

MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held ON A HYBRID BASIS IN THE COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD AND BY MICROSOFT TEAMS on THURSDAY, 22 FEBRUARY 2024

Present:

Councillor Maurice Corry (Chair)

| | |
|-----------------------------------|-----------------------------|
| Councillor John Armour | Councillor Jim Lynch |
| Councillor Gordon Blair | Councillor Luna Martin |
| Councillor Jan Brown | Councillor Tommy MacPherson |
| Councillor Math Campbell-Sturgess | Councillor Ian MacQuire |
| Councillor Garret Corner | Councillor Liz McCabe |
| Councillor Robin Currie | Councillor Dougie McFadzean |
| Councillor Audrey Forrest | Councillor Julie McKenzie |
| Councillor Kieron Green | Councillor Yvonne McNeilly |
| Councillor Amanda Hampsey | Councillor Ross Moreland |
| Councillor Daniel Hampsey | Councillor Gary Mulvaney |
| Councillor Graham Hardie | Councillor Iain Paterson |
| Councillor Fiona Howard | Councillor Gemma Penfold |
| Councillor Willie Hume | Councillor Dougie Philand |
| Councillor Mark Irvine | Councillor Alastair Redman |
| Councillor Jennifer Kelly | Councillor William Sinclair |
| Councillor Andrew Kain | Councillor Peter Wallace |
| Councillor Paul Donald Kennedy | Councillor Andrew Vennard |
| Councillor Reeni Kennedy-Boyle | Lorna Stewart |

Attending:

Pippa Milne, Chief Executive
Douglas Hendry, Executive Director
Kirsty Flanagan, Executive Director
Fiona Davies, Chief Officer – Health and Social Care Partnership
Anne Blue, Head of Financial Services
David Logan, Head of Legal and Regulatory Support
Ross McLaughlin, Head of Commercial Services
Fergus Murray, Head of Development and Economic Growth
Shona Barton, Governance Manager
Tracy Mayo, on behalf of Mull Community
Angus Williams, on behalf of Mull Community
Emily Fenwick, on behalf of Mull Community

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Margaret Anderson, Church representative.

DEPUTATION

The Provost intimated that a request for a Deputation to be heard by the Council had been received from Ms Tracy Mayo on behalf of community members on Mull, including Parent Council representatives. It was unanimously agreed to hear this Deputation.

The Council heard a deputation from Ms Tracy Mayo, Miss Emily Fenwick and Mr Angus Williams on behalf of community members on Mull, including Parent Council

representatives, in relation to the Learning Estate Investment Programme (LEIP) – Mull Campus which would be dealt with under item 5 of the agenda (Budgeting Pack 2024/25).

The Provost thanked the presenters and advised that their submission would be considered under item 5 of the agenda (Budgeting Pack 2024/25).

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

The Minutes of the meeting of Argyll and Bute Council held on 23 November 2023 were approved as a correct record.

4. MINUTES OF COMMITTEES

(a) Environment, Development and Infrastructure Committee held on 30 November 2023

The Minutes of the meeting of the Environment, Development and Infrastructure Committee held on 30 November 2023 were noted.

(b) Policy and Resources Committee held on 7 December 2023

The Minutes of the meeting of the Policy and Resources Committee held on 7 December 2023 were noted.

Arising from item 4 of these Minutes (Financial Reports Monitoring Pack – 31 October 2023) the Council agreed the recommendation to approve the revenue virements over £0.200m during September and October 2023.

Arising from item 5 of these Minutes (Budget Outlook 2024-25 to 2028-29) the Council agreed the following recommendations -

1. that the utilities budgets are right sized by utilising £0.936m of the £1.4m contingency that was set aside for inflationary increases as part of the 2023-24 budget setting process; and
2. that the shortfall in the teachers' pay award funding is met by utilising £0.080m of the £1.4m contingency that was set aside for inflationary increases as part of the 2023-24 budget setting process;

Arising from item 7 of these Minutes (2024/2025 Annual Review – Procurement Strategy 2022/25 and Sustainable Procurement Policy 2022/25) the Council agreed the recommendation to approve the final revised Procurement Strategy 2022/25 and Sustainable Procurement Policy 2022/25.

(c) Community Services Committee held on 14 December 2023

The Minutes of the meeting of the Community Services Committee held on 14 December 2023 were noted.

(d) **Policy and Resources Committee held on 15 February 2024**

The Minutes of the meeting of the Policy and Resources Committee held on 15 February 2024 were noted.

Arising from item 4 of these Minutes (Financial Reports Monitoring Pack – 31 October 2023) the Council agreed the recommendation to approve the revenue virements over £0.200m during November and December 2023.

Arising from item 5 of these Minutes (Budgeting Pack 2024-2025) the Council agreed that this item would be dealt with under item 5 of the agenda (Budgeting Pack 2024/25).

Arising from item 6 of these Minutes (Treasury Management Strategy and Annual Investment Strategy) the Council agreed that this would be dealt with under item 6 of the agenda (Treasury Management Strategy and Annual Investment Strategy).

Arising from item 7 of these Minutes (Scottish Welfare Fund – Financial Position) the Council agreed that consideration of a cost pressure amounting to £250,000 would be dealt with under item 5 of the agenda (Budgeting Pack 2024/25).

Arising from item 8 of this Minute (Strategic Events and Festivals Fund – Round 6 2024/2025) the Council agreed the recommendations to –

1. Agree that the consideration of £90,000 base funding for Strategic Events and Festivals in order that the application process can commence during 2025/26 (Round 7), and that this fund be augmented by any underspend in Round 5 (23/24); will be dealt with under item 5 of the agenda (Budgeting Pack 2024/25); and
2. Agree that that any underspend from SEF Round 6 is earmarked and used to augment a future SEF round.

5. BUDGETING PACK 2024/25

The Council considered the Revenue Budget and Capital Budget papers as contained within the budgeting pack which had been referred without recommendation by the Policy and Resources Committee held on 15 February 2024, considered such other appropriate resolutions in relation to these papers and fixed the Council Tax for the year to 31 March 2025.

Motion

The Motion moved by the Administration is attached at Appendix 1 to this Minute.

Moved by Councillor Robin Currie, seconded by Councillor Gary Mulvaney.

Amendment

The Amendment moved by the Strategic Opposition Partnership is attached at Appendix 2 to this Minute.

Moved by Councillor Jim Lynch, seconded by Councillor Dougie Philand.

The Provost requested the Section 95 Officer to confirm that the Motion and Amendment before the Council, containing budget proposals were competent and balanced. The Section 95 Officer confirmed that this was the case.

The Provost ruled and the Council agreed to take a 10 minute comfort break at this point.

The Council reconvened with all those Members present as per the Sederunt.

As the meeting was being held on a hybrid basis, the vote required to be taken by calling the Roll and Members voted as follows –

| Motion | Amendment | No Vote |
|-----------------------|-----------------------------|-----------------------|
| Cllr Garret Corner | Cllr John Armour | Cllr Tommy MacPherson |
| Cllr Maurice Corry | Cllr Gordon Blair | |
| Cllr Robin Currie | Cllr Jan Brown | |
| Cllr Kieron Green | Cllr Math Campbell Sturgess | |
| Cllr Amanda Hampsey | Cllr Audrey Forrest | |
| Cllr Daniel Hampsey | Cllr Fiona Howard | |
| Cllr Graham Hardie | Cllr Willie Hume | |
| Cllr Andrew Kain | Cllr Mark Irvine | |
| Cllr Paul Kennedy | Cllr Jennifer Kelly | |
| Cllr Liz McCabe | Cllr Reeni Kennedy Boyle | |
| Cllr Yvonne McNeilly | Cllr Jim Lynch | |
| Cllr Ross Moreland | Cllr Luna Martin | |
| Cllr Gary Mulvaney | Cllr Ian McQuire | |
| Cllr Gemma Penfold | Cllr Dougie McFadzean | |
| Cllr Alastair Redman | Cllr Julie McKenzie | |
| Cllr William Sinclair | Cllr Dougie Philand | |
| Cllr Andrew Vennard | | |
| Cllr Peter Wallace | | |

Decision

The Motion was carried by 18 votes to 16 and the Council resolved accordingly.

(Reference: Budgeting Pack 2024/25 dated 15 February 2024, submitted; Motion by Councillor Robin Currie, seconded by Councillor Gary Mulvaney, tabled; and Amendment by Councillor Jim Lynch, seconded by Councillor Dougie Philand, tabled)

6. TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY

The Council gave consideration to a report which sought approval of the proposed Treasury Management Strategy Statement and Annual Investment Strategy which set out the Council's Strategy for borrowing and investment for the forthcoming year. The report also set out the policy for the repayment of loans fund advances for 2024-25 which had been referred without recommendation by the Policy and Resources Committee held on 15 February 2024.

Decision

The Council –

1. approved the proposed Treasury Management Strategy Statement and Annual Investment Strategy and the indicators contained within; noting that the figures within the Strategy would be updated to reflect the budget decisions agreed at Council;
2. approved the continued use of the asset life method for the repayment of loan fund advances using a 5.1% annuity interest rate, with the exception of spend to save schemes where the funding/income profile method could be used;
3. approved the proposed asset repayment periods as detailed within section 2.7 of the Treasury Management Strategy Statement; and
4. approved the ability to continue to use countries with a sovereign rating of AA- and above, as recommended by the Council's external treasury management advisors.

(Reference: Report by Section 95 Officer dated 6 February 2024, submitted)

The Provost ruled and the Council agreed to adjourn the meeting at this point for a 30 minute lunch break.

The Council reconvened at 2.10pm with all those Members present as per the Sederunt.

7. ANNUAL ACCOUNTS 2022-23 UPDATE

The Council gave consideration to a report providing an update on the audit of the accounts for 2022/23 which had still to be completed by external auditor's Mazars. The report expressed the dissatisfaction by officers with the situation which had been reported to both Mazars and Audit Scotland.

Decision

The Council noted the content of the submitted report.

(Reference: Report by Section 95 Officer dated 5 February 2024, submitted)

8. POLITICAL MANAGEMENT ARRANGEMENTS

The Council gave consideration to a report advising of a vacancy that had arisen on the Live Argyll Board; and to a request from Glasgow City Council to appoint a Trustee to the Blindcraft Trust Fund.

Decision

The Council –

1. agreed to appoint Councillor Fiona Howard as an Argyll and Bute Council representative on the Live Argyll Board; and
2. agreed to appoint Councillor Graham Archibald Hardie as a Trustee to the Blindcraft Trust Fund.

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support dated 19 January 2024, submitted)

Councillor Iain Shonny Paterson left the meeting during the consideration of the following item of business.

9. APPOINTMENT OF INDEPENDENT AUDIT AND SCRUTINY CHAIRPERSON

The Council gave consideration to a report outlining the process that had been undertaken in terms of the appointment of an Independent Chairperson for the Audit and Scrutiny Committee; and seeking agreement to the appointment of Mrs Janice Wason Hall to that position.

Decision

The Council agreed the appointment of Mrs Janice Wason Hall to the post of Independent Chairperson of the Audit and Scrutiny Committee for an initial period of 2 years until 21 February 2026.

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support dated 31 January 2024, submitted)

10. DEMOCRACY MATTERS 2 - CONSULTATION RESPONSE

The Council gave consideration to a report providing a proposed response to the Democracy Matters 2 consultation.

Decision

The Council -

1. agreed the proposed response to the Democracy Matters 2 consultation; and
2. agreed that the draft response be submitted to the Scottish Government by the 28 February 2024 deadline.

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support dated 23 January 2024, submitted)

11. PROPOSED LOCAL DEVELOPMENT PLAN 2 SCOTTISH GOVERNMENT DIRECTION

The Council gave consideration to a report advising that the proposed Local Development Plan 2 (as modified) had been considered by Scottish Ministers and as such a direction had been issued on 15 December 2023 requiring further modifications to the Plan before it could be adopted to take into account new policies, regulations and targets.

Decision

The Council –

1. noted the further modifications proposed to Proposed Local Development Plan 2 by the Scottish Ministers in their direction, as contained at Appendix 1 to the submitted report;

2. agreed to the proposed modifications to Proposed Local Development Plan 2 and to proceed to adoption; and
3. agreed that officers notify Scottish Ministers that the modifications be made and that Local Development Plan 2 would be adopted on confirmation from Scottish Ministers that they are satisfied the modifications had been duly made.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 22 February 2024, submitted)

12. HOUSING EMERGENCY WORKER ACCOMMODATION PROPOSALS

The Council gave consideration to a report providing information on worker accommodation proposals in areas of Argyll and Bute to enable essential services to be delivered to our communities and to request Strategic Housing Fund grants to support these proposals. The report confirmed the requirement for the Council to work with partners to improve innovative housing solutions on Coll, Tiree, Mull and in the Lorn area.

Decision

The Council –

1. approved a grant of £100,000 from the Strategic Housing Fund to enable 2 NHS properties on Coll to be brought back into use for HSCP staff delivering health and social care services on the island;
2. approved a grant of £160,000 from the Strategic Housing Fund to enable a Council owned property on Tiree to be brought back into use for HSCP staff delivering health and social care services on the island;
3. approved a contingency of up to £250,000 from the Strategic Housing Fund to enable the important first phase of delivering worker accommodation properties at Tobermory on Mull;
4. approved a grant or loan of £200,000 from the Strategic Housing Fund to enable the refurbishment of an ACHA owned 4 bedroom property in Lorn and enable accommodation for HSCP staff and staff contracted by the HSCP to deliver care to households in the community; and
5. delegated to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Executive Director with responsibility for Legal and Regulatory Support, the terms and conditions to be attached to any grant and / or loan agreement required as a consequence of this report.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated February 2024, submitted)

13. COUNCIL ANNUAL REPORT 2022/2023

A report presenting the Council Annual Report 2022/23 was before the Council for noting.

Decision

The Council noted the content of the Council Annual Report 2022/23 and the wide ranging examples of exceptional service delivery prior to publishing on the website.

(Reference: Report by Executive Director with responsibility for Customer Support Services dated 22 February 2024, submitted)

14. SCOTTISH GOVERNMENT CALL FOR NEW NATIONAL PARK NOMINATIONS

A report advising of a Scottish Government intention to designate a new National Park during 2026 was before the Council for noting.

Decision

The Council –

1. noted the information contained within the submitted report; and
2. noted that should a National park within Argyll and Bute be proposed as part of the nominations process, the Council will get opportunity to express its views on such a proposal as part of the assessment process.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 10 January 2024, submitted)

The Provost, on behalf of the Council, advised that Fiona Davies, Chief Officer – Health and Social Care Partnership was moving on to take up a new role as Chief Executive of NHS Highland; he thanked her for all her work and wished her well for the future.

Argyll and Bute Council:

- a) Approves the revenue budget for 2024/25 as set out in the Revenue Budget Overview Report, subject to the decisions outlined below and in the Administration Revenue Budget Model provided at Appendix 1 (A) to this motion.
- b) Approves the revenue estimates for 2024/25 and consequently that the local tax requirement estimated at £69.458m is funded from Council Tax. Approves the following rates and charges for the year 2024/25:
 - (i) Council Tax to be paid in respect of a chargeable dwelling in Band 'D' of £1,627.12, representing a 10% increase.
 - (ii) Council Tax to be paid in respect of a chargeable dwelling in each of the other valuation bands in accordance with Section 74(1) of the Local Government Finance Act 1992 as amended.
 - (iii) Business Rates as determined by Scottish Ministers.
- c) In respect of the gain received from the reduction in the Strathclyde Pension Employer's Contribution rate between 17.5% and 6.5% over 2024/25 and 2025/26:
 - (i) Notes that £2m is proposed to be used towards the Council Revenue Budget each year over the next three years (see management/operational savings) with £2m for 2027/28 as noted in the budget pack, now allocated as part of the measures to balance the Capital Plan budget, as set out in the Administration Capital Budget Model provided at Appendix 1(B) to this motion.
 - (ii) Agrees that the balance remaining attributable to all Council employees is transferred to the General Fund and set aside for transformation/spend to save projects.
 - (iii) Agrees that Health and Social Care Partnership projects that fit the criteria at point (ii) above, or if the HSCP needs any funds to balance its budget within 2024/25 and 2025/26, be eligible for funding up to the value of £6.106m, with the release of any funding delegated to the Chief Executive and the Executive Directors of the Council in consultation with the Council Leader, Depute Leader, Policy Lead for Health and Social Care and the Leader of the Largest Opposition Group.
 - (iv) Notes that reports on the drawdowns from the General Fund balance will be submitted to the Policy and Resources Committee as part of the monitoring pack.
- d) Approves a base allocation to the Health and Social Care Partnership of £78.611m for 2024/25. Approves indicative base allocations of £78.611m for 2025/26 and £81.664m for 2026/27. The level of future years funding is subject to the level of Scottish Government funding and the Council's overall financial position in future years.
- e) Endorses the new management/operational savings totalling £3.950m as outlined in Appendix 5 of the Revenue Budget Overview Report and approves policy savings options totalling £685k as outlined in Appendix 6 of the Revenue Budget Overview Report but with the exception of the following:

- (i) Rejects in full proposal 202425-010 – proposed phased reduction of Strategic Events and Festivals, Third Sector (Education) and Community Grant funding, £299k.
 - (ii) In respect of proposal 202425-011, rightsizes the Positive Starts Support Scheme budget from £100k to £60k delivering a saving of £40k.
- f) Agrees and notes the following:
- (i) Agrees to allocate £45k to augment area-based Environmental Warden service levels through provision of a dedicated warden for the Mid Argyll, Kintyre and the Islands area in line with other localities.
 - (ii) Notes that the total investment in roads repair and maintenance for 2024/25 will be £8m following an increased allocation of £4.588m at the 2023 budget meeting to safeguard this year’s programme.
- g) Agrees the following in relation to external funding requests, including those set out within Appendix 8 of the Revenue Budget Overview Report:
- (i) International Eight Metre Association World Cup - £10k
 - (ii) Argyll and the Isles Tourism Co-operative - £75k
 - (iii) CHARTs (Culture, Heritage and Arts Assembly) - £75k
 - (iv) Screen Machine - £28k
 - (v) Mid Argyll Community Pool - £30k
 - (vi) Mactaggart Leisure – Islay Pool - £30k
- h) Notes that officers have advised that there is a £57,453 underspend from the Scotland Loves Local scheme and agrees to allocate these resources to support measures to help with the costs of living by funding member organisations of the Community Food Forum, ALI Energy, Argyll and Bute Citizens Advice Bureau and Bute Advice Centre, with detailed proposals to be agreed by the Executive Director with responsibility for Finance, in consultation with the Leader, Depute Leader and Leader of the Largest Opposition Group. Details of the agreed spend are to be reported to elected members.
- i) Approves the following in relation to fees and charges with effect from 1st April 2024 unless otherwise noted:
- (i) Approves the proposals for the fees and charges inflationary increase of 6% and approves the charges that are over and above inflation. Notes that this would generate additional income of £0.385m in total.
 - (ii) Approves no increase to school meal charges in 2024/25 as detailed in section 3.6.2 of the Fees and Charges Report.
 - (iii) Approves the changes proposed to the Social Work fees and charges.
 - (iv) Approves that fees for all Civic Government licences be increased as set out at Appendix 2 of the Fees and Charges report.
 - (v) Approves that licences currently subject to a fixed three-year period and due for renewal in June 2024 continue to be granted on that basis.
 - (vi) Approves all other charges as noted within the Fees and Charges schedule.

- j) Notes the financial risks analysis.
- k) Approves the contingency level for the General Fund balance at a level of 2% of net expenditure, equivalent to £6.038m and notes the report on reserves and balances, subject to the decisions set out in the Administration Capital Budget Model at Appendix 1(B).
- l) Approves the capital plan as set out in Appendix 3 of the Capital Plan Summary Report and agrees to address the £29.384m gap through transfers to the Capital Plan as set out in the Administration Capital Budget Model provided at Appendix 1(B) to this motion.
- m) In respect of the Learning Estate Investment Programme (LEIP):
 - (i) Notes the successful award of a major funding bid.
 - (ii) Notes that the funding provided by the Scottish Government is not a capital grant for the full cost of the project and that, while the Scottish Government has indicated that it may provide up to 50% of eligible costs over a 25-year period, that contribution to the overall project could in fact be as low as 35%, with the Council required to make up the balance. The Council will be required to fund the total cost in advance.
 - (iii) Notes that due to the one-year time delay in the Scottish Government's LEIP announcement, the requirement to open the new campus by December 2027 (which was the original timescale) cannot now be met and is now forecast for October 2028 at the earliest.
 - (iv) Notes the updated timescale programme forecast at outlined at Appendix A and B of the report.
 - (v) Agrees that, in the light of the update on funding, that no decision as to whether or not to proceed be taken at this time and that officers prepare a further report with more detail regarding the financial aspects and affordability of LEIP, to be the subject of a Members Seminar and then brought to the Council meeting in April 2024 for members' consideration.
- n) In respect of Rothesay Pavilion, after consideration of updates on the Stage 1 works, the progress of the Lobby Group and the latest position on anticipated final costs, the Council:
 - (i) Agrees to make provision for an allocation of £8.859m towards the completion of the capital project, this sum being subject to:
 - a) Receipt of affordable tenders due on 26th April 2024.
 - b) Securing the estimated additional funding of £2.7m from external partners.
 - c) Confirmation of a successful Treasury 5 Business Case in relation to the £9m funding from the Rural Growth Deal.
 - d) Further scrutiny of the business plan from the Rothesay Pavilion Charity.
- o) Approves the Corporate Asset Management Strategy and Plan including the Asset Group Summaries.
- p) Agrees that proposals for use of the additional funding confirmed by the Scottish Government in the late stages of the budget development process, will be determined at a future date once it has been confirmed after the UK Government Spring Budget.

Proposed by: Councillor Robin Currie, Leader

Seconded by: Councillor Gary Mulvaney, Depute Leader

Appendix 1 – Administration Budget Model Reconciliation

(A) Revenue Budget

| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Budget Gap as Per Budget Pack (prior to savings) | (10,167) | (17,755) | (26,140) | (33,181) | (39,471) |
| Previously Agreed Savings | 93 | 376 | 852 | 1,488 | 1,957 |
| Fees and Charges Increases | 385 | 771 | 1,156 | 1,541 | 1,927 |
| New Management/Operational Savings | 3,950 | 2,256 | 2,138 | 2,138 | 138 |
| New Policy Savings | 1,024 | 1,024 | 1,024 | 1,024 | 1,024 |
| Council Tax on Second Homes | 4,000 | 4,120 | 4,244 | 4,371 | 4,502 |
| Council Tax 3% in future years | 0 | 1,888 | 3,835 | 5,851 | 7,936 |
| Budget Gap as Per Budget Pack (after Measures to Balance Budget) | (715) | (7,320) | (12,891) | (16,768) | (21,987) |
| Reduction to Funding as per Supplementary Report | (65) | (65) | (65) | (65) | (65) |
| Revised Budget Gap as Per Budget Pack (after Measures to Balance Budget) | (780) | (7,385) | (12,956) | (16,833) | (22,052) |

| | | | | | |
|---|----------|----------------|-----------------|-----------------|-----------------|
| | | | | | |
| Council Tax Increase to 10% | 3,059 | 3,163 | 3,255 | 3,350 | 3,447 |
| | | | | | |
| Policy Savings Rejected : | | | | | |
| 202425-10 Grants | (299) | (299) | (299) | (299) | (299) |
| 202425-11 Right Size Positive Starts | (60) | (60) | (60) | (60) | (60) |
| | | | | | |
| Use SPF Gain for Capital Plan | | | | (2,000) | |
| New Warden Post in MAKI | (45) | (45) | (45) | (45) | (45) |
| Fund Borrowing to pay for weather incident costs | 0 | (282) | (282) | (282) | (282) |
| | | | | | |
| Transfer surplus to Unallocated General Fund and Capital Plan | (1,875) | | | | |
| | | | | | |
| Revised Budget Gap | 0 | (4,908) | (10,387) | (16,169) | (19,291) |

(B) Capital Budget and Other Funds

| | Capital Plan £000 | Unallocated General Fund £000 | Priority Investment Fund £000 | Capital Contract Increases Earmark £000 | SPF Gain (Council) £000 | Asset Management Fund £000 |
|---|------------------------------|--|--|--|--|---|
| | | | | | | |
| Balances as Per Budget Pack | (29,843) | 2,220 | 6,150 | 2,703 | 5,750 | 2,070 |
| Defer Decision of LEIP School until April Council | 11,560 | | | | | |
| Use of SPF Gain from 2027-28 Revenue for Capital Plan | 2,000 | | | | | |
| Transfer £3.750m from SPF Gain to Capital Plan | 3,750 | | | | (3,750) | |
| Transfer Asset Management Fund to Capital Plan | 2,070 | | | | | (2,070) |
| Use Earmarked Reserves Released for Capital Budget - as per Budget Pack | 2,212 | (2,212) | | | | |
| Transfer £1.028m from Priorities Investment Fund to Capital Plan | 1,028 | | (1,028) | | | |
| Use £500k Crown Estate Funding in | 500 | | | | | |

| | | | | | | |
|---|-------|-------|-------|-----|--|--|
| 2024-25 for Capital Plan | | | | | | |
| Use £500k Crown Estate Funding in 2025-26 for Capital Plan | 500 | | | | | |
| Borrowing to Fund weather incident costs including repair and reinstatement of roads and bridges and new permanent route at A816, which are not claimable via Bellwin | 4,348 | | | | | |
| Funding Ask - 8metre World Cup Championship | | (10) | | | | |
| Funding Ask - Charts | | (75) | | | | |
| Funding Ask - AITC (fund from Staycation Earmarking) | | | | | | |
| Funding Ask - Screen Machine | | (28) | | | | |
| Funding Ask - MACPool | | (30) | | | | |
| Funding Ask - MacTaggart Leisure Centre | | (30) | | | | |
| Transferred from Revenue Surplus | 1,875 | | | | | |
| Increase Capital Contract Earmarking to £3m to protect current capital projects in plan | | (297) | | 297 | | |
| Adjustment to 2% Contingency Required as a result of budget decisions | | 82 | | | | |
| Transfer £380k from Priorities Investment Fund to Unallocated | | 380 | (380) | | | |

| | | | | | | |
|-------------------------|----------|----------|--------------|--------------|--------------|----------|
| General Fund | | | | | | |
| | | | | | | |
| | | | | | | |
| Revised Balances | 0 | 0 | 4,742 | 3,000 | 2,000 | 0 |

The budget detailed above:

- Balances the revenue budget in 2024-25 and reduces the gap in future years by £3m as a result of the increase in Council Tax by 10%.
- Removes the gap in the capital plan by investing £18.283m into the capital plan. The decision on LEIP – Mull Campus is deferred until April.
- Uses the Unallocated General Fund noting that there remains £6.038m (equivalent to 2% of the budget) within contingency.
- Maintains £4.742m within the Priorities Investment Fund to support delivery of the Council Priorities 2022 to 2027.
- Increases the Capital Contract Increases Earmarking to £3m to protect against contract rises for projects already committed to within our Capital Plan.
- Keeps £2.0m of the Strathclyde Pension Fund Gain to be directed towards transformation and projects that will save revenue in the future.

Argyll and Bute Council:

- 1) Approves the revenue budget for 2024/25 as set out in the Revenue Budget Overview Report and subject to the decisions outlined below and set out in Appendix 1 below.
- 2) Approves a base allocation to the Health and Social Care Partnership of £78.611m for 2024/25 Approves indicative base allocations for 2025/26 £78.611m and 2026/27 to be £81.664m The level of future years funding is subject to the level of Scottish Government funding and the Council's overall financial position in future years.
- 3) Approves the 10% reduction to the Live Argyll Management Fee of £0.363m resulting in a management fee in 2024-25 of £3.266m.
- 4) a) Rejects the following savings options totalling £0.399 m
202425 010 Strategic Events and Festivals, Community and Third Sector (Education) Grants
202425011 Positive starts
b) Accepts all other policy savings options proposals, set out in Appendix 6 of the Revenue Budget Overview report, totalling £0.625m
c) Endorses the management/operational savings, set out in Appendix 5 of the Revenue Budget Overview report, totalling £3.950m.
- 5) Agrees the following additional investments, as set out in the table below and also in the Budget Model at Appendix 1.

| Investing in Argyll and Bute's Amenities Services £0.045 m | | | One-off or Recurring | Funded From |
|---|--|---|-----------------------------|--------------------|
| £0.045m | Environmental Warden to cover the Mid Argyll Kintyre and the Isles area. | Makes provision for the employment of an Environment Warden based in the Mid Argyll Kintyre and the Isles area. | Recurring (to be baselined) | Revenue Budget |

| Cost of living Crisis support £0.350 m | | | | |
|---|------------------------------------|--|---------|--------------------------|
| £0.050m | Argyll and Bute CAB | In recognition of the substantial increase in demand during the current Cost of living Crisis | One off | Unallocated General Fund |
| £0.050m | Bute Advice Centre | In recognition of the substantial increase in demand during the current Cost of living Crisis | One off | Unallocated General Fund |
| £0.050m | Alienergy | In recognition of the substantial increase in demand during the current Cost of living Crisis | One off | Unallocated General Fund |
| £0.050m | Rape Crisis Centre Argyll and Bute | To enable the centre to continue to provide much needed support against a background of rising running costs. | One off | Unallocated General Fund |
| £0.050m | Foodbank Contingency Fund | Each Area Committee to be allocated £12.5k to provide emergency support in 2024/25 to recognised Food banks and warm space providers who demonstrate they are experiencing financial difficulties. | One off | Unallocated General Fund |
| £0.100 | Cost of Living Contingency Fund | Funding earmarked for 25/26. Officers to develop eligibility criteria and means of dispersal for the 25/26 year. | One off | Unallocated General Fund |

| Supporting our Partners and Businesses - £0.248m | | | | |
|--|---|--|---------|---|
| £0.075m | CHArts (Culture, Heritage and Arts) | Agree to the request to provide investment for 2024/25 to support the organisation in delivering targeted support, in communities, to the culture, arts and heritage sector as part of its plans to contribute to overall economic recovery. | One-off | Unallocated General Fund |
| £0.030m | Mid Argyll Community Pool MACPool | Agree additional sum of £30k to address increasing utility costs and property repairs. | One off | Unallocated General Fund |
| £0.030m | IJCE MacTaggart Leisure Centre | Agree additional funding to support ongoing increases in utility costs | One off | Unallocated General Fund |
| £0.075 | AITC | Agree additional funding to support marketing activities. | One off | Existing Staycation & Marketing Earmarked Reserve |
| £0.010m | 8M WORLD CUP | Agree funding to support hosting the International Yachting event. | One Off | Unallocated General Fund |
| £0.028m | Screen Machine | Agree additional funding to address inflationary cost pressures. | One off | Unallocated General Fund |
| Total investment in Argyll and Bute Priorities - £0.643 m | | | | |

- 6) Approves the following in relation to fees and charges with effect from 1st April 2024 unless otherwise noted:
- a) Freezing ferry fares on the four Argyll and Bute Council-operated ferry services (Jura, Cuan, Lismore, Easdale) until 31st March 2025 – total financial impact £0.038m.
 - b) Reject the proposal for the fees and charges inflationary increase of 6% and instead propose an increase of 8% and approve the charges that are over and above inflation. Note that this would generate additional income in excess of the 6% contained within the budget pack of £0.078m taking the increased fees and charges for 2024/25 to £0.463m in total.
 - c) Approve the changes proposed to the Social Work fees and charges.
 - d) Approve the recommendation from Planning, Protective Services and Licensing Committee on 24 January 2024:
 - i) that fees for all Civic Government licences be increased as detailed in Appendix 2 of the Fees and charges report; and
 - ii) that licences currently subject to a fixed three year period and due for renewal in June 2024 continue to be granted on that basis.
 - e) Approve all other charges as noted within the Fees and Charges Schedule
- 7) Notes the financial risks analysis.
- 8) Approves the contingency level for the General Fund balance at a level of 2% of net expenditure, equivalent to £6.038m and note the report on reserves and balances.

9) Approves the revenue estimates for 2024/25 and that consequently the local tax requirement estimated at £66.399m is funded from Council Tax. Approve the following rates and charges for the year, 2024/25:

- a) Council Tax to be paid in respect of a chargeable dwelling in Band “D” of £1,479.20 representing no increase from 2023-24.
- b) Council Tax to be paid in respect of a chargeable dwelling in each of the other valuation bands in accordance with Section 74(1) of the Local Government Finance Act 1992 as amended.
- c) Business Rates as determined by Scottish Ministers

10) In respect of the gain received from the reduction in the Strathclyde Pension Employer’s Contribution rate between 17.5% and 6.5% over 2024-25 and 2025-26:

- a) Approve the use of £2m to be used towards the Council revenue budget each year over the next 4 years.
- b) From the remaining balance attributable to all Council employees amounting to £5.750m, transfer £2m to the Capital Plan and transfer £3.750m to the Unallocated General Fund.
- c) Transfer £3.106m of the HSCP gain to the Capital Plan. This leaves £3m for the HSCP to utilise with the release of any funding delegated to the Chief Executive and Directors of the Council in consultation with the Leader, Depute Leader, Leader of the largest Opposition and the Policy Lead for Health and Social Care.

11) Approves the capital plan as set out in Appendix 3 of the capital plan summary report, and agrees to address the £29.384m gap as detailed in Appendix 1 below.

12) Approve the recommendation to defer the decision on LEIP until the Council meeting in April remaining fully committed to a new school campus and not a refurbishment.

13) Make provision to allocate £8.859m towards the completion of the capital project at Rothesay Pavilion, noting that a final decision will be taken at Policy and Resources Committee on 9 May 2024 as to whether the project should proceed and on what basis.

14) Approves the Corporate Asset Management Strategy.

15) Notes the Corporate Asset Management plan and the Asset Group Summaries.

16) Notes that the Unallocated General Fund Balance after the proposals contained within this motion is £1.664m.

Moved by Cllr Jim Lynch

Seconded by Cllr Douglas Philand

Appendix 1

Revenue Position

| | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Budget Surplus / (Gap) as per Budget Pack based on Council Tax Freeze | (715) | (7,320) | (12,891) | (16,768) | (21,987) |
| Reduction in Funding as a result of Local Government Finance Order | (65) | (65) | (65) | (65) | (65) |
| | | | | | |
| Fees and Charges Amendments: | | | | | |
| Increase in Fees and Charges above/below 6% already built in (2%) | 78 | 78 | 78 | 78 | 78 |
| Ferry charges freeze | (38) | (38) | (38) | (38) | (38) |
| | | | | | |
| Rejected Policy Savings: | | | | | |
| Grants gradually reduces over 3 years | (299) | (299) | (299) | (299) | (299) |
| Positive Starts Community Childminding | (100) | (100) | (100) | (100) | (100) |
| | | | | | |
| Funding for Environmental Warden in MAKI (recurring) | (45) | (45) | (45) | (45) | (45) |
| | | | | | |
| Transfer from General Fund | 1,184 | 0 | 0 | 0 | 0 |
| | | | | | |
| Revised Budget Position | 0 | (7,789) | (13,360) | (17,237) | (22,456) |

Capital Budget Position/Other Funding Streams

| | Capital Budget £000 | Unallocated General Fund £000 | Council SPF Gain £000 | HSCP SPF Gain £000 | Crown Estates £000 | Asset Management Fund £000 | Capital Contract Increases EMR £000 | Priority Investment Fund £000 |
|--|------------------------|-------------------------------------|--------------------------------|--------------------------|--------------------------|-------------------------------------|--|--|
| As per Budget Pack | (29,843) | 2,220 | 5,750 | 6,106 | 2,000 | 2,070 | 2,703 | 6,150 |
| Postpone decision re LEIP until April | 11,560 | | | | | | | |
| Tfr from Crown Estates | 2,000 | | | | (2,000) | | | |
| Tfr from Capital Contract Increases | 820 | | | | | | (820) | |
| Tfr from Asset Management Fund | 2,070 | | | | | (2,070) | | |
| Tfr from Priority Investment Fund | 5,606 | | | | | | | (5,606) |
| From HSCP One off Pension Fund Gain | 3,106 | | | (3,106) | | | | |
| Transferred to Capital Budget | 2,681 | (2,681) | | | | | | |
| Tf from Council SPF Gain to Capital Plan | 2,000 | | (2,000) | | | | | |
| Tfr from Council SPF Gain to General Fund | | 3,750 | (3,750) | | | | | |
| CAB | | (50) | | | | | | |
| Rape Crisis | | (50) | | | | | | |
| Money Advice | | (50) | | | | | | |
| AliEnergy | | (50) | | | | | | |
| Food Bank Contingency Fund | | (50) | | | | | | |
| Cost of Living Support – Earmarking | | (100) | | | | | | |
| CHARTS | | (75) | | | | | | |
| Screen Machine | | (28) | | | | | | |
| International 8m Association World Cup (Yachting) | | (10) | | | | | | |
| MAC pool | | (30) | | | | | | |
| IJCE MacTaggart Leisure Centre | | (30) | | | | | | |
| Transferred to Revenue Budget | | (1,184) | | | | | | |
| Adjustment to retain 2% contingency | | 82 | | | | | | |
| Revised Position | 0 | 1,664 | 0 | 3,000 | 0 | 0 | 1,883 | 544 |