

Corporate Strategy Committee  
9 May 1996

**Irvine, 9 May 1996** - At a Special Meeting of the Corporate Strategy Committee of North Ayrshire Council at 3.30 p.m.

**Present**

James Clements, Thomas Barr, Jack Carson, Ian Clarkson, John Donn, David Gallagher, Margaret Highet, Jane Gorman, James Jennings, Joseph McKinney, Elizabeth McLardy, Thomas Morris, Margaret Munn, David Munn, Alan Munro, David O'Neill, Robert Rae, Robert Reilly, John Sillars, George Steven, Samuel Taylor and Richard Wilkinson.

**In Attendance**

B. Devine (Chief Executive), R. Hunter (Director of Financial Services), J. Travers (Director of Education), G. Irving, (Director of Social Work), T. Orr (Director of Housing Services), R. Loney (Director of Planning, Roads and the Environment), M. Gallagher (Director of Community and Recreational Services), W. Cowan (Director of Commercial Services), B. Macdonald (Head of Corporate Business), J. Leckie (Head of Education Services), I. Mackay (Legal Services Manager), E. Murray (Information Technology Services Manager), M. Marshall (Architectural Services Manager), G. Lawson (Principal Officer, Policy/Administration), W. Nichol (Accountant) and J. Bannatyne (Administration Officer).

**Chair**

Mr. Clements in the Chair

**Apologies for Absence**

Patrick Browne, Stewart Dewar, Thomas Dickie, Samuel Gooding and Peter McNamara.

**1. Capital Programme 1996/97 (HRA)**

Submitted report by the Director of Housing Services on the draft programme for the HRA Capital Programme for 1996/97.

The recent change in the use of capital receipts whereby only 75% of capital receipts can be used to fund the HRA Capital Programme in 1996/97 has had the effect of reducing the Central Resource Planning Assumption figure for 1996/97 from £8.5m to £6.7m.

The allocation figure of £6.7m assumes certain levels of capital receipts from Right To Buy and other disposals including an assumption that the Council will dispose of 1% of their housing through stock transfer to an alternative landlord resulting in a capital receipt of approximately £600,000. CFCR of £1.95m approved by the Council together with a carry forward of £1.3m on the 1995/96 capital programme carried forward to 1996/97 should also be taken into account producing an effective allocation of £9,950,000.

The Director of Housing Services indicated that there may have to be a greater reliance on Housing Associations for additional involvement in the new build programme for which the Council will be unable to provide the necessary funding in future years. More resources will be directed towards North Ayrshire Council's own housing stock and more is being spent per house than in

previous years. Although substantial monies are legally committed, the proposed programme will maintain levels of investment in the Council's own stock while addressing the needs of the Homeless and Community Care groups as well as other strategic priorities including energy efficiency, health and safety and security.

The Council agreed to approve the draft programme (Appendix CS1) on the terms indicated in the report.

## **2. Capital Programme 1996/97 (Other Services)**

### **(a) Financial Plan for 1995**

Submitted financial plan for 1995 as returned to the Scottish Office and approved by the Corporate Strategy Committee on 22 January 1996.

The Director of Financial Services advised of the changes made by the Scottish Office whereby there is now one single allocation covering all services other than Housing (HRA) which is still given a separate allocation; which has resulted in a reduction in capital consent.

Noted.

### **(b) Capital Allocation for 1996/97/New Projects**

Submitted report by the Director of Financial Services on the legally committed capital programme as returned to the Scottish office and the capital allocation for 1996/97 including details of the sum available for new projects.

The sum of £8,635,000 has been inherited by North Ayrshire Council from Cunninghame District Council/Strathclyde Regional Council which is legally committed and forms the basis of the Council's capital consent. Funding for new projects amounts to £1,295,000 includes estimated capital receipts and it may be that other receipts may be realised during the current financial year.

Noted.

### **(c) Capital Plan: Priorities Proposed by Directors**

Submitted report by the Director of Financial Services and the priorities for the capital plan as proposed by the Directors of the various services.

The Committee agreed to note the position meantime.

### **(d) Capital Projects: Resources Available**

Submitted report by the Chief Executive on the total resources available for capital projects for 1996/97 and on a possible capital plan for all services other than Housing (HRA).

As stated above, North Ayrshire Council have inherited a legally committed programme from the predecessor authorities amounting to £8.635m. The Council's actual capital resources available for 1996/97 cannot therefore be fully ascertained until (i) the Scottish Office have confirmed their understanding of the Council's legally committed totals, (ii) the actual capital receipts or additional capital receipts available to the Council have been secured and (iii) any other financing mechanisms have been identified by the Director of Financial Services and approved by the Council. It will perhaps be necessary to phase the capital programme in accord with the cash flow of receipts etc. in order that it can be achieved within the financial year.

Subject to the Scottish Office accepting the total of £8.635m for all legally committed programmes inherited from the predecessor authorities, approximately £1.5m will be available for new projects and will secure an immediate first phase of capital programme. Additional funding may become available from capital receipts and through the harmonisation of treatment of loans funds debt and practices of the predecessor authorities. The leasing of vehicles has to be

considered particularly in view of the very high commitment for returned vehicles and the standard of vehicles inherited from the predecessor authorities.

A draft plan was submitted indicating a possible programme for all services for 1996/97. The plan shows the potential available for enhancing the basic allocation of resources for projects subject to additional funding being secured through capital receipts etc. and also assumes substantial leasing particularly of vehicles in place of purchase through Section 94 allocations

Concern was expressed over the introduction of a single capital allocation which could lead to the marginalisation of the resources made available to authorities for the private housing sector in the form of discretionary and mandatory housing grants and in the pursuance of housing action areas. The reintroduction of a separate allocation for Housing Non HRA would allow authorities to deal in a comprehensive way with housing in its area in terms of its Housing Plans etc.

Having heard the Chief Executive and Director of Financial Services the Committee agreed (a) to note the level of capital resources immediately available and the total resources potentially available; (b) to determine a programme for the use of all resources (subject to approval of (e) below) but capable of being phased or controlled within the financial year; (c) to approve the capital programme

(Appendix CS2) for 1996/97 for all services other than Housing (HRA) subject to phasing such as illustrated in the reports tabled at the meeting; and (d) to make representation to the Scottish Office regarding the reintroduction of a block allocation for Housing non-HRA together with Housing HRA as formerly to assist in the determination of comprehensive housing policies.

During the course of discussion Mr. McKinney expressed concern over the lack of play facilities at the new Castlepark Primary School. The former school had such facilities and there is dissatisfaction in the Castlepark area that these are now unavailable. A plan was drawn up by Cunninghame District Council to provide play facilities in the area but this has not been implemented due to lack of funding.

The Committee further agreed (a) that the Director of Community and Recreational Services be represented at a meeting of Castlepark Community Association, along with Mr. McKinney, to provide information on the plan for play facilities in the area; and (b) that the situation thereafter be monitored.

#### **(e) North Ayrshire Council Loans Fund**

Submitted report by the Director of Financial Services on the merits of changing the repayment of inherited Strathclyde Regional Council and Cunninghame District Council debt from Straight Line to Annuity Basis.

North Ayrshire Council has inherited Loans Fund Debt from Strathclyde Regional Council and Cunninghame District Council totalling £69m and £108m respectively. Glasgow City Council as Lead Authority who administer the former Strathclyde Regional Council Debt on behalf of the Strathclyde Unitary Authorities has converted the debt from Straight Line to Annuity Basis and the Council now has the option to repay the former Strathclyde Regional Council debt under this method. Straight Line repayments involve the same amount of principal being paid each year together with interest on the outstanding balance, thus payments reduce each year. Annuity repayments involves the same total amount of principal and interest being paid each year with low principal payments in the early years rising towards the end of the loan repayment.

North Ayrshire Council has assumed for budget purposes that, Straight Line Payments will be made on the former Strathclyde Regional Council debt. All Cunninghame District Council debt is also based on Straight Line Payments. The report outlined the benefits which would accrue to the Council if they were to change the Loan's Fund redemption from Straight Line to Annuity.

The Committee agreed (a) to authorise the Director of Financial services to convert the North Ayrshire Loans Fund from Straight Line to a Annuity Basis and to agree that Strathclyde Regional Council Debt administered on North Ayrshire Council's behalf by Glasgow City Council be repaid using the same method; and (b) that a sum of approximately £1.2m be transferred to the Repairs

and Renewals Fund to finance part of the General Services programme.

### **3. Educational and Cultural Links with Karmoy**

Submitted report by the Chief Executive on proposals for the further development of educational and cultural links between North Ayrshire and Karmoy.

It is proposed to maintain the cultural links which commenced last year with folk singers etc. travelling from North Ayrshire to Karmoy for the Karmoy Viking Festival in June and similar groups from Norway attending the Largs Viking Festival in September. The Directors of Education and Community and Recreational Services propose to send a joint party of young people to participate in the Karmoy Festival in June 1996 accompanied by appropriate staff. Two further types of educational exchanges in 1996/97 involving reciprocal visits of school pupils and study visits by teaching staff to look at specific aspects of the two educational systems are planned. Such visits can attract European Funding under a variety of programmes and information gathering visits to schools during the Festival have been arranged together with discussions with Elected Members responsible for Education in Karmoy, Senior Officers and Head Teachers. Details were also given of a number of further developments involving Education and Community and Recreational Services which are being considered for future years.

The Committee agreed (a) to approve the developments outlined in the report; and (b) having heard the Leader of the Council further, to approve the restricted representation for such visits in future years.

The meeting ended at 4.30 p.m.