

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the ARDRISHAIG
PUBLIC HALL, CHALMERS STREET, ARDRISHAIG
on THURSDAY, 18 DECEMBER 2014**

Present:

Councillor Dick Walsh(Chair)

Councillor Robin Currie	Councillor Gary Mulvaney
Councillor Vivien Dance	Councillor Len Scoullar
Councillor Roderick McCuish	Councillor Isobel Strong
Councillor Alistair MacDougall	Councillor Sandy Taylor
Councillor Aileen Morton	Councillor Richard Trail
Councillor Ellen Morton	

Also Present:

Councillor John Armour	Councillor Robert G MacIntyre
Councillor Gordon Blair	Councillor Iain S MacLean
Councillor Michael Breslin	Councillor Donald MacMillan
Councillor Rory Colville	Councillor Jimmy McQueen
Councillor George Freeman	Councillor Bruce Marshall
Councillor Anne Horn	Councillor Elaine Robertson
Councillor Robert E Macintyre	

Attending:

Sally Loudon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Cleland Sneddon, Executive Director of Community Services
Pippa Milne, Executive Director of Development and Infrastructure Services
Charles Reppke, Head of Governance and Law
Malcolm MacFadyen, Head of Facility Services
Bruce West, Head of Strategic Finance

The Chair indicated that there were Members in attendance who were not Members of the Committee but had notified him that they wished, in terms of Standing Order 22.1, to speak and vote in relation to items on the agenda. He exercised his discretion to allow them to speak and ask questions but that they were not permitted to vote on any item unless they met the test set out in terms of Standing Order 22.1.

The Chair further intimated that Councillor Michael Breslin, who was not a member of the Policy and Resources Committee had notified him that he wished in terms of Standing Order 22.1 to speak and vote on items 8 and 19 of the Agenda. The Chair confirmed that as the matters were particular issues affecting the Members' Ward, he exercised his discretion as Chairman to allow him to speak and vote on these items.

The Chair further intimated that Councillor Jimmy McQueen, who was not a member of the Policy and Resources Committee had notified him that he wished in terms of Standing Order 22.1 to speak and vote on item 19 of the Agenda. The Chair confirmed that as the matter was a particular issue affecting the Members' Ward, he exercised his discretion as Chairman to allow him to speak and vote on this item.

The Chair also indicated that he had received a request from Councillor George Freeman to suspend Standing Orders to allow him to participate in item 19 of the Agenda. The Chair indicated that even if Standing Orders were to be suspended, he would have dealt with the

request from Councillor Freeman in the same way as he had ruled in respect of Councillors Marshall and Blair in respect of this agenda item.

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated from Councillors Kelly, D MacIntyre, Philand and Robb.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

(a) POLICY AND RESOURCES COMMITTEE 30 OCTOBER 2014

The Minutes of the Policy and Resources Committee of 30 October 2014 were approved as a correct record.

(b) SPECIAL POLICY AND RESOURCES COMMITTEE 27 NOVEMBER 2014

The Minutes of the Special Meeting of the Policy and Resources Committee of 27 November were approved as a correct record.

4. SERVICE PLANS 2015-16 FOR CUSTOMER SERVICES AND STRATEGIC FINANCE

The Committee considered the proposed Service Plans for 2015-16 for Customer Services and Strategic Finance.

Decision

The Committee:-

Considered the draft Service Plans for Customer Services and Strategic Finance and approved them to be forwarded to the Policy and Resources Committee in February 2015 as part of the review of the full suite of several plans.

(Ref: Report by Executive Director of Customer Services dated 18 December 2014, submitted)

5. DUNCLUTHA CHILDREN'S HOME - OUTLINE BUSINESS CASE

The Committee considered a report which presented members with the business case for the replacement of Dunclutha Children's House in Dunoon. Dunclutha Children's House provides short, medium and long term residential placements and programmed work.

Decision

The Committee:-

1. Noted the revised outline business case for Dunclutha Children's House attached as Appendix 1 to the submitted report.

2. Approved the recommendation within the business case that the additional capital required to deliver the project is to be funded through Prudential Borrowing. This would be repaid over 20 years by Children and Families from the efficiency savings generated from moving to a new purpose built Children's House.

(Ref: Report by Executive Director of Community Services dated 12 November 2014, submitted)

6. PROVISION OF P1 TO P3 FREE SCHOOL MEALS - FUNDING UPDATE

The Committee were advised that the Council will be required as part of the Children and Young People (Scotland) Act 2014 to provide free school meals for all pupils in P1 to P3 from January 2015. There are both revenue and capital cost implications to deliver this and the Committee considered a report which provided an update on the progress being made with regards to implementation and updating the estimated costs.

Decision

The Committee noted:-

1. The updated estimated revenue costs to Council, compared with the revenue allocation already confirmed by the Scottish Government.
2. The updated estimated capital costs to the Council, compared with the capital funding allocation confirmed by the Scottish Government on 25 November 2014.
3. That at their meeting of 21 August 2014, the Policy and Resources Committee approved £191,500 of forward investment in equipment and storage costs to ensure smooth implementation of the policy and this sum can be accommodated within the recently announced capital funding allocation.
4. That no capital allocation has been made to ensure the provision of new kitchens at Ulva and Iona Primaries.
5. That further update reports will be submitted to future meetings of the Committee.

(Ref: Joint Report by Executive Directors of Customer and Community Services dated 25 November 2014, submitted)

7. NEW SCHOOLS REDEVELOPMENT PROJECT - CAMPBELTOWN, OBAN AND KIRN

The Committee considered a report which updated members on the schools redevelopment project to build two new secondary schools in Campbeltown and Oban, and a new Kirn Primary School.

Decision

The Committee:-

1. Noted the content of the paper with regard to the expected issue of a Stage 1 submission from hubNorth for the new Campbeltown Grammar School and Oban

High School.

2. Noted the appointments made by hubNorth to Argyll and Bute Council's Schools Redevelopment Projects.
3. Noted the steps taken in Paragraph 4.6 to secure vacant possession of the land presently used as horse grazing and purposes associated therewith at Dalintart Farm, Oban and the garage sites at Kintyre Park, Campbeltown, and
4. Noted the upcoming events that are organised for the next few months and the communications activity surrounding this.

(Ref: Report by Executive Director of Community Services dated 27 November 2014, submitted)

8. FURTHER POTENTIAL INVESTMENT OPPORTUNITY IN THE COUNCIL'S SCHOOL ESTATE

The Committee were advised that the Council had received communication on 27 June 2014 from the Scottish Government's School Infrastructure Unit to advise that the Cabinet Secretary for Finance, Employment and Sustainable Growth had announced a further £100M of revenue based NPD investment in school infrastructure through Scotland's Schools for the Future (SSF) programme.

Decision

The Committee:-

1. Welcomed the support and flexibility from Historic Scotland, the Scottish Futures Trust and HubNorth in developing a deliverable solution for Dunoon Primary School.
2. Welcomed the Scottish Government offer for further investment in school infrastructure.
3. Noted the financial implications of committing further capital monies as previously set out in the report to the Policy and Resources Committee on 27 November 2014.
4. Noted the ongoing but reduced risks associated with the cost estimates as contained within the report.
5. Agreed that the preferred remodel/refurbishment solution for Dunoon Primary School is Option 3B (with 1 court sized sports hall provided and a temporary decant of Kirn Primary School into Dunoon Primary School) noting that the potential additional Council contribution ranging from £1.89M - £3.488M as set out in Paragraphs 4.3.3 – 4.3.7 (subject to the risks associated with the cost estimates as outlined in the report and also the final costs in relation to Kirn PS new build) will require to be provided within the capital plan in 2016-17, 2017-18 and 2018-19.
6. Agreed that an application should be made immediately to the Scottish Government for additional infrastructure funding to remodel/refurbish Dunoon

Primary School. That application to be for:

- Dunoon Primary School to be remodelled/refurbished as a 300 capacity Primary School and 30 Early Years Places to achieve a Grade A or high B for Condition;
- Potential Scottish Government funding that is expected to be in the range of approximately £4.03M to £4.3M based on the Scottish Futures Trust metric for Primary School; and
- Scottish Government acceptance of an extended construction programme for Dunoon Primary School to allow for the synergy between the Kilm and Dunoon school projects as set out in Appendix 2 of the submitted report.

(Ref: Report by Executive Director of Community Services dated 12 December 2014, submitted)

Councillor Elaine Robertson left the meeting at this point.

9. AREA COMMUNITY PLANNING GROUP REVIEW - REVISED TERMS OF REFERENCE

The Committee considered a report which advised that the governance of Area Community Planning Groups has been under review as part of the strategic review of Argyll and Bute Community Planning Partnership's structure and governance arrangements which took place during the summer of 2014.

Decision

The Committee:-

1. Adopted the Terms of Reference agreed at the Community Planning Partnership Management Committee meeting on 31 October 2014 for a trial period of one year after which a review will be undertaken by the Community Planning Partnership Management Committee and the Policy and Resources Committee.
2. Agreed to schedule a pre-agenda meeting into the administrative process supporting Area CPG meetings.
3. Agreed that the Area Committee Chair or Vice Chair will attend the Area CPG Pre-Agenda meeting.

(Ref: Report by Executive Director of Customer Services dated 12 November 2014, submitted)

10. EXECUTIVE SUMMARY AND INTRODUCTORY REPORT - FINANCIAL REPORT MONITORING PACK - OCTOBER 2014

The Committee considered the financial reports monitoring pack as at 31 October 2014. The financial reports monitoring pack consisted of seven reports including, revenue budget monitoring report, monitoring of 1% savings for 2014/15 and 2015/16, update to 2015-2016 budget, monitoring of financial risks, reserves and balances, capital plan monitoring report and treasury monitoring report.

Decision

The Committee noted the –

1. Revenue budget monitoring report as at 31 October 2014.
2. Monitoring of the 1% savings target for 2014-15 and 2015-16.
3. Update to the 2015-16 budget as at 31 October 2014.
4. Monitoring of financial risks.
5. Overall level of reserves and balances.
6. Capital plan monitoring report as at 31 October 2014.
7. Treasury Monitoring report as at 31 October 2014.

(Ref: Reports by Head of Strategic Finance dated 5 December 2014, submitted)

11. SIX MONTHLY REPORT ON CASH FLOW LOANS

The Committee considered a report which set out a summary of the cash flow support loans dealt with through delegated powers and advised that there have been no loans granted during the last 6 months.

Decision

The Committee noted the terms of the report.

(Ref: Report by the Head of Strategic Finance dated 9 December 2014, submitted)

12. DELIVERING ON THE SINGLE OUTCOME AGREEMENT

The Committee considered a report which set out the key challenges facing the Council and summarised the single outcome agreement (SOA) commitments and set out the longer term budgetary outlook. It further outlined the 4 options for addressing these various challenges which were summarised as:-

- An annual incremental approach to budgeting.
- A longer term structured approach to balancing the budget.
- Considering the investment needed to support economic growth and strategic infrastructure.
- Supporting the above with an approach to investing for income.

Decision

The Committee:-

1. Noted the budgetary outlook and forecast funding gap.
2. Noted the key challenges around economic growth and population and the commitment in the SOA to address these.
3. Noted the options appraisal set out in Appendix 1 to the submitted report.
4. Having taken account of the options appraisal, to approve option D as the preferred way forward on the basis it is the option which most fully addresses the

challenges facing Argyll and Bute Council.

5. Requested officers to commence the process set out in the service choices report, develop a PID to take forward the proposals on investing for economic growth and Strategic Infrastructure Plan and bring forward more detailed reports setting out the benefits, issues, risks and governance matters related to each of the proposals within the investing for income report.
6. Requested officers to bring forward a further report setting out the arrangements for resourcing and governance of this programme.
7. In view of the decisions above then in relation to the report on communication and involvement agree to take forward the approach set out in relation to service choices with additional communications and involvement necessary in relation to investing for income developed as part of the PID's or further reports on these and incorporated in an overall integrated communications approach.
8. Noted the importance of community planning in relation to the matters outlined in the report and requested officers to:-
 - Advise community planning partners of the approach being taken by the Council to address the challenges facing Argyll and Bute.
 - Seek information from each of the community planning partners on how they are planning to address these issues.
 - Ensure effective partnership working across the CPP to successfully deliver on the SOA.

(Ref: Report by Chief Executive dated 10 December 2014, submitted)

13. FINANCIAL QUARTER TWO PERFORMANCE SCORECARD SCRUTINY

The Committee considered a report which presented the Customer Services departmental performance report and the Strategic Finance performance report with associated scorecard performance in FQ2 2014-15 (July – September 2014) and scorecards.

Decision

The Committee reviewed and noted the scorecards as presented.

(Ref: Report by Executive Director of Customer Services dated 18 December 2014, submitted)

14. EQUALITY OUTCOMES

The Committee considered a report which provided an update on the work being undertaken to review the published set of Equality Outcomes. This work is part of the Improving Equality Outcomes project led by the Equality and Human Rights Commission.

Decision

The Committee approved the revised changes to the set of published Equality Outcomes as highlighted in Column 3 of Table 1 in the submitted report.

(Ref: Report by Executive Director of Customer Services dated 18 December 2014, submitted)

15. REVISED SOCIAL MEDIA POLICY

The Committee considered the revised copy of the Council's social media policy which had been updated to reflect feedback and developments in relation to the use of social media and in particular the impact that it can have on employees.

Decision

The Committee agreed the revised social media policy with the wording "such protection as appropriate" to be added to the policy.

(Ref: Report by Executive Director of Customer Services dated 19 November 2014, submitted)

The Chair adjourned the meeting and 12.45pm and re-convened at 2.30pm at the Council Chambers, Kilmory.

The Chair advised that item 16 (CHORD PROGRAMME AND MAJOR CAPITAL REGENERATION PROJECTS – HIGHLIGHT REPORT AS AT 5 DECEMBER 2014) would be taken in private along with the other private items later on the Agenda.

*** 16. GOVERNANCE OF COUNCIL HARBOURS THROUGHOUT ARGYLL AND BUTE**

The Committee considered a report which informed members of the background to the existing system of Harbour Authority management established in 2001. It also gave both information and recommendations for changes to the governance of the Council's ports and Harbours. It sets out the roles and duties connected with the discharge of the duty holder as defined in the Port Marine Safety Code.

Decision

The Policy and Resources Committee recommended to the Council:-

1. To agree the definition of roles as set out in Section 4 of the report.
2. To agree the publication of a notice confirming who the duty holder for the Council's Harbours is (Executive Director of Development and Infrastructure Services), as required by Paragraph 2.4 of the Code; and
3. To agree the establishment of a single Harbour Authority as a Sub-Committee of the existing Environment, Development and Infrastructure Committee for all Council owned ports and Harbours which should have regard to relevant area representation.

(Ref: Report by Executive Director of Development and Infrastructure Services dated

4 December 2014, submitted)

17. POLICY AND RESOURCES COMMITTEE WORK PLAN 2015/16

The Committee considered the outline workplan to facilitate forward planning of reports to the Policy and Resources Committee.

Decision

The Committee noted the outline workplan.

(Ref: Report by Executive Director of Customer Services dated 18 December 2014, submitted)

The Committee noted that in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, the report submitted contained information that would have made it possible to exclude the public for this item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 6, 8, 9, & 12 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973. Notwithstanding this, and having had confirmation the SCCDC wished the matter dealt with in public, Members unanimously determined not to exclude the press and public and to discuss the item in public session.

18. CASTLE TOWARD

The Committee considered a report which provided advice in relation to the proposed community buyout of Castle Toward and associated estate by the South Cowal Community Development Company (SCCDC) following a review of the associated business plan. Further information received from SCCDC and the Scottish Government's State Aid Unit was also tabled for consideration, and Members then submitted an extensive series of questions and gave consideration to the responses from officers.

Motion

That the Committee:-

1. Notes the detail and advice in the report to members regarding the Disposal of Land by Local Authorities (Scotland) Regulations 2010.
2. Notes the detail and advice to members on State Aid considerations contained in the report, and the further information received from SCCDC, and the State Aid Unit provided at the meeting.
3. Notes the detail, and advice contained in the report to members from the Economic Development service with regard to the impact, viability and achievability of the revised SCCDC Business Plan.
4. Notes the information contained in the report to members regarding Highlands and Islands Enterprise's position.

5. Notes the comments to members from the Council's section 95 Officer.
6. Notes the detail in the report supplied by SCCDC in response to issues raised by members on 21st August 2014 and to the further responses to questions/issues raised with them by officers in November 2014.
7. Does not accede to the request from SCCDC to dispose of the subjects at Castle Toward for a discount of £1m.
8. Agrees to dispose of the Castle Toward Estate to SCCDC at the full value of £1.75m with £1m in respect of the purchase price being provided to SCCDC on a commercial loan basis subject to an initial three year period of deferment of repayments in recognition of their financial position. This loan to be subject to a range of conditions (as highlighted at para 6.4 in the report) which will require to be negotiated with SCCDC and determined by the officers, specified in the delegation given by paragraph 10 below, in order to safeguard the public interest.
9. In recognition of all of the aforementioned detail, include within the said delegation to officers authority to extend the Right to Buy period with SCCDC until **31st January 2015** or such later date as may be determined by the officers.
10. Accepts that if no agreement can be reached and the right to buy extended date of 31st January 2015 expires and the Castle Toward Estate is not sold to SCCDC that members extend the delegation to the Executive Directors of Community Services and Customer Services, and the Head of Strategic Finance to proceed to progress the sale or lease of the Castle Toward Estate on the open market.

Moved by Councillor E Morton, seconded by Councillor McCuish.

Amendment

Notes all the information contained in the various papers on this matter and recommends that the sale of the Castle Toward Estate to South Cowal Community Development company is approved at a price of £750k as per Option 1 in the paper. The sole condition to this sale is that, to protect the Council's investment, a standard security is taken over the mansion house for a 10 year period provided the security does not have any impact on the lease agreement between SCCDC and their tenant.

In order to allow sufficient time to conclude the legal work this amendment further recommends an extension of the current deadline from 31 December to Friday 30 January 2015.

Moved by Councillor Breslin, seconded by Councillor Strong.

The requisite number of Members required the vote to be taken by calling the roll and Members voted as follows –

Motion

Councillor Currie
Councillor McCuish

Amendment

Councillor Dance
Councillor Strong

Councillor MacDougall
Councillor A Morton
Councillor E Morton
Councillor Mulvaney
Councillor Scoullar
Councillor Walsh
Councillor McQueen

Councillor Taylor
Councillor Trail
Councillor Breslin

Decision

The Motion was carried by 9 votes to 5 and became the finding of the Council.

(Ref: Joint report by the Executive Directors of Customer, Community and Development and Infrastructure Services dated 25 November 2014, submitted and further report dated 18 December 2014, tabled)

The Committee resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for the following item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 8 &9 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

19. CHORD PROGRAMME AND MAJOR CAPITAL REGENERATION PROJECTS - HIGHLIGHT REPORT AS AT 5 DECEMBER 2014

The Committee considered a report which provided an update on progress in delivering the eleven CHORD projects and major capital regeneration projects led by Development and Infrastructure Services. The appended Highlight Report along with a Programme Plan outlined the current position of the projects as at 5 December 2014.

Decision

The Committee:-

1. Noted the current progress and agreed allocation of budget resources to date against each of the CHORD projects, and
2. Instructed officers to bring CHORD progress reports to the Policy and Resources Committee on a quarterly basis.

(Ref: Report by Executive Director of Development and Infrastructure Services dated November 2014, submitted)

The Chair of the Committee closed the meeting by wishing everyone a Merry Christmas and a happy New Year.