

SOUTH AYRSHIRE COUNCIL.

Minutes of meeting in County Buildings, Wellington Square, Ayr,
on 1st July 2010 at 10.00 a.m.

- Present: Councillors Winifred Sloan (Provost), John Allan, Eddie Bulik, Andy Campbell, Douglas Campbell, Ian Cavana, Brian Connolly, Peter Convery, Hywel Davies, Ian Douglas, Stan Fisher, Ian Fitzsimmons, Ann Galbraith, Sandra Goldie, Bill Grant, John Hampton, Hugh Hunter, Mary Kilpatrick, Elaine Little, Mairi Low, John McDowall, Nan McFarlane, Bill McIntosh, Helen Moonie, Alec Oattes, Robin Reid, Philip Saxton, Tom Slider and Margaret Toner.
- Apology: Councillor Mike Peddie.
- Attending: D. Anderson, Chief Executive; J. G. Peterkin, Depute Chief Executive and Executive Director - Development and Environment; E. Howat, Executive Director – Corporate Services; H. Garland, Executive Director – Children and Community; C. Monaghan, Head of Policy, Performance and Communication; A. Wilson, Head of HR and Organisational Development; K. Leinster, Head of Community Care and Housing; H. Carswell; Head of Children’s Service; M. Newall, Head of Planning and Enterprise; J. McQuillan, Head of Property and Neighbourhood Services; V. Andrews, Head of Legal and Administration; D. Alexander, Head of Corporate Resources; W. Gray, Property and Asset Manager; R. Kingisepp, Officer Manager (Property and Asset Management); C. Downie, Public Communications Officer; and D. Knight, Committee Services Officer.
- Also attending: Peter Tait, Assistant Director Audit (Local Government); and Asif Haseeb, Senior Audit Manager.

1. Provost.

The Provost

- (1) welcomed Elected Members to the meeting;
- (2) advised that she had written, on the Council’s behalf,
 - (a) to the undernoted people from South Ayrshire who had been recipients of awards in the Queen’s Birthday Honours’ List, expressing the Council’s warmest congratulations:-
 - Davie Hunter, Girvan who had received an MBE for Services to Scottish Heritage and young people; and
 - Janet Booth, Ayr who had received an MBE for outstanding Services to the Royal Navy’s search and rescue service; and
 - (b) to Superintendent John Hazlett who had recently announced his retirement from Strathclyde Police after 31 years of service, wishing him a long and very happy retirement;

- (3) congratulated and thanked all those involved in the successful celebrations of the centenary of Prestwick promenade and seafront on Saturday, 26th June 2010 which had been supported by South Ayrshire Council, Scottish Power Renewables, EventScotland and National Lottery Awards for All, Prestwick North Community Council, Prestwick South Community Council and Prestwick Rotary Club and the local community and businesses; and
- (4) intimated that Councillors McDowall, Moonie and Goldie had submitted to the Depute Chief Executive and Executive Director - Development and Environment a number of Formal Questions, and that this matter would be taken after item 18.

2. Sederunt.

The Chief Executive called the Sederunt for the meeting.

3. Minutes of previous Council meeting.

The Minutes of 17th May 2010 (issued) were submitted and authorised to be signed as a correct record of this meeting.

4. Minutes of previous meetings of Panels.

The Minutes of the undernoted Panels (issued) were submitted and approved as a correct record of these meetings:-

- (1) Leadership Panel of 11th May and 8th June 2010.
- (2) Regulatory Panel of 13th May and 10th June 2010 and 24th June 2010 (Special).
- (3) Development and the Environment Standing Scrutiny Panel of 18th May and 15th June 2010.
- (4) South Ayrshire Local Review Body of 18th May 2010.
- (5) Community Services Standing Scrutiny Panel of 19th May and 16th June 2010.
- (6) Corporate and Community Planning Standing Scrutiny Panel of 20th May and 17th June 2010.
- (7) General Purposes Panel of 26th May 2010.
- (8) Appeals Panel of 9th June 2010 at 10.00 a.m. and at 2.30 p.m.
- (9) Rural Panel of 10th June 2010.
- (10) Chief Officers' Appointments / Appraisal Panel of 16th June 2010.
- (11) Scrutiny and Governance Management Panel of 22nd June 2010.

5. **Best Value Progress Report June 2010.**

Reference was made to the Minutes of 2nd March 2010 (Page 164, paragraph 11) when it had been agreed to approve the Council's draft submission to Audit Scotland and there was submitted a report (issued) of 25th June 2010 by the Chief Executive advising

- (1) that Audit Scotland had undertaken work in South Ayrshire in mid-April and had gathered evidence of progress through interviews with Elected Members and Officers together with Community Planning Partners;
- (2) that on 9th June 2010, the Controller of Audit had published a copy of the progress report being sent to the Accounts Commission and that on 25th June 2010, the Accounts Commission had published its findings, a copy of the Best Value Report incorporating the Commission's findings as detailed in Appendix 1 of the report;
- (3) that following the Crerar Review, the Scrutiny Bodies (Audit Scotland, the Care Commission, Her Majesty's Inspectorate of Education, the Scottish Housing Regulator and the Social Work Inspection Agency) now engaged in a collaborative approach to scrutiny and that for each local authority, they would undertake a shared risk assessment and determine a scrutiny programme for the coming three years proportionate to the assessed risk; and
- (4) that the risk assessment would be updated annually and that the output was the Assurance and Improvement Plan as outlined in Appendix 2 of the report.

Decided:

- (a) to note the publication of the Audit of Best Value and the Community Planning Progress Report June 2010 and the Assurance and Improvement Plan; and
- (b) to agree that an updated Improvement Plan be submitted to the Council on 7th October 2010.

6. **Priorities.**

There was submitted a report (issued) of 25th June 2010 by the Head of Policy, Performance and Communication

- (1) advising
 - (a) that this Council currently had a Vision underpinned by 4 themes, 14 aims and 43 objectives and that with the significant budget reduction expected in the coming years, there was a strong case for developing clear and precise priorities that set out areas of significant importance to the Council; and
 - (b) that a workshop had been held with Elected Members on 15th June 2010 to discuss priorities when it had been indicated that further consideration was required; and
- (2) proposing that following the summer recess, a workshop be arranged for Elected Members to focus on each individual priority area and then by a further workshop to review them collectively with the Community Planning Partners.

Decided:

- (i) to note the progress being made in developing priorities; and
- (ii) to agree that further work be undertaken by Elected Members following the summer recess to facilitate presentation of priorities to the Council on 7th October 2010.

7. Annual Accounts 2009/10.

There was submitted a report (issued) of 22nd June 2010 by the Executive Director - Corporate Services

- (1) providing an overview of the figures contained in the Abstract of Accounts for the year ended 31st March 2010;
- (2) explaining significant variations from the budget;
- (3) indicating how the 2009/10 out-turn impacted on the Council's overall financial position;
- (4) reporting
 - (a) that the Annual Accounts to 31st March 2010 showed an accumulated surplus of £13.418m and that after adjustment for the factors outlined in the report, the Council had uncommitted funds of £9.215m at 31st March 2010;
 - (b) that after adjusting for the issues outlined in the table at paragraph 4.2.6 of the report, uncommitted reserves of £8.592m were currently projected at 31st March 2011; and
 - (c) that best practice recommended that Councils should hold reserves of between 2 and 4 % of annual running costs, equivalent to approximately £5.367m to £10.734m for South Ayrshire Council and that the Council had committed to achieving an uncommitted balance of £8.000m by 31st March 2013; and
- (5) recommending that for the reasons outlined in this report, £1.000m be set aside to facilitate employee and property cost reductions and that the remaining uncommitted balance of £7.592m at 31st March 2011 be held in reserve at this time, with regular updates on the Council's overall financial position being submitted to the Leadership Panel throughout 2010/11.

Questions were raised by Members of the Council in relation to a breakdown of the Related Party Transaction disclosure in the Annual Accounts as it related to Elected Members and the latest position with regard to the South Ayrshire Council Icelandic bank deposits and the Executive Director - Corporate Services responded accordingly and advised that she would circulate further information to Elected Members on the breakdown of the Related Party Transaction disclosure.

Decided:

- (i) to note the contents of the report and that all figures remained subject to audit;
- (ii) to approve the accounting policies used in preparing the draft financial statements as detailed in the Annual Accounts and attached as Appendix 1 of the report;
- (iii) to approve the carry forward of funds to be spent on specific projects in 2010/11 as detailed in Appendix 2 of the report;
- (iv) to approve the set-aside of £1.000m to reduce workforce numbers and rationalise properties to reduce the budget gap for 2011/12;
- (iv) to agree that the balance of uncommitted funds of £7.592m at 31st March 2010 be held in reserve at this stage, for the reasons outlined in paragraph 5 of the report; and
- (v) to record their appreciation of the work undertaken on the Abstract of Accounts 2009/10 by the Executive Director – Corporate Services and her staff.

8. General Services Capital Programme 2009/2010: Out-turn Report as at Period 12 : 31st March 2010.

There was submitted a joint report (issued) of 18th June 2010 by the Depute Chief Executive and Executive Director – Development and Environment and Executive Director – Corporate Services

- (1) providing information on the actual capital expenditure and income together with progress made on General Services projects for the year ended 31st March 2010; and
- (2) advising
 - (a) that at the end of Period 12, actual expenditure stood at £16,738,280 as detailed in Appendix 1 of the report and that funding of £16,738,280 was available to fund this expenditure, of which £6,160,415 related to borrowing;
 - (b) that excluding the expenditure incurred in relation to work at the Gaiety Theatre, Ayr (as detailed at (d) below) and that based on an approved budget of £17,626,890, this equated to an overall spend of 94.18%;
 - (c) that this had led to unused resources of £446,551, of which £382,898 related to ring-fenced income in respect of the following, all of which required to be carried forward to 2010/11:-

• the Citadel Project	£ 86,802
• Other Specific Grants (including Strathclyde Passenger Transport and Cycling, Walking and Safer Streets	£296,096
TOTAL	<u>£382,898</u>

with unused borrowing in 2009/10 of £63,653;

- (d) that the total expenditure figure of £16,738,280 included an amount of £136,480 in relation to ongoing work at the Gaiety Theatre and that funding for this would be recovered from Ayr Renaissance during 2010/11 and that the Programme would be amended accordingly to take account of this funding;
- (e) that during the course of the year, the Leadership Panel was notified of a number of projects which were not anticipated to be completed during 2009/10 and that the appropriate funding had been transferred to 2010/11 to reflect the new profiled expenditure in relation to these projects;
- (f) that in a number of these projects however, expenditure in 2009/10 had exceeded the anticipated in-year budget but, was still within overall project budgets which had resulted in expenditure being funded by in-year borrowing and would be offset by a corresponding reduction in the 2010/11 programme budget and that these projects were as follows:-

• Roads Reconstruction Projects	£ 16,222
• Masonhill Crematorium	£ 11,920
• Contact Centre	£ 60,262
• Braehead Primary School	£ 26,141
• Maidens Primary School	£ 19,360
• McCall's Avenue	£ 113,593
• ICT	<u>£ 47,933</u>
TOTAL	<u>£ 295,431</u> ; and

- (g) that to complete the 2009/10 Programme, as identified in Appendix 1 of the report, a total of £878,458 was required, which would be funded through a combination of £446,551 relating to ring-fenced income and unused borrowing (as outlined at (c) above and at 4.3 in the report) and £431,907 in relation to income due in respect of work done to the Gaiety Theatre and a reduction in the 2010/11 Programme for projects where funding had been previously adjusted between 2009/10 and 2010/11 and expenditure was higher than estimated in 2009/10 (as outlined at (f) above and at 4.5 in the report) with the total funding being summarised as follows:-

• income carried forward	£ 382,898
• unused borrowing in 2009/10	£ 63,653
• Ayr Gaiety Theatre	£ 136,480
• projects re-profiled to 2010/11	<u>£ 295,431</u>
TOTAL	<u>£ 878,458</u>

Questions were raised by a Member of the Council in relation to progress being made with the works at the Gaiety Theatre and whether they were being contained within budget and within the timescales and the relevant Officer responded accordingly.

Decided:

- (i) to note the progress made to 31st March 2010 on the delivery of the General Services Capital Programme at Period 12 to 31st March 2010;
- (ii) to agree to carry forward £382,898 to spend on the Citadel and Other Specific Projects as outlined at (c) above and at paragraph 4.3 of the report ; and
- (iii) to agree to carry forward £493,605 to complete projects from 2009/10 in 2010/11.

9. Housing Capital Investment Programme 2009/10: Out-turn Report as at Period 12: 31st March 2010.

There was submitted a joint report (issued) of 18th June 2010 by the Depute Chief Executive and Executive Director – Development and Environment and Executive Director – Corporate Services

- (1) advising of the actual capital expenditure and income, together with progress being made on housing projects in 2009/10 for the year ended 31st March 2010; and
- (2) reporting
 - (a) that the total expenditure at the end of Period 12 was £7,904,080 as outlined in Appendix 1 of the report, based on a budget of £8,241,676 which represented expenditure in percentage terms of 95.90% and that actual income stood at £7,904,080;
 - (b) that in 2009/10, Capital Financing from Current Reserves (CFCR) of £6,598,559 had been required to fund the Programme; and
 - (c) that as detailed in Appendix 1 of the report, £337,596 had been requested to be earmarked as a draw on the accumulated surplus in 2010/11 to complete the 2009/10 projects during 2010/11.

Decided:

- (i) to note the progress which had been made on the delivery of the approved Housing Capital Investment Programme at Period 12; and
- (ii) to agree that resources of £337,596 be earmarked as a draw on the 2010/11 accumulated surplus to fund projects outstanding from 2009/10 as contained in paragraph 5.4 of the report.

10. Revenue Budget 2011/12.

There was submitted a report (issued) of 25th June 2010 by the Executive Director – Corporate Services

- (1) advising that in the national context
 - (a) the recent budget statement identified the need for a £113 billion deficit reduction package over the period from 2010/11 to 2014/15, £83 billion to be achieved from a reduction in spending and £30 billion from taxes;
 - (b) there was an initial expectation that the reductions might be 'front loaded' in the first 2 or 3 years, but this had proven to be unfounded;
 - (c) this deficit reduction package would result in a further £18.7 billion reduction in public spending, with a further maximum Barnett consequential for Scotland of £1.8 billion;
 - (d) over the period of the next spending review, the total cut to public service spending would be £55 billion;
 - (e) the outcome of the comprehensive spending review would not be available until October 2010, with the Scottish spending review outcomes to follow;
 - (f) the budget statement had committed not only to protecting the NHS budget, but to year on year 'real growth' until 2014/15 and that Health was 40 per cent of the Scottish budget, and this protection might be beneficial in terms of the Barnett allocation;
 - (g) commitments made by the Government make it unlikely that schools' education spend could be substantially cut and that Education was 15 per cent of the Scottish budget, and, again, this protection might prove beneficial;
 - (h) the one year Council Tax freeze in England and Wales was not binding in Scotland, but would have a potentially positive impact in terms of the Barnett allocation;
 - (i) whilst protection for the NHS nationally was positive for Scotland, a similar protection within the Scottish budget would have a detrimental effect on local government, in real terms, spending reductions rising from 12 to 18 per cent;
 - (j) protection of schools' expenditure at 46 per cent of Council spend would almost double the cuts required elsewhere;
 - (k) the assumed 12 per cent reduction for local government remained sound until Scottish Government priorities were clear; and
 - (l) the Strategic Finance Review Group had undertaken financial modelling on the funding gap, and had identified that the overall gap was predominantly based on demand and that a policy review was required moving forward to reduce demand and realign the balance between resources and service provision;

- (2) indicating that in the local context
 - (a) despite the lack of certainty around the level of reductions in public spending, the Council needed to continue to work on the latest assumptions of a 12 per cent reduction; and
 - (b) the work on developing the Council's priorities would clearly impact on the budget decisions that required to be taken in finalising the 2011/12 budget and that Officers have, however, identified areas where efficiencies could be achieved, as outlined in Appendix 1 of the report and that the detail around these efficiencies would be presented to the next meeting of the Leadership Panel on 17th August 2010;
- (3) reporting that achievement of the efficiencies outlined in Appendix 1 of the report would reduce the 2011/12 budget gap by £3.205m; and
- (4) intimating
 - (a) that Trade Unions would be consulted on the efficiencies prior to consideration by the Leadership Panel; and
 - (b) that plans were being developed for a series of public engagement events in the late autumn and these would encompass the financial situation.

Councillor Reid, seconded by Councillor McIntosh, moved that the Council should

- (i) note the implications of the recent budget statement; and
- (ii) request Officers to present detailed efficiency proposals as outlined in Appendix 1 of the report to the next meeting of the Leadership Panel on 17th August 2010.

By way of an Amendment, Councillor McDowall, seconded by Councillor Moonie, moved that the Labour Group welcomed Officers' recommendations to identify efficiencies to reduce the 2011/12 budget gap by £3.205m, however, they remained concerned that the recommendations effectively delegate budget setting options to the Leadership Panel, thereby limiting Elected Members' involvement in the process, therefore they believed that to increase Members' participation, the outcome of the Leadership Panel's meeting on 17th August 2010 on proposed savings, should be routed to the appropriate Standing Scrutiny Panel as a matter of course.

A full discussion then took place and a number of comments were raised by Elected Members in relation to the allocation of funds to schools expenditure and scrutiny issues and the relevant Officers responded accordingly.

There was a request that the vote be taken by calling the roll.

The Depute Chief Executive and Executive Director – Development and Environment took the vote by calling the roll as follows:-

Winifred Sloan (Provost)	Motion
John Allan	Motion
Eddie Bulik	Motion
Andy Campbell	Amendment
Douglas Campbell	Motion
Ian Cavana	Amendment
Brian Connolly	Motion
Peter Convery	Motion
Hywel Davies	Motion
Ian Douglas	Motion
Stan Fisher	Motion
Ian Fitzsimmons	Motion
Ann Galbraith	Motion
Sandra Goldie	Amendment
Bill Grant	Motion
John Hampton	Motion
Hugh Hunter	Motion
Mary Kilpatrick	Motion
Elaine Little	Motion
Mairi Low	Motion
John McDowall	Amendment
Nan McFarlane	Motion
Bill McIntosh	Motion
Helen Moonie	Amendment
Alec Oattes	Motion
Robin Reid	Motion
Philip Saxton	Amendment
Tom Slider	Motion
Margaret Toner	Motion

Six members voted for the Amendment and twenty three members voted for the Motion. The Motion was therefore declared carried.

Decided:

- (A) to note the implications of the recent budget statement; and
- (B) to request Officers to present detailed efficiency proposals as outlined in Appendix 1 of the report to the next meeting of the Leadership Panel on 17th August 2010.

11. Framework for Maximising Attendance at Work.

There was submitted a report (issued) of 22nd June 2010 by the Head of HR and Organisational Development

(1) advising

- (a) that as part of the Workforce Strategy, improving employee attendance at work and significantly reducing employee absence was a priority for the Council and that the action plan supporting the strategic review of absence had been progressed through a joint working group in partnership with the Trade Unions; and
- (b) that the new framework for maximising attendance at work, as detailed in Annex 1 of the report was an holistic approach to supporting and improving employee attendance at work and had been developed through the joint working group and in full consultation with the Trade Unions, including the following key elements:-
 - outcomes for the organisation, managers and employees;
 - clarity in the roles and responsibilities of managers and employees;
 - clear guidance and advice for managers in dealing with issues of conduct, capability and ill health;
 - standard templates for communicating with employees and occupational health; and
 - positive interventions to support employee health and well being and work life balance; and

(2) reporting

- (a) that the framework for maximising attendance was only one element of the overall approach and that the strategic action plan, as detailed in Annex 2 of the report, illustrated the key activities being progressed together with timescales;
- (b) that it was recognised that both employees and managers needed to be aware of their roles and responsibilities and that in developing this new framework, a complete review of the traditional corporate training course for absence had been undertaken;
- (c) that the learning and development course would be launched following the summer recess and that all new managers joining the Council would be required to attend as part of their induction and management development and that a programme of targeted workplace sessions would continue to be rolled out on a priority basis for current managers who would benefit from additional guidance and support; and
- (d) that while the general trend during the past 18 months had seen an overall reduction in employee absence levels, it was important that this continued and that sustained improvement was achieved across the Council and that the launch of this new framework was critical and would support a positive culture and attitude to employee attendance at work.

Questions were raised by Members of the Council in relation to the reasons for stress-related absences and the possibility of having a “quiet room” for employees and the Head of HR and Organisational Development responded accordingly.

Decided: to approve the Framework for Maximising Attendance at Work and to note the activities being progressed within the strategic action plan.

12. **Oracle HR / Payroll.**

There was submitted a report (issued) of 25th June 2010 by the Executive Director – Corporate Services

(1) advising

- (a) that South Ayrshire Council had agreed to purchase the Oracle e-business suite to deliver a financial management system and implement an integrated HR / Payroll system; and
- (b) that the difficulties and delays in implementing financials and HR have been well documented and that Officers were keen to ensure that the next stage of implementation be delivered as efficiently and effectively as possible;

(2) indicating

- (a) that several possible options have been identified in relation to the development, integration and implementation of Oracle HR and Payroll systems, with different timelines and considerations attached to the following options:-
 - South Ayrshire Council in-house implementation;
 - South Ayrshire Council in-house implementation and supported by the experience and resources of an External Provider;
 - external implementation and support with assistance from an external provider; and
 - a Shared Service Arrangement with South Lanarkshire Council;
- (b) that a group of senior Officers from within Corporate Services had considered the various options, and, in particular, a shared service proposal from South Lanarkshire Council given the Scottish Government’s drive for local authorities to deliver shared services particularly around ‘back-office’ functions;
- (c) that whilst there were a number of options available for delivering an in-house solution, the evaluation focussed on comparison of an in-house option delivered with external assistance and a shared service with South Lanarkshire Council and each of the options had been evaluated on the basis of:-

- external costs;
 - internal resources;
 - timescales for delivery;
 - key benefits;
 - key negatives; and
 - key risks; and
- (d) that a number of issues / concerns were highlighted during the evaluation process, and these were key factors in determining the preferred option with the main issues being around:-
- legal/ procurement considerations;
 - Oracle licensing costs of shared service option; and
 - lack of integration with Oracle Financials through the South Lanarkshire Council proposal; and
- (3) concluding
- (a) that the key benefits, concerns and risks were outlined in Appendix 1 of the report and that in many cases, the benefits / concerns of each option were a direct negative;
- (b) that one of the key considerations in the process had been to fully explore the shared service option but as outlined in the report, it would be difficult to justify the additional costs of the South Lanarkshire option;
- (c) that it was clear that the Scottish Government needed to seriously consider the legal and procurement issues outlined in the report to allow shared services to be progressed across Scotland; and
- (d) that given the difficulties encountered in implementing Oracle financials, there was a requirement to develop a full tender document which clearly outlined the internal and external resource required to successfully deliver the project.

The Executive Director – Corporate Services advised about the possibility of shared services with East and North Ayrshire Councils as there were licence costs in using South Lanarkshire and that she would explore these options further when preparing the tender document.

Decided:

- (i) to approve the development of a tender for the provision of Oracle HR/ Payroll; and
- (ii) to request Officers to provide an update to the meeting of the Leadership Panel on 14th September 2010.

13. Local Licensing Forum Membership.

There was submitted a report (issued) of 15th June 2010 by the Executive Director – Corporate Services

- (1) advising that one of the members nominated onto the Forum by the Council (Special) at its meeting on 26th January 2010 (Page 70, paragraph 6) had tendered her resignation; and
- (2) suggesting that the membership should be augmented by Jennifer Kerr, a member of the South Ayrshire Youth Forum, as representative of young people, maintaining the balance of the Local Licensing Forum.

Decided: to agree that the membership of the Local Licensing Forum be augmented by the appointment of Jennifer Kerr.

14. Corporate Asset Management Planning : Progress Update.

Reference was made to the Minutes of

- (1) the Leadership Panel of 16th June 2009 (Page 345, paragraph 16);
- (2) the Leadership Panel (Special) of 6th July 2009 (Page 389, paragraph 1); and
- (3) the Council of 9th July 2009 (Page 395, paragraph 4) and

there was submitted a report (copies previously issued) of 14th June 2010 by the Depute Chief Executive and Executive Director – Development and Environment

- (a) advising
 - (i) that the Corporate Asset Management Plan had an important role to play in supporting the successful delivery of the Council Corporate Plan and that it would summarise the aims and objectives for Council assets and ensure that they were used in an effective and efficient manner;
 - (ii) that the Corporate AMP would cover seven main types of asset as follows:-:
 - Property;
 - Land including Play areas;
 - Roads;
 - ICT;
 - Vehicles;
 - Housing; and
 - Moveable Assets; and
 - (iii) that the Interim Property Asset Management for 2010-2020 had been updated and that Appendix 1 of the report contained a progress report on the development of the Asset Management Plans for the various asset types required to populate the Corporate Asset Management Plan; and

(b) reporting

- (i) that no requirement for additional resources has been identified to support the development of the Asset Plans required to populate a Corporate Asset Management Plan, as detailed in Section 3.1 of the report;
- (ii) that the Capital Investment Programme for General Services for the Financial Year 2010/11 had been approved by the Council at its meeting on 10th February, 2010; and
- (iii) that the Council was currently agreeing its future policy priorities and that a draft of the Five Year Capital Investment Plan for General Services would be brought forward for Members' consideration later in the year when this process had been completed and following receipt of the Revenue and Capital Budget settlement figures from the Scottish Government.

A full discussion took place and a number of comments were raised by Elected Members in relation to the involvement of the religious and Trade Union representatives in the School Estate Management Plan, the costs relating to Prestwick Community Hall, capital receipts, the use of two portacabins at Doonfoot Primary School as classrooms, a new site for Ayr Grammar School, the roads infrastructure and vehicles and the progress being made towards providing an all-weather sports pitch in the grounds of Struthers Primary School and the relevant Officers responded accordingly.

Councillor McIntosh, seconded by Councillor Reid, moved that the Council should

- (A) note the progress being made towards the development of a Corporate Asset Management Plan; and
- (B) approve the Action Plan and recommendations contained within Section 9 of the Interim Property Asset Management Plan and the progress being made subject to:-
 - the removal of any reference to Forehill Library in Table 3 pending the outcome of the current consultation; and
 - the School Estate Management Plan being submitted to the next meeting of the Leadership Panel (as Education Authority) on 14th September 2010.

By way of an Amendment, Councillor Moonie, seconded by Councillor Goldie, moved that the Council should accept the recommendations in the report subject to the following:-

- that given Members' commitment to a new Ayr Grammar Primary School, funding included in the 2009 Plan of £20m be re-instated in the 2010-2016 Plan and Officers be instructed to bring forward viable alternatives and / or sites(s) for consideration no later than the end of 2010 to ensure that matters progressed without further delay; and
- the removal of any reference to Forehill Library pending the outcome of the current consultation.

There was a request that the vote be taken by calling the roll.

The Depute Chief Executive and Executive Director – Development and Environment took the vote by calling the roll as follows:-

Winifred Sloan (Provost)	Motion
John Allan	Motion
Eddie Bulik	Motion
Andy Campbell	Amendment
Douglas Campbell	Motion
Ian Cavana	Amendment
Brian Connolly	Motion
Peter Convery	Motion
Hywel Davies	Motion
Ian Douglas	Motion
Stan Fisher	Motion
Ian Fitzsimmons	Motion
Ann Galbraith	Motion
Sandra Goldie	Amendment
Bill Grant	Motion
John Hampton	Motion
Hugh Hunter	Motion
Mary Kilpatrick	Motion
Elaine Little	Motion
Mairi Low	Motion
John McDowall	Amendment
Nan McFarlane	Motion
Bill McIntosh	Motion
Helen Moonie	Amendment
Alec Oattes	Motion
Robin Reid	Motion
Philip Saxton	Amendment
Tom Slider	Motion
Margaret Toner	Motion

Six members voted for the Amendment and twenty three members voted for the Motion. The Motion was therefore declared carried.

Decided:

- (A) to note the progress being made towards the development of a Corporate Asset Management Plan; and
- (B) to approve the Action Plan and recommendations contained within Section 9 of the Interim Property Asset Management Plan and the progress being made subject to:-
- the removal of any reference to Forehill Library in Table 3 pending the outcome of the current consultation; and
 - the School Estate Management Plan being submitted to the next meeting of the Leadership Panel (as Education Authority) on 14th September 2010.

15. Arrangements to deal with the display of election campaign publicity material.

Reference was made to the Minutes of 18th March 2010 (Special) (Page 198, paragraph 5) when it had been agreed to amend the guidelines on display of election campaign publicity material to prohibit the display of such material on any Council property, including lighting columns, traffic sign poles and street furniture and that this Policy would take effect from 1st July 2010 and further, to instruct Officers to bring forward a report to the meeting of the Council on 1st July 2010 detailing operational and management arrangements to implement this Policy and there was submitted a report (issued) of 22nd June 2010 by the Depute Chief Executive and Executive Director – Development and Environment

(1) advising

- (a) that the Leadership Panel at its meeting on 9th February 2010 (Page 96, paragraph 12) had approved a report of 1st February 2010 by the Depute Chief Executive and Executive Director – Development and Environment in relation to a Planning Policy Note on “Advertisements and Shop Front Signs” which set out a defined procedure for the removal of unauthorised signage within the South Ayrshire Council area, namely, that unauthorised posters / placards appearing within South Ayrshire would be removed by the Council undertaking direct action and that a notice advising of this Policy would be published in the local press on a twice yearly basis; and
- (b) that in line with this report, the removal of election campaign material would accordingly be undertaken jointly by the Head of Property and Neighbourhood Services and the Head of Planning and Enterprise; and

(2) reporting that there would be some resource implications for the Heads of Property and Neighbourhood Services and Planning and Enterprise as a result of direct action being taken by the Council but that the cost of removal of publicity material would be recharged to the party responsible.

Questions were raised by Members of the Council in relation to displaying election material in Council houses and whether this was mentioned in the Planning Policy Note and the relevant Officers responded accordingly.

Councillor McDowall, seconded by Councillor Goldie, then moved that Council Standing Order No. 29 be suspended to allow paragraph 5 on Pages 198 to 200 under the heading “Notice of Motion” when it had been agreed to amend the guidelines on display of election campaign publicity material to prohibit the display of such material on any Council property, including lighting columns, traffic sign poles and street furniture and that this Policy would take effect from 1st July 2010 and further, to instruct Officers to bring forward a report to the meeting of the Council to be held on 1st July 2010 detailing operational and management arrangements to implement this Policy to be considered further.

On a vote being taken by a show of hands, six members voted for the suspension of Standing Orders.

The Motion was not carried as it was not supported by two-thirds of those members present and voting at the meeting.

Decided: to agree that the approved procedure for the removal of unauthorised signage within the South Ayrshire Council area be used for the removal of election campaign publicity material.

16. Demolition of further buildings : Former Affleck's Site, Ayr.

There was submitted a report (issued) of 17th June 2010 by the Depute Chief Executive and Executive Director – Development and Environment

(1) advising

- (a) that the then Policy and Resources Committee at its meeting on 30th January 2003 (Page 69, paragraph 9) had approved the demolition of the former Affleck's buildings on the grounds that they constituted a health and safety risk;
- (b) that the demolition work had been completed in 2004, however, at that time due to the listed status of the site, the Council had not been granted permission by Historic Scotland to demolish all of the buildings and three remained as shown in Appendix 1 of the report;
- (c) that given the poor condition of these remaining properties, the Council's Property Service had continued to monitor their condition and as expected, they had continued to deteriorate and reached a point where it was necessary to have them assessed by a Structural Engineer and that in their report to the Council, Grossart Associates, had advised that they had grave concerns with regard to the short-term stability of two of the buildings and recommended that they be demolished as soon as possible;
- (d) that this recommendation had necessitated further discussion with Historic Scotland who had now agreed that buildings 1 and 2 as detailed in Appendix 1 of the report could be taken down to a height of 1m above ground level and that building 3 should be preserved; and
- (e) that a limited scheme had been prepared for this and was reflected within the cost of the works being proposed in this report, which would involve essential repairs and strengthening works and that it should be noted, however, as with all old buildings in poor condition that building works of the type proposed could give rise to unexpected issues arising which might in turn lead to an increase in costs; and

(2) indicating that the action proposed in this report had been discussed with Ayr Renaissance who have confirmed that it should not impact adversely on the plans for this area; and

(3) reporting

- (a) that the estimated cost of the work proposed would be in the order of £117,000 based on competitive tenders received and as the properties concerned were held by Ayr Common Good Fund, it would be appropriate for the cost involved to be met through the Revenue Budget of the Fund;

- (b) that South Ayrshire Council at its meeting on 10th February 2010 (Page 113, paragraph 4) had agreed to approve a planned deficit of £79,900 for the Ayr Common Good budget for 2010/11 with the deficit being met from revenue reserves held and should approval be given for this additional expenditure of £117,000 then this would increase the planned in year deficit for 2010/11 to £196,900; and
- (c) that the Ayr Common Good revenue reserves were currently sitting at £625,976 at 31st March 2010 and if approved, the estimated balance on the revenue reserve at 31st March 2011 would be £429,076.

Questions were raised by Members of the Council in relation to the discussions with Historic Scotland about demolishing the two building to a height of one metre, the costs of the preservation of the third building, the future use of the site, access to the site and the tendering process for the demolition of the buildings and the relevant Officers responded accordingly and advised that an early meeting would be arranged with Historic Scotland to discuss the Affleck's site further.

Decided:

- (i) to agree to proceed with the demolition and other works as detailed in this report and that the costs of £117,000 be met from the Ayr Common Good Fund in 2010/11 subject to sufficient funding being available;
- (ii) to request that the Chief Executive and Depute Chief Executive and Executive Director – Development and Environment arrange an early meeting with Historic Scotland to discuss the potential demolition of all three buildings and the future of the site; and
- (iii) to request that the Chief Executive circulate a briefing note during the recess to all Elected Members informing them of the outcome of discussions with Historic Scotland.

17. Elba Gardens Sheltered Housing Complex.

Reference was made to the Minutes of the Leadership Panel of 12th January 2010 (Page 22, paragraph 3) when it had been agreed to commence consultation with the tenants of the Elba Gardens Sheltered Housing complex regarding its future and there was submitted a report (issued) of 16th June 2010 by the by Executive Director - Children and Community

- (1) advising
 - (a) that Elba Gardens was a sheltered housing complex located in Ayr North consisting of two separate residential buildings joined by a communal residents' lounge area, one building being a single storey consisting of 25 individual bedsit bungalows and the second building being two storey, consisting of 17 bedsit flats; and
 - (b) that over recent years, there had been very little demand for sheltered housing at Elba Gardens, and that despite a growing ageing population in South Ayrshire and high demand at other sheltered complexes, such as Newton Park Court and Morrison Gardens in Ayr, Elba Gardens operated regularly with at least a 50% void rate, and that currently only 19 out of the potential 42 bedsits were occupied;

(2) indicating

- (a) that the physical condition of the single storey building and the communal residential lounge were below standard and would require major internal and external work to bring them up to standard; and
- (b) that the second two storey building was in good condition externally but that the bedsit style of accommodation and the stairs and deck access to the upper floor made it undesirable and unsuitable in the longer term as housing for older people and that the bedsit accommodation offered no flexibility for carers or family members to reside with residents if required and provided limited privacy and as the two storey building did not have a lift, it did not comply with the requirements of the Disability Discrimination Act and that both buildings would require significant investment to comply with the Scottish Housing Quality Standard by 2015; and

(3) reporting

- (a) that the Council's Housing Revenue Account was currently losing approximately £47,000 per year from loss of rent, and paying £17,023 in Council Tax liability on empty properties at Elba Gardens through lack of demand for the complex and that the most economical option would be to demolish the buildings in poorest condition to prevent the ongoing loss of rent and future payment of Council Tax for empty units;
- (b) that the 19 existing households would each be eligible for a home loss payment of £1,500 plus a reasonable disturbance allowance with total costs not expected to exceed £60,000 (£1,500 home loss and £1,500 disturbance per household) which would be funded from the programmed maintenance budget;
- (c) that the single storey building and communal areas would be demolished at an estimated cost of £75,000 which could be met from the programmed maintenance budget; and
- (d) that the higher than average void rent loss had already been taken into consideration for the 2010/11 budget, but any rental income lost due to demolition would be considered as part of the ongoing review of the HRA business plan.

Councillor Douglas Campbell, seconded by Councillor Little, moved that the Council should

- (i) agree to the closure of Elba Gardens as a sheltered housing complex;
- (ii) agree to priority re-housing for all existing resident households;
- (iii) agree to demolish the single storey building and communal lounge at Elba Gardens;
- (iv) approve the virement of funds of up to £60,000 from the programmed maintenance budget to fund the home loss and disturbance payments; and
- (v) approve the virement of funds of £75,000 from the programmed maintenance budget to fund the cost of demolition.

By way of an Amendment, Councillor Saxton, seconded by Councillor Moonie, moved that the Labour Group agreed the recommendations in the report, however, it was further recognised that the remaining two storey building may also be unsuitable for any other client group, even in the short term, and therefore would wish to instruct Officers to immediately enter into discussions with an appropriate Registered Social Landlord with a view to redevelopment of the whole site for the provision of Affordable Housing.

Questions were raised by Members of the Council in relation to the future use of the site and Affordable Housing and the Head of Community Care and Housing responded accordingly.

There was a request that the vote be taken by calling the roll.

The Depute Chief Executive and Executive Director – Development and Environment took the vote by calling the roll as follows:-

Winifred Sloan (Provost)	Motion
John Allan	Motion
Eddie Bulik	Motion
Andy Campbell	Amendment
Douglas Campbell	Motion
Ian Cavana	Amendment
Brian Connolly	Motion
Peter Convery	Motion
Hywel Davies	Motion
Ian Douglas	Motion
Stan Fisher	Motion
Ian Fitzsimmons	Motion
Ann Galbraith	Motion
Sandra Goldie	Amendment
Bill Grant	Motion
John Hampton	Motion
Hugh Hunter	Motion
Mary Kilpatrick	Motion
Elaine Little	Motion
Mairi Low	Motion
John McDowall	Amendment
Nan McFarlane	Motion
Bill McIntosh	Motion
Helen Moonie	Amendment
Alec Oattes	Motion
Robin Reid	Motion
Philip Saxton	Amendment
Tom Slider	Motion
Margaret Toner	Motion

Six members voted for the Amendment and twenty three members voted for the Motion. The Motion was therefore declared carried.

Decided:

- (A) to agree to the closure of Elba Gardens as a sheltered housing complex;
- (B) to agree to priority re-housing for all existing resident households;
- (C) to agree to demolish the single storey building and communal lounge at Elba Gardens;
- (D) to approve the virement of funds of up to £60,000 from the programmed maintenance budget to fund the home loss and disturbance payments; and
- (E) to approve the virement of funds of £75,000 from the programmed maintenance budget to fund the cost of demolition.

18. Modernisation of Residential Childcare Estate – Progress Report.

Reference was made to the Minutes of the Leadership Panel of 24th November 2009 (Page 636, paragraph 9) when that Panel had approved a consultation with community groups and communities on potential locations of new residential units for children and there was submitted a report (issued) of 16th June 2010 by the by Executive Director - Children and Community

- (1) updating the Council on the consultation that had taken place regarding potential sites for residential child care in Maybole (Queen's Terrace) and Ayr North (Dunlop Terrace);
- (2) recommending that the proposed developments at Maybole (Queen's Terrace) and Ayr North (Dunlop Terrace) should not be pursued; and
- (3) reporting that it would be the intention
 - (a) to work with Property Services to examine all suitable, available sites, to provide all related anti-social behavioural issues associated with the sites and the immediate vicinity, to all Elected Members to allow them to feedback to the Lead Officer on their views as to the suitability of each site; and
 - (b) to ensure future consultation involved Council Officers leafletting those living in the proposed development areas to allow full consultation and to involve directly/indirectly young people who have been looked after in the consultation process.

Questions were raised by Members of the Council in relation to the financial implications of the Residential Childcare Estate on the Directorate's Budget and the consultation process and the Head of Children's Services responded accordingly.

Decided:

- (i) to support the recommendation that the sites in Maybole (Queen's Terrace) and Ayr North (Dunlop Terrace) should not be progressed; and
- (ii) to agree the engagement of Elected Members in over-viewing potential future sites.

19. Formal Questions.

In terms of Council Standing Order No. 16(b), there were submitted (tabled) Formal Questions details of which, together with the Answers, are outlined below:-

Question 1 from Councillor McDowall.

Are Officers aware of any instance(s) where an Elected Member, having been nominated / appointed by the Council as Director of any Outside Body, has failed to comply with the provisions of Section 288 of the Companies Act 1985 or as amended by the Companies Act 2006 Sections 162 and 165 sub-sections (1) (2) and (3), in registering details required under these Acts and that if so a criminal act under these provisions may have occurred? If this is the case please specify which Elected Member(s).

Answer 1.

No, I am not aware of any such instance(s). I am aware that there are criminal penalties applicable in case of breaches of the legislation referred to. (Point of information – Section 288 of the Companies Act 1985 has been repealed).

Councillor McDowall raised a supplementary question about Councillor Reid being a Director of South Ayrshire Care and Repair and being consulted, as Portfolio-holder, on the report on Authority to enter into a contract for the Care and Repair Service in South Ayrshire and the Depute Chief Executive and Executive Director – Development and Environment advised that he would examine this matter and provide a response to Councillor McDowall.

Question 2 from Councillor Helen Moonie.

If the answer to Question 1 is in the affirmative, what action does the Council intend to take in relation to the Member(s) non-compliance with

- (a) statutory requirements in terms of the Companies Act 1985 or as amended by the Companies Act 2006?
- (b) the report entitled “Outside Bodies – Members’ Responsibilities” Paragraphs 2,4 Section A, Paragraph 3 Section B, Paragraph 3 Section C, Paragraph 2 and 5 Section D considered and approved by the Scrutiny and Governance Management Panel at its meeting of 3rd March 2009?

Answer 2.

Not applicable.

Question 3 from Councillor Sandra Goldie.

What is the Council’s intention in relation to future nominations/appointments to existing or consequential vacancies to Outside Bodies?

Answer 3.

A report on Outside Bodies was submitted to the meeting of the Council on 17th May 2010. Following a request from Councillor McIntosh, the Council agreed to continue this matter to allow further clarification of certain organisations contained within the report.

Officers are currently seeking information on a number of matters and it is hoped that a report will be submitted to the next meeting of the Council on 7th October 2010.

Adjournment of Meeting.

The Council agreed to adjourn the meeting at 1.00 p.m. for fifteen minutes.

Resumption of Meeting.

The meeting resumed at 1.15 p.m.

20. Exclusion of press and public.

The Council resolved, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the press and public be excluded during consideration of the remaining items of business on the grounds that they involved the likely disclosure of exempt information in terms of paragraphs 1, 6 and 9 of Part 1 of Schedule 7A of the Act.

21. Declarations of Interest.

Councillors Douglas Campbell, McDowall and Reid declared an interest in the following item of business regarding authority to enter into a contract for the Care and Repair Service in South Ayrshire as they are nominated Directors of this organisation and withdrew from the meeting during its consideration.

22. Authority to enter into a contract for the Care and Repair Service in South Ayrshire.

There was submitted a report (issued to members only) of 14th June 2010 by the Executive Director - Children and Community seeking approval to enter into a contract for the provision of a Care and Repair Service in South Ayrshire.

Questions were raised by Members of the Council in relation to the charges for the repair service and the transfer of employees under TUPE particularly relating to their conditions of service and Pension Schemes and the relevant Officers responded accordingly.

Decided:

- (1) to approve the appointment of The Wise Group as Care and Repair contractor until 31st March 2013; and
- (2) that the existing contract with South Ayrshire Care and Repair be extended to and come to an end on 30th September 2010.

23. Former Darlington Church, Main Street, Ayr.

There was submitted a report (issued to members only) of 17th June 2010 by the Depute Chief Executive and Executive Director – Development and Environment outlining the current position with regard to the lease of the former Darlington Church, Main Street, Ayr.

Questions were raised by Members of the Council in relation to essential maintenance costs, the marketing of the property and the progress being made with the insurance claim for the damage caused during the winter months and the relevant Officers responded accordingly.

Decided: to agree

- (1) to Borderline Theatre Company Ltd relinquishing its lease of the former Darlington Church;
- (2) that the property be formally declared surplus to requirements and, in accordance with the appropriate procedures, be marketed for disposal; and
- (3) that the outstanding insurance claim be pursued.

24. Single Status – Progress Report.

There was submitted a report (issued to members only) of 24th June 2010 by the Head of HR and Organisational Development outlining the progress made following the implementation of single status job evaluation, pay and grading structure and conditions of service package.

Decided:

- (1) to note the progress to date; and
- (2) to approve the proposal to provide a further annual progress report to Council in July 2011.

The meeting ended at 1.40 p.m.