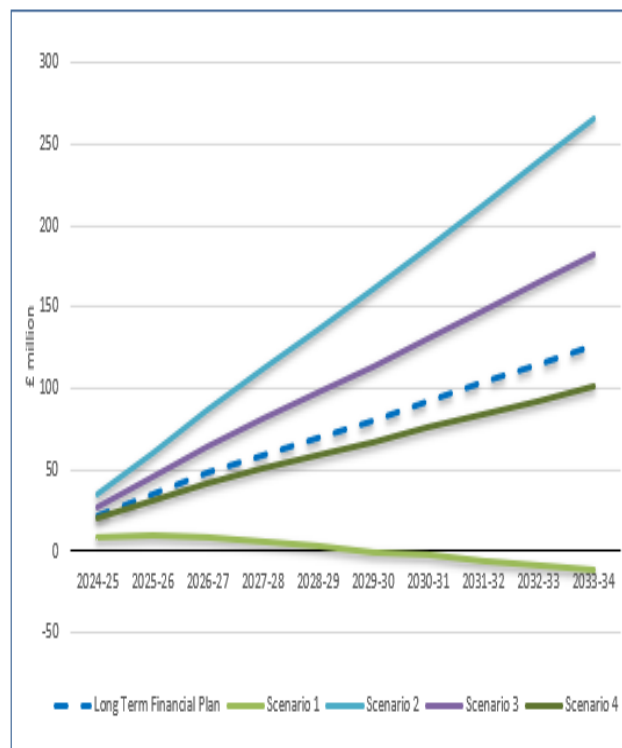
To understand the implication of changes in assumptions a number of scenarios have been undertaken which includes a combination of different changes in our main assumptions. The scenarios which have been considered for planning purposes are: -



The impact of each of these scenarios is shown in the graph opposite.

Scenario one forecasts based on all major assumptions improving with the Council receiving more income and cost increases reducing from the core assumptions. The impact of this would be that there would be no funding gap. The probability of this occurring is considered to be low.

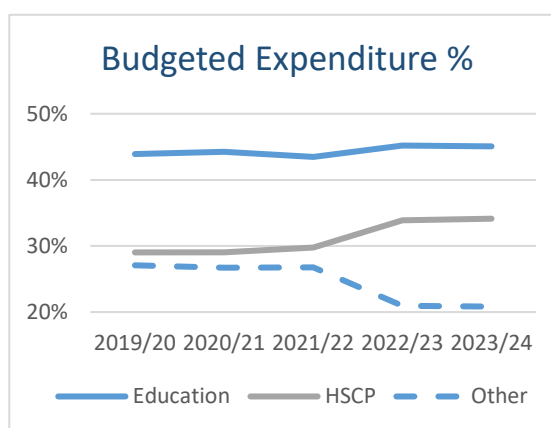
Scenario two forecasts based on all major assumptions declining with the Council receiving less income than assumed within the core assumptions and cost increases are higher than the assumptions made by the plan. This would see the funding gap increase to £265m from £127m over 10 years. This scenario is used to consider the impact if all core assumptions are worse than originally estimated.



Scenario Three and Four has been used to demonstrate the impact of a mix of outcomes and shows under scenario three that the funding gap would increase to £182m and under scenario four reduce to £101m.

The scenarios demonstrate the degree of variation which can occur within the plan. The plan is based on the best assumptions available at this time. However, it is important that this is kept under review as part of the Council’s short and medium term financial planning and updated to reflect the latest information to refine the plan annually.

Earlier this plan identified the impact that local and national prioritisation of Education and Social Care had on other Council Services. This has resulted in a budget for these services of £293m. The same level of prioritisation cannot be sustained moving forward without the removal of all of these services. This will need to be borne in mind when the Council determines which services will be prioritised in the future.



WHAT DOES THE PLAN TELL US?

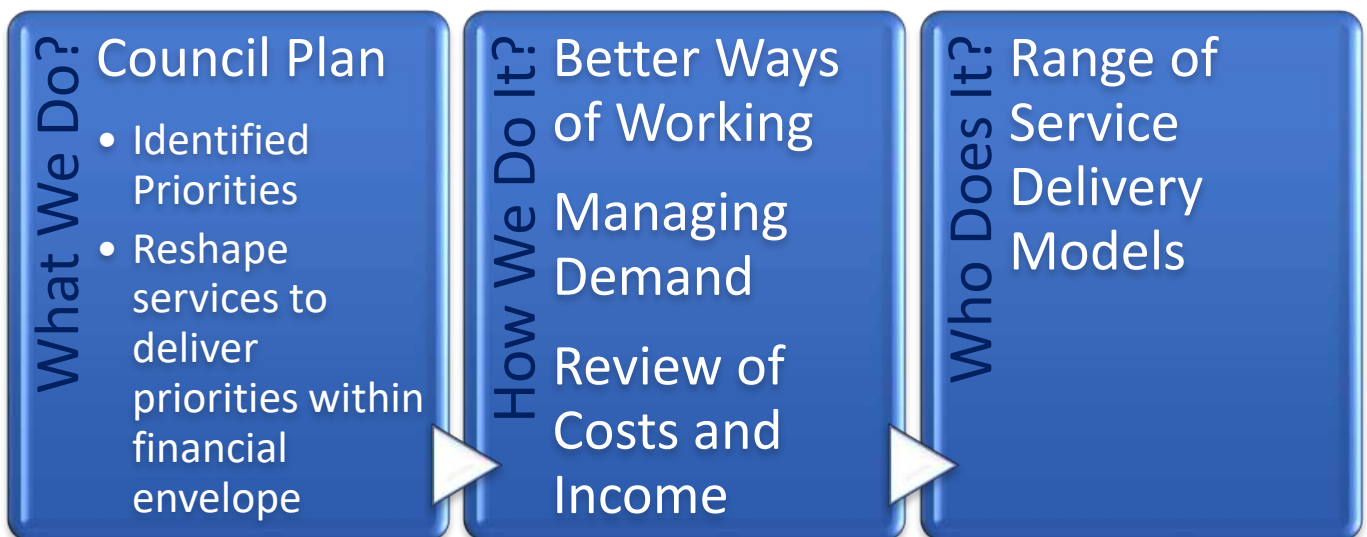
Conclusion

The next ten years remains an extremely challenging financial climate for local councils. This will require the Council to fundamentally review the services which will be delivered, how they will be delivered and who will deliver them.

The long term financial outlook has been developed to enable the Council to plan its respond to these challenges and support future decision making. The plan identifies a number of local and national factors which will impact on the Council and the demand for services and reaffirms the complex environment that the Council operates in and the many factors which impact on its services.

There is an estimated funding shortfall of £127m over the next ten years which requires to be addressed by the Council. This is based on the best assumptions available and sensitivity analyses have been used to show the implications if core assumptions change.

A clear strategy is required to support the Council in continuing to remain financially sustainable over the longer term.



Appendix One

	£millions	£millions	£millions	£millions	£millions	£millions	£millions	£millions	£millions	£millions
Aggregate External Finance	-340	-340	-340	-339	-337	-336	-334	-333	-332	-330
Council Tax	-66	-68	-70	-72	-74	-76	-78	-81	-83	-86
Total Income	-406	-408	-410	-411	-411	-412	-413	-414	-415	-416
Expenditure										
Chief Executive	23	26	28	31	33	35	38	40	43	45
Communities	175	179	182	184	186	188	191	194	196	199
Health and Social Care Partnership	124	129	134	138	143	147	152	156	161	166
Place	55	58	60	62	64	66	68	70	72	75
Financing Charges	18	19	20	20	21	22	22	23	23	23
Other Expenditure	27	27	27	27	27	27	27	27	28	28
Total Expenditure	421	437	451	463	474	485	498	510	523	536
Other Planning Adjustments*	6	6	7	7	7	7	7	7	7	7
Funding Gap	22	35	48	59	70	80	92	103	115	127

*Other planning adjustments reflect a more detailed assessment of service pressures undertaken as part of medium-term financial planning

NORTH AYRSHIRE COUNCIL

13 December 2023

North Ayrshire Council

Title:	Review of North Ayrshire IJB Scheme of Integration
Purpose:	To update Council on progress with the review of North Ayrshire Integration Scheme (“the Scheme”) further to the report to Council on 21 June 2023
Recommendation:	Council is asked to (a) note the progress with the Review of the Integration Scheme by officers from each Council and NHS Board; and (b) agree to receive further updates as the review progresses.

1. Executive Summary

- 1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 is intended to deliver adult social care and social work services and adult community health services in a joined-up way and is intended to achieve the National Health and Wellbeing Outcomes prescribed by Scottish Ministers.
- 1.2 The Integration Scheme is the legal agreement between North Ayrshire Council and NHS Ayrshire and Arran which sets out the arrangements for integration of health and social care, in North Ayrshire currently this is achieved through the Integration Joint Board (IJB) with services delivered by the Health and Social Care Partnership (HSCP).
- 1.3 There is a legal duty on the Council and Health Board (not the IJB) to review the Integration Scheme at least every five years to identify whether any changes are necessary or desirable. In June 2023 North Ayrshire Council agreed to review the Scheme of Integration and liaise in the process with East and South Ayrshire Council and NHS Ayrshire and Arran. This report provides Council with an update on progress with the review to date.

2. Background

- 2.1 At the meeting on 21 June 2023, North Ayrshire Council noted that it had completed a review of the Integration Scheme in 2018 along with East Ayrshire Council. South Ayrshire completed their review the following year in 2019. Within the legislation, there is a statutory duty to review the Integration Scheme within a 5-year period to identify whether any changes are deemed necessary or desirable. The review must take into account integration planning principles set out in the legislation and to the National Health and Wellbeing Outcomes. North Ayrshire Council agreed to realign with the other Councils and undertake a review of the Integration Scheme in parallel with East and South Ayrshire Councils.
- 2.2 All three Councils and NHS Ayrshire and Arran are therefore undertaking a review of the Integration Schemes together. The June report to Council set out the process that parties required to follow for consultation with prescribed consultees after which the revised scheme will be presented to Council and NHS Board for approval. It will then be submitted to Scottish Ministers to formally approve any proposed changes to the Scheme.

Progress

- 2.3 It was anticipated at that time that the review would conclude by December 2023. This deadline was recognised at the time to be challenging, particularly given the range of partners and stakeholders required to contribute to the review and to reach consensus on any areas of change. It is now the shared ambition of all parties to conclude the review by 31st March 2024.

Structure

- 2.4 The process to undertake the review has been further discussed and agreed by the Ayrshire Chief Executives, supported by the IJB Chief Officers. A number of workstreams have been agreed and established to progress the review.
- 2.5 A Programme Board has been agreed to provide strategic oversight and ensure a consistent pan-Ayrshire approach can be taken where possible. The Programme Board is co-chaired by the Chief Executives of East Ayrshire Council and NHS Ayrshire and Arran. Membership includes the four chief executives, three IJB chief officers and the NHS Director of Transformation and Sustainability, a Scottish Government representative has also been identified to join the group in an advisory capacity.
- 2.6 The Programme Board will oversee the development of any proposals for change to the Integration Scheme emerging from the work of the four workstreams. The Programme Board may also make proposals regarding the future scope of the Integration Scheme for agreement by the Parties based on the provisions of Section 46 of the 2014 Act and this will include deciding the functions that are and are not to be delegated, taking full account of those functions which must be delegated under the terms of the legislation.

- 2.7 The work of the review has been divided into four discrete workstreams with responsibility for the various prescribed parts of the Scheme delegated to each workstream. Chairing responsibilities are shared across the partners with representation from across all Councils, the NHS Board and HSCPs.

The workstreams are outlined below:

1 – Resources – Chair - Head of Finance and ICT (East Ayrshire Council)

The main focus for this sub-group is on workforce and finance, including financial risk sharing arrangements, but will also consider premises and support services. This group has met on several occasions and directed further exploratory work including around Prescribing, Support Service arrangements, Acute Set Aside resource, financial management arrangements and risk sharing.

2 – Governance and Legal – Chair - Head of Legal, HR and Regulatory Services (South Ayrshire Council)

This workstream will consider local governance arrangements, information sharing and data handling, complaints handling and liability. The sub-group will also deliver an advisory role in terms of the legal competence of any proposed changes to the Integration Schemes.

3 – Care Governance – Chair - Associate Nurse Director/Lead Nurse (North Ayrshire HSCP)

This sub-group will review clinical and care governance and risk management arrangements.

4- Communication and Engagement – Chair - Assistant Director, Engagement and Communications (NHS Ayrshire and Arran)

This final sub-group will consider the engagement elements within the Integration Scheme, and also lead on the engagement plan required to satisfy the requirements of the Integration Scheme review process, including engagement with the Prescribed Consultees set out in legislation.

- 2.8 All workstreams have now underway and will present any proposals within their workstream for changes to the Scheme of Integration to the Programme Board. It is unclear at this stage re the extent of any proposed changes and whether consensus will be reached on the same.
- 2.9 Any updated Integration Scheme will require to be approved by both North Ayrshire Council and NHS Ayrshire and Arran, as well as endorsed by the IJB, prior to submission to Scottish Ministers. Before submitting the revised Scheme for approval, the constituent authorities must consult again with the interested parties and undertake consultation on any proposed changes.

3. Proposals

- 3.1 Council is asked to note the progress with work by officers from North Ayrshire Council and the HSCP alongside colleagues in South and East Ayrshire Councils and NHS Ayrshire and Arran to progress the review detailed above;
- 3.2 Note the revised target timescale of 31st March 2024 to complete the review; and
- 3.3 Agree to receive further updates as the review progresses.

4. Implications/Socio-economic Duty

Financial

- 4.1 The delegation of any additional functions to the IJB must be accompanied by appropriate financial due diligence to ensure they are properly resourced. Appropriate risk sharing arrangements must be put in place. A financial assessment of the impact of any potential changes to financial arrangements will be shared with Council alongside any updated Integration Scheme presented for approval.

Human Resources

- 4.2 None.

Legal

- 4.3 Reviewing the Integration Scheme is required to ensure ongoing compliance with the Public Bodies (Joint Working) (Scotland) Act 2014.

Equality/Socio-economic

- 4.4 The Scheme of Integration is intended to achieve the National Health and Wellbeing Outcomes prescribed by Scottish Ministers.

Environmental and Sustainability

- 4.5 None.

Key Priorities

- 4.6 The Scheme of Integration supports the delivery of the strategic priorities of the Health and Social Care Partnership.

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 The report outlines the ongoing engagement in place between North, East and South Ayrshire Council's and the NHS Board. As yet no public consultation has taken place, this will be taken forward at the appropriate stage in the review.

Craig Hatton
Chief Executive

For further information please contact **Aileen Craig, Head of Democratic Services**, on **01294-324125**

Background Papers

Council Meeting Paper 21 June 2023 - [Document.ashx \(cmis.uk.com\)](#)

