

The Executive of North Ayrshire Council
26 January 2010

IRVINE, 26 January 2010 - At a Meeting of The Executive of North Ayrshire Council at 2.30 p.m.

Present

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

Also Present

Matthew Brown, Margie Currie, Anthea Dickson, John Hunter and Ronnie McNicol.

In Attendance

E. Murray, Chief Executive; B. Docherty, Corporate Director (Social Services); C. Kirk, Corporate Director and J. Leckie, Head of Service (Educational Services); I.T. Mackay, Assistant Chief Executive (Legal and Protective); A. Herbert, Assistant Chief Executive and D. Nibloe, Chief Accountant (Finance); O. Clayton, Head of Housing and Building Services and C. Hatton, Head of Environment and Related Services (Property Services); J. Montgomery, General Manager, M. Adams, Policy and Performance Officer, C. Rowney, Communications Officer and M. Anderson, Committee Services Officer (Chief Executive's Service).

Also In Attendance

A. Haseeb, Senior Manager (Audit Scotland).

Chair

Councillor O'Neill in the Chair.

1. Declarations of Interest

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

2. North Ayrshire Leisure Limited (NALL): 2010-13 Business Plan

The Executive received a presentation by the Chief Executive, North Ayrshire Leisure Limited (NALL) on the company's Business Plan for 2010-13.

The presentation provided details of:-

- customer visits to NALL facilities in 2008/09;
- a number of new developments by the company in areas such as subscriptions, outdoor sports and arrangements to support talented sports people;

- issues and actions for the forthcoming year and beyond, including the implications of the temporary closure of Auchenhavrie ice rink and the anticipated future closure of the Magnum, energy management and procurement, the maintenance of facilities, variable demand and customer visits, employee costs and the proposed introduction of automated point of sale systems; and
- the company's priorities for 2010, such as the replacement of leisure facilities, the 2014 Commonwealth Games, community programmes and measures to seek to close the Business Plan deficit.

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

- the type of automated entry systems proposed;
- any assumptions within the Business Plan in terms of a continuation of the extended provision of swimming lessons for primary school children;
- the nature of the drop in some outdoor sports usage, offset by an increase in the use of the K:A campus synthetic pitches;
- affordability issues in relation to the provision of any further synthetic sports pitches;
- the anticipated reduction in staff numbers as a percentage of the overall staffing level;
- the reasons for the comparatively low figure for pool usage in North Ayrshire;
- the cost and savings implications of any closure of the Magnum and/or sports hall;
- the potential for local branding in connection with the 2014 Commonwealth Games;
- plans to support and encourage volunteering in relation to the Commonwealth Games and beyond;
- support for talented sports people; and
- how savings targets had been translated into the Business Plan.

The Executive agreed to recommend to the Council that (a) year 1 of the North Ayrshire Leisure Limited Business Plan for 2010-13 be approved, subject to the outcome of separate consideration by the Council in respect of the free swimming lessons for primary school pupils initiative and support for Garnock pool; and (b) years 2 and 3 of the Business Plan be the subject of further discussion between officers of the Council and North Ayrshire Leisure Limited.

3. Revenue Budget 2009/10: Budgetary Control Statement

Submitted report by the Assistant Chief Executive (Finance) on the budgetary control position for the Council at the end of November 2009.

The General Services and Housing Revenue Account (HRA) Revenue Budgets for 2009/10 were approved at a special meeting of the Council on 12 February 2009. In terms of General Services, the Council budgeted for an end of year deficit of £0.225m in 2009/10 and agreed to fund various one-off projects from balances.

Current expenditure and income levels suggest a net surplus of £0.962m by 31 March 2010. With a favourable balance of £9.474m brought forward from 2008/09, a cumulative surplus of £10.211m is projected at 31 March 2010. The accumulated surplus on the Housing Revenue Account is projected to be £2.375m. The report and appendices provided details of major variances in the budget to the end of November 2009.

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

- the transfer of funds to reserves to provide for a potential shortfall in the return of deposits from Icelandic banks; and
- the budgetary control position for the Technical Services element of Property Services, as contained in Appendix 4 to the report.

The Executive agreed to (a) approve the balances outlined in the report; and (b) refer the report to the Scrutiny Committee for information.

4. Capital Monitoring to 30 November 2009

Submitted report by the Assistant Chief Executive (Finance) on the position in respect of capital expenditure at 30 November 2009 and the development of proposals for the period 2010 to 2013.

The capital budgets for the period 2009-2012 were approved at a special meeting of the Council held on 12 February 2009. The budgets, which were revised by the Executive on 18 August and 17 November 2009, are currently being reviewed as a result of further discussions with Services and matters raised at the Members' Seminar on 14 January 2010. A further report will be submitted to the Special Meeting of the Executive on 11 February 2010, making recommendations on changes to the capital plan for 2010-13 in the light of these developments.

The report and appendices provided information on actual expenditure on capital projects in respect of the General Services Fund and Housing Revenue Account for the period ending 30 November 2009.

It was noted that the Chief Executive had instituted a new protocol for prioritising capital projects.

The Executive agreed to (a) note (i) the actual expenditure to 30 November 2009 against budgets previously approved and (ii) that recommended revisions to the agreed budget be referred to the budget meeting of the Executive on 11 February 2010; and (b) refer the report to the Scrutiny Committee for information.

5. Sundry Debtors Write Off

Submitted report by the Assistant Chief Executive (Finance) on balances written off under delegated powers and requesting authority to write off balances over £1,000 as set out in the appendix to the report.

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 Assistant Chief Executive (Finance), whilst debts of between £500 and £1,000 may be written off by the Assistant Chief Executive (Finance) following consultation with the Chief Executive. Individual debts over £1,000 require the approval of the Executive before being written off.

The appendix to the report provided details of 429 accounts below £1,000 with a value of £42,467.79 that have been written off under delegated powers. A further 39 accounts in excess of £1,000 totalling £20,116.17 require Executive approval to be written off. 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 £801,204 has been passed to Stirling Park for collection and, to date, a sum of £31,700 (3.96%) has been recovered.

The Executive (a) noted the sums written off under delegated powers; and (b) authorised the write off of debts over £1000, as set out in the appendix to the report.

6. Local Housing Strategy 2010-2015

Submitted report by the Head of Housing & Building Services (Property Services) on progress in relation to the development of a new Local Housing Strategy 2010-2015.

The Housing (Scotland) Act 2001 places a statutory requirement on all local authorities to prepare a Local Housing Strategy (LHS). Under the Housing (Scotland) Act 2006, there is also a statutory requirement for the LHS to address private sector housing conditions.

The LHS requires to be published between the end of the consultation period on the Development Plans Main Issues Report at the end of March 2010 and the publication of the proposed Local Development Plan in December 2010. The format of the LHS will comprise a suite of documents, as detailed in Appendix 1 to the report, with each document addressing a specific strategic topic area.

Craigforth Consultancy has been commissioned to investigate and prepare two strands of the strategy, namely LHS: Housing Support and LHS: Private Sector, by the end of March 2010. A procurement exercise will be undertaken to appoint a consultant to lead on LHS: Sustainability, with a view to the resulting strategy being completed in May 2010.

A key component of the LHS: Investment is the Council's Business Plan for its own housing stock. The Council put in place a 30-year business plan in 2005, with a commitment to review the Business Plan after 5 years. The report proposed that a working group involving Elected Member and tenant representation be formed to take this task forward. Core elements of the task will be determining rent levels, assessing progress against the Scottish Housing Quality Standards, identifying future investment priorities and exploring the scope for Council house building.

Housing Services staff will develop all other strands of the LHS in partnership with relevant stakeholders.

Members asked questions, and received clarification, on the current position in terms of the mainland Housing Needs and Demand Assessment and stock consideration surveys and the importance of Elected Member involvement in the proposed Business Plan Working Group.

The Executive agreed (a) to approve the proposed format of the Local Housing Strategy, as detailed within the report; (b) to establish an HRA Business Plan working group to take a strategic approach to investment in Council housing; and (c) that Elected Members be invited to be nominated to serve on the working group.

7. Options Appraisal of Potential Alternative Service Delivery Arrangements for North Ayrshire Council Building Services Function

Submitted report by the Chief Executive on a proposal to engage consultants to provide North Ayrshire Council with advice on the widest set of options for consideration relating to potential alternative service delivery arrangements for the Council's Building Services function, including timescales.

A Scottish Housing Regulator inspection of North Ayrshire Council Housing Services carried out in April and May 2008 raised concerns about the extent to which the Council was able to demonstrate that its approach to procurement and performance management of work carried out through Building Services represented value for money. A Service Improvement Plan was submitted to the Executive in September 2008 and progress on this was noted at a meeting of the Executive on 27 June 2009.

The three main components of the Council's major building services revenue work are (a) general maintenance and remedial work for housing properties, (b) maintenance and repair of non-housing properties, such as schools, offices and public buildings and (c) other internal works, such as replacing kitchens, windows and bathrooms in housing properties. These works are currently carried out by the Building Services division of Property Services and account for around £20m of work involving just under 300 staff.

Contracts for this work were originally concluded in 2001 for a period of 3 years, with an option to extend for a further 2 years. The contracts have been extended on a number of occasions since then. However, the contract position for this work requires to be rectified in order to comply with the Public Contracts (Scotland) Regulations 2006 and with the requirement to obtain best value under the Local Government in Scotland Act 2003.

The report proposed that the Council engage consultants to examine the work currently carried out by Building Services and provide a report setting out a comprehensive range of options for the work, together with clear guidance on which of these options would most clearly demonstrate best value for the Council. Section 3.4 of the report set out the issues to be covered by the appraisal exercise, the outcome of which is expected by June 2010.

Members asked questions, and received clarification, on the current expiry date of the extended building services revenue work contract and on the role of Technical Services.

The Executive agreed (a) to engage consultants to provide the Council with advice on the range of service delivery options for consultation, including timescales; and (b) otherwise to note the contents of the report.

8. Irvine Bay Urban Regeneration Company - Transfer of Land

Submitted report by the Assistant Chief Executive (Legal and Protective) on the proposed formal transfer of land at Marine Drive, Irvine to Irvine Bay Urban Regeneration Company (URC).

At its meeting on 13 February 2007, the Council approved the funding arrangements for the Council's support to Irvine Bay Urban Regeneration Company. This involved a package of capital and revenue support to the company over a 12-year period. Part of the approved capital contribution of £23m comprised Council-owned land which could be transferred to the URC. A number of areas of land were provisionally identified as being suitable for development by, or with assistance from, the URC.

The URC has been marketing a number of sites, including land at Marine Drive, Irvine, shown in plots 1-3 in the plan at Appendix 1 to the report. The District Valuer has valued this site at £1m. The report proposed that the land be transferred to the URC at nil cost as a capital contribution to the work of the Regeneration Company.

The Assistant Chief Executive (Legal and Protective) advised that a request had been made by the developer for a further small piece of land be included in the proposed transfer, but that this had not yet been submitted to the Board of the URC and the matter may, therefore, require to be the subject of future consideration by the Executive in due course.

Members asked questions, and received clarification, on:-

- the issue of any public rights of way pertaining to the land;
- demand for a proposed golf course on the site given falling golf usage figures experienced by North Ayrshire Leisure Limited;
- how the proposed development of the site might contribute to local regeneration; and
- current maintenance arrangements for the beachpark.

The Executive agreed (a) to the formal transfer of ownership of land at Marine Drive, Irvine, to Irvine Bay Urban Regeneration Company; (b) to authorise the Assistant Chief Executive (Legal and Protective) to obtain the Scottish Ministers' consent for the transfer in terms of Section 74(2) of the Local Government (Scotland) Act 1973; and (c) that the Chief Executive of the URC be requested to give a presentation to a future meeting of the Executive on the regeneration objectives associated with land transfers, with all Members invited to attend.

9. Kilbirnie: 16 School Wynd: Kilbirnie Registration Office

Submitted report by the Head of Infrastructure & Design Services (Property Services) on the proposed disposal of Kilbirnie Registration Office to Strathclyde Police.

In August 2008, Kilbirnie Police Station was severely flood damaged when the River Garnock breached its banks. As a result, Strathclyde Police decided that the property was uneconomical to repair and identified the need for alternative premises. Following an extensive search by Strathclyde Police, Kilbirnie Registration Office has been identified as the most appropriate premises for the relocation of the Police Service. A sale price of £185,000 has been provisionally agreed with Strathclyde Police and Strathclyde Police Joint Board has authorised the purchase. The Registration Service itself can be accommodated within a room in Kilbirnie Branch Library.

The Executive agreed to approve the disposal of Kilbirnie Registration Office to Strathclyde Police for the sum of £185,000.

10. Public Sector Equality Duty: Consultation

Submitted report by the Chief Executive on a proposed response to a consultation of specific duties proposed under a new public sector equality duty.

The Equality Bill was introduced in the House of Commons on 24 April 2009 and has now progressed to the House of Lords.

Comments are being sought on the specific duties which may assist authorities in delivering on a new general equality duty. The new equality duty brings together the existing duties on race, gender and disability and extends the duty to cover sexual orientation, age, religion or belief, pregnancy and maternity and gender re-assignment. The duty has two parts, namely a general duty in terms of the need to eliminate unlawful conduct, advance equality of opportunity and foster good relations, and specific duties to be set out in secondary legislation.

The consultation questions were set out in the appendix to the report, together with proposed responses to each question.

The Executive agreed to (a) approve the response to the consultation, as set out in Appendix 1 to the report; and (b) to note that individual Elected Members may also wish to submit their own consultation response.

11. The Outcome of the Independent Inquiry into Abuse at Kerelaw Residential School and Secure Unit

Submitted report by the Corporate Director (Social Services) on the outcome of the Kerelaw inquiry and the subsequent self assessment audit of practice undertaken within North Ayrshire Council's residential children's units.

An inquiry was commissioned by the Scottish Government and Glasgow City Council in November 2007 to secure a comprehensive insight into the circumstances that led to abuse at Kerelaw residential school and secure unit over the period from 1996 until the school's closure in 2004. The unit, which was located in North Ayrshire, was managed by Glasgow City Council.

The main conclusions of the inquiry, together with nine key recommendations, were set out in Section 2 of the report. In May 2009, the Minister for Early Years wrote to all local authorities suggesting that all providers of residential child care should review current practice and identify areas for improvement in the light of the inquiry report. North Ayrshire Council Social Services Children and Families Senior Management duly instructed that a self-evaluation audit of its 5 residential child care units be carried out.

The conclusions of the North Ayrshire Council residential child care services audit were set out in the appendix to the report. A number of areas of good practice were identified, together with areas for ongoing development. The audit concluded that Social Services were confident that appropriate standards were in place to ensure the wellbeing of young people accommodated in their children's units.

Members requested, and received, clarification on the use of specialist consultants for the provision of some staff training.

Noted.

12. Procurement of a Residual Waste Treatment Facility

Submitted report by the Head of Environment & Related Services (Property Services) on the actions taken to date to procure an Energy from Waste facility to treat residual waste.

At its meeting on 30 September 2008, the Executive agreed to enter into negotiations with a private sector provider for the provision of an Energy from Waste facility in partnership with East and South Ayrshire Councils. A Member/Officer Project Board, consisting of representatives from the 3 partner Councils, was subsequently formed and a partnership agreement made to progress the procurement exercise.

At its meeting on 31 March 2009, the Executive agreed to allocate funding from the 'Zero Waste Fund' to appoint a Project Manager and associated administrative support, along with specialist technical, financial and legal advice to assist in the procurement process.

The Project Board has agreed that a contract for a period of 25 years, with an option to extend for a further 5 years, should be offered. The Board further agreed to utilise the EU Competitive Dialogue procurement process. A procurement timetable, set out in Section 2.3 of the report, has been developed.

6 Pre-Qualification Questionnaires were received as part of the procurement process. These were evaluated by Officers of the Project Board and 5 of the 6 bidders will be taken forward.

Members asked questions, and received clarification, on the potential for a combined heat and power facility and on the value of providing a seminar in due course to provide Elected Members with further information on plans for the residual waste treatment facility.

Noted.

13. International Financial Reporting Standards (IFRS) in Scottish Local Government

Submitted report by the Assistant Chief Executive (Finance) on implications arising from the requirement to adopt IFRS.

Local authorities are required to adopt International Financial Reporting standards by the 2010/11 financial year. As IFRS-compliant comparative data will be required for the 2008/10 financial figures, all authorities will need an opening Balance Sheet as at 1 April 2009.

The Council has engaged CIPFA (the Chartered Institute of Public Finance and Accountancy) and PwC (PricewaterhouseCoopers) to provide technical advice and support throughout the whole IFRS transition process. Section 3 of the report detailed the 5 largest pieces of work which will require to be undertaken in order to prepare IFRS-compliant financial statements. These relate to:-

- the preparation of First Time Adoption and Accounting Policies,
- the review of property leases,
- the application of standards in relation to Public Finance Initiative (PFI)/ Service Concessions,
- changes to fixed asset accounting and
- an analysis of employee benefits.

The Executive agreed to (a) note the changes to the Accounts and the potential impact on balances as a result of IFRS; and (b) refer the report to the Scrutiny Committee for information.

14. Purchased Home Care Services

Submitted report by the Corporate Director (Social Services) on the current contractual arrangement with independent care at home providers and seeking approval for a one year extension to current arrangements.

Approximately 1,600 mainly vulnerable older people receive home care services which support them to remain in their own homes. Home care is provided by the Council directly and also purchased from independent sector providers.

Social Services carried out a tendering exercise in 2006 to purchase care at home services on a block contract basis and contracted with 4 providers for a total of 1,467 hours per week. The contracts, with fixed financial arrangements, were agreed with a term of 3 years, from 1 April 2007 until 31 March 2010, and with an option to further extend.

The report proposed that the Council exercise the option to extend the existing arrangements for a period of 12 months, until 31 March 2011 and increase the hourly rate to providers by 2.6%. This would allow Older People's Services time to carry out a review of the service and take into account national developments progressed through COSLA.

The Executive agreed to extend the current contract with its independent care at home providers for a further year, from March 2010 until March 2011 on the terms set out in the report.

The meeting ended at 4.00 p.m.