

Corporate Strategy Committee
9 March 1999

Irvine, 9 March 1999 - At a Special Meeting of the Corporate Strategy Committee of North Ayrshire Council at 3.30 p.m.

Present

James Clements, Jack Carson, Ian Clarkson, Stewart Dewar, John Donn, David Gallagher, Jane Gorman, James Jennings, Thomas Morris, Robert Rae and Robert Reilly.

In Attendance

The Chief Executive, the Corporate Directors (Educational Services, Property Services and Social Services), the Assistant Chief Executives (Finance and Legal and Regulatory), F. Keddilty, Head of Service (Educational Services), G. Lawson, Principal Policy/Administration Officer and S. Bale, Administration Officer (Chief Executive's).

Chair

Mr Clements in the Chair.

Apologies for Absence

Thomas Dickie, Samuel Gooding, John Sillars and George Steven

1. *Transfer of Surplus from the Housing Revenue Account (HRA) to General Revenue Services*

Submitted report by Assistant Chief Executive (Finance) on the transfer of resources from the HRA to the General Services Account.

On 16th February 1999, the Council agreed (a) to approve the Housing Revenue Account Budget for 1999/2000 at £31,284,000; and (b) that there be no rent increase applied to North Ayrshire Council housing stock. On this basis, it is estimated that a surplus balance of £2,086,700 will be carried forward to 2000/01, without any detrimental effect on services.

With regard to the preparation of the General Revenue Services Estimates relative to Council Tax, a potential shortfall of £4 m has been identified. Unless resources are found to meet this shortfall, the Council may be penalised by the withdrawal of an element of Government Support. Various options to address this shortfall have been examined, including the possible transfer of the sum of £2 million from the HRA surplus to General Services. Whilst this transfer would remove the balances available to the HRA, it would have no detrimental impact on the service in 1999/2000. Any other options would have serious implications for the service provision.

The Committee agreed to approve the transfer of £2 million from the HRA to General Services for the period to 31st March 2000.

2. *Revenue Estimates and Council Tax Banding 1999/2000*

Submitted report by Assistant Chief Executive (Finance) on the proposed Expenditure and Income Requirements for 1999/2000 and the Council Tax Bandings.

The Revenue Estimates for 1999/2000 have been prepared to reflect the financial resources required by the Council to fund its services and have also taken into account the Government's

expectations of Councils spending at their Expenditure Guidelines and Council Tax increases of not more than 5%, as well as the Government's prioritisation of services within Education and Social Work. The Estimates also address the key issues of (i) maintaining existing services; (ii) new burdens and pressures identified in the Government's settlement for 1999/2000; (iii) minor service enhancements; (iv) inflation; (v) other expenditure requirements in 1999/2000; (vi) the deficit brought forward; (vii) income from Central Government; and (viii) income from the Community Charge (Poll Tax) previously written off. The transfer of resources from the Housing Revenue Account, approved at Item 1 above has also been taken into account. In addition, funding of £2.490 m is required to meet the shortfall, in order to satisfy the Government's expectations on Guidelines and Council Tax increases. It is proposed to meet this shortfall by the following measures:-

£0.290m	.. Savings from restructuring of Council services in 1998/99	
£0.200m	.. Amending probable outturn for 1998/99 to reflect savings initiatives	
£0.600m	.. Capitalisation of items of revenue expenditure which could be classed as capital	
	.. Revising probable outturn for 1998/99 by implementing accounting practices for collection of outstanding Poll Tax arrears	<u>£1.400m</u>
£2.490m		

The total budgeted expenditure for 1999/2000 is £184,385m. Taking into account all details, the Council will require to finance £35.278m of its budgeted expenditure from the Council Tax.

The Committee agreed (a) to approve the Revenue Estimates for 1999/2000; and (b) to recommend that the Council Tax for 1999/2000 be set as follows:-

Band	Valuation Band	Full Council Tax	Discounted Council Tax 25%
A	Under £26,999	£525.33	£394.00
B	£27,000 - £34,999	£612.89	£459.67
C	£35,000 - £44,999	£700.44	£525.33
D	£45,000 - £57,999	£788.00	£591.00
E	£58,000 - £79,999	£963.11	£722.33
F	£80,000 - £105,999	£1,138.22	£853.67
G	£106,000 - £211,999	£1,313.33	£985.00
H	Over £212,000	£1,576.00	£1,182.00

3. Domestic Sewerage and Water Charges 1999/2000

Submitted report by the Assistant Chief Executive (Finance) on the Domestic Water and Sewerage Charges.

The West of Scotland Water Authority (WOSWA) is responsible for determining a scheme of charges to be levied for the provision of domestic and non-domestic sewerage services. WOSWA is required to submit the proposed Scheme of Charges to the Scottish Water and Sewerage Customer Council for agreement. The proposed charges for 1999/2000 have now been approved by the Scottish Water and Sewerage Council. The increases range from 15.84% to 28.28%. Relief on the level of sewerage charge for domestic use has been phased out for 1999/2000. The domestic charges will be incorporated into the Council Tax bills and the non-domestic charges and metered charges will be reflected in accounts issued directly by WOSWA.

Noted.

4. Proposed North Ayrshire Leisure Trust

Submitted report by the Assistant Chief Executive (Legal and Regulatory) on the results of the Consultant's report and the action to be taken to establish the NPDO for Leisure Services.

On 5th January 1999, the Committee approved the appointment of Deloitte Touche as Consultants to assist in the formation of a Leisure Trust. Deloitte Touche have now produced their report which was considered by the Steering Group on the proposed North Ayrshire Leisure Trust at their meeting on 5th March 1999.

As part of the process of establishing a Leisure Trust, it is necessary to transfer assets from the Council to the Trust body. Such transfer in the form of a lease, if not undertaken for the best value that can be realised, requires the consent of the Secretary of State in terms of Section 74(2) of the Local Government (Scotland) Act 1973. Notice has been received from the Scottish Office that, as a result of the impending creation of a Scottish Parliament and Scottish Executive, the authority to consent to such transfers may pass to the new Executive, and consequently the Secretary of State has advised that he will not issue such consent after 31st March 1999. The timescale previously approved by the Committee has therefore required to be advanced, in order to meet the Scottish Office requirements.

Deloitte Touche were instructed to carry out a review of the options for the future management of its leisure facilities, on the basis of the Council's policy objectives of (i) maintaining the present level of facilities and service for the communities in North Ayrshire; (ii) obtaining new investment for service responsiveness and development; (iii) allowing greater flexibility of policy, marketing and management of sport and leisure services including enhanced community participation and "ownership"; and (iv) maintaining local employment levels in sport and leisure. Their report concludes that the most advantageous way forward would be an all charitable Non-Profit Distributing Organisation (NPDO). It further advises that an NPDO would offer the lowest operational cost basis and would also provide significant policy benefits in terms of increased community involvement in service delivery.

After discussion, the Committee agreed (a) to establish an NPDO for the provision of Leisure Services in North Ayrshire; (b) that the services described in Appendix 1 to the Report be undertaken by the NPDO; (c) that further consideration is given to the transfer of the Additional Services to the NPDO as described in Appendix 1; (d) that the properties listed in Appendix 2 to the Report be transferred to the NPDO on a 20 year lease on equitable terms and that it be noted that Largs Promenade Car Park will not transfer; (e) that the staff currently operating wholly or substantially in any of the facilities and services to be transferred to the NPDO transfer to that organisation and that TUPE provisions apply; (f) that the Council be responsible for the employees' liabilities in respect of application to the Strathclyde Pension Fund for transferring employees; (g) that the NPDO be formed either on the basis of an Industrial and Provident Society established under the Friendly Societies Act or a Company limited by guarantee under the Companies Acts

and that in either case the body will obtain charitable status from the Inland Revenue; (h) that the composition of the Board of Management comprise no more than 25% of Elected Members with the balance being taken from the staff, the local business community and local community groups; (i) that the Chief Executive make formal application to the Secretary of State for consent to the transfer of the assets listed in Appendix 2 in terms of Section 74 (2) of the Local Government (Scotland) Act 1973; (j) to approve the allocation of resources by North Ayrshire Council to the NPDO on an annual basis of deficit funding of the agreed services as set out in Section 5 of the Report; (k) that in the event that further decisions are required by the Secretary of State on the terms of the transfer, to delegate powers to the Chief Executive, in consultation with the Chair to take such decisions; and (l) that a further Report be submitted to the Committee at an early date on the progress of establishing the NPDO.

5. *Nursing and Residential Home Rates 1999/00*

Submitted report by the Corporate Director (Social Services) on a proposal to adjust the approved rate for residential accommodation provided by voluntary and private nursing and residential care homes.

On 24th January 1996, the Council agreed to adopt the former Strathclyde Regional Council scheme of setting its approved rate for nursing homes and voluntary/private residential care homes at the same level as Department of Social Security (DSS) rates, which has been used effectively since then as the basis of further uprates. Under the terms of the current contracts, nursing and residential care homes will be notified of the Council's approved rate and are required to give notice for their next year's charges prior to 1st April 1999. Where their charges exceed DSS residential rates and the Council approved rates, the difference should be funded by third party contributions.

The Committee agreed (a) to adjust the residential accommodation charges in accordance with the Department of Social Security benefits uprate for 1999/2000; and (b) to approve the rates as detailed in the Appendix to the report.

The meeting ended at 4.00 p.m.