

Public Document Pack

Argyll and Bute Council **Comhairle Earra Ghaidheal agus Bhoid**

Customer Services
Executive Director: Douglas Hendry



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18 August 2015

SUPPLEMENTARY PACK 1

POLICY AND RESOURCES COMMITTEE - COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD on THURSDAY, 20 AUGUST 2015 at 11:00 AM

I enclose herewith amended report for item **5 (SERVICE CHOICES)** which replaces the report previously issued to you in respect of this item. I also enclose item **20 (UPDATE ON IMPLEMENTATION OF NEW POLICY – PAVEMENT CAFÉ LICENSES)** which was previously marked “to follow” on the Agenda for the above Meeting.

Douglas Hendry
Executive Director – Customer Services

AMENDED ITEM

5. SERVICE CHOICES

Report by Interim Head of Strategic Finance (Pages 1 - 16)

ITEMS TO FOLLOW

20. UPDATE ON IMPLEMENTATION OF NEW POLICY - PAVEMENT CAFE LICENSES

Recommendation by Environment, Development and Infrastructure Committee of 13 August 2015 and Report by Executive Director – Development and Infrastructure Services (Pages 17 - 28)

POLICY AND RESOURCES COMMITTEE

Councillor Dick Walsh (Chair)
Councillor Robin Currie
Councillor Donald Kelly
Councillor Iain MacLean
Councillor Aileen Morton
Councillor Gary Mulvaney
Councillor James Robb
Councillor Isobel Strong

Councillor Rory Colville
Councillor Mary-Jean Devon
Councillor Roderick McCuish
Councillor Alistair MacDougall
Councillor Ellen Morton (Vice-Chair)
Councillor Douglas Philand
Councillor Len Scoullar
Councillor Sandy Taylor

Contact: Hazel MacInnes Tel: 01546 604269

SERVICE CHOICES

1. EXECUTIVE SUMMARY

- 1.1 Service Choices is the approach adopted by the Council to plan for the estimated funding reductions and to align the available resources to Member's priorities. A Project Board was established tasked with producing options for consideration and recommendation to Council with a view to producing a balanced budget.
- 1.2 Progress is being made through the Project Board and feedback from the Member's Workshop on 5 June has been considered. The report to the Policy and Resources Committee on 22 June envisaged that service targets would be brought to the meeting on 20 August. The Project Board have since recommended that all options are progressed to enable headroom for choice.
- 1.3 The Project Board considered the savings options under three categories:
1. Management/Operational – savings options that have no policy or HR implications and can be taken forward as part of normal business, without any further approval.
 2. Policy Options – savings options that would require a decision from Members. Where there were alternative options; those which gained the most support at the Member's workshop were included in this category.
 3. Other Alternative Options – alternative savings options that received lesser support at the Members workshop to those included within the Policy Options category. These would, therefore, progress no further.
- 1.4 It is recommended that:
- Category 1 Management/Operational options where there are no policy or HR implications are noted and will be delivered as part of normal business.
 - Category 2 Policy Options are all progressed through to Stage 3 with further consideration of these options prior to consultation.
 - Category 3 residual Alternative Options are not progressed at this stage. They are alternative options which received less Member support at the Workshop on 5 June.

- 1.5 The Policy and Resources Committee on 22 June agreed that Integrated Health and Social Care should be subject to an integrated approach to developing proposals. The recommendation is to set an indicative target range of savings of 4% to 6% for Social Work Services. This is in line with the average percentage reduction applied across other Council services included within Service Choices and provides a degree of flexibility in developing options, until confirmation of the financial settlement is received.
- 1.6 The Project Board will continue their work on progressing Service Choices and there will be engagement with all Members in a further Member's Workshop planned for 18 September, prior to decisions at October Council on savings options to go out to public consultation.

SERVICE CHOICES

2. INTRODUCTION

- 2.1 Service Choices is the approach adopted by the Council to plan for the estimated funding reductions and to align the available resources to Member's priorities. A Project Board was established tasked with producing options for consideration and recommendation to Council with a view to producing a balanced budget to be approved by Council in February 2016.
- 2.2 This report updates Members on the progress to date with the Service Choices process and outlines the recommendations from the Project Board on the way forward with the Service Choices process over the coming months.

3. RECOMMENDATIONS

- 3.1 Members to note the progress being made on Service Choices through the Project Board, with feedback from the Member's Workshop of 5 June being taken on board and informing actions and work going forward.
- 3.2 The report to the Policy and Resources Committee on 22 June envisaged that service targets would be brought to the meeting on 20 August. The Project Board of the 30 June considered the savings options and now recommend the following which Members are asked to approve:
- Category 1 Management/Operational options where there are no policy or HR implications are noted and will be delivered as part of normal business.
 - Category 2 Policy Options are all progressed through to Stage 3 with further consideration of these options prior to consultation.
 - Category 3 Other Alternative Options are not progressed at this stage as they are alternative to the options already being further developed in Category 2.
- 3.3 Members to endorse the Project Board recommendation that for planning purposes an indicative target range of savings of 4% to 6% is applied to Social Work Services. This is in line with the average percentage reduction applied across other Council services included within Service Choices and provides a degree of flexibility in developing options, until confirmation of

the financial settlement is received. The final decision on the reduction will require approval by Council.

4. DETAIL

4.1 Background

4.1.1 The Policy and Resources Committee on 22 June 2015 was asked to note the progress made with the Service Choices process through the Project Board and Member's Workshop. A recommendation was accepted that feedback from the Member's Workshop on 5 June 2015 was to be considered by the Project Board with proposals on savings targets being brought back to Policy and Resources Committee on 20 August 2015.

4.1.2 The Member's Workshop on 5 June 2015 was an introduction for all Members on the options being considered and Members were asked to indicate preferences on the savings options. This feedback has been considered by the Project Board and will be used as the Service Choices process moves forward.

4.2 Option Categories

4.2.1 The Project Board split the savings options into three categories:

1. Management/Operational – savings options that have no policy or HR implications and can be taken forward as part of normal business, without any further approval.
2. Policy Options – savings options that would require a decision from Members. Where there were alternative options; those which gained the most support at the Member's workshop were included in this category.
3. Other Alternative Options – alternative savings options that received lesser support at the Members workshop to those included within the Policy Options category. These would, therefore, progress no further.

4.2.2 The Management/Operational category includes savings which have no policy or HR implications and are categorised in this way as they are assumed to be able to be taken in the normal course of business. These options are for noting by Members and are detailed within Appendix 1. They amount to £1.094m in 2016-17 rising to £1.145m in 2017-18. Services will not be required to complete Stage 3 templates for these options.

4.2.3 The Policy Options will all be taken forward into Stage 3 Options Development and services will have to prepare Stage 3 Options Development templates for submission to the Policy and Resources Committee and Council meeting in October. A copy of the Stage 3 template is included within Appendix 2. Where there were alternative

options, the Project Board considered that the options with the most support from Members at the Workshop should be taken forward.

- 4.2.4 The Other Alternative Options are policy options which are alternative to those already included within the Policy Options category. The Project Board considered that the options that received lesser support from Members at the Workshop should not be progressed at this stage.

4.3 Integrated Health and Social Care

- 4.3.1 The Policy and Resources Committee on 22 June 2015 agreed that Social Work Services should be subject to an integrated approach to developing proposals to ensure scope for greater efficiency, allowing for targets to be set over the 3 year Strategic Plan from the perspective of aggregated funding from both the Council and Health services. The approach was further agreed at Council on 25 June 2015.

- 4.3.2 There is a requirement for Social Work Services to contribute to the Councils overall budget gap. Based on the current budget outlook the average savings required from Council service packages subject to a budget reduction is 6.17%. The Project Board recommendation is to set an indicative target range of savings of 4% to 6% for Social Work services in both 2016-17 and 2017-18. This is in line with the percentage reduction applied across other Council services included within Service Choices and provides a degree of flexibility in developing options, until confirmation of the financial settlement is received.

- 4.3.3 A target allocated of less than 6.17% would be a decision to provide an element of protection to Social Work services. The savings target with a range of between 4% and 6% is outlined below:

- 4% - £2.250m
- 5% - £2.813m
- 6% - £3.376m

The Council budget gap in 2018-19 is likely to be less than the first two years so there may be a requirement to give a different target across the three year period.

- 4.3.4 It is recommended that an indicative target saving of 4% to 6% is communicated to the Integration Joint Board as an indication of a range of the level of savings required to allow them to start planning and developing options for delivery of the required savings.

4.4 Budget Outlook

- 4.4.1 A report updating the revenue budget outlook for 2016-17 to 2020-21 was presented at the Policy and Resources Committee on 22 June 2015. Based on the narrower range of best and worst case scenarios the budget gap across these years is estimated to be between £21.7m and £26.0m.

The budget gap is weighted to the first two years, with a budget gap of up to £18.4m by 2017-18.

- 4.4.2 The Policy and Resources Committee agreed to note the advice within the Budget Outlook report on 22 June 2015 that for planning purposes Members should consider moving forward with savings targets of £9m in both 2016-17 and 2017-18.
- 4.4.3 There have been no changes to the budget outlook since the update on 22 June 2015. The most significant issue affecting the outlook remains to be the Scottish Government funding. UK Government are set to announce 5 year spending plans on 25 November and it is still the Scottish Government's intention to issue local government figures before Christmas.
- 4.4.4 The table below summarises the current position in terms of the estimated budget gap, based on the management/operational savings already identified and the policy option savings that are progressing through to Stage 3. Savings in respect of Social Work have been illustrated in the table at 5% (mid-point of 4%-6% range). This is purely for illustrative purposes and does not indicate a preferred savings target. Also noted in the table is the Economic Development Investment which was part of the Service Choices process and was agreed at the Policy and Resources Committee on 22 June 2015. The table illustrates that at this stage, there are more savings identified than required.

	2016/17	2017/18
	£'000	£'000
Management/Operational Savings	1,094	1,145
Policy Options	9,169	12,912
Health and Social Care Savings (5% mid-point)	2,813	5,626
Economic Development Investment	(286)	(286)
Total Available Options	12,790	19,397
Savings Target	(9,000)	(18,000)
Savings Over Target	3,790	1,397*

*It should be noted that there is a separate report entitled "Resourcing Service Choices Process – Improvement and HR", which recommends that their Year 2 savings are profiled to Year 3. If this recommendation is approved this would defer savings of £0.353m in 2017-18 to 2018-19 resulting in the savings over target in 2017-18 being reduced to £1.044m.

- 4.4.5 Based on the current budget outlook, proceeding with all of the current options would deliver excess savings over the target. This allows headroom for choice, both before and after consultation. It also allows for any risks that are identified as part of the Stage 3 options development to be taken into consideration and further, it allows for negative variation in the budgetary outlook.
- 4.4.6 There will inevitably be staff reductions to achieve the level of savings

required over the next 5 years, and at this stage no estimate has been included in the budget outlook for severance costs.

- 4.4.7 The budget outlook position is kept under continual review and any changes will be reported to Members.

4.5 Timeline

- 4.5.1 There are a number of key dates and decision points for Service Choices leading up to the Council budget meeting in February 2016. These are summarised in the table below:

Date	Meeting	Purpose
20 August	P&R Committee	Consider report on Service Choices that sets out the way forward for Stage 3 and agree indicative savings targets for Social Work.
14 September	Project Board	Ongoing work – Initial review of Stage 3 templates.
18 September	Member's Workshop	Review of Stage 3 options.
8 October	Special P&R Committee	Make recommendations to Council on options to proceed to public consultation
22 October	Special Council	Agree options to proceed to public consultation.
Oct – Dec	Consultation	Seek views on savings options
January 2016	Special P&R Committee	Receive consultation feedback and recommend proposals to Council
11 Feb 2016	Council – Budget Meeting	Determine the budget

5. CONCLUSION

- 5.1 Progress with Service Choices is being made through the Project Board and feedback from the Member's Workshop on 5 June has been considered. The Project Board has recommended a way forward to allow services to complete Stage 3 Options Development which will allow for more detailed information to be provided to Members at the Policy and Resources Committee and Council meetings in October.
- 5.2 Agreeing an indicative target range of savings of 4% to 6% for Integrated Health and Social Care at this stage will allow the Integrated Joint Board to start planning on this basis and develop options to deliver their allocation of the required savings.
- 5.3 There is a planned Member's Workshop on 18 September to give an opportunity to engage all Members in the options being developed.

6. IMPLICATIONS

- 6.1 Policy – None from this report but Service Choices will determine policy in a number of service areas.
- 6.2 Financial – Supports balancing the budget over 2016-17 and 2017-18.
- 6.3 Legal – None at this stage.
- 6.4 HR – None at this stage but Service Choices will have an impact on staff.
- 6.5 Equalities – None at this stage but savings proposals will need to consider equalities.
- 6.6 Risk – None at this stage but savings proposals will need to consider risk.
- 6.7 Customer Service – None at this stage but savings proposals will need to consider customer service.

Policy Lead for Strategic Finance: Councillor Dick Walsh

Steve Barrett
Interim Head of Strategic Finance
30 July 2015

**For further information please contact Kirsty Flanagan, Finance Manager
Departmental Support on 01546 604268.**

APPENDICES

Appendix 1 – Management/Operational Savings Options
Appendix 2 – Stage 3 Options Development Template

Appendix 1

Management/Operational Savings

Department	Service	Service Package	Ref	Description of Option	Yr1 Budget Reduction £000	Yr1 FTE Reduction	Yr2 Budget Reduction £000	Yr2 FTE Reduction	Future Years Budget Reduction £000	Future Years FTE Reduction
Chief Executives Unit	Strategic Finance	Strategic Finance	SF01B	Reduce travel and subsistence budgets	5	0.0	5	0.0	5	0.0
Chief Executives Unit	Strategic Finance	Strategic Finance	SF01C	Review Internal Audit Strategic Partnership	15	0.0	15	0.0	15	0.0
Chief Executives Unit	Strategic Finance	Strategic Finance	SF01D	Increase finance recharge to Loans Fund	9	0.0	9	0.0	9	0.0
Chief Executives Unit	Strategic Finance	Strategic Finance	SF01E	Recharge of officer time to the TIF project.	10	0.0	10	0.0	10	0.0
Community Services	Education	Education Support HQ and Repairs/Janitorial Services	EDUC05b	Removal / reduction of various small central budgets including reduction in postages, hospitality, furniture and fittings, subscriptions to publications.	41	0.0	41	0.0	41	0.0
Community Services	Education	Education Support HQ and Repairs/Janitorial Services	EDUC05f	Removal of budget for School Estates Management.	30	0.0	30	0.0	30	0.0
Community Services	Education	Psychological Services	EDUC12c	A 7% reduction in the total budget of the Specialist Activities. (as this budget is routinely underspent it is recommended that a 50% saving is made)	6	0.0	6	0.0	6	0.0
Customer Services	Customer and Support Services	Customer Service Centres (CSC) and Registration	CSS01g	One off savings in 2017-18	0	0.0	51	0.0	0	0.0
Customer Services	Customer and Support Services	Customer Service Centres (CSC) and Registration	CSS01h	Blue Badge Additional Income	10	0.0	10	0.0	10	0.0
Customer Services	Customer and Support Services	Customer Service Centres (CSC) and Registration	CSS01i	Registration Ceremonies Additional Income	15	0.0	15	0.0	15	0.0
Customer Services	Customer and Support Services	Customer Service Centres (CSC) and Registration	CSS01n	Miscellaneous Budget reductions - training, fixtures & fittings, consultancy etc	7	0.0	7	0.0	7	0.0
Customer Services	Customer and Support Services	Revenues and Benefits	CSS02a	Reduction in sheriff officer commission for council tax	21	0.0	21	0.0	21	0.0
Customer Services	Customer and Support Services	Revenues and Benefits	CSS02b	Reduction in sheriff officer commission for NDR	17	0.0	17	0.0	17	0.0
Customer Services	Customer and Support Services	Revenues and Benefits	CSS02e	30% saving on travel costs	5	0.0	5	0.0	5	0.0
Customer Services	Customer and Support Services	Revenues and Benefits	CSS02f	End maintenance on Northgate adapters	15	0.0	15	0.0	15	0.0
Customer Services	Customer and Support Services	Creditors	CSS03d	More creditors training done via lync & online reducing travel costs	1	0.0	1	0.0	1	0.0

Appendix 1

Management/Operational Savings

Department	Service	Service Package	Ref	Description of Option	Yr1 Budget Reduction £000	Yr1 FTE Reduction	Yr2 Budget Reduction £000	Yr2 FTE Reduction	Future Years Budget Reduction £000	Future Years FTE Reduction
Customer Services	Customer and Support Services	Creditors	CSS03e	Reduction in training budget	3.5	0.0	3.5	0.0	3.5	0.0
Customer Services	Customer and Support Services	Information Technology	CSS04a	Disconnection of telephone lines no longer required	30	0.0	30	0.0	30	0.0
Customer Services	Customer and Support Services	Information Technology	CSS04c	Remove the IT Disaster recovery Contract	27	0.0	27	0.0	27	0.0
Customer Services	Customer and Support Services	Information Technology	CSS04d	Net additional income from a shared services partnership with Highland Council to deliver a Microsoft Lync environment for both Councils	50	0.0	50	0.0	50	0.0
Customer Services	Facility Services	Catering	FS01E	Remove surplus funding for P1-3 Free Meals.	118	0.0	118	0.0	118	0.0
Customer Services	Facility Services	Property	FS03N	Remove the uncommitted budget allocated for enabling work associated with Workforce Deployment contracts.	44	0.0	44	0.0	44	0.0
Customer Services	Facility Services	School and Public Transport	FS04C	As a result of the successful implementation of the transport sourcing strategy, remove the element of the School and Public Transport budget not required based on current contracts.	451	0.0	451	0.0	451	0.0
Customer Services	Facility Services	School and Public Transport	FS04D	As a result of the benefits arising from the introduction of fuel efficient vehicles and related driver training, 20% reduction to Fuel budget for Pool Cars and Pupil Transport	41	0.0	41	0.0	41	0.0
Customer Services	Facility Services	School and Public Transport	FS04E	As a result of the continuing reduction in the age of the light vehicle fleet, 30% reduction to external hire charge budget for back-up vehicles	21	0.0	21	0.0	21	0.0
Development and Infrastructure Services	Planning and Regulatory Services	Development Management	PRS02a	Increase Planning Fee Revenue Budget. Use increased statutory planning fee income to offset savings targets. Income exceeded budget by £65k and £115k in the previous 2 financial years and Scottish Government is openly examining future increases in fees. An increase in budget of £100k based on previous years outturn is conservative estimate particularly in the growth agenda outlined in LDP. The £100k increase will be split - £80k aligned to Development Management and £20k to Planning Policy.	80	0.0	80	0.0	80	0.0
Development and Infrastructure Services	Planning and Regulatory Services	Development Policy	PRS03a	Reduction in GIS provision by reducing licenses for number of desktops and changing software.	7	0.0	7	0.0	7	0.0

Management/Operational Savings

Department	Service	Service Package	Ref	Description of Option	Yr1 Budget Reduction £000	Yr1 FTE Reduction	Yr2 Budget Reduction £000	Yr2 FTE Reduction	Future Years Budget Reduction £000	Future Years FTE Reduction
Development and Infrastructure Services	Planning and Regulatory Services	Regulatory Services	PRS04b	Rationalisation of our on-line and other subscriptions across Regulatory Services relating to the provision of and access to technical advice, guidance, case law and statutes	10	0.0	10	0.0	10	0.0
Development and Infrastructure Services	Planning and Regulatory Services	Regulatory Services	PRS04d	Realise savings by releasing underspend in the tobacco control budget which funds the age-related sales activities and tobacco enforcement work.	5	0.0	5	0.0	5	0.0
					1,094	0.0	1,145	0.0	1,094	0.0

SERVICE CHOICES – STAGE 3 – OPTIONS DEVELOPMENT																																															
SERVICE PACKAGE OVERVIEW																																															
Department:				Service:																																											
Service Package:				Service Package Reference:																																											
Savings Target: %				Target Value: £'000																																											
1	Introduction/Overview																																														
1.1	<i>This section should provide a description of the service package as previously included in Stage 1 and Stage 2 templates.</i>																																														
2	Service Package Baseline Information																																														
2.1	<p><i>This section is provided to allow some key information on the service to be provided and should include information like:</i></p> <ul style="list-style-type: none"> <i>A summary of any statutory and legislative requirements.</i> <i>Information on the current approach to service delivery.</i> <i>Information on current resources - money, staff and assets. Where available revenue information should be provided for current year (budget) and the previous two years (actual).</i> 																																														
3	Performance (including Benchmarking)																																														
3.1	<i>Information on what the service activity currently achieves in terms of performance. This section should highlight benchmarking for the service area relevant to the service package. Graphical representation would be best with supporting narrative.</i>																																														
4	Future Challenges																																														
4.1	<i>This section to identify future challenges relevant to the savings proposals. This may be similar to information in the Stage 1 template.</i>																																														
5	Summary of Options																																														
5.1	<p><i>The savings options for this service package are summarised in the table below with more detailed information contained in the individual option templates:</i></p> <table border="1"> <thead> <tr> <th rowspan="2">Option Reference</th> <th colspan="2">2016-17</th> <th colspan="2">2017-18</th> <th colspan="2">Future Years</th> </tr> <tr> <th>£'000</th><th>FTE</th> <th>£'000</th><th>FTE</th> <th>£'000</th><th>FTE</th> </tr> </thead> <tbody> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Management/Operational</td><td></td><td>0</td><td></td><td>0</td><td></td><td>0</td> </tr> <tr> <td>TOTAL</td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </tbody> </table> <p><i>Management/operational savings are not required to produce an options template as these savings do have no policy or HR implications.</i></p>						Option Reference	2016-17		2017-18		Future Years		£'000	FTE	£'000	FTE	£'000	FTE															Management/Operational		0		0		0	TOTAL						
Option Reference	2016-17		2017-18		Future Years																																										
	£'000	FTE	£'000	FTE	£'000	FTE																																									
Management/Operational		0		0		0																																									
TOTAL																																															

6.	Employee Engagement
6.1	<i>Briefly outline employee engagement to date.</i>

Service Package:		Service Package Reference:			
Savings Option:		Savings Option Reference:			
Description of Savings Option: <i>This section should provide a brief description of the savings option as previously included on Stage 2 templates. Table should also be included to show savings and any FTE reduction profile.</i>					
2016-17		2017-18		Future Years	
£'000	FTE	£'000	FTE	£'000	FTE
Impact on Service Delivery: <i>Description of the impact on service delivery of the proposed option. This should focus on service outcomes and key deliverables/objectives. It should be noted when the saving can be delivered from and any lead in times.</i>					
Actions Required to Deliver on Saving: <i>Outline actions required to deliver on saving, including indicative timeline for actions, section should also highlight any barriers which could have an impact on the timescale.</i>					
Impact on Staff: <i>Outline impact on staff including FTE and Headcount reduction and how this will be achieved eg reduced hours, redundancy, removal of vacant posts.</i>					
Risks: <i>Outline implications of the proposed option on key strategic and operational risks as together with any risks in terms of Health and Safety.</i>					
Statutory Requirements: <i>Outline implications of the proposed option on statutory requirements.</i>					
Third Sector/Partnerships: <i>Outline impact where the service is delivered by another party or the option will affect other involved in the supply chain for the service.</i>					
External Funding: <i>Outline implications of the proposed option on External Funding, include all sources of funding including grants and contributions, fees and charges etc.</i>					

Impact on Assets:

Outline implications for capital expenditure or plans to stop using existing assets.

Additional Investment:

For options which require additional investment to deliver, ie. Spend to Save proposals, outline the level of investment required whether revenue or capital, the timing of this and any proposals to fund these costs.

Equality Impact Assessment:

- *Is an Equality Impact Assessment Required? Yes/No*
- *Has an Equality Impact Assessment been carried out? Yes/No – If required and EQIA is not completed, explanation should be entered.*
- *What was the outcome of the EQIA?*

ARGYLL & BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****CUSTOMER SERVICES****20 AUGUST 2015**

**EXTRACT OF MINUTE OF ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE
COMMITTEE HELD ON 13 AUGUST 2015**

* **5. UPDATE ON IMPLEMENTATION OF NEW POLICY - PAVEMENT CAFE
LICENCES**

The Policy and Resources Committee, at their meeting on 15 May 2014, approved the Pavement Café Licence Policy and requested that a report be brought back to Committee containing a review of the Policy after its first year of implementation. A report providing an update on the implementation of the Pavement Café Licence Policy was considered.

Decision

The Committee –

1. Noted and endorsed the report.
2. Agreed to recommend to the Policy and Resources Committee the proposal to waive the Pavement Café Licence fee for a further year.
3. Agreed that the amended Pavement Café Licence Policy be taken to the Policy and Resources Committee for approval.
4. Agreed that the Executive Director – Development and Infrastructure Services would report back on progress in respect of the removal of A-Board advertising on pavements by the Planning Service.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 13 July 2015, submitted)

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ARGYLL & BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT &
INFRASTRUCTURE SERVICES

13 August 2015

UPDATE ON IMPLEMENTATION OF NEW POLICY – PAVEMENT CAFÉ LICENCES

1.0 SUMMARY

- 1.1 This report provides an update on the implementation of the Pavement Café licence policy. The demand for pavement cafés across Argyll and Bute is increasing, in particular in the towns that have had public realm improvements. New issues may arise and have to be taken into consideration. For this reason, the policy may have to be reviewed and updated on an annual basis.
- 1.2 The Policy and Resources Committee at its meeting on 15 May 2014 approved the policy for use of pavements-Café Culture and requested that a report be brought back to the Committee with a review of the policy after its first year of implementation.

RECOMMENDATIONS

Members are asked to:

- Note and endorse the report.
- Approve the proposal to waive the Pavement Café Licence fee for a further year.
- Approve that the amended Pavement Café licence Policy be taken to the Policy and Resource Committee for approval.

ARGYLL & BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT &
INFRASTRUCTURE SERVICES

13 August 2015

UPDATE ON IMPLEMENTATION OF NEW POLICY – PAVEMENT CAFÉ LICENCES

2.0 INTRODUCTION

- 2.1 The Policy and Resources Committee at its meeting on 15 May 2014 approved the policy for use of pavements-Café Culture and requested that a report be brought back to the Committee with a review of the policy after its first year of implementation.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to:
- Note and endorse the report.
 - Approve the proposal to waive the Pavement Café Licence fee for a further year.
 - Approve that the amended Pavement Café licence Policy be taken to the Policy and Resource Committee for approval.

4.0 DETAILS

Background

- 4.1 The new pavement café licence policy was implemented in August 2014. The demand for pavement cafés and display of goods across Argyll and Bute has increased, in particular in the towns that have had public realm improvements. There was a need to regularise and control the use of public footways to ensure that the purpose of the footway, i.e. a pedestrian thoroughfare, was not compromised, whilst at the same time provide vibrancy to our towns and stimulate economic growth.

Amendment to Policy

- 4.2 Item 21 within – ***Standard Conditions for Pavement Café Licences and the Display of Goods for Sale on the Public Highway*** (see appendix 1), should be revised to comply with the requirements of the New Roads and Street Works Act 1991. This condition should be replaced with the amended item as follows:-

“21. The Council may require the Pavement Café to cease operation immediately to allow public utility or footway repairs to be undertaken. Neither the Council or public utility company will be liable for any loss of income attributable in any way to repair and/or maintenance of any road, footway, pavement, or public services, to be laid, or already laid within the pavement”

- 4.3 Item 4 within – **Things to consider** (see appendix 2), contains reference to the possible requirement that toilet facilities may have to be considered where overall occupancy figures are increased. A new internal process within the Central Roads Team will be implemented to ensure that before a licence is issued, the applicant can demonstrate that Building Standards have been consulted and the assessment of toilet provision has been carried out if necessary. Application forms will be updated to include this requirement.

Applications

- 4.4 The Council offers free pre-application advice. A number of enquiries have been received and advice given within the first year of the implementation of the new policy, however there have been a limited number of formal applications received. A total of three applicants have been issued a licence and benefited from the waived fee. See table 1.1 below for further information.

Table 1.1 Licences Issued/Refused - First Year of Implementation of New Policy

Area	OLI	H/L	MAKI	BC
No. of licences issued	2	1	0	0
No. of applications received – Approval pending	1	0	0	0
No. of licences refused – Policy requirements not met	0	0	0	1
Approximate No. of pre-application enquiries with no formal application received to date	2	4	0	1

- 4.5 Licences have been issued for street cafés in Oban and Helensburgh. The pre-application enquiries are in relation to cafés in Oban, Helensburgh and Dunoon. As there are still a number of unlicensed pavement cafés operating, an awareness raising campaign will be undertaken to encourage existing cafés to either apply for a licence or remove their furniture from the footway. Officers will be visiting known street cafés without licences to encourage proprietors to formally apply as soon as possible. Guidance and assistance will be provided to businesses on the process that should be followed. Enforcement will only be carried out after a reasonable time has elapsed following the campaign.

- 4.6 The desire to encourage “pavement café culture” in our town centres is on-going as they add to the vibrancy of the townscape, provided it is done well. The need to set limits and rules for what is acceptable and what is not is also required. The best opportunities to develop a pavement café culture have been created through the council’s flagship regeneration/public realm projects. Two of these projects have now been completed and officers are considering ways in which pavement café opportunities can be actively promoted at these locations.
- 4.7 It was agreed that the fee for the licence of £165 be waived for the first year up to August 2015 to provide a transitional period allowing individual businesses time to adjust and work to the policy. Due to the slow uptake of licences this report proposes that the pavement café licence fee shall be waived for a further year to encourage proprietors to apply for a licence and work to the policy. An awareness campaign across the whole area and proactive engagement with operators of unlicensed pavement café licences, together with a further year of waived fees should increase the number of formal applications being submitted for approval. The premises operating street cafés without licences will be encouraged to formally apply when the charges are waived.
- 4.8 Whilst the number of formal licences issued within the first year is lower than anticipated, the number of pre-application enquiries indicates awareness of the policy is on the increase. The processing of the applications that have been received has allowed internal processes to be tried and tested. Initially uncertainty of the requirements and lack of administrative procedures resulted in a delay to the issue of licences. Officers are now familiar with the application procedures and are prepared for dealing with new enquiries and applications as they are received.
- 4.9 Whilst the Policy is not intended to apply to business premises such as fruit and vegetable businesses and narrow displays of goods at the front of premises, on-going consideration must still be given to the requirement for free flow of pedestrian movements. Where these displays have an impact on pedestrian flow, such displays will be required to be removed.

5.0. CONCLUSION

- 5.1 Café Culture is an increasing trend and an encouraging improvement to the vibrancy and economic growth of our towns. It is important for the policy to meet the demands of the businesses and at the same time provide safe and efficient management of our pavements. It is important for our policies to be regularly reviewed and revised to meet the changing needs of our communities.

6.0. IMPLICATIONS

6.1	Policy	Proposed amendment of the Policy for the Use of Pavements – Café Culture.
6.2	Financial	None
6.3	Legal	Avoids contravention of the Roads (Scotland) Act 1984. Amendment to the policy to comply with the requirements of the New Roads and Street Works Act 1991
6.4	HR	None
6.5	Equalities	Policy continues to ensure sufficient space is maintained for all pedestrian users.
6.6	Risk	None

APPENDICES

Appendix 1–Extract from the Development and Infrastructure Services Guidance Policy for Use of Pavements Café Culture–Standard Conditions for Pavement Café Licences and the Display of Goods for Sale on the Public Highway
Appendix 2 - Extract from the Development and Infrastructure Services Guidance Policy for Use of Pavements Café Culture – Things to Consider

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13 July 2015

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APPENDIX 1 – Extract from the Development and Infrastructure Services Guidance Policy for Use of Pavements- Café Culture

STANDARD CONDITIONS FOR PAVEMENT CAFÉ LICENCES AND THE DISPLAY OF GOODS FOR SALE ON THE PUBLIC HIGHWAY

1. The boundary and layout of the Pavement Café as defined by the plan attached to the Licence shall be adhered to at all times. A copy of the licence with this plan must be displayed at the premises at all times.
2. All activity associated with the Pavement Café shall be within the boundary. This includes tables, chairs, menu boards, advertising etc.
3. Pavement cafés will only be permitted where adequate footway width is available. Generally there must be a remaining width of thoroughfare between the proposed café and any street furniture or the kerbline of half of the width of the footway to a minimum width of 1.8 metres. Where an area of footway is to be used for the display of goods for sale, the permitted area will normally be restricted to 1 metre in depth across the frontage of the premises. i.e. extending 1 metre from the front of the building into the footway. In exceptional circumstances and where the width of the footway permits a depth of 1.5 metres may be allowed at the discretion of the local roads office.
4. Planning approval will also be required for the Pavement Café.
5. The Licensee shall comply with Food Hygiene Regulations and any other relevant regulations applying to the sale of food.
6. The Licensee shall ensure tables are immediately cleared when customers have finished eating to minimise attraction of birds and flying insects.
7. The licensee shall provide a written assessment of the risks to which their employees are exposed whilst at work and must also assess whether there are risks to members of the general public that arise out of the general conduct of their business specifically in relation to the highway. Following assessment and identification of risk, a course of action shall be implemented to either eliminate the risk or reduce it to its lowest reasonably practicable level. Reviews of risk assessments shall always be carried out when there is reason to suspect that a current assessment is no longer valid (and the result of the review must be written down).
8. No permanent obstruction will be allowed in the footways within the Pavement Café area that may cause a safety hazard to users of the public highway. No

Advertisement Boards shall be allowed outside of the designated area.

9. The designated area will be delineated by barriers which present an adequate visible reference for partially sighted pedestrians, their design and nature will require to be agreed by the Council prior to use. For the display of goods for sale, an adequate toe rail must be provided, such that visually impaired cane users can identify the obstruction.

10. The licensee shall keep the area within the boundaries clean and litter free. Any litter that escapes from the inside of the licensed area to the outside of the area shall be collected by the Licensee.

11. Suitable litter/refuse bins shall be provided within the Pavement Café area at all times of operation. The Licensee shall be responsible for disposing of all waste produced at the Pavement Café.

12. The licensee shall be responsible for ensuring the immediate cleaning of spillages etc.in the Pavement Café and surrounding areas. At the end of each trading session the entire Pavement Café area shall be cleaned.

13. Standard types of crockery, i.e. china cups and saucers, used within the premises may also be used within the pavement café.

14. Outside of the permitted licence hours, all furniture must be removed from the footway and stored safely.

15. The maximum permitted hours of operation will be between 8.30 am and 9.00 pm. Note these are MAXIMUM HOURS. The Licence for particular premises may specify permitted hours that are less than the maximum.

16. The Licensee shall ensure that the Pavement Café operates in a safe and efficient manner at all times, and that there is not a safety risk or nuisance caused to other users of the public road or nearby premises.

17. The Licensee shall be responsible for the conduct of people, both patrons and employees, within the Pavement Café area. Unruly or rowdy behaviour will not be tolerated and may lead to the refusal of a renewal of licence.

18. Only patrons seated at tables should be served or permitted within the pavement café.

19. To reduce the likelihood of nuisance being caused, the playing of amplified music is not permitted within the Pavement Café area or outside of the premises without the prior written approval of the Council.

20. The licensee must take out Public Liability insurance cover for the Pavement Café and shall indemnify the Council against all claims in respect of injury, damage or loss arising out of the granting or permission, (e.g. damage to the road or street furniture) to a minimum value of £5,000,000 unless such claims arise of the Council's own negligence.

21. The Council can, with two days' notice, require the Pavement Café to cease operation to allow utility or road or footway repairs to be undertaken. Neither the Council nor any public utility company will be liable for any loss of income attributable in any way to repair and/or maintenance of any road, footway, pavement or public services, to be laid, or already laid within the pavement.

22. The licence will be subject to annual review. Notwithstanding the foregoing, however, if the Council determine that the operation of the pavement café area is causing undue public nuisance or issues of public disorder then the licence may be terminated on 7 days' notice.

23. If the licensee wishes to serve alcohol in the pavement café area then they will require to obtain the necessary licence/ approval in terms of the Licensing (Scotland) Act 2005 from Argyll and Bute Licensing Board.

APPENDIX 2 – Extract from the Development and Infrastructure Services Guidance Policy for Use of Pavements- Café Culture

THINGS TO CONSIDER

Before a trader or retailer comes forward to the Council with their proposal to use the pavement for seating or display of goods there are a number of things for them to consider and submit as part of their applications for planning or road authority consent.

Things to consider:-

1. **Space** - Is there room for the use as proposed and existing pavement users?
2. **Environment** - Is the quality of the furniture and immediate environment suitable for the use proposed?
3. **Neighbours** - How will the proposed use affect the neighbouring properties?
4. **Management** - Does the proposal meet the various criteria outlined in legislation and can it be operated in a safe and supervised manner?

1. Space

The extent of the seating or display of goods area will be agreed in each individual case, but an overriding principle is that it must not unduly impede public or private access within the street and to and from buildings.

The width of an outdoor seating area or display of goods will normally be no greater than the frontage of the premises from which it is served. The appropriate depth will be determined by its location on the highway; however a minimum width of unobstructed highway of 1.8 metres must usually be provided for safe and convenient pedestrian movement. This allows wheelchairs and prams to pass comfortably and provides a reliable, safe route for visually impaired pedestrians; however, in some cases additional width will be required in streets where there is a high level of pedestrian activity or permanent obstructions such as street furniture.

Tables and chairs should normally be placed adjacent to premises, at the back (building side) of the footway. In special areas this requirement may be waived. The positioning of tables and chairs should never discourage pedestrians from using the footway. There should generally not be a situation where trays of drinks or food are carried across thoroughfares. Any remote areas should be provided with independent facilities i.e. coffee machines, fridges and the like, this would be an exception to the norm.

2. Environment

The extent of the outdoor seating area must be clearly defined by an enclosure. This will ensure that a clear movement zone is retained for all users and emergency vehicles and that the pavement cafes do not expand.

The detailed design of any form of enclosure will be considered on their merits, but in all cases they must be of a temporary nature, able to be erected and demounted easily. Posts and chains/ropes and railings should not create a hazard for visually

impaired people. Where screens are used, solid panels should not extend above 0.9m in height from the ground. Whatever is used to enclose an area there should be a tonal contrast with the background but should not be too visually dominant.

The external corners should provide some form of visual contrast for easy identification by partially sighted people. A low level-tapping rail should be incorporated into the enclosure. Planting in containers is acceptable where this does not extend beyond the defined area, does not stain the paving, and are free standing so they can be removed if required.

Details of any outdoor heaters / parasols for use must be included within the drawings at the time of application.

Advertising within an outdoor seating area is not permitted without obtaining consent from the Council. Requirements for this approval include the submission of photographs or brochures to identify the material, colour and design whether it is to be sited on a banner, poster, flag, umbrella or other structure.

Proposals will be considered individually on their merits in terms of design, materials and colour. Plastic garden furniture, wooden picnic benches or generic branded enclosures (i.e. – name of a brewery) will not normally be considered to be appropriate. Tables and chairs should be separate to allow for a variety of configurations and must be high quality and robust. The provision of external seating or display of goods should not detract from the visual amenity of the area.

3. Neighbours

It is vitally important that the needs of adjoining properties, nearby residents, pavement users and delivery/emergency services are fully considered when proposing a use on the highway. These needs will be examined closely by the authorities dealing with the formal applications made under the current legislation. It may be helpful if you have consulted with your neighbours before submitting the formal application. The hours and days of use of the tables and chairs may be restricted to prevent nuisance to local residents and businesses.

4. Management

The extent of the outdoor seating area or display of goods will normally be directly in front of the premises that it serves to allow for robust surveillance and accountability. It will be the responsibility of the retailer / trader to ensure that the conditions of the road consent, planning permission and alcohol licence are adhered to along with the safe maintenance of their furniture. The trader / retailer will be responsible for the behaviour of and actions by his customers whilst in the consented pavement area.

At all times (particularly in poor weather conditions) it shall be the sole responsibility of the trader / retailer to ensure the safe use of their outdoor furniture. Where there is already internal seating associated with the building additional toilet facilities may be required if overall occupancy figures are increased. The approved licensed area will be kept clean and litter free; and every effort should be made to ensure that litter does not stray onto neighbouring areas. The responsibility for removing tables and chairs and other obstructions from the highway rests with the owner/operator of the premises.