

Audit and Scrutiny Committee
30 June 2022

At a Special Meeting of the Audit and Scrutiny Committee of North Ayrshire Council at 10.00 a.m. involving participation by remote electronic means,

Present

John Bell, Eleanor Collier, Cameron Inglis, Tom Marshall, Matthew McLean, Ian Murdoch and John Sweeney.

Also Present

Joe Cullinane, Scott Davidson, Todd Ferguson, Robert Foster, Tony Gurney, Alan Hill, Christina Larsen and Nairn McDonald.

In Attendance

A. Sutton, Executive Director (Communities and Education); C. McAuley, Head of Service (Economic Development and Regeneration) and L. Kirk, Senior Manager (Regeneration) (Place); M. Boyd, Head of Service (Finance), A. Craig, Head of Service (Democratic), C. Stewart and H. Clancy, Committee Services Officers (Chief Executive's Service).

Chair

Councillor Bell in the Chair.

Apologies

Davina McTiernan and Donald Reid.

1. Declarations of Interest

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

2. Call-In: Revenue Budget 2021/22: Financial Performance to 31 March 2022

Submitted report by the Chief Executive on a call-in request received in respect of a decision taken by Cabinet on 7 June 2022 on the financial performance of the Council at 31 March 2022. The report to Cabinet, with various appendices, attached at Appendix 1 to the report, contained detailed explanations of the significant variances in service expenditure compared to the approved budgets, together with information on funding to be carried forward to support expenditure during 2022/23, a full list of the proposed carry forward of earmarked funds and information in respect of the Housing Revenue Account (HRA). An updated briefing note had been provided by the Head of Service (Finance) and was attached at Appendix 2 to the report.

The Cabinet agreed (a) to note (i) the information and financial performance outlined in the report and its associated appendices, (ii) the transfer of the net in-year underspend of £3.073m to supplement the Investment Fund, (iii) the financial performance of the Health and Social Care Partnership at paragraph 2.7 of the report and (iv) the IJB cumulative deficit position of £2.320m at 31 March 2022; and

(b) to approve the additional earmarking of £11.833m identified at section 2.5 of the report to meet future year commitments.

Subsequently, a call-in request was received from Councillors Foster, McDonald and Cullinane in the following terms:-

Reason for Call-In

“To provide more support to residents struggling with the cost-of-living crisis.”

Desired Outcome

“• Remove Contribution to the Loans Fund

• Remove Provision for additional non-contractual inflationary pressures (with it to be met by existing unearmarked reserves

Reallocate to:

- £500,000 pre-payment meter fund to support low-income families on pre-payment meters
- £750,000 to reinstate £4 per eligible child per day voucher scheme during the school holidays for the remainder of 2022/23.
- Additional £1,000,000 the Community Based Energy Support (check name) for energy-efficiency grants
- £300,000 to provide a £50 winter top-up to the school clothing grant in 2022/23
- Additional £200,000 for Cost of the School Day activity win 2022/23 to address the rising cost of living
- £641,000 to widen access to the Better Off financial inclusion service.”

Prior to consideration of this matter, the Head of Democratic Services summarised the procedure for considering the call-in requests in terms of Standing Orders and referred to the Cabinet decision.

Thereafter, the Members who had requested the call-in were invited to speak. Councillor McDonald advised that he would speak to this call - in request along with the two others on the agenda, with Councillors Cullinane and Foster being available to answer any questions, if required. He then addressed the Committee in support of the call-in request.

The Chair then invited Councillor Larsen, as the Cabinet Member for Finance, to address the meeting. She explained the reasoning for the Cabinet decision and referred to an updated briefing note from the Head of Service (Finance) provided at Appendix 2 to the report.

The Head of Service (Finance) was also heard in relation to the report presented to Cabinet and on issues raised by the call-in, reference being made to the briefing note at Appendix 2.

Members asked questions of Councillors McDonald, Larsen and the Head of Service (Finance) and were provided with further information in relation to:

- Anticipated inflationary increases, since the Council had set its budget for the current financial year;
- Inflation and the cost of living; and

- The position on Reserves, in view of the anticipated inflationary increase, and potential pressure on budgets.

Councillor Marshall, seconded by Councillor Inglis, moved that the Committee agree not to support the call-in request and that the previous decision of Cabinet should stand.

As an amendment, Councillor Sweeney, seconded by Councillor Bell, moved to accept the terms of the call-in request.

Thereafter, on a division and a roll call vote, there voted for the amendment, Councillors Bell and Sweeney (2) and for the motion, Councillors Collier, Inglis, Marshall, McLean and Murdoch (5), and the motion was declared carried.

Accordingly, the Committee agreed not to support the call-in request.

3. Call In: Regeneration Delivery Plan Funding Proposals 2022/23

Submitted report by the Chief Executive on a call-in request received in respect of a decision taken by Cabinet on 7 June 2022 on the Regeneration Delivery Plan Funding Proposals for 2022/23. The report to Cabinet, attached as an Appendix to the report, sought approval for the 2022/23 Regeneration Delivery Plan funding proposals. An updated briefing note had been provided by the Executive Director (Place) and was attached at Appendix 2 to the report.

The Cabinet agreed (a) to approve the Regeneration Delivery Plan funding proposals for 2022/23 provided at Appendix 1 to the report; (b) that delegated authority be granted to the Executive Director (Place) to agree changes to the funding allocations in consultation with the Portfolio Lead, as required; and (c) to note the update on the previously agreed Levelling Up Fund (LUF) bid for the 'Gateway to the West Coast and Clyde Islands strategic regeneration package' and that this LUF bid would now be solely based on the development of Lochshore.

Subsequently, a Call In request was received from Councillors Foster, McDonald and Cullinane in the following terms:-

Reason for Call In

"To tackle privately owned vacant and derelict sites in North Ayrshire with a fund to bring the sites into council or community ownership."

Desired Outcome

"Remove the following from the Placed based projects:

Saltcoats Place Framework £70,000
 Largs Place Framework £70,000
 Kilwinning Place Framework £70,000
 Future Years Project Development £40,000

Reduce the following in the VDLF:

Development work to £160,000

Replace with:

£410,000 (£250,000 Placed Based and £160,000 VDLF) to create a new High Street Buyout Fund to deliver a Community Wealth Building approach to town centre regeneration, aimed at bringing privately owned derelict sites into Council or community ownership to be repurposed for the benefit of the community. This fund would act as a delivery arm of the Place Frameworks and build on the projects supported through the Repurposing Property Grant with further funding in future years.”

Thereafter, the Members who had requested the call-in were invited to speak. Councillor McDonald advised that he would speak to this call-in request, with Councillors Cullinane and Foster being available to answer any questions, if required. He then addressed the Committee in support of the call-in request.

The Chair then invited Councillor Gurney, as the Cabinet Member for Economy & Climate Change, to address the meeting. He explained the reasoning for the Cabinet decision and addressed matters raised by the call-in.

The Senior Manager (Regeneration) referred to an updated briefing note from the Executive Director (Place), provided at Appendix 2 to the report.

Members asked questions of Councillors McDonald, Gurney and the Senior Manager (Regeneration) and were provided with further information in relation to:

- The reasons for seeking the change since the budget was agreed in March;
- Mechanisms for achieving owners to sell properties;
- The number of Compulsory Purchase Orders (CPOs) that had been carried out in North Ayrshire during the last 10-year period;
- The strict parameters and requirements that required to be met regarding CPOs to allow them to be progressed in appropriate and specific circumstances
- Delivery proposals; and
- The qualifying criteria for Vacant and Derelict Land Funding.

Councillor Marshall, seconded by Councillor Collier, moved that the Committee agree not to support the call-in request and that the previous decision of Cabinet should stand.

As an amendment, Councillor Sweeney, seconded by Councillor Bell, moved to accept the terms of the call-in request.

Thereafter, on a division and a roll call vote, there voted for the amendment, Councillors Bell and Sweeney (2) and for the motion, Councillors Collier, Inglis, Marshall, McLean and Murdoch (5), and the motion was declared carried.

Accordingly, the Committee agreed not to support the call-in request.

4. Call-In: North Ayrshire Covid Recovery Fund

Submitted report by the Chief Executive on a call-in request received in respect of a decision taken by Cabinet on 7 June 2022 on the North Ayrshire Covid Recovery

Fund. The report to Cabinet, attached at Appendix 1 to the report, sought agreement for the proposed North Ayrshire Economic COVID Recovery Fund Investment Plan. An updated briefing note had been provided by the Executive Director (Place) and was attached at Appendix 2 to the report.

The Cabinet agreed to (a) note the Scottish Government's recently announced Economic Covid Recovery Fund, which would see an allocation of £2.154m for North Ayrshire; and (b) approve the proposed North Ayrshire Economic COVID Recovery Fund Investment Plan

Subsequently, a call-in request was received from Councillors Foster, McDonald and Cullinane in the following terms:-

Reason for Call In

"Given their dominance of the local bus market, the "Public Transport Travel Scheme" is effectively a public subsidy for Stagecoach at a time when they are cutting local services."

Desired Outcome

"That we send a very strong public message to Stagecoach that the Council will not accept their cuts to local bus services and therefore the £20,000 for the "Public Transport Travel Scheme" be reallocated to support the North Ayrshire Fairer Food Network."

Thereafter, the Members who had requested the call-in were invited to speak. Councillor McDonald advised that he would speak to this call-in request, with Councillors Cullinane and Foster being available to answer any questions, if required. He then addressed the Committee in support of the call-in request.

The Chair then invited Councillor Gurney, as the Cabinet Member for Economy & Climate Change, to address the meeting. He explained the reasoning for the Cabinet decision and addressed matters raised by the call-in.

The Head of Service (Economic Development and Regeneration) referred to an updated briefing note from the Executive Director (Place), provided at Appendix 2 to the report.

Members asked questions of Councillors McDonald, Gurney and the Head of Service (Economic Development and Regeneration) and were provided with further information in relation to:

- The operation of the proposed scheme including identification of recipients and providers;
- Other types of support available from third sector organisations including assistance with travel; and
- Availability of supplies for foodbanks.

Councillor McLean, seconded by Councillor Collier, moved that the Committee agree not to support the call-in request and that the previous decision of Cabinet should stand.

As an amendment, Councillor Sweeney, seconded by Councillor Bell, moved to accept the terms of the call-in request.

Thereafter, on a division and a roll call vote, there voted for the amendment, Councillors Bell and Sweeney (2) and for the motion, Councillors Collier, Marshall, McLean and Murdoch (4), and the motion was declared carried. Due to a technical issue, Councillor Inglis left the meeting prior to the roll call vote taking place.

Accordingly, the Committee agreed not to support the call-in request.

The meeting ended at 11.25 a.m.