

North Ayrshire Council
1 March 2023

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

Present (Remote Electronic Participation)

John Glover.

In Attendance

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

Chair

Provost Dickson in the Chair.

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. There were none.

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. General Services Revenue Estimates 2023/24 to 2025/26

Submitted report by the Head of Service (Finance) on the Council's revenue spending requirements and anticipated funding for 2023/24 to 2025/26, the level of reserves and fund balances and options to address the funding gap.

Appendices 1 and 2 to the report set out the revised expenditure requirements for 2023/24 and operational budget adjustments, respectively. Savings approved as part of the 2022/23 revenue budget and the expenditure requirements identified for 2023/24 to 2025/26, were detailed at Appendices 3 and 4. Appendix 5 summarised proposed savings, excluding the Health and Social Care Partnership, and Appendix 6 contained a list of proposed charges with effect from 1 April 2023. The budget matrix for 2023/24 was set out at Appendix 7 to the report.

In terms of Standing Order 10.3, the Provost invited the Administration to move its budget proposals.

Councillor Larsen, seconded by Councillor Robertson, moved approval of the recommendations set out in the report.

Thereafter, Councillor Marshall, seconded by Councillor T. Ferguson, moved that the Council approve the recommendations set out in the report, subject to an amendment to replace recommendation (c) in the report, which stated:

“notes the projected outturn position for 2022/23 and approves the earmarking of the balance of underspend to provide additional emergency support funding to citizens through the Council’s Energy Smart Scheme”

with the following:

“notes the projected outturn position for 2022/23 and approves the earmarking of the balance of underspend to provide revenue investment during 2023/24 of up to £1 million in the North Ayrshire Roads infrastructure.”

In terms of Standing Order 16.4, the amendment was displayed to the meeting. A further element, in relation to the proposed use of any surplus to write-off of school meal debt of £76,000, was intimated verbally by Councillor Marshall.

In terms of Standing Order 25.1, the Monitoring Officer advised that the matter of school debt had already been considered by the Council within the previous six months, namely at the Council meeting held on 21 September 2022. Councillor Marshall duly withdrew the element of the amendment which had been intimated verbally.

Thereafter, Councillor Cullinane, seconded by Councillor Kerr, moved that the Council approve the recommendations set out in the report, subject to the amendments noted below:

“(a) alternative proposals:

Increase vacancy management turnover target	£345,923
Increase PCN charges to maximum level	£150,000
One enforcement team for PCN and Environmental fines	£93,000
Total	£588,923

(b) remove the following proposals from the report:

Food for Life Accreditation	£53,923
Christmas Lights	£35,000
Cost of the School Day	£500,000
Total	£588,923

(c) use of the General Fund’s unearmarked reserves to:

earmark the ‘savings’ resulting from the teachers’ strike for a School Staff Wellbeing Fund - £278,000 to date with ‘savings’ from future strike dates to be earmarked for the fund	£278,000
Workforce Planning Fund	£2.368m
Total	£2.646m

(d) amend proposal (c) in the recommendations to:

notes the projected outturn position for 2022/23 and approves the earmarking of the balance of underspend (after the earmarking of funds in 2022/23 for a School Staff Wellbeing Fund - specific to the value of teacher strike savings in 2022/23) to add to the Workplace Planning Fund. If, however, the value of funds earmarked for a School Staff Wellbeing Fund results in a Council overspend position in 2022/23, then the value of the overspend should be met from the balance of the Workforce Planning Fund as outlined in part (c) above.

(e) Council notes the recent decision to approve the PFI Service concession and agrees that the re-mortgaging of assets must provide tangible benefits for North Ayrshire’s residents and communities, delivering investment that improves the lives of our residents whilst making the Council more financially sustainable.

Council, therefore, rejects the proposal to use £16.146m in a non-recurring basis to unsustainably mitigate Government cuts and to establish a £4m fund to cut jobs as set out in the table at 2.5.11 (of the report).

Council approves the following alternative investment of the service concession money which will tackle poverty, improve local infrastructure, grow the local economy, deliver on our climate change ambitions, and provide a greater level of financial sustainability for the Council over the medium to long term:

To balance the Revenue Budget in 2023/24	£1.858m
Roll-out free school meals to ALL P6 and P7 pupils from August 2023 and to develop a pilot of universal free school meals for Secondary School pupils	£1.405m
Reinstate holiday meal vouchers to £4 per day in 2023/24	£600,000
Energy Smart Scheme	£350,000
Child Poverty Fund	£1m
Investment Fund (to invest in renewable energy, new commercial estate and low carbon infrastructure that generates income and lowers costs)	£8m
Transformation Challenge Fund (providing investment to redesign services to improve outcomes whilst reducing costs)	£4m
Reinstate funding for Community Wealth Building	£2.333m
Potholes Fund	£2m
Total	£21.546m

(f) Council further approves the following reviews for future years:

Review of temporary accommodation, including charges
The transfer of Redburn Grove to the HRA"

The Provost then sought clarification as to whether there were any further amendments, from the Independent Members and, thereafter, from any other Member. There were no further amendments.

Members then asked the following questions of clarification of the Section 95 Officer:

- whether he had given any advice to Groups in respect of their amendments; and
- whether there was a degree of financial risk associated with using the Service Concession on a non-recurring basis to balance the budget

On a point of order in terms of Standing Order 15.4, Councillor McLean sought clarification as to the competence of the second amendment with regard to its proposed use of funds for a wellbeing fund for school staff, given that this matter had been subject to consideration within the last six months, namely at the last ordinary meeting of the Council.

The Chief Executive clarified that the decision at the last meeting of the Council had been to note that any budget proposal on this matter, including the allocation of any underspend, would be considered at the Special Council meeting on 1 March 2023, meaning that consideration had effectively been deferred to the budget meeting.

Members then asked the following questions of clarification of the Section 95 Officer and movers of the motion and amendments:

- the risk of using Service Concessions as outlined in the budget report presented;
- the impact of using the sum of c£970,000 as outlined in the budget report on the HSCP; and
- whether the second amendment took into account the apparently recurring nature of the funding gap associated with some elements, or if it was anticipated that proposals, such as school meal vouchers, would be for one year only.

In terms of Standing Order 6.8, the Provost agreed that the meeting be adjourned at 3.10 p.m. to allow Members to consider the motion and amendments. The meeting reconvened at 4.00 p.m. with the same Members and officers present and in attendance, (as previously, by remote electronic means or in person).

In terms of Standing Order 16.7, the Provost sought clarification as to whether the mover and seconder of the motion or any amendment wished to alter or withdraw their motion or amendment.

Councillor Larsen, with the agreement of her seconder, intimated that she wished to alter the motion to incorporate elements of the amendments, as follows:

“That the Council approves the recommendations set out in the report subject to the amendments noted below:

(a) replace recommendation (c) in the report, which states:

“notes the projected outturn position for 2022/23 and approves the earmarking of the balance of underspend to provide additional emergency support funding to citizens through the Council’s Energy Smart Scheme;”

with the following:

“notes the projected outturn position for 2022/23 and approves the earmarking of the balance of underspend to provide revenue investment during 2023/24 of up to £1 million in the North Ayrshire Roads infrastructure and any further balance of underspend to provide additional emergency support funding to citizens through the Council’s Energy Smart Scheme;”

(b) increase PCN charges to maximum level - £150,000;

- (c) remove Christmas lights savings proposal - £35,000;
- (d) remove free food waste liners saving - £22,500; and
- (e) balance of £92,500 to contribute towards the underspend position

In terms of Standing Order 16.5, Councillor Marshall, with the agreement of his seconder, withdrew his amendment in favour of the motion.

A further question of clarification was directed to the Section 95 Officer on the impact of using c£970,000, as outlined in the budget paper, on the HSCP budget.

There being no further valid questions of clarification, there followed debate and summing up.

Thereafter, on a division and roll call vote, there voted for the amendment by Councillor Cullinane, seconded by Councillor Kerr, Councillors Bell, Cullinane, Foster, Glover, Kerr, McDonald, McPhater, Montgomerie, Donald Reid and Sweeney (10) and for the revised motion by Councillor Larsen, seconded by Councillor Robertson, Councillors Billings, Burns, Collier, Davidson, Dickson, S. Ferguson, T. Ferguson, Gallacher, Gurney, Hill, Inglis, Johnson, Larsen, Macaulay, Marshall, McClung, McLean, McTiernan, Murdoch, Donald L. Reid, Robertson, Stalker and Stephen (23), and the motion was declared carried.

Accordingly, the Council, having considered (i) the equality and children's rights impact of proposed service change and (ii) feedback from the community engagement sessions to help inform budget plans; agreed as follows:

- (a) to note the anticipated funding available to meet expenditure requirements and notes the financial risk to the Council from not maintaining teacher numbers at the levels outlined in the 2022 Census;
- (b) to approve the Council's expenditure requirements for 2023/24 and note the indicative requirements for 2024/25 and 2025/26;
- (c) to note the projected outturn position for 2022/23 and approve the earmarking of the balance of underspend to provide revenue investment during 2023/24 of up to £1 million in the North Ayrshire Roads infrastructure and any further balance of underspend to provide additional emergency support funding to citizens through the Council's Energy Smart Scheme;
- (d) to (i) increase PCN charges to maximum level - £150,000, (ii) remove Christmas lights savings proposal - £35,000, (iii) remove free food waste liners saving - £22,500; and (iv) apply the balance of £92,500 to contribute towards the underspend position;

- (e) to note the level of reserves and fund balances held by the Council and approves any use and contributions to and from these, including the proposed investments to support the Child Poverty and Cost-of-Living Board outlined in section 2.5.10 of the report;
- (f) to approve the additional contribution to the HSCP noted at section 1.9 of the report;
- (g) to approve efficiencies and savings to ensure a balanced budget for 2023/24, consequential and new proposals in future years subject to, and in accordance with, paragraph (d) above;
- (h) to approve the schedule of Council fees and charges detailed in Appendix 6 of the report, subject to, and in accordance with, paragraph (d) above;
- (i) to approve a Council Tax increase of 5% for 2023/24;
- (j) to note the anticipated funding gap for 2024/25 and 2025/26;
- (k) to note progress to date on the Council's Sustainable Change Programme and corporate Workforce Planning; and
- (l) to approve the budget matrix for 2023/24.

5. Capital Investment Programme 2023/24 to 2030/31

Submitted report by the Head of Service (Finance) on the Capital Investment Programme from 2023/24 to 2030/31. The current capital programme to 2030/31, details of the proposed changes to the programme following the refresh, and the revised Capital Investment Programme covering the period from 2023/24 to 2030/31, were set out at Appendices 1-3 to the report, respectively. The revised Capital Investment Strategy was provided at Appendix 4 to the report.

Members asked questions, and received clarification, on the following within the officer's report:

- the position in relation to the Pit Stop project, which was not included in the report as its funding related to financial year 2022/23; and
- whether any reassurance could be given as to the likelihood of the B714 being completed, given current financial pressures.

Councillor Larsen, seconded by Councillor Robertson, then moved approval of the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed as follows:

- (a) to approve the refreshed Capital Investment Programme to 2030/31 as set out at Appendix 3 to the report;
- (b) to note that the programme would be reviewed on an ongoing basis, with the next major review in 2023/24; and
- (c) to approve the refreshed Capital Investment Strategy set out at Appendix 4 to the report.

Councillor Glover left the meeting during consideration of the following item of business.

6. Revenue Estimates 2023/24 – 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 2023/24. The 2023/24 revenue estimates for the Common Good Funds and registered Charitable Trusts were detailed in Appendix 1 to the report. Appendix 2 listed the remaining smaller trusts administered by the Council. Members asked questions, and received clarification, on the following within the officer's report:

- the difference between Largs Common Good and Largs Charitable Trust and whether these funds could be combined; and
- arrangements for encouraging applications to the smaller grant funds with a view to ensuring their disbursement.

The Head of Finance undertook to liaise with (i) the Council's Legal Services on the feasibility of seeking to combine the Largs Common Good Fund and Largs Charitable Trust and advise Members of the outcome and (ii) the Executive Director (Communities and Education) on arrangements to promote the disbursement of the smaller grant funds via the Locality Partnerships.

Councillor Larsen, seconded by Councillor Robertson, then moved approval of the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed as follows:

- (a) to approve the 2023/24 revenue estimates for the Common Good Funds and registered Charitable Trusts detailed at Appendix 1 to the report;

- (b) to approve the carry forward of funds from Irvine Common Good Fund to meet the costs of essential works required at Seagate Castle, as noted at section 2.2 of the report;
- (c) to approve the amounts available for disbursement noted at sections 2.12 and 2.13 of the report;
- (d) to approve capital spend from the dormant and low value Trusts and the Irvine, Largs and Saltcoats Common Good Funds, and instructs officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust;
- (e) to note that OSCR had approved changes to the constitutions and trustees' powers for 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, where this was considered the most appropriate way of achieving the Trusts' purposes; and
- (f) that the remaining capital in the James Dyer Simpson Fund, H Watt Trust and J H Watt Trust be disbursed for the Trusts' purposes and approve the winding up of these three Trusts thereafter.

Councillor Glover re-joined the meeting during consideration of the following item of business.

7. Treasury Management and Investment Strategy 2023/24

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 2023/24. The draft Strategy document was attached as an appendix to the report.

Councillor Larsen, seconded by Councillor Robertson moved approval of the recommendations set out in the report. There being no amendment, the motion was declared carried.

Accordingly, the Council agreed as follows:

- (a) to approve the Treasury Management and Investment Strategy for 2023/24 set out at Appendix 1 to the report; and
- (b) to note that updated performance in relation to the treasury management and prudential indicators would be reported Cabinet as part of the Revenue and Capital Monitoring arrangements throughout the year.

The meeting ended at 4.45 p.m.