

The Executive of North Ayrshire Council
17 January 2012

IRVINE, 17 January 2012 - At a Meeting of the Executive of North Ayrshire Council at 10.00 a.m.

Present

David O'Neill (from Item 9), John Reid, Tom Barr, John Bell, Alex Gallagher and Peter McNamara.

Also Present

Ian Clarkson.

In Attendance

E. Murray, Chief Executive (from Item 10); I. Colvin, Corporate Director and O. Clayton, Head of Community Care and Housing (Social Services and Health); L. Friel, Corporate Director and A. Bodie, Head of Infrastructure and Design (Finance and Infrastructure); C. Kirk, Corporate Director, M. Armstrong, Head of Service (Logistics and Infrastructure), A. Sutton, Head of Service (Community and Culture), J. McKnight, Manager (Community Development) and D. Yuille, Project Manager (Education and Skills); J. Montgomery, General Manager (Policy and Service Reform), A. Anderson, Economic Development Manager and M. Anderson, Committee Services Officer (Chief Executive's Service).

Also In Attendance

L. Cairns, Interim Chief Executive, L. Barrie, Business Manager (Physical Activity) and C. Glencorse, Business Manager (Leisure) (North Ayrshire Leisure Limited).

Chair

Councillor Reid in the Chair.

1. Declarations of Interest

In terms of Standing Order 16, Councillor Reid, as a Director of North Ayrshire Leisure Limited, declared an interest in Agenda Item 3 (North Ayrshire Leisure Limited (NALL) Business/Service Plan 2012-13), vacated the Chair for that item of business and took no part in its determination. Councillor Gallagher assumed the Chair for that item.

2. Minutes

The Minutes of the previous meeting of the Executive held on 6 December 2011 were signed in accordance with paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. North Ayrshire Leisure Limited (NALL) Business/Service Plan 2012-13

Submitted report by the Corporate Director (Education and Skills) on the proposed North Ayrshire Leisure Limited Business/Service Plan for 2012-13 and seeking agreement of the level of financial support to be provided to the company by the Council.

At its meeting on 12 April 2011, the Executive agreed to set up a Member/Officer Working Group to consider approaches to the future of relationship with NALL. The remit of the Working Group was set out at Section 2.2 of the report.

At the budget seminar on 5 December 2011, the Council received a presentation from North Ayrshire Leisure Limited (NALL) on its Business/Service Plan for 2012-13. Thereafter, at its meeting on 6 December 2011, the Executive agreed to support and work with NALL as the company reviewed its Board and sought to make transformational changes to its operation. It was also agreed that a comprehensive review of the contracts and leases relating to the provision of leisure service across North Ayrshire with NALL be initiated, to seek a clearer way of identifying Council priorities and outcomes for communities. The Executive further agreed that negotiations take place with NALL on the specific changes to the contractual arrangements between the company and the Council to replace the requirement for a business plan with an agreed set of performance indicators.

The Business/Service Plan for 2012-13, set out at Appendix 1 to the report, included the following proposals:-

- staff realignment to improve efficiency and effectiveness;
- investment in staff, fitness equipment and a facility asset management report;
- “Spend to Generate” initiatives;
- marketing techniques;
- the strategic partner relationship, including extending subsidised subscriptions to the voluntary sector; and
- customer engagement, including user forums and making better use of customer feedback.

The proposed Plan also addresses the integration of NALL performance information with the Council's Covalent system to enable effective and transparent performance management and monitoring. In addition, the Plan takes into account the anticipated revised budget contributions from North Ayrshire Council (£279,000 reduction to £3,525,000) in 2012-13 and the agreement, taken at the Executive Committee on 6 December 2011, that the Council will undertake a market test, through a tender process, of the interest in managing the new leisure centre.

The Head of Service (Community and Culture) clarified that, in relation to Section 4.2 of the report, whilst NALL would endeavour to achieve necessary reductions in staffing through natural turnover, voluntary redundancy and the redeployment of staff, the need to revisit this position could not be ruled out.

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

- the operation of the proposed "Spend to Generate" initiatives, including the financial implications and anticipated benefits;
- NALL's intention to achieve staff reductions through voluntary means;
- factors contributing to a significant reduction in sports pitch income; and
- plans to improve NALL's website as part of its marketing strategy.

The Executive agreed to (a) approve the North Ayrshire Leisure Limited Business/Service Plan for 2012-13; (b) approve financial support of £3,525,000 to NALL in financial year 2012/13, subject to finalisation of the Council's budget; and (c) note NALL's intention to seek to achieve the necessary reduction in staffing by natural/voluntary means.

4. Sundry Debtors Write Off

Submitted report by the Corporate Director (Finance and Infrastructure) on balances written off under delegated powers and seeking authority to write off balances over £1,000.

The Council's Financial Regulations provide that sums due to the Council may be written off when all avenues for recovery have been exhausted and where the sums are considered to be irrecoverable. Debts of under £500 may be written off under delegated powers by the Corporate Director (Finance and Infrastructure), whilst debts of between £500 and £1,000 may be written off by the Corporate Director only following consultation with the Chief Executive. Individual debts over £1,000 require the approval of the Executive before being written off.

Appendix 1 to the report provided details of 930 accounts below £1,000 with a value of £117,538.12 which have been written off under delegated powers from 1 April to 30 September 2011. A further 76 accounts in excess of £1,000 and totalling £33,551.61 require Executive approval to write off, as outlined in Sections 2.3-2.4 of the report. The total amount of sundry income debt to be written off under delegated powers and by the Executive from the 1 April 2011 to 30 September 2011 is £151,089.73. This represents 3.60% of the total amount of sundry income debt that has been invoiced. Since April 2007, debt previously written off totalling £1,035,463 has been passed to Stirling Park for collection. To date, the company has collected £53,046 (5.12%).

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

- the likelihood that the current economic climate will result in an increased number of debts to the Council; and
- the efficacy of the Council's current strategy for debt recovery.

The Executive agreed (a) to note the sums written off under delegated powers; (b) to authorise the write off of debts over £1000, as set out in the appendix to the report; and (c) that the Corporate Director (Finance and Infrastructure) review the Council's strategy in relation to debt recovery.

5. Marymass Festival

Submitted report by the Chief Executive on arrangements for a structured process to ensure future sustainable funding of the Marymass Festival.

At its meeting on 22 June 2011, Irvine Area Committee considered a report by the Corporate Director (Finance and Infrastructure) on the draft revenue account in respect of Irvine Common Good Fund for the year to 31 March 2011, and the proposed level of grant funding for 2011/12. The report stated that the Irvine Common Good Fund Revenue Account had an in year deficit in 2010/11 of £22,264 and noted that £67,757 of the Irvine Common Good Fund expenditure related to the Marymass Festival. This equated to around 50% of the overall Irvine Common Good Fund expenditure in 2010/11. The Area Committee recommended that the Marymass Development Committee should review the future Marymass Festival programme in light of the financial constraints of the Irvine Common Good Fund.

The current financial and legal relationships between the Council and the Marymass Development Committee require to be strengthened to ensure the sustainability of the Marymass Festival. The report, therefore, proposed that new governance arrangements are introduced in order to determine clear accountability for the financial and legal responsibilities of the Festival and to secure its long-term financial future. It was recommended that discussions be commenced with Marymass Development Committee to assist it in moving to a business model similar to that already adopted by Largs Viking Festival Limited, as described in Section 2 of the report.

The report envisaged that the Marymass Development Committee would, in future, present a Business/Development Plan to the Council by March 31 each year. This should identify all funding opportunities together with a bid for funding from the Irvine Common Good Fund, if required, along with details of how that funding would be used and any request or application for assistance or services in kind to be provided by the Council. The Business/ Development Plan would be expected to include a Memorandum and Articles of Association, targets in terms of performance and resourcing, the membership of the new organisation and the formal appointment of Elected Member(s) to the Board as Director(s).

The report proposed that Officers from Finance and Infrastructure and from Corporate Services (Legal) work with the Marymass Development Committee to develop a Business/Development Plan for consideration by Irvine Area Committee at its meeting on 23 March 2012, including a request for notional allocation of funds from Irvine Common Good Fund for the staging of Marymass Festival 2012. Officers will also work with the Marymass Development Committee and the Largs Viking Festival Limited Board to facilitate a meeting between the two bodies to discuss the proposed business model and to share good practice/experience.

Councillor Clarkson addressed the meeting to express his concern about the proposals contained within the report.

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

- the benefits of the structure employed by Largs Viking Festival Limited;
- the feasibility of an initial Business Plan being prepared prior to the end of March 2012;
- how the Council can better communicate its proposals, to ensure that its commitment to supporting and helping to secure the future of the festival is more widely understood;
- consultation arrangements in relation to representation on the Development Committee;
- the importance role of the Marymass Festival in terms of tourism and community engagement, particularly in the light of the difficult economic climate;
- the current costs associated with the festival and the mechanism for considering future funding applications from Irvine Common Good; and
- the financial management of Irvine Common Good Fund.

The Executive agreed to (a) instruct officers from Finance and Infrastructure and from Corporate Services (Legal) to commence discussions with the Marymass Development Committee with a view to establishing a new development company to assume responsibility for the organisation and funding of the Marymass Festival; (b) note that, whilst the preparation of an initial Business/Development Plan may not ultimately be achievable by March 2012, this would remain the target.

6. Vinyl Floor Finishing

Submitted report by the Corporate Director (Finance and Infrastructure) on the procurement exercise undertaken for the supply and installation of vinyl floor finishes.

A procurement exercise has been conducted for the Supply and Installation of Vinyl Floor finishes. These works are not within the Scotland Excel procurement framework.

The procurement exercise sought to establish a framework through which a number of contractors could be utilised and, therefore, provided sufficient capacity to meet peaks and troughs in workload. A formal tender for an initial contract period of eighteen months, with an option to extend by up to 12 months, was formally advertised via Public Contracts Scotland portal on 2 December 2011. The tender documentation requested submissions for three separate lots to reflect the differing nature of the flooring work within each type of installation, namely Aids and Adaptations, Kitchens and Bathrooms.

The value of works that can be drawn down through the framework agreement is estimated at £350,000 per annum. Provision for this expenditure is included within the Capital and Revenue budgets of the Housing Revenue Account.

Tender submissions were received from 7 companies. As indicated in appendix 1 to the report, only 1 of the 7 submissions, from CCG (Scotland) Limited met the minimum standards and progressed to stage two.

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

- the criteria used to assess the tenders;
- the consistency of the approach employed in relation to different types of procurement exercise; and
- the intention to include procurement training as part of Members' induction training.

The Executive agreed to appoint CCG (Scotland) Ltd to a framework agreement for the supply and installation of vinyl floor finishes for Aids and Adaptations, Kitchens and Bathrooms.

7. Procurement of Coated and Uncoated Roadstone

Submitted report by the Corporate Director (Finance and Infrastructure) on the outcome of the collaborative tender process by the three Ayrshire Authorities for the supply of Coated and Uncoated Roadstone and seeking approval to utilise the resulting framework contract.

The contract for the supply of coated and uncoated roadstone was previously procured through a Scotland Excel contract in collaboration with six other West of Scotland Local Authorities. Scotland Excel carried out a re-categorisation exercise and decided that they would no longer procure this on the Council's behalf.

A collaborative procurement exercise has been carried out for the provision of coated and uncoated roadstone under the Public Contracts (Scotland) Regulations 2006 and the European Union Procurement Regulations, with East Ayrshire Council as lead authority. 4 suppliers have tendered for inclusion onto the framework, including one supplier on the Isle of Arran (which has the facility only to supply uncoated roadstone and concrete).

The 4 participating suppliers have been initially asked to provide rates from December 2011 until April 2012 for any materials procured from the contract. The suppliers will then have the opportunity to re-submit their rates on a 6-monthly basis thereafter.

The framework contract is now available with each participating authority having the ability to utilise the contract as and when required to obtain materials produced to the appropriate European specifications required for construction and road maintenance projects. It is expected that between £1.2m and £1.5m of roadstone material will be purchased per year for works within North Ayrshire.

Members asked questions, and received clarification, on benefits to the Council of its use of Scotland Excel, given the apparent limitations of the products covered by its procurement framework.

The Executive agreed (a) that the framework contract be utilised for the procurement of Coated and Uncoated Roadstone for a period of 3 years; and (b) to note that the next report on Scotland Excel's performance will be submitted to the Executive at its meeting on 28 February 2012.

8. Homelessness: Temporary Accommodation Strategy and Housing Support Contracts

Submitted report by the Corporate Director (Social Services and Health) on the development of a North Ayrshire Temporary Accommodation Strategy and seeking approval to negotiate a 2-year extension to the associated housing support contracts.

There are currently 263 units of Temporary accommodation in North Ayrshire of which 165 are dispersed flats. The balance is made up of supported accommodation provided by the Council and its partner agencies. A breakdown of the temporary accommodation provision was set out at Appendix 1 to the report.

The current model of temporary accommodation and the provision of housing related support is currently based on the characteristics of homelessness within North Ayrshire between 2000 and 2003. Details of current support providers were set out at Appendix 2 to the report.

Given a reducing level of homelessness, Housing Services have already reduced the level of temporary accommodation stock by returning 25 temporary furnished flats to mainstream stock. In order to understand the changing profile of homelessness, Housing Services has undertaken a range of consultation with service users, service providers and partner organisations. The development of the temporary accommodation strategy draws upon the findings of a temporary accommodation modelling exercise undertaken during 2010. The modelling exercise identified the need for a fundamental review of the Council's temporary accommodation and a differing support profile for homeless households from that of the current service provision.

The Scottish Government recently announced new duties for local authorities with regard to the assessment of support needs of homeless people and the type and duration of support provision. The new duties will have a direct impact on how the Council delivers services, and the type of temporary accommodation and support services required. In addition, the impact of the proposed welfare reform bill on the modelling of temporary accommodation is yet to be determined. Dependant on the final content of the bill and the changes to housing benefit entitlement, some types of temporary accommodation currently utilised within North Ayrshire may no longer be financially viable. It is envisaged that Housing Services will need to review and amend the profile of temporary accommodation dependant on the outcome of the reform.

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

- the likely impact of welfare reform on homelessness figures;
- rent levels for the Council's temporary accommodation and the way in which the service is currently funded; and
- work with young people to reduce the number presenting as homeless.

The Executive agreed to (a) note the progress with regard to the development of a North Ayrshire Temporary Accommodation Strategy; (b) give approval to negotiate a 2-year extension to the associated housing support contracts, to allow sufficient time to fully evaluate the implications of the new support duties and welfare reform changes; and (c) to note the proposed establishment of a cross-service working group to consider the implications of welfare reform.

9. New Leisure Centre, East Road, Irvine

Submitted report by the Corporate Director (Education and Skills) on the tender exercise for a main contractor to carry out the works associated with the new Leisure Centre, Irvine.

On 12 September 2011, a design team led by LA Architects was appointed to provide a full design and project management service for the new leisure centre to be located on the site of the Townhouse, Irvine. Initial stakeholder consultations have been carried out and the Design Team have now completed the concept design phase of the project (RIBA Stage C). Initial ideas for the new leisure centre were presented to the Irvine Area Committee at its meeting on 23 November 2011 and it is proposed to present a more developed version of the proposals for consideration at a meeting of North Ayrshire Council on 22 February 2012.

To ensure that the programme remains on schedule there is a requirement to commence the tender process now to appoint contractors for the enabling and main construction works. It is proposed to carry out the enabling works first, followed by a separate contract for the construction works. In order to facilitate this, two separate tender exercises will be held concurrently. The detailed timetable of works, culminating in the public opening of the new centre in July 2012, was set out at Section 2.5 of the report.

To comply with the Council's Standing Orders and The Public Contracts (Scotland) Regulations 2006, it is intended to utilise a restricted single-stage tender process for the enabling works and a restricted single stage design and build tender process for the main works both involving an initial Pre Qualifying Questionnaire (PQQ) element followed by an official 'Invitation to Tender'. Only the short-listed bidders will receive an 'Invitation to Tender' for the works. It is proposed that the criterion for the award of the contracts will be based on a quality and cost basis split (apportion percentage to be confirmed). This method will be used to ensure the most economically advantageous tenders are accepted. The selection of the evaluation criteria and/or the evaluation of the tender responses will be carried out by a group comprising relevant members from Education and Skills, the Design Team and the Councils Corporate Procurement Unit.

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

- consultation with Historic Scotland and Architecture and Design Scotland on the design of the new leisure centre and its relationship with the Townhouse and wider town centre; and
- the purpose of the planned presentation to the Council on 22 February 2012, including approving the design of the new leisure centre and considering the future use and refurbishment of the Townhouse.

The Executive agreed that (a) a detailed report, including the design proposals for the new leisure centre be presented to a meeting of North Ayrshire Council on 22 February 2012; and (b) tenders be invited for the associated works in relation to the new leisure centre using a restricted single stage tender process.

10. The Procurement of Business Gateway Services in Mainland Ayrshire

Submitted report by the Chief Executive on the tendering process for the procurement of Business Gateway Services post-October 2012 in mainland Ayrshire (in collaboration with East and South Ayrshire Councils).

In 2006, the Scottish Government instructed Scottish Enterprise to revise the Business Gateway service and subsequently awarded a 5-year contract to deliver amended services from October 2007 until September 2012. Business Gateway provides support to pre- and post start-up businesses, providing access to workshops and advisor support.

Responsibility for delivery of the Business Gateway contract transferred from Scottish Enterprise to Local Authorities in April 2008. North Ayrshire Council has been responsible for the management and delivery of the Business Gateway mainland Ayrshire contract on behalf of the 3 authorities in Ayrshire since then. A breakdown of the Business Gateway activity since 2008 was set out in Section 2 of the report.

The original contract was for a 3-year period with an extension of 2 years and is due to finish in September 2012. A series of meetings has been held with other lead authorities and COSLA in the build-up to the post-September period and agreements reached about re-tendering the service across Scotland. Discussions have also been held with neighbouring Ayrshire Councils and a Minute of Agreement has now been prepared between the Ayrshire Councils clearly outlining North Ayrshire's role as the "Lead" authority for the mainland Business Gateway contract. The Business Gateway service on Arran and Cumbrae remains separate from that of the mainland due to geographic and funding allocations agreed by the Scottish Government and will be the subject of a separate report to a future meeting of the Executive.

North Ayrshire Council, as Lead Authority for the Ayrshire contract, will have responsibility for overseeing the procurement process for the new contract. It was proposed that a tendering process be approved for the procurement of Business Gateway Services in Mainland Ayrshire subject to the formalisation of the Minute of Agreement and working in collaboration with East and South Ayrshire Councils. The detailed timetable was set out at Section 3.2 of the report.

The Executive agreed to proceed with the procurement of a new Business Gateway contract for mainland Ayrshire subject to a Minute of Agreement being formalised between the Council and the other Ayrshire local authorities.

11. Corporate Equality Group: Minutes of Meeting held on 5 December 2011

Submitted report by the Chief Executive on the Minutes of the Meeting of the Corporate Equality Group held on 5 December 2011.

Noted.

12. Urgent Item

The Chair agreed that the following item be considered as a matter of urgency to allow Members to be brought up to date with developments in respect of Benlister South, Lamlash, Isle of Arran, which is the subject of a planning application to be considered by the Planning Committee on 24 January 2012.

12.1 Development Project: Benlister South, Lamlash

Submitted report by the Corporate Director (Social Services and Health) on Trust Housing Association's decision to withdraw as lead developer for the above project and to seek approval for Irvine Housing Association to take forward the development with additional Council subsidy.

In March 2011, the Scottish Government announced the introduction of a new £50 million Innovation and Investment Fund (IIF) to support the delivery of affordable housing in Scotland.

Trust Housing Association made a bid for the delivery of 56 units of much needed affordable housing at Benlister South, Lamlash, Isle of Arran. On 24 May 2011, the Executive agreed to support Trust Housing Association by providing additional Council subsidy to reduce the Government funding being sought to a maximum of £40,000 per unit. It was agreed that funding would only be provided for units being developed for social rented housing purposes. In the final bid, this equated to £319,312 (16 x £19,957).

The outcome of the IIF bidding process was reported to the Executive on 25 October 2011. It was noted that a total of £6.5 million in subsidy had been awarded to two Council projects and three RSL projects (including the Benlister South project). It was understood that 182 new homes would be delivered in North Ayrshire as a result of IIF.

Following notification of Government's funding award, Trust Housing Association revisited the assumptions made within their business plan, and took the decision that the project was no longer viable for their organisation. Social Services and Health (Housing Services) entered into negotiation with the Scottish Government to seek agreement that their funding award of £2.44m would not be withdrawn before the Council had a chance to liaise with other Housing Associations with a view to identifying another developer.

During November and December 2011, Housing Services met with both Irvine Housing Association and Cunninghame Housing Association to ascertain whether they had an interest in, and capacity to, deliver the Benlister project. Both Associations were given a copy of Trust Housing Association's original bid and provided with a weighting criteria on which any bids they submitted would be assessed. The weighting criteria was set out at Appendix 1 to the report.

Whilst Cunninghame Housing Association did not pursue the project, Irvine Housing Association, following their merger with Riverside (a large English based Registered Social Landlord), have deemed the project to be viable within the constraints of their Business Plan. Details of their proposal in terms of tenure mix, engagement, allocating properties, funding the project and managing properties, were set out in Sections 2.6-2.17 of the report.

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

- the source of the additional funding required;
- governance issues in respect of Trust Housing Association and Isle of Arran Homes; and
- any adverse impact, in terms of local jobs and supplier, which might be associated with the use of the Riverside Materials Framework.

The Executive agreed (a) to congratulate officers for their hard work in safeguarding the viability of the project; (b) that Irvine Housing Association should be the lead developer for the Benlister South Project; (c) that Council funding previously awarded to the project be increased from £319,312 to £798,280; (d) Housing Services continue to liaise closely with Irvine Housing Association and Trust Housing Association regarding the ongoing delivery of this project.

The meeting ended at 11.40 a.m.