

SOUTH AYRSHIRE COUNCIL (SPECIAL).

Minutes of special meeting in County Buildings, Wellington Square, Ayr,
on 10th February 2010 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, 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.

Apology: Councillor Sandra Goldie.

Attending: D. Anderson, Chief Executive; J. G. Peterkin, Depute Chief Executive and Executive Director – Development and Environment; E. Howat, Executive Director – Corporate Services; H. Garland, Executive Director – Children and Community; C. Monaghan, Head of Policy, Performance and Communication; D. Alexander, Head of Corporate Resources; V. Andrews, Head of Legal and Administration; A. Wilson, Head of Human Resources and Organisational Development; J. McQuillan, Head of Property and Neighbourhood Services; M. Newall, Head of Planning and Enterprise; K. Leinster, Head of Community Care and Housing; H. Carswell, Head of Children’s Services; W. Gray, Property and Asset Manager; D. Robertson, Public Communications Manager; C. Downie, Public Communications Officer; C. Bradshaw, Assistant Public Communications Officer; and D. Knight, Committee Services Officer.

1. Provost.

The Provost welcomed Members to the special meeting.

2. Sederunt.

The Chief Executive called the Sederunt for the meeting.

3. 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.

4. **Revenue and Capital Estimates 2010/11.**

There was submitted a report (issued) of 4th February 2010 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 2010/11;
- (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 2010/11 (recognising the funding available from the Scottish Government if the Band D level was frozen at 2007/08 levels);
- (5) revise the 2010/11 General Services Capital Programme to reflect reduced funding; and
- (6) approve the 2010/11 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 third 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 £53,273,544 was therefore available to fund service expenditure in 2010/11;
- (d) utilise Aggregate External Finance of £213,905,000 and other Government grants of £344,000 to fund planned expenditure;
- (e) approve net service expenditure of £268,361,790 as detailed in column 7, row 8, of Appendix 1 of the proposals of the Conservative, SNP and Independent Members with the supporting Departmental subjective analysis shown in Appendix 2, incorporating:-
 - (i) Departmental base expenditure from 2009/10 totalling £266,487,139 as detailed in column 7, row 1 of Appendix 1;
 - (ii) additional service expenditure of £5,063,651 as detailed in rows 2 to 4 of Appendix 1 with further details of row 4 (contractual and other unavoidable increases) shown in Appendix 3;
 - (iii) expenditure of £218,000 to reflect movements in specific grants 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 £843,000 for 2010/11 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 £4,250,000 as detailed in column 7, row 7 of Appendix 1 with further details shown in Appendix 6;
- (f) approve the following contributions to / from the Council's funds and reserves:-
- (i) a contribution of £750,000 to the Contingency Fund in 2010/11, including provision for anticipated severance costs arising as a consequence of the efficiency measures as detailed in Appendix 6;
- (ii) a contribution of £750,000 to assist in implementing changes that would take the Council forward during 2010/11;
- (iii) a contribution of £40,000 towards the running costs of the next local elections;
- (iv) a contribution of £500,000 to the General Reserve; and
- (v) a contribution of £1,215,246 from the Council's Schools' PPP Fund towards the cost of the Schools' PPP unitary charge payment in 2010/11;
- (g) note that discussions between COSLA, Scottish and Westminster Governments and the Icelandic Banks were still ongoing;
- (h) note that total planned expenditure for 2010/11 was £269,186,000 as follows:-

	£m	£m
Funding:		
Council Tax income		53.273
Aggregate External Finance	213.905	
Scottish Government funding towards 0% Council Tax increase	1.664	
Additional Government Grant	<u>0.344</u>	<u>215.913</u>
Total Funding		<u>269.186</u>
Planned expenditure:		
Gross Expenditure	382.098	
Income	<u>(113.737)</u>	
Net service expenditure		268.361
Add:		
Contribution to General Contingency Fund	0.750	
Contribution to Change Fund	0.750	
Contribution to local election fund	0.040	
Contribution to General Reserve	<u>0.500</u>	<u>2.040</u>
		270.401
Less: contribution from PPP funds towards 2010/11 unitary charge		(1.215)
Total planned expenditure		<u>269.186</u>

- (i) generate the required level of Council Tax income in 2010/11 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

Band	Maximum house value	Number of houses	Weighting	Number weighted	Council Tax
A	27,000	6,012	6/9	4,008	£769.30
B	35,000	10,758	7/9	8,367	£897.52
C	45,000	7,296	8/9	6,485	£1,025.73
D	58,000	7,178	9/9	7,178	£1,153.95
E	80,000	8,451	11/9	10,329	£1,410.38
F	106,000	4,196	13/9	6,061	£1,666.82
G	212,000	2,670	15/9	4,450	£1,923.25
H	>212,000	236	18/9	472	£2,307.90
				47,350	
				Less bad debts 2.5 per cent	1,184
					46,166
				Council Tax Band D £1,153.95	

- (j) agree, that as part of the 2010/11 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 2010/11:-
- (i) **Revenue and Capital Budgets 2011/12 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 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 2011/12 Budget be presented to the meeting of the Leadership Panel on 9th March 2010; and
- (ii) **Change Fund** – that authority be delegated to the Executive Director – Corporate Services to authorise expenditure from the Change Fund in line with the Asset Management Plan.

By way of Amendment, Councillor Moonie, seconded by Councillor McDowall, moved that the Council should agree the proposals of the Conservative, SNP and Independent Members with the following modifications:-

- (I) that authority should not be delegated to the Executive Director – Corporate Services to authorise expenditure from the Change Fund in line with the Asset Management Plan; and
- (II) that funding of £432,000 for concordat proposals should not be agreed and the allocation of £843,000 surplus be as follows:-
 - that Capital Funded from Current Revenue of £1,000,000 from concordat proposals (£432,000) and Revenue of £568,000 from Budget surplus be committed and transferred to the 2010/11 Capital Budget to be ringfenced in that and future years towards the provision of a new swimming pool and leisure facility in Girvan, that £12,000, £10,000 and £28,000 revenue from the budget surplus (£843,000) be committed to Tarbolton and Dailly Activity Centres and Girvan Boating Lake respectively and that the remaining £225,000 revenue surplus be committed to the roads maintenance programme; and
 - to recognise that a fundamentally different approach to budgeting was required to meet the challenge of 2011/12 onwards and to agree that work would begin directly on the 2011/12 Budget with the key driver being the prioritisation of services, monthly reports would be brought forward to the Leadership Panel, followed by evaluation and feedback on a monthly basis by the Corporate and Community Planning Standing Scrutiny Panel, the process should also include a review of statutory versus non-statutory functions, review of former hypothecated funds, assessment of increased demand for services and assumptions around decreased income, an urgent review of common good funds and a community budgetary participation process and recognition of the need to fast track asset management plans to enable early alignment to the budgeting process and a schedule to include timescales to be brought forward to the next meeting of the Leadership Panel on 9th March 2010.

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 Depute Chief Executive and Executive Director – Development and Environment 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
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

Five 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 (j) above; and
- (bb) to record their appreciation of the work undertaken on the Revenue and Capital Estimates for 2010/11 by Elected Members, the Executive Director - Corporate Services and her Finance team and all Officers involved in the process.

The meeting ended at 11.55 a.m.