

SPECIAL COUNCIL: 4 MARCH 2021

RESPONSE TO REQUESTS FOR SUPPLEMENTARY INFORMATION

Please find below responses to requests from various Elected Members at the Special Meeting of the Council held 4 March 2021 for supplementary information.

The undernoted information has been provided by the Head of Service (Finance).

1. More detail around the £2,000 transaction for Irvine Common Good land
Part of the Quarry Road Phase 2 development required the purchase of 0.08 hectares of land at East road, Irvine Common Good. This was approved by Cabinet in August 2017 and the value of £2,000 as advised by the District Valuer.
2. Largs Grounds Maintenance charges
The charges were approved by Council in December 2017 in line with proper accounting practice. Further information on the charges has been provided to the North Coast and Cumbraes Elected Members by the Executive Director (Place) as soon as possible.
3. Allocation and apportionment basis of Admin costs and Audit fee
The 2018/19 budget included a proposal to extend the previous practice of charging Common Good funds for admin support to include Trusts and increase the recharges to reflect actual costs.
The saving to the Council was set at £10,900 based on costs determined by the Central Support model, plus the actual costs of auditing of the Trust funds. This increased the total recharge to £9,785 plus £3,600 audit fees.
Audit Fees - At the time the costs of the audit were £3,600 per annum and each trust was charged £360. Following action taken to rationalise the process we have reduced this charge to £1,200 per annum with each trust receiving a charge of just £150.
Admin Charge - The admin charge has been increased in line with payroll inflation and stands at £10,802 for 2021/22. This is apportioned across the Common Good and Trust funds based on the value of their deposits. See attached file for details.
The approach to recharging will continue to be kept under review.

4. Potential conflict of interest for the current chair of the SFT, within the context of a previous role within PPP contracts.

Ian Russell is the current chair of the SFT and is also chair of HICL Infrastructure, which in turn owns Infrared Capital Partners, which owns a share in a number of PPP/PFI projects across Scotland, including NAC Schools PPP.

Formerly the Chief Executive and chair of Scottish Power, Ian Russell has only been with the SFT since 2017 and HICL since 2013, so would not have been involved with either organisation when the PPP contract was first awarded back in 2006. Infrared Capital Partners had no involvement with the PPP project at that time.

In terms of NAC, we operate in line with the agreed PPP contract and have no direct dealings with either SFT or HICL in relation to this. Although the SFT have a “watching brief” role from the Scottish Government to provide advice and guidance to local authorities in relation to PPP contracts, this is a small part of their remit and we are unaware of Mr Russell ever being directly involved in any PPP discussions or negotiations.

The question of a conflict of interest between Mr Russell’s roles with the SFT and HICL would be a matter for the Scottish Government, but this does not appear to have had any bearing on NAC or our PPP relationships.

Revised Recharge 2020.21	Increase	Revised Recharge 2021.22	Investments			
			Common Good	Trusts		
£10,487.00		3.00%	£10,802.00	£1,849,500.00	£171,241.31	£2,020,741.31
		Recharge 2021.22		£9,886.62	£915.38	£10,802.00
		Trusts - Audit Fee			£1,200.00	£150.00

Projected Outturn 2020.21

		External Investments	Projected Investment at 31st March 2022	Audit Fee	Recharge		
Common Good							
Ardrossan			262,500.00	1403.21	1403.21	1403.00	
Irvine			900,500.00	4813.68	4813.68	4814.00	
Largs			433,000.00	2314.63	2314.63	2315.00	
Millport			66,500.00	355.48	355.48	355.00	
Saltcoats			17,000.00	90.87	90.87	91.00	
Stevenston			170,000.00	908.75	908.75	909.00	
Trusts							
NAC	North Ayrshire Museum	974.00	29,041.00	155.24	£57.90	213.14	213.00
NAC	War Memorial Fund		485.00	2.59	£0.97	3.56	4.00
NAC	Sir Jas Dyer Simpson		195.00	1.04	£0.39	1.43	1.00
NAC	Robert Fleck Award	270.00	9,850.00	52.65	£19.64	72.29	72.00
NAC	H Watt		235.00	1.26	£0.47	1.73	2.00
NAC	J H Watt		888.00	4.75	£1.77	6.52	6.00
NAC	Spiers Trust	11,953.15	34,546.85	184.67	£68.87	253.54	253.00
Dalry	Poverty		2,000.00	10.69	£150.00	160.69	161.00
Kilbirnie & Glengarnock	Recreational		2,000.00	10.69	£100.00	110.69	111.00
Kilbirnie & Glengarnock	Age/Health/Disability		1,000.00	5.35	£50.00	55.35	55.00
Kilwinning	Poverty		32,500.00	173.73	£150.00	323.73	324.00
Largs	Poverty		6,500.00	34.75	£150.00	184.75	185.00
Anderson Park			385.00	2.06	£150.00	152.06	152.00
Douglas Sellers			550.00	2.94	£150.00	152.94	153.00
Margaret Archibald		139,934.54	51,065.46	272.97	£150.00	422.97	423.00
				10802.00	£1,200.00		12002.00