



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

North Ayrshire Council

A Meeting of North Ayrshire Council will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Wednesday, 26 June 2024** 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 Minutes

The accuracy of the Minutes of the Meeting of the Council held on 15 May 2024 will be confirmed and the Minutes signed in accordance with Paragraph 7(1) of the Local Government (Scotland) Act 1973 (copy enclosed).

4 Provost's Report

Submit report by the Provost for the period covering 6 May 2024 - 16 June 2024 (copy enclosed).

5 Leader's Report

Submit report by the Leader of the Council for the period covering 6 May 2024 - 16 June 2024 (copy enclosed).

- 6 Minute Volume (issued under separate cover)**
Submit, for noting and for approval of any recommendations contained therein, the Minutes of Meetings of committees of the Council held in the period 8 May 2024 - 18 June 2024.
- 7 Appointments**
- The Council is invited to note that (a) Councillors Inglis and McLean are the Leader and Depute Leader respectively of the Conservative and Unionist Group; and (b) in accordance with Standing Order 8.5, (i) Councillor Inglis, being the Leader of the Conservative and Unionist Group, is now appointed to the Ayrshire Shared Services Committee and (ii) Councillor Marshall is now the named substitute on the Staffing & Recruitment Committee for the Leader of the Conservative and Unionist Group.
- 8 Appointments to Outside Bodies**
The Council is invited to, note that Councillor Inglis, being the new Leader of the Conservative and Unionist Group, is now appointed to serve on the Cosla Convention.
- 9 Working Group on Governance Structure**
Submit report by the Head of Service (Democratic) on the outcome of the short life working group on the governance structure of the Council (copy enclosed).
- 10 North Ayrshire Council Unaudited Annual Accounts 2023/24**
Submit report by the Head of Service (Finance) on the unaudited Annual Accounts for the year to 31 March 2024 (copy enclosed).
- 11 North Ayrshire Charitable Trusts: Unaudited Trustees' Annual Report 2023/24**
Submit report by the Head of Service (Finance) on the unaudited Trustees' Annual Report for the year to 31 March 2024, for approval by the Council as trustees (copy enclosed).
- 12 Treasury Management and Investment Annual Report 2023/24**
Submit report by the Head of Service (Finance) on the Treasury Management and Investment Annual Report and Prudential Indicators for 2023/24(copy enclosed).
- 13 Additional Scottish Government Funding for 2024/25 and proposed strategic investment**
Submit report by the Head of Service (Finance) on the additional Scottish Government General Revenue Grant funding for 2024/25 (copy enclosed).

14 Questions

In terms of Standing Order 14, submit:-

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

"To ask the Cabinet Member if the administration have plans to cut nurture provision in schools from August 2024?"

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

The recent Education report to Cabinet stated that "North Ayrshire Council Education Directorate Data Team sends all 9 Secondary schools their Insight Analytical Data set each year which empowers schools to inspect their leavers' data at a learner level Tariff score".

Given that very few parents (and even less Members) understand the terms "Insight" and Tariff" and that the latter is not used as a measure of performance for pupils that enter higher education, whereas the number of Highers achieved is a recognisable measure of performance.

"Can the Member report the percentage of pupils achieving 5 Higher passes in each of our Secondary Schools in the last Academic year."

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

"Can the Cabinet Member provide a breakdown of missed brown bin collections in 2023/24 by ward?"

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

"Following the review of North Ayrshire Council's Irvine Estate and the fact that we cannot afford to maintain/retain so many properties in need of investment has been recognised, will the towns of Saltcoats and Stevenston have this review and if so, at what stage in the process will communities via their respective Community Councils be invited to discuss the impact on, and for, their community?"

(5) a question by Councillor McPhater to the Cabinet Member for Communities, Housing and the Islands in the following terms:

"How many wheelchair accessible properties does North Ayrshire Council hold in the Irvine locality?"

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

"Is it not the case that the alleged reduction in poverty attainment gap claimed in the Education Report to Cabinet, is achieved by a reduction in the tariff score by those in SIMD 10 and demonstrates a reduction in excellence at the expense of equity?"

(7) a question by Councillor McDonald to the Cabinet Member for Communities, Housing and the Islands in the following terms:

"With Council funding which supports community Christmas lights being cut, can the Cabinet Member outline what, if any, support the Council will now provide to groups who organise Christmas light displays in their community?"

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

After the last meeting, the Cabinet Member for Education told the local press that the re-modelling of the school library service, and I quote, "*came to my attention recently because I got a lot of correspondence through from the campaign to save our school libraries, and from parent councils, and from parents, to say they weren't happy with the current situation.*"

"Can the Deputy Leader of the Council clarify what he meant by that statement – did he not read the budget papers, or did he just not understand them?"

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

"With Local Government staff having rejected the COSLA pay offer, is the Council Leader confident that a pay deal will be achieved or are we heading for further industrial action over pay?"

(10) a question by Councillor Kerr to the Leader of the Council in the following terms:

"To ask for an update on the Ardrossan Harbour project following the recent Ministerial taskforce meeting?"

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

"Can the Cabinet Member advise if the re-establishment of after school care provision which was outlined at the last Council meeting will be in place in the Kilwinning Locality for the new school year starting in August?"

15 Motions

In terms of Standing Order 15, submit:-

(1) a motion by Councillor Reid, seconded by Councillor S Ferguson, in the following terms:

"That Council does not permit any bonfires on land owned by the Council without the Council's express permission. Permission would be subject to the applicant agreeing to comply with any conditions set by the Council. The Council would raise awareness of this restriction via the Council website, event organisers information page and social media accounts. Anyone wishing to arrange a bonfire on Council-owned land would require to complete an Event Notification Form to apply for permission. In assessing whether and on what terms to grant permission, officers would have regard to the event type, public liability insurance requirements, first aid provision, litter management and clean up, any licensing requirements, stewarding, policing and toilet provision.

Event Notification Forms must be submitted to the Council a minimum of 8 weeks prior to the anticipated use of the site. If permission was granted, services would circulate the approval of site to all interested parties.

In the absence of permission, anyone depositing materials for burning on Council-owned property would be liable to a Fixed Penalty notice for fly-tipping and a fee for the removal of fly-tipped items."

16 Urgent Items

Any other items which the Chair 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 will not be filmed. However, by entering the Council Chambers and using the press or public seating area, you acknowledge that you may be filmed and that any information pertaining to you contained in the video and oral recording of the meeting will be used for webcasting or training purposes and for the purpose of keeping historical records and making those records available to the public. In making this use of your information the Council is processing data which is necessary for the performance of a task carried out in the public interest

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
Tony Gurney
Alan Hill
Mary Hume
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
15 May 2024

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, Robert Foster, Scott Gallacher, Cameron Inglis, Mary Hume, Margaret Johnson, Christina Larsen, Shaun Macaulay, Jean McClung, Tom Marshall, Ian Murdoch, Nairn McDonald, Matthew McLean, Louise McPhater, Davina McTiernan, Donald Reid, Ronnie Stalker, Angela Stephen and John Sweeney.

Present (Remote Electronic Participation)

Tony Gurney, Alan Hill, Amanda Kerr, Donald L. Reid and Chloé Robertson.

In Attendance

C. Hatton, Chief Executive; C. Cameron, Director (Health and Social Care Partnership); R. McCutcheon, Executive Director (Place); D. Hammond, Executive Director (Communities and Housing); A. McClelland, Head of Service (Education), M. Boyd, Head of Service (Finance), F. Walker Head of Service (People and ICT); A. Craig, Head of Service (Democratic), R. Lynch, Senior Manager (Legal Services); M. McColm, Senior Manager (Communications), and H. Clancy, C. Stewart and S. Wilson, Committee Services Officer (Democratic) (Corporate Services).

Chair

Provost Dickson in the Chair.

Apologies

Timothy Billings, Scott Davidson and Jim Montgomerie

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

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

There were no declarations of the Party Whip.

4. Previous Minutes

The accuracy of the Minutes of the Ordinary Meeting held on 27 March 2024 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 18 March 2024 - 5 May 2024.

Noted.

6. Leader's Report

Submitted report by the Leader of the Council for the period for 18 March 2024 - 5 May 2024.

Noted.

7. Council Minute Volume

Submitted for noting the Minutes of meetings of committees of the Council held in the period 13 March 2024 - 7 May 2024.

Noted.

8. Report of the Returning Officer – Kilwinning By-Election

Submitted a report by the Returning Officer advising on the outcome of the North Ayrshire Council Ward 6 Kilwinning By-Election and on the Declaration of Acceptance of Office by the new Elected Member, Mary Hume, for that Ward.

Noted.

The Provost formally welcomed Councillor Hume to the Council.

Councillor Chloé Robertson joined the meeting at this point.

9. Composition of Political Groups following the Kilwinning By-Election

Submitted a report by the Chief Executive on the change in the composition of the Opposition Groups following the Kilwinning By Election.

Accordingly, the Council agreed to note the changes in the composition of the Opposition Groups and that the Labour Group forms the main opposition with its leader being the Leader of the Opposition who is remunerated as a Senior Councillor.

10. Boundaries Scotland: 2023 Review of Scottish Parliament Boundaries

Submitted a report by the Head of Service (Democratic) on the Boundaries Scotland's 2023 Review of Scottish Parliament Constituency Boundaries.

Councillor Burns, seconded by 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 to (a) note Boundaries Scotland's 2023 Review of Scottish Parliament Constituencies and the amended proposals for the alteration of the constituency boundary for Cunninghame South following consideration of initial consultation responses; (b) accept the revised proposals; and (c) receive further updates as the Review progresses.

11. Seagate Castle – Preservation and Conservation Works

Submitted a report by the Executive Director (Place) seeking approval for an allocation of £236,420 from the Irvine Common Good to carry out stabilisation and conservation works at Seagate Castle, Irvine.

A Member asked a question, and received clarification, on annual payments from the Common Good Fund.

Councillor Larsen, 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 to approve an allocation of £263,420 from the Irvine Common Good to carry out stabilisation and conservation works at Seagate Castle, Irvine.

12. 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:

"The Kilwinning Scouting movement are rightly proud of King Scout Katie Roy and our Silver Wolf Recipient Mr Alister Kerr (Ned) who took part in the Scouts day of Celebration Event held at Windsor Castle on Sunday 21st April 2024.

The event celebrated young people achieving the Top Award and amazing Adult volunteers that support the young people in the Scouting movement.

I'm told both Katie and Alister had a really special day with Katie parading in front of the Chief Scout Bear Grylls.

A wonderful day to celebrate the Scouting Achievement of Katie and Huge Commitment to Kilwinning Scouts of Alister who are both fantastic Scouting Ambassadors.

North Ayrshire Council acknowledges this tremendous achievement for both Katie and Alister and sends its congratulations to both."

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

13. Questions

In terms of Standing Order 14, submitted:

- (1) a question by Councillor Marshall to the Cabinet Member for Communities, Housing and the Islands in the following terms:

"Does the Portfolio holder agree that School librarians:

1. deliver an extensive programme to support literacy across the curriculum;
2. assess reading ages through a test when pupils arrive in S1;
3. deliver the Learning to Learn programme to help pupils learn how to study; and
4. ensure that the library is a valuable resource in every school from juniors using it to borrow books to being a safe study space for seniors where they can be assisted in research and applying for university and further agree that School Librarians are essential to improving attainment in literacy?"

Councillor Hill thanked the Member for his question and responded by expressing the view that libraries make a valuable contribution to young people's learning and development and referred to concerns by parents and pupils received following the decision taken at the 28 February 2024 Council meeting.

In terms of Standing Orders 23.1, Councillor Hill, seconded by Councillor Macaulay, intimated that they wished to move a suspension of Standing Orders to allow consideration of a motion on the redesign of the Library Service.

On a point of order in terms of Standing Order 15.4, Councillor Foster sought clarification on the relevant standing orders of the motion.

The Monitoring Officer confirmed that the Standing Orders 15.1 and 25.1 required to be suspended to allow consideration of the motion.

There being no amendment, the motion was declared carried.

Accordingly, the Council having agreed to proceed with suspension of Standing Orders to allow consideration of a motion, Councillor Hill, seconded by Councillor Macaulay moved that Council agrees to delay the current implementation of the school library redesign, planned for Aug 24, to allow further work to be done on the development and communication of the replacement model. Implementation will be delayed until January 2025 at a cost of £100k which will come from the renewable energy contribution agreed by council. A paper setting out the new operating model will be brought back to council at the earliest opportunity.

A Member asked a question of clarification in respect of the motion, with regard to the delay of the implementation to January 2025.

There being no amendment, the motion was declared carried.

Following suspension of standing orders and the motions following thereon, resumption of business as per the published agenda commenced.

As a supplementary question, Councillor Marshall asked why parents and pupils were not consulted on the Library Service redesign prior to the decision being taken.

Councillor Hill responded by advising that the proposals considered by Council at the 28 February 2024 meeting had staffing implications therefore undertaking public consultation was not appropriate prior to the decision being taken.

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

"To ask the Cabinet Member why the administration agreed to replace the hot light tea in early years with a cold "late lunch" for the remainder of this term?"

Councillor Maculay thanked the Member for his question and highlighted elements of the following written response:

"Whilst we complete service redesign processes, a temporary menu change has been implemented in our early years establishments as part of our afternoon service. The temporary menu change is in accordance with current Scottish Government guidance and offers a healthy balanced diet with a range of tastes and textures. Hot meals will return for afternoon sessions in August."

As a supplementary question, Councillor McDonald asked what engagement took place with families affected prior to the change being implemented, that the food provision met nutritional standards and whether there were any associated financial savings as a result of the menu change.

Councillor Macaulay responded by undertaking to advise Councillor McDonald on the financial implications and advised that the menu, which meets Scottish Government guidance on nutritional standards, was put in place due to the service redesign and to allow transition of new staff.

(3) a question by Councillor T. Ferguson to the Cabinet Member for Communities, Housing and the Islands in the following terms:

"To ask the cabinet member for Finance to provide an update on the recent fire at Fenix Battery Recycling Plant in Kilwinning?"

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

"Following the serious fire incident at the Fenix Battery Recycling Plant last month, and the prompt emergency services response, the incident is now in what is termed the recovery phase. A multi-agency Recovery Group, chaired by the Executive Director (Housing and Communities), has met on a regular basis to assess the consequences of the incident, consider appropriate recovery planning and monitor progress by those responsible for the site. This work sits alongside Scottish Fire & Rescue's ongoing investigation of the incident.

A notice under Section 29 of the Building (Scotland) Act has been served on the owners of the property instructing them to make the building safe and the site is now fully in their control to proceed as required, whilst ensuring all statutory requirements are being met.

The owner has appointed specialist contractors who are at present preparing proposals for the waste removal and demolition phase. Currently the site has 24 hour security, and dust mitigation equipment has been deployed for use as and when required. The work on site is likely to be ongoing for some time, and the current multi-agency approach to engaging with the site owner and their representatives will continue as required, with the Scottish Environment Protection Agency playing a key regulatory role."

As a supplementary question, Councillor Ferguson referred to a previous licence transfer from the Scottish Environment Protection Agency (SEPA) to Fenix in 2022 for the Kilwinning site, and whether SEPA advised the Council at any stage that Fenix had previously been refused a licence on the grounds of competency.

Councillor Hill responded by undertaking to advise Councillor Ferguson of the relevant licence application details. He further advised that enforcement notices had been served on 13th May 2024 instructing the removal of both damaged and fire damaged batteries from the site in Kilwinning.

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

"I have noted that the ambient snack provision is now under way in our schools. One school has tweeted that they have been fundraising and organising equipment to support the distribution of the ambient snacks. In the roll out of this scheme, was no allowance made for equipment to facilitate the distribution of those ambient snacks taking account of allergies and hygiene requirements?"

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

"Light equipment has been provided to allow the efficient distribution of the healthy mid-morning snacks to all primary school children. A serving trolley was supplied to every school with the exception of a couple of schools on the Isle of Arran where it was not required. No school is required to purchase equipment required for this snack provision."

As a supplementary question, Councillor Reid referred to allergy and hygiene requirements with regard to handling of ambient snacks and the impact of wasps and insects when the snacks are being eaten in an outside environment.

Councillor Macaulay responded by undertaking to raise the distribution issue with the schools in question.

(5) a question by Councillor Marshall to the Cabinet Member for Communities, Housing and the Islands in the following terms:

"Since the retirement of the main KA Leisure employee (on Arran) over 18 months ago, KA Leisure has not been able to employ anybody to fill the role. This has meant that on Arran the gym is closed, and community facilities are only open by special arrangement with staff having to come over from the mainland.

Will the Cabinet member commit to working with officers to find a different model of operation for the community facilities at Arran High School which will enable them to be open for regular gym and community events?"

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

“Council officers are aware of the current situation and continue to be actively engaged with KA Leisure to identify a more sustainable resolution. A range of options are being investigated to make the best of use resources available on the island, including where Council officers may potentially be able to assist and support.”

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

"Given the recent report that Canmore Children's house was given a weak grade on the quality of support for children and young people's rights and wellbeing, is this the SNP Administrations way of keeping the Promise to care experienced people?"

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

“Our Children’s Houses are homes for our young people, in which we aspire to provide a safe, caring space. To bring negative headlines and connotations associated with a Children’s House, can have a profound impact on the young people and staff alike. Cllr Foster as Chair of the IJB in the previous administration knows he could have raised his concerns with officers within HSCP.

The Care Inspectorate report outlines a number of positives, which the Children’s House will be proud of, including evidence of warm, nurturing relationships, and, despite difficult circumstances, many of which are out with the Children’s House control, for example the matching in process- for young people requiring placements, concerted efforts by staff to provide individual time and support to young people and the overall commitment and efforts of staff and management.”

As a supplementary question, Councillor Foster asked the Cabinet Member to give her view on the potential impact of children’s homes being overcrowded?

Councillor Johnson declined to respond further.

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

"To ask the cabinet member for Green Environment and Economy, does he believe that the current road management and maintenance plan is fit for purpose and sustainable in its current form?"

Councillor Gurney thanked the Member for his question and responded by advising the plan is fit for purpose, run by dedicated officers in accordance with the asset management plan and delivering the maximum return on investment with fewer roads generally requiring maintenance over the last 6 years. On the matter of sustainability, Councillor Gurney referred to ongoing budget challenges and funding allocations from the Westminster government as well as the inflationary costs of materials and

construction citing an example of the rough stone used in roads contracts having increased in cost by 20% in the last year.

As a supplementary question, Councillor McLean referred to the growing number of electric and hybrid vehicles on the road which he asserted are heavier than a standard internal combustion vehicle and asked if the current maintenance plan needs a refresh.

Councillor Gurney responded and referred to the weight of traffic on the road with regard to heavy goods vehicles and undertook to pass Councillor McLean's comments onto officers to ensure that this was accounted for in the maintenance plan.

On a point of order, Councillor Cullinane asked and received clarification on the application of Standing Order 14.4 relative to another Member asking a question to Council which had been submitted by another Member.

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

"To ask the Cabinet Member for a breakdown of the assessed maintenance backlog for Kilwinning schools?"

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

"Other than the routine repairs and maintenance issues to be expected across any large property portfolio, there is no assessed backlog maintenance - rather there is property condition information that helps shape our building lifecycle investment planning."

As a supplementary question, Councillor Cullinane referred to the maintenance backlog of the estate asked if the Cabinet Member agreed that proactive investment in the infrastructure is preferable to reactive maintenance.

Councillor Gurney responded and referred to the building lifecycle investment planning regime and condition surveys designed to capture the investment needs across the estate with budget being allocated on a priority basis.

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

"Given that the Portfolio holder takes a keen interest in the performance of football League Tables can he explain why in the 2024 Times Newspaper's League Tables of Scottish school's performance based on the number of pupils achieving 5 Highers, there are now no NAC schools in the top 50?"

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

“This question is based on a league table created annually by the Times newspaper which focuses on a narrow interpretation of successful attainment, measuring only the percentage of pupils who achieve more than 5 Highers. School education is about a wide range of qualifications and experiences and success should not be measured solely on one benchmark.

The Education Service reports annually to Cabinet on the attainment outcomes of leavers in North Ayrshire, and how this performance relates to the Virtual Comparator and the national picture. A report will be presented to Cabinet in May which gives specific details about the current picture across the range of attainment measures.

With reference to the benchmark of 5 qualifications at SCQF Level 6 (including Higher) or better, 35% of NAC learners left with at least 5 level 6 qualifications or better in 2023. This is above the virtual comparator (of young people with similar characteristics to our learners from schools across Scotland).

A nationally agreed set of measures called “Stretch Aims” has been produced and this will form the basis of local and national reporting on attainment moving forward.

It is important to stress the wealth of courses now on offer to young people across the senior phase in our schools. Carefully planned options in the senior phase ensure that appropriate pathways are available to support the needs and aspirations of ALL pupils, and not only those who would have traditionally followed qualifications at Higher level. Schools are increasingly offering diverse options, which include vocational learning through Foundation Apprenticeships and other qualifications at levels 4-7 of the Scottish Credit and Qualifications Framework. This ensures that our learners are equipped with the skills and qualifications to go on to a positive post school destination (in 2023, 96.5% of NAC leavers entered a positive destination – this is our highest figure to date and is above both the virtual comparator and the national figure).

Our leavers are now more likely leave school with a broad range of qualifications. This is likely to include some Highers in many cases, but also a blend of new alternative qualifications which the Times does not include in its league table.

We believe that the simplistic method of ranking schools in a league table format is outdated and does not properly reflect or acknowledge the overall achievements of our hard-working learners throughout our schools in North Ayrshire. Schools across the authority continue to make very good progress in raising attainment and achievement across the board.

Reference: Equivalent
SCQF Level 4 = National 4
SCQF Level 5 = National 5
SCQF Level 6 = Higher
SCQF Level 7 = Advanced Higher."

As a supplementary question, Councillor Marshall referred to statistics which he asserted demonstrated a decline in attainment and asked if a formal Education Committee to discuss Education matters in depth would be better than the current arrangements.

Councillor Macaulay referred to the working group set up to discuss committee structures which would report to Council in due course. He further advised on the positive impact that North Ayrshire's Education Service had on our young people and highlighted the importance of equity in education and that poverty was the biggest driver in pupils not being able to meet their full potential.

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

"Does the Cabinet Member for Education believe that North Ayrshire Council is providing a satisfactory Early Years Service?"

Councillor Macaulay thanked the Member for his question and referred to the excellent Early Years Service that North Ayrshire provides giving our pupils the best start in life.

As a supplementary question, Councillor Sweeney referred to changes to the working model with staff and children arriving at the same time and asked if this practice is safe and sustainable?

Councillor Macaulay responded and advised he would be happy to look into this further with Councillor Sweeney and the Head of Service for Education.

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

"To ask the cabinet member for Green Environment and Economy to provide an update on plans to deliver the safer speed limit of 20mph by 2025 on all appropriate roads in built-up areas?"

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

“An assessment has been completed to identify roads suitable for the introduction of 20mph limits in residential and town centre areas.

Plans have been prepared indicating the proposals to reduce existing 30mph speed limits to 20mph where appropriate and maintain the 30mph speed limit at other locations. The nature of the road, frontages, and the strategic nature of roads has been taken into account in developing proposals. Draft proposals have been submitted to Police Scotland and Strathclyde Partnership for Transport (SPT) for initial comments, prior to finalising draft proposals for circulation and comment in June to Elected Members.”

As a supplementary question, Councillor Ferguson referred to the rollout of 20mph in Wales, the cost of the policy and if the rollout will be fully funded by the Scottish Government.

Councillor Gurney responded and advised the costs would be taken into account when finalising the proposals.

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

"The remodelling of early years is causing a significant concern for staff and families.

Can the Cabinet Member confirm how many early years practitioners will:

- (a) no longer have a contract following the review; and
- (b) be asked to move to a different early year's centre?"

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

“Given the lower than projected uptake of early years provision, mainly as a result of a declining birth rate, the budget for the Early Learning and Childcare expansion programme was reduced by Scottish Government by over £1.5m. We are currently in the final stages of the service redesign of our early learning and childcare provision to ensure we can deliver a high-quality service within the available financial envelope.

In response to part (a) of the question, at this time, 42 employees have come forward requesting to leave the service through voluntary early release (VER) and these have been granted, meaning that those staff will leave the service on 18 August 2024. All other employees have either been aligned to a post within their own or another establishment or have the opportunity to apply for one of the current vacancies. There are enough vacancies at a range of work patterns and grades within the service to be able to accommodate all remaining early years staff, should they wish.

In response to part (b), we are still working through the organisational change process so we are unable to provide a final number at this time. The service would be happy to provide the Member with this information following the completion of the service redesign.

In order to recognise the staff changes in ELC establishments from August, arrangements are being put in place prior to the summer holiday period for staff who are moving to a new work location to have the opportunity to visit to familiarise themselves with their new working environment, and to meet and begin to get to know the other staff and children in advance of the start of the new term in August.”

As a supplementary question, Councillor Cullinane referred to the workforce within Early Learning and Childcare and the growing number of pupils with additional support needs and asked if that had been factored into the process for remodelling the service and what additional support will be offered to pupils with additional support needs during the transitional phase.

Councillor Macaulay responded and recognised that any remodelling has a period of disruption, and that a transition period has now started to allow staff to become familiar with the establishments where they will be based. The service continues to offer additional support to children on a case by case basis. He further advised that if there was a specific case causing concern, that it be brought to the attention of the Head of Service so that it could be taken forward.

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

“Can the Cabinet Member for Green Environment and Economy tell me how many:

1. DPE FPNs have been issued?
2. how many have been paid in full, and how much was raised?
3. how many have been paid at the reduced rate; and
4. how many have not been paid on time?”

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

1. "Decriminalised Parking Enforcement involves the issuing of Penalty Charge Notices (PCN's) as opposed to Fixed Penalty Notices which are issued for littering and other offences. From 15 April 2024 to 30 April 2024 we issued 497 PCNs.
2. 218 have been paid and income of £10,900 has been realised.
3. 218 have been paid at the reduced rate.
4. None as the scheme started on 15 April 2024 therefore no payments are overdue."

As a supplementary question, Councillor McLean referred to erroneous information circulating on social media and asked about the process for tickets that have not been paid.

Councillor Gurney responded and advised that the Penalty Charge Notices should not be ignored and are enforceable. He referred to the charging and surcharge structure and that if not paid then the case will be passed to the Sheriff Officer for payment debt recovery which will cost the customer more than paying the fine in the first place.

Councillor Cullinane left the meeting at this point.

(14) a question by Councillor Hume on behalf of Councillor Cullinane to the Cabinet Member for Communities, Housing and the Islands in the following terms:

"To ask the Cabinet Member for an update on work to re-establish after school care provision in Kilwinning?"

Councillor Hill thanked the Member for her question and responded in the following terms:

"Following the ceasing of availability of out of school care provision in Kilwinning, parents were surveyed to seek out any interest in establishing a parent led service, similar to services provided in other localities. Officers then turned to approaching existing providers in other areas and were able to identify one provider who is interested in expanding their service to Kilwinning. Officers are working with this provider to help establish the additional capacity required, while they progress with other steps required including registration with the Care Inspectorate. Accommodation for the service has been identified within a local school.

More widely, funding to support rural and school aged childcare was made available through Covid Recovery funds and also via the Council's Child Poverty and Early Intervention Fund. These resources have supported existing services as they recovered from changing childcare needs as a result of altered work patterns. The funds have also enabled the provision of a specific post to help work with communities and providers to

address local issues, with a recruitment process currently underway. This will help to improve capacity to work with parents and communities to identify solutions.”

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

"To ask the leader for an update on where the council is with firework control zones?"

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

“A working group of officers has been established to consider the implementation of these new discretionary powers.

Officers have met with representatives from Police Scotland and Scottish Fire and Rescue Service to seek initial views on whether any Firework Control Zones (FCZ) are required in North Ayrshire. The evidence presently available does not appear to indicate a need to consider the proactive designation of an FCZ in North Ayrshire by the Council, however this may change in future. Discussions are ongoing with Police Scotland regarding the framework for information sharing for the purposes of FCZs. Officers have also met recently with representatives from the Scottish Government to discuss the approach being taken to the designation of zones and associated processes.

A process is being developed to enable communities to request that the Council considers implementing a Firework Control Zone which would be submitted along with reasons and evidence to support the request. A Members’ briefing will be provided once the application process has been finalised.

There are ongoing reports being brought to the Police and Fire and Rescue Committee regarding Operation Moonbeam, which is the collaborative response to the delivery of community safety in the leadup to Bonfire Night delivered by the local authority, Police Scotland and Scottish Fire and Rescue Service. Regular updates are provided to the Police and Fire and Rescue Committee regarding the planning for bonfire night in North Ayrshire. Reports evidence a proactive engagement with communities in North Ayrshire regarding firework safety and clean-up operations.”

Councillor Cullinane rejoined meeting during this agenda item.

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

"What engagement has the administration had with pupils campaigning against cuts to school libraries?"

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

“Following approval of the redesign of the school library service at the full Council meeting on 28th February, officers have been working to develop the revised delivery model in consultation with affected staff.

Members of the Administration have received and responded to questions from pupils regarding the changes.

The next stage will involve further engagement with the school community prior to implementation of the new model at the beginning of the 2024/25 academic year.”

As a supplementary question, Councillor McDonald asked if the Cabinet Member will commit to meeting with the pupils affected before the summer recess.

Councillor Macaulay responded and advised he would be happy to meet with pupils and Parent Councils to discuss how to take the model forward.

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

"To ask the Portfolio holder for Education, what is the number of formal exclusions and informal exclusions in NAC Schools over each of the last 3 Academic years?"

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

“The aggregate numbers of incidents of temporary exclusions recorded on the school management information system (and therefore on the pupils’ record) over the last 3 years and the current academic session (to date) is provided in the table below:

School type	2020/21	2021/22	2022/23	2023/24 (to date)
Primary	21	12	50	19
Secondary	152	309	321	314
ASN	0	1	14	2
Total	173	322	385	335

There is no concept of an “informal” exclusion in school statistics.”

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

"Kilwinning Councillors learned from the local press of concerns over a children's home in the ward including reported overcrowding, vulnerable users being placed in the wrong setting and a lack of maintenance. Whilst There were some positives, the report focused on the issues which appear to have been known and indeed may have been reported on earlier. Why was there no communication with elected members on the concerns raised by the Care Inspectorate and what actions are going to be taken to improve matters?"

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

"The Care Inspectorate inspection took place over two days from 10th February, the Council received the final inspection report on 16th April and all Elected Members were provided a briefing on 26th April from the HSCP Director. This briefing was issued not only to advise of the inspection report, findings and outcomes and reassurance of the improvement plans which are being progressed by the service, but also to put the findings into context with the wider pressures for the Children's Care system.

Cllr Reid and other elected members will appreciate that our Children's Houses are home for our young people and aspire to provide a safe, caring home for young people. Any negative headlines or connotations associated with a children's house can therefore have a profound impact on the young people and staff. Members can be assured that the service have submitted a robust improvement plan to the Care Inspectorate and have met with the inspectorate to discuss the same. Examples of actions include a new admissions procedure, a staffing needs assessment, a strengthened approach to staff learning and development and all outstanding maintenance work has been completed. The service are required to meet the improvements by 30 June 2024 and are confident that plans are in place to meet the requirements."

As a supplementary question, Councillor Reid advised he would have preferred to hear from officers of any concerns of Children's homes and not from the press.

At the invitation of the Provost, the Chief Executive provided further clarification on the timescales for reporting this story in the press and that officers always endeavoured to provide Elected Members with information as quickly as possible and would continue to do so.

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

"Can the Cabinet Member for Green Environment and Economy give me an update on NAC RAAC investigations? And has any more RAAC been found?"

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

“Following the completion of a desk-top review of our non housing estate and physical inspections of ‘in scope’ properties (those with flat-roofs and built between the 1950’s and 1990’s), 2 locations were found to contain RAAC; The Physical Education block at Ardrossan Academy and the main storage shed at Mid-Dykes Streetscene Depot. Following discovery of the material, contingency plans were put in place. Further investigations were carried out and, mitigation strategies developed, design work undertaken, and contractors appointed to undertake remedial work.

For Ardrossan, works have been progressing well, with final works including finishes and lighting reinstatement due to complete imminently. It is anticipated the school will have access to the PE block by the end of this week.

For Mid-Dykes, the storage shed at the depot remains closed whilst feasibility and costs of mitigation measures are being finalised.

In respect of the Housing Portfolio, we have also undertaken a desk-top exercise to determine if any of our properties were at risk of containing RAAC.

The desk-based review did not identify the likely presence of RAAC in any of our homes. However, we are progressing a risk-based survey programme at “in-scope” locations to mitigate any potential risks.

One property from each in-scope building type (those with flat-roofs and built between the 1950’s and 1990’s), from each relevant street or close grouping of similar buildings, is being surveyed in the first instance. We have completed all surveys in the common areas of the first tranche of these surveys, and all-but 3 surveys within tenanted properties. We are now commencing surveying each of 138 remaining in-scope individual properties to ensure we are not relying on ‘property typing’ information alone. Timescales are dependent on tenant access, structural engineer, and asbestos surveyor availability; however, we are targeting to complete this by the end of summer.

No RAAC has been found in any of our Housing properties to-date and It should be noted that RAAC is an appropriate construction material where it has been properly designed, installed and maintained. If found to be in good condition, the actions required would be around communication and instigating a routine inspection schedule.”

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

"To ask the Cabinet Member if the Council has been in contact with the owner of the former Rankins pub in Stevenston to ascertain their intentions for the building?"

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

“Officers previously issued a letter to the owner making them aware of support available via the Repurposing Property Grant Scheme and inviting them to share their intentions for the site with the Council. Officers within Protective Services have also tried to contact the owner several times this year, but no response has been received.”

(21) a question by Councillor T. Ferguson to the Leader of the Council in the following terms:

"To ask the Leader to provide and update on how many TVs have been procured by NAC in the last five years?"

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

“The Council’s procurement records indicate that a total of 144 TV’s have been purchased during this period.”

As a supplementary question, Councillor Ferguson referred to Headrigg Gardens Sheltered Housing being unsuccessful in sourcing a new TV for their lounge room and asked for the Leader to help move this forward?

Councillor Burns responded and advised this would be a matter for the Chief Executive.

At the invitation of the Provost, the Chief Executive advised that this matter would be investigated and progressed.

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

"How many purple bin lid replacement requests were made to the customer service centre in 2023-24 and how many have still to be actioned for repair?"

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

“For 2023/24 there were 2,283 requests for purple bin lid replacements and 1,529 have still to be actioned for repair.

After lengthy communications with the purple bin supplier seeking a remedy for the issue a resolution was agreed recently which has secured a quantity of replacement bin lids, at no cost. The Service are now able to progress the backlog of repairs and are prioritising these.”

As a supplementary question, Councillor Reid asked to make the process of requesting a purple bin lid replacement online?

Councillor Gurney responded that not all customers have access to use online facilities, but the request would be added to the online form in the coming weeks.

The allotted time of 60 minutes having expired, the Provost confirmed that the remaining questions and responses, as circulated in advance of the meeting, would be taken as read and included in the Minute.

(23) a question by Councillor Marshall to the Cabinet Member for Health and Social Care Partnership in the following terms:

Self-Directed Support (SDS) allows people to choose how their support is provided and gives them as much control as they want of their individual budget. Put simply SDS is the support a person purchases or arranges to meet agreed health and social care outcomes. Before SDS is granted there needs to be an assessment by social work.

I ask the Cabinet member to provide the following information:

1. How many persons in the North Ayrshire are currently awaiting an Assessment for SDS and of these how many are in Ward 1;
2. How many persons in the North Ayrshire are currently awaiting the result of an Assessment and of these how many are in Ward 1;
3. What is the average waiting time for the result of an Assessment;
4. On average how long does it take from the completion of the Assessment to the award of SDS;
5. What is the budget for SDS for the current financial year and how many persons are currently in receipt of SDS; and
6. In each of the previous 3 financial years much was spent in on SDS and how many persons were in receipt of SDS.

The written response by the Cabinet Member for Health and Social Care Partnership was as follows:

“As highlighted where there is a formal request to the HSCP to access care and support there is a process which to undertake an assessment of a person’s care needs. The assessment process is undertaken in consultation with the individual, and any other relevant stakeholders – for example carers, family members, GP etc and will take into consideration what their care and support needs are, and how these can be met.

Through this process of assessment, consideration will also be given to eligibility criteria which considers 4 categories of risk to help determine whether the person receiving the assessment is eligible to receive social care support. Where it is identified that a person has substantial or critical risks, then as part of the assessment process the service will advise of the options available through SDS and their choices will form the outcome of

the assessment. There are a variety of ways in which care and support is provided via each Self Directed Support Option, including services such as Day Care, Dementia Support, Care at Home, Community Supports and Respite.

There are 4 Self-Directed Support options as follows:

Option 1 - a direct payment which is a payment to a person or a third part to purchase their own support

Option 2 - the person directs the available support

Option 3 - the local council arranges the support

Option 4 - a combination of any of the above

As described, Self Directed Support covers the breadth of social care services the HSCP delivers. Therefore I am unable to respond directly to your questions without further clarity on your specific enquiries, I am confident however that HSCP officers will be happy to support with the provision of information if you would like to contact them directly.

The SDS agenda is complex and there have been challenges with implementation which are experienced across Scotland. I have asked the HSCP to support a members development session to ensure a shared understanding of the various options, how these are accessed, typical SDS provision in North Ayrshire, challenges linked to the delivery of SDS, Waiting List management and local actions that are in place to minimise the impacts of these challenges and promote SDS.”

(24) a question by Councillor Kerr to the Leader of the Council in the following terms:

"To ask for an update on the work of the Ardrossan taskforce since the last Council meeting?"

The written response by the Leader of the Council was as follows:

“The Taskforce has not met since the last Council meeting. The next meeting is currently scheduled for 16 May 2024. During the intervening period, the focus of the Ardrossan Task Force members has been on the preparation of the revised Outline Business Case. This has involved the coordination of feedback from partners and the scheduling of further iterations, with the final objective being a public announcement on the future of Ardrossan Harbour by summer parliament recess.”

(25) a question by Councillor McLean to the Cabinet Member for Communities, Housing and the Islands in the following terms:

“Does the Cabinet Member for Communities, Housing and the Islands believe that our community centres and associated associations are sustainable and to see if he is aware of any concerns raised with regard to their support?”

The written response by the Cabinet Member for Communities, Housing and the Islands was as follows:

“As the Member will know the council requires to find around £20m of revenue savings over the next few years. Sadly, therefore we do not have the resources available that we would like to have available to support our excellent community associations in the work that they do. We would all dearly like to provide greater funding to these bodies in order to support the much-needed work that they do in their individual communities.”

As a supplementary question received by 10am on the day following the meeting in accordance with Standing orders Councillor McLean asked the following question:

“I am aware that some centres are currently having their commitments and agreements with the Council reviewed in light of pressures they claim to be facing, is it the view of the cabinet member that any issues with regards to sustainability of centres lays primarily with those individual centres and associations themselves rather than any issue with regard to the overall policy or support provided by the authority?”

The written response by the Cabinet Member for Communities, Housing and the Islands was as follows:

“A few years ago, the SNP Group ran a successful campaign to stop the then Labour Administration from closing many of our community centres. To date we have managed to continue to support their work, but this is becoming more challenging financially with each passing year. It is fine to question the Administration and Officers about these matters however the real problem here is the continued austerity from the UK Government which has cut the funding to the Scottish Government which in turn has cut our available funding locally. The local Conservative Group are in a good position to challenge the current orthodoxy within their Party and seek to change tax and spend policies to ensure that more funding is available to support our local centres and the valuable work they do assisting their local communities and countering the Tory Cost of Living Crisis.”

(26) a question by Councillor T. Ferguson to the Leader of the Council in the following terms:

“What events are being planned to mark the 80th Anniversary of the Normandy Landings?”

The written response by the Leader of the Council was as follows:

“Community based groups in Largs and Skelmorlie have been supported in developing events and displays to mark the upcoming 80th anniversary. A display will be open to the public in Largs Museum sharing the story of the landings including the link to planning sessions for the landing at Vanduara in Largs.

The Secret Bunker in Skelmorlie will host a beacon lighting ceremony on the evening of 6th June.

Coastwatch Scotland are also hosting an event on 6th June in Irvine, close to their premises at Irvine Beach.

The information boards at Largs Promenade have been re-created and installed in the North Ayrshire Heritage Centre and will accompany a short film featuring local veterans sharing their stories of D-Day.

The anniversary will also be marked through the Council's Heritage Team's social media channels."

As a supplementary question received by 10am on the day following the meeting in accordance with Standing orders Councillor Ferguson asked the following question:

"To ask the Leader to liaise with the Education Department to ensure that there are appropriate 80th anniversary D-Day events and activities planned within our schools to remember the sacrifices of all the brave men and women who were involved in this first step towards the eventual liberation of Europe."

The written response by the Leader of the Council was as follows:

"I am sure the Education team are aware of the significance of this anniversary but will pass on Cllr Ferguson's comments."

In terms of Standing Order 6.8, the Provost agreed that the meeting be adjourned at 3.25 p.m. for a short comfort break, reconvening at 3.45 p.m. with the same Members and officers present and in attendance.

14. Motions

In terms of Standing Order 15, submitted:

(1) a motion proposed by Councillor Gurney, seconded by Councillor Johnson, in the following terms:

"That the Council notes:

- The scientific consensus is clear that human activities are primarily responsible for accelerating global climate change, and that the climate crisis now represents one of the preeminent threats to global civilisation.
- The Intergovernmental Panel on Climate Change Sixth Assessment Report states that it is unequivocal that climate change has already disrupted human and natural systems and that societal choices and actions implemented in the

next decade determine the extent to which medium- and long-term pathways will deliver higher or lower climate resilient development.

- The International Energy Agency stated in its May 2021 report “Net Zero by 2050” that in order to reach that goal there should be no new oil or gas fields, or new coal mines, as of that moment.
- The Paris Climate Agreement is silent on coal, oil and gas, an omission with respect to the supply and production of fossil fuels (the largest source of GHGs) that needs to be collectively addressed by other means; and that global governments and the fossil fuel industry are currently planning to produce more than double the amount of coal, oil and gas by 2030 than can be burned if the world is to limit warming to 1.5°C and avert catastrophic climate disruption, and such plans risk undoing the work of our Council to reduce GHG emissions.
- A new global initiative is underway calling for a Fossil Fuel Non- Proliferation Treaty that would plan the end of new fossil fuel exploration and expansion, phase out existing production in line with the global commitment to limit warming to 1.5°C, and accelerate equitable transition plans globally.

This Council recognises that:

- Our entire community will be affected by the impacts of continued fossil fuel expansion and resulting climate change, but particularly those who also face socioeconomic and health inequities, including low-income families, those experiencing homelessness, people from ethnic minority groups, young and old, those experiencing mental and physical disabilities, and people with health conditions; and our youth and future generations have the most to lose from a lack of immediate action to stop fossil fuel expansion as they face major and lifelong health, ecological, social, and economic impacts from prolonged and cumulative effects of climate change, including food and water shortages, infectious diseases, and natural disasters. This change is already being seen with the necessary acceleration of extensive flood defences in many of our towns.

This Council believes that:

- New fossil fuel infrastructure and expanded reliance on fossil fuels exposes communities to untenable risks to public health and safety at the local and global levels; and that the economic opportunities presented by a clean energy transition far outweigh the opportunities presented by an economy supported by expanding finite fossil fuel extraction and use.

This Council resolves to:

- Reaffirm our commitment, as part of our climate emergency response, to a just energy transition and to ambitious investments in the green infrastructure and industries that will create jobs and rapidly decarbonize our economy; and recognises that it is the urgent responsibility and moral obligation of wealthy

fossil fuel producers to lead in putting an end to fossil fuel development and to manage the decline of existing production.

- Formally endorse the call for a Fossil Fuel Non-Proliferation Treaty and make that endorsement public.
- Call on the Scottish Government to also endorse the call for a Fossil Fuel Non-Proliferation Treaty.
- To write to COSLA and raise our serious concerns about the impact of the climate emergency on local authorities and the need for a planned phase out of fossil fuels, and to call on them to endorse the Fossil Fuel Non-Proliferation Treaty.”

In terms of Standing Orders 15.1 and 16.5, Councillor Gurney, as the mover of the motion and with the agreement of his seconder, agreed to withdraw his motion.

(2) a motion by Councillor McTiernan, seconded by Councillor Johnson, in the following terms:

“That the Council:

- Stands in solidarity with the Women Against State Pension Inequality (WASPI Women).
- Believes the women have been treated appallingly by the UK Government and the Department for Work and Pensions.
- Supports the findings and recommendations of the Parliamentary and Health Service Ombudsman, which found 'maladministration' on the part of the DWP.
- Calls on the UK Government to acknowledge the financial and emotional burden its actions have imposed on WASPI women, and to fully fund compensation due to the women, without further delay.
- Council instructs the Chief Executive to write to Mel Stride MP, UK Secretary of State for Work and Pensions, intimating the Council's position and requesting that the UK Government confirms it will act without delay to right the wrong inflicted on WASPI Women.

A Member asked a question of clarification about whether the motion was intended to include all WASPI women or only those affected by maladministration.

There being no amendment, the motion was declared carried.

(3) a motion by Councillor Marshall, seconded by Councillor T. Ferguson, in the following terms:

The CalMac ferry services to our islands of Arran and Cumbrae continue to offer poor value for the residents, tourists and taxpayer alike and contrary to the aims of the Island Plan contribute to the decline in population of both Islands.

Both the Arran and Cumbrae ferry services underperform in terms, of reliability, capacity, and frequency and in so doing threaten the Tourist economies of both Islands.

The contract for the Clyde and Hebrides Ferry Services (CHFS) which are operated by CalMac is due to be retendered in September 2024.

We move that the Chief Executive write to the Scottish Government and the Transport Minister to express our view that the present contract for the Clyde and Hebridean Ferry Service should not in its entirety be directly awarded to CalMac but should be unbundled to seek a competitive tender for the Clyde Island Ferry Services and in so doing provide better access to the Islands thereby ensuring that islanders lifestyle can be improved, population decline reversed and the tourist economy reinvigorated.

Members asked questions of clarification of the mover of the motion in respect of the privatisation of the ferry service and the reference to poor value of the current service.

As an amendment, Councillor Cullinane, seconded by Councillor Bell, moved the direct negative.

There followed debate and summing up.

On a division and a roll call vote, there voted for the amendment, Councillors Bell, Burns, Collier, Cullinane, Dickson, Foster, Gurney, Hill, Hume, Johnson, Kerr, Larsen, Macaulay, McClung, McDonald, McPhater, McTiernan, D. Reid, Robertson and Sweeney (20) and for the motion, Councillors S. Ferguson, T. Ferguson, Gallacher, Inglis, Marshall, McLean, Murdoch, Stalker, Stephen (9), Councillor D.L. Reid abstaining, and the amendment was declared carried.

Accordingly, the Council agreed not to proceed.

(4) a motion by Councillor McClung, seconded by Councillor Reid, in the following terms:

The release of helium balloons and sky lanterns has increased in recent years, and both can cause significant harm to the environment, animals and livestock in particular.

Sky Lanterns can cause considerable fire risk, particularly during dry spells. They also pose a threat to animals, as they can cause injury, suffering, and death, through ingestion, entanglement and entrapment.

When eaten, the sharp parts of a Chinese Lantern can tear and puncture an animal's throat or stomach, causing internal bleeding. Likewise, helium balloons when they land, become a danger to any wildlife, farmed animals or companion animals that may happen to find them before this debris is removed.

If ingested, the balloon can do irreparable, often fatal, damage to an animal's oesophagus and digestive tract and can cause suffocation. Scottish charity, Animal

Concern, have launched a campaign seeking support from Scottish local authorities to reduce the harm caused by these balloons and lanterns by placing restrictions on the release of sky lanterns and balloons on council-owned land and property.

Council agrees to support the Animal Concern Campaign and so imposes a complete ban on the release of Sky Lanterns and Helium Balloons from any and all of the land it owns. Information on this ban will be made available on the NAC website and will be intimated to any person seeking to book any public space owned by the Council.

A Member asked a question of clarification of the Monitoring Officer and was provided with further information in relation to a similar motion to a previous administration not being accepted.

There being no amendment, the motion was declared carried.

(5) a motion by Councillor Reid, seconded by Councillor Gurney, in the following terms:

“Council previously passed a motion on animal welfare; it is time to refresh that motion following changes in attitude and heightened concerns for animal welfare at touring or one off events and the potential funding for these activities.

At a meeting of North Ayrshire Council at 2.00 p.m. on 19 September 2012

In terms of Standing Order 13 there was submitted:

(b) a motion by Councillor Oldfather, seconded by Councillor Burns, in the following terms:

"That North Ayrshire Council agrees to adopt a Policy banning the letting of Council owned sites to travelling circuses or similar organisations which utilise animals in the provision of entertainment."

There being no amendment, the motion was declared carried.

Council asks that officers are instructed to carry out a review of council policy around the following principles:

- That council adopts a refreshed approach to limit and control the presence of animals for entertainment in our venues, highways, parks and open spaces, where it is legally possible to do so.
- That normally council would not support animals being out of their natural environments for events where there is no clear benefit of education, competition leading to national competitions or recognised need for a competitive event. Any approval for the presence of animals would require to account of animal welfare concerns including appropriate refuge from crowds.

- That pet shows for domesticated animals at community events would be permissible.
- That the policy would cover considerations of land and premises use permissions, grant giving/conditions and licence.

Council asks that the principles of the new draft policy and proposals for application, implementation and enforcement are considered by the Policy Advisory Panel to obtain detailed contributions from Members and that thereafter it is considered for adoption by Cabinet.”

A Member asked a question of clarification of the mover of the motion and the Monitoring Officer in respect of licences, the remit of the Licensing Committee and the implications for applicability and enforceability to include non-council land.

There being no amendment, the motion was declared carried.

15. Urgent Items

There were no urgent items.

The meeting ended at 4.35 p.m.



PROVOST'S REPORT

For the period covering: 6 May – 16 June 2024

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: 6 May – 16 June 2024

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

Stanecastle Groundbreaking Ceremony, Burns Crescent, Irvine, 16 May

On 16 May, I was delighted to welcome everyone to the groundbreaking ceremony at the former site of Stanecastle Primary School where twenty-nine new affordable properties are being built. The £7.8m development will deliver modern, energy-efficient new homes. The contractor Ashleigh (Scotland) Limited held talks on health and safety with pupils from Annick Primary School, who in turn arranged a poster competition, with the winners attending the ceremony.

James McFarlane Groundbreaking Ceremony, Dalry Road, Ardrossan, 16 May

On the afternoon of 16 May, I attended the groundbreaking ceremony at the former site of James McFarlane Primary School where nineteen new affordable homes are being built. The £4.8m development will have a mix of 2-bedroom general needs properties, 2,3- and 4-bedroom wheelchair liveable properties and 2-bedroom amenity bungalows. The contractor held health and safety talk with pupils from Stanley Primary, and another poster competition was arranged, with the winners present at the ceremony.

Opening Session of the 2024 Geneal Assembly of the Church of Scotland, Edinburgh, 18 May

On 18 May, I attended the Opening Session of the General Assembly of the Church of Scotland in Edinburgh. Prior to event, I attended a reception hosted by the Lord Provost of Edinburgh and afterwards took part in a procession to the Assembly Hall from City Chambers. Provosts and representatives from local authorities throughout Scotland were in attendance.

Irvine Running Club Centenary Mile, Irvine Sports Club, Irvine, 19 May

On 19 May, I was at Irvine Sports Club to mark Irvine Running Club's 100th Anniversary. A one-mile run was arranged with many taking part. It was pleasure to help mark this milestone, recognise the volunteers behind the club and wish them well for the future.



Ayrshire Lok Oi Association, Volunteer Rooms, Irvine, 20 May

On 20 May, the Ayrshire Lok Oi Association was established at a meeting in the Volunteer Rooms in Irvine. The Cantonese community has a rich history in Ayrshire and had three distinct organisations, it was agreed to amalgamate these organisations into one, and with the support from Connected Communities, they have been able to do. It was great to attend the meeting and the celebration afterwards. I am hopeful the Association will help provide a stronger support network for its members and create the opportunity of taking part in many local projects and initiatives.

Youth Employability Hub Launch, Beattie Library, Stevenston, 28 May

On 28 May, as part of Employability Week, I visited Beattie Library in Stevenston for the launch of the Youth Employability Hub. Designed for people aged 16-24 the Hub will provide information on the numerous services that are available and support them on their employability journey.

Provost's Visit, West Kilbride Village Hall, 29 May

On 29 May, I visited West Kilbride Village Hall. I met with some of the volunteers on the management group who are responsible for the day to day running of the facility which has been a focal point in the Village since it opened in 1900. Since 2012 the facility has been run as a charity for the benefit of the local community. I was extremely delighted to highlight the work of these volunteers and thank them for the huge contribution they make in their local community.

Beat the Street Celebration Event, Stanley Primary School, Ardrossan, 29 May

On 29 May, I attended the Beat the Street Celebration Event at Stanley Primary School in Ardrossan. Hundreds of young people in North Ayrshire took part in the Beat to the Street Active Nation competition which encouraged participants to make their daily journeys by walking, wheeling or cycling. The competition was great in incentivising people to be more active and be familiar with their own area.



Celebrating Success Ceremony, Auchendarvie Academy, Stevenston, 29 May

On the evening of 29 May, I attended Auchendarvie Academy's Celebrating Success Ceremony. It is always great to get the opportunity to witness first-hand the amazing work that goes on in our schools and to be able to acknowledge the achievements of the incredibly talented pupils.

Sowne of Organe Event, St Columba's Church, Largs, 1 June

On 1 June, I visited St. Columba's Church in Largs which houses an exceptional organ built in 1892. The organ has remained both tonal and technically unaltered. Sowne of Organe was established in 2020 to survey, record and advocate for Scotland's unaltered historic pipe organs. The Group presented music, stories and images of the organ's construction. The event provided an opportunity for discussion on how people could play a part in ensuring that the organ is conserved for future generations whether in Largs or elsewhere.

Anam Cara Re-opening Event, Montgomery Court, Kilbirnie, 4 June

On 4 June, I was delighted to attend the re-opening event of Anam Cara Dementia Respite Service in Kilbirnie. Over the past year, Anam Cara has been undergoing significant refurbishment work. Investment has been targeted towards improving the structure of the unit, re-landscaping the gardens, replacing the furniture, renewing the flooring and decoration, establishing a sensory room, and exploring technological advances.

Lockhart Campus Summer Show, Stevenston, 5 June

On 5 June, I attended Lockhart Campus Summer Show "Through the Musicals". This was an excellent well-rehearsed performance which was thoroughly uplifting and enjoyable. Congratulations to both staff and pupils for producing this excellent show.

The Ayrshire Community Trust (TACT) Volunteer Awards Ceremony, Ardrossan Civic Centre, 6 June

On 6 June, I attended the TACT Volunteer Awards Ceremony in Ardrossan Civic Centre. This was a wonderful opportunity to celebrate and acknowledge the invaluable work carried out by volunteers in our communities. Congratulations to all those who received an award on the night.



D-Day 80th Anniversary Commemoration, 6 June

On the evening of 6 June, I took part in the D-Day 80th Anniversary Commemoration in Irvine. The community gathered along with the rest of the nation and paid tribute to those who took part in the Normandy Landings on 6 June 1944, which would lead to the end of World War 2. There was a great turn out for this event which, was arranged by Coastwatch, and ended with the lighting of a beacon at Irvine Harbourside.

Exhibition Preview, Scottish Maritime Museum, Irvine, 7 June

On 7 June, I attended the preview night of the exhibition “Shipyard Social” in the Scottish Maritime Museum. The exhibition highlighted the lives of shipyard workers who dedicated their careers to designing and constructing boats and ships. During the event we enjoyed the heartwarming songs and lyrics by the Irvine Folk Club, and we listened to the extraordinary stories of Ralph Collins, writer and former worker in the shipyard.

Beach Flag Award, Irvine, 8 June

On 8 June, I took part in a flag raising celebration to mark Irvine Beach being awarded a Beach Flag Award. This was a truly collaborative effort between community groups and the Council. The event was arranged by Irvine Clean Up Crew and coincided with the planned “Big Beach Clean” which I was happy to help with.

Carer's Conference, Riverside Lodge Hotel, Irvine, 12 June

On 12 June, I was delighted to attend and deliver a keynote address at the first Carers' Conference, which was held in the Riverside Lodge Hotel in Irvine. The theme of the Conference was Voices, Visibility, Valued. There are 13,000 carers in North Ayrshire, and it is important that their voices are heard and the outstanding work that they do is visible and recognised and that they all feel valued. This was a terrific opportunity to celebrate the work that carers do and further develop their support network.

It's a Knockout – Greig Steven Memorial, Valefield Park, Kilbirnie, 15 June

On 15 June, I officially opened the It's a Knockout event at Valefield Park, Kilbirnie. I was delighted to attend and present the prizes at the end of the hotly contested competition. Great turnout at the event and for such a worthwhile cause. The Greig Steven Memorial Charity arranged the event. The Charity was set up in 2016 in memory of Grieg Steven, a former groom with Police Scotland's mounted unit, from Kilbirnie, who passed away aged twenty-five after a short battle with cancer, and the funds raised allow respite care to be offered to families living with a cancer diagnosis.



Ayrshire Baby Loss Support Family Fun Day and Duck Race, Eglinton Country Park, Irvine, 16 June

On 16 June, I went along to Eglinton Park for the family fun day and duck race organised by Ayrshire Baby Loss Support. The event provided a wide range of activities, including the coveted duck race. There was also information available for bereaved parents with details of the support offered by the Group who offer support to all who have suffered a pregnancy loss.



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

Councillor Anthea Dickson
Provost North Ayrshire Council



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

LEADER'S REPORT

For the period covering: 6 May – 16 June 2024

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: 6 May – 16 June 2024

AYRSHIRE ECONOMIC JOINT COMMITTEE SUB-COMMITTEE, AYRSHIRE SKILLS INVESTMENT FUND (ASIF), 7 May

On 6 May, following Ayrshire Economic Joint Committee (AEJC) approval of the governance for the Ayrshire Skills Investment Fund (ASIF) Sub-committee, I took up the position of Chair of this sub-committee. Councillor Bob Pollock from South Ayrshire Council is now Vice Chair.

Attendees received updates on various streams of work, including:

- an ASIF Sub Committee Report Update
- Ayrshire Skills Investment Fund Delivery Model Review
- Ayrshire College ASIF Programme
- ASIF Employer Grants
- ASIF Research Proposal: EKOS
- AGD Projects & Timescales

The Committee will now ask the ASIF Evaluation Panel to review the recommendations and develop options for consideration at the next ASIF Sub Committee meeting.

NHS AYRSHIRE AND ARRAN AUDIT AND RISK COMMITTEE, 16 May

On 16 May, I attended an NHS Audit and Risk Committee (ARC) meeting where attendees discussed various Audit and governance papers. The Committee also received an assurance report on the National Finance System which was approved and will be circulated to NHS Scotland Boards.

The Committee also discussed and agreed any risk issues arising from the Risk and Resilience Scrutiny and Assurance Group.

ARDROSSAN TASK FORCE MEETING, 16 May

Later on 16 May, I attended a meeting of the Ardrossan Task Force (ATF) together with North Ayrshire Council's Chief Executive, Craig Hatton, Transport Scotland and various Arran ferry stakeholders. Chaired by the Scottish Government Cabinet Secretary for Transport, Fiona Hyslop MSP, members shared their views on the review of the business case for the project.

LEADER'S REPORT



This allowed them to highlight key areas where the review could be strengthened to better reflect the needs of the communities who rely on the service.

Scottish Ministers have been clear that the business case to support the harbour upgrade needs to be robust to give greater certainty on the project costs and financial packages required. A review of the business case is ongoing and this Taskforce meeting was an opportunity for project partners to emphasise their position.

The business case will be considered by Transport Scotland's investment decision making board in early June, before being considered by Ministers ahead of the summer recess.

HOUSING SERVICE ELECTED MEMBER DEVELOPMENT SESSION, 20 May

On 20 May, I attended an Elected Member Development session on North Ayrshire Council's Housing service.

The session gave an informative overview of the Housing system including factors which increase housing supply and housing demand. Also included were some of the key points from the Housing (Scotland) Bill 2024 and a summary of the work that has been done since the Allocation Policy Review began in August 2023.

My thanks to our senior Housing officers, Janeine Barrett and Andrea Elliot for delivering the presentation and for answering Members' questions.

MEETING OF THE AYRSHIRE ECONOMIC JOINT COMMITTEE, 20 May

Later on 20 May, I chaired a meeting of the Ayrshire Economic Joint Committee (AEJC) where attendees received updates on various Ayrshire Growth Deal (AGD) projects.

There was also a presentation from East Ayrshire Council on the Ayrshire Manufacturing Investment Corridor (AMIC) and Ayrshire Engineering Park (AEP) projects, following confirmation from both Scottish and UK Governments that the change request (proposing the co-location of both projects at Moorfield and the renaming of the site as the Ayrshire Innovation Park) has been approved. A joint Full Business Case for Infrastructure Works will be prepared for submission, to allow works to commence by January 2025.

NHS AYRSHIRE AND ARRAN BOARD MEETING, 21 May

LEADER'S REPORT



On 21 May, I attended an NHS Ayrshire and Arran Board meeting where attendees received presentations on various corporate Governance annual reports covering the following Committees:

- Audit and Risk Committee
- Healthcare Governance Committee
- Information Governance Committee
- Integrated Governance Committee
- Performance Governance Committee
- Staff Governance Committee

The Board also received the annual reports from the Pharmacy Practices Committee and the Corporate Equalities Committee.

Minutes from Integration Joint Board meetings held for East, South and North Ayrshire Councils in February and March 2024, were also agreed.

COSLA LEADERS' MEETING, 31 May

On 31 May, I attended a meeting of COSLA Leaders'. It was another packed agenda which included the following items for discussion:

- Investing in Planning Consultation
- Historic Child Abuse Redress Scheme – Finance Report
- Verity House Agreement
- VHA Dispute Resolution Procedure
- Pay Negotiations Update
- Creating Hope Together Year 1 Annual Report and Year 2/3 Delivery Plan
- National Care Service
- Teacher Numbers Funding
- Asylum Dispersal
- Local Government Finance Update
- Minimum Service Levels
- Draft Equally Safe Delivery Plan 2024-26

Paul Johnston, Public Health Scotland Chief Executive, and Angiolina Foster, Chair of the Board, also began with addressing COSLA Leaders at the start of the meeting in May. This follows on from some key areas of work that have been undertaken by COSLA and Public

LEADER'S REPORT



Health Scotland (PHS). COSLA continues to engage regularly with Public Health Scotland at both officer and political level. COSLA officers contribute to PHS' strategic and delivery planning including Annual Delivery Plans and long-term Operating and Strategic Plans. Scottish Ministers are accountable to the Scottish Parliament for the functions and performance of Public Health Scotland.

In February 2024, Leaders endorsed the intention to develop a 10-Year Population Health Framework, a cross-government and preventative approach, focused on addressing the primary drivers of population health. The Framework will be co-designed by COSLA, Public Health Scotland, Directors of Public Health and Scottish Government. The current timeline is to publish a draft in June for wider discussion, before the final version is published in Autumn.

ARRAN PRIDE, 1 June

On 1 June, together with North Ayrshire Council's Young People's Champion, Councillor Chloé Robertson, I attended Arran Pride. The event was well attended with some excellent speeches, entertainment and stalls.

Thank you to everyone involved in organising this event and to all those who took part to show their support.

NHS AYRSHIRE AND ARRAN HEALTHCARE GOVERNANCE COMMITTEE, 3 June

On 3 June, I attended an NHS Ayrshire and Arran Healthcare Governance Committee where attendees received reports on patient safety and patient experiences.

Attendees were also provided with an assurance report on referrals made to the Scottish Public Services Ombudsman (SPSO).

The Committee also received a presentation on Dental Services before going on to discuss and note various Quality Improvement and Corporate Governance reports, including the Care Home Governance report which details ongoing work within Care Homes across Ayrshire and Arran over the last six months by the Care Home Professional Support Team and future planned work.

IRVINE LOCALITY PARTNERSHIP MEETING, 3 June

LEADER'S REPORT



Later on 3 June, I attended an Irvine Locality Partnership at the Fullarton Hub. The Partnership were asked to consider several applications made to the Irvine Common Good Fund including one from the Irvine Incorporated Trades to help with Marymass-related activities for this year and another one from the Irvine Joint Wards Old Folks Committee asking for financial support to help provide social activities for seniors in all six wards covering the Irvine area.

The Partnership were also asked to consider eight new street names for the residential area at the site of the former Ayrshire Central Hospital (Maternity Unit) on Kilwinning Road, Irvine.

Several updates were received verbally covering the following items:

- Townend Skills Hub Update
- Youth and Education Overview
- Police Scotland and Scottish Fire and Rescue Wellbeing Partnership Working
- KA Leisure
- Irvine Community Council
- Locality Officer Update

SCOTTISH GOVERNMENT PLACE AND WELLBEING BOARD MEETING, 4 June

On 4 June, I attended a meeting of the Scottish Government Place and Wellbeing Board. Discussion focused predominately on a report analysing NHS Board Anchor Baselines. As part of the NHS Scotland Delivery Plan Guidance, issued in February 2023, all NHS Boards were asked to develop and submit a baseline in March 2024 of their Anchor activity in relation to the following key strands: workforce; local procurement; and use or disposal of land and assets for the benefit of the community.

A review will be completed in the autumn, and then further guidance will be issued to NHS Boards with an ask to update their baselines with data from 2023/24 to assess any progress. Health and local partners have the support and resources to effect change and achieve fairer health and wellbeing outcomes through the coordinated efforts of Community Planning Partnerships (CPPs).

COMMUNITY WEALTH BUILDING STAKEHOLDER INTERVIEW, 4 June

LEADER'S REPORT



Also on 4 June, I attended a Community Wealth Building Stakeholder interview with Neil McInroy, formerly of CLES and now Managing Director of Community Wealth Builders and Global Lead for CWB at the Democracy Collaborative.

The 2024-2027 Community Wealth Building Strategy includes the following action:
'Informed by our commitment to place-making, we will explore options for developing Community Wealth Building approaches at a locality level including consideration of unique island contexts'

The research will help us develop a locality level approach to CWB that will maximise the unique opportunities within our locality areas and ensure that CWB is developed in a way which supports the needs, interests and economic aspirations of our local communities.

Following on from a request from Arran residents around the potential of Arran to pilot a locality-based approach to CWB, the research will involve a deeper look at Arran, however it is expected that the process will produce a framework and recommendations that will allow a similar approach to be adopted within the other localities. The research will also consider the role of community anchor organisations within the overall strategic approach to CWB.

1ST TIER JOINT CONSULTATIVE COMMITTEE & CORPORATE HEALTH AND SAFETY GROUP MEETING, 5 June

On 5 June, 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.

The 1st Tier Joint Consultative Committee (JCC) were also asked to agree Joint Secretary arrangements on the Trade Union side for the period June 2024 until March 2025. The Joint Secretaries require to be represented from the Council and the Trade Unions. It was agreed at the 1st Tier JCC in February that Jackie Smillie, Senior Manager (People Services) would undertake this position representing the Council.

The Committee therefore agreed to the proposal that David Livingstone from the GMB Union would be the representative from the Trade Unions covering the period June 2024 until March 2025.

AYRSHIRE SHARED SERVICES COMMITTEE, 7 June

LEADER'S REPORT



On 7 June, I attended a meeting of the Ayrshire Shared Services Committee to discuss the Ayrshire Civil Contingencies Plan.

The Ayrshire Civil Contingencies Team (ACCT) has provided civil contingencies services on behalf of the three Ayrshire Councils since it was established in 2008. The Team has a responsibility to ensure the provision of the following key requirements on behalf of North, South and East Ayrshire Councils:

- Operation of an on-call service to provide 24/7 response for Civil Emergencies as the Duty Officer(s) on behalf of any of the affected Councils.
- Preparation of a consistent Civil Contingencies Response and Recovery Plan for approval and implementation by each of the three Councils.
- Maintenance of an accurate and up to date Emergency Contact Directory for each of the three Councils.
- Development and delivery of training programmes to ensure key staff within each Council know and understand their emergency roles and are prepared to respond to major incidents and civil emergencies.
- Preparation and maintenance of Contingency Plans for specific sites, which are also tested on a multi-agency basis at three -early intervals.
- Maintenance of a range of plans to cover the response to emergencies of non-site-specific risk.

The committee received a progress update covering each of the key requirements as noted above.

COMMUNITY PLANNING PARTNERSHIP BOARD MEETING, 11 June

On 11 June, I chaired a meeting of the Community Planning Partnership (CPP) Board held at Fullarton Connexions. Members were split into three groups for workshop sessions which will allow closer discussion, increase understanding of partners areas of work and provide opportunities for partnership working and support.

The Board also received presentations and updates on the following areas of work:

- Green Health Framework, Greenspace Scotland
- Climate Change Steering Group, North Ayrshire Council
- Community Justice Outcomes Improvement Plan, Community Justice Ayrshire

LEADER'S REPORT



There was also some partner discussion and sharing of key developments and working opportunities.

As we approach the summer holidays, I would like to thank officers, partners and fellow Elected Members for their continued support and to wish them a good break over the recess period.



A handwritten signature in blue ink that reads "Marie Burns".

Councillor Marie Burns
Leader of North Ayrshire Council

NORTH AYRSHIRE COUNCIL

26 June 2024

North Ayrshire Council

Title: **Working Group on Governance Structure**

Purpose: To report on the outcome of the short life working group on the governance structure of the Council.

Recommendation: That Council:

- a) notes the outcome of the discussions of the short life working group and that in the absence of a unanimous conclusion to the contrary agrees that no substantial changes to the current governance structure as detailed in the Scheme of Administration are required and
- b) notes that the standard periodic review of Standing Orders including the Scheme of Administration will be brought to the next meeting of Council for consideration.

1. Executive Summary

1.1

At its meeting on 14th February 2024 Council approved a motion on the establishment of a short life Member/Officer working group to consider the governance structure of the Council with particular consideration being given to changing the governance structure from a Cabinet/Executive structure to a traditional committee structure system.

- 1.2 The working group met on 2nd May 2023, considered a briefing note prepared by officers which has largely been incorporated into this report, discussed the Council's governance structure and whether a change was required. The working group did not reach a unanimous conclusion to change the governance structure of the Council.

2. Background

- 2.1 A motion by Councillor Marshall and seconded by Councillor Inglis was approved by Council at its meeting on 14th February 2024 on the following terms:

a) to approve the formation of a Member Officer Working Group, comprising two representatives of the Administration, two representatives of the Main Opposition, two representatives of the Second Opposition and one Independent Member, plus relevant Officers, to consider altering the governance arrangements of the Council from the present Cabinet system to a traditional Committee structure; and

(b) that a progress report be submitted to the Council prior to the summer recess.

A cross party member/officer working group was established on the basis agreed by Council.

- 2.2 Officers undertook some initial research and benchmarking to ascertain the possible implications surrounding any change to our current system and to inform further discussion and decision making. The working group discussed the current structure and possible alternatives including reversion to a traditional committee system.
- 2.3 Currently, the Council operates a Cabinet system which is commonly described as an Executive/Cabinet and scrutiny governance model. This system was introduced to streamline decision making processes and resultant delivery of outcomes. The system is set up to ensure that decisions are subject to appropriate scrutiny through the call-in procedure. There are 15 Committees in total.

There are seven core Committees which meet within the regular committee cycle of meetings, which are as follows:

1. Cabinet
2. Audit & Scrutiny Committee.
3. Licensing Committee
4. Planning Committee.
5. Local Review Body.
6. Police Fire and Rescue Committee.
7. Integration Joint Board

The other Committees which meet on a more ad hoc basis on the basis of operational requirements are:

8. Appeals Committee
9. Education Appeals Committee.
10. Local Development Plan Committee.
11. Staffing and Recruitment Committee.

Pan-Ayrshire Committees where the clerking arrangements rotate on a three yearly basis amongst North, East and South Ayrshire:

12. Ayrshire Economic Joint Committee and its subcommittees
13. Ayrshire Economic Partnership Board (sub-committee)
14. Ayrshire Skills and Investment Fund (sub-committee)
15. Ayrshire Shared Services Committee

Servicing our existing governance system by the Committee Services team has until recently been carried out by 5 members of staff. Following the Voluntary Early Release (VER) process to realise necessary savings to the Council, that number has reduced to 3 which will have consequent impact on how we deliver the service going forward. This will necessitate a change in how meetings are minuted to the extent that the minutes for meetings will comprise the topic and decision without further detail on questions which have been asked during the process of the discussion being recorded

in the Minute. This process is adopted in several Councils and is compliant with obligations. In addition, on the basis that we record our meetings and retain an indefinite archive of the full meeting, this gives a verbatim account of any questions and debate which augments our minuting process. The exception to this will be full Council which will continue to be minuted in its current way. The change in the minuting process will commence after recess.

- 2.4 Officers undertook research on governance structures across Scotland through Inquiry with the Improvement Service, SOLAR and direct contact with Councils who currently operate a traditional committee structure.

It is evident from research to date that in general, the majority of those Councils contacted which operate a traditional committee structure have a greater complement of staff than currently exists within the Committee Services team. In those Councils consulted, the majority have staffing levels of between 5 and 7 FTE posts. The level of staffing resource within the Committee Services team which was agreed as part of the Voluntary Early Release process, prior to Members asking for a review of the governance structure, would require review and augmentation if any additional committees are added to the governance structure. In addition, a senior legal officer would require to be present at all committees to provide advice on standing orders and other matters as required if those committees have full decision-making powers (i.e. are not subject to the call-in procedure). There would in addition be increased demand on Service staff to provide reports to these various committees as well as being present when the committees are underway. In essence, the more time spent by staff attending Committees results in time away from operational delivery. It is expected that in addition, a lead officer dedicated to each committee would require to be assigned. This would result in an increase in work and cost to facilitate these committees in the context of reducing staff numbers. The Council records and webcasts committees which currently requires two Committee Officers to attend and operate the system as well as undertaking their traditional roles as Committee Officers.

It is assessed that for a traditional committee structure:

- at least an additional 2 members of the Committee Services team would be required (and potentially three) at a cost of: £52,729 including oncosts per appointment and
- an additional Senior Legal officer at Grade 14: £70,965 (including oncosts).

Therefore, at this stage it is officers' assessment that the immediate staffing requirement to change the system to a traditional committee structure would result in additional costs of £176, 423, the source of which would require to be identified. Further assessment would need to be given to the requirements for a lead officer to be allocated to each new committee along with the resultant additional resourcing implications associated with that. The costs of officer time in preparation for and attendance at any additional committees has not been quantified at this stage.

- 2.5 The working group discussed possible models for a traditional committee structure, centred on Council Plan priorities and noted the implications for the requirement to increase staffing resource and for wider Member attendance generally if such a model was adopted. The likely number of Committees required to align with the Council's strategic priorities would be 4 in total - i.e. 4 Committees to replace Cabinet. There would remain a requirement for an Audit committee. The possible number of committees for

an alternative governance model could be in the region of 18 committees, subject to the further consideration of Council.

- 2.6 The working group did not reach a unanimous conclusion on a possible change to the governance structure. Members of the group agreed to have further discussions with their colleagues and revert to Officers with a view. The Conservative and Unionist Group has since indicated a clear preference for the return to a full committee system.

3. Proposals

- 3.1 In the absence of a unanimous recommendation from the Elected Member Working Group to change the Council's governance structure, taking into account the resourcing implications of the alternative committee system, it is proposed that Council:

(i) notes the outcome of the discussions of the short life working group and that in the absence of a unanimous conclusion to the contrary, agrees that no substantial changes to the current governance structure as detailed in the Scheme of Administration are required and

(ii) notes that the standard periodic review of Standing Orders including the Scheme of Administration will be brought to the next meeting of Council for consideration.

4. Implications/Socio-economic Duty

Financial

- 4.1 None arising from this report.

Human Resources

- 4.2 None arising from this report.

Legal

- 4.3 None arising from this report.

Equality/Socio-economic

- 4.4 None arising from this report.

Environmental and Sustainability

- 4.5 None arising from this report.

Key Priorities

- 4.6 None arising from this report.

Community Wealth Building

- 4.7 None arising from this report.

5. Consultation

5.1 None arising from this report.

Craig Hatton
Chief Executive

For further information please contact Aileen Craig, Head of Service (Democratic), on Tel: 01294 324125.

Background Papers

0

NORTH AYRSHIRE COUNCIL**26 June 2024****North Ayrshire Council**

Title:	North Ayrshire Council Unaudited Annual Accounts 2023/24
Purpose:	To submit the unaudited Annual Accounts for the year to 31 March 2024 to the Council for approval.
Recommendation:	That Council: <ul style="list-style-type: none"> (a) Approves the Annual Accounts for 2023/24, subject to audit; (b) Notes that Audit Scotland plan to complete their audit of the Accounts by mid-September 2024 and will present their annual audit report to the Council's Audit and Scrutiny Committee on 26 September 2024; (c) Authorises the Audit and Scrutiny Committee to consider, and approve for signature, the audited annual accounts within the required timeframe.

1. Executive Summary

1.1 The Council prepares its Accounts on an annual basis to 31 March and is required by the Local Authority Accounts (Scotland) Regulations 2014 to submit these Accounts to the appointed auditor by 30 June each year. Audit Scotland plan to complete their audit of the Accounts by mid-September 2024 and will present their annual audit report to the Council's Audit and Scrutiny Committee on 26 September 2024. A copy of the Council's unaudited accounts, containing the key financial statements, for the year to 31 March 2024 has been issued directly for Members' approval prior to their submission to the appointed auditor. A copy of the full set of accounts can be found by following the attached link:

<https://www.north-ayrshire.gov.uk/council/performance-and-spending/budgets-and-finance.aspx>

1.2 The 2023/24 Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (ACOP) and the requirements of the International Financial Reporting Standards (IFRS).

1.3 The Annual Accounts provide an overview of the financial performance of the various funds managed by the Council. The Management Commentary summarises the key messages in relation to the Council's financial and service performance for 2023/24 and outlines the financial plans, challenges and risks which the Council faces.

- 1.4 The detailed financial performance for both Revenue and Capital are reported to Cabinet throughout the financial year and the final Revenue Budget and Capital Programme Financial Performance reports were submitted to Cabinet on 4 June 2024.
- 1.5 At 31 March 2024 the General Fund reported a net in-year breakeven position after the earmarking of funds to support service delivery in 2024/25 and beyond.
- 1.6 The General Fund Unearmarked Balance at 31 March 2024 is confirmed as £8.445m. This is at the lowest level of the recommended range of 2% - 4% for general reserves. The balance of earmarked funds of £84.940m is detailed in paragraph 2.9.
- 1.7 At 31 March 2024 the Housing Revenue Account closed with a net underspend of £6.881m. The HRA earmarked funds of £19.013m are detailed in paragraph 2.22 with an uncommitted balance at 31 March 2024 of £1.553m.
- 1.8 Capital Expenditure for the year was £85.450m for the General Fund and £38.966m for the HRA, representing significant ongoing investment in the Council's assets.
- 1.9 The Common Good Funds closed with a balance of £2.217m and the Trust Funds closed with a balance of £0.398m. The Annual Trustees' Report and Financial statements for the charitable trusts are subject to a separate report to Council.
- 1.10 The Health and Social Care Partnership reported an in-year breakeven position after the utilisation of earmarked and unearmarked reserves.

2. Background

- 2.1 The Annual Accounts provide an overview of the financial performance of the various funds managed by the Council, including:
 - North Ayrshire Council General Fund (capital and revenue);
 - Housing Revenue Account (capital and revenue);
 - Six Common Good Funds; and
 - Charitable Trusts Funds.
- 2.2 The accounts also include "Group" accounts which recognise the material interest the Council has in other organisations, including:
 - North Ayrshire Ventures Trust Ltd;
 - North Ayrshire Leisure Ltd;
 - Strathclyde Partnership for Transport;
 - Ayrshire Valuation Joint Board; and
 - North Ayrshire Integration Joint Board.
- 2.3 The financial position of the Council and its Group is presented in the core financial statements, including:
 - Comprehensive Income and Expenditure Statement (CIES) on page 45;
 - Movement in Reserves Statement (MiRS) on page 46;
 - Balance Sheet on page 47; and
 - Cash Flow Statement on page 48.

- 2.4 The Local Authority Accounts (Scotland) Regulations 2014 require various disclosures of the remuneration and pensions benefits of senior councillors and employees. These are detailed in the Remuneration Report which can be found on page 26 of the Annual Accounts.
- 2.5 The Council is legally required to make its draft accounts available for public inspection for a three-week period during the audit. A notice was published on the Council website and an advert placed in local newspapers during week beginning 3 June 2024 advising that the unaudited accounts would be available for inspection by appointment and on the Council's website between 28 June 2024 and 19 July 2024.
- 2.6 Under the Local Authority Accounts (Scotland) Regulations 2014 the Council, or a committee of the Council with a remit including audit or governance, must meet to approve the audited annual accounts for signature. Following confirmation of the completion of the audit by Audit Scotland, a meeting of the Audit and Scrutiny Committee has been arranged for 26 September 2024 to consider the audited annual accounts and approve them for signature.

General Fund Revenue

- 2.7 The final position for the General Fund Revenue Account at 31 March 24 was a net breakeven position after the earmarking of underspends to support service delivery in 2024/25 and beyond. The following table details the final position on a service by service basis:

	Annual Budget	Actual Outturn to 31/3/24	Variance for year (Fav)/Adv	Carry Forwards	Variance After Carry Forward (Fav)/Adv
	£000's	£000's	£000's	£000's	£000's
Service Expenditure					
Chief Executive's	24,243	23,288	(955)	518	(437)
Communities Place	186,848	187,166	318	72	390
Other Corporate Services	61,671	62,937	1,266	386	1,652
	17,023	10,891	(6,132)	4,510	(1,622)
Sub Total	289,785	284,282	(5,503)	5,486	(17)
Health and Social Care Partnership Balance for Services	124,933	124,933	-	-	-
	414,718	409,215	(5,503)	5,486	(17)
Financing Charges	22,172	22,172	-	-	-
Contribution to Loans Fund Reserve	8,089	8,089	-	-	-
Total Planned Expenditure	444,979	439,476	(5,503)	5,486	(17)
Planned Income					
Aggregate External Finance	(356,579)	(356,577)	2	-	2
Council Tax	(65,533)	(65,518)	15	-	15
Contribution from Earmarked Funds	(22,867)	(22,867)	-	-	-
Total Planned Income	(444,979)	(444,962)	17	-	17
Net Expenditure/ (Income)	-	(5,486)	(5,486)	5,486	-

- 2.8 The Council's contribution to the Health and Social Care Partnership reported an in-year breakeven position after the utilisation of earmarked and unearmarked reserves.

2.9 The following table summarises the movements on each of the Council's General Fund reserves during the year:

	Balance as at 31/3/2023	Income	(Expenditure)	Balance as at 31/3/2024	Anticipated Expenditure	Estimated Available Balance
	£000's	£000's	£000's	£000's	£000's	£000's
General Fund - Unearmarked	8,053	392	-	8,445	-	8,445
Earmarked:						
Affordable Housing	2,039	1,034	(1,148)	1,925	(1,925)	-
Change & Service Redesign	2,493	399	(461)	2,431	(2,431)	-
Loans Fund Reserve	18,904	8,089	(109)	26,884	(26,884)	-
Investment Fund	8,399	-	(5,425)	2,974	(2,974)	-
Renewal Fund	12,939	-	(3,816)	9,123	(9,123)	-
Energy Smart	2,720	-	(661)	2,059	(2,059)	-
Workforce Planning	6,739	-	(5,830)	909	(909)	-
Earmarked Funds	47,829	4,695	(13,889)	38,635	(38,635)	-
Total Earmarked	102,062	14,217	(31,339)	84,940	(84,940)	-
Other Reserves:						
Insurance Fund	2,998	143	(583)	2,558	(2,558)	-
Capital Fund	8,882	949	-	9,831	(9,831)	-
Total General Fund	121,995	15,701	(31,922)	105,774	(97,329)	8,445
Housing Revenue Account	13,685	6,881	-	20,566	(19,013)	1,553
Total Reserves	135,680	22,582	(31,922)	126,340	(116,342)	9,998

2.10 General Fund (Unearmarked) – Following agreement by Council, the level of unearmarked balances has been maintained at 2% of budgeted expenditure. As a result, the uncommitted balance at 31 March 2024 was £8.445m. This is equivalent to 2.0% of the Council annual budgeted expenditure, compared to the recommended level of between 2% and 4%.

2.11 Affordable Housing – 40% of Council Tax income on properties which are not a sole or main residence is earmarked for the provision of new build affordable housing.

2.12 Change & Service Redesign Fund – funds have been set aside to support the delivery of the Sustainable Change programme.

2.13 Loans Fund Reserve – funds arising from the Council's Treasury Management and Investment Strategy have been earmarked to support the Councils' Capital Investment Strategy.

2.14 Investment Fund – funds set aside to support investment in environmental projects, infrastructure investment and Community Wealth Building activity. £5.425m expenditure was incurred during the year.

- 2.15 Renewal Fund – funds earmarked to support the delivery of the Councils’ Recovery and Renewal Strategy through prioritised investment. £3.816m expenditure was incurred during 2023/24.
- 2.16 Energy Smart – funds earmarked to support the reduction of fuel poverty and increased affordable warmth. Expenditure of £0.661m was reported during the year.
- 2.17 Workforce Planning – funds earmarked to support the Voluntary Early Release (VER) programme during 2023/24. Expenditure of £5.830m has been incurred.
- 2.18 Earmarked Funds – these funds relate to specific projects for which monies have been identified prior to 31 March 2024, but for which spending plans exist in 2024/25 and beyond, including Child Poverty and Cost of Living activities and Future Budget Planning over the medium term.
- 2.19 Insurance Fund – these funds represent the amount required to deal with potential uninsured claims and Municipal Mutual Insurance (MMI) underwriting costs.
- 2.20 Capital Fund – Capital receipts and funds allocated by Council in support of the General Fund Capital Investment Programme 2024 to 2034.

General Fund Capital

- 2.21 General Fund Capital Expenditure amounted to £85.450m, in line with the revised annual budget for 2023/24.

HRA Revenue

- 2.22 The final position for the Housing Revenue Account at 31 March 2024 was a net in-year underspend of £6.881m. A full analysis of HRA Revenue financial performance was presented to Cabinet on 4 June 2024. The following table details the movements on the Council’s HRA Reserves for the year:

HRA Reserves	Balance as at 31/3/2023 £000's	Income £000's	(Expenditure) £000's	Balance as at 31/3/2024 £000's	Anticipated Expenditure £000's	Estimated Available Balance £000's
Council House Building Fund	4,709	6,881	-	11,590	(11,590)	-
Housing Transformation Prog.	-	2,000	-	2,000	(2,000)	-
Sustainability Fund	5,000	-	-	5,000	(5,000)	-
Tenant led budget	636	-	(336)	300	(300)	-
Software Licences	123	-	-	123	(123)	-
Welfare Reform	1,500	-	(1,500)	-	-	-
Infrastructure Improvements	416	-	(416)	-	-	-
Electrical Testing	270	-	(270)	-	-	-
Voids - non-programmed works	198	-	(198)	-	-	-
Major Refurbishment Works	52	-	(52)	-	-	-
Uncommitted Balance	781	772	-	1,553	-	1,553
Total HRA Reserves	13,685	9,653	(2,772)	20,566	(19,013)	1,553

HRA Capital

2.23 HRA Capital Expenditure amounted to £38.966m, an underspend of £2.897m compared to the revised annual budget for 2023/24 of £41.863m.

Common Good Funds

2.24 A summary of the revenue and capital balances on the Common Good Funds is provided below with further details provided on page 51 of the unaudited annual accounts:

Common Good Fund	Movement in		
	Balance at 1 April 2023	Year Increase / (Decrease)	Balance at 31 March 2024
	£000s	£000s	£000s
Ardrossan	325	39	364
Irvine	1,116	4	1,120
Largs	431	12	443
Millport	67	3	70
Saltcoats	15	1	16
Stevenston	185	19	204
Total	2,139	78	2,217

Trusts

2.25 A summary of the revenue and capital balances on the charitable trusts administered by the Council is provided below with further details provided on page 52 of the unaudited annual accounts. Charitable trusts, where the Council is the sole trustee, are required to prepare their own Accounts and Trustees' annual report. These are subject to a separate external audit and a separate report to Council.

Trusts	Movement in		
	Balance at 1 April 2023	Year Increase / (Decrease)	Balance at 31 March 2024
	£000s	£000s	£000s
North Ayrshire Charitable Trust	101	9	110
Town Trusts	45	(1)	44
Douglas Sellers Trust	1	-	1
Anderson Trust	1	-	1
Margaret Archibald Trust	197	5	202
Other Bequests	40	-	40
Total	385	13	398

3. Proposals

3.1 It is proposed that Council:

- (a) Approves the Annual Accounts for 2023/24, subject to audit;
- (b) Notes that Audit Scotland plan to complete their audit of the Accounts by mid-September 2024 and will present their annual audit report to the Council's Audit and Scrutiny Committee on 26 September 2024;
- (c) Authorises the Audit and Scrutiny Committee to consider, and approve for signature, the audited annual accounts within the required timeframe.

4. Implications/Socio-economic Duty

Financial

4.1 The financial implications are as outlined in the report.

Human Resources

4.2 None.

Legal

4.3 Under the Local Authority Accounts (Scotland) Regulations 2014 the Council is required to submit its Unaudited Annual Accounts for external audit by 30 June each year.

Equality/Socio-economic

4.4 None.

Climate Change and Carbon

4.5 None.

Key Priorities

4.6 This report and the annual accounts directly support the Council Plan 2023 to 2028 by maximising financial flexibility to support the delivery of our priorities

Community Wealth Building

4.7 None.

5. Consultation

- 5.1 Officers from across all services were consulted during the preparation of the annual accounts 2023/24.

Mark Boyd
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

Background Papers

N/A

NORTH AYRSHIRE COUNCIL
26 June 2024
North Ayrshire Council

Title: **North Ayrshire Charitable Trusts: Unaudited Trustees' Annual Report 2023/24**

Purpose: To present the unaudited Trustees' Annual Report for the year to 31 March 2024 to the Council, as trustees, for approval.

Recommendation: That Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2023/24, subject to audit.

1. Executive Summary

- 1.1 The Council administers a number of charitable trusts including a number of Town Trusts, which amalgamate various bequests made in relation to specific localities; the North Ayrshire Charitable Trust, which collates bequests which are not specific to any particular location within North Ayrshire; and three specific trusts, including the Anderson Park Trust, the Douglas Sellers Trust and the Margaret Archibald Trust. All of these trusts are charities registered with the Office of the Scottish Charity Regulator (OSCR).
- 1.2 The financial statements within this report have been prepared in accordance with the Charities Accounts (Scotland) Regulations 2006. The statements are subject to audit by the appointed auditor, Audit Scotland, and a report on the outcome of the audit will be presented to the Audit and Scrutiny Committee on completion.

2. Background

- 2.1 All charitable trusts registered with the Office of the Scottish Charity Regulator at 31 March 2024 are required to prepare Trustees' Reports for 2023/24, which must be independently audited. The report attached at Appendix 1 presents the Trustees' Annual Report and Financial Statements for all of North Ayrshire Council's charitable trusts and Audit Scotland have been appointed as external auditors for 2023/24.
- 2.2 The Council, as trustees of the North Ayrshire Council charitable trusts, has delegated authority for the approval of individual disbursements from all Trusts to the relevant Locality Partnerships.

- 2.3 During 2023/24 officers have continued to seek options for the appropriate use of these funds, including any options which could deplete the available capital and result in the winding up of the trust, subject to approval by OSCR.
- 2.4 During 2023/24 grant disbursements were approved in relation to Robert Fleck Award, held within North Ayrshire Council Charitable Trust, Margaret Archibald Bequest, Kilwinning Town Trust and Largs Town Trust.
- 2.5 At 31 March 2024, five Trusts and two bequests registered to the North Ayrshire Charitable Trust have been identified as dormant, having made no disbursements for at least one year. The period of dormancy for each trust is detailed in the attached Trustees' Annual Report. The dormant trusts are;
- Anderson Park Trust;
 - Douglas Sellers Trust;
 - North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust;
 - North Ayrshire Council (Dalry) Charitable Trust;
 - Largs War Memorial Bequest (included within the North Ayrshire Charitable Trust);
 - North Ayrshire Museum Bequest (included within the North Ayrshire Charitable Trust);
 - Spiers Trust (included within the North Ayrshire Charitable Trust).
- 2.6 Officers from the Connected Communities service have been working closely with colleagues from across the Council to promote the various funding sources, trusts and bequests available and ensure that as many of our staff teams, partners and communities are aware of the available financial supports available to groups and individuals.

3. Proposals

- 3.1 It is proposed that Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2023/24, subject to audit.

4. Implications/Socio-economic Duty

Financial

- 4.1 The cost of the audit for 2023/24 was £1,100, which has been borne by the charitable trusts.

Human Resources

- 4.2 None.

Legal

- 4.3 Trustees have an obligation to act in the interests of the individual Trusts and comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 to keep and report proper financial records.

Equality/Socio-economic

- 4.4 Some of the Trusts are specifically intended to benefit those in old age or with ill-health or disabilities.

Climate Change and Carbon

- 4.5 None.

Key Priorities

- 4.6 The administration of the Trusts supports North Ayrshire Council's priorities to promote active participation in our communities, improve community health and wellbeing and promote sustainable improvements in the lives of our residents, as outlined in our Council Plan 2023-28.

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 Legal Services were consulted during the preparation of the Trustees' Annual Report 2023/24.

Mark Boyd
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

Background Papers

None



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

NORTH AYRSHIRE COUNCIL TRUST FUNDS
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 March 2024

Section	Page Number
Trustee Annual Report	2
Independent Auditor's Report	7
Statement of Receipts and Payments for year ended 31 March 2024	10
Statement of Balances as at 31 March 2024	11
Notes to the Financial Statements	12

1. INTRODUCTION

The Trustees present the Annual Report together with the Financial Statements and the Auditor's Report for the year ended 31 March 2024.

ADMINISTRATION INFORMATION

The following Charities' Financial Statements are included in this report:

Charity Number	Charity Name
SC042136	Anderson Park Trust
SC042101	Douglas Sellers Trust
SC042117	Margaret Archibald Bequest
SC025083	North Ayrshire Council Charitable Trust
SC043644	North Ayrshire Council (Dalry) Charitable Trust
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust
SC043494	North Ayrshire Council (Largs) Charitable Trust

Contact Address

North Ayrshire Council Finance
Cunninghame House
Irvine
KA12 8EE

Auditor

Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

Current Trustees

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

2. STRUCTURE AND GOVERNANCE

The Charitable Trusts are registered with the Office of the Scottish Charity Regulator (OSCR).

The governing documents are:

Charity Number	Charity Name	Governing Document	Dated
SC042136	Anderson Park Trust	Trust Disposition and Settlement	8 July 1960
SC042101	Douglas Sellers Trust	Trust Disposition and Settlement	21 January 1955
SC042117	Margaret Archibald Bequest	Trust Deed	22 July 1992
SC025083	North Ayrshire Council Charitable Trust	No overall governing documents.	N/A
SC025083	North Ayrshire Council Charitable Trust	Spier's Trust: Trust Scheme	1978
SC025083	North Ayrshire Council Charitable Trust	North Ayrshire Museum: Scheme of Administration	1958
SC025083	North Ayrshire Council Charitable Trust	North Ayrshire Museum: Minute of Agreement	1974
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Trust Deed	26 November 2012
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	Trust Deed	23 October 2012
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Trust Deed	20 July 2012
SC043494	North Ayrshire Council (Largs) Charitable Trust	Trust Deed	7 September 2012

The Trustees of the Charitable Trusts are the elected members of North Ayrshire Council and are appointed through their election to the Council.

The Head of Finance is the designated officer within North Ayrshire Council with responsibility for the proper administration of the Charitable Trusts' financial affairs. The Head of Finance is responsible for keeping proper accounting records that are up to date and which ensure that financial statements comply with the Charities Accounts (Scotland) Regulations 2006. The Trustees are satisfied that proper accounting systems have been maintained.

The Head of Finance has considered and taken steps to address any risks to which the Charity may be exposed, in particular those related to its operation and finances. The Trustees are satisfied that adequate systems are in place to mitigate exposure to such risks.

3. MANAGEMENT OF FUNDS AND INVESTMENT POLICY

Decisions regarding the management of the Trusts have been delegated by the Council to the relevant Locality Partnerships.

The Trustees rely on the expertise of North Ayrshire Council to manage the investments to ensure the maximum return and the least risk to the Charities. In this way, the income stream for the future benefit of the Charities is protected.

The funds of the Charities are deposited with North Ayrshire Council (see note 7) and invested in stocks and shares in a variety of companies (see note 8).

4. OBJECTIVES AND ACTIVITIES

Charity Number	Charity Name	Objectives
SC042136	Anderson Park Trust	Provision of recreational facilities or the organisation of recreational activities in the Burgh of Largs.
SC042101	Douglas Sellers Trust	Maintenance, improvement and advancement of recreational facilities within the Burgh of Irvine; Maintenance, improvement and floral decoration of open spaces within the Burgh of Irvine.
SC042117	Margaret Archibald Bequest	Relief of those in need who are aged 65 and over and who reside in the Parish of Dalry.
SC025083	North Ayrshire Council Charitable Trust	Encouragement and promotion of education among students, including bursaries and prizes awarded; Provision of recreational facilities or organisation of recreational activities; Upkeep of war memorials.
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust)	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

Charity Number	Charity Name	Objectives
SC043494	North Ayrshire Council (Largs) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

Income received is expended on awards and, where necessary, supplemented by revenue reserves.

5. PERFORMANCE

Income to the Charities comes from property rents, share dividends and investment returns.

In the year to 31 March 2024, 6 awards of grant totalling £9,209 were disbursed (2022/23 6 awards totalling £6,641).

In the year to 31 March 2024, the total income across the Trusts was £23,998 (2022/23 £19,029).

6. FINANCIAL REVIEW

Overview

In the year to 31 March 2024, the Charitable Trusts made a surplus of £12,616 (2022/23 Surplus of £10,284).

The Trusts held cash and bank balances at 31 March 2024 of £203,989 (2022/23 £191,371).

The increase in balances relates to income from property rents, share dividends and investment returns, partly offset by the utilisation of funds through the disbursement of grants noted above.

In addition, the Trusts held investments in the form of stocks and shares in a variety of companies with a market value of £329,424 at 31 March 2024 (2022/23 £325,753), (see note 8).

Future Plans

The Charitable Trusts will continue to promote their activities and consider applications submitted by individuals and groups who meet the criteria. North Ayrshire Council is working within our communities to raise awareness of the financial support available from the Charitable Trusts and encourage appropriate applications from community groups and individuals.

Where any Trusts have been identified as low value or dormant, North Ayrshire Council will continue to identify options for utilising Trust balances, and these will be presented to Trustees when available.

The undernoted Trusts have been identified as dormant having made no disbursements for at least one year:

Charity Number	Charity Name	Period Dormant
SC042136	Anderson Park Trust	Over 6 years
SC025083	North Ayrshire Council Charitable Trust bequests: Largs War Memorial North Ayrshire Museum Spiers Trust	Over 6 years Over 6 years Over 4 years
SC042101	Douglas Sellers Trust	Over 5 years
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	Over 5 years
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Over 4 years

Reserves Policy

Reserves are held by North Ayrshire Council on behalf of the Trust and revenue income generated from the capital which has not been disbursed at 31 March each year is invested in North Ayrshire Council's Loans Fund.

7. DECLARATION

The unaudited accounts were issued on 26 June 2024 by:

Mark Boyd

Mark Boyd
Head of Finance
North Ayrshire Council

Marie Burns

Councillor Marie Burns
Leader
North Ayrshire Council

**Independent auditor's report to the Trustees of North Ayrshire Council Charitable Trust
Funds and the Accounts Commission**

This page is intentionally blank

This page is intentionally blank

Statement of Receipts and Payments for year ended 31 March 2024

The Statement of Receipts and Payments, as required by the Charities Accounts (Scotland) Regulations 2006, provides an analysis of the incoming and outgoing cash and bank transactions for the year.

The funds are classed as 'Restricted' because they have specific objectives, as set out in Section 4 of the Trustees' Annual Report.

2023/24

Charity	Description	Receipts Investments £	Receipts Property Rents £	Total Receipts £	Payments Charitable Activities £	Payments Governance Costs £	Total Payments £	Surplus / (Deficit) £
SC042136	Anderson Park Trust	1	0	1	0	0	0	1
SC042101	Douglas Sellers Trust	15	0	15	0	159	159	(144)
SC042117	Margaret Archibald Bequest	11,606	0	11,606	6,675	459	7,134	4,472
SC025083	North Ayrshire Council Trust	7,560	2,660	10,220	250	707	957	9,263
SC043644	Dalry Trust	91	0	91	0	167	167	(76)
SC043600	Kilbirnie & Glengarnock Trust	144	0	144	0	172	172	(28)
SC043374	Kilwinning Trust	1,768	0	1,768	1,284	340	1,624	144
SC043494	Largs Trust	155	0	155	1,000	169	1,169	(1,014)
Total		21,338	2,660	23,998	9,209	2,173	11,382	12,616

2022/23

Charity	Description	Receipts Investments £	Receipts Property Rents £	Total Receipts £	Payments Charitable Activities £	Payments Governance Costs £	Total Payments £	Surplus / (Deficit) £
SC042136	Anderson Park Trust	2	0	2	0	139	139	(137)
SC042101	Douglas Sellers Trust	7	0	7	0	140	140	(133)
SC042117	Margaret Archibald Bequest	10,591	0	10,591	5,100	420	5,520	5,071
SC025083	North Ayrshire Council Trust	5,056	2,660	7,716	1,541	630	2,171	5,545
SC043644	Dalry Trust	32	0	32	0	147	147	(115)
SC043600	Kilbirnie & Glengarnock Trust	49	0	49	0	153	153	(104)
SC043374	Kilwinning Trust	587	0	587	0	321	321	266
SC043494	Largs Trust	45	0	45	0	154	154	(109)
Total		16,369	2,660	19,029	6,641	2,104	8,745	10,284

Statement of Balances as at 31 March 2024

The Statement of Balances, as required by the Charities Accounts (Scotland) Regulations 2006, reconciles the cash and bank balances at the start and end of the financial year, with any surpluses or deficits shown in the Statement of Receipts and Payments.

2023/24

Charity	Description	Bank and Cash in Hand Opening Balance £	Bank and Cash in Hand Surplus / (Deficit) £	Closing Balance £	Land and Buildings Market Value at 31 March £	Investments Market Value at 31 March £
SC042136	Anderson Park Trust	21	1	22	0	0
SC042101	Douglas Sellers Trust	306	(144)	162	0	0
SC042117	Margaret Archibald Bequest	57,882	4,472	62,354	0	226,188
SC025083	North Ayrshire Council Trust	87,327	9,263	96,590	110,000	103,236
SC043644	Dalry Trust	1,904	(76)	1,828	0	0
SC043600	Kilbirnie & Glengarnock Trust	3,010	(28)	2,982	0	0
SC043374	Kilwinning Trust	37,594	144	37,738	0	0
SC043494	Largs Trust	3,327	(1,014)	2,313	0	0
Total		191,371	12,616	203,989	110,000	329,424

2022/23

Charity	Description	Bank and Cash in Hand Opening Balance £	Bank and Cash in Hand Surplus / (Deficit) £	Closing Balance £	Land and Buildings Market Value at 31 March £	Investments Market Value at 31 March £
SC042136	Anderson Park Trust	158	(137)	21	0	0
SC042101	Douglas Sellers Trust	439	(133)	306	0	0
SC042117	Margaret Archibald Bequest	52,811	5,071	57,882	0	223,212
SC025083	North Ayrshire Council Trust	81,782	5,545	87,327	145,000	102,541
SC043644	Dalry Trust	2,019	(115)	1,904	0	0
SC043600	Kilbirnie & Glengarnock Trust	3,114	(104)	3,010	0	0
SC043374	Kilwinning Trust	37,328	266	37,594	0	0
SC043494	Largs Trust	3,436	(109)	3,327	0	0
Total		181,087	10,284	191,371	145,000	325,753

The unaudited accounts were issued on 26 June 2024.

Mark Boyd

Mark Boyd
Head of Finance
North Ayrshire Council

Marie Burns

Councillor Marie Burns
Leader
North Ayrshire Council

1. Basis of Accounting

The Financial Statements have been prepared in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

2. Reorganisation

During the period 2012 to 2014, North Ayrshire Council undertook a review of Sundry Trusts that resulted in the creation of eight new Town Trusts. The North Ayrshire Council Charitable Trust comprises those registered charitable funds that were not amalgamated on a geographical basis, including:

Name of Trust Fund	Purpose
North Ayrshire Museum	For Benefit of North Ayrshire Museum
War Memorial Fund	Largs War Memorial Fund
Spier's Trust	Education Prize for the Garnock Valley
Robert Fleck Award	Education Prize for Saltcoats schools

3. Taxation

The Charitable Trusts are not liable to income or capital gains tax on their activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expenses and Related Party Transactions

- No remuneration or expenses were paid to the Trustees or any connected persons during the year 2023/24 or 2022/23; and
- The Trusts received interest of £9,335 (2022/23: £2,902) from North Ayrshire Council at 31 March 2024 and all transactions incoming and outgoing are made via the Council's bank accounts; and
- For 2023/24 charges for administration costs of £989 (2022/23: £936) have been levied by North Ayrshire Council, these were apportioned across the Trusts based on the current balances.

5. Grants

6 awards of grant, totalling £9,209 were awarded to individuals and community groups during 2023/24 (2022/23: 6 grants totalling £6,641 were awarded). All grants were approved for the benefit of the local community.

6. Audit Fee

The audit fee for the year was £1,100 (2022/23: £1,100), allocated across all Trusts.

7. Cash and Bank Balances

During the year, the Trust's balances were held by North Ayrshire Council, which manages the administration of the funds on behalf of the Trustees. The Council also acts as the banker for the Charity and as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is paid on balances.

8. Investments

Two of the Trusts hold the following investments:

Margaret Archibald Bequest	Nominal Value	Market Value at 31 March 2024	Market Value at 31 March 2023
	£	£	£
GlaxoSmithKline plc	1,183.00	80,851	67,620
Marks & Spencer plc	400.00	3,910	2,463
Diageo plc	400.40	41,835	51,680
Barclays plc	336.00	2,460	1,960
Royal Dutch Shell plc	562.50	20,355	14,913
Unilever plc	37.00	47,905	50,490
British American Tobacco plc	300.00	28,872	34,086
Total		226,188	223,212

North Ayrshire Council Charitable Trust	Purchase Price / Nominal Value	Market Value at 31 March 2024	Market Value at 31 March 2023
	£	£	£
JPM UK Higher Income Fund	1,789.50	7,516	7,068
Merchants Trust	406.25	8,645	8,970
Alliance Trust	72.50	35,572	28,168
Zeneca Group plc	67.50	28,831	30,326
Diageo	217.00	22,673	28,009
Total		103,236	102,541

9. Land and Buildings

Income from property relates to grazing rents at Marshallands Grazings, Barmill Road, Beith. The land was purchased for £25,000 in 2004 by the Spier's Trust and was last revalued in 2023/24 at a current market value of £110,000. No depreciation is charged.

NORTH AYRSHIRE COUNCIL**26 June 2024****North Ayrshire Council**

Title: **Treasury Management and Investment Annual Report 2023/24**

Purpose: To report to Council on the Treasury Management and Investment Annual Report and Prudential Indicators for 2023/24.

Recommendation: That Council notes :
 (a) the Treasury Management and Investment Annual Report for 2023/24 (Appendix 1); and
 (b) the Prudential and Treasury Indicators contained therein.

1. Executive Summary

- 1.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities. The purpose of the annual review is to report the performance of the Council's treasury operations and how this measures up against the Council's Treasury Management and Investment Strategy 2023/24. This is done through the publication of the annual report which contains the actual prudential and treasury indicators for 2023/24.
- 1.2 This Treasury Management and Investment Annual Report meets the requirements of the Scottish Government's investment regulations, the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.3 The Treasury Management and Investment Annual Report 2023/24 for North Ayrshire Council is attached at Appendix 1. Key points to note from the report are as follows:
- During 2023/24, the Council complied with its legislative and regulatory requirements in relation to treasury activities;
 - Capital expenditure was below the level anticipated at the start of the year due to changes in the profile of projects;
 - Gross borrowing was lower than anticipated due to the revised profile of capital projects and the use of internal funds, the latter being a key element of the Treasury Management Strategy to minimise costs;
 - During the year the Council undertook long term borrowing of £70m to support the agreed Capital Investment Programme and to reduce the Council's exposure to interest rate risk: and
 - The average loans fund pool rate increased from 3.14% to 3.19%.

- On December 22nd the Council's investments with 2 Money Market funds (MMF's) exceeded the recommended 10% limit. This was due to earlier cut off times for the festive period, resulting in the Council being unable to recall funds.
- In March 2024 a £2m Lender's Option Borrower's Option (LOBO) loan was called and repaid, reducing the Council's level of variable rate debt. A further £5m LOBO has been repaid after the end of the financial year.

2. Background

2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management requires elected members to be provided with regular reports on treasury management activities. The 2023/24 Annual Treasury Management and Investment Strategy was approved by Council on 1 March 2023, the mid-year report was submitted to the Cabinet on 7 November 2023 and treasury prudential indicators were reported quarterly. This final outturn report ensures full compliance with the CIPFA Code of Practice.

2.2 Current Position

The 2023/24 annual report is attached at Appendix 1 and covers:

- Prudential and treasury indicators;
- Investment rate and outturn; and
- Performance measures.

2.3 Statutory Requirements

During 2023/24 the Council complied with its legislative and regulatory requirements. It is a statutory duty for the Council to determine and keep under review its approved borrowing limits and prudential indicators. Details within the report demonstrate that the Council has operated within the treasury limits and prudential indicators as set out in the Council's 2023/24 Annual Treasury Management and Investment Strategy Statement (TMSS).

2.4 Borrowing Update

At 31 March 2024 the council has £48.950m variable rate debt which relates to Lender's Option Borrower's Option (LOBO) loans where the lender has the option to propose an increase in the interest rate at set dates. This is a £2.000m reduction from the prior year due to one of the LOBO loans being called and repaid in March 2024. The Council continues to work with treasury management advisers to identify financially beneficial opportunities to repay LOBO loans and a further £5m loan has been called in during May 2024, the Council again opted to repay the loan.

2.5 Investment Update

The Treasury strategy, approved by Council on 1 March 2023, recommended that no more than 10% of the Council's total investments are invested in any one Money Market Fund (MMF). On 22 December 2023, the Council was unable to recall funds from 2 MMF's due to earlier holiday cut-off times. As a result, the balances invested in those 2 funds exceeded our recommended limits. This was rectified on the next working day, 27th December 2023, with no negative impacts.

2.6 General Services and Housing Revenue Account (HRA)

2.6.1 **Capital Financing Costs** - the General Fund budget of £17.381m for financing costs and expenses on debt for 2023/24 was underspent by £5.189m, comparative information for the HRA was a budget of £18.176m and an underspend of £7.587m. The underspends are a result of a planned contribution to support the 10 year General Fund capital programme; the re-profiling of planned capital expenditure and the continuing strategy to delay new external borrowing by utilising cash balances, resulting in savings on external interest costs.

2.6.2 **Interest on Revenue Balances** - the General Fund budget of £0.140m for interest on its revenue balances with a reported over-recovery of £0.212m in 2023/24, comparative information for the HRA was a budget of £0.017m with a reported over-recovery of £0.578m. The overall over-recovery is reflective of the higher bank rate during 2023/24.

2.6.3 **Service Concession Reprofiting** - there was an in year underspend of £2.688m following the adoption of the revised accounting arrangements under Local Government Finance Circular 10/2022 for the recalculation of debt repayments arising from the Council's service concession contracts as approved by Council on 15 February 2023.

2.6.4 In accordance with agreed policy, the net General Fund underspend of £8.089m has been transferred to the Loans Fund Reserve to support the funding strategy for the ten year capital investment programme.

3. Proposals

3.1 It is proposed that Council notes :

- (a) the contents of the Treasury Management and Investment Annual Report for 2023/24 (Appendix 1); and
- (b) the Prudential and Treasury Indicators contained therein.

4. Implications/Socio-economic Duty

Financial

4.1 Capital Financing underspends within General Fund of £8.089m have been transferred to the Loans Fund Reserve in line with agreed policy.

Within the HRA, the underspend of £8.165m has been partially utilised to offset in year budgetary pressures with the balance being transferred to HRA reserves.

Human Resources

4.2 None.

Legal

- 4.3 The Local Government in Scotland Act 2003 and supporting regulations require the Council to produce an annual review of treasury management activities.

Equality/Socio-economic

- 4.4 None.

Climate Change and Carbon

- 4.5 None.

Key Priorities

- 4.6 The Treasury Management and Investment Annual Report supports the Council Plan 2023 to 2028 by maximising financial flexibility to support the delivery of our priorities.

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 The Council's treasury advisors, Arlingclose Ltd, were consulted in the preparation of this report.

Mark Boyd
Head of Service (Finance)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

Background Papers

Capital Programme and Treasury Management Performance to 30 November 2023 – Cabinet 23 January 2024;

Treasury Management and Investment Mid-year Report 2023/24 – Cabinet 7 November 2023



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Annual Treasury Management and Investment Report

2023/24

Contents	Page
1. Purpose	2
2. Executive summary	3
3. Prudential and Treasury Indicators for 2023/24	5
a. The Council's capital expenditure and financing 2023/24	5
b. The Council's overall borrowing need	6
c. Limits to borrowing activity	7
d. Treasury position at 31 March 2024	9
e. Affordability PI	13
4. Investment rates and outturn 2023/24	14
5. Performance measurement	15

Annual Treasury Management and Investment Report 2023/24

1. Purpose

The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities. The purpose of this annual review is to report the performance of the Council's treasury operation and how this measures up against the Council's Treasury Management and Investment Strategy 2023/24. This is done through the publication of the annual report and actual prudential and treasury indicators for 2023/24.

This report meets the requirements of the Scottish Government's investment regulations, the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2023/24 the minimum requirement was that the following reports should be submitted to Elected Members:

- an annual treasury management and investment strategy (submitted to the Council on 1 March 2023)
- quarterly reporting of treasury prudential indicators
- a mid-year treasury update report (submitted to the Cabinet on 7 November 2023)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

Regulations place responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

However, the Treasury strategy, approved by Council on 1 March 2023, recommended that no more than 10% of the Council's total investments are invested in any one Money Market Fund (MMF). On 22 December 2023, earlier than anticipated holiday cut-off times within the Fund management companies resulted in the Council being unable to recall funds from 2 MMF's. As a result, the amounts invested in those 2 funds equated to 15% of the Council's total Investments. This was rectified on the next working day, 27th December 2023, with no negative impacts.

2. Executive Summary

During 2023/24, the Council complied with its legislative and regulatory requirements.

The **key prudential and treasury indicators** detailing the impact of capital expenditure activities during the year, with comparators, are summarised below. In order to provide consistency within all the tables in this report, all figures exclude the Council's liabilities in respect of PPP/NPD unless otherwise stated.

TABLE 1

Prudential and treasury indicators	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Capital expenditure			
General services	36.194	112.312	85.435
HRA	30.478	39.730	38.966
Total	66.672	152.042	124.401
Capital Financing Requirement (CFR):			
General services	219.809	269.594	252.383
HRA	164.255	180.546	184.503
Total	384.064	450.140	436.886
Gross borrowing	245.566	325.829	316.786
Operational Boundary	397.338	467.574	474.582
Authorised Limit	437.072	514.331	522.041
Total Operational Boundary (Including PPP/NPD)	497.477	555.306	570.899
Total Authorised Limit (Including PPP/NPD)	537.211	602.063	618.358
Liability Benchmark	233.139	304.843	291.409
Investments	31.456	30.000	40.105

A summary of performance is provided below with more detailed information provided in the body of the report.

Overall **Capital Expenditure** was below the level anticipated due to changes in the profile of projects.

The **Capital Financing Requirement (CFR)** is the underlying borrowing requirements of the Council. The reduction to the requirement during 2023/24 reflects changes in the profile of the capital programme.

Gross Borrowing reflects the actual borrowing which has been undertaken, this was lower than anticipated due to the revised profile of capital projects and the use of internal funds, the latter being a key element of the Treasury Management Strategy to minimise costs.

The **Operational Boundary** is the maximum we would anticipate borrowing to fund the current capital programme, building in flexibility for the timing of the different funding streams and principal repayments. Due largely to the use of internal funds, the Council's actual borrowing position is well within the Operational Boundary.

The **Authorised Limit** is a statutory limit; it is the maximum amount of borrowing determined by the Council and should not be exceeded. The Council has set the Authorised Limit at 10% above the Operational Boundary to give some flexibility to raise funds for future year capital investment.

As noted above, the Council continues to use its internal funds to delay borrowing to minimise costs but balances this with long term borrowing to support the agreed Capital Investment Programme and to reduce the Council's exposure to interest rate risk. The Council took out long term borrowing of £70m in 2023/24.

The **average loans fund pool rate** is the total interest paid during the year as a percentage of the total loans fund advances. In 2023/24 this increased from 3.14% to 3.19%.

The **maturity profile** and balance between **fixed and variable rate borrowing** mitigates the Council's exposure to interest rate variations either now or when loans require to be refinanced. A total of £48.950m of the Council's loans are at a variable rate, which is in line with the strategy. This is £2.000m reduction from the prior year due to a LOBO loan being called and repaid in March 2024. Furthermore, another loan for £5m was called and repaid in May 2024 as the Council continues to work with treasury management advisers to identify financially beneficial opportunities to repay LOBO loans.

Affordability of borrowing is measured by the percentage of financing costs relative to the net revenue stream of the General Fund and Housing Revenue Account; the percentage values were lower than estimated for both the General Fund and the Housing Revenue Account. Actuals for 2023/24 were 3.7% for the General Fund and 18.9% for the Housing Revenue Account. Capital expenditure impacts on the revenue budget through financing charges so it is essential the Council ensures the financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available. From a General Fund perspective, the Scottish Local Authority average in 2022/23 was 5.4%, therefore demonstrating a prudent borrowing policy. For the HRA, the Scottish average in 2022/23 was 21.3%. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

The **average internal investment** rate was 4.81% compared to a target of 4.25%. The rate secured in 2022/23 was 1.69%. The higher return secured in 2023/24 reflects the increase in the bank rate during 2023/24.

Other prudential and treasury indicators and supporting information can be found in the main body of this report.

Conclusion

The Head of Finance confirms that long-term borrowing is only undertaken for a capital purpose and that the statutory borrowing limit (the authorised limit) has not been breached.

3. Prudential and Treasury Indicators for 2023/24

The Prudential Code establishes a framework to ensure that councils demonstrate effective control over levels of, and decisions relating to, capital investment activity, including borrowing. Treasury indicators are used to ensure that risk is managed and controlled effectively. Together the Prudential and Treasury Indicators consider the affordability and impact of capital expenditure decisions.

These indicators help the Council to demonstrate public accountability in relation to borrowing and investments. As part of this accountability the report will summarise the following: -

- The Council’s Capital Expenditure and Financing (section a);
- The Council’s Overall Borrowing Need (section b);
- Limits to Borrowing Activity (section c);
- Treasury Position at 31 March 2024 (section d); and
- Affordability Prudential Indicators (section e);

(a) The Council’s Capital Expenditure and Financing 2023/24

The Council incurs capital expenditure when it invests in its long-term assets. Capital Expenditure can be funded in two main ways:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which have no impact on the Council’s borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply other resources, then capital expenditure will give rise to borrowing which needs to be approved as part of the Council’s capital investment plans.

The tables below show the actual capital expenditure incurred in 2023/24 compared with the planned investment alongside the amount financed immediately and the amount which gave rise to borrowing.

TABLE 2

General Fund	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Capital expenditure (Indicator 1)	36.194	112.312	85.435
Financed in year	33.702	61.066	51.400
Unfinanced capital expenditure	2.492	51.246	34.035
HRA	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Capital expenditure (Indicator 1)	30.478	39.730	38.966
Financed in year	16.484	18.446	13.724
Unfinanced capital expenditure	13.994	21.284	25.242

(b) The Council's Overall Borrowing Need (the Capital Financing Requirement)

This indicator outlines the Council's Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not been paid from either a capital or revenue resource and, therefore, needs to be funded from borrowing. It is essentially a measure of the Council's underlying borrowing need.

Part of the Council's treasury activity is to meet the funding requirements for this borrowing need. The treasury management section organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, the Public Works Loan Board [PWLB], other Local Authorities, or the money markets), or utilising temporary cash resources within the Council.

The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. The Council is required to make an annual revenue charge, called the Loans Fund Principal Repayment. This is effectively a repayment of the borrowing need and it is charged to revenue over the life of the asset. This charge reduces the CFR each year. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as capital receipts); or
- increasing the annual revenue charge

The Council's CFR for the year is a key prudential indicator and is shown below. The opening balance includes PPP/ NPD schemes on the balance sheet, which increases the Council's borrowing need. This is shown in order to give a complete picture of the Council's debt, however, no borrowing is actually required against these schemes as a borrowing facility is included in the contract and, as such, this is subsequently removed.

Table 3 shows that, based on historic capital expenditure and this year's capital expenditure, the Council has a cumulative underlying need to borrow £436.886m at 31 March 2024.

TABLE 3

CFR	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Opening balance	352.988	384.064	384.064
Add PPP/NPD liability	100.139	87.732	96.317
Revised Opening Balance	453.127	471.796	480.381
Add unfinanced capital expenditure (General Fund)	2.492	51.246	34.035
Add unfinanced capital expenditure (HRA)	13.994	21.284	25.242
Less Loans Fund Principal Repayments	14.590	(6.455)	(6.455)
Sub-total	484.203	537.871	533.203
Less PPP/NPD lease repayments	(100.139)	(87.732)	(96.317)
Closing balance (Indicator 2)	384.064	450.139	436.886
Annual Change (Indicator 3)	31.076	66.075	52.822

(c) Limits to Borrowing Activity

Borrowing activity is constrained by the prudential indicators for CFR and gross borrowing and by the authorised limit, to ensure that the Council operates its activities within well-defined limits.

Gross borrowing and the CFR

There is a need to ensure that gross debt does not, except in the medium term, exceed the total CFR (i.e. the Council does not borrow more than it needs to fund its capital programme). In exceptional circumstances Councils are allowed to borrow to cover the current financial year plus the next two financial years (i.e. to 2025/26). This provides some flexibility to borrow in advance where this is appropriate.

Table 4 highlights the Council's gross borrowing position against the CFR and confirms that the Council has complied with this prudential indicator as gross borrowing is currently within the CFR. The Council is currently under borrowed by £120.101m due to the continuing strategy to delay new external borrowing by utilising internal cash balances.

TABLE 4

	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Gross borrowing position (Indicator 4)*	245.566	325.829	316.786
CFR	384.064	450.140	436.886
(Under)/Over Borrowed Position	(138.498)	(124.311)	(120.101)

As part of its Annual Treasury Management Strategy the Council sets limits for external borrowing which it is not normally expected to exceed. These limits are explained below.

The Operational Boundary

The operational boundary is the expected maximum borrowing position of the Council during the year, taking account of the timing of various funding streams and the recharge of principal repayments from the revenue account. Periods where the actual position varies from the boundary are acceptable subject to the authorised limit not being breached.

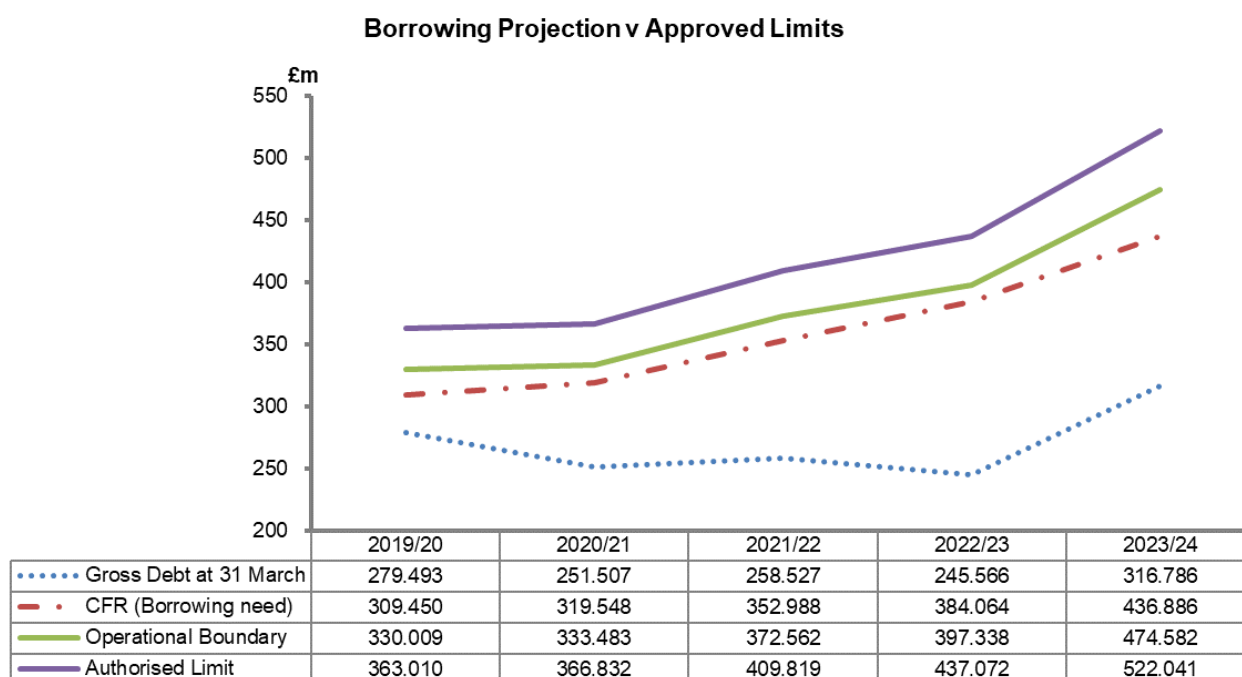
The Authorised Limit

The authorised limit represents a limit beyond which external debt is prohibited. This limit is set by Council and can only be revised by Cabinet approval. It reflects the level of external borrowing which, while not desirable, could be afforded in the short term but is not sustainable in the longer term. The current limit is set at 10% above the operational boundary.

The following graph shows the trend of the Council’s gross borrowing against approved limits. This demonstrates that during 2023/24 the Council’s gross borrowing was within both the operational boundary and the authorised limit by a significant margin, due largely to the continuing strategy to delay new external borrowing by utilising internal cash balances.

Information on the re-profiling of capital expenditure can be found in the ‘Capital Programme Performance to 31 March 2024’ report, presented to Cabinet on 4 June 2024.

NB: Figures exclude PPP



(d) Treasury Position at 31 March 2024

The Council's debt and investment position is organised by the treasury management service to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within agreed parameters. Procedures and controls to achieve these objectives are well established both through Member reporting and through the Council's Treasury Management Practices.

Borrowing Strategy for 2023/24

The borrowing strategy for 2023/24 anticipated bank interest rates remaining steady during 2023 before beginning to decline in 2024 and fixed borrowing rates to remain steady. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

The Council has a strategy of taking a combination of temporary and permanent borrowing in recognition of the Council's longer term borrowing requirements and the market rates available at that time. This balances short term financial savings with longer term security of costs. During 2023/24 the Council undertook £70m of long-term borrowing.

Having begun the financial year at 4.25%, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate to 5.25% in August 2023 as the UK economy appeared resilient in the face of the dual headwinds of higher inflation and interest rates. Bank Rate was maintained at 5.25% through to March 2024.

The cost of short term borrowing from other local authorities has generally risen with Base Rate over the year. Interest rates peaked at around 7% towards the later part of March 2024 as many authorities required cash at the same time. These rates are expected to fall back to more normal market levels from April 2024.

The PWLB 20 year maturity certainty rate stood at 5.18% at 31st March compared to 4.70% at the start of 23/24. A new PWLB HRA rate which is 0.4% below the certainty rate was made available from 15th June 2023. This rate will now be available to June 2025. The Council has accessed this rate during 2023/24 to support the council house building programme and investment in the housing stock.

Borrowing Outturn for 2023/24

At the beginning and end of 2023/24, the Councils treasury position was as follows:

TABLE 5

	31 March 2023 Principal	Rate/ Return	31 March 2024 Principal	Rate/ Return
	£m	%	£m	%
Fixed rate funding:				
- PWLB	178.167	4.72%	245.280	4.77%
-Local Authorities	15.000	1.62%	21.250	4.27%
-Market	1.449	8.83%	1.306	9.79%
Variable rate funding:				
- Market	50.950	5.10%	48.950	5.10%
Total debt	245.566	4.63%	316.786	4.81%
CFR	384.064		436.886	
Over / (under) borrowing	(138.498)		(120.100)	
Investments:				
- Internally managed	31.456	0.73%	40.105	4.81%
Total investments	31.456		40.105	

The Council's gross debt position increased by £71.220m during 2023/24. A summary of the movement is outlined below.

Category of Debt	Activity	£m
Fixed - PWLB	Repayment	67.113
Fixed - Local Authorities	Repayment	6.250
Fixed - Market	Repayment	(0.143)
Variable - Market	Repayment	(2.000)
Net Decrease in Debt		71.220

The Council's Variable rate debt relates to Lender's Option Borrower's Option (LOBO) loans where the lender has the option to propose an increase in the interest rate at set dates. During the year one of these loans for £2m was called and the Council opted to repay the loan. The Council continues to work with treasury management advisers to identify financially beneficial opportunities to repay LOBO loans and with another £5m loan being called in May 2024 the Council again opted to repay the loan.

In accordance with the agreed strategy and taking appropriate cognisance of investment concerns, both in terms of counterparty risk and low returns on investment, the Council used internal short-term cash reserves to temporarily fund its remaining borrowing requirement.

Rescheduling

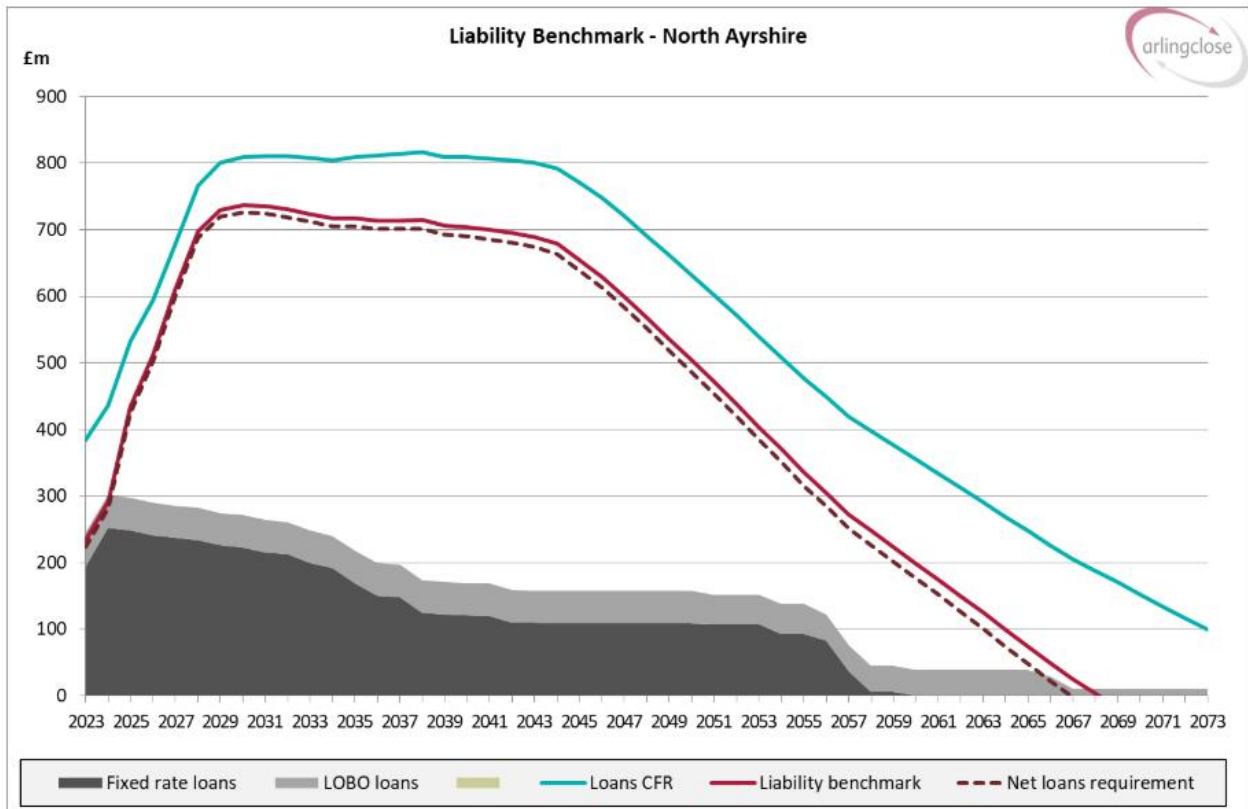
No rescheduling was done during the year as the average differential between PWLB new borrowing rates and premature repayment rates made rescheduling not viable.

Liability Benchmark

The Liability Benchmark is a new indicator which compares the Council’s actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

Liability Benchmark	2022/23 Actual £m	2023/24 Actual £m	2024/25 Forecast £m	2025/26 Forecast £m
Loans CFR	384.1	436.9	531.4	594.8
Less Balance sheet resources	(160.9)	(155.3)	(107.4)	(92.6)
Net loans requirement	223.2	281.6	424.0	502.2
Liquidity allowance	10.0	10.0	10.0	10.0
Liability Benchmark	233.2	291.6	434.0	512.2
Existing Borrowing	(252.2)	(307.2)	(304.2)	(296.3)

Following on from the medium-term forecasts in the table above, the long-term liability benchmark assumes capital expenditure funded by borrowing will be in line with the 10 year capital plan and 30 year HRA business plan respectively, loans fund advances on new capital expenditure based on asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year with any specific adjustments made for planned use of reserves. This is shown in the following chart together with the maturity profile of the Council’s existing borrowing:



The maturity structure of the debt portfolio at 31 March 2024 is included in Table 6 and shows the period when the Council is required to repay and/or refinance debt. It is important to ensure a reasonable spread of debt to mitigate against high exposure levels in respect of refinancing. The current profile ensures this:

TABLE 6

	31 March 2023 Actual £m	31 March 2023 Actual %	31 March 2024 Actual £m	31 March 2024 Actual %
Under 12 months	43.481	18%	62.650	20%
12 months and within 24 months	2.950	1%	2.950	1%
24 months and within 5 years	6.207	3%	13.845	4%
5 years and within 10 years	21.639	9%	31.439	10%
10 years and within 20 years	33.177	70%	83.189	65%
20 years and within 30 years	6.225		20.125	
30 years and within 40 years	106.887		92.588	
40 years and within 50 years	15.000		-	
50 years and above	10.000		10.000	
Total Borrowing	245.566	100%	316.786	100%

* Note that for 23/24 LOBOs of £38.950m have been shown as under 12 months to reflect the ability of these to be called in by the investor at any time. This does not change the maturity date but simply reflects the nature of the debt. Higher interest rates have increased the possibility of these loans being called with 2 loans totalling £7m being called between March and May 2024.

The impact of a 1% rise in interest rates based on the Councils current debt portfolio is shown in the table below:

Interest rate Risk Exposure	2024/25 £m	2025/26 £m	2026/27 £m
Impact of 1% increase in Interest rates	0.438	0.641	0.684
Impact of 1% decrease in Interest rates	(0.167)	(0.252)	(0.294)

Another indicator is used to manage risk and reduce the impact of adverse movement in interest rates. This sets a limit on the Council's exposure to fixed and variable interest rates and was as follows:

TABLE 7

	2022/23 Actual £m	2023/24 Limit £m	2023/24 Actual £m
Limit on fixed rate (principal)	194.616	306.895	267.836
Limit on variable rate (principal)	50.950	60.000	48.950

Estimates of prudent Loans Fund repayment

The purpose of the Loans Fund is to record advances for expenditure incurred or loans made to third parties which a local authority has determined are to be financed from borrowing as set out in Regulation 2 of The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016

["the Regulations"]. The Loans Fund advance is effectively the repayment of the 'principal' linked to the expenditure classified above which is unfinanced and is required to be funded from borrowing. Repayment of Loans Fund advances are required to be made in line with Scottish Government statutory guidance on Loans Fund Accounting.

The Council's latest estimates of its Loans Fund account information are as follows:

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment by HRA £m	Closing Balance £m
2023/24 Actual	384.064	34.035	25.242	-1.461	-4.994	436.886
2024/25 - 28/29	436.886	207.756	200.724	-11.995	-33.167	800.204
2029/30 - 33/34	800.204	8.717	53.153	-17.345	-40.717	804.011
2034/35 - 38/39	804.011	0.000	78.267	-20.953	-51.677	809.649
2039/40 - 43/44	809.649	0.000	97.847	-54.626	-60.491	792.379
2044/45 - 48/49	792.379	0.000	10.337	-75.824	-65.470	661.422
2049/50 - 53/54	661.422	0.000	0.000	-92.292	-61.191	507.938
2054/55 - 58/59	507.938	0.000	0.000	-74.874	-57.287	375.777
2059/60 - 63/64	375.777	0.000	0.000	-45.191	-62.099	268.487
2064/65 - 68/69	268.487	0.000	0.000	-37.405	-61.267	169.814
2069/70 & later	169.814	0.000	0.000	-38.352	-131.462	0.000

(e) Affordability Prudential Indicators

These Prudential Indicators assess the affordability of capital investment plans and provide an indication of the impact of capital investment plans on the Council's overall finances.

Actual financing costs as a proportion of net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream and is a measure of affordability for debt repayment. Actuals for 2023/24 were 2.7% for the General Fund and 18.9% for the Housing Revenue Account. The reduction in the ratio within the HRA during 2023/24 is a result of the review of the loans fund advances, as detailed in the mid year report, which realigned advances to the most appropriate useful economic life. Capital expenditure impacts on the revenue budget through financing charges so it is essential the Council ensures the financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available. From a General Fund perspective, the Scottish Local Authority average in 2022/23 was 5.4%, therefore demonstrating a prudent borrowing policy. For the HRA, the Scottish average was 21.3%. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

TABLE 8

Estimate of ratio of financing costs to net revenue stream	2022/23 Actual	2023/24 Estimate	2023/24 Actual
General Services	1.9%	2.5%	2.7%
HRA	20.1%	20.5%	18.9%

4. Investment Rates and Outturn 2023/24

Interest Rates

The Bank of England increased the official Bank rate from 4.25% at the beginning of the year to 5.25% by the end of March 2024. Deposit rates have increased during 2023/24 as a result.

Investment Policy

The Council's investment policy is governed by Scottish Government investment regulations, which have been implemented in the annual investment strategy approved by the Council on 1 March 2023. This policy sets out the approach for choosing investment counterparties and is based upon: new bank resolution regulations, where failing banks will not be bailed-out but 'bailed-in' by unsecured investors that can include local authorities; the capacity of banks to absorb unexpected losses; and credit ratings provided by the leading credit rating agencies. This is supplemented by additional market data (such as economic data, credit default swaps, bank share prices etc.).

Investment treasury indicator and limit

This is a control on the total principal funds invested for greater than 1 year. This limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and is based on the availability of funds after each year-end.

Maximum principal sums invested for more than 1 year	2023/24 Limit £m	2023/24 Actual £m	2024/25 Limit £m
Principal sums invested for more than 1 year	10.000	-	10.000

All investments at 31 March 2024 mature within one year in line with the approved limit.

Resources

The Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's cash resources were as follows:

TABLE 9

Cash Balances	2022/23 Actual	2023/24 Actual
	£m	£m
1 April	43.506	31.456
31 March	31.456	40.105
Change in year	(12.050)	8.649

Investments held by the Council

The Council maintained an average balance of £38.955m of internally managed funds and utilised cash balances during the year in support of the under-borrowed position. The internally managed funds, primarily invested in call accounts with banks, Money Market Funds and other UK local authorities, earned a weighted average rate of return of 4.81%. This compares to a rate of 1.69% in 2022/23. Performance was above the target rate of 4.25% and reflects the increase in the bank rate during 2023/24 and the short term nature of our investments and our overall investment objectives of security and liquidity.

The Council's Environmental, social and governance (ESG) policy states that when investing the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code. A list of ESG Initiative signatories is updated quarterly by the Council's treasury advisor Arlingclose to support the Council's decision making process for investing.

5. Performance Measurement

One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide.

The Council's treasury management advisors are Arlingclose Limited. Arlingclose has five Scottish Local Authorities in their client group and provide regular investment benchmarking information to the Council. In terms of performance in 2023/24, North Ayrshire Council's average weighted rate of return on investments during 23/24 was 4.81% (22/23 1.69%). The actual rate of return on investments as at 31 March for North Ayrshire Council was 5.31% compared to the group average rate of 5.03%.

Emphasis will continue to be placed on investing with approved counterparties in accordance with the approved strategy.

NORTH AYRSHIRE COUNCIL

26 June 2024

North Ayrshire Council

Title: **Additional Scottish Government Funding for 2024/25 and proposed strategic investment**

Purpose: To provide an update on additional Scottish Government General Revenue Grant funding for 2024/25 and recommend proposed investment in renewable energy.

Recommendation: That Council:

- (a) Notes the additional General Revenue Grant funding confirmed for 2024/25; and
- (b) Approves the investment proposals set out in sections 2.7 to 2.10 for a contribution of up to £1.328million towards the capital cost of a renewable energy development at i3. The level of contribution being subject to the outcome of the 2024/25 pay negotiations.
- (c) Notes the balance of capital investment anticipated and that this is considered as part of the 2025/26 Budget process.

1. Executive Summary

- 1.1 The General Services Revenue Estimates 2024/25 to 2026/27 were approved by North Ayrshire Council on 28 February 2024. The report noted at that time the Scottish Government’s intention to passport anticipated consequential result from the announcement of funding for councils in England.
- 1.2 The Scottish Government has now confirmed that a total of £62.7million additional funding for 2024/25 will be paid as a redetermination of the General Revenue Grant. The allocation for North Ayrshire Council is £1.682million.
- 1.3 After adjusting for some minor changes in the settlement that followed the North Ayrshire Council budget setting and in recognising the current financial risks associated with the 2024/25 pay negotiations, it is proposed that the balance of available funding for 2024/25 of up to £1.328million, subject to a resolution to the pay negotiations, is directed to contribute towards renewable energy investment at the i3 strategic site. This builds on £0.182million investment already approved to progress this development. This proposed investment aligns to the Council priority of addressing Climate Change and will also generate an annual revenue return on investment to help support communities with an annual 15% community benefit and

provide a sustainable source of revenue to help address the significant budget challenges facing the Council over the medium and long-term.

2. Background

- 2.1 The General Services Revenue Estimates 2024/25 to 2026/27 were approved by North Ayrshire Council on 28 February 2024. The report noted at that time the Scottish Government's intention to passport anticipated consequentials resulting from the announcement of funding for councils in England.
- 2.2 The Scottish Government has now confirmed that a total of £62.7million additional funding for 2024/25 will be paid as a redetermination of the General Revenue Grant. The allocation for North Ayrshire Council is £1.682million.
- 2.3 On the 27 March 2024 North Ayrshire Council approved a Motion that stated " once the additional funding allocation has been announced for North Ayrshire, it is brought back to full Council so that all 33 Councillors can have an input into where best to spend this additional money."
- 2.4 When the Council approved its Budget on 28 February 2024 this set out expenditure and funding requirements for 2024/25 of £ 427.268million. This included assumed Aggregate External Finance funding of £353.087million from Scottish Government. After the budget was approved the Scottish Government made some minor adjustments to the 2024-25 Finance Settlement which included changes to the floor calculation, which was partially offset by increased distributions from the Non-Domestic Rates national pool. This resulted in a reduction in anticipated Scottish Government grant funding of £0.139million. To ensure funding meets the expenditure requirements for 2024/25 this shortfall will be drawn from the additional £1.682million allocation, leaving a balance of additional funding of £1.543million.
- 2.5 The Council Budget approved on 28 February 2024 included an assumed pay award increase of 3%. At the time of writing there is no agreement in place with bargaining groups on the pay award for 2024/25 and the trade unions are currently balloting their members for potential strike action. In terms of the current pay offer, this already exceeds the level of financial provision made when setting the 2024/25 Budget. This position presents further financial risk to the Council as it is unlikely that the Scottish Government will provide any further funding to support the pay negotiations. To recognise the additional expenditure requirements aligned to the current pay offer, provision should be made for a further £0.215million from the additional £1.682million allocation. This will leave a balance of additional funding of up to £1.328million. It should be stressed however, that in the absence of any agreed pay award at this time, this position will continue to present financial risk to the Council, therefore it is recommended that any further funding required to support a resolution to the pay negotiations is drawn from the additional Scottish Government funding.
- 2.6 Based on current planning assumptions the projected net Budget deficit for 2025/26 and 2026/27 is £10.718million and £8.721million respectively i.e. £19.439million over the next 2 years. In view of the current financial landscape, it is strongly recommended that any considered use of the additional Scottish Government funding for 2024/25 is made on a non-recurring basis and that areas of strategic investment are considered which support the Council's key priorities and deliver a future financial

return on investment. On the 28 February 2024, as part of the 2024/25 Budget, Council approved an initial investment of £0.282million towards investment in renewables at the strategic i3 site. Subsequent to this date, Council approved a Motion on 15 May 2024 which reduced this contribution by £0.100million, leaving an approved initial investment at £0.182million.

2.7 Investment in renewable energy aligns with the Council's key priority of addressing Climate Change and the strategic aim of achieving net-zero by 2030. The large i3 Strategic Investment Campus site provides around 85 acres of developable land north of the site's spine road. The southern part of the site has the potential for renewables development. A feasibility study identified the potential for a 2MW wind turbine, 15.8MWp of solar PV and 6MWh of battery storage. The study has identified the 2MW wind turbine as the most economically favourable to progress at this time and this aligns with current available grid capacity. In this respect, agreement is sought to progress the i3 wind turbine proposal and to continue to investigate the i3 solar farm proposal. Officers continue to develop the outline business case. A speculative grid connection application has also been submitted to Scottish Power Energy Network (SPEN), and initial pre-application discussions undertaken with the Planning Service.

2.8 The current initial outline business case key facts and figures can be summarised as follows. Please note this position will be subject to change through the development of the business case:

- Proposed erection of a 2MW turbine which could produce an annual energy yield of up to 5.3million KWH's;
- Capital cost estimate (subject to tender) based on industry intelligence is c.£3.3million, exclusive of grid connection costs;
- Grid connection costs are unknown at this time, but due to potential available capacity and size of turbine (2MW) – estimated to be c.£0.250million;
- Grid connection decision expected September 2024, however this may be subject to change;
- Project commencement October 2024, subject to ongoing business case development;
- Potential gross income £0.500million per annum – based on sale of power at £90/MWh (current likely standard Power Purchase Agreement rate);
- Costs to be netted off each year from that figure would include any residual borrowing costs required to fund the capital investment, operating costs, maintenance costs and non-domestic rates; and
- A 15% community benefits investment will also be drawn from the annual revenue source as per the North Ayrshire Council policy position. The community benefit allocation will provide a valuable source of funding for North Ayrshire communities and this will support a Community Wealth Building approach for a Wellbeing economy and help strengthen relationships across North Ayrshire communities.

2.9 The proposed investment in renewables would support the sale of discounted, clean energy to existing and / or new operators at i3. This could attract a higher Power Purchasing Agreement rate than the £90/MWh quoted above. Informal feedback last year indicated that the i3 site generally scores well as part of Scottish Development International assessment for inward investment enquiries but loses out in relation to the lack of availability of green energy as part of the offer. This investment would address that.

2.10 It is important to recognise the financial challenges currently faced by the Council. With a projected Budget deficit over the next 2 years of almost £20million it is recommended that any investment aligns with the strategic priorities of the Council and, where it is possible, delivers a financial return on investment to help address the financial challenges and protect vital Council services. This proposed investment in renewables includes a recommendation of a contribution of up to £1.328million towards the capital construction costs, subject to the outcome of the 2024/25 pay negotiations. It is also recommended that the balance of capital funding required to meet the full cost of capital construction is considered as part of the 2025/26 Budget process. Following the initial investment approved to date of £0.182million, this could require at least a further £1.790million investment, subject to any grid connections costs and the outcome of the 2024/25 pay negotiations. By fully funding the capital investment, this will limit any requirement for borrowing and therefore maximise the level of financial return on investment.

3. Proposals

3.1 It is proposed that Council:

- (a) Notes the additional General Revenue Grant funding confirmed for 2024/25; and
- (b) Approves the investment proposals set out in sections 2.7 to 2.10 for a contribution of up to £1.328million towards the capital cost of a renewable energy development at i3. The level of contribution being subject to the outcome of the 2024/25 pay negotiations.
- (c) Notes the balance of capital investment anticipated and that this is considered as part of the 2025/26 Budget process.

4. Implications/Socio-economic Duty

Financial

4.1 The financial implications are as outlined in the report. The funding will be met from the Council's share of an additional £62.7million General Revenue Grant for 2024/25.

Human Resources

4.2 None.

Legal

4.3 All required planning consents and contractual due diligence will be undertaken to support any power purchasing agreements that require to be put in place following the completion of the business case.

Equality/Socio-economic

4.4 None.

Climate Change and Carbon

- 4.5 This investment will make a significant contribution towards the Council's key priority of addressing Climate Change and the strategic aim of achieving net-zero by 2030.

Key Priorities

- 4.6 This recommendations within this report align to all 4 of the Council's key priorities i.e. Climate Change, a Wellbeing economy through the use of 15% community benefits as part of any investment, and Communities and local democracy through a community wealth building approach to strengthening communities through this investment. Finally, through both the nature of the investment and the anticipated financial return from this investment, this will help the Council on the path to being a more sustainable Council.

Community Wealth Building

- 4.7 Through the use of a 15% annual community benefit from this investment, this supports a community wealth building approach to a wellbeing economy and strengthening communities.

5. Consultation

- 5.1 Elected members have been briefed on this investment as part of the 2024/25 Budget process.

Mark Boyd
Head of Service (Finance)

For further information please contact **Mark Boyd, Head of Service (Finance)**, on **01294 324551** or **Markboyd@north-ayrshire.gov.uk**.

Background Papers

N/A

