

**EARMARKED RESERVES – 2014-15 YEAR-END**

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**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to provide information on progress with balances already earmarked within the General Fund, note the new balances earmarked at the end of 2014-15 that qualify for automatic carry forward and request approval for six new unspent budget earmarking proposals.
- 1.2 The earmarked balance in the General Fund was £30.372m at the end of March 2014. Of this balance, £5.925m has been spent during 2014-15, £1.180m will be transferred back to the General Fund as it is no longer required and the remaining £23.267m is planned to be spent in future years.
- 1.3 The balance of £23.267m planned to be spent in future years includes the contribution to the Dunoon and Campbeltown schools of £12.500m (of which £6.5m will be used to support investment in affordable housing, which will generate an income stream which will finance any borrowing required for Dunoon and Campbeltown schools) and the Strategic Housing Fund of £5.745m (in addition to this a further £1.927m of income was generated for the Strategic Housing Fund in 2014-15).
- 1.4 There are six new unspent budget earmarked proposals totalling £0.486m with supporting business cases for approval:
- New National Qualifications - £94,000
  - Developing Scotland's Young Workforce - £137,234
  - Early Years Change Fund - £30,000
  - Resourcelink Review - £42,450
  - Street Lighting Survey - £132,000
  - Oban Airport - £50,000
- 1.5 There are new earmarked balances totalling £6.440m that qualify for automatic carry forward which relate to unspent grants, unspent third party contributions, school carry forwards and balances previously approved by Council. Together the previously earmarked and new balances give a total of £30.193m to be earmarked at 31 March 2015.

**EARMARKED RESERVES - 2014-15 YEAR-END**

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**2. INTRODUCTION**

- 2.1 This report provides information on progress with balances already earmarked within the General Fund, notes the new balances earmarked at the end of 2014-15 that qualify for automatic carry forward and requests approval for six new unspent budget earmarking proposals.

**3. RECOMMENDATIONS**

- 3.1 To consider and agree the six new unspent budget earmarked reserve proposals, as per the business cases submitted.
- 3.2 To review and agree the previously approved unspent budget earmarked reserves and the justification for continuing to earmark these.
- 3.3 To review and agree the other balances currently earmarked within the General Fund, both the previously earmarked amounts and the new balances to be earmarked at the 2014-15 year-end.
- 3.4 Note that £1.180m of previously earmarked amounts no longer require to be earmarked and can be released back into the General Fund.

**4. DETAIL****4.1 Background**

- 4.1.1 The Council has previously agreed the following in respect of earmarked balances in the General Fund:
- The balances in relation to the Strategic Housing Fund, CHORD and unspent budget within the Devolved Management of Resources (DMR) Scheme of Delegation for schools.
  - Any unspent grants and unspent contributions from external bodies are earmarked. This is on the basis that the monies would have to be returned/repaid if not used for the purpose intended.
  - Any unspent budget that relates to existing policy commitments arising from a previous Council decision or is required to meet an existing legal commitment is earmarked.
- 4.1.2 Outwith the situations noted above there will be no automatic carry forward of unspent budget. Earmarking of funds in relation to unspent budget and not covered by the criteria above are reported to Council for approval and supported by a business case.

## 4.2 Review of General Fund

4.2.1 The General Fund balance at 31 March 2014 was £44.041m, of this a total of £30.372m was approved by Council to be earmarked for specific purposes. The table below summarises the opening balance on earmarked reserves approved together with the amount spent in the 2014-15 financial year, any identified uncommitted balance that can be returned back into the General Fund, any additions to balances and the proposed closing balance at 31 March 2015:

Earmarking Category	Balance at 31 March 2014 £'000	Actual Spend 2014-15 £'000	Balance no Longer Required £'000	Additions to Earmarked Balance £'000	Closing Balance 31 March 2015 £'000
Unspent Budget	1,343	(524)	(149)	486	1,155
Previous Council Decision	18,808	(1,870)	(1,031)	3,477	19,384
<b>Other automatic carry forwards:</b>					
Unspent Grant	979	(471)	0	293	801
Unspent Third Party Contribution	255	(59)	0	7	203
Existing Legal Commitments	196	(51)	0	0	144
CHORD	421	(325)	0	0	96
DMR - Schools	887	(887)	0	737	737
Strategic Housing Fund	7,484	(1,738)	0	1,927	7,672
<b>Grand Total</b>	<b>30,372</b>	<b>(5,925)</b>	<b>(1,180)</b>	<b>6,926</b>	<b>30,193</b>

4.2.2 Of the total balance of £30.372m originally earmarked at 31 March 2014, £23.267m is planned to be spent in future years. The main elements that run into future years are the contribution to the Dunoon and Campbeltown schools of £12.500m (of which £6.5m will be used to support investment in affordable housing, which will generate an income stream which will finance any borrowing required for Dunoon and Campbeltown schools), the Strategic Housing Fund of £5.745m (in addition to this a further £1.927m of income was generated for the Strategic Housing Fund in 2014-15) and a number of unspent budget proposals which in the main were originally earmarked or planned to be spent across a number of financial years.

4.2.3 The amount of £1.180m will be transferred into the General Fund. This amount has increased by £0.789m from the position reported in the 2015-16 budget pack in February 2015. This increase is as a result of a further review of by the Strategic Management Team of the balances held.

4.2.4 The following funds will be un-earmarked and released back into the General Fund:

<p><b>Unspent Budget Proposals</b> (listed in Appendix 1):</p> <p>Improvement and HR: There are a number of unspent budget proposals where the service has incurred expenditure but this has been accommodated from within the Departmental overall favourable outturn position:</p> <ul style="list-style-type: none"> <li>• Argyll and Bute Manager Programme - £0.051m</li> <li>• Learning and Development - £0.054m</li> <li>• Corporate Improvement Board Projects - £0.043m</li> </ul>	£149,383
<p><b>Previous Council Decision</b> (listed in Appendix 2):</p>	

<p>Planning and Regulatory Services (completed project during 2014-15): The Local Plan Enquiry costs were estimated to be £0.090m with the final cost being less than expected, therefore the remaining balance no longer requires to be earmarked.</p>	£42,180
<p>Adult Care: A reduction to the contingency balance held to offset the debtor for the level of charging orders in place. A review of this balance has been carried out and the full amount no longer requires to be earmarked.</p>	£653,000
<p>Non-Departmental: There are two earmarked balances can be reduced:</p> <ul style="list-style-type: none"> <li>• Severance (completed project during 2014-15). Balance was held for the potential costs for teachers claims from a number of years ago. Requirement for severance will be reviewed as part of Service Choices process - £0.027m.</li> <li>• Community Resilience Fund – fund established in 2012-13 as a contingency to fund emergency situations, this can be reduced to leave a balance of £0.200m available as a contingency - £0.309m</li> </ul>	£335,486
<b>TOTAL</b>	<b>£1,180,049</b>

### 4.3 Individual Earmarked Reserve Balances

Appendices 1 to 3 detail the individual earmarked balances with a note on plans for use and in some instances further justification for why amounts should be earmarked. A spending profile has also been included for each earmarked balance. These balances have been scrutinised by SMT to ensure that there are clear spending plans in place and that the purpose of the earmarking is in line with Council priorities.

#### Unspent Budget Proposals – Appendix 1

- 4.3.1 Appendix 1 provides detail of all of the unspent budget proposals at the end of the 2014-15 financial year, these total £1.155m. There is no automatic carry forward of unspent budget balances and Council are asked to review these to consider if they still require to be earmarked. Included within the balance is a total of £0.486m which relates to new proposals and business cases developed by services in support of these proposals are included as Appendices 3a to 3f.

#### Previous Council Decision Proposals – Appendix 2

- 4.3.2 Appendix 2 provides detail of all of the proposals at the end of the 2014-15 financial year that are as a result of a previous Council decision, these total £19.384m. These balances are automatically carried forward as this decision has previously been made by Council. Council are asked to review these to consider if they still require to be earmarked and continue to be in line with Council priorities. Included within the balance is a total of £3.477m which relates to new balances approved during 2014-15.

## **Other Automatic Carry Forwards – Appendix 3**

- 4.3.3 Appendix 3 outline the balances which qualify for automatic carry forward under the existing policy, these include unspent grants, third party contributions, existing legal commitments, CHORD, Schools DMR and the Strategic Housing Fund. These balances total £9.654m with £2.963m being new earmarked balances for the 2014-15 financial year. These are only provided for information as they are balances which qualify for automatic carry forward.
- 4.3.4 The balances earmarked in the General Fund are reviewed and approved by Council at the end of each financial year. The progress with spend against the earmarked allocation and spending plans is monitored by SMT and the Policy and Resources Committee throughout the financial year as part of the routine revenue budget monitoring process.

### **5. CONCLUSION**

- 5.1 A total of £1.180m which was currently earmarked in the General Fund is no longer required and the earmarking will be removed from these funds.
- 5.2 Services have submitted their new proposed unspent budget earmarked reserves balances for the 2014-15 year-end for consideration by Council together with business cases to support the requests, these proposals total £0.486m.
- 5.3 There are a number of previously approved unspent budget earmarked reserves balances where there are plans to spend in future years, these have been scrutinised by SMT to ensure there is clear justification for these to continue to be earmarked.
- 5.4 There are new balances totalling £6.440m to be earmarked for the 2014-15 year-end which qualify for automatic carry-forward, £3.477m of these relate to a previous Council decision.

### **6. IMPLICATIONS**

- |     |                    |   |
|-----|--------------------|---|
| 6.1 | Policy –           | Outlines the new proposed unspent budget earmarking to be carried forward as per the agreed policy. Also outlines the new balances to be earmarked which qualify for automatic carry forward. |
| 6.2 | Financial -        | Outlines all earmarked balances held within the General Fund.   |
| 6.3 | Legal -            | None.   |
| 6.4 | HR -               | None.   |
| 6.5 | Equalities -       | None.   |
| 6.6 | Risk -             | None.   |
| 6.7 | Customer Service - | None.   |

**Steve Barrett**  
**Interim Head of Strategic Finance**

**Councillor Dick Walsh, Council Leader - Policy Lead Strategic Finance**

**15 June 2015**

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**APPENDICES**

Appendix 1 – Unspent Budget Proposals

Appendix 2 – Previous Council Decisions

Appendix 3 – Other Automatic Carry Forwards

Appendix 3a - Business Case – New National Qualifications

Appendix 3b – Business Case – Developing Scotland’s Young Workforce

Appendix 3c – Business Case – Early Years Change Fund

Appendix 3d - Business Case – Resourcelink Review

Appendix 3e – Business Case – Street Lighting Survey

Appendix 3f – Business Case – Oban Airport

EARMARKED RESERVES 2014-15 - UNSPENT BUDGET PROPOSALS

APPENDIX 1

Ref	Department	Service	Description	Opening Balance at 31 March 2014	Budget Already Drawn down During 2014-15	Balance no Longer Required	Additions to Earmarked Balance	Closing Balance at 31 March 2015	Reason for Carry Forward	Plans for Use/Justification for Amounts to be Earmarked	Spending profile		
											Amount Planned to be Spent in 2015/16	Amount Planned to be Spent in 2016/17	Amount Planned to be Spent from 2017/18 onwards
		Completed Projects During 2014-15		453,902	(410,402)	(43,500)	0	0	Unspent Budget				
001	Community Services	Adult Care	Autism Strategy	35,000	(20,224)	0	0	14,776	Unspent Budget	Carry forward on monies received late in 2012-13 to fund the development of an autism strategy for both adults and children. Report to Community Services Committee 8th May 2014 noting The Health and Social Care Strategic Partnership are leading work in Argyll and Bute to develop services for clients with an Autism Spectrum Disorder (ASD). Work is underway and remainder of funding will be utilised in 2015-16 on planned training.	14,776	0	0
002	Community Services	Adult Care	Health and Social Care Integration	120,000	(60,000)	0	0	60,000	Unspent Budget	To fund a team for two years to progress Health and Social Care Integration. Project is up and running. Funding will be required to cover project team staff costs until implementation. Additional ad-hoc support may be required subject to developments / timescales.	60,000	0	0
003	Community Services	Children and Families	Care First /Care Pay Consultancy	16,200	0	0	0	16,200	Unspent Budget	Progress the integration of financial and care management information held in the CareFirst system for Children and Families. Preliminary discussions have taken place with the consultants and the funding will be required during 2015-16.	16,200	0	0
004	Community Services	Children and Families	Early Years Change Fund - Dalintober Family Centre (Phase 2)	0	0	0	30,000	30,000	Unspent Budget - Business Case - APPENDIX 3c	Phase 2 of the works to develop a family room in Dalintober Pre-5 Unit where families will have access to information, advice and support.	30,000	0	0
005	Community Services	Community and Culture	Welfare Rights Officer	42,000	(33,434)	0	0	8,566	Unspent Budget	Continuation of fixed 2 year Welfare Rights Officer post, to assist in the delivery of additional requirements placed on the service, as a result of Welfare Reform. Two year post is due to end in June 2015, balance is required to fund the costs until that time.	8,566	0	0
006	Community Services	Education	New National qualifications	0	0	0	94,000	94,000	Unspent Budget - Business Case - APPENDIX 3a	Scottish Government additional funding to provide schools with additional opportunities to develop teachers' understanding of and ability to deliver the new National Qualifications and to meet the costs of school level events to improve parents' understanding of the new National Qualifications.	94,000	0	0
007	Community Services	Education	Developing Scotland's Young Workforce	0	0	0	137,234	137,234	Unspent Budget - Business Case - APPENDIX 3b	Developing an Argyll & Bute foundational apprenticeship scheme, developing support for vulnerable young people to access training, developing key group knowledge of the local labour market in relation to post-school opportunities and delivering a prevocational programme for unemployed young people.	137,234	0	0
008	Customer Services	Executive Director of Customer Services	NPDO	200,000	0	0	0	200,000	Unspent Budget	Fund the potential costs associated with a refinancing proposal for ABC Schools. Any refinancing proposal has the potential to result in a substantial gain for the Council. The costs associated with re-financing will not now be incurred until 2015-16.	200,000	0	0
009	Customer Services	Improvement and HR	Resourcelink Review	0	0	0	42,450	42,450	Unspent Budget - Business Case - APPENDIX 3d	Underspend in Resourcelink 4 Project budget. The scope of the project was reduced due to the level of funding available, earmarking of this underspend would allow some of the project actions that were updated as being out of scope to be accelerated and delivered in a shorter timescale.	42,450	0	0

EARMARKED RESERVES 2014-15 - UNSPENT BUDGET PROPOSALS

APPENDIX 1

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											Amount Planned to be Spent in 2015/16	Amount Planned to be Spent in 2016/17	Amount Planned to be Spent from 2017/18 onwards
010	Customer Services	Improvement and HR	Argyll and Bute Manager Programme	164,575	0	(51,083)	0	113,492	Unspent Budget	Fund the Argyll and Bute Manager training programme which has been extended. A number of managers have been trained and the funding is being used to roll this out across all managers. Once full coverage has been achieved the training will become part of business as usual for Learning and Development.	63,279	50,213	0
011	Customer Services	Improvement and HR	Learning and Development	175,640	0	(54,800)	0	120,840	Unspent Budget	Training identified via PRDs, develop further E-Learning modules and the provision of Social Work degree and HNC qualifications. Original earmarked balance was to be spent over a 5 year period. The service have incurred some expenditure in these areas but do not require to draw on the reserves as these costs can be accommodated from the favourable outturn position. The spending plan has been expanded to include the provision of social work HNC qualifications. Earmarked balance was to fund training identified from PRDs, the development of e-learning modules and a 5 year programme of Social Work Degree courses. The service have incurred some expenditure in these areas but do not require to draw on the reserves as these costs can be accommodated from the favourable outturn position.	69,390	42,570	8,880
012	Development and Infrastructure	Economic Development	Oban Airport	0	0	0	50,000	50,000	Unspent Budget - Business Case - APPENDIX 3f	There are a number of legal actions that have been taken out by TLC Ltd, the current fuel supplier at Oban airport, against Argyll and Bute Council. It is anticipated that earmarking of £50k of unspent budget will address the uncertainty around ongoing legal issues that will continue into 2015-16.	50,000	0	0
013	Development and Infrastructure	Roads and Amenity Services	Street Lighting Survey	0	0	0	132,000	132,000	Unspent Budget - Business Case - APPENDIX 3e	In order to ensure that the inventory is sufficiently robust to inform both an energy model and a lighting business case it is necessary to carry out an asset survey which will provide a high degree of inventory accuracy. As part of this process a robust protocol will be established that ensures that the inventory is monitored and kept up to date.	132,000	0	0
014	Development and Infrastructure	Roads and Amenity Services	Amenity Services introduction of management information system	135,500	0	0	0	135,500	Unspent Budget	To introduce WDM/TOTAL to provide accurate management information on the operation of Amenity Services. Funding was available in the 2013-14 budget for this project, which was agreed as part of the service review. Because of delays with progressing budget savings options this delayed the implementation of this project. This will be progressed in 2015-16.	0	135,500	0
				<b>1,342,817</b>	<b>(524,060)</b>	<b>(149,383)</b>	<b>485,684</b>	<b>1,155,058</b>					



EARMARKED RESERVES 2014-15 - PREVIOUS COUNCIL DECISION PROPOSALS

APPENDIX 2

Ref	Department	Service	Description	Opening Balance at 31 March 2014	Budget Already Drawn down During 2014-15	Balance no Longer Required	Additions to Earmarked Balance	Closing Balance at 31 March 2015	Reason for Carry Forward	Plans for Use/Justification for Amounts to be Earmarked	Spending profile		
											Amount Planned to be Spent in 2015/16	Amount Planned to be Spent in 2016/17	Amount Planned to be Spent from 2017/18 onwards
	Completed Projects During 2014-15			834,302	(765,617)	(68,685)	0	0	Previous Council Decision				
015	Community Services	Adult Care	Residential Care Home Placements (Charging Order Income)	853,000	0	(653,000)	0	200,000	Previous Council Decision	Contingency put in place in February 2013 to offset budget saving options for Adult Care Service. The Council holds a debtor on the balance sheet for the level of charging orders in place, this earmarked balance is a holding account to retain the monies that were generated in creating the debtor. These funds have not yet been recovered, if this earmarked balance was fully removed there would be an issue for the service if the debt is not recovered. A review will be carried out during 2015-16 to establish the appropriate level of bad debt provision required and the earmarked balance will be transferred to fund this, therefore there will be no earmarked balance held at the end of 2015-16.	200,000	0	0
016	Community Services	Children and Families	Early Intervention (Early Years Change Fund)	731,000	(274,004)	0	0	456,996	Previous Council Decision	Fund established in 2012/13 to be spent over more than one year. Expenditure plan has been prepared.	288,681	168,315	0
017	Community Services	Community and Culture	Third Sector Grant Helensburgh and Lomond	0	0	0	1,006	1,006	Previous Council Decision	Policy and Resources Committee (30 October 2014) approved the carry forward by Helensburgh and Lomond Area Committee of the element of unallocated Third Sector Grant Funding which will be allocated in 2015-16.	1,006	0	0
018	Community Services	Education	Youth Employment Opportunities Fund	162,388	(12,375)	0	0	150,013	Previous Council Decision	Fund established in 2012/13 to be spent over more than one year. Monies will mainly be used for Modern Apprenticeship scheme, delays in implementation but there is now a spending plan in place.	107,500	42,513	0
019	Community Services	Education	School Campus Proposals - Dunoon and Campbeltown	648,407	(113,660)	0	0	534,747	Previous Council Decision	Additional revenue costs associated with development of new schools. Draw down as Schools project progresses and project costs are incurred.	369,140	109,493	56,114
020	Customer Services	Customer and Support Services	Discretionary Housing Payments	0	0	0	138,368	138,368	Previous Council Decision	Additional funding from the Scottish Government for the 2014-15 allocation for Discretionary Housing Payments, agreed that this underspend can be carried forward to supplement monies available for DHPs in 2015-16 as it is expected that the allocation will reduce and this will allow for current priority levels to be maintained. This was approved at the Policy and Resources Committee meeting on 20 March 2015.	138,368	0	0
021	Customer Services	Customer and Support Services	Scottish Government Funding - Welfare Reform/Discretionary Housing Payments (agreed at Council February 2014)	523,706	(59,000)	0	0	464,706	Previous Council Decision	The Council was allocated additional funding of £550k from the Scottish Government late in 2013-14 to provide additional Discretionary Housing Payments. The Council agreed to carry forward the balance of funding to support a range of welfare reform interventions. An updated spending plan for the funding was agreed by the Policy and Resources Committee in March 2015.	464,706	0	0
022	Customer Services	Customer and Support Services	Customer Contact Centre Replacement	0	0	0	94,680	94,680	Previous Council Decision	Policy and Resources Committee Decision of 19 March 2015. Revenue budget approved to fund the additional one-off revenue requirements to replace the Customer Contact systems.	85,028	9,652	0
023	Customer Services	Facility Services	Asbestos Management	358,369	(135,214)	0	0	223,155	Previous Council Decision	Asbestos survey to be carried out for all of the Council properties. Reserves were approved to fund a 3 year programme of asbestos works, the original amount earmarked was £513k. The remaining monies will be spent over 2014-15 and 2015-16.	223,155	0	0

EARMARKED RESERVES 2014-15 - PREVIOUS COUNCIL DECISION PROPOSALS

APPENDIX 2

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											Amount Planned to be Spent in 2015/16	Amount Planned to be Spent in 2016/17	Amount Planned to be Spent from 2017/18 onwards
024	Customer Services	Executive Director of Customer Services	NPDO	0	0	0	1,001,271	1,001,271	Previous Council Decision	Agreed that underspend in NPDO and Special Projects team is earmarked to contribute to capital funding of new schools in Kilmartin, Oban and Campbeltown.	1,001,271	0	0
025	Development and Infrastructure	Economic Development	Kilmartin Museum	0	0	0	25,000	25,000	Previous Council Decision	Kilmartin Museum Stage 2 Development Stage. KM have submitted their stage 1 bid to the Heritage Lottery Fund with a decision due March 2014. Assuming that the application is approved, KM will proceed directly to undertaking stage 2 development costing around £400,000 from which 75% of costs will be released from the Stage 1 HLF approval. It is proposed that the remaining 25% will be split evenly between the Council (£50k) and HIE (£50k). The council's contribution was split over two years, 14/15 and 15/16. No payment was made during 14/15. The budget was approved as a demand pressure by Council on 13 February 2014.	25,000	0	0
026	Development and Infrastructure	Economic Development	Scottish Submarine Museum	0	0	0	90,000	90,000	Previous Council Decision	Commonwealth Submarine Pavilion; proposal to create a new Naval Submarine Museum in Helensburgh as a visitor attraction and celebrate the town's links with HMFAslane Naval Base. This was agreed as part of the 2014/15 Budget some expenditure has been incurred in 2014/15 and there has been further expenditure in 2015/16. The budget was approved as a demand pressure by Council on 13 February 2014.	90,000	0	0
027	Development and Infrastructure	Economic Development	Campbeltown Picture House	150,000	0	0	0	150,000	Previous Council Decision	First constructed in 1913 and is now the oldest purpose built cinema still operating in Scotland. However, due to age, years of water ingress and an antiquated heating system, the property is now in a parlous state of repair and is an A-Listed property. Although the management board is composed of volunteers, it currently employs 7 staff (2 FT/ 5 PT) and has plans to expand. Total costs of renovations are forecast at £3m as detailed in the Business Case (Jura Consultants, August 2012).	0	0	150,000
028	Development and Infrastructure	Economic Development	Hermitage Park HLF	300,000	0	0	0	300,000	Previous Council Decision	The aims of the scheme focus around the objectives of protecting the quality of the heritage of Hermitage Park thereby improving the quality of the experience, increase public engagement and the use of the park. The overall objective is to enhance the quality of the area as a place to live and work and in turn improve the overall quality of life in our communities.	0	0	300,000
029	Development and Infrastructure	Economic Development	Rothesay Pavilion Essential repairs	0	0	0	306,400	306,400	Previous Council Decision	Essential repairs to deal with potential health and safety risks and to avoid further deterioration. Budget provision was approved by the Policy and Resources Committee on 21 August 2014.	306,400	0	0
030	Development and Infrastructure	Economic Development	Inveraray CARS	350,000	0	0	0	350,000	Previous Council Decision	The aims of the scheme focus around the objectives of protecting the quality of the built environment as an asset for sustainable economic growth, enabling the development of growth enhancing activities within Inveraray itself and to act as a catalyst for economic regeneration of the town and its hinterland.	0	350,000	0

EARMARKED RESERVES 2014-15 - PREVIOUS COUNCIL DECISION PROPOSALS

APPENDIX 2

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											Amount Planned to be Spent in 2015/16	Amount Planned to be Spent in 2016/17	Amount Planned to be Spent from 2017/18 onwards
031	Development and Infrastructure	Economic Development	Oban TIF (Tax Incremental Financing)	0	0	0	1,590,902	1,590,902	Previous Council Decision	Revenue budget approved to fund the Lorn Arc Incremental Financing (TIF) programme management. This balance will fund the programme office until 2019-20, any unspent amounts have been approved to be automatically carried forward at the year-end as agreed by Council on 22 January 2015.	362,902	332,000	896,000
032	Development and Infrastructure	Economic Development	Conservation Area Regeneration Scheme (CARS)	0	0	0	40,000	40,000	Previous Council Decision	Agreed at Council on 26 June 2014 to fund development works necessary for the preparation of the Campbeltown CARS bid as well as the preparatory work for a future CARS bid for Dunoon.	40,000	0	0
033	Development and Infrastructure	Planning and Regulatory Services	Citizens Advice Bureau	0	0	0	70,000	70,000	Previous Council Decision	To provide certainty to existing providers while a review of advice services within Argyll and Bute is completed. Budget provision was approved by Council on 12 February 2015.	10,000	30,000	30,000
034	Development and Infrastructure	Roads and Amenity Services	Waste Management	586,258	(407,897)	0	0	178,361	Previous Council Decision	Will be used towards Waste Management longer term model. Delay in introduction of comingled collection due to legal issues that remain to be resolved, however monies will be required for waste management longer term model.	178,361	0	0
035	HQ Non Dept	n/a	Support Staff for PVG Retrospective Phase	74,192	(26,945)	0	0	47,247	Previous Council Decision	Additional support in HR to process PVG applications, agreed in February 2013 to be earmarked from overall favourable projected outturn.	47,247	0	0
036	HQ Non Dept	n/a	Council Tax Empty Homes	0	0	0	118,919	118,919	Previous Council Decision	Additional funding from imposing double council tax charge on empty homes, agreed that this would be earmarked for allocation by Area Committees. Full amount collected for 2014-15 was £506,465 with £150,000 being allocated in Kintyre. Of this allocation £118,919 is unspent and will be required in 2015-16.	118,919	0	0
037	HQ Non Dept	n/a	PVG Retrospective Phase	211,413	(59,628)	0	0	151,785	Previous Council Decision	Budget earmarked at the end of 2012-13 for a 3 year programme to ensure the council is compliant with the requirement of the PVG scheme, including the migration of existing staff over to the new scheme.	151,785	0	0
038	HQ Non Dept	n/a	Community Resilience Fund	524,680	(15,699)	(308,981)	0	200,000	Previous Council Decision	Fund established in 2012/13 to be spent over future years.	Contingency balance - no spending plan for earmarked balance.		
039	HQ Non Dept	n/a	Revenue Contribution to Capital for Dunoon and Campbeltown Schools	12,500,000	0	0	0	12,500,000	Previous Council Decision	£6m (originally £3m) is directly earmarked for schools project. The balance of £6.5m (originally £9.5m) is allocated for investment in affordable housing via the Strategic Housing Fund. The rationale for this is that the investment would generate sufficient surplus to meet the borrowing costs of £6.5m to support the schools project.			
				<b>18,807,715</b>	<b>(1,870,039)</b>	<b>(1,030,666)</b>	<b>3,476,546</b>	<b>19,383,556</b>					



EARMARKED RESERVES 2014-15 - OTHER AUTOMATIC CARRY FORWARDS

APPENDIX 3

Ref	Department	Service	Description	Opening Balance at 31 March 2014	Budget Already Drawn down During 2014-15	Balance no Longer Required	Additions to Earmarked Balance	Closing Balance at 31 March 2015	Reason for Carry Forward	Plans for Use/Justification for Amounts to be Earmarked	Spending profile		
											Amount Planned to be Spent in 2015/16	Amount Planned to be Spent in 2016/17	Amount Planned to be Spent from 2017/18 onwards
			Completed Projects During 2014-15	160,825	(160,825)	0	0	0	Unspent Grant				
038	Community Services	Adult Care	Sensory Impairment	16,000	0	0	8,984	24,984	Unspent Grant	To be spent on the delivery of improvement in sensory impairment services and support for children and adults via partnership working.	8,984	8,000	8,000
039	Community Services	Adult Care	Self Directed Support	406,860	(183,722)	0	0	223,138	Unspent Grant	To be spent in the implementation of Self Directed Support. Scottish Government were provided with a spending plan to back up the carry forward proposal and agreed the carry forward of grants. There was some slippage against the planned spend due to the recruitment date of the posts and the timing of contractual payments to the third sector partner	223,138	0	0
040	Community Services	Children and Families	Self Directed Support	25,000	0	0	0	25,000	Unspent Grant	To be used as part of the cost of the implementation of SDS (Children and Families /Personalisation initiative	25,000	0	0
041	Community Services	Community and Culture	Scottish Swimming	7,000	(7,000)	0	4,000	4,000	Unspent Grant	To be spent in accordance with the conditions of the School Swimming programme. Agreement has been sought from SportsScotland (Scottish Swimming) in respect of this.	4,000	0	0
042	Community Services	Community and Culture	Scottish Library and Information Council	0	0	0	5,000	5,000	Unspent Grant	To be spent in accordance with SLIC's 'Every Child a Library Member' pilot. This pilot spans two financial years and agreement has been sought from SLIC in respect of this.	5,000	0	0
043	Community Services	Community and Culture	Argyll Active	8,000	(8,000)	0	8,000	8,000	Unspent Grant	To be spent in accordance with the conditions of the Argyll Active programme. Agreement has been sought from the NHS in respect of this.	8,000	0	0
044	Community Services	Community and Culture	Scottish Library and Information Council	0	0	0	10,000	10,000	Unspent Grant	To be spent in accordance with SLIC's 'Training in New Technology' project. Agreement has been sought from SLIC in respect of this.	10,000	0	0
045	Community Services	Community and Culture	Football Development	15,462	(15,462)	0	12,000	12,000	Unspent Grant	To be spent in accordance with the conditions of the various football programmes funded. Agreement has been sought from the SFA in respect of this.	12,000	0	0
046	Community Services	Community and Culture	Active Schools	21,752	(21,752)	0	19,000	19,000	Unspent Grant	Balance to be spent on targeted work linked to the Active Schools action plan and outcomes. Agreement has been sought from SportsScotland in respect of this.	19,000	0	0
047	Community Services	Education	Grant from Apple to GLOW budget	0	0	0	2,600	2,600	Unspent Grant	To fund Teacher training in IT teaching applications.	2,600	0	0
048	Community Services	Education	Education Scotland Creative Arts grant	0	0	0	8,100	8,100	Unspent Grant	To support various creative arts projects in schools in accordance with terms of grant award.	8,100	0	0
049	Community Services	Education	Creative Scotland Youth Music Initiative grant	0	0	0	8,461	8,461	Unspent Grant	To fund Music Teachers and music projects from April to June in accordance with terms of grant award.	8,461	0	0
050	Community Services	Education	Sports Scotland PE Support Programme grant	0	0	0	15,440	15,440	Unspent Grant	To fund PE co-ordinator salary costs from April to June 2015 in accordance with terms of grant award.	15,440	0	0
051	Community Services	Education	Ministry of Defence Support for Service Children grant	0	0	0	39,531	39,531	Unspent Grant	To fund around 2.4FTE support Teachers salary costs from April to June 2015 in accordance with terms of grant award.	39,531	0	0
052	Community Services	Education	1+2 Languages	62,000	(3,835)	0	76,000	134,165	Unspent Grant	Provide additional resources for implementing the Scottish Government's 1+2 languages policy for Primary schools. The Scottish Government have confirmed that any unspent funding can be put into reserves for spend later.	134,165	0	0
053	Customer Services	Customer and Support Services	Benefit Admin Grant	90,874	(42,838)	0	45,487	93,523	Unspent Grant	Benefit Administration activities in the build up to the migration of Housing Benefit to Universal Credit. Grant monies which would have to be repaid if not utilised for intended purpose. These monies are committed to cover ongoing Benefit Administration Activities in 15/16 in the build up to the migration of Housing Benefit to Universal Credit.	93,523	0	0

**EARMARKED RESERVES 2014-15 - OTHER AUTOMATIC CARRY FORWARDS**

**APPENDIX 3**

Ref	Department	Service	Description	Opening Balance at 31 March 2014	Budget Already Drawn down During 2014-15	Balance no Longer Required	Additions to Earmarked Balance	Closing Balance at 31 March 2015	Reason for Carry Forward	Plans for Use/Justification for Amounts to be Earmarked	Spending profile		
											Amount Planned to be Spent in 2015/16	Amount Planned to be Spent in 2016/17	Amount Planned to be Spent from 2017/18 onwards
054	Customer Services	Governance & Law	CCTV Maintenance	0	0	0	30,000	30,000	Unspent Grant	Maintenance of CCTV systems. Funds transferred from external bodies to maintain systems for future years.	10,000	10,000	10,000
055	Customer Services	Improvement and HR	Bord na Gaidhlig	117,700	(27,850)	0	0	89,850	Unspent Grant	Grant funding from Bord na Gaidhlig.	29,950	29,950	29,950
056	Development and Infrastructure	Roads and Amenity Services	Luss Toilets	4,854	0	0	0	4,854	Unspent Grant	In order to complete work detailed in the condition survey and allow for the completion of the infrastructure to permit the commencement of charging at the Toilet facility. Grant funding from Loch Lomond & The Trossachs National Park Authority.	4,854	0	0
057	Development and Infrastructure	Roads and Amenity Services	Street Lighting Survey	43,000	0	0	0	43,000	Unspent Grant	In order to ensure that the inventory is sufficiently robust to inform both an energy model and a lighting business case it is necessary to carry out an asset survey which will provide a high degree of inventory accuracy. As part of this process a robust protocol will be established that ensures that the inventory is monitored and kept up to date. The Scottish Government have made available £2 million to local authorities to enable councils to explore energy efficiency investment in street lighting assets. Argyll and Bute share of this is £43k	43,000	0	0
058	Community Services	Children and Families	Family Support within Fyne Homes RSL	20,000	(14,570)	0	0	5,430	Unspent Third Party Contribution	To fund a nursery nurse within Fyne Homes RSL to provide family support to vulnerable families in social housing	5,430	0	0
059	Community Services	Community and Culture	Community Planning Partnership	3,432	0	0	0	3,432	Unspent Third Party Contribution		0	0	3,432
060	Community Services	Community and Culture	Oban Community Sports Field	6,436	0	0	0	6,436	Unspent Third Party Contribution	To build up fund to enable replacement costs to be met.	0	0	6,436
061	Community Services	Education	Psychology of Parenting	0	0	0	6,953	6,953	Unspent Third Party Contribution	To support continuation of Psychology of Parenting programme (carry-forward agreed by NES).	6,953	0	0
062	Customer Services	Governance & Law	CCTV Maintenance	78,699	(29,122)	0	0	49,577	Unspent Third Party Contribution	Council Decision of 20 Sept 2007, funds transferred from external bodies to maintain systems for future years.	16,526	16,526	16,526
063	Customer Services	Improvement and HR	Social Work Training - Violence Against Women Training	2,809	0	0	0	2,809	Unspent Third Party Contribution	Grant funding from NHS. Will be used as a contribution to the funding package put in place for the implementation of MARAC, which is a multi agency process used to protect victims of domestic violence.	2,809	0	0
064	Development and Infrastructure	Roads and Amenity Services	Drivesafe	12,259	0	0	0	12,259	Unspent Third Party Contribution	Contribution from Strathclyde Fire and Rescue.	12,259	0	0
065	Development and Infrastructure	Roads and Amenity Services	Playing Fields - all weather facility	22,240	0	0	0	22,240	Unspent Third Party Contribution	Monies from users carried forward to fund repairs & maintenance of all weather playing fields.	0	0	22,240
066	Development and Infrastructure	Roads and Amenity Services	Mercury Abatement - Crematorium	109,150	(15,000)	0	0	94,150	Unspent Third Party Contribution	Part fund replacement cremator.	94,150	0	0
			Completed Projects During 2014-15	50,000	(50,000)	0	0	0	Existing Legal Commitments				
067	Customer Services	Customer and Support Services	Council Tax Reduction Scheme	122,000	0	0	0	122,000	Existing Legal Commitments	Additional funding from Scottish Government to meet additional costs of implementation, funds are required for 2015-16 to fund temporary posts in <u>Revenues and Benefits</u> .	122,000	0	0
068	Customer Services	Governance & Law	Community Safety Partnership	23,621	(1,261)	0	0	22,360	Existing Legal Commitments	Corporate Initiative with specific funding to deliver a project. To fund reconfiguration of Dunoon CCTV Scheme.	7,453	7,453	7,453
069	Development and Infrastructure	Economic Development	CHORD	420,705	(324,600)	0	0	96,105	CHORD	Delivery of CHORD Programme	96,105	0	0
070	Community Services	Education	Schools Carry-Forward	887,020	(887,020)	0	737,225	737,225	DMR Schools	In accordance with DMR regulations.	737,225	0	0
071	HQ Non Dept	n/a	Strategic Housing Fund	7,483,782	(1,738,285)	0	1,926,994	7,672,491	Strategic Housing Fund	Strategic Housing Fund. Council tax collected during 2013-14 from 2nd homes discount from properties, requires to be earmarked as part of the Strategic Housing Fund balance.	no specific spending plan		
				<b>10,221,480</b>	<b>(3,531,142)</b>	<b>0</b>	<b>2,963,775</b>	<b>9,654,113</b>					

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ARGYLL AND BUTE COUNCIL

COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF  
COMMUNITY SERVICES

25 JUNE 2015

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**PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE**

**EDUCATION - NEW NATIONAL QUALIFICATIONS**

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**1. INTRODUCTION**

1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.

**2. DETAIL**

**2.1 Initiative/Proposal**

2.1.1 Notification from the Scottish Government of New National Qualification (NNQ) Funding was received in May 2014.

2.1.2 This funding is for the specific purpose of providing schools with additional opportunities to develop teachers' understanding of and ability to deliver the new National Qualifications, and to meet the costs of school level events to improve parents' understanding of the new National Qualifications.

**2.2 Business Case**

2.2.1 Funding of £94,000 was received in December 2015. Consultation took place with Headteachers as to the most appropriate and fair method of allocating the funding between schools. This was finally agreed in March 2015 but it was then too late to make any significant use of the funds in the 2014/15 financial year. The nature of the funding allows the Council full flexibility in the timing of its use.

2.2.2 It is anticipated that the funding allocations will be fully utilised in 2015/16 for the purposes set out in the funding letter. The allocations will also help offset efficiency reduction pressures on existing school budgets which would otherwise have been required to help deliver the aims of this Scottish Government funding.

**2.3 Expenditure Profile**

2.3.1 The monies will be spent in 2015/16 as the planned activities are carried out.

**Cleland Sneddon**  
**Executive Director of Community Services**





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ARGYLL AND BUTE COUNCIL

COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF  
COMMUNITY SERVICES

25 JUNE 2015

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**PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE**

**EDUCATION - DEVELOPING THE YOUNG WORKFORCE – SCOTLAND'S YOUTH  
EMPLOYMENT STRATEGY**

---

**1. INTRODUCTION**

- 1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.

**2. DETAIL**

**2.1 Initiative/Proposal**

- 2.1.1 Notification from the Scottish Government of implementation funding for 'Developing the Young Workforce – Scotland's Youth Employment Strategy' was received in March 2015.
- 2.1.2 This funding is for the specific purpose of supporting local government's contribution to the early implementation of the Developing the Young Workforce Commission's report. Activity in each local authority will develop pathways for young people into sustained and quality jobs that align with local circumstances and labour markets.

**2.2 Business Case**

- 2.2.1 Funding of £137,234 was received in March 2015. Whilst this funding was technically in respect of financial year 2014/15, receipt was too late to allow any expenditure to take place in that year. The Scottish Government award letter confirms that the Council has full flexibility in the timing of the use of the funding.
- 2.2.2 It is proposed that the Council in partnership with key organisations including the local college, Skills Development Scotland and employers will utilise the funding as follows:
- a) Developing an Argyll & Bute Foundation Apprenticeship scheme which would be delivered in the senior phase. This proposal will require a small amount of capital investment from the Scottish Government budget; further funding will be spent on resourcing facilities appropriately to deliver the courses, transport where required and personal protective equipment. In addition funding will be used to develop a mentoring programme to support those young people accessing these opportunities.
  - b) Developing support for our most vulnerable and at risk young people to access appropriate training that will allow them to develop their employability skills and specific occupational skill sets during the senior phase of secondary education.

## **Appendix 3b**

c) Developing key groups knowledge and understanding of the local labour market and how this links to relevant opportunities post school. Key groups consist of parents/carers; teaching staff; and pupils.

d) Developing and delivery of a prevocational programme that groups of unemployed young people can access in our unemployment hotspot areas – eg Helensburgh, Oban, Campbeltown and Dunoon.

### **2.3 Expenditure Profile**

2.3.1 The monies will be spent in 2015/16 as the planned activities are carried out.

**Cleland Sneddon**  
**Executive Director of Community Services**

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ARGYLL AND BUTE COUNCIL

COUNCIL

REPORT BY EXECUTIVE  
DIRECTOR OF COMMUNITY  
SERVICES

25 JUNE 2015

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**PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE**

**CHILDREN AND FAMILIES - EARLY YEARS CHANGE FUND ALLOCATION: FAMILY CENTRES AND FAMILY SUPPORT**

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**1. INTRODUCTION**

1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.

**2. DETAIL**

**2.1 Initiative/Proposal**

2.1.1 The Scottish Government provided funding from the Early Years Change Fund over the period 2012/13 to 2014/2015, through the General Revenue Grant, to support the development of coordinated and integrated family support.

2.1.2 This funding has been used to pilot a family centre where families will have access to information, advice and support. In addition it will support the development of an Early Years Collaborative across partners in Argyll and Bute. The Early Years Collaborative approach is a priority for Scottish Government, it uses research and evidence to support improved outcomes in early years.

**2.2 Business Case**

2.2.1 Most of the work required to deliver the pilot centre was completed by 31 March 2015 however the last phase of the building work required to complete the centre and deliver the project's objectives was delayed and is planned for completion during 2015/16. This phase has an estimated cost of £30,000.

**2.3 Expenditure Profile**

It is expected that costs will be incurred during early 2015/16.

**Cleland Sneddon**  
**Executive Director, Community Services**



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ARGYLL AND BUTE COUNCIL

COUNCIL

REPORT BY EXECUTIVE  
DIRECTOR OF CUSTOMER  
SERVICES

25 JUNE 2015

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**PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE**

**IMPROVEMENT AND HR - RESOURCELINK PROJECT**

---

**1. INTRODUCTION**

- 1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.

**2. DETAIL**

**2.1 Initiative/Proposal**

- 2.1.1 It is proposed that £42,450 be earmarked from the revenue budget underspend in the Resourcelink Project in 2014-15. The scope of the Resourcelink 4 Project was significantly reduced due the level of capital funding allocated to the project. The carry forward of this balance into 2015-16 would allow some of the project actions that were updated as being out of scope and pushed to the next stage, Resourcelink 5 to be accelerated and delivered in a shorter timescale

**2.2 Business Case**

- 2.2.1 The Council approved a demand pressure in February 2014 to deliver the Resourcelink 4 Project as part of the 2014-15 budget process, this included additional revenue funding of £102k for 2014-15, £92k for 2015-16 and an ongoing revenue budget from 2016-17 onwards for the ongoing maintenance costs. The revenue funding for the first two years is to fund the project team and one-off revenue costs for consultancy and software.
- 2.2.2 The revenue budget allocation for 2014-15 was underspent by £42,450 at the year-end mainly as a result of the scope of the project being reduced with some of the elements identified in the Healthcheck being postponed until the Resourcelink 5 Project commences. The earmarking of this balance would allow for some of this work to be accelerated and delivered as part of the Resourcelink 4 Project, this may include the PRD workstream.
- 2.2.3 The Improvement and HR service do not have capacity within the recurring operational revenue budget to accommodate the costs of the ongoing Resourcelink Review budget. The project scope has previously been reduced to align to the resources available and in future years the delivery of the Resourcelink 5 Project may become more difficult with significant reductions expected in both revenue and capital funding available. Therefore it would be beneficial for the overall project delivery to have any budget underspend earmarked to be reinvested to fund future costs.

### 2.3 Expenditure Profile

The sum of £42,450 will be spent during 2015/16.

**Douglas Hendry**  
**Executive Director of Customer Services**

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ARGYLL AND BUTE COUNCIL

COUNCIL

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

25 JUNE 2015

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**PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE**

**ROADS AND AMENITY SERVICES - STREET LIGHTING SPEND TO SAVE PROJECT**

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**1. INTRODUCTION**

- 1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.
- 1.2 The Council is currently developing a business case and implementation plan to produce a more energy efficient solution for street lighting in Argyll & Bute. A sum of £200,000 was available for this work in 2014-15 but the preparation of these documents will continue into 2015-16. This report is to request the carry forward of any unspent budget into 2015-16 as an earmarked reserve.

**2. DETAIL**

**2.1 Initiative/proposal**

- 2.1.1 The Scottish Government has made an allocation of £43,000 to allow the Council to take forward aspects of Scotland's ambitious climate change targets in relation to street lighting. The Council topped up the allocation to a total of £200,000 for the financial year 2014-15. There is a balance of £132k remaining from the Council allocation and it is proposed that this is earmarked together with the Scottish Government funding to provide a budget of £175k in 2015-16 to develop the full business case.
- 2.1.2 This funding is now being used to develop, in partnership with the Scottish Futures Trust, a full business case and implementation plan for the replacement of current street lighting with more energy efficient alternatives.
- 2.1.3 A proportion of the stock is in poor condition and in need of replacement either because of the condition of the column or the cabling.
- 2.1.4 The Council has now engaged further with Zero Waste Scotland and their consultants Gillespie Lighting to have them assist in completing an Energy Efficient Model, for alternative lighting provision. Scottish Futures Trust and Resource Efficient Scotland are part of Zero Waste Scotland's Energy Team.

### **2.2 Business Case**

- 2.2.1 Energy costs in regard to street lighting are expected to increase over time. There is now an opportunity to review street lighting provision with a view to making revenue savings on energy costs.
- 2.2.2 The business case will identify the expected level of savings in regard to ongoing energy costs and the optimum basis of funding and implementing the preferred solution over time. This work will continue into the financial year 2015-16.
- 2.2.3 The Council is working with the Scottish Futures Trust to ensure that a business case is produced which allows it to take advantage of the experience of other councils in Scotland.

### **2.3 Expenditure Profile**

- 2.3.1 The preparation of the business case and implementation plan will continue into financial year 2015-16, the full £175k will be spent during 2015-16.

**Pippa Milne**  
**Executive Director of Development and Infrastructure**



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ARGYLL AND BUTE COUNCIL

COUNCIL

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

25 JUNE 2015

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**PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE**

**ECONOMIC DEVELOPMENT - OBAN AIRPORT**

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**1. INTRODUCTION**

2.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.

**2. DETAIL**

**2.1 Initiative/Proposal**

2.1.1 Due to the increase in passengers on the air services the contract with the air service operator was renegotiated over the last two remaining years of its term with a view to reinvest the savings in new infrastructure at the airport. There are a number of legal actions that have been taken out by TLC Ltd, the current fuel supplier at Oban airport, against Argyll and Bute Council.

2.1.2 Argyll and Bute Council also has a legal Minute of Agreement with Argyll Aero Club in relation to the relocation of their Clubhouse. The Council has a legal obligation to install all necessary services to the Clubhouse including water, sewerage, telephone and electricity connections including the preparation of a hardstanding for the Clubhouse.

2.1.3 £50k of unspent budget will address the above obligation and other uncertainty around ongoing legal issues that will continue into 2015-16 at Oban airport.

**2.2 Business case**

2.2.1 Argyll and Bute Council own and operate Oban airport. Argyll and Bute Council have a PSO obligation for air services operated out of Oban Airport to the islands of Coll, Colonsay and Tiree.

2.2.2 There are a number of legal actions that have been taken out by TLC Ltd, the current fuel supplier at Oban airport, against Argyll and Bute Council. It is anticipated that earmarking of £50k of unspent budget will address the uncertainty around ongoing legal issues that will continue into 2015-16.

### 2.3 Expenditure Profile

- 2.3.1 Earmarking of £50k of unspent budget will address the uncertainty around ongoing legal issues that will continue into 2015-16 at Oban airport, it is expected that the full amount will be spent during 2015-16.

### 3.0 Implications

- |     |                   |  |
|-----|-------------------|--|
| 3.1 | Policy            | In line with the Council's Economic Development Action Plan under connectivity theme.  |
| 3.2 | Financial         | £50k of unspent budget to address uncertainty on ongoing legal issues.   |
| 3.3 | Legal             | There are a number of legal actions that have been taken out by TLC Ltd, the current fuel supplier at Oban airport, against Argyll and Bute Council. |
| 3.4 | HR                | N/A  |
| 3.5 | Equalities        | N/A  |
| 3.6 | Risk              | There is uncertainty on ongoing legal issues and their implication.  |
| 3.7 | Customer Services | N/A  |

**Pippa Milne**  
**Executive Director of Development and Infrastructure**

**Councillor Alistair MacDougall**  
**Policy Lead**

**For further information contact:** Moya Ingram Strategic Transportation Manager,  
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