

North Ayrshire Council  
4 March 2021

At a Special Meeting of North Ayrshire Council at 2.00 p.m. involving participation by remote electronic means.

**Present**

Ian Clarkson, Robert Barr, John Bell, Timothy Billings, Joy Brahim, Marie Burns, Joe Cullinane, Scott Davidson, Anthea Dickson, John Easdale, Todd Ferguson, Robert Foster, Scott Gallacher, Alex Gallagher, Margaret George, John Glover, Tony Gurney, Alan Hill, Christina Larsen, Shaun Macaulay, Tom Marshall, Jean McClung, Ellen McMaster, Ronnie McNicol, Louise McPhater, Davina McTiernan, Jimmy Miller, Jim Montgomerie, Ian Murdoch, Donald Reid, Donald L. Reid, Angela Stephen and John Sweeney.

**In Attendance**

C. Hatton, Chief Executive; R. McCutcheon, Executive Director, Y. Baulk, Head of Service (Physical Environment), D. Hammond, Head of Service (Commercial) and C. McAuley, Head of Service (Economic Development and Regeneration) (Place); A. Sutton, Executive Director (Communities and Education); C. Cameron, Director (Health and Social Care Partnership); M. Boyd Head of Service, D. Forbes, Senior Manager and N. Graham, Team Manager (Finance); T. Reaney, Head of Service (Recovery and Renewal); F. Walker, Head of Service and M. Lindsay, Senior Customer Officer (People and ICT); and A. Fraser, Head of Service, A. Craig, Senior Manager (Legal Services), M. McColm, Senior Manager (Communications), H. Clancy, E. Gray and A. Little, Committee Services Officers and M. Anderson, Senior Manager (Committee and Member Services) (Democratic Services) (Chief Executive's Service).

**Chair**

Provost Clarkson in the Chair.

**1. Provost's Remarks**

The Provost welcomed those present to the meeting and dealt with preliminary matters, which included an announcement that the Council meeting would be live streamed.

**2. Apologies**

The Provost invited intimation of apologies for absence. There were none.

### **3. Declarations of Interest**

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

There were no declarations of the Party Whip.

### **4. General Services Revenue Estimates 2021/22 to 2023/24**

Submitted report by the Head of Service (Finance) on the Council's revenue spending requirements and anticipated funding for 2021/22 and 2023/24; the levels of reserves and fund balances held by the Council, and options to address the funding gap. Appendices 1 and 2 to the report set out the revised expenditure requirements for 2021/22 and operational budget adjustments, respectively. Savings approved as part of the 2020/21 revenue budget and the expenditure requirements identified for 2021/22 to 2023/24, were detailed at Appendices 3 and 4, respectively. Appendix 5 summarised proposed savings, excluding the Health and Social Care Partnership, and Appendix 6 contained a list of charges to be increased with effect from 1 April 2021. The budget matrix for 2021/22 was set out at Appendix 7 to the report.

Members were invited to note that a revised Appendix 6 (Fees and Charges) to the report had been circulated, with amended elements in respect of the Health and Social Care Partnership highlighted in yellow.

Members asked questions in respect of the following matters:

- future workforce planning and reassurance that no compulsory redundancies were anticipated in 2021/22 or future years;
- a breakdown of all unitary charge payments in respect of the PPP-funded schools in 2021/22 (namely the finance lease creditor payment, the finance lease creditor interest, the lifecycle maintenance profile, the contingent rentals and the cost of services);
- the names of the current owners of PPP Services North Ayrshire Limited and any potential conflict of interest for one of these parties; and
- given the closure of schools in the course of the Covid-19 pandemic, whether any meetings had taken place between the owners of the PPP contract and the Council to renegotiate the unitary charge, particularly with regard to operating costs

The Leader of the Council then addressed the meeting on the Administration's budget proposals.

Thereafter, Councillor Cullinane, seconded by Councillor Larsen, moved as follows:

“That the Council approve the proposals set out in the report, subject to the following changes:

- a) £250,000 non-recurring investment in a Digital Officer to support the digital strategy review following the pandemic;
- b) £350,000 non-recurring investment in an Outdoor and Residential Learning and Experiences: Covid Intervention Fund;
- c) Both funded by reducing the additional non-recurring contribution to the Investment Fund to £1.4million; and
- d) Agrees to freeze Council Tax at the same level as 2020/21.”

As the seconder of the motion, Councillor Larsen then addressed the meeting.

In terms of Standing Order 14.7, Members sought clarification from the mover and seconder of the motion in respect of the following:

- whether the proposed Council Tax freeze set out in the motion already formed part of the recommendations within the officer’s report; and
- clarification on the number of posts associated with the proposed Digital Officer expenditure and their duration

Councillor Billings then addressed the Council on behalf of the Conservative and Unionist Group’s budget proposals.

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

“That the Council approves the recommendations set out in the report and supports a freeze in council tax at 2020/21 levels subject to the amendments noted below:

- (a) Item 2.7.6 - to amend the proposed further commitment to the Investment Fund from £2m to £1.215m
- (b) Item 2.8 - to add item 2.8.1.1 In addition to the proposed recurring budget funding, which for 2021/22 is remaining at the same level as the current financial year, to provide non-recurring funding of £0.785m, which equates to 0.8% of the recurring budget funding.

Whilst recognising that final funding decisions will be made by the IJB it is proposed that this additional funding would be used for two purposes:

- (1) £0.500m to establish a challenge fund to finance the initial stages of transformational projects that will save money in future years
- (2) £0.285m to provide low-level mental health interventions that will support the higher-level work detailed in the HSCP's mental health mobilisation plans."

As the seconder of the motion, Councillor Marshall then addressed the meeting.

In terms of Standing Order 14.7, Members sought clarification from the mover and seconder of the amendment in respect of the following:

- the type of projects which might be included in the proposed challenge fund; and
- the extent to which expenditure of £0.285m was likely to make an impact in terms of mental health interventions

In responding to the question on potential challenge fund projects, Councillor Billings, as the mover of the amendment, sought input from the Director (Health and Social Care Partnership). Councillor Cullinane requested clarification on the competence of this. In terms of Standing Order 5.7, the Provost determined that it was not competent for the officer to contribute to the Member's response.

On a point of order, Councillor Gallagher queried the competence of the further amendment insofar as it sought to direct the Integration Joint Board on expenditure decisions within its own remit. In terms of Standing Order 5.7, the Provost determined that the amendment was competent.

Councillor Murdoch then addressed the meeting on the terms of a further amendment.

As a further amendment, Councillor Murdoch, seconded by Councillor Donald L. Reid, moved as follows:

"That the Council approves the recommendations set out in the report, including a Council Tax freeze at 2020/21 levels, subject to the following amendment:

- (a) Reduction of £1.000m in the contribution to the Investment Fund as outlined in paragraph 2.7.6 of the report
- (b) Additional capital investment of £1.000m to Roads Improvement in 2021/22 with the objective of increasing the expenditure on planned maintenance to improve road condition within North Ayrshire

This will be reflected in the Capital Investment Programme in 2021/22."

As the seconder of the further amendment, Councillor Donald L. Reid then addressed the meeting.

In terms of Standing Order 5.7, the Provost agreed that the meeting be adjourned at 3.20 p.m. for a comfort break and to allow Members to consider the motion and amendments. The meeting reconvened at 3.40 p.m. with the same Members and officers present and in attendance.

In response to concern expressed by Councillor Barr with regard to the time allotted for the recess and the arrangements in place to allow Members to meet virtually during it, the Provost invited Members to indicate whether a further recess was required. No such request was made.

The Provost then sought clarification on whether there were any further amendments, or alteration or withdrawal of the motion or any amendment in terms of Standing Order 14.5.

Councillor Billings intimated that he wished to alter his amendment.

On a point of order, Councillor Gurney sought, and received, advice on the competence of permitting Councillor Billings to alter his amendment. At the request of Councillor Hill, clarification was also provided by the Head of Democratic Services on the competence of the amendment being altered to incorporate elements of the original motion.

Following further consideration, Councillor Billings intimated that he no longer wished to alter his amendment.

There followed debate and summing up.

Thereafter, on a division and roll call vote, there voted for the amendment by Councillor Billings, seconded by Councillor Marshall, Councillors Barr, Billings, Ferguson, Gallacher, George, Glover, Marshall, McNicol, Murdoch, Donald L. Reid and Stephen (11) and for the motion by Councillor Cullinane, seconded by Councillor Larsen, Councillors Bell, Brahim, Burns, Clarkson, Cullinane, Davidson, Dickson, Easdale, Foster, Gallagher, Gurney, Hill, Larsen, Macaulay, McClung, McMaster, McPhater, McTiernan, Miller, Montgomerie, Reid and Sweeney (22), and the motion became the substantive motion.

On a further division and roll call vote, Councillors Ferguson and Marshall abstaining, there voted for the amendment by Councillor Murdoch, seconded by Councillor Donald L. Reid, Councillors Barr, Gallacher, George, Glover, McNicol, Murdoch, Donald L. Reid and Stephen (8), and for the substantive motion by Councillor Cullinane, seconded by Councillor Larsen, Councillors Bell, Billings, Brahim, Burns, Clarkson, Cullinane, Davidson, Dickson, Easdale, Foster, Gallagher, Gurney, Hill, Larsen, Macaulay, McClung, McMaster, McPhater, McTiernan, Miller, Montgomerie, Reid and Sweeney (23), and the substantive motion was declared carried.

Accordingly, the Council, having considered the equality and children's rights and the islands impact of service changes, agreed to:

- (a) note the anticipated funding available to meet expenditure requirements;
- (b) approve the Council's expenditure requirements for 2021/22 and note the indicative requirements for 2022/23 and 2023/24;
- (c) note the projected outturn position for 2020/21 within the context of risks facing the Council from the COVID-19 pandemic and approve the utilisation of available financial flexibilities to address pressures during 2021/22 and beyond;
- (d) note the Scottish Government announcement of 16 February 2021 on further funding anticipated in 2020/21 to help address financial pressures of the pandemic and that further expenditure proposals be developed as part of recovery and renewal;
- (e) note the level of reserves and fund balances held by the Council and approve any use and contributions to and from these;
- (f) approve the additional contribution to the Health and Social Care Partnership noted at section 1.10 of the report;
- (g) approve the additional investment proposals outlined at section 2.7.6 of the report, subject to:
  - (i) reducing the additional non-recurring contribution to the Investment Fund from the £2 million proposed in the report to £1.4 million;
  - (ii) a non-recurring investment of £250,000 in a Digital Officer to support the digital strategy review following the pandemic; and
  - (iii) a non-recurring investment of £350,000 in an Outdoor and Residential Learning Experiences: Covid Intervention Fund;
- (h) approve efficiencies and savings to ensure a balanced budget for 2021/22, consequential and new proposals in future years;
- (i) approve the schedule of Council fees and charges details at Appendix 6 to the report;
- (j) set a 0% Council Tax increase for 2021/22;
- (k) note the anticipated funding gap for 2022/23 and 2023/24;
- (l) note progress to date on the Council's Transformation and Renewal programme and corporate Workforce Planning; and
- (m) approve the budget matrix for 2021/22.

## **5. Capital Investment Programme 2021/22 to 2030/31**

Submitted report by the Head of Service (Finance) on the draft Capital Investment Programme to 2030/31. The current capital programme for 2021/22 to 20227/28, proposed changes to the capital programme for 2021/22 to 2030/31, and details of the revised programme for 2021/22 to 2030/31, were set out at Appendices 1-3 to the report, respectively. The refreshed Capital Investment Strategy (CIS) was set out at Appendix 1 to the report.

A Member asked a question, and received clarification, in respect of the proposed Solar Photovoltaic (PV) investment referred to at section 2.16 of the report.

Thereafter, Councillor Cullinane, seconded by Councillor Bell, moved that the Council approve the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed to:

- (a) approve the Capital Investment Programme to 2030/31 as set out in the report and appendices;
- (b) note that the programme would be reviewed on an ongoing basis, with the next major review to be completed during 2023/24; and
- (c) approve the refreshed Capital Investment Strategy set out at Appendix 4 to the report.

## **6. Revenue Estimates 2021/22 - Common Good Funds and Trusts**

Submitted report by the Head of Service (Finance) on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and seeking approval for the level of grant funding to be made available for disbursement in 2021/22. The remaining smaller trusts and sundry bequests administered by the Council were listed at Appendix 1 to the report. Appendix 2 set out the 2021/22 revenue estimates for the Common Good Funds and registered charitable Trusts.

Members asked questions and received clarification in respect of the following elements of the report:

- the proposed minimum level of disbursement in respect of the Irvine, Largs, Millport and Saltcoats Common Good Funds, as set out at section 2.5 of the report;
- the projected income of £2,000 for Irvine Common Good Fund relating to the

- sale of ground, as referred to at Appendix 2 to the report;
- whether the £6,000 not disbursed by the Margaret Archibald Trust in 2020/21 would be available for future disbursement;
- the fees associated with administering the various funds and whether a more cost-effective method might be identified; and
- the balance of funds available within the Dalry Charitable Trust and their potential disbursement

The Head of Service (Finance) undertook to (i) provide Members with requested information on the Irvine Common Good ground to be sold, as referred to at Appendix 2 to the report; (ii) seek to identify a more cost-effective method of administering the Common Good Funds and Trusts; (iii) liaise with the appropriate Executive Director to examine the potential to minimise the grounds maintenance charges to Largs Common Good Fund and (iv) liaise with Councillor Barr in respect of the potential disbursement of funds from the Dalry Charitable Trust.

Councillor Cullinane, seconded by Councillor Bell, moved that the Council approve the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed to:

- (a) approve the 2021/22 revenue estimates for the Common Good Funds and registered charitable Trusts detailed in Appendix 2 to the report;
- (b) approve the carry forward of funds from Irvine Common Good Fund to meet the costs of urgent and essential work required at Seagate Castle, as noted at section 2.3 of the report;
- (c) approve the amounts available for disbursement noted at section 2.11 of the report;
- (d) approve capital spend from the dormant and low-value Trusts and the Irvine, Largs, Millport and Saltcoats Common Good Funds and instruct officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in winding up of a Trust;
- (e) approve (i) the amendment of the constitution and/or the Trustees' powers in relation to the James Dyer Simpson Fund, H. Watt Trust and J.H. Watt Trust, held within North Ayrshire Charitable Trust, to allow the disbursement of the remaining capital and the winding up of the trusts' fund, with the approval of OSCR and (ii) expenditure of the capital where this is considered the most appropriate way of achieving the trusts' purposes.



## **7. Treasury Management and Investment Strategy 2021-22**

Submitted report by the Head of Service (Finance) on the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2021/22. The draft Strategy document was attached as an appendix to the report.

Councillor Cullinane, seconded by Councillor Bell, moved that the Council approve the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed to approve the Treasury Management and Investment Strategy for 2021/22 set out at Appendix 1 to the report.

The meeting ended at 5.00 p.m.