

The Executive of North Ayrshire Council  
21 April 2009

**IRVINE, 21 April 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, Peter McNamara.

**In Attendance**

I. Snodgrass, Chief Executive; C. Kirk, Corporate Director, J. Ward and M. Docherty, Heads of Service (Educational Services); T. Orr, Corporate Director, O. Clayton, Head of Housing and Building Services and R. Small, Head of Infrastructure and Design Services (Property Services); B. Docherty, Corporate Director (Social Services); A. Herbert, Assistant Chief Executive (Finance); I. T. Mackay, Assistant Chief Executive (Legal and Protective); and J. Montgomery, General Manager, M. McKeown, Team Leader - Committee Services and A. Wattie, Communications Officer (Chief Executive's).

**Chair**

Councillor O'Neill in the Chair.

**1. Declarations of Interest**

In terms of Standing Order 16, Councillor McNamara declared an interest in agenda item 7 and took no part in the discussion thereon.

**2. Strategic Service Statements 2009-12**

Submitted report by the Chief Executive on the Strategic Service Statements covering Corporate Services, Property Services and Social Services in the period 2009-2012.

The Council has had an integrated service planning, risk management and budgeting process in place for a number of years. As part of the process, Services are required annually to prepare 3 year rolling Service Plans, aligned to the Council's budget and strategic priorities. Following the Council's approval of the budget on 12 February 2009, the remaining task of the 2009-12 process is to present for approval the Strategic Service Statements which sit at the front of each Service's Service Plan.

These Statements highlight: the role of the Service and key activities; key partners, both internally and externally, and associated plans; an assessment of the "strategic issues" facing the Service over the next 3 years, based on a scan of their internal and external environments, and consequent financial pressures or opportunities; and key Service priorities flowing from the above.

The Educational Services Strategic Service Statement was noted and approved by the Education Executive on 31 March 2009. Strategic Service Statements covering Corporate Services, Property Services, and Social Services, were appended to the report.

The Executive agreed to convene a Special Meeting to consider the Strategic Service Statements in more detail.

### **3. Scrutiny Committee 'More Choices More Chances' (MCMC) Investigation**

Submitted report by the Corporate Director (Educational Services) on the Scrutiny Committee MCMC Investigation report.

The North Ayrshire MCMC Strategy was initially developed in 2006, in response to the publication of the then Scottish Executive's report "More Choices, More Chances: A Strategy to Reduce the Proportion of Young People not in Education, Employment or Training in Scotland". The North Ayrshire Community Planning Partnership (CPP) has overall responsibility for ensuring a comprehensive and co-ordinated approach to addressing MCMC and the wider employability agenda. The MCMC Partnership is a Sub Group of the CPP Economic and Learning Strategic Partnership. Educational Services is the lead partner for MCMC. While the partnership has made good progress in improving outcomes for young people in need of more choices and more chances, it is aware that there is still further work to be done.

Over the period October 2008 to January 2009, the Scrutiny Committee undertook an investigation into the implementation of the Council's MCMC Strategy. The purpose of the investigation was to: examine the Strategy to meet the needs of young people who are not in employment, education or training and those at risk of not moving to a positive and sustained post-school destination; assess the progress being made in tackling this issue, particularly in relation to the effectiveness of partnership working; and make recommendations for future development. In the course of its deliberations, Scrutiny Committee received evidence from a range of partners involved in the delivery of the MCMC Strategy as well as young people participating in MCMC programmes.

The Scrutiny Committee published its investigation report in March 2009. The report concluded that the MCMC Partnership has made considerable progress in supporting young people in need of more choices and more chances to succeed, and that Partners are committed to improving the range of provision and interventions available to enable the MCMC client group to move to and sustain positive destinations beyond school. The report did however identify a number of areas for improvement and made 16 recommendations for action, of which the following 5 were prioritised:-

- Data sharing and databases were highlighted as an ongoing problem by every partner and by Scottish Government Civil Servants. Quarterly reports on progress to resolve this issue should be made with Scottish Government leading on this.
- Review of the whole MCMC programme is required in the light of the economic downturn. The Council should consider holding a Summit with local employers and local MPs/MSPs to discuss how to support MCMC client groups in the face of the economic downturn.
- NHS Ayrshire and Arran must become a full active member of the MCMC Partnership and lead on health related issues such as mental health and well-being; sexual health; drugs and alcohol.
- A review of the MCMC supported activities in anticipation of the ending of ring fenced Fairer North Ayrshire funding should consider whether there are now too many overlapping programmes and projects making it difficult to identify a clear coherent 'narrative' - a case possibly of 'More Choices More Confusion'.
- While accepting that all available funding streams should be accessed and utilised, the Committee concludes that a much clearer audit trail of funding should be developed to assist in evaluating the overall impact of all related MCMC activity.

Prior to the publication of the report in January 2009, the MCMC Sub Group undertook an evaluation of the original MCMC Strategy and identified a number of key actions to be undertaken by partners over the next few years. A revised Strategy and Action Plan for 2009-2011 was appended to the report. The revised Strategy and Action Plan was discussed at the meeting of the CPP Economic and Learning Strategic Partnership on 17 March 2009 and, in consultation with MCMC partners, the Chair of the MCMC Sub Group has put in place plans to incorporate the recommendations of the Scrutiny Committee investigation report into the revised MCMC Strategy and Action Plan. The report summarised the actions being taken to respond to the Scrutiny Committee's recommendations and to implement the revised Strategy and Action Plan.

The Executive agreed to approve (a) the proposals to address the conclusions/recommendations in the Scrutiny Committee investigation report; and (b) the revised Strategy and Action Plan for future development.

#### **4. Affordable Housing Policy: Isle of Arran**

Submitted report by the Corporate Director (Property Services) on the outcome of the consultation exercise in relation to an Affordable Housing Policy for the Isle of Arran.

On 17 February 2009, the Executive agreed that a draft Affordable Housing Policy for the Isle of Arran should be subject to wider consultation with the public and other stakeholders, for a period of 4 weeks, between 27 February and 27 March 2009. The Executive agreed that the outcome of the consultation exercise would inform the finalised Policy and Supplementary Guidance for developers.

Three representations were received during the consultation period. Housing Initiative for Arran Residents (HIFAR) congratulated those involved and expressed the view that the Policy will be a great benefit to the island. Correspondence was also received from the Scottish Government, Housing & Regeneration Directorate, making various suggestions of a detailed technical nature with a view to improving the clarity of the Supplementary Guidance for Developers. These suggestions can be incorporated, as appropriate, into the Guidance without altering its substance. The third representation was from James Barr, Consultants, on behalf of John Thomson Construction Ltd. The developer objected to the Policy and suggested that instead of the Policy applying to all sites of four or more houses, that the threshold should be 15 units (or equivalent site area) whereupon the delivery of affordable housing on-site is activated.

During the past four years to 31 March 2009, only two planning applications for housing developments of 15 units or more have been granted on Arran. One related to a site at Corrie Quarry, Corrie, which is an Isle of Arran Homes development for 23 social houses and the other a 23 house development of private houses at Margnaheglis, Lamlash. If the proposed higher threshold figure was adopted, only the land relating to six affordable houses (25% of the total) would have been provided in four years. By contrast, over the same four year period, 15 developments fall within the four houses and more threshold proposed in the Policy. This would have made available land for the construction of an estimated 33 affordable houses.

National planning advice, PAN74 Affordable Housing, points out that while in urban areas 20 or more units might be an appropriate threshold for on-site provision, "in rural areas where the general scale of development is smaller, a lower threshold for on-site provision may be appropriate in order to make affordable housing available in a range of locations". Thus the higher threshold, as suggested by the objector would render the policy virtually ineffective.

It was therefore considered that the threshold set out in the draft Policy is appropriate, in accord with national guidance and justified by the Research Project: Isle of Arran – Affordable Housing Opportunities and Constraints, 2007. On-site provision of a very small number of affordable houses on a particular site may not be appropriate and is provided for in the Policy where, for example, off-site provision or a commuted sum may be the favoured method of developer contribution.

Arising from discussion of this item, the Head of Housing and Building Services advised that the Council's bid to the Scottish Government for £575k to build 23 Council house units had been successful. A further round of funding will be made available later in the year.

The Executive agreed to (a) the implementation of the Affordable Housing Policy: Isle of Arran, with immediate effect; and (b) receive a further report on the next round of funding for Council house building at a future meeting.

## **5. Children and Families Services: Efficiency Savings in Residential School Placements**

Submitted report by the Corporate Director (Social Services) on a proposal to achieve efficiency savings in the use of residential school placements within Social Services.

In 2004/05, the overspend on the residential schools budget within Social Services was £360,000. By 2007/08 the overspend was over £1m. Although the number of young people in residential school placements has remained stable over this period, the average cost of a residential school placement has risen from £84,356 to £172,402.

In order to effect efficiency savings of £300,000, Children and Families Services have prioritised the residential school budget and identified a course of action to achieve savings in the short term while longer term planning takes place. Over the past two years, the Council has worked with Spark of Genius, an independent provider of residential child care, regarding the provision of placements for some of the most challenging young people. The alternative for most of these young people would have been secure accommodation, as no other providers of open school placements were willing/able to meet the young persons' needs. Spark of Genius is noted across Scotland for providing high quality care and the organisation regularly receives favourable publicity in the media in regard to the positive outcomes it achieves for children and young people.

To date, Social Services has negotiated preferential rates for placements with Spark of Genius. The cost of a secure placement is on average £258,500 a year whereas the cost of a placement at Spark of Genius for a year is £207,740. North Ayrshire Council is also receiving a total reduction of £62,400 a year from Spark of Genius for the placements. Following discussions between Spark of Genius, the Social Services Contracts and Commissioning Office, and the Corporate Procurement Team, agreement has been reached on a one year contract whereby Social Services will block purchase an agreed level of placements at a reduced price. This is an interim arrangement and will allow Social Services the necessary time to work on a future tendering process to ensure compliance with all statutory guidance on advertising/tendering.

The Executive agreed to (a) approve the approach to efficiency savings with this service provider, as set out in the report; and (b) receive a further report at a future meeting once the tendering process has taken place for 2010/11.

## **6. HMIE Inspection of the Education Function of North Ayrshire Council**

Submitted report by the Corporate Director (Educational Services) on the outcome of the inspection by Her Majesty's Inspectorate of Education (HMIE) of the education functions of North Ayrshire Council.

The educational functions of North Ayrshire Council were inspected in October 2008 as part HMIE's commitment to inspect and report on the quality of education in all local authorities and to help secure improvement. The report by HMIE on the outcome of the inspection of the Council's educational functions was published on 14 April 2009. HM Inspectors identified the following key strengths:

- Leadership of the new Director and her senior team;
- Partnership working with other agencies and the voluntary sector to support vulnerable learners;
- Quality of provision for children and young people with additional support needs;
- Contribution of a range of services to improving local communities;
- Quality of provision for learners of pre-school and primary-age and their high levels of performance;
- Inclusive approach taken to involving children and young people in a range of cultural activity particularly music;
- Impact of innovative and creative approaches to CLD management and practice.

Against the 10 quality indicators used by HMIE, the Council was rated as follows:-

<b>Quality Indicator</b>	<b>Evaluation</b>
Improvements in Performance	Satisfactory
Impact on Learners	Good
Impact on Parents/Carers and Families	Very Good
Impact on Staff	Very Good
Impact on the Local Community	Very Good
Impact on the Wider Community	Very Good
Vision, values and Aims	Very Good
Leadership and Direction	Very Good
Developing People and Partnerships	Very Good
Leadership of Change and Improvement	Good

Six features of good practice were identified by HMIE during the inspection process i.e.

- Performance Information and Evaluation System (PIES);
- Supporting vulnerable children at the early years;
- Active learning in P1 - P3;
- Extended Outreach in secondary schools;
- Adult Literacies Action Plan Team;
- Education Resource Service and Public Library Service.

HMIE identified the following areas for action i.e.

- Improve levels of pupils' attainment, particularly the performance of secondary pupils in SQA awards;
- Improve the overall quality and consistency of learning and teaching in secondary schools;
- Continue to work to further improve the proportion of school leavers proceeding to positive destinations;
- Further strengthen the joint working of schools and other authority staff in promoting the development of community capacity.

In consultation with centrally based staff, the Corporate Director (Educational Services) has identified key priorities to address the main points for action in the inspection report. Detailed actions, as set out in the appendix to the report, will be built into current service plans and reported via performance reports. A broad overview of progress will be provided to the Executive at six monthly intervals. The District Inspector will continue to monitor the progress made as part of the agency work with the Council. Within two years of the publication of this report the Corporate Director (Educational Services) will publish a progress report.

The Executive welcomed the report and the action being taken to address the recommendations arising from the inspection process. It was noted that the Chief Inspector of Education would meet with all elected Members on 16 June 2009.

The Executive agreed to (a) note the report; (b) approve the proposals to address the main points for action arising from the inspection report; (c) note the arrangements for follow-through; and (d) receive progress reports at future meetings on a six monthly basis.

## **7. Magnum Replacement Phase 1: Auchenhavrie Centre**

Submitted report by the Corporate Director (Property Services) on the proposed appointment of a consultant by negotiation in respect of planned alterations to Auchenhavrie Leisure Centre.

At a Special Meeting on 12 February 2009, the Executive considered and approved a report on the initial conclusions of the Magnum Review Group on the way forward for the project to replace the Magnum Leisure Centre in Irvine. Phase 1 of the project involves rationalising ice provision in North Ayrshire by upgrading the ice facilities at the Auchenhavrie Leisure Centre in Stevenston prior to the closure of the existing Magnum facility. Infrastructure and Design Services has been charged with the design and contract administration of the Auchenhavrie Centre element.

The Auchenhavrie Ice Rink is scheduled to close in August 2009, and so the appointment of a consultant is time critical. As Infrastructure and Design Services has no in-house mechanical or suitable structural expertise available to take forward the project, it is necessary to appoint an external consultant. Seeking tenders would delay the progression of the design by at least one month and so, to expedite matters, it was proposed that Harley Haddow, the original mechanical and electrical engineering consultant for the centre, should be appointed on a negotiated basis, as the structural, mechanical and electrical engineers for the proposed alterations to the Auchenhavrie Centre.

The Executive agreed (a) to approve the appointment of Harley Haddow as the structural, mechanical and electrical engineers for the proposed alterations to the Auchenhavrie Centre, on a negotiated basis; and (b) that the fee be negotiated and agreed by the Head of Infrastructure and Design Services.

## **8. Road Pressures: Effect of Severe Winter**

Submitted report by the Corporate Director (Property Services) on the impact of recent extreme weather on the North Ayrshire roads network.



At its Special Meeting on 12 February 2009, the Executive considered a way forward for the project to replace the Magnum Leisure Centre in Irvine. At that time it was noted that the Council would require to provide in the order of £1m annually from revenue to fund prudential borrowing to help build up the project fund. The Chair proposed that this sum should be provided from the allocation identified in the 2009/10 budget book under "roads pressures - £1.4m", meaning that the additional funding going into roads annually would be £400,000 rather than £1.4m. It was however recognised that there was evidence that the severe winter was causing considerable damage to roads infrastructure and that additional funding could be required in 2009/10 to address this. It was agreed therefore that it would be prudent before deciding whether the whole £1m should be diverted to the Magnum replacement project in 2009/10, to await a report from the Corporate Director (Property Services) on the impact of the severe winter on roads infrastructure. This approach was endorsed by the full Council at its special meeting later that day.

The carriageway infrastructure within North Ayrshire, totals 1014km and consists of approximately 40km of strategic roads, 72km of main distributor roads, 200km of secondary distributor roads, and 702km of local access roads. The carriageway is one of the Council's most valuable infrastructure assets and it has been estimated that it would cost approximately £620m to replace it with a modern equivalent. Expenditure on carriageway resurfacing over the last five years has allowed for approximately 63km of new road surface to be laid, which included 35km of surface dressing. This process has only recently been re-introduced and whilst it replaces the surface texture and seals against water ingress it does not provide any structural improvement.

Traffic volumes, especially the movement of heavy goods vehicles, are the main cause of deterioration within the road network. Traffic volumes have increased by approximately 20% since 1995 with a larger increase in the level of heavy goods vehicle traffic during the same period. Severe winter weather conditions, incorporating freeze/thaw cycles, can and do accelerate this process of deterioration. Reports from meteorological sources indicate that the recent winter was one of the worst for around 20 years in some areas. Temperatures well below freezing were experienced for longer periods and more snow fell than in the previous three/four years.

Records held by Roads Services indicate that a greater number of both precautionary and reactive salting and snow clearing took place during the recent winter months than in previous years. Salt usage more than doubled and general expenditure on winter emergency treatment increased by around 80%. Roads Inspectors have carried out their normal statutory inspections plus additional inspections following the Executive's decision of 12 February.

Although it is difficult to fully quantify the precise amount of deterioration due to the severe winter, information from increased public liability claims, increased service requests, and increased media interest etc., plus the opinion of experienced Roads Inspectors and Technical staff, all indicate a considerable deterioration in the condition of the network. This in turn leads to a requirement to increase the budget for potholing and patching in the current financial year with a corresponding decrease in expenditure on resurfacing.

The budget for resurfacing/reconstruction works for 2009/10 is currently £1.8m (£1.3m Revenue + £0.5m Capital). The report provided details of the works that can be undertaken within the existing budget and what could be achieved if additional funds (of £400k, £800k, and £1m respectively) were allocated to fund road treatment processes.

The Executive agreed (a) that the evidence of deterioration in the roads network as a result of the severe winter weather warranted the allocation of the entire £1m to the budget for resurfacing/reconstruction in 2009/10, on a non recurring basis; and (b) noted that there would be no impact on the Magnum Leisure Centre replacement programme in the current year.

## **9. Extension of Measured Term Contract for Energy Efficiency Works Programme to Council Houses**

Submitted report by the Corporate Director (Property Services) seeking an extension to the Term Contract for Energy Efficiency Works Programme to the Council's housing stock.

Energy Efficiency Works Programmes to Council houses are carried out through Term Contracts and include a variety of works such as installation of cavity wall insulation, loft insulation, provision of hot and cold water tank jackets and hot and cold pipe insulation, installation of draft proofing and reflective radiator wall panels, and provision of low energy light bulbs and advice. The completion of these works contributes to compliance with the Scottish Housing Quality Standard. The existing contracts were negotiated during 2006 for the period to 31 March 2009, with an option to extend for a further two years thereafter. Unfortunately the contracts have been allowed to expire before any extension could be agreed.

The Term Contractors are providing a satisfactory service and there is no evident reason not to extend them. The extension of the current Term Contracts for Major Works Programmes to Council houses will ensure continuity of the current satisfactory service at competitive rates and will continue to ensure progress towards compliance with important aspects of the Scottish Housing Quality Standard.

The prices charged will continue for a further two years in line with the methods of adjustment set out in the contract documents. The total value of the contracts during 2009/10 will reflect the finance allocated within the Housing Revenue Budget. The value is expected to be in the region of £420,000.

The Executive agreed (a) to extend the Term Contracts for Energy Efficiency Works Programmes for a period of 2 years with immediate effect; and (b) that the Corporate Director (Property Services) ensure that arrangements are in place to tender for, or extend, contracts prior to their expiration dates.

## **10. Council Tax and Non Domestic Rates Write Off**

Submitted report by the Assistant Chief Executive (Finance) seeking approval to write off of Council Tax and Non Domestic Rates debts identified during the 2007/08 financial year.

Debts relating to Council Tax and Non Domestic Rates may arise for a variety of reasons and may eventually be deemed to be irrecoverable. The Council has policies and procedures in place to allow such debts to be written off. When a case meets the criteria for write off, staff immediately update the Council Tax or Non Domestic Rates systems with a write off transaction before Member approval is received. This approach is more efficient and allows staff time to complete any outstanding administrative tasks on each account. The write off is then put forward for Member approval.

Appendix 1 of the report provided details of £309,563.07 of Non Domestic Rates debt written off during the financial year 2007/08. These debts covered financial years 2005/06 to 2007/08. Appendix 2 showed that £231,208.99 of Council Tax debt was written off during 2007/08, covering financial years 2002/03 to 2007/08. Although the debts are written off, should the opportunity arise, further recovery attempts will be made to recovery any sums due.

The Executive agreed to retrospectively approve the write off of Council Tax and Non Domestic Rates for 2007/08, as set out in the appendices to the report.

## **11. Sundry Debtors Write Off**

Submitted report by the Assistant Chief Executive (Finance) on balances written off under delegated powers and seeking approval to write off individual debts with balances over £1,000.

During the recovery process for sundry debts, cases are identified where it appears unlikely that there will be further recoveries or where continued recovery action would be inappropriate. 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 less than £500 may be written off by the Assistant Chief Executive (Finance), whilst debts of between £500 and £1,000 may be written off by the Assistant Chief Executive (Finance) in consultation with the Chief Executive. Debts of over £1000 may only be written off with elected Member approval.

Debts covering some 1,093 accounts below £1,000 with a cumulative value of £138,141.56 have been written off under delegated powers. A further 45 accounts in excess of £1,000, and totalling £85,224.68, require elected Member approval to be written off. These accounts relate to 2 businesses that have gone into liquidation and 43 individual debtors who have either been sequestered or where Legal & Protective Services have been unable to trace or take action against the debtor.

Although it is proposed that the accounts be written off as irrecoverable, further attempts will be made to recover the debts through Stirling Park Sheriff Officers, where possible. Since April 2007 debt previously written off totalling £680,566 has been passed to Stirling Park for collection and to date they have collected £18,888 (2.78%).

The Executive agreed to (a) note the sums written off under delegated powers; and (b) approve the write off of individual debts with balances over £1,000, as set out in the appendix to the report.

## **12. North Ayrshire Community Planning Partnership Board: Minutes of Meeting held on 19 March 2009**

Submitted report, being the Minutes of a Meeting of the North Ayrshire Community Planning Partnership Board held on 19 March 2009.

Noted.

The meeting ended at 2.50 p.m.