

The Executive of North Ayrshire Council
1 February 2012

IRVINE, 1 February 2012 - At a Special Meeting of the Executive of North Ayrshire Council at 11.00 a.m.

Present

David O'Neill, John Reid, John Bell, Tom Barr, Alex Gallagher and Peter McNamara.

Also Present

Robert Barr, Matthew Brown, Andrew Chamberlain, Margie Currie, Anthea Dickson, John Ferguson, William Gibson, Jean Highgate, John Hunter, Ruby Kirkwood, Margaret McDougall, Ronnie McNicol, Pat McPhee, Elisabeth Marshall, and Joan Sturgeon.

In Attendance

E. Murray, Chief Executive; I.T. Mackay, Solicitor to the Council; I. Colvin, Corporate Director, O. Clayton, Head of Community Care and Housing and Lisbeth Raeside, Head of Finance and Performance (Social Services and Health); L. Friel, Corporate Director, Y. Baulk, Head of Finance, C. Hatton, Head of Environment and A. Bodie, Head of Infrastructure and Design (Finance and Infrastructure); C. Kirk, Corporate Director, M. Armstrong, M. Docherty and A. Sutton Heads of Service (Education and Skills); J. M. Macfarlane, Head of Human Resources and A. Young, Team Manager (Human Resources); J. Montgomery, General Manager (Policy and Service Reform); C. O'Kane, Change Programme Manager; K. Dyson, Communications Officer; M. McKeown, Committee Services Manager and M. Anderson, Committee Services Officer (Chief Executive's Service).

Chair

Councillor O'Neill in the Chair.

1. Declarations of Interest

There were no declarations by Elected Members in terms of Standing Order 16.

2. General Services Revenue Estimates 2012/13 to 2014/15 (Budget Paper 1)

Submitted report by the Corporate Director (Finance and Infrastructure) on (a) the Council's revenue spending requirements and anticipated funding available for the years 2012/13 to 2014/15, and the options for efficiencies and savings measures proposed by officers to address the funding shortfall; and (b) the level of reserves and fund balances held by the Council.

Section 2.5 of the report outlined total income available to the Council in 2012/13 of £341.918m. This includes total Aggregate External Finance (AEF) amounting to £282.623m which is linked to the following conditions:-

- maintaining a freeze on Council Tax at 2007/08 levels in each of the three years of the Spending Review;
- maintaining teacher numbers in line with pupil numbers and securing places for all probationers who require one under the teacher induction scheme;
- passing on the full share of specific grant funding, in line with the 2011/12 funding level, as a contribution to maintaining the number of police officers throughout the period of the review.

The report identified total planned expenditure for 2012/13 of £346.827m, including investment funds of £3.766m and £0.535m for Early Years initiatives and before consideration of efficiencies and savings options to bridge the funding gap. With total available funding of £341.763m, the projected shortfall was identified as £5.064m. The revenue estimates for 2012/13, together with indicative amounts for 2013/14 and 2014/15, were summarised at Appendix 1 to the report and detailed in Appendix 2.

The report invited Members to approve a balanced budget for 2012/13 which considered:-

- Pressures identified by services totalling £7.637m (as set out in Appendix 3);
- Efficiencies and savings from the options identified totalling £5.151m (as referred to in Appendices 4 and 5);
- Allocation of £0.155m to reserves to bring general reserves to the minimum level of 1.5%; and
- any Members' priorities to be included in the budget for 2012/13.

A paper summarising a number of proposed service development initiatives for 2012/13 to 2014/15 which arose during discussion at recent Members' budget seminars, was circulated at the meeting and is set out in Appendix EX1 to this Minute.

Members asked questions, and received clarification, on the following:-

- the level of reserves held;
- the anticipated surplus of £3.9m in the Capital Fund by 2014/15; and
- the conditions associated with the financial settlement from the Scottish Government.

The Executive agreed to refer to the report to the Special Council for approval.

3. General Services Capital Investment Programme 2012/13 to 2015/16 (Budget Paper 2)

Submitted report by the Corporate Director (Finance and Infrastructure) on the Capital Investment Programme for General Services for 2012/13 to 2015/16.

The report identified £126.370m of funding available to finance the capital programme for 2012/13 and 2015/16. The draft capital investment programme proposes additional investment of £5.303m for 2012/13, £29.021m for 2013/14, £28.749m for 2014/15 and £16.260m for 2015/16. The additional investment includes new or enhanced capital projects and confirms resources for projects which had been approved previously including Irvine East Primary School and the Garnock Campus. These were detailed at Appendix 2 and summarised at Section 3.11 of the report. Details of the individual projects for consideration were included in Appendix 1.

The proposals contained within the report will utilise fully resources in the first three years of the capital investment programme with £3.915m of resources available in 2015/16. These uncommitted resources create some flexibility for new projects to be considered later in the capital programme.

Members asked questions, and received clarification, on the following:-

- funding for the proposed Garnock Campus;
- £3.915m of uncommitted resources within the 4-year programme; and
- the status of the Barrmill Community Centre replacement project.

The Executive agreed to refer to the report to the Special Council for approval.

4. Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and Rent Levels for 2012/13 (Budget Paper 3)

Submitted report by the Corporate Director (Finance and Infrastructure) on the HRA Capital Investment Programme and revenue budget for 2012/13 and the consequential rent levels.

The proposed 2012/13 HRA capital programme was outlined in Appendix 1 to the report. The report proposed that the programme be funded by a combination of capital receipts, capital funded from current revenue (CFCR), prudential borrowing and government grants for new house building. If approved, the capital programme would result in a significant proportion of the housing stock receiving major repair or improvement works in 2012/13. These works were outlined at Section 3.2 of the report and clarified by the Corporate Director (Finance and Infrastructure) as equating to:-

- Installation of new double-glazed windows in 820 houses
- Re-roofing of 620 houses
- Electrical rewiring of 900 houses

- Re-rendering of 480 houses
- Installation of new kitchens in 850 houses
- New central heating in 510 houses
- Installation of new bathrooms in 720 houses

Sections 2.5 and 2.6 of the report augment the capital investment programme outlined in Appendix 1.

The proposed 2012/13 HRA revenue budget was outlined in Appendix 2 to the report. Planned expenditure of £47.130m exceeds planned expenditure of £45.444m by £1.686m. The balance would be met from funding previously set aside to finance new house building.

The proposed revenue budget included funding of £17.689m for property-related expenditure in the year. This expenditure will assist the Council in maintaining its sector-leading performance in respect of management of void properties and responsive maintenance, as well as contributing to the achievement of SHQS by the deadline of 2015.

In order to meet the investment requirements of the latest 30 year Business Plan, including the council house building programme, and to meet the requirements of the SHQS by 2015, the report proposed increasing housing rents by 2.25% per annum for 2012/13. The Business Plan has an anticipated rent increase of 3.5% for the years 2013/14 and 2014/15.

During the development of the HRA Business Plan, it was identified that charges made to sheltered housing unit tenants for utility costs were significantly less than the costs incurred, with the shortfall being met by other rent payers. This issue was discussed by the Business Plan working group and it was agreed that the position be resolved through annual increases in charges outwith the rent setting policy. The proposed increase in utility recharges for 2012/13 was, therefore, 5.5%.

Members asked questions, and received clarification, on the following:-

- the disappointing level of feedback from the Council's consultation with tenants;
- the cost of administering changes to charges for garages and lock-ups;
- the need for a policy on the maintenance and use of assets such as garages;
- the background to the proposed increase in the amenity charge for sheltered housing;
- plans to purchase housing to be added to the Council's housing stock.

The Executive agreed to refer to the report to the Special Council for approval.

The meeting ended at 12.25 p.m.

The Executive of North Ayrshire Council
01/02/2012

Appendix No
Ex1

NORTH AYRSHIRE COUNCIL
SERVICE DEVELOPMENT INITIATIVES 2012/15

Ref	Description	2012/13	2013/14	2014/15
Children's Services				
Early Intervention and Prevention				
1.1	Parenting programmes	£100,000	£100,000	£100,000
1.2	Family Support networks	£400,000	£400,000	£400,000
1.3	Family Centres	£150,000		
1.4	Domestic Violence	£125,000	£80,000	£80,000
1.5	Adoption	£145,000	£123,000	£123,000
	Sub Total	£920,000	£703,000	£703,000
Other Children's Services				
1.6	Supporting vulnerable children (8-16) through mentoring and modelling	£140,000	£80,000	£80,000
1.7	Coordinator Educational Attainment of LAC	£50,000	£50,000	£50,000
1.8	Developing Excellence	£100,000	£100,000	£100,000
	Total Children Services	£1,210,000	£933,000	£933,000
Criminal / Youth Justice				
2.1	Extending Whole Systems Approach to 18-21 year olds	£105,000	£105,000	£105,000
Community Care				
3.1 a	Rehabilitation Hub for people with disabilities	£141,000	£141,000	£141,000
3.1 b	Capital Contribution to Dirrans	£300,000	£1,000,000	£100,000
3.2	Preventative Services for people with learning disabilities and mental health problems		£150,000	£150,000
3.3	Social Enterprise - personalisation	£90,000	£90,000	£90,000
	Total Community care	£531,000	£1,381,000	£481,000
Housing				
4.1	Rent Deposit Scheme	£55,000	£55,000	£55,000

Economic Development

5.1 Increase scale of YES project	£250,000	£250,000	£250,000
5.2 Introduction of Entrepreneurship programme for young people	£150,000	£150,000	£150,000
5.3 College - Business Link Up	£250,000	£250,000	£250,000
5.4 Apprentice / Graduate Fund	£450,000	£450,000	£450,000
Total Economic Development	£1,100,000	£1,100,000	£1,100,000

Finance and Infrastructure

6.1 Roads Maintenance (Severe Weather Impact)	£300,000	£300,000	£300,000
7.1 Living Wage	£24,000	£24,000	£24,000
8.1 Capital Programme	£976,000	£403,000	£1,303,000
Total	£4,301,000	£4,301,000	£4,301,000