

Corporate Strategy Committee
27 February 1997

Irvine, 27 February 1997 - At a Special Meeting of the Corporate Strategy Committee of North Ayrshire Council at 3.00 p.m.

Present

Patrick Browne, Jack Carson, Ian Clarkson, Stewart Dewar, Thomas Dickie, John Donn, Jane Gorman, James Jennings, Joseph McKinney, Thomas Morris, Robert Reilly and George Steven.

In Attendance

The Chief Executive; The Directors of Commercial Services; Education; Financial Services; and Social Work; The Head of Corporate Business; The Personnel Services Manager; The Head of Strategy and Development (Community and Recreational Services); The Head of Planning and the Environment (Planning, Roads and the Environment); and The Principal Officer (Policy/Administration).

Chair

Mr. Browne in the Chair.

Apologies for Absence

James Clements, David Gallagher, Robert Rae, John Sillars, Samuel Gooding, Samuel Taylor and David O'Neill.

1. Revenue Budget 1997/98

On 13 February 1997 a Special Meeting of the Corporate Strategy Committee agreed to approve the Draft Estimates for 1997/98 taking into account proposed savings and subject to any further announcement by the Secretary of State.

On 17 February the Secretary of State announced revised provisional capping principles along with confirmation of the Spend to Save Scheme previously announced. The revised capping principles have considerable budgetary implications for North Ayrshire Council. Under the revised capping principles the Council can spend 1.5% above their 1996/97 budget figure, the result being that the capping limit for the Council has been raised by an additional £1.284m to £141.433m.

The additional resources have implications for Council Tax levels as these resources will require to be found in full from the Council Tax. If the sum of £1.284m is taken into account the Council Tax Band "D" would rise to £724 i.e. 9.5% above the 1996/97 figure of £660 compared with £694 or 5.2% in the approved Draft Budget. However it is anticipated that the Council will collect further arrears of Poll Tax and it is proposed that £250,000 be included in the Revenue Estimates thus leaving the revised Council Tax Band "D" at £718 an increase of 8.79% on 1996/97.

Part of the savings achieved by the Council so far will have Capital and Revenue

implications in the current and future years. If the Council endeavour to maximise the spending power of the additional sum of £1.284m to support both Capital and Revenue budgets this would lay the foundations to address future resource requirements of the Council and also restore some savings which have already been made.

There is no sum for operating leasing charges for vehicles in the Revenue budget due to capping implications and consequently there is a bid for £3.1m included in the Capital Plan for 1997/98. A substantial element of this, approximately £2.3m, would require to be committed to enable the Council to continue operating their vehicles which would have a major impact on the resources available for new investment in the Capital Plan. If £450,000 were applied to a new leasing agreement for vehicles, this would allow some of the £2.3m of Capital to be invested elsewhere.

The report also detailed other areas of finance within Central Savings where Revenue expenditure has been Capitalised. The restoration of these sums into the Revenue budget would provide further Capital for the Council in 1997/98.

The report recommended that the following adjustments therefore be made to the Revenue Estimates for 1997/98 which will allow further resources to be allocated to the Capital Programme:-

	£000	£
Vehicle Leasing	450	2.3m Additional Capital
Capitalisation of Revenue Expenditure	400	.4m “ “
Capitalised Salaries	140	.140 “ “
Education Devolved School Budgets and APT Staffing	<u>325</u>	_____
	<u>1.315m</u>	<u>2.84m</u> Additional Capital

After discussion the Committee agreed (a) to approve the adjustments to the Revenue Budget as detailed in the report together with the implications of the Capital Budget; and (b) to recommend to the Council on 6 March 1997 that the revised Council Tax rate be £718 (Band “D” equivalent).

The meeting ended at 3.20 p.m.