

EAST AYRSHIRE COUNCIL**MINUTES OF SPECIAL MEETING HELD ON THURSDAY 10 FEBRUARY 2005 AT
1000 HOURS IN THE MEETING ROOM, COUNCIL HEADQUARTERS,
LONDON ROAD, KILMARNOCK**

PRESENT: Depute Provost Tommy Farrell and Councillors Maureen McKay, Jim O'Neill, John McGhee, Stephanie Young, Brian Reeves, Daniel Coffey, Willie Coffey, Douglas Reid, Gordon Cree, Drew McIntyre, Harry Wilson, John Campbell, Ray Murray, John Knapp, Jim Raymond, Stuart Finlayson, Robert McDill, Eric Jackson, George Smith, Jimmy Kelly, Neil McGhee, William Crawford, Elaine Dinwoodie, Elaine Stewart and Jimmy Carmichael.

ATTENDING: Fiona Lees, Chief Executive; Elizabeth Morton, Depute Chief Executive/Executive Director of Corporate Support; James Lavery, Executive Director of Development and Property Services; John Mulgrew, Executive Director of Educational and Social Services; William Stafford, Executive Director of Neighbourhood Services; Alex McPhee, Executive Head of Finance; Jackie Donnelly, Executive Head of Social Work; David Mitchell, Head of Administrative and Legal Services; John Clayton, Head of Corporate Development and Communication; Chris McAleavey, Head of Housing; Bill Walkinshaw, Administration Manager; and Julie Armstrong, Assistant Administration Manager.

APOLOGIES: Provost Jane Darnbrough and Councillors John Weir, Isabel Macrae, Iain Linton, William Menzies and Eric Ross.

CHAIR: Depute Provost Farrell, Chair.

ORDER OF DEBATE AND TIME LIMIT FOR SPEECHES

1. The Depute Provost stated, that in respect of the budget, each item would be debated separately.

It was noted that, in accordance with Standing Orders, a mover of a motion or amendment should speak for no more than 10 minutes with succeeding speakers entitled to speak for no more than 5 minutes and the original mover shall have the right to speak for no more than 5 minutes in reply.

**TREASURY MANAGEMENT ANNUAL STRATEGY REPORT
FOR 2005/06 (Item 9, Page 1257, 03/07)**

2. There was submitted an excerpt from the Minutes of the Policy and Resources Committee of 8 February 2005 (excerpt circulated) together with the relevant report for background information (circulated under separate cover as Agenda Item No 9 for the Policy and Resources Committee held on 8 February 2005).

It was agreed:

- (i) that the Prudential indicators set out in paragraphs 3.5, 3.6, 3.7, 4.1, 4.4, 5.1 and 5.2 of the report to the Policy and Resources Committee of 8 February 2005 be approved;
- (ii) to authorise the Executive Head of Finance to negotiate the extension of the existing Treasury Advisory Service; and
- (iii) otherwise, to note the contents of the report.

**GENERAL SERVICES CAPITAL PROGRAMME 2005/06
AND 2007/08 (Item 10, Page 1258, 03/07)**

3. There was submitted an excerpt from the Minutes of the Policy and Resources Committee of 8 February 2005 (excerpt circulated) together with the relevant report for background information (circulated under separate cover as Agenda Item No 10 for the Policy and Resources Committee held on 8 February 2005).

It was agreed:-

- (i) to approve the proposed Capital Investment Strategy outlined in the report to the Policy and Resources Committee of 8 February 2005 comprising the following total capital investment allocation for each Department:

RECOMMENDED ALLOCATIONS	05/06 £M	06/07 £M	07/08 £M	TOTAL £M
Education	4.706	8.280	6.977	19.963
Social Services	2.165	3.620	0.350	6.135
Development - Operational	13.572	6.750	5.710	26.032
Development - Accommodation	0.100	0.100	0.100	0.300
Neighbourhood Services - Community	1.785	2.415	0.750	4.950
Neighbourhood Services - Housing	0.670	0.670	0.670	2.010
Corporate Support	0.500	0.500	0.500	1.500
Council Issues	7.224	-	-	7.244
TOTAL EXPENDITURE	30.772	22.335	15.057	68.114

- (ii) to approve the proposed arrangements for expenditure on construction or related works;
- (iii) to instruct Executive Directors to submit detailed Capital Programmes for the utilisation of capital allocations to their Service Committees for consideration and approval having satisfied all requirements in relation to option appraisal and categorisation of capital expenditure; and
- (iv) to approve the overall proposed capital expenditure outlined in Section 6 of the report to the Policy and Resources Committee of 8 February 2005.

**GENERAL SERVICES REVENUE ESTIMATES 2005/06 TO 2007/08 -
SETTING THE COUNCIL TAX (Item 11, Page 1258, 03/07)**

4. There was submitted an excerpt from the Minutes of the Policy and Resources Committee of 8 February 2005 (excerpt circulated) together with the relevant report for background information (circulated under separate cover as Agenda Item No 11 for the Policy and Resources Committee held on 8 February 2005).

Councillor McIntyre, seconded by Councillor Knapp, moved approval of the recommendations of the Policy and Resources Committee of 8 February 2005, namely:

- (i) that the budget be approved as follows:-

Service	Total Allocation 2005/06 £m	Proposed Allocation 2006/07 £m
Educational Services	92.827	92.786
Social Services	40.473	43.173
Neighbourhood Services	49.394	50.114
Development & Property Services	15.991	17.195
Corporate Support	9.079	9.024
*Other Non-Departmental Items	70.152	77.371
Net Expenditure	277.916	289.663
Net Income	278.761	290.508
Energy Efficient Target	0.845	0.845

**Other Non-Departmental Items include amounts for Supporting People, Debt Charges, Council Tax and Rent Rebates, Insurance and Trading Services surpluses.*

- (ii) that the Band 'D' Council Tax level for 2005/06 be set at £1,116.27;
- (iii) that the indicative Band 'D' Council Tax levels for 2006/07 be £1,171.44;
- (iv) that Service Committees determine Service budgets within the allocations indicated, taking account of Service Plans and priorities;
- (v) that Service Committees produce a three year plan for the use of Quality of Life funds allocated to them;
- (vi) that an indicative figure for revenue allocation for 2007/08 not be set due to uncertainty in Scottish Executive funding; and
- (vii) otherwise, to note the contents of the report.

Councillor Reid, seconded by Councillor Wilson, moved as an amendment:

- (i) to make efficiency savings as follows:
 1. to look to reduce the number of Committees and Committee Chairs on the basis that a modest reduction of two Committees would save £43,350 in terms of reduced Councillor remuneration;
 2. to double the efficiency savings proposed in the Corporate Development and Communication Section within the Corporate Support Department which would save £32,000; and
 3. maintain a reduced general fund balance of £4,200,000;

- (ii) to utilise the savings to limit a Council Tax increase to 2.5% which represents a Band 'D' equivalent of £1,090.67; and
- (iii) to call on the Scottish Executive to conduct a full review of Local Government finance and to abolish the Council Tax.

On a division by a show of hands the motion was carried by 19 votes to 6.

**HOUSING REVENUE ACCOUNT ESTIMATES AND
ASSOCIATED RENT LEVELS FOR 2005/06 (Item 12, Page 1260, 03/07)**

5. There was submitted an excerpt from the Minutes of the Policy and Resources Committee of 8 February 2005 (excerpt circulated) together with the relevant report for background information (circulated under separate cover as Agenda Item No 12 for the Policy and Resources Committee of 8 February 2005).

Councillor McIntyre, seconded by Councillor Kelly, moved approval of the recommendations of the Policy and Resources Committee of 8 February 2005 as follows:-

- (i) to approve the draft estimates for the Housing Revenue Account submitted to the Housing Committee on 26 January 2005;
- (ii) a rent increase of £1.40 per week over a 48 week period; an increase of £0.10 per week for lock-ups and £3.39 for garage site charges; and
- (iii) otherwise, to note the contents of the report.

Councillor W Coffey, seconded by Councillor D Coffey, moved as an amendment:

- (i) with a view of improving stock turnaround, to set an average stock turnaround time for re-lets from six weeks to four weeks, with an average of 1,600 houses being re-let per year, this would save the Service £150,000;
- (ii) with a view to reducing losses due to house sales, to set a target of reducing the sales of Council houses by 100 over the course of a year which would save £56,000 per year net, and would involve the Council engaging in a proactive campaign aimed at promoting the benefits of renting in the public sector;
- (iii) to use a proportion of the Repairs and Renewal Fund as follows:
 1. £200,000 to be set aside to fund a six-month pilot project aimed exclusively at improving the condition of Council houses before tenants take up lets, on average this would mean approximately 800 houses would be allocated the sum of £250 each; and
 2. £121,910 to be used to supplement the existing CFCR programme;
- (iv) to use the balance in the current account of £198,670 to abate the rent rise;
- (v) with a view to managing the cost of the service, to set a target saving equal to the annual underspend of employee costs so that the base estimate for the coming year is equivalent to the projected out-turn figure for this year; and
- (vi) to propose an increased rent level of £0.34 over 48 weeks.

On a division by a show of hands the motion was carried by 19 votes to 6.

MOTION BY COUNCILLOR McINTYRE: ADDITIONAL FUNDING FROM THE SCOTTISH EXECUTIVE FOR SCOTTISH LOCAL GOVERNMENT IN 2005/06

6. The Council agreed to adopt the following motion as amended following a suggestion by Councillor Reid:-

In his pre budget speech at the beginning of December, the Chancellor of the Exchequer announced a package of £1 billion in additional funding support to English local authorities for 2005/06. This funding will allow Councils south of the border to avoid unacceptably high increases in local tax levels while they work towards meeting efficiency targets set for them in future years. This followed an additional package of £340m in December 2003.

The Scottish Executive has not, to date, made a similar commitment to Scottish Councils. However, the First Minister has stated an expectation of low Council Tax increases, despite the deduction of assumed efficiency savings from the government grant settlement, amounting to £58m in 2006/07 and £114m in 2007/08.

This Council, therefore, calls upon the Scottish Executive to make available additional funding to Scottish Councils in line with the funding provided to English local government and that there be an all-party campaign (in terms of Councillor Reid's suggestion) co-ordinated through CoSLA to secure such additional funding.

CHANGE TO APPOINTMENT TO THE LOCAL GOVERNMENT LICENSING PANEL

7. The Council agreed, following a request received from the Labour Group, that Councillor O'Neill replace Councillor Carmichael on the Local Government Licensing Panel.

The meeting terminated at 1033 hrs.