

The Executive of North Ayrshire Council  
27 January 2009

**IRVINE, 27 January 2009** - At a Meeting of the Executive of North Ayrshire Council at 2.00 p.m.

**Present**

David O'Neill, John Reid, Tom Barr, John Bell, Margaret McDougall, and Peter McNamara.

**Also Present**

Robert Barr, Andrew Chamberlain, Anthea Dickson, Alex Gallagher, Alan Hill, Jean Highgate, John Hunter, Ruby Kirkwood, Elizabeth McLardy and Ronnie McNicol.

**In Attendance**

I. Snodgrass, Chief Executive; T. Orr, Corporate Director, R. Small, Head of Infrastructure and Design, O. Clayton, Head of Housing and Building Services, J. Currie, Head of Environment and Related Services, and R. Hopewell, Supervisory Engineer (Property Services); B. Docherty, Corporate Director (Social Services); C. Kirk, Corporate Director, J. Leckie, Head of Service, and J. Ward, Head of Service (Educational Services); I. T Mackay, Assistant Chief Executive, R. Forrest, Planning Services Manager and S. Taylor, Planning Officer (Legal and Protective); J. Montgomery, General Manager, M. McKeown, Acting Team Leader Committee Services and A. Clarke, Team Leader Communications (Chief Executive's).

**Also In Attendance**

F. Keddlily, Chief Executive, North Ayrshire Leisure Limited.

**Chair**

Councillor O'Neill in the Chair.

**1. Declarations of Interest**

Councillor McNamara declared an interest in agenda items 5, 6 and 16, and took no part in the discussions thereon.

**2. Irvine: Cairnmount**

Submitted report by the Assistant Chief Executive (Legal and Protective) on the draft Masterplan for Cairnmount, Irvine, and seeking authority to effect land sales on a planned basis when market conditions are favourable for disposal.

The Cairnmount site is allocated for residential purposes in the adopted North Ayrshire (Excluding Isle of Arran) Local Plan. Authority to proceed with its masterplanning and associated site investigations was obtained in 2002 and outline planning permission for residential development on the site was granted in December 2006.

Members of the Executive and local Members received a presentation by the project consultants prior to the commencement of the Executive meeting.

The Masterplan of Cairnmount proposes 4 phases of housing development on the site, which is bounded within a peripheral landscaped setting, which will be designed to integrate the outer edges of the development with the adjacent habitat type within Eglinton Park. Access to the site will be from a new roundabout on Cairnmount Road, Irvine, onto a loop road within the site. The new development will present a strong built form along Cairnmount Road, with landscape buffering along Long Drive and Cairnmount Road. Footpath and cycle route links to the adjacent housing areas and traffic calming on the roads will be provided as part of the phased development. The new primary school, healthcare centre and retail unit intended to be constructed as part of the adjacent Montgomerie Park development will provide local services for the Cairnmount site. Improvement to local bus services can be secured on completion of the second phase of Montgomerie Park Drive, which will provide opportunity for revision of services. Open space provision and management within the site will reflect the lessons learned from the application of such arrangements in Montgomerie Park.

To secure the infrastructure necessary to open up the site, the first phase of housing will be targeted at the private housing market. Consultation with Housing Services has identified the potential to accommodate social rented housing within the fourth and final phase of development, when infrastructure obligations should be minimised. It is intended that all infrastructure provision will be laid through agreement with the developers and the receipt for the sale will be reduced by a value reflective of the cost of such provision. The Council will control the amount of infrastructure to be installed at each phase. The projected returns from land sales made on a phased basis will generate a better return for the Council than sale of the unserviced site in its entirety. Montagu Evans have been retained as lead consultants to advise the Council on the site disposals at Montgomerie Park and Cairnmount and will assess when market conditions are conducive to activating the development at Cairnmount.

The Executive agreed (a) to approve the Masterplan as the framework for site disposal and development; and (b) that the Assistant Chief Executive (Legal and Protective) (i) proceed with phased site disposal when market conditions are appropriate, with minor revisions as necessary to facilitate ergonomic and efficient development, and (ii) report to a future meeting of the Executive on arrangements for managing landscaping and grounds maintenance of open spaces on the site.

### **3. Scottish Government Consultation on "The Consenting Process for Thermal Power Stations in Scotland"**

Submitted report by the Assistant Chief Executive (Legal and Protective) on the Scottish Government's proposals relating to the terms of guidance to be issued in respect of the consenting process for thermal power stations in Scotland, and on the Council's proposed response to the consultation thereon.

The Scottish Government is seeking views on the development of "carbon capture and storage" (CCS) guidance for thermal power station applications to be considered under Section 36 of the Electricity Act 1989. Section 36 covers the construction, extension or operation of an on-shore electricity generating station where capacity exceeds, or, when extended, will exceed, 50 mega watts (MW), or hydro power generating stations with over 1 MW capacity or off-shore renewable generating station over 1 MW within UK territorial waters or in the Scottish Renewable Energy Zone.

The proposed guidance supports the Scottish Government's drive to ready itself to respond efficiently to applications for new thermal plant and capacity under Section 36 of the Electricity Act 1989. The guidance will provide information on the policy context and the drivers for policy implementation within the European, the UK and the Scottish context towards the generation of heat, power and carbon capture. It is intended that the guidance will explain the "planning process" in general, and then more specifically the application process for the purposes of the developer. This includes the consultation requirements; the application itself; timescales and fees; the public inquiry; grid connection and other consents; determination; and finally, planning conditions. It clarifies the position of the current policies that developers would have to adhere to in order to process their application efficiently. There is no indication of when the finalised guidance will be published and there is a risk it will not be available in time for the proposed Ayrshire Energy Ltd., application at Hunterston.

The consultation questions relate mostly to "carbon capture readiness" (CCR) within an application and are mostly technical or commercial questions on electricity generation aimed primarily at developers. The consultation recognises there is as yet no technology that has demonstrated fully, carbon capture and storage, even on a small scale. It requires a linkage of four aspects: space to accommodate new technology within the plant processes i.e. sufficient space to install whatever type of carbon capture technology and any plant needed to move carbon dioxide off-site; feasibility of retro-fitting a carbon-capture technology - ensuring no design feature could prevent the attachment at a later date of carbon-capture technology; permanent disposal storage e.g. the North Sea; and, transport to storage site e.g. rail or ship. Although each of these have been demonstrated singly, nobody has as yet linked all these stages together to form a complete process.

Scottish Ministers are minded to insist that developers demonstrate that all new fossil fuel power stations over 300 MW in Scotland demonstrate CCR and are seeking agreement on this. This will in any case be a requirement of an emerging EU Large Combustion Plant Directive which states that retro-fitting of carbon capture technology would only be required when it is "technically and economically viable". There are no definitions of CCR or technically and economically viable, nor is it clear who is the determining body.

It was proposed that the Council should request more robust definitions of both CCR and CCS and clarification of the constitution, powers and accountability of any determining body. Proposed responses to the 14 specific consultation questions were set out in the report. It was agreed that the Council's answer to question 5 should be amended to indicate "Yes" to the question. The Executive and the local Members present discussed the implications arising from the guidance, particularly in relation to the proposed development at Hunterston.

The Executive agreed that (a) the report form the basis of the Council's response to the Scottish Government's consultation, subject to the inclusion of the amendments discussed at the meeting; and (b) agreed that the Assistant Chief Executive (Legal and Protective) submit the response to the Scottish Government.

#### **4. Scoping Opinion Request for Proposed Multi-Fuel Power Plant at Hunterston**

Submitted report by the Assistant Chief Executive (Legal and Protective) on a consultation by the Scottish Government seeking views on the information to be provided in the Environmental Statement that will accompany an application under Section 36 of the Electricity Act 1989 for planning permission to construct the proposed power station at Hunterston.

The consultation paper issued by the Scottish Government attached a Scoping Report prepared by the applicants, Ayrshire Power Limited, (Peel Energy - DONG Energy Joint Venture Company) to help focus attention on the significant issues that should be addressed in the Environmental Statement accompanying the application to construct the proposed power station at Hunterston. Comments require to be submitted to the Scottish Government by 28 January 2008.

The proposed power station will be sited between the existing coal storage yard at Hunterston to the north and the access road to the Nuclear Power Station to the south with the marine construction yard adjoining to the north-west. The Power Station will be multi-fuelled, although predominantly coal fuelled. The Scoping Report states that the plant will use highly efficient modern technology with strict emissions control to produce up to 1,600 MW of electricity. The power station will feed into the local electricity distribution network via a collector sub station located near the existing Hunterston B sub station with underground cables making the connection. The Scoping Report states that on coal alone, current technology will reduce carbon emissions by up to 25% compared to conventional coal fired power stations. To further minimise the environmental impact from the power station, the applicants propose that Carbon Capture Storage (CCS) will be implemented at the earliest opportunity. This involves collecting, transporting and storing carbon dioxide (CO<sub>2</sub>) in natural underground reservoirs to prevent it escaping into the atmosphere.

The Scoping Report states that CCS technology will be installed once "technically and commercially viable". The plant will therefore initially be built Carbon Capture Ready (CCR) to ensure that layout and components have the future installation of CCS technology designed in from the start, as well as identified potential storage sites, transport routes and logistics. The Scoping Report indicates that the site will extend to some 236 acres and will contain a number of buildings of significant scale and generation infrastructure. The highest buildings, two boiler houses, will be approximately 115m in height and their emission stack approximately 152m in height. The Scoping Report also provided details on other key development components.

It is considered that the potential environmental impacts listed in the Scoping Report are of high significance, and that the impact of the development in relation to these issues should be addressed in the Environmental Statement. The report listed a number of areas that the Council would wish to see addressed by the Environmental Statement. The Executive and the local Members present discussed the implications arising from the proposed development for the local community and beyond. It was agreed that the Council's response should:-

- Highlight the possible impact on the Portencross SSSI
- Request clarification on whether the development would deny access to deep water for other potential uses at Hunterston, including the developments identified in NPF2
- Request that the traffic impact assessment should evaluate the impact of increased rail freight activity on existing rail passenger services
- Request that the Environmental Statement should indicate intended emission standards prior to and post Carbon Capture
- Request that the noise and vibration assessment should consider the impact on communities affected by rail and road traffic, particularly those within North Ayrshire and that the Environmental Statement include an evaluation of noise levels from existing Clydeport activities
- Request that Environmental Statement assess the means of transmitting electricity from the power plant indicating transmission routes, both overhead and underground and whether upgrading of existing pylons is required.

The Executive agreed that (a) the report form the basis of the Council's response to the Scottish Government's consultation, subject to the inclusion of the points noted above; and (b) agreed that the Assistant Chief Executive (Legal and Protective) submit the response to the Scottish Government by the deadline.

## **5. North Ayrshire Leisure Limited Business Plan 2009/10**

Submitted report by the Corporate Director (Educational Services) on the North Ayrshire Leisure Limited (NALL) Business Plan for 2009/10, and seeking agreement on the level of financial support to be provided to the company by the Council.

As part of the agreement between the Council and NALL for the provision of leisure and sports within North Ayrshire, the company is required to submit a Business Plan to the Council on an annual basis for approval prior to the grant of funding by the Council. NALL has requested a contribution of £4,271,000 in 2009/10 which represents an increase of £161,857 on the previous year's contribution. A copy of NALL's Business Plan for 2009/10 was appended to the report. The report summarised the performance of NALL during 2007/08 and described some of the main challenges facing the company as identified in its Business Plan for 2009/10. The Chief Executive of NALL, Mr Keddilty, presented the Executive with information on the operation and performance of the company. He highlighted the increasingly negative impact of rising energy costs on the company's financial operations.

The Executive asked questions of Mr Keddilty and discussed various matters relating to the company's operations. Whilst acknowledging that the company had its own governance arrangements, it was agreed that there was a need to have a more detailed examination of the longer term operations of the company and that this should be informed by the ongoing review of the future of the Magnum Leisure Centre, Irvine.

The Executive agreed (a) to approve financial support of £4,109,144 to NALL in financial year 2009/10, subject to finalisation of the Council's budget; (b) that NALL's request for an additional £161,857 be referred to the special meeting of the Council on 12 February 2009 for consideration as part of the 2009/10 budget process; (c) that NALL be requested to review its Business Plan for 2009/10 to take account of the Council's contribution; and (d) that a more detailed examination of the longer term operations of the company be undertaken and informed by the ongoing review of the future of the Magnum Leisure Centre, Irvine.

## **6. North Ayrshire Leisure Limited: Garnock Pool**

Submitted report by the Chief Executive on the terms of a motion submitted to the Council at its meeting held on 14 January 2009 by Councillor Dickson and seconded by Councillor Hill, in the following terms:-

*"That North Ayrshire Council notes*

*(1) the disquiet throughout the Garnock Valley at the decision of North Ayrshire Leisure Limited (NALL) to restrict the opening hours and remove the staff from the front desk of Garnock Pool.*

*(2) that this issue was a major factor in the recent By-Election and that all parties committed themselves to seeking the restoration of the previous level of service.*

*(3) that the level of disquiet is represented by the large numbers who signed the petition opposing these changes.*

*The North Ayrshire Council instructs the Chief Executive to write to the Board of NALL informing them of the Council's concerns, requesting that the Board reconsiders its decision and enclosing the petition."*

Following advice from the Assistant Chief Executive (Legal and Protective) in relation to the application of Standing Order 13.1(b), and following discussion by the Council, during which support for the motion was expressed, the Council agreed to refer the motion to the next meeting of the Executive of North Ayrshire Council for further consideration. It was further agreed that local Members be invited to attend the meeting.

Councillors Dickson, Hill and Highgate were present at the meeting. Councillors Dickson and Hill were heard in support of the terms of their motion and directed questions to Mr Keddlity, the Chief Executive of NALL. Councillors Bell and Highgate also spoke in support of retaining the existing hours of operational and the front of house staff. The importance of specific rather than generic marketing for the facility as a means of attracting users was also raised.

The Executive requested that Mr Keddlity raise Members' concerns with the NALL Board of Directors.

## **7. Irvine: Bailey Bridge Replacement Project**

Submitted report by the Corporate Director (Property Services) on the implications of changing the design and form of construction of the replacement for the Bailey Bridge, Irvine.

On 6 January 2009, the Executive received a report on the tenders received in respect of the project to replace the Bailey Bridge in Irvine with a new structure. The report recommended that the Executive should accept the tender offer from Graham Construction in the sum of £3,545,608.50, and sought a further increase in funding of £1.117m, to meet an underspend due primarily to increases in steel costs and the poor strength of the pound against the dollar and the euro. Following discussion, the Executive agreed to continue the matter to its next meeting for a further report outlining possible alternatives to the agreed scheme for replacing the bridge.

The design for the replacement bridge was arrived at after public consultation and meets the original project brief of delivering a replacement bridge which is visually pleasing and sympathetic to the surrounding environment. As the bridge crosses the River Irvine, which is prone to flooding, the terms of reference for the design took account of the effect of the bridge on flood risk and the requirement for future maintenance costs. These were considered at the initial scoping and subsequent options appraisal stages of the project and led to the selection of a single span structure with a thin deck and comprising of two sloping steel arches forming a saltire.

Other options have been considered, including a pre-stressed beam option, a reinforced concrete *in situ* deck option, and a steel deck composite option. The report provided details and an appraisal of the technical and financial implications of each of these options. The report indicated that changing the design and form of construction at this stage would involve a delay of some 6-9 months in the programme due to the need to re-design and possibly re-tender. The alternative options considered in the report would not realise any significant savings in steel fabrication and construction costs, which amount to some £1.936m of the tender cost. Whilst other alternatives are considered worthy of further examination, any savings could be offset by other costs, including re-design of both the deck and foundations. Taking into account the alternatives described in the report, it was considered that the current tender represents the most economically beneficial option for the Council and it was recommended that the Executive accept the lowest tender submitted for the construction of the main contract by Graham Construction amounting to £3,545,608.50 and agree that funding to meet the underspend be identified. Discussions will be held with the successful tenderer to identify further savings where possible.

Members discussed the strategic importance of the bridge replacement on one of the main arteries in to the Irvine area, and the risk of having it close in an unplanned manner. It was noted that whilst there had been reductions in the price of world steel, these reductions did not cover the steel required for the proposed bridge design. The current bridge is deteriorating and is subject to frequent inspections. There is a strong probability that a low weight restriction will have to be imposed until the bridge is replaced or strengthened, with resulting detrimental effect to the commercial wellbeing of the town in the longer term.

The Executive agreed (a) that the tender submitted by Graham Construction is the most economically beneficial option for dealing with the replacement of the Bailey Bridge, Irvine, and to accept the main section of the tender amounting to £3,545,608.50; and (b) that a bid be submitted to the special meeting of the Council on 12 February 2009 seeking funding to meet the shortfall.

## **8. Contractors for Recycling/Composting: Current Position**

Submitted report by the Corporate Director (Property Services) on how the economic downturn is affecting the Council's recycling initiatives.

In light of the current economic downturn, a number of local authorities in Scotland are experiencing difficulties in processing some of their recyclable materials and are currently having them stockpiled. The authorities are concerned about not meeting their recycling targets and that they are experiencing increased costs to process the recyclates.



Accordingly they are considering setting up a dialogue between COSLA and the Scottish Government to discuss contingencies containing short, medium and long term policies in light of the current situation regarding recycling. North Ayrshire Council is currently not in this position and in the short term has contracts in place for its recyclates.

The key aspirations of the Scottish Government with regards to waste policy were summarised in the report. In accordance with the Single Outcome Agreement, North Ayrshire Council is seeking to achieve 40% recycling/composting by 2010. The target figure for 2008 was 30% recycling/composting of municipal solid waste which the Council has achieved. With the introduction of phases 1 and 2 of the alternative weekly collections, and changes to the commercial waste collection, the Council looks set to achieve a figure of approximately 36% recycling/composting for the year.

The report set out the current position concerning contracts for recycling of green waste, newspaper and pams (magazines etc.), glass cullet, dry recyclates, mixed special uplift waste and civic amenity waste, and other kerbside sorted recyclate (cardboard, plastic bottles, steel and aluminium cans etc.). In order to ensure the Council achieves its 40% recycling target the following actions will be required:

- a contract will require to be put in place for composting of green waste from 1 January 2010 and work is currently in place regarding this;
- a contract will require to be put in place for the reception of the dry recyclate collected by the blue bins. This will be a joint arrangement between North and South Ayrshire and a third party provider. South Ayrshire Council are taking the lead in this exercise;
- following the restricted tender procedure a contract will require to be put in place for the receipt of glass cullet. Work is currently in place regarding this;
- a tender for a ten year contract for the composting of green waste will be drawn up and submitted for approval.

The budget outturn for recycling is projected to be on target for the end of the financial year 2008/09. A review of the action for recycling in the financial year 2009/10 will take place after the introduction of the alternate weekly collection scheme in the Three Towns Area in April in order to re-evaluate the tonnage of each type of recycling relating to their current costs.

The Executive (a) noted the current position regarding North Ayrshire Council's recycling initiatives; and (b) agreed to receive a further report in 2009 after the introduction of the alternate weekly collection scheme in the Three Towns area.

## **9. Council House Building**

Submitted report by the Corporate Director (Property Services) on the Council's bid to the Scottish Government for funding to initiate a council house building pilot project, and seeking permission to utilise various Council resources in order to deliver the project.

At its meeting on 9 December 2008, the Executive was advised of the announcement by the Scottish Government and COSLA of the availability of £25 million in funding nationally to 'kick start' council house building. Local authorities were invited to submit bids seeking an allocation from this fund. At that time the Executive agreed that (a) the Council should bid for a share of the funding; and (b) the Corporate Director (Property Services) prepare the bid and report to a future meeting.

Housing Services, on behalf of the Council submitted a bid for £529,000 to the Scottish Government on 10 January 2009. Bidding criteria stipulated that a maximum of £25,000 per housing unit will be available and it is a condition of funding that the local authority must be on-site within 1 year of notification of a successful bid. The bid submitted to the Scottish Government is based on a pilot project to build 23 housing units on the council-owned, "former school site", at Castlepark, Irvine, with construction targeted towards 2 bedroom properties. In order to ensure sustainable long-term demand for the properties, it is the Council's intention to build houses rather than flats. This decision is supported by both analysis of waiting lists and research carried out in other areas within Irvine, which shows that people aspire to houses rather than flats. Furthermore, the decision will ensure cohesion with the existing housing stock profile in the area. Due to the requirement that the project must be commenced within 1 year of funding, it was necessary to ensure that the land was in Council ownership and allocated for residential development within the local plan. The identified site is part of a designated pressured area and therefore clear evidence exists to illustrate the high demand pressure for affordable housing in the area.

A 30 year Business Plan for the project has been drawn up by Finance. The Business Plan assumes that there will be four main sources of funding for the initial construction, details of which were presented in the report. The Business Plan also assumes that land will transfer from the general account to Housing Services at nil value with the Council foregoing a capital receipt in the region of £325,000 which would otherwise have resulted from the sale of the site on the open market, albeit the sale of this land has not been included in the Council's capital programme. The transfer of the land at nil value will require the approval of Scottish Ministers. The Business Plan assumes that houses will be completed in 2010/11 and available for letting from 1 April 2011. Accordingly all rent income streams as well as revenue and capital repairs will commence from that point as set out in the report.

The Executive welcomed the project and highlighted the importance of consulting with the local community, including local tenants' groups, throughout the development and delivery of the proposed project. It was noted that appropriate measures will be taken to mitigate any risk to the project from any loss of pressured area status in the future.

The Executive agreed that (a) Housing Services should commence with the development of 23 new supply Council housing units, on the Council owned "former school site" within the designated pressured area of Castlepark, Irvine, as proposed within the report and within the bid submitted to the Scottish Government; (b) land from the general fund should be transferred to Housing Services, at a nil value, to allow the project to proceed, subject to the approval of Scottish Ministers; and (c) the resources set out in the report should be utilised for the purpose of the project.

## **10. Community Warden Service**

Submitted report by the Corporate Director (Property Services) on the current provision within the Community Warden Service.

The Council's Community Warden Service aims to reduce crime, the fear of crime and antisocial behaviour, and to improve the quality of the environment in the areas where wardens operate. Initially 3 teams of wardens were introduced in June 2004 but as additional funding became available in subsequent years, the service was expanded to the current level of six teams operating in North Saltcoats, Pennyburn, Kilwinning, North Ardrossan, Ardeer, Stevenston, and the Bourtreehill and Broomlands and Redburn and Vineburgh areas of Irvine.

The areas covered by community wardens were selected in consultation with Strathclyde Police, taking account of factors such as: levels of deprivation; crime statistics; levels of antisocial behaviour and environmental problems recorded by the main landlords in the areas; and provision for diversionary facilities or activities within the areas. The current boundaries of the six areas define manageable patrol areas commensurate with the number of wardens in each team and their shift patterns. To maximise each team's scope to engage effectively with residents, and in particular with young people, each team operates within a defined boundary and work from a local base in the community. Neighbourhood Compacts have been established in each of the six areas as a forum for community representatives and service providers to identify local priorities, agree action plans and monitor progress in tackling antisocial behaviour in their areas. As the Community Warden Service has become established, the local communities where it operates have increasingly acknowledged its value. When surveyed in 2006, 30% of residents considered the Warden Service had made their neighbourhood a better place to live. This rose to 51% in 2008.

The management structure of the Community Warden Service was shown in the appendix to the report. Wardens act as the “eyes and ears” of the communities they work in. They patrol their areas in pairs, on foot or on bicycles, providing a deterrent to crime and antisocial behaviour and a reassurance to residents. They also undertake estate management duties in Council-managed estates. Details of the range of duties undertaken by community wardens, and the limits on their powers, were provided in the report.

The Executive discussed the success of the community warden model introduced by the Council and agreed that it was important that existing teams should be kept together. Members expressed the view that the range of duties carried out by wardens was appropriate. The scope for introducing additional community warden teams in other areas that meet the required criteria was also discussed, as was the need to keep the areas covered by wardens under periodic review.

The Executive agreed (a) to note the success of the warden service model operated by the Council; and (b) that a bid be submitted to the special meeting of the Council on 12 February 2009 seeking funding for the deployment of 1 additional warden team in an area to be identified.

## **11. Revenue Budget 2008/09: Budgetary Control Statement**

Submitted report by the Assistant Chief Executive (Finance) on the budgetary control position for the Council at the end of November 2008.

The Council budgeted for a deficit of £0.319m in the current year and agreed to fund various one-off projects from Council balances. Projections, based on current expenditure levels at the end of November 2008, suggest that a net balance of £1.705m will arise by 31 March 2009. With a favourable balance of £10.154m brought forward from 2007/08, the projected cumulative balance for the year is £11.859m. The report and appendices provided details of major variances in the budget to the end of November 2008. Action continues to be taken to address any potential overspends where these arise.

The projected end of year balance includes a projected surplus on Building Services. In terms of the agreed policy on Reserves and Balances, the Council may return part of any surplus earned by Trading Operations to Client Services from where the surpluses are generated. The Housing Revenue Account (HRA) is the major client of the Building Services Trading Operation and it is anticipated that a sum of £1.3m will be transferred back to the HRA (based on the level of work carried out) leaving a balance of £10.6m in General Services. Council approval will be required for this transfer.

The accumulated balance on the Housing Revenue Account is likely to be £1.393m, excluding the possible refund from Building Services. The balance on the HRA. at 31 March 2009 will be incorporated into the Business Plan projections.

Noted.

## **12. Capital Monitoring to 30 November 2008**

Submitted report by the Assistant Chief Executive (Finance) on the position in respect of capital expenditure at 30 November 2008 and on the revised programme for ensuing years.

Since the last report on capital monitoring considered by the Executive in November 2008, further meetings have been held with Services regarding capital expenditure and with the Capital Receipts Working Group regarding capital receipts. Affordability levels have changed and anticipated receipts in the years 2008/09 to 2011/12, have been re-assessed downwards to more realistic levels, reflecting the current downturn in the land and property market. Many have been re-phased to future years, again reflecting the economic climate. Appendix 1 to the report provided details of the changes to affordability levels since the November meeting. Appendix 2 provided details of changes to the approved capital programme since November 2008. These revisions have arisen from projects delayed into future years and changes as a result of increased costs being met from savings.

Actual expenditure on the General Services Capital Programme to 30 November 2008 amounted to £19.124m or 57.3% of the projected outturn for 2008/09 of £33.362m. This compared with an actual spend of 51.9% for the same period in 2007/08. The projected outturn for the Housing Revenue Account for 2008/09 has increased by £1.673m, due to a carry forward of project underspends in 2007/08. Actual expenditure to 30 November 2008 amounted to £9.096m or 44.3% of the projected outturn of £20.525m. This compares with an actual spend of 59.9% for the same period in 2007/08. Income from the sale of council houses is projected to fall by a further £0.890 to £4.580m as the number of applications to buy has dropped dramatically as has the take-up rate following application. Income from the sale of other land and property is also anticipated to fall by £0.848m as a result of the re-phasing of certain sales from 2008/09 to 2009/10 due to the downturn in the housing market. Income from CFCR is, however, anticipated to increase by £1.200m. As a result of the foregoing, net capital expenditure, or borrowing, is projected to increase by £2.211m to £10.077m.

The Executive agreed (a) to approve the revisions to the capital plans as outlined in the report; and (b) to note the level of capital expenditure to 30 November 2008; and (c) that the Council review its capital programme for years 2009/10 to 2011/12 as part of its budget deliberations in light of the increased affordability gap for those years as indicated in the report.

### **13. Looked After and Accommodated Children - Budget Pressures**

Submitted report by the Corporate Director (Social Services) on the current budget pressures for looked after and accommodated children and their impact.

For many years Social Services has had significant budget pressures in regard to the Council's accommodated children. This continues to be the case, given the rise in the number of children accommodated. However, in previous years this budget pressure was in relation to children accommodated in residential schools. Now, due to significant changes in the age of children being accommodated, the budget pressure is in relation to the provision of foster care. The Council's looked after and accommodated children are placed in a range of settings depending on their assessed need. The budget pressures have shifted from residential schools to family placement services. All resources for accommodated children are linked and therefore a reduction in spending on one seemingly discrete budget can result in an overspend in another. Whilst CIPFA's Best Value Code of Accounting Practice requires the Council to account separately for the cost of residential and foster and adoption placements, the reality of the situation within Social Services, is that both budgets are used to meet the costs of children who require to be accommodated. To reflect this position, it was proposed that Social Services vire resources between the associated budget headings in order to reflect the reality of the situation and to allow children to be accommodated according to what, in the professional judgement of Social Services, will best meet their needs.

The Executive agreed to permit Social Services to vire resources between the appropriate child care budget headings for Looked After and Accommodated Children.

### **14. Who Cares? Scotland - Celebrating Success: Challenging Stigma 2009 Fundraising Trek in Nepal**

Submitted report by the Corporate Director (Social Services) on a proposal for three young people currently residing within the Council's children's units, together with three appropriate members of Council staff to participate in the Bhara Pokhari Trek in Nepal as part of the Who Cares? Scotland 30th anniversary activities.

Who Cares? Scotland, in celebration of their 30th Anniversary, are organising a range of activities around the theme of challenging stigma and celebrating success. A major component of this is a fund-raising trek to the Himalayan mountains of Nepal. In collaboration with Community Action Nepal and participating local authorities, Who Cares? Scotland is offering young people, their workers, and supporters the opportunity to participate in what for many will be a life changing experience. At the same time participants will help to improve the health and education of the people of Nepal and support the work of Who Cares? Scotland.

Social Services has identified three young people who are currently accommodated in the Council's children's units as possible participants in the trek. It was proposed that the Council should support their participation by providing funding of £8000, and authorising three members of staff to accompany the young people to Nepal. The staff will be chosen with the involvement of Who Cares? Scotland and the young people identified, as well as Social Services Managers. Through sponsorship and other fund-raising each participant will be expected to raise a minimum of £1,980 towards the cost of their participation. Full safeguarding processes will be undertaken by Who Cares? Scotland, in conjunction with participating authorities, when the number and names of participants are agreed. The report detailed the additional measures that will be put in place to ensure that participants are properly prepared for the trek and safe whilst abroad.

The Executive agreed to approve and financially support the participation of three young people and three members of Social Services staff in the Bhara Pokhari trek as detailed in the report.

## **15. Tenders for Transporting Children with Additional Support Needs to School**

Submitted report by the Corporate Director (Educational Services) on the issue of tenders for transporting children with additional support needs to school.

Educational Services provides assistance with transport to school for pupils with a range of additional support needs who require different support mechanisms such as wheelchair access, escorts, individual transport, and so on. The annual value of such transport is estimated at over £600,000. In terms of the Council's Standing Orders relating to Contracts, elected Member approval is required for the issue of a tender where the expected value exceeds £150,000.

Contracts for additional support needs are normally run for three years to provide a degree of continuity and stability for the children and families involved, and additional tenders are carried out when new demands arise in the course of this period. Such additional requirements can arise at short notice when children move into the area or require assistance due to a new medical condition.

It was proposed that the Council should follow a procurement strategy which establishes a framework agreement for this service. In line with EU Procurement legislation, this will have a maximum duration of four years. Establishing such a framework agreement will enable services to react more quickly to urgent demands and reduce time in administering additional tenders. Depending on the circumstances, the option of a tender exercise would nevertheless still be available if required.

The Executive agreed to approve the issue of tenders for transport to school for children with additional support needs on the basis set out in the report.

## **16. Kilbirnie: Schoolwynd: Registration Office**

Submit report by the Assistant Chief Executive (Legal and Protective) on the proposed sale of the Council's Registration Office based at Schoolwynd, Kilbirnie, to Strathclyde Police for the purposes of establishing a new Police office in the town.

Strathclyde Police are seeking to relocate from their current office in Kilbirnie, which sustained considerable damage during the flooding incident in the town on 1 August 2008. The Council has been approached with regard to transferring ownership of Council premises at Schoolwynd, Kilbirnie which have been identified by Strathclyde Police as suitable for a replacement facility.

The premises are currently used as a part time Registrar's office, providing cover for the whole of the Garnock Valley. The building is not however suitable for joint use as a Registration office and a Police facility. Accordingly, it was proposed that the Registration Service should be relocated to accommodation within Council premises at Sharon Street, Dalry, part of which is currently occupied by the local Cleansing Office of Environment & Related Services. Some works will require to be undertaken to make the premises suitable for a public office for Registration Services. It is considered that the proposed move to Dalry will not have any detrimental effect on the overall service provided.

The sale of the premises at Schoolwynd, Kilbirnie, to Strathclyde Police will be at a price to be determined by a joint reference to the District Valuer, and then on terms and conditions to be agreed between the parties.

The Executive agreed (a) to the sale of the Registration Office at Schoolwynd, Kilbirnie to Strathclyde Police on terms to be negotiated between the Principal Estates Officer and Strathclyde Police, or failing agreement, by the District Valuer and (b) that the Registration Service presently located in Kilbirnie be relocated to Dalry.

## **17. Review of External Publications**

Submitted report by the Chief Executive on the outcome of consideration by the Scrutiny Committee of a call in request in relation to the review of external publications.

Following the submission of a motion by Councillor McNicol to the Council meeting held on 7 February 2008 in relation to the need to rationalise Council publications to achieve savings, the Executive at its meeting held on 3 June 2008, considered a report by the Chief Executive on the findings, conclusions and recommendations arising from a review of external publications produced by the Council.



The Executive agreed at that time (a) that "North Ayrshire Now" be retained as a core element of the Council's Communications Strategy with the content of future editions focussed more on key policy areas and service developments; (b) that the issue of raising advertising revenue to recover production costs be investigated; (c) that a readership survey of "North Ayrshire Now" be conducted to obtain an up to date picture of how it is regarded by local people, together with views on how frequently it should be distributed, with a report brought back to a future meeting of the Executive; (d) to note that the Community Planning Partnership publication, "Community Counts", has been discontinued with effect from 2008/9, providing an annual saving of £14,000; (e) that Educational Services "Quality & Standards Report" be published electronically in future (with a summary included in "North Ayrshire Now"), providing an annual saving of £2,400; and (f) that other service specific publications ("Tenancy Matters", Council Tax leaflet, "The Loop", Harbour Arts Centre Programme and Museums Service) be retained.

In terms of Standing Orders, the Executive's decision of 3 June was subsequently called in and discussed by the Scrutiny Committee at its meeting held on 16 June 2008. The Scrutiny Committee agreed (a) to continue consideration of the matter pending a readership survey of 'North Ayrshire Now'; and (b) that a report be submitted to the Scrutiny Committee in October/November 2008 on (i) the outcome of the readership survey, (ii) the potential cost of distributing the magazine to retail outlets rather than directly to homes, and (iii) the potential for 'editionising' the magazine in line with Area Committee boundaries through the use of 'wrap-around' supplementary pages to make it more relevant to individual local areas.

At its meeting held on 12 January 2009, the Scrutiny Committee received a report by the Chief Executive on the outcome of the findings of a North Ayrshire NOW readership survey. The survey indicated that the publication was valued by a significant proportion of its readership, with a total of 98% of respondents advising that they read every part or parts of the NOW. The survey also showed that the majority (73%) would like to receive NOW at least 3 times a year, 55% would prefer not to receive separate editions of NOW for individual areas of North Ayrshire and 86% would wish to continue receiving NOW through their letterbox. The report advised that the added cost of producing a four-page 'wrap' covering each of the five Area Committee areas would be approximately £18,542. It also reported that there may be some limited scope to increase average advertising revenue to approximately £2,500 per issue from an average for 2008 of £1,995. Members of the Scrutiny Committee discussed the value of 'editionising' the publication and considered how frequently the publication should be issued.

Following discussion, Councillor Munn, seconded by Councillor Gallagher, moved that the Committee endorse the decision of the Executive of 3 June 2008 to retain North Ayrshire Now as a core element of the Council's Communications Strategy and recommend to the Executive that North Ayrshire NOW continues to be (i) published 3 times per year, (ii) distributed to household letterboxes, rather than being made available only through retail outlets and (iii) produced in the form of one version for all North Ayrshire households, rather than being "editionised" for different geographical areas. As an amendment, Councillor McPhee, seconded by Councillor Chamberlain, moved that the Committee recommend to the Executive that the frequency of publication of North Ayrshire NOW be reduced to 1 issue per year. As a further amendment, Councillor Hill, seconded by Councillor Munro, moved that the Committee recommend to the Executive that the frequency of publication of North Ayrshire NOW be reduced to 2 issues per year and that these should be "editionised" by means of a customised "wrap" for each of the 5 geographical areas covered by the Council's Area Committees. On a division, there voted for the amendment 7 and for the motion 3. The amendment was declared carried and, accordingly, became the substantive motion. On a division, there then voted for the further amendment 4 and for the substantive motion 5, and the substantive motion was declared carried. Accordingly, the Scrutiny Committee agreed to recommend to the Executive of North Ayrshire Council that the frequency of publication of North Ayrshire NOW be reduced to 1 issue per year.

The Executive considered the recommendation of the Scrutiny Committee and the impact that this would have on the ability of the Council to communicate with its customers and to meet its duty to report on performance. A reduction in the frequency of publication of North Ayrshire NOW would result in some savings to the Council, but it is conceivable that the savings could be partially offset by the costs of making the information that could not be accommodated in a single issue of North Ayrshire NOW available to the public in a different way. It was noted that the Corporate Management Team endorsed the retention of NOW on the basis of three issues per year. North Ayrshire NOW won the "Best External Newspaper" award at the CiB Scottish Corporate Communication Awards in both 2006 and 2007 and has been short-listed for the 2008 Award, with the result to be announced on 27 February 2009.

The Executive agreed (a) not to accept the recommendation for the Scrutiny Committee; (b) to reconfirm its earlier decision that "North Ayrshire Now" be retained as a core element of the Council's Communications Strategy with 3 editions per year; and (c) in the circumstances to remit the matter to the Council.

The meeting ended at 4.50 p.m.