



# North Ayrshire Council

Comhairle Siorrachd Àir a Tuath

Meeting of the Council

Wednesday 16 March 2022

Responses to Questions



## Question

- (1) a question by Councillor Gallagher to the Leader of the Council in the following terms:

“At recent Council meetings, it has become apparent that some Elected Members do not understand the basics of capital finance, particularly in relation to the financing of new schools. If Elected Members are making misleading comments about these funding models, how can we expect the public to understand such complex matters? Can the Leader of the Council, therefore, provide clarity on the following:

1. The Scottish Government’s financial contribution to North Ayrshire’s PPP contract?
2. Outline all the capital and revenue costs related to the construction of Largs Campus under the Design, Build, Finance and Maintain (DBFM) model, procured using the SNP Government’s NPD/PFI model?
3. Outline all the capital and revenue costs related to the construction of Garnock campus, financed through the Council’s Capital Investment Programme?”

## Response

“Following the Council meeting on 16<sup>th</sup> February 2022 and in response to the questions raised around PPP at that time, further detailed information was provided to all members that outlines the types of contracts North Ayrshire is currently contracted to and the financial implications of each.

To address the specific points included in this particular question I can confirm that financial support of £159.9m is being provided by the Scottish Government over the course of the 30 year PPP contract which includes Stanley Primary, Arran High, Greenwood Academy and St Matthew’s Academy which in 2022/23 equates to £5.857m. It’s important to note that this contract includes costs associated with cleaning and janitorial services and lifecycle maintenance.

Under the Design, Build, Finance and Maintain (DBFM) model used in respect of the construction and maintenance of Largs Campus, the total capital cost of construction was £48.879m with £44.264m funded by Scottish Government. In terms of recurring revenue cost, this totals £77.716m over the 25 year contract with £39.267m funded by Scottish Government. This contract includes lifecycle maintenance costs. The total annual Unitary Charge cost for 2022/23 is anticipated to be £4.098m. From this a total of £3.343m is funded by Scottish Government.

The construction of Garnock campus was financed through borrowing within the Council’s Capital Investment Programme. The total capital cost of construction was £40.343m. The cost of financing this borrowing over a 25 year period through the Council’s revenue budget and including some additional operating cost pressures totals £63.500m. This cost does not include any lifecycle maintenance or services. The total annual cost associated with borrowing estimated for 2022/23 is £2.267m.”

## **Question**

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

“Can the Leader of the Council confirm the total number of cases logged on the Councils Lagan system this term by members of (a) the Labour Group, (b) the SNP Group and (c) The Conservative and Unionist Group?”

## **Response**

“The Council entered the pre-election period on 14<sup>th</sup> March 2022 following publication of the notice of election relating to the Local Government Election which takes place on 5<sup>th</sup> May 2022.

The Council will therefore not publish the information requested on the basis that it relates to members of political parties and other independent councillors who may be seeking re-election on 5<sup>th</sup> May.

The information will be provided to all Councillors following the meeting.”

## **Question**

(3) a question by Councillor McNicol to the Leader of the Council in the following terms:

“Will the Leader commit to support a judge led public enquiry into the North Ayrshire Schools PPP Project, which is currently costing taxpayers over £1 million a month, and will cost the public purse over £400 million in total for four schools with a capital value of just £83 million: or does the Leader consider that North Ayrshire taxpayers just have to keep paying for the contract?”

## **Response**

The Leader will respond.

## **Question**

- (4) a question by Councillor Gallacher to the Cabinet Member for Green New Deal and Sustainability in the following terms:

"In approximately what year will the Council's renewables projects be bringing in the first of the tens of millions of pounds of income for North Ayrshire Council, once all construction and set-up costs have been recovered?"

## **Response**

"The generation of renewable, municipally owned energy will be an integral part of our pathway to net-zero emissions, as well as delivering financial and community benefits. The income from our renewable energy projects will start when the installations begin generating electricity, as referenced in the recent Council budget papers. The Cabinet reports approved last year, also provide further information on the proposed business model."

## **Question**

- (5) a question by Councillor Miller to the Leader of the Council in the following terms:

"Can the Leader of the Council confirm that North Ayrshire Council has no contractual or other dealings with Russia?"

## **Response**

"From an analysis of Council contracts and spend I can confirm that there are no current contractual arrangements in place with Russia. I can also confirm that following a recent update from the Council's Treasury Management Advisors all funds held by the Council have no direct or indirect financial exposure to Russian entities."

## Question

- (6) a question by Councillor Murdoch to the Cabinet Member for Green New Deal and Sustainability in the following terms:

“Last year I proposed an additional £1 Million be added to the budget to improve the roads infrastructure. The motion was seconded by Councillor Donald L Reid. We were informed that it would take 35 times that amount to bring the roads network up to standard at that time.

Can the Cabinet Member please provide the current figure that would be necessary to bring the North Ayrshire Roads Infrastructure totally up to date?

## Response

““The carriageway backlog figures for local authorities are calculated through the Scottish Road Maintenance Condition Survey project. These figures are reported to Audit Scotland regularly as required but are not calculated on an annual basis. The current backlog figure for North Ayrshire is £34.8million and was calculated in 2019.”

## Question

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

“Is the Leader of the Council concerned about the poor Ferry provision for Cumbrae Residents, Businesses and Tourists?”

## Response

The Leader will respond.