

**SOUTH AYRSHIRE COUNCIL (SPECIAL).**

Minutes of special meeting in County Buildings, Wellington Square, Ayr,  
on 10th February 2011 at 10.00 a.m.

Present: Councillors Winifred Sloan (Provost), John Allan, Eddie Bulik, Andy Campbell, Douglas Campbell, Ian Cavana, Brian Connolly, Peter Convery, Hywel Davies, Ian Douglas, Stan Fisher, Ian Fitzsimmons, Ann Galbraith, Sandra Goldie, Bill Grant, John Hampton, Hugh Hunter, Mary Kilpatrick, Elaine Little, Mairi Low, John McDowall, Nan McFarlane, Bill McIntosh, Helen Moonie, Alec Oattes, Mike Peddie, Robin Reid, Philip Saxton, Tom Slider and Margaret Toner.

Attending: D. Anderson, Chief Executive; H. Garland, Executive Director – Children and Community; E. Howat, Executive Director – Corporate Services; L. Bloomer, Executive Director – Development and Environment; V. Andrews, Head of Legal and Administration; C. Monaghan, Head of Policy, Performance and Communication; D. Alexander, Head of Corporate Resources; T. Baulk, Chief Accounting Officer; A. Wilson, Head of Human Resources and Organisational Development; C. Douglas, HR Manager; D. Robertson, Public Communications Manager; and D. Knight, Committee Services Officer.

Also Attending: Anne Cairns, Senior Auditor, Audit Scotland.

**1. Provost.**

The Provost

- (1) welcomed Members to the special meeting;
- (2) advised that two urgent additional items of business had arisen in relation to Leave for the Royal Wedding and Support for Community Planning 2011/12 and that these matters would be taken after consideration of item 3 on the agenda; and
- (3) requested that the Council agree in terms of Council Standing Order No. 10, to vary the order of business and to deal with Agenda Item No. B, the report on Support for Community Planning 2011/12 before Agenda Item No. A and the Council so concurred.

**2. Section 112 of the Local Government Finance Act 1992.**

The Chief Executive

- (1) referred to the note at the conclusion of the agenda calling the meeting, to the effect that members were subject to the provisions of Section 112 of the Local Government Finance Act 1992 which provided that a Member of the Council could not vote on a range of Council Tax issues, including setting or adjusting the rate of Council Tax, if he or she was three months or more in arrears with payment of Community Charge (Poll Tax) or two months or more in arrears with Council Tax;
- (2) indicated that if Section 112 applied to any Member he or she was also required to disclose that fact; and

- (3) gave the opportunity to any Member to disclose the fact that Section 112 applied to him or her and indicated that failure to disclose was also an offence.

No Members so declared.

### 3. **Sederunt.**

The Chief Executive called the Sederunt for the meeting.

### 4. **Revenue and Capital Estimates 2011/12.**

There was submitted a report (issued) of 3rd February 2011 by the Executive Director – Corporate Services outlining the issues to be considered in setting the Revenue and Capital Budgets for 2010/11 and recommending that the Council

- (1) approve net expenditure on services;
- (2) approve the contributions to / from the Council's corporate funds for 2011/12;
- (3) decide on the level of bad debt provision for the non-collection of Council Tax;
- (4) levy the appropriate Band D Council Tax for 2011/12 (recognising the funding available from the Scottish Government if the Band D level was frozen at 2007/08 levels);
- (5) approve permanent virement as detailed in Appendices 1a and 1b of the report;
- (6) approve the 2011/12 General Services Capital Programme; and
- (7) approve the 2011/12 Revenue and Capital Budgets for Common Good Funds.

Councillor McIntosh, seconded by Councillor McFarlane, moved that the Council should

- (a) freeze Council Tax charges at 2007/08 levels for a fourth year, in recognition of the additional funding available to South Ayrshire Council from the Scottish Government for this purpose;
- (b) provide 2.5 per cent for the non-collection of the Council Tax;
- (c) note that Council Tax income of £53,670,705 was therefore available to fund service expenditure in 2011/12;
- (d) utilise Aggregate External Finance of £211,178,000 to fund planned expenditure;
- (e) utilise £1,000,000 of the surplus projected at 31st March 2011;
- (f) approve net service expenditure of £263,898,705 as detailed in column 7, row 9, of Appendix 1 with the supporting Departmental subjective analysis shown in Appendix 2, incorporating:-
  - (i) Departmental base expenditure from 2010/11 totalling £265,229,582 as detailed in column 7, row 1 of Appendix 1;

- (ii) additional service expenditure of £6,555,201 being the total of rows 2 to 4 of Appendix 1 with further details of row 4 (contractual and other unavoidable increases) shown in Appendix 3;
  - (iii) reduction in expenditure of £376,000 to reflect movements in settlement as detailed in column 7, row 5 of Appendix 1 with further analysis shown in Appendix 4;
  - (iv) a payroll management savings target of £1,000,000;
  - (v) additional funding of £1,500,000 to address service priorities agreed by Elected Members as detailed in column 7, row 6 of Appendix 1 with further analysis shown in Appendix 5; and
  - (vi) efficiency measures totalling £5,514,429 as detailed in column 7, row 7 of Appendix 1 with further details shown in Appendix 6; and
  - (vii) efficiency measures totalling £3,495,649 as detailed in column 7, row 8 of Appendix 1 with further details shown in Appendix 6;
- (g) approve the following contributions to / from the Council's funds and reserves:-
- (i) a contribution of £910,000 to the Contingency Fund in 2011/12, including provision for anticipated severance costs arising as a consequence of the efficiency measures as detailed in Appendix 6;
  - (ii) a contribution of £500,000 to assist in implementing changes that would take the Council forward during 2011/12;
  - (iii) a contribution of £40,000 towards the running costs of the next local elections; and
  - (iv) a contribution of £500,000 to the General Reserve;
- (h) note that discussions between COSLA, Scottish and Westminster Governments and the Icelandic Banks were still ongoing;

- (i) note that total planned expenditure for 2011/12 was £265,849,000 as follows:-

	£m	£m
<b>Funding:</b>		
Council Tax income		53.671
Aggregate External Finance		211.178
Use of anticipated accumulated surplus to 31st March 2011		<u>1.000</u>
<b>Total Funding</b>		<b><u>265.849</u></b>
<b>Planned expenditure:</b>		
Gross Expenditure	360.195	
Income	96.296	
Net service expenditure		263.899
<b>Add:</b>		
Contribution to General Contingency Fund	0.910	
Contribution to Change Fund / Repairs and Renewals Fund	0.500	
Contribution to local election fund	0.040	
Contribution to General Reserve	<u>0.500</u>	<u>1.950</u>
<b>Total planned expenditure</b>		<b><u>265.849</u></b>

- (j) generate the required level of Council Tax income in 2011/12 by again levying a Council Tax of £1,153.95 for Band D with the resulting Council Tax for all bands being as follows:-

#### Indicative Calculation of Council Tax

<b>Band</b>	<b>Maximum house value</b>	<b>Number of houses</b>	<b>Weighting</b>	<b>Number weighted</b>	<b>Council Tax</b>
A	27,000	5,953	6/9	3,966	£769.30
B	35,000	10,755	7/9	8,365	£897.52
C	45,000	7,391	8/9	6,570	£1,025.73
D	58,000	7,420	9/9	7,420	£1,153.95
E	80,000	8,454	11/9	10,333	£1,410.38
F	106,000	4,202	13/9	6,070	£1,666.82
G	212,000	2,691	15/9	4,485	£1,923.25
H	>212,000	247	18/9	494	£2,307.90
				47,703	
				<b>Less</b> bad debts 2.5 per cent	1,192
				46,511	
<b>Council Tax Band D</b>					<b>£1,153.95</b>

- (k) agree, that as part of the 2011/12 budget considerations, a range of issues which required to be progressed during the forthcoming financial year had been identified and that the following action be taken during 2012/13:-
- (i) **Revenue and Capital Budgets 2012/13 onwards** – future funding projections suggested that the level of both Revenue and Capital funding available to the Council would reduce significantly over the period 2011/12 to 2013/14 and that the Council should request that
    - the Financial Strategy be updated to reflect the latest projections;
    - a series of Seminars be established to keep all Elected Members advised of the Budget position; and
    - a timetable and strategy for the delivery of the 2012/13 Budget be presented to the meeting of the Leadership Panel on 15th March 2011; and
  - (ii) **updated Reserves Strategy** – that the Council was on target to exceed the planned level of uncommitted general reserves and that the Council should request that
    - the Reserves Strategy be updated to reflect the latest projections prior to closure of the accounts for the year to 31st March 2011;
  - (iii) **Common Good Revenue Budgets** – the latest projections showed that Ayr Common Good Fund would be in deficit by 2013/14 and that Girvan Common Good was running a deficit and that Elected Members recognised the work that was currently ongoing in respect of all Common Good Funds but specifically requested that
    - proposals to resolve the projected deficit positions be presented to the meeting of the Leadership Panel on 14th June 2011;
  - (iv) **further efficiencies (Appendix 7 of the report)** – that regular updates on progress in delivering these efficiencies would be presented to a future meeting of the Leadership Panel;
  - (v) **investment of £1.5m in roads** - that detailed proposals for this expenditure would be presented to a future meeting of the Leadership Panel;
  - (vi) **investment in South Ayrshire** – the Council should request that Officers bring forward costed proposals in respect of:-
    - South Carrick regeneration;
    - Belleisle Estate;
    - tourism and economic development initiatives; and
    - community empowerment particularly through social enterprises; and
  - (vii) **continued investment in property** – that Elected Members remained fully committed to the School Estate and that the Council should request

- a review of the investment requirements for all Council property held in the General Services Account; and
- the inclusion of a thirty year repair and maintenance schedule as part of the Council's Asset Management Programme.

By way of Amendment, Councillor McDowall, seconded by Councillor Moonie, moved that the Council should recognise the failure of the Administration's proposals to address or deliver transformational change and accept the need to position the Council at this time to face anticipated budgetary constraints from 2011/12 onwards and present revised budget proposals which addressed these issues to a special meeting of the Council on Thursday, 3rd March 2011.

A full discussion took place regarding the terms of the Motion and the Amendment.

The Council agreed that the vote be taken by calling the roll.

The Head of Legal and Administration then took the vote by calling the roll as follows:-

Winifred Sloan (Provost)	Motion
John Allan	Motion
Eddie Bulik	Motion
Andy Campbell	Amendment
Douglas Campbell	Motion
Ian Cavana	Amendment
Brian Connolly	Motion
Peter Convery	Motion
Hywel Davies	Motion
Ian Douglas	Motion
Stan Fisher	Motion
Ian Fitzsimmons	Motion
Ann Galbraith	Motion
Sandra Goldie	Amendment
Bill Grant	Motion
John Hampton	Motion
Hugh Hunter	Motion
Mary Kilpatrick	Motion
Elaine Little	Motion
Mairi Low	Motion
John McDowall	Amendment
Nan McFarlane	Motion
Bill McIntosh	Motion
Helen Moonie	Amendment
Alec Oattes	Motion
Mike Peddie	Motion
Robin Reid	Motion
Philip Saxton	Amendment
Tom Slider	Motion
Margaret Toner	Motion

Six members voted for the Amendment and twenty four members for the Motion. The Motion was accordingly declared to be carried.

**Decided:**

- (aa) to approve the terms of the Motion as detailed at (a) to (k) above; and
- (bb) to record their appreciation of the work undertaken on the Revenue and Capital Estimates for 2011/12 by Elected Members, the Executive Director - Corporate Services and her Finance team and all Officers involved in the process.

**5. Declarations of Interests.**

The undernoted Councillors declared an interest in the following item of business on the agenda regarding Support for Community Planning 2011 as they were on the undernoted organisations and withdrew from the meeting during its consideration:-

<b><u>Councillor</u></b>	<b><u>Reason</u></b>
Bill McIntosh	as a member of the Community Planning Board;
Nan McFarlane	as a member of the Community Planning Board;
John McDowall	as a member of the Community Planning Board and on the Board of Ailsa Horizons Ltd;
Ian Cavana	as a member of Access to Employment;
John Hampton	as a member of Access to Employment and as a Director of North Ayr Resource Centre;
Alec Oattes	as a member of Ailsa Horizons Ltd; and
Tom Slider	as a member of Access to Employment and as a Director of North Ayr Resource Centre.

**6. Support for Community Planning 2011/12.**

There was submitted a report (issued) of 7th February 2011 by the Executive Director Corporate Services

- (1) advising
  - (a) that revenue support for Councils included funding to support community planning, and it was for each Council to determine how much funding was allocated for this purpose;
  - (b) that the Community Planning Partnership had requested £1,582,602 of support from South Ayrshire Council as detailed in Appendix 1 of the report;
  - (c) that this request had been considered by Elected Members, and that an overall allocation would be determined as part of the 2011/12 Revenue Budget; and
  - (d) that in order to avoid any potential conflict of interest for Elected Members who sat on the Community Planning Board, the allocation across individual items was being determined as a separate item;

- (2) reporting that the level of funding available had been determined as part of the 2011/12 revenue budget; and
- (3) seeking approval of funding support for Community Planning in 2011/12.

Councillor Reid, seconded by Councillor Galbraith, that moved the Council should

- (i) note the level of funding for Community Planning in the 2011/12 Revenue Budget; and
- (ii) pending the outcome of the review of the Family Support Services, not allocate funding to the following two projects and that the sum of £96,806 that had been earmarked be held within the Miscellaneous Account:-

Family Support Substance Misuse – Barnardos; and  
Family Group Conferencing Services – Children First;

- (iii) reduce the proposed allocation of funding to Ailsa Horizons from £100,000 to £53,000; and
- (iv) approve the allocation of funding to individual projects as outlined below totalling £1,438,796:-

<b><u>Project</u></b>	<b><u>Amount</u></b>
Access to employment	£329,000
Skills Towards Employment (STEP)	£210,000
Stepping Stones for Families – Girvan Family Connections	£132,240
Domain Youth Centre	£ 64,276
North Ayr Resource Centre	£106,530
Wallacetoun and Newton Regeneration Forum	£ 48,150
Care and Share Youth Worker and Development Worker	£ 23,000
Arts and Sports Programme	£ 60,000
Community Development Fund	£ 75,000
Rural Income Maximisation Worker	£ 33,000
Lochside Learning Centre	£ 37,600
Community Planning Team	£167,000
Ailsa Horizons	£ 53,000
Contribution to running costs of John Pollock Centre	£100,000
<b>Total</b>	<b>£1,438,796</b>

By way of an Amendment, Councillor Moonie, seconded by Councillor Andy Campbell, moved that

- (A) the Council should agree to allocate the sum of sum of £1,582,602 in accordance with the request of the Community Planning Partnership, other than the sum of £60,000 for Family Support Substance Misuse – Barnardos and £36,806 Family Group Conferencing Services – Children First which would be held in reserve pending the outcome of the current review; and
- (B) should the Council decide to terminate one or either of these projects the Community Planning Partnership would be requested to make a further recommendation to the Council for the use of these resources.



A full discussion took place regarding the terms of the Motion and the Amendment.

The Council agreed that the vote be taken by calling the roll.

The Head of Legal and Administration then took the vote by calling the roll as follows:-

Winifred Sloan (Provost)	Motion
John Allan	Motion
Eddie Bulik	Motion
Andy Campbell	Amendment
Douglas Campbell	Motion
Brian Connolly	Motion
Peter Convery	Motion
Hywel Davies	Motion
Ian Douglas	Motion
Stan Fisher	Motion
Ian Fitzsimmons	Motion
Ann Galbraith	Motion
Sandra Goldie	Amendment
Bill Grant	Motion
Hugh Hunter	Motion
Mary Kilpatrick	Motion
Elaine Little	Motion
Mairi Low	Motion
Helen Moonie	Amendment
Mike Peddie	Motion
Robin Reid	Motion
Philip Saxton	Amendment
Margaret Toner	Motion

Four Members voted for the Amendment and nineteen Members for the Motion. The Motion was accordingly declared to be carried. (Seven Members having declared an interest as referred to above).

**Decided:** to approve the recommendations as outlined at (i) to (iv) above.

#### **7. Leave for Royal Wedding – Friday, 29th April 2011.**

There was submitted a joint report (issued) of 4th February 2011 by the Head of HR and Organisational Development and Head of Service and School Management

(1) advising

- (a) that the Scottish Government had granted the 29th April 2011 as an additional holiday to recognise the Royal Wedding on 29th April 2011;
- (b) that COSLA had issued guidance stating that it was for each Council to determine the arrangements that best fitted their local circumstances and detailing how the decision would be influenced by the contractual arrangements in place;
- (c) that in order that pupils and school staff were enabled to enjoy and celebrate the occasion to the full, the Scottish Government Learning Directorate had indicated that Ministers would look favourably on any requests from Councils for consent to close schools on this date; and

- (d) that COSLA had indicated in recent correspondence that the majority of Councils who had reached a decision were planning to recognise the event by granting one day's additional leave and that they did, however, indicate that one Council might be recommending that the Royal Wedding was not recognised with an additional day's leave;
- (2) intimating
- (a) that the contractual arrangements in place for the majority of employees within South Ayrshire had led to a recommendation that an additional day's leave with pay should be granted to all employees;
  - (b) that this would be a one-off arrangement enhancing all employees' leave entitlement by one day to be taken on 29th April 2011;
  - (c) that for employees who, due to the nature of service they provided, were required to work on 29th April 2011, would not be entitled to enhanced rates for working that day but would gain a day in lieu to be taken at an alternative date within 2011;
  - (d) that all Heads of Service would require to identify which employee groups would require to report for duty on that day including those who supported vulnerable children or adults and those who provided front line services where there might actually be an increase in uptake due to this additional day's leave;
  - (e) that if a request was made to close schools, teachers would plan ahead to minimise any loss or disruption to education; and
  - (f) that in order that parents and service users could make appropriate arrangements it was vital that the Council's decision on this matter was communicated as soon as possible; and
- (3) reporting
- (a) that the main impact on the Council would be the lost productivity on the additional day;
  - (b) that there would, however, be additional costs relating to the day in lieu which would require to be granted to employees who required to carry out their normal work on 29th April 2011 and that these costs would not be at enhanced rates as South Ayrshire Council Single Status agreement stipulated that enhanced rates were only paid for specific days already identified; and
  - (c) that any additional costs would be met from current budgetary provision within Directorates.

**Decided:** to agree

- (i) that one additional day's paid leave be granted to all employees to be taken on 29th April 2011 or taken as a day off in lieu for those who would require to work that day; and
- (ii) that an application for exceptional closure be submitted to the Scottish Government seeking consent to close all South Ayrshire schools on 29th April 2011.

The meeting ended at 11.55 a.m.