

**EAST AYRSHIRE COUNCIL**

**SPECIAL CABINET MEETING – 26 MARCH 2008**

**PLANNING & ECONOMIC DEVELOPMENT DIVISION'S QUALITY OF LIFE  
BUDGET 2007/08 – REVOLVING FUND FOR DEMOLITIONS**

**Report by Depute Chief Executive/Executive Director of Corporate Support**

**1. PURPOSE OF REPORT**

- 1.1 The report seeks agreement to reallocate the balance of the Quality of Life funding allocated to the Revolving Fund for Demolitions to provide revenue funding for the East Ayrshire Woodlands project and to fund in part the demolition of two properties that were required to be demolished under the Building (Scotland) Act 2003.

**2. BACKGROUND**

- 2.1 The general departmental allocation of the Quality of Life funding for 2007/08 was agreed by the Policy and Resources Committee on the 8 February 2005. From this general departmental allocation the Revolving Fund for Demolitions was allocated £55,000 from the Quality of Life fund for 2007/08 on the basis that the fund would improve the quality of the environment.
- 2.2 The Revolving Fund For Demolitions was set up in 2002 by the Development Services Committee and the basis for the operation of the fund was as follows:-

Projects would only be considered for support if:-

- (i) It is justified against a strategy for the regeneration of a particular community through the Restoring Communities Programme;
- (ii) Where other statutory powers relating to dangerous buildings and historic building requirements had been exhausted, or were not appropriate.

“The Circumstances where use of such a fund might be justified will be varied...It is therefore proposed that each opportunity would be pursued on its individual merits..”

The following financial principles were to be followed:-

- (a) the demolition costs should be recovered and returned to the fund through the subsequent sale of the site;
- (b) where the sale of the site results in an income above the demolition costs, an agreed proportion of the proceeds would additionally be remitted to the fund;

(c) in circumstances where the sale of the site results in an income less than the cost of demolition, then a minimum of 70% of the net proceeds would be returned to the fund.

### **3. REALLOCATION OF 2007/08 QUALITY OF LIFE UNDERSPEND**

- 3.1 For financial year 2007/2008 there is an unexpended balance of £47,020 in the Revolving Fund For Demolitions. It is proposed to allocate £20,000 of the available funds to East Ayrshire Woodlands' 2007/08 revenue costs, in particular to assist in the maintenance of sites that have been environmentally improved by them. In addition it is also proposed to contribute the balance towards the cost of demolition by East Ayrshire Council of two properties that are in private ownership and that have had to be demolished under the Building (Scotland) Act 2003, these being 51 Strand Street, Kilmarnock and Aird's House, Lugar. The use of the fund for this purpose is thus in accordance with the criteria set out in para 2.2. Furthermore, it is proposed that any income recouped from the owners of these two properties towards the cost of the demolition is returned to the Revolving Fund for Demolitions in future years, up to the value of the Fund's contribution.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 The alternative use of the Quality of Life Funds has no financial implications for the Council.

### **5. LEGAL/PERSONNEL/POLICY IMPLICATIONS**

- 5.1 The demolition of 51 Strand Street, Kilmarnock and Aird's House, Lugar was undertaken under the Building (Scotland) Act 2003. The appropriate Legal action will require to be instigated to recoup the cost of the demolition from the owners of the two properties.

### **6. COMMUNITY PLANNING IMPLICATIONS**

- 6.1 The work undertaken by East Ayrshire Woodlands and the demolition of the two properties detailed above will contribute significantly to achieving targets contained in the "Improving the Environment" and "Improving Opportunities" Action Plans of the East Ayrshire Community Plan.

### **7. RISK MANAGEMENT IMPLICATIONS**

- 7.1 The maintenance of sites by East Ayrshire Woodlands would mitigate the potential exposure to third party claims for accidental death/bodily injury and would similarly reduce the potential exposure to unlimited fines and penalties from the Health and Safety Executive, the cost of which would not be recoverable from any insurer/insurance contract. East Ayrshire Woodlands carry all appropriate insurances.

7.2 The demolition of the two properties that presented an imminent danger to the public as detailed above, also mitigated the potential exposure to third party claims for accidental death/bodily injury and would similarly reduce the potential exposure to unlimited fines and penalties from the Health and Safety Executive, the cost of which would not be recoverable from any insurer/insurance contract. The specialist contractors appointed to carry out the demolition were on the Council's list of approved contractors and carried all appropriate insurances.

## **8. RECOMMENDATIONS**

8.1 It is recommended that the Cabinet agrees to the reallocation of the uncommitted balance of Quality of Life Funding previously allocated to the Revolving Fund for Demolitions of £47,020 to provide £20,000 revenue funding for the East Ayrshire Woodlands project; and to fund in part the demolition of two properties required to be demolished under the Building (Scotland) Act 2003, these being 51 Strand Street, Kilmarnock and Aird's House, Lugar, subject to any income recouped from the owners of these two properties towards the cost of the demolition being returned to the Revolving Fund For Demolitions in future years, up to the value of the Fund's contribution.

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Elizabeth Morton,  
Depute Chief Executive/  
Executive Director of Corporate Support

(CMcK/IMB)

FV – AN

10 March 2008

### **LIST OF BACKGROUND PAPERS**

1. Report to Development Services Committee – 13 March 2002, "Restoring Communities Programme".

Anyone wishing further information should contact Karl Doroszenko, Development Planning & Regeneration Manager, Tel: 01563 576751

**IMPLEMENTATION OFFICER: ALAN NEISH, HEAD OF PLANNING AND ECONOMIC DEVELOPMENT**

Quality of Life BudgetSA