

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

Customer Services  
Executive Director: Douglas Hendry



Kilmory, Lochgilphead, PA31 8RT  
Tel: 01546 602127 Fax: 01546 604435  
DX 599700 LOCHGILPHEAD  
e.mail –douglas.hendry@argyll-bute.gov.uk

6 May 2015

## NOTICE OF MEETING

A meeting of the **POLICY AND RESOURCES COMMITTEE** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 14 MAY 2015** at **10:30 AM**, which you are requested to attend.

Douglas Hendry  
Executive Director - Customer Services

## BUSINESS

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST (IF ANY)**
3. **MINUTES**
  - (a) **POLICY AND RESOURCES COMMITTEE HELD ON 19 MARCH 2015**  
(Pages 1 - 10)
  - (b) **SPECIAL POLICY AND RESOURCES COMMITTEE HELD ON 2 APRIL 2015**  
(Pages 11 - 14)
4. **FINANCIAL REPORTING 2015-16**  
Report by Interim Head of Strategic Finance (Pages 15 - 18)
5. **FINANCIAL QUARTER 4 PERFORMANCE REPORT 2014/15**  
Report by Executive Director – Customer Services (Pages 19 - 26)
6. **CORPORATE PLAN 2015-17**  
Report by Executive Director – Customer Services (Pages 27 - 38)
7. **FLOOD RISK MANAGEMENT POLICY**  
Recommendation by Environment, Development and Infrastructure Committee held on 13 April 2015 and report by Executive Director – Development and Infrastructure Services (Pages 39 - 54)

8. **COAST PROTECTION POLICY**  
Recommendation by Environment, Development and Infrastructure Committee held on 13 April 2015 and report by Executive Director – Development and Infrastructure Services (Pages 55 - 68)
9. **REVIEW OF THE ARGYLL AND BUTE GUIDANCE ON COMMUNITY BENEFITS FROM ONSHORE RENEWABLE ENERGY**  
Report by Executive Director – Development and Infrastructure Services (Pages 69 - 98)
10. **CONSULTATION: GOOD PRACTICE PRINCIPLES FOR SHARED OWNERSHIP OF ONSHORE RENEWABLE ENERGY DEVELOPMENTS**  
Report by Executive Director – Development and Infrastructure Services (Pages 99 - 104)
11. **POLICY AND RESOURCES COMMITTEE WORK PLAN** (Pages 105 - 110)
12. **OBAN CHORD - OBAN NORTH PIER MARITIME QUARTER - UPDATE AND REQUEST FOR FUNDING**  
Extract from Minutes of Oban, Lorn and the Isles Area Committee of 15 April 2015 and report by Executive Director – Development and Infrastructure Services Committee (Pages 111 - 122)
13. **LORN ARC TAX INCREMENTAL FINANCING (TIF) ASSET PROJECT 5 - OBAN NORTH PIER EXTENSION - START UP REPORT**
  - (a) RECOMMENDATION FROM OBAN, LORN AND THE ISLES AREA COMMITTEE HELD ON 15 APRIL 2015 AND REPORT BY EXECUTIVE DIRECTOR - DEVELOPMENT AND INFRASTRUCTURE SERVICES (Pages 123 - 130)
  - E1 (b) APPENDICES 1 - 3 (Pages 131 - 136)
- E2 14. **LORN ARC TIF ASSET PROJECT NO.9 - OBAN AND THE ISLES BUSINESS PARK: ACCESS ROAD ENABLEMENT FULL BUSINESS CASE**  
Recommendation by Oban, Lorn and the Isles Area Committee held on 1 May 2015 and report by Executive Director – Development and Infrastructure Services (Pages 137 - 214)
- E3 15. **OBAN CHORD - OBAN WATERFRONT PUBLIC REALM PHASE 2: NORTH PIER TO STATION SQUARE INCLUDING GEORGE STREET AND QUEEN'S PARK PLACE - UPDATED COST REPORT**  
Recommendation from Oban, Lorn and the Isles Area Committee and report by Executive Director – Development and Infrastructure Services (Pages 215 - 230)
- E4 16. **ASSESSMENT OF EXTERNAL FINANCIAL REQUEST -THE PICTURE HOUSE, CAMPBELTOWN**  
Recommendation from Mid Argyll, Kintyre and the Islands Area Committee held on 8 April 2015 and report by Executive Director – Development and Infrastructure Services (Pages 231 - 240)

- E5 17. ASSESSMENT OF EXTERNAL FINANCIAL REQUEST - KILMAHEW/ST PETER'S**  
Report by Executive Director – Development and Infrastructure Services (Pages 241 - 264)
- E6 18. LOCAL GOVERNMENT BOUNDARY COMMISSION PROPOSAL FOR ARGYLL AND BUTE**  
Recommendation from Short Life Working Group on Local Government Boundary Commission Review 2015 held on 11 May 2015 (to follow)
- E7 19. HELENSBURGH OFFICE PROJECT UPDATE**  
Report by Executive Director – Customer Services (Pages 265 - 270)

The Committee will be asked to pass a resolution in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for items of business with an “E” on the grounds that it is likely to involve the disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 7a to the Local Government (Scotland) Act 1973.

The appropriate paragraphs are:-

- E1,E2,E3,E7 Paragraph 8** The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.
- Paragraph 9** Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.
- E4, E5 Paragraph 4** Information relating to any particular applicant for, or recipient or former recipient of, any financial assistance provided by the authority.
- E6 Paragraph 12** Any instructions to counsel and any opinion of counsel (whether or not in connection with any proceedings) and any advice received, information obtained or action to be taken in connection with –
1. any legal proceedings by or against the authority, or
  2. the determination of any matter affecting the authority, (whether, in either case, proceedings have been commenced or are in contemplation)

## **POLICY AND RESOURCES COMMITTEE**

Councillor Dick Walsh (Chair)  
Councillor Vivien Dance  
Councillor Alistair MacDougall  
Councillor Roderick McCuish  
Councillor Ellen Morton  
Councillor Douglas Philand  
Councillor Len Scoullar  
Councillor Sandy Taylor

Councillor Robin Currie  
Councillor Donald Kelly  
Councillor Duncan MacIntyre  
Councillor Aileen Morton  
Councillor Gary Mulvaney  
Councillor James Robb  
Councillor Isobel Strong  
Councillor Richard Trail

Contact: Hazel MacInnes Tel: 01546 604269

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL  
CHAMBER, KILMORY, LOCHGILPHEAD  
on THURSDAY, 19 MARCH 2015**

**Present:** Councillor Dick Walsh (Chair)

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

**Also Present:** Councillor Rory Colville Councillor Elaine Robertson

**Attending:** Sally Loudon, Chief Executive  
Douglas Hendry, Executive Director – Customer Services  
Cleland Sneddon, Executive Director – Community Services  
Pippa Milne, Executive Director – Development & Infrastructure Services  
Jane Fowler, Head of Improvement and HR  
Judy Orr, Head of Customer and Support Services  
Stephen Barrett, Interim Head of Strategic Finance  
Fergus Murray, Head of Economic Development  
Tricia O'Neill, Central Governance Manager  
Michael Casey, Schools Development Project Manager

The Chair ruled, and the Committee agreed, to consider an urgent recommendation from Bute and Cowal Area Committee in respect of the refurbishment of Castle Lodge Gate House as Capital Funding may be required which would require a recommendation from the Policy and Resources Committee to the April Council meeting when the Capital Programme will be considered. This report is dealt with at item 17 of this Minute.

The Chair ruled, and the Committee agreed, to consider supplementary papers relating to Item 19 of this Minute (**Major Capital Regeneration Projects – Update Report as at 20 February 2015**). This additional information required an element of a drawdown of funds from the CHORD Project previously agreed by the Bute and Cowal Area Committee which required approval from the Policy and Resources Committee.

The Chair ruled, and the Committee agreed, to consider an additional report relating to item 20 of this Minute (**New Schools Redevelopment Project – Campbeltown, Oban, Kirn, Dunoon**) in respect of the new schools proposed in Dunoon and decant arrangements.

#### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Donald Kelly, Duncan MacIntyre and Ellen Morton.

#### **2. DECLARATIONS OF INTEREST**

Councillor Sandy Taylor declared a non-financial interest in item 15b of this Minute

**(Assessment of External Financial Request – Kilmartin Museum)** as he was a Trustee of Kilmartin House Museum Trust. He claimed the benefit of the dispensation contained at Section 5.18 of the Standards Commission for Scotland Guidance on the Councillors' Code of Conduct dated November 2011 to allow him to speak and vote of this item.

Councillor Alistair MacDougall declared a financial interest in item 11 of this Minute as he was the owner of an empty property. He left the room and took no part in the consideration of this item.

### **3. MINUTES**

The Minutes of the Meeting of the Policy and Resources Committee held on 5 February 2015 were approved as a correct record.

### **4. FINANCIAL MONITORING PACK AS AT 31 JANUARY 2015**

The Committee considered the financial reports monitoring pack which consisted of six reports including the Revenue Budget Monitoring Report as at 31 January 2015; Monitoring of 1% Savings for 2014/15 and 2015/16; Monitoring of Financial Risks; Reserves and Balances; Capital Plan Monitoring Report as at 31 January 2015 and Treasury Monitoring Report as at 31 January 2015.

#### **Decision**

The Committee noted the –

1. Revenue budget monitoring report as at 31 January 2015
2. Progress towards the 1% savings target for 2014-15 and 2015-16 and approved the policy option referenced EDUC07.
3. Current assessment of the Council's financial risks.
4. Overall level of reserves and balances and note the monitoring of the earmarked reserves.
5. Change in profiles as noted in paragraphs 3.3.6 to 3.3.11 in the reserves and balances report.
6. Capital plan monitoring report as at 31 January 2015.
7. Treasury monitoring report as at 31 January 2015.

Having moved an Amendment which failed to find a seconder, Councillor James Robb required his dissent from decision 2 above to be recorded.

(Reference: Report by Interim Head of Strategic Finance dated 17 February 2015, submitted)

### **5. PERFORMANCE REPORT FQ3 2014-15**

The Committee considered a paper which presented the Customer Services and Strategic Finance departmental performance reports with associated scorecard performance for financial quarter 3 2014/15 (October to December 2014); and scorecards.

**Decision**

The Committee noted the performance information for financial quarter 3 2014/15.

(Reference: Report by Executive Director – Customer Services dated March 2015; Financial Quarter 3 Performance Report and Scorecard – Customer Services; and Financial Quarter 3 Performance Report and Scorecard – Strategic Finance)

**6. ARGYLL AND BUTE COUNCIL EQUALITIES MAINSTREAMING REPORT AND PROGRESS ON EQUALITY OUTCOMES 2015**

The Committee considered a report which presented Argyll and Bute Council's Equalities Mainstreaming Report as is a requirement of the Scottish Public Sector Equality Duty and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

**Decision**

The Committee –

1. Noted that the content of the report meets the requirement of the Act.
2. Noted the positive progress being made by the Council to deliver on the Equality Outcomes.
3. Noted that the Council operates an equal pay environment.

(Reference: Report by Executive Director – Customer Services dated March 2015, submitted)

**7. REVISED REDUNDANCY POLICY AND PROCEDURES**

The Committee considered a report which presented an updated Redundancy Policy and accompanying procedures for approval.

**Decision**

The Committee –

1. Noted the rationale for amending the Policy.
2. Noted that the revised Policy has been discussed with the Trade Unions.
3. Approved the revised Policy.
4. Referred the Policy to Council for noting the revisions.

Having moved an Amendment which failed to find a seconder, Councillor James Robb required his dissent from the foregoing decision to be recorded.

(Reference: Report by Executive Director – Customer Services dated February 2015, submitted)

## **8. INFORMATION MANAGEMENT STRATEGY**

The Committee considered a report which presented a proposed Information Management Strategy which would set a direction and inform the development of a strategic framework for information management across the Council. The draft Strategy was before the Committee for approval.

### **Decision**

The Committee approved the draft Information Management Strategy for Argyll and Bute Council.

(Reference: Report by Executive Director – Customer Services dated 5 February 2015, submitted)

## **9. 2015 - 2019 CUSTOMER SERVICE STRATEGY**

The Committee considered a draft Customer Services Strategy based on customer input, market research and benchmarking information which sought approval from the Committee. The Strategy was supported by a revised Customer Services Charter which also sought approval by the Committee.

### **Decision**

1. Noted the results of the customer consultation attached at Appendix 1 to the report by the Executive Director.
2. Considered the draft 2015-2019 Customer Service Strategy including revised Customer Service Charter and associated action plan attached at Appendix 2 to the report by the Executive Director and approved this.
3. Approved the outline business case for replacement customer contact systems attached at Appendix 3 to the report by the Executive Director and associated revenue and capital consequences.
4. Approved the tendering approach on a collaborative basis with Highland Council as the preferred option but if not possible Argyll and Bute Council to progress on an individual basis.
5. Approved the earmarking of £94,680 from year end underspend in Customer Services to be carried forward to meet the additional one-off revenue requirements in 2015/16 and 2016/17 for the replacement customer contact systems.

(Reference: Report by Executive Director – Customer Services dated 2 February 2015, submitted)

## **10. SCOTTISH GOVERNMENT FUNDING FOR WELFARE REFORM AND DISCRETIONARY HOUSING PAYMENTS - REPORT ON SPEND TO DATE AND FUTURE PROPOSALS**

The Committee considered a report seeking approval to continue to carry forward an unspent balance as earmarked reserves which will be utilised to support the remaining period of the USDL trial which concludes on 31 August 2015, and to continue this work until the end of the 2015/16 financial year.



## **Decision**

The Committee –

1. Noted the information provided in respect of progress made, and the estimate of projected expenditure to 31 March 2015 of £138.7k from the balance of Scottish Government funding for DHPs of £550,390 received in March 2014.
2. Approved the continued carry forward of the balance of this as earmarked funds estimated at £411.7k and approved the proposals for their use as summarised at paragraph 4.20 of the report by the Executive Director.
3. Approved the carry forward of the balance of the £375,838 Scottish Government 2014/15 DHP monies as earmarked funds to be used to fund DHP payments in 2015/16. It is estimated that the balance will be c £140k and will be sufficient to maintain current priority levels into 2015/16.
4. Requested a further report to be brought back to a future meeting on the progress with the proposals approved at 2 and 3 above.

(Reference: Report by Executive Director – Customer Services dated 5 March 2015, submitted)

Having previously declared an interest in the following item, Councillor Alistair MacDougall left the room.

## **11. COUNCIL TAX ON EMPTY PROPERTIES**

A report was considered requesting the Committee to note the Valuation Appeal Committee decision on 10 December 2014 about the imposition of a double council tax charge on a long term empty property, and to amend the current policy on charging double council tax on long-term empty properties to give effect to the Valuation Appeal Committee's recommendations and to replace the 6 month transitional period for buildings under repair approved in January 2014.

## **Decision**

The Committee –

1. Noted the decision by the Valuation Appeal Committee on 10 December 2014 attached at Appendix 1 to the report by the Executive Director.
2. Approved an amendment to the policy for charging double council tax on long term empty properties so that where major repairs are underway which require planning permission and/or building warrant, the double charge is only applied after a property has been empty for 2 years.

(Reference: Report by Executive Director – Customer Services dated 11 February 2015, submitted)

Councillor MacDougall returned to the meeting.

**12. COUNTER FRAUD TEAM - BUSINESS CASE**

A report was considered which presented the case for the Council to create a new Counter Fraud Investigation Team in order to prevent and detect fraud in relation to the Council Tax Reduction Scheme and to fulfil the residual responsibilities in relation to the Single Fraud Investigation Service.

**Decision**

1. Noted the residual responsibilities for preventing and detecting fraud following the transfer to Single Fraud Investigation Service.
2. Approved the formation of a new Counter Fraud Investigation Team from 1 October 2015 within existing budgetary resources.

(Reference: Report by Executive Director – Customer Services dated 5 February 2015, submitted)

**13. DIRECT PAYMENTS POLICY AND PROCEDURAL GUIDANCE FOR STAFF AND MANAGERS 2014**

A report providing the Policy and Resources Committee with an update on progress made in relation to managing Option 1 (Direct Payments) of the Social Care (Self-directed Support) (Scotland) Act 2013 was considered. The report sought approval on amendments made to the existing Direct Payment Policy and Procedures in line with new regulations.

**Decision**

The Committee approved the changes to the Direct Payment Policy and Procedures which reflected new regulations.

(Reference: Report by Executive Director – Community Services dated 14 October 2014, submitted)

**14. MEMBERSHIP OF THE PROPOSED SCOTTISH LOCAL AUTHORITY BUSINESS LOAN FUND**

A report which outlined the options for Argyll and Bute regarding membership of the proposed Scottish Local Authority Business Loan Fund was considered.

**Decision**

The Committee –

1. Endorsed the proposal to join the Scottish Local Authority Business Loan Fund.
2. Confirmed approval for Argyll and Bute's allocation of funds within the West of Scotland Loan Fund (currently £183,702) to be transferred to the Scottish Local Authority Business Loan Fund.
3. Endorsed the estimated demand for loans over the initial three year period at £300k.

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

**15. ASSESSMENT PROCESS FOR ADDITIONAL FUNDING REQUESTED AS PART OF REVENUE BUDGET 2015/16**

**(a) ASSESSMENT PROCESS FOR ADDITIONAL FUNDING**

Consideration was given to a report addressing the process for handling financial requests outwith Area Committee Grant Schemes.

**Decision**

The Committee –

1. Agreed the proposed process for assessing ad hoc funding requests subject to the first sentence of paragraph 11 of Appendix 1 to the report being amended to read “SMT submit report in the political process reporting through Policy Leads and to the Policy and Resources Committee for a decision.
2. Agreed that should any of these funding requests be agreed following assessment that the Committee identify how the cost can be contained within available resources to avoid adding to the existing funding gap.

(Reference: Report by Interim Head of Strategic Finance dated 4 March 2015, submitted)

**(b) ASSESSMENT OF EXTERNAL FINANCIAL REQUEST - KILMARTIN MUSEUM**

Consideration was given to a request received from Kilmartin Museum for £400,000 to support the capital costs of the proposed extension to the Museum.

**Decision**

The Committee –

1. Noted the assessment of the project and associated business plan by Officers.
2. Agreed to support in principle the request for a maximum of £400,000 subject to
  - i. A successful stage 1 application to HLF
  - ii. A further detailed assessment of the Full Business Case as set out in the report entitled “Request for Grant Funding” also before this Committee, in advance of the stage 2 submission to HLF and that this business case fully meets the Council’s own criteria
  - iii. The release of any monies being reliant upon a fully approved deliverable and fully funding project being in place.
3. Agreed that this expenditure is treated as capital and provision made from within the Capital Programme for 2018/19.
4. Agreed to refer this proposal to Council for consideration in the Capital Programme.

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

Councillor Vivien Dance left the meeting at this point.

#### **16. POLICY AND RESOURCES COMMITTEE WORKPLAN**

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

##### **Decision**

Noted the outline work plan and agreed that the frequency of when the Financial Reporting packs are brought to the Committee should be reviewed.

(Reference: Report by Executive Director – Customer Services dated March 2015, submitted)

Councillor Rory Colville left the meeting at this point.

#### **17. CASTLE LODGE GATE HOUSE**

Consideration was given to a request from Bute and Cowal Area Committee for capital funding to be allocated to renovate and visually improve Castle Lodge and to allow it to be considered by Council in April as part of the Capital Budget setting process.

##### **Decision**

Agreed to refer this proposal for consideration by Council in April as part of the Capital Budget setting process and noted that the Executive Director – Development and Infrastructure will draw up costs for this Project to feed into the Capital Programme process.

(Reference: Extract from Minutes of Bute and Cowal Area Committee of 3 February 2015, tabled)

Councillor Elaine Robertson left the meeting at this point.

#### **18. LORN ARC TAX INCREMENTAL FINANCING (TIF) ASSET PROJECT 1 - LORN ROAD/KIRK ROAD IMPROVEMENTS - DUNBEG START UP REPORT**

A report outlining the background to the Lorn Arc Tax Incremental Financing programme and requesting approval of a start up budget to enable Project 1 – Lorn Road/Kirk Road Improvements at Dunbeg to be taken to full business case was considered. The Oban, Lorn and the Isles Area Committee considered the matter on 25 February 2015 and recommended that the Policy and Resources Committee approve the drawdown of borrowing for this project.

##### **Decision**

The Committee –

1. Approved the drawdown of borrowing for a total of £238,100 for the development of a Full Business Case for Lorn Arc Project 1 – Lorn Road/Kirk Road Improvements at Dunbeg

noting that these resources will be held in a defined budget and managed as detailed in the Lorn Arc Programme PID.

2. Noted the Full Business Case for Project 1 will be reported to a future Oban, Lorn and the Isles Area Committee and subsequent Policy and Resources Committee before moving to the implementation stage.

(Reference: Report by Executive Director – Development and Infrastructure Services, submitted)

The Committee resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for the following 4 items of business on the grounds that they were likely to involve the disclosure of exempt information as defined in Paragraphs 8; 8; 8 and 9; and 6 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

### **19. MAJOR CAPITAL REGENERATION PROJECTS - UPDATE REPORT AS AT 20 FEBRUARY 2015**

Consideration was given to a report setting out the current position of each of the thirteen major capital regeneration projects led by Development and Infrastructure Services. Consideration was also given to recommendations from Bute and Cowal Area Committee in respect of the Wooden Pier, the Queens Hall and the Rothesay CHORD Project.

#### **Decision**

The Committee –

1. Noted the current progress and agreed allocation of budget resources to date against each of the major capital regeneration projects.
2. Instructed Officers to bring progress reports to the Policy and Resources Committee on a quarterly basis.
3. Approved the Business Case (Interim Use) for Phase 1 works in respect of the Wooden Pier and the draw down of the remaining element of Argyll and Bute Council capital funds from the projects budget.
4. Agreed the terms of recommendation 1.2.3 in the Regeneration Manager's report regarding Queens Hall which was before the Bute and Cowal Area Committee on 3 February 2015.
5. Approved the draw down of funds from the allocated CHORD capital budget for Rothesay Pavilion as detailed in the Project Manager's report considered by the Bute and Cowal Area Committee on 3 March 2015.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 20 February 2015, submitted and Extracts from Minutes of Bute and Cowal Area Committee of 3 February 2015 and 3 March 2015, tabled)

### **20. NEW SCHOOLS REDEVELOPMENT PROJECT- CAMPBELTOWN, OBAN, KIRN, DUNOON**

Consideration was given to a report updating the Committee on the schools

redevelopment project to build new secondary schools in Campbeltown and Oban, a new Kirn Primary School and the remodel/refurbishment of Dunoon Primary School. Consideration was also given to a report regarding the decant of Kirn Primary School.

**Decision**

The Committee agreed the recommendations detailed in both reports.

(Reference: Report by Executive Director – Community Services dated 23 February 2015, submitted and Report by Executive Director – Community Services dated 19 March 2015, tabled)

**21. HELENSBURGH OFFICE PROJECT UPDATE**

Consideration was given to a report updating Members on progress with the Helensburgh Office project.

**Decision**

The Committee agreed the recommendations detailed in the report.

(Reference: Report by Executive Director – Customer Services dated 11 February 2015, submitted)

**22. COASTAL EROSION AT FURNACE**

The Committee considered a report regarding the ongoing coastal erosion issue at Queen Elizabeth Cottages, Furnace.

**Decision**

The Committee agreed the recommendations detailed in the report.

(Reference: Joint report by Executive Director – Community Services and Executive Director – Development and Infrastructure Services dated January 2015, submitted)

**MINUTES of SPECIAL MEETING of POLICY AND RESOURCES COMMITTEE held in the  
COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD  
on THURSDAY, 2 APRIL 2015**

**Present:**

Councillor Dick Walsh (Chair)

Councillor Robin Currie	Councillor Douglas Philand
Councillor Donald Kelly	Councillor James Robb
Councillor Alistair MacDougall	Councillor Len Scoullar
Councillor Roderick McCuish	Councillor Isobel Strong
Councillor Aileen Morton	Councillor Sandy Taylor
Councillor Gary Mulvaney	Councillor Richard Trail

**Also Present:**

Councillor Michael Breslin	Councillor Rory Colville
Councillor Bruce Marshall	Councillor Donald MacMillan
Councillor Elaine Robertson	

**Attending:**

Sally Loudon, Chief Executive  
Douglas Hendry, Executive Director – Customer Services  
Pippa Milne, Executive Director – Development and Infrastructure Services  
Cleland Sneddon, Executive Director – Community Services  
Jane Fowler, Head of Improvement and HR  
Stephen Barratt, Interim Head of Strategic Finance  
Patricia O'Neill, Central Governance Manager

The Chair advised of a request from 2 colleagues under Standing Order 22.1 to speak and vote on item 3 of the agenda. He advised that he was declining their request to vote due to the strategic nature of the item and the fact that it was not Ward specific but would allow them to speak on the item.

The Chair advised that, due to a delay with his ferry, Councillor MacDougall would be arriving to the meeting late.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Vivien Dance, Duncan MacIntyre and Ellen Morton.

**2. DECLARATIONS OF INTEREST**

There were none intimated.

**3. SERVICE CHOICES**

The Policy and Resources Committee, at its meeting on 18 December 2014, considered papers on the delivery of the Single Outcome Agreement, including the budgetary outlook which estimated a funding gap of up to £37.5M. At that meeting the Committee agreed the Service Choices approach that plans for estimated funding reductions by aligning the available budget with Council priorities.

The Committee considered a report which sought agreement of initial savings targets

for Council Services, as part of stage one of the process, to enable officers to explore options and to report back to the Committee in June 2015.

Councillor MacDougall joined the meeting at 11.05 am.

The Committee adjourned from 11.45 to 11.55 for Members to consider a possible Motion which had been tabled by Councillor Dick Walsh; and to allow for the preparation of a possible Amendment to that Motion.

**Motion**

1. To note the recommendations contained in the report by the Interim Head of Strategic Finance
2. To establish a Project Board, consisting of 12 Members, to identify options for taking forward Service Choices, the Project Board to comprise 12 Members, 8 Administration and 4 Opposition, the Chair of the Project Board to be Leader of the Council and with the Trade Unions being invited to nominate 2 representatives on the Project Board
3. To amend the table at paragraph 4.4.1 of the report as follows:-

<b>Key Decision</b>	<b>Date</b>
Agree the overall approach to service choices	Special Policy and Resources Committee 2 April 2015
Set formal saving target and options for each service package prior to proceeding to the business planning stage	Special Policy and Resources Committee Early June 2015
Recommend/agree detailed savings proposals to go out to consultation	Special Policy and Resources Committee / Council – October 2015
Recommend/agree if there are any options that can be approved before February 2016	Special Policy and Resources Committee /Council – October 2015
Agree a 2 year budget for 2016/17 and 2017/18 and approve a medium term financial plan covering the period to 2020/21	Council meeting February 2016

4. That the Project Board established in terms of recommendation 2 above is tasked with producing options to be presented to a workshop for all Elected Members to consider
5. That the outcomes from the said workshop be reported to a special meeting of the Policy and Resources Committee in October 2015
6. That the special Policy and Resources Committee meeting in October 2015 make recommendations, to be considered at a special meeting of the Council, also to be held in October 2015 in respect of (a) detailed savings proposals to go out to public consultation and (b) any savings options which could be approved before February 2016

Moved Councillor Dick Walsh, seconded Gary Mulvaney.



## **Amendment**

### The Committee

1. ... notes the report and the estimated mean funding gap for 2016-17 of £10.6m and the estimated mean cumulative funding gap of £22.2m for the period 2017-2021.
2. ... notes the high level proposals for savings from officers and instructs the interim Head of Strategic Finance to provide more detail of specific service cuts to a Special Policy and Resources Committee meeting in June.
3. .... agrees that any increases in allocated budgets will be supported by a business case.
4. ... notes the responses to the "Planning Our Future" consultation and instruct officers to provide feedback to respondents as to how their responses will be considered and used in the budget process.
5. ... agrees that any detailed savings proposals are referred to the September Council meeting for agreement to go to consultation, with responses reported back to the Council meeting in November.
6. .... agrees to continue the current engagement and consultation with community planning partners and trade unions with specific reports brought back to all Policy and Resources Committee and Council meetings dealing with the Service Cuts process
7. .... instructs Officers to arrange workshops in advance of all P&R and Council meetings dealing with Service Choices
8. .... recommends to the Council that the 2016-17 budgets, both revenue and capital, be published four weeks prior to the Council Budget meeting on Thursday 11th February, 2016

Moved Councillor Sandy Taylor, seconded Councillor James Robb

## **Decision**

On a show of hands vote the Motion was carried by 9 votes to 4 and the Committee resolved accordingly.

(Reference: Report by Interim Head of Strategic Finance dated 26 March 2015, submitted)

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**ARGYLL AND BUTE COUNCIL****POLICY AND RESOURCES COMMITTEE****STRATEGIC FINANCE****14 MAY 2015**

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**FINANCIAL REPORTING 2015-16**

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**1. EXECUTIVE SUMMARY**

- 1.1 This report sets out the proposed arrangements for routine financial reporting during 2015-16.
- 1.2 In response to Member feedback in regard to the length of the comprehensive monitoring pack, it is suggested that the Policy and Resources Committee will only receive a summarised version of the financial monitoring pack which will include web links to the more detailed reports should Members wish to read them. The pack will be submitted on a two monthly basis, at Policy and Resources Committee in August, October, December and February.
- 1.3 Reports in connection with the Statutory Accounts will continue to be reported to full Council and Audit Committee.
- 1.4 The treasury monitoring report will be included within the comprehensive monitoring pack for Policy and Resources Committee, the treasury and investment strategy and treasury annual report will be reported to full Council and all three reports will be reported to the Performance Review and Scrutiny Committee in its role as Scrutiny Committee for treasury matters. The Audit Committee receives a treasury management assurance report annually.
- 1.5 Reports on service choices will be submitted to a special Policy and Resources Committee in June and a further special meeting in October. The medium term financial plan will also be updated and reported alongside service choices.
- 1.6 An appendix is attached that summarises the schedule for routine financial monitoring reports.

**FINANCIAL REPORTING 2015-16****2. INTRODUCTION**

- 2.1 This report sets out the proposed arrangements for financial reporting during 2015-16.

**3. RECOMMENDATIONS**

- 3.1 The arrangements for routine financial reporting during 2015-16 are approved.

**4. DETAIL****Financial Monitoring Pack**

- 4.1 A new comprehensive financial monitoring pack was introduced during 2014-15 and this was submitted to Policy and Resources Committee on roughly a 2 monthly basis during 2014-15. The reports within the pack covered revenue budget monitoring, monitoring of 1% savings proposals, monitoring of changes to the 2015-16 budget, monitoring of financial risks, monitoring of the capital plan, treasury monitoring and monitoring of earmarked reserves.
- 4.2 The report on monitoring changes to the 2015-16 budget will no longer be required as any future year monitoring will be dealt with under Service Choices. The report on the progress with the 1% savings options could be removed as most options have been identified for 2015-16. Where there is an emerging option that has policy implications this will be reported by exception.
- 4.3 Following comments received from Members in regard to the length and the content of the monitoring pack, it is suggested that only a summary report is submitted to the Policy and Resources Committee, similar to the current introductory report, which will summarise the key issues from each of the detailed reports. The detailed reports will still be produced and a web link included within the summary report for Members to access.
- 4.4 The table below sets out the proposed reporting timescale:

<b>Date of P&amp;R Committee</b>	<b>Report at end of</b>
20 August 2015	June
29 October 2015	August
17 December 2015	October
4 February 2016	December

### **Statutory Accounts**

- 4.5 The unaudited accounts, audited accounts and external auditors annual report will be reported to full Council and Audit Committee.

### **Treasury Management**

- 4.6 In addition to the treasury monitoring report being included within the comprehensive reporting pack for Policy and Resources Committee, this will also be submitted, along with the treasury and investment strategy and the treasury annual report, to the Performance Review and Scrutiny Committee in its role as Scrutiny Committee for treasury matters. The treasury and investment strategy and treasury annual report also require to be reported to the full Council. The Audit Committee receives a treasury management assurance report annually.

### **Service Choices**

- 4.7 Indicative timescales for Service Choices have already been reported at a recent Members seminar and dates are still being finalised, however, the key meeting dates for service choices are noted in the following table. The revenue budget medium term financial plan will also be updated on a regular basis and reported alongside Service Choices.

<b>Report</b>	<b>Meeting/Timescale</b>
Stage 2 Options Review	Policy and Resources Committee in June 2015
Detailed savings options proposals prior to consultation	Policy and Resources Committee in October 2015
Approval of savings proposals	Council Budget Meeting in February 2016

## **5. CONCLUSION**

- 5.1 This report sets out proposal for financial reporting during 2015-16.

## **6. IMPLICATIONS**

- |     |                    |      |
|-----|--------------------|------|
| 6.1 | Policy –           | None |
| 6.2 | Financial -        | None |
| 6.3 | Legal -            | None |
| 6.4 | HR -               | None |
| 6.5 | Equalities -       | None |
| 6.6 | Risk -             | None |
| 6.7 | Customer Service - | None |

**Steve Barratt**  
**Interim Head of Strategic Finance**  
**5 May 2015**

## Appendix

### Routine Financial Reporting Schedule during 2015-16 (excludes the annual budget and service choices exercise)

Report	Policy and Resources Committee	Audit Committee	Performance, Review and Scrutiny Committee	Council
In Year Monitoring				
Financial Monitoring Pack Summary – will include links to: Revenue Budget Capital Budget Treasury Financial Risks Earmarked Reserves	20 August 2015 29 October 2015 17 December 2015 4 February 2016			
Treasury Monitoring			28 May 2015 27 August 2015 19 November 2015 25 February 2016	
Previous Year Reports				
Unaudited Accounts 2014-15		19 June 2015		25 June 2015
Audited Accounts 2014-15		25 September 2015		26 November 2015
External Auditors Annual Report 2014-15		25 September 2015		26 November 2015
Treasury Management Assurance Report 2014-15		25 September 2015		
Treasury Annual Report 2014-15			27 August 2015	25 June 2015
Future Year Reports				
Treasury and Investment Strategy 2016-17	4 February 2016		19 November 2015	11 February 2016

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ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES  
COMMITTEE

CUSTOMER SERVICES

14 MAY 2015

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**PERFORMANCE REPORT FQ4 2014-15**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The Council's Planning and Performance Management Framework sets out the process for presentation of the council's quarterly performance reports.
- 1.2 This paper presents the Policy and Resources Committee with the Customer Services departmental performance report with the scorecards for Strategic Finance and Customer Services for FQ4 2014-15 (January - March 2015).
- 1.3 It is recommended that the Policy and Resources Committee reviews the scorecards as presented.

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ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES  
COMMITTEE

CUSTOMER SERVICES

14 MAY 2015

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**PERFORMANCE REPORT FQ4 2014-15**

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**2.0 INTRODUCTION**

- 2.1 The Planning and Performance Management Framework sets out the process for presentation of the council's quarterly performance reports.
- 2.2 This paper presents the Policy and Resources Committee with the Customer Services departmental performance report with the scorecards for Strategic Finance and Customer Services for FQ4 2014-15 (January - March 2015).

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee reviews the scorecards as presented.

**4.0 DETAIL**

- 4.1 The performance scorecard for the Customer Services department was extracted from the Council's Pyramid performance management system and is comprised of key performance indicators incorporating the four services that make up Customer Services. Likewise the scorecard for Strategic Finance comprises the key performance indicators for this service.

**5.0 IMPLICATIONS**

5.1	Policy	None
5.2	Financial	None
5.3	Legal	The Council has a duty to deliver best value under the Local Government Scotland Act 2003.
5.4	HR	None
5.5	Equalities	None
5.6	Risk	Ensuring performance is effectively scrutinised by members reduces reputational risk to the council.
5.7	Customer Service	None

Douglas Hendry, Executive Director – Customer Services

**For further information contact:**

Jane Fowler, Head of Improvement and HR



Steve Barrett, Head of Strategic Finance

**APPENDICES**

Financial Quarter 4 Performance report and scorecard – Customer Services

Financial Quarter 4 Performance scorecard – Strategic Finance

Performance Report for <b>Customer Services</b>	Period January – March 2015
<p><b>Key Successes</b></p> <ol style="list-style-type: none"> <li>1. Successful implementation of free school meals for all P1-P3 pupils from January 2015. The roll out and installation of IT equipment across all Primary school kitchens was achieved by the deadline of January 2015.</li> <li>2. Public Services Network Accreditation received for a further year.</li> <li>3. Four star rating achieved in the SOCITM Better Connected rating for council websites and are listed as one of the Top20 best-developed sites</li> </ol>	
<p><b>Key Challenges</b></p> <ol style="list-style-type: none"> <li>1. Local Government Boundary Commission review.</li> <li>2. UK Parliamentary Election.</li> <li>3. To maintain momentum with the delivery of the capital programme that is being considered by Council on 23rd April 2015 and in particular to manage pressure on resources resulting from the Helensburgh Office Project.</li> <li>4. Delivery of Carbon Management Plan target of 20% saving on CO2 emissions.</li> <li>5. Delay to completion of Helensburgh Office Rationalisation Project.</li> <li>6. Council tax collections below target for 2015-16.</li> <li>7. Recent High Court decision on discretionary housing payments will increase pressure on available funds.</li> <li>8. Service Choices.</li> </ol>	
<p><b>Action Points to address the Challenges</b></p> <ol style="list-style-type: none"> <li>1. Experienced team in place to support work of the Short Life Working Group.</li> <li>2. Experienced team in place to deliver election process.</li> <li>3. To update and evolve project plans, some at risk, to reflect developing circumstances and through proactive management mitigate any risk to the capital programme and thus ensure project delivery through appropriate deployment of staff resources.</li> <li>4. Gap analysis undertaken and projects including 5 NPDO School Solar PV installations (currently on site and Oban Joint Campus completed), up to 15 biomass installations and alternative waste collection, have been identified to meet the target. The savings have been identified in 2014/15. Ultimately delivery will be dependent on Council approval of the Full Business Case. Delivery of site works will be in 2015/2016, linked to capacity restrictions in the available Procurement Scotland Framework Contract.</li> </ol>	

5. The Design Team, Project Manager and Contractor are currently pursuing a range of mitigating actions in an effort to secure a revised final delivery of the project by 1st May 2015. Day to day scrutiny of on-site progress is being maintained by full-time clerk of works and the Projects Architectural Team are visiting the site twice weekly to agree any outstanding details/finishes and offer observations to be attended to prior to practical completion.
6. Analyse reasons for lower than expected collections (change in sheriff officer contract, additional charges on second homes, timing of single person discount review) and take corrective action to improve for 2015-16.
7. Consider affordability of current policy and amend as necessary to ensure spend kept within budget.
8. Process in place to assess and review impact of any proposed service reductions.

**Corporate Objective 1 - Working together to improve the potential of our people** A →

CO1 Our children are nurtured so that they can achieve their potential.	Department does not contribute directly to this Outcome
CO2 Our young people have the skills, attitudes and achievements to succeed throughout their ...	A ↓
CO3 We have a skilled and competitive workforce capable of attracting employment to Argyll an...	Department does not contribute directly to this Outcome
CO4 Our people are supported to live more active, healthier and independent lives.	Department does not contribute directly to this Outcome
CO5 We work with our partners to tackle discrimination.	
CO6 Vulnerable adults, children and families are protected and supported within their communities.	A →

**Corporate Objective 2 - Working together to improve the potential of our communities** A →

CO7 The places where we live, work and visit are well planned, safer and successful.	A ↑
CO8 Create opportunities for partners and communities to engage in service delivery.	A ↓
CO9 The impact of alcohol and drugs on our communities, and on mental health ... is reduced.	Department does not contribute directly to this Outcome

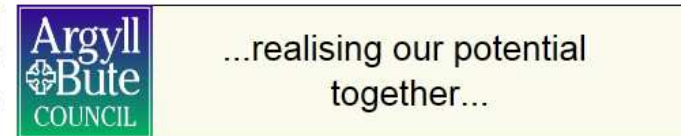
**Customer Services Scorecard 2014-15** FQ4 14/15 [Click for Full Outcomes](#)

**Corporate Objective 3 - Working together to improve the potential of our area** A →

CO10 We create the right conditions where existing and new businesses can succeed.	A →
CO11 Argyll and Bute has more new businesses operating in the area, creating more jobs.	Department does not contribute directly to this Outcome
CO12 Our transport infrastructure meets the economic and social needs of our communities.	G →
CO13 We contribute to a sustainable environment.	R ↓
CO14 We make the best use of our built and natural environment.	Department does not contribute directly to this Outcome

**Corporate Objective 4 - Working together to improve the potential of our organisation** A ↑

CO15 Our services are continually improving.	A →
CO16 Our employees have the skills and attitudes to deliver efficient and effective services.	A →
CO17 We provide good customer service.	A ↑



RESOURCES				
People	Benchmark	Target	Actual	Status Trend
Sickness absence CU		1.88 Days	2.89 Days	R ↓
PRDs % complete		90 %	94 %	G
Financial		Budget	Forecast	
Finance Revenue totals CU	£K 39,426	£K 38,821		R ↑
Capital forecasts - current year CU				
Capital forecasts - total project CU				
Efficiency Savings CU	Actions on track Savings	Target	Actual	G ↑
		19	19	
		£K 241	£K 241	
Asset Management - Customer Services 2014-15				

IMPROVEMENT					Status Trend
Improvement Plan Outcomes CU	Total No	Off track	On track	Complete	A →
	68	5	38	25	
CARP Customer Services	Total No	Off track	Due	Complete	G →
	4	0	4	4	

<b>Customer Service CU</b>	Number of consultations				3
Customer Charter	G →	Stage 1 complaints			
Customer satisfaction 86 %	G ↑	Stage 2 complaints			
Customer Services Audit Recommendations	R	Overdue	Due in future	Future - off target	
		1 ↑	14 ↓	0 →	
CU Average Demand Risk	Score	4	Appetite	4	↑
CU Average Supply Risk	Score	8	Appetite	8	↓

CO2 Our young people have the skills, attitudes and achievements to succeed throughout their ...			<b>A</b>	→
F501 Children are healthier ... nutritionally balanced school meals	Success Measures	6	<b>A</b>	
	On track	5		↓
CO5 We work with our partners to tackle discrimination.				
IH01 We recognise and tackle discrimination and promote equality	Success Measures	2	<b>G</b>	
	On track	2		↑
CO6 Vulnerable adults, children and families are protected and supported within their communities.				
CS01 Benefits paid promptly whilst minimising fraud	Success Measures	6	<b>A</b>	
	On track	5		→
GL06 The best interests of children at risk are promoted	Success Measures	2	<b>A</b>	
	On track	1		→
CO7 The places where we live, work and visit are well planned, safer and successful.				
F502 Communities are safer ... through improved facilities	Success Measures	9	<b>A</b>	
	On track	8		→
GL04 Improve quality of life & safety of residents & visitors	Success Measures	3	<b>A</b>	
	On track	2		↑
IH02 Communities and employees are prepared to deal with major incidents	Success Measures	3	<b>G</b>	
	On track	3		↑
IH03 Employees/service users are not exposed to unacceptable H&S risks	Success Measures	5	<b>G</b>	
	On track	5		↑
CO8 Create opportunities for partners and communities to engage in service delivery.				
GL05 Electors enabled to participate in the democratic process	Success Measures	2	<b>A</b>	
	On track	1		↓
GL07 Community Councils are supported	Success Measures	4	<b>G</b>	
	On track	4		→

CO10 We create the right conditions where existing and new businesses can succeed.			<b>A</b>	→
CS02 Businesses supported in claiming Non Domestic Rates relief	Success Measures	2	<b>G</b>	
	On track	2		→
CS03 Maximise opportunities for SME's to sell to the Council ...	Success Measures	4	<b>R</b>	
	On track	1		→
CO12 Our transport infrastructure meets the economic and social needs of our communities.				
F504 School & public transport meets the needs of communities	Success Measures	3	<b>G</b>	
	On track	3		→
CO15 Our services are continually improving.				
CS05 Income from local taxes and sundry debtors is maximised ...	Success Measures	5	<b>A</b>	
	On track	3		↑
CS06 Increased value is delivered from procurement ...	Success Measures	5	<b>A</b>	
	On track	4		→
CS07 IT applications & infrastructure available ... and meet business needs	Success Measures	8	<b>A</b>	
	On track	7		↓
GL03 Members enabled to deal with their caseload	Success Measures	1	<b>G</b>	
	On track	1		↑
GL09 Provision of high quality ... legal documentation	Success Measures	2	<b>A</b>	
	On track	1		↓
IH04 Services and employees are supported to deliver improvement and change	Success Measures	10	<b>A</b>	
	On track	5		→
IH05 Our customers and employees are informed and engaged	Success Measures	8	<b>A</b>	
	On track	6		→
IH06 The Gaelic language is supported and promoted	Success Measures	1	<b>G</b>	
	On track	1		→

<b>Customer Services Scorecard 2014-15</b>		FQ1 15/16	<a href="#">Click for Full Scorecard</a>
Scorecard owner			
CO17 We provide good customer service.			
→			
CS08 Customers can access council services more easily ... service quality	Success Measures	15	<b>A</b>
	On track	11	→
GL01 Framework to support democratic decision making	Success Measures	10	<b>A</b>
	On track	7	→
GL02 Council compliance with governance & info arrangements	Success Measures	5	<b>R</b>
	On track	2	→
GL10 Timely provision of Liquor Licences & Civic Government Licences to the public	Success Measures	5	<b>G</b>
	On track	5	↑
CO16 Our employees have the skills and attitudes to deliver efficient and effective services.			
→			
GL08 Provision of high quality, timely legal advice	Success Measures	2	<b>G</b>
	On track	2	→
IH07 Employees have skills/attitudes to deliver efficient/effective services	Success Measures	4	<b>A</b>
	On track	3	→
CO13 We contribute to a sustainable environment.			
→			
CS04 Reduced spend on postage and bulk reprographics	Success Measures	1	<b>R</b>
	On track	0	↓
F503 We contribute to the sustainability of the local area	Success Measures	5	<b>A</b>
	On track	4	↓

Strategic Finance Scorecard 2014-15		FQ4 14/15					
<a href="#">Click for full Outcomes</a>	SF01 Effective planning, reporting and management of finance ...	Links to Council Outcome CO15	<b>R</b> ↓				
	SF02 Assurance...that financial and management controls are operating effectively	Links to Council Outcome CO15	<b>A</b> →				
Corporate Support Team Scorecard							
Departmental Support Team Scorecard							
Internal Audit Team Scorecard							
<b>RESOURCES</b>							
<i>People</i>		<i>Benchmark</i>	<i>Target</i>	<i>Actual</i>	<i>Status</i>	<i>Trend</i>	
Sickness absence SF			2.4 Days	1.5 Days	<b>G</b>	↓	
PRDs SF			90 %	95 %	<b>G</b>	↑	
<i>Financial</i>		<i>Budget</i>	<i>Forecast</i>				
Finance Revenue totals SF		£K 1,871	£K 1,871		<b>G</b>	→	
Capital forecasts - current year SF		£K 0	£K 0				
Capital forecasts - total project SF		£K 0	£K 0				
Efficiency Savings SF	Actions on track Savings	Target	Actual		<b>G</b>	→	
		1	1				
		£K 22	£K 22				
<b>IMPROVEMENT</b>						<i>Status</i>	<i>Trend</i>
SF Service Improvement Plan 2014-15	Actions	Total No	Off track	On track	Complete		
		8	6	0	2		
Strategic Finance Audit Recommendations	Overdue	Due in future	Future - off target				
	0 →	5 →	0 →				
CARP Strategic Finance	Total No	Off track	Due	Complete	<b>G</b>	→	
	1	0	1	1			
<b>Customer Service SF</b>		Number of consultations		0			
Customer Charter		Stage 1 complaints					
Customer satisfaction		Stage 2 complaints					
SF Average Demand Risk		Score		Appetite			
SF Average Supply Risk		Score		Appetite			

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**ARGYLL AND BUTE COUNCIL****Policy and Resource Committee****Customer Services****14/05/2015**

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**Draft Corporate Plan 2015-2017**

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**Executive Summary**

The purpose of this report is to present to the Policy and Resources Committee a draft Corporate Plan for approval. The attached draft Corporate Plan includes a proposed revision to the Council's mission statement which more closely reflects the Key Strategic Priorities as agreed by Council on 22<sup>nd</sup> January and defines what the Council's contribution to the single outcome agreement will be.

**Draft Corporate Plan 2015-2017**

---

**1.0 Introduction**

1.1 The purpose of this report is present to the Policy and Resources Committee a draft Corporate Plan for approval.

**2.0 Recommendations**

2.1 It is recommended that the Policy and Resources Committee approve the draft Corporate Plan attached at appendix One.

**3.0 Background**

3.1 At its meeting on 22<sup>nd</sup> January 2015 Argyll and Bute Council agreed their Strategic priorities and requested that the Chief Executive arrange for these to be included in the Council's Corporate Plan. The Council's priorities have clear links to the shared vision set out in the single outcome agreement that Argyll and Bute's economic success is built on a growing population.

3.2 The Council's existing mission statement "realising our potential together" has been in place since 2011 (prior to the single outcome agreement which commenced in 2013). With such clear alignment between the Council's priorities and the outcomes set out in the single outcome agreement it is proposed that now would be an opportune point at which to refresh the Council's mission statement to more closely reflect this strategic direction. The proposed mission statement is:

*"Making Argyll and Bute a place people choose, to live, learn, work and do business"*

This proposed mission statement has been included in the draft Corporate Plan attached at Appendix One.

**4.0 CONCLUSION**

4.1 In conclusion this report has set out proposals for a corporate plan which reflects the Council's strategic priorities and includes a proposed new mission statement for consideration and approval.



## **5.0 IMPLICATIONS**

- 5.1 Policy: The Corporate plan sets out the strategic direction for the Council.
- 5.2 Financial: The corporate plan sets out how the Council will approach the management of financial resources.
- 5.3 Legal: None
- 5.4 HR: The Corporate plan sets the overall strategic direction for the Council and employees individual objectives, set through the PRD process will be aligned to the corporate plan via service plans.
- 6.5 Equalities: None
- 6.6 Risk: Lack of a corporate plan may pose a reputational risk to the council in the form of criticism for failing to demonstrate clear strategic direction.
- 6.7 Customer Service: Our corporate plan will be a public document and sets out what our customers can expect from the Council.

**Douglas Hendry, Executive Director Customer Services**  
**Policy Lead: Councilor Dick Walsh**

**For further information contact:** Jane Fowler, Head of Improvement and HR, Tel: 01456 604466

## **APPENDICES**

Appendix 1: Draft Corporate Plan

**Argyll and Bute Council**

**COMHAIRLE EARRA-GHÀIDHEAL AGUS BHÒID**

**Corporate Plan 2015-2017**

***Planna Corporra 2015-2017***

*Making Argyll and Bute a place people choose to live, learn,  
work and do business*

*A' leasachadh Earra-Ghàidheal is Bòd mar sgìre airson  
fuireach, ionnsachadh, obair agus gnìomhachas a dhèanamh.*

We involve and listen to our communities	We take pride in delivering best value services	We are open, honest fair and inclusive	We respect and value everyone
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*Contents*

- 1. Foreword from our Leader and Chief Executive***
- 2. Our vision and strategic priorities***
- 3. Making it happen***
- 4. Measuring our success***

## 1.0 Foreword (Leader/ Chief Executive)

Welcome to our Corporate Plan for 2015-2017.

Argyll and Bute is the second largest local authority area in Scotland. It covers an area of 691,000 hectares bounded by the urban areas of Helensburgh and Dunoon, the Clyde, Loch Lomond to the East, the Mull of Kintyre to the south, Atlantic Islands to the west, and the Sound of Mull and Appin to the north. We are lucky to live and work in such a beautiful and diverse area that really does have something for everyone. We recognise that our geography, coupled with a declining population presents us with unique challenges and together with our community planning partners we have developed a shared vision for our area in our Single Outcome Agreement (SOA), which is at the heart of this corporate plan.

Our shared vision is: **Argyll and Bute's Economic success is built on a growing population.** This vision has six key outcomes:

- Our economy is diverse and thriving
- We have an infrastructure that supports sustainable growth
- Education skills and training maximise opportunities for all
- Children and young people have the best possible start
- People live active, healthier and independent lives
- People will live in safer and stronger communities

This corporate plan sets out what we as a council will contribute to achieving these outcomes.

The next two years will bring challenges for us as we make choices around planning our future. We must accommodate a reducing budget, yet make the right choices to invest in our future. Our shared vision as set out in the SOA, corporate mission and strategic priorities provide us with clear direction and ensure that the Council is in a strong position to plan our future.

Our mission is **to make Argyll and Bute a place people choose to live, learn, work and do business.**

We have a track record of delivering positive actions, quality services, partnership working and innovation. We are an award winning Council that recognises the value of our employees.

### **Looking Ahead**

This corporate plan will build on these achievements. The next two years will focus on continuing to work with our partners to develop innovative solutions to our challenging budget and to grow the population for economic success. Our mission provides a clear focus and will underpin our work and decision making.

*Chief Executive and Leader Photos here*

## **2. Our Key Strategic Priorities**

Argyll and Bute Council have agreed key strategic priorities which give direction to our Corporate Plan and set out how we aim to achieve our Mission. Each of our service plans align to these priorities which in turn deliver on the outcomes in the Single Outcome Agreement.

### **Making Argyll and Bute a place people choose to live**

- We will work with partners to ensure a supply of affordable housing that not only meets the needs of those who already live within Argyll and Bute, but attracts more people to live here.
- We will make Argyll and Bute an attractive place to live by continuing to invest in the infrastructure of our towns, villages and islands
- We will help our communities to help themselves and will be proactive in making sure that our communities are empowered to work in partnership with the Council to meet their local needs.

### **Making Argyll and Bute a place people choose to learn**

- We will provide outstanding Education to young people so that our schools attract people to live in the area.
- Our schools will work with FE and HE providers as well as businesses to ensure our pupils are best placed to gain employment or create their own business in future.

### **Making Argyll and Bute a place people choose to work and do business**

- We will make Argyll and Bute the best and easiest place to do business
- We will use Council resources and facilities innovatively to generate income in order to protect and enhance services. For example, the TIF programme in the Oban and Lorn area
- We will take advantage of the opportunities improved broadband availability brings and continue to demand improved mobile phone coverage
- We will promote and market Argyll and Bute and encourage companies and individuals to relocate to this area
- We will work to improve strategic transportation links: We will make best use of our airports, work with ferry companies to enhance services and bring pressure to bear on the Scottish Government and Transport

Scotland to find substantial solutions to the current limitations of the A82/83

### **3. Making it happen.**

Our people are at the heart of our organisational success and in order to achieve these outcomes we must ensure Argyll and Bute Council retains and attracts the best talent to deliver quality services. We aim to remain an employer of choice and have efficient and effective support services in place to enable our frontline staff to deliver value for money and continually improve the services we provide.

#### **We will deliver our priorities by:**

- Ensuring our culture, structure and systems make our Council a high performing and improving organisation that people choose to work for
- Managing our resources robustly and sharing resources, buildings and facilities where appropriate
- Ensuring our workforce has the skills, knowledge and behaviours that support our vision
- Growing excellent leaders
- Having systems and processes in place that support and enhance customer focussed service delivery
- Providing excellent communications, customer service, consultation and engagement
- Continually looking at how we can improve and deliver quality services

### **4. Measuring Our Success**

Measuring our success is about how we will know we are performing well and moving in the right direction to achieve our vision.

We have a Planning and Performance Management Framework (PPMF) that ensures performance is integral to the work of the Council. The PPMF details the structure and process for performance management at all levels. Plans specify the outcomes to be achieved aligned to success measures, as well as risks to be reduced.

Councillors and senior managers review and scrutinise the Council's performance through the Performance Review and Scrutiny Committee,

which meets four times a year. Additionally, the Council's strategic committees and area committees regularly scrutinise performance.




Performance is reported through scorecards at Council and Departmental level, which are reviewed at Council meetings and are available on the Council's website, <http://www.argyll-bute.gov.uk/council-and-governance/performance>

The Council's key documents (Annual Report, Audited Accounts, Corporate Plan, Revenue Budget) are also available on the Council's website, <http://www.argyll-bute.gov.uk/council-and-government/plans-policies-and-key-documents>

We are improving the way we communicate our performance and aim to keep you updated via all of our communication's channels including our website and our social media. You can follow the Council on Facebook and Twitter **(include Facebook and twitter links)**

For further information please call 01546 602127 or email [performance@argyll-bute.gov.uk](mailto:performance@argyll-bute.gov.uk)



<b>Our Shared Vision:</b> What we want to achieve with our partners	<b>Argyll and Bute's Economic Success is built on a growing population</b>						
	People live active healthier and independent lives	People live in safer and stronger communities	Young people have the best possible start	Education Skills and training maximise opportunities for all	Our economy is diverse and thriving	Our infrastructure supports sustainable growth	
							
<b>Council Mission Statement/ Corporate Outcomes:</b> Our contribution to the shared vision	<b>Making Argyll and Bute a place people <i>choose</i> to Live, Learn, Work and do Business</b>						
	A Place people <i>choose</i> to Live		A Place people <i>choose</i> to Learn		A Place people <i>choose</i> to Work and Do Business		Making it Happen
	Service Outcomes						
							
							
<b>Strategic Priorities:</b> What we plan to do to help us achieve our mission.	We will work with partners to ensure a supply of affordable housing that meets the needs of those who already live in Argyll and Bute and attracts more people to live here.  We will continue to invest in the infrastructure of our towns, villages and islands.	We help our communities to help themselves. We will be proactive in making sure that our communities are empowered to work in partnership to meet their local needs	Provide outstanding education to young people so that our schools attract people to live in the area	Our schools will work with FE and HE providers as well as business to ensure our pupils are best placed to gain employment or create their own business in future	Make Argyll and Bute the best and easiest place to do business in  We will promote and market Argyll and Bute to encourage companies and individuals to relocate to this area  We will use Council resources and facilities innovatively to generate income in order to protect and enhance services. For example the TIF programme in the Oban area.	Improve strategic transport links. We will make best use of our airports, work with ferry companies to enhance services and bring pressure to bear on the SG and TS to find sustainable solutions to the current limitations of A82/83  We will take advantage of the opportunities improved broadband availability brings and continue to demand improved mobile phone coverage	Our culture, structure and systems make our Council a high performing and improving organisation that people choose to work for.  We manage our resources robustly and share resources, buildings and facilities where appropriate  Our workforce have the skills, knowledge and behaviours that support our vision  We grow excellent leaders  We have systems and processes in place that support and enhance service delivery  We provide excellent communications customer service, consultation and engagement  We continually look at how we can improve and deliver quality services

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**ARGYLL & BUTE COUNCIL****POLICY AND RESOURCES****CUSTOMER SERVICES****14 MAY 2015**

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

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**\* 7. FLOOD RISK MANAGEMENT POLICY**

The Committee considered a report introducing a Policy Document which identified the Council's duties and powers in regard to flood risk management and outlined the way in which the Council would allocate funding to comply with its duties under the Flood Risk Management (Scotland) Act 2009 and exercise its powers under the Act.

**Decision**

The Committee –

1. Noted the report.
2. Approved that the Flood Risk Management Policy be taken to the Policy and Resources Committee for approval as a Council Policy.

(Reference: Report by Executive Director – Development and Infrastructure Services dated March 2015 and draft Flood Risk Management Policy, submitted)

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ARGYLL AND BUTE COUNCIL

ENVIRONMENT DEVELOPMENT AND  
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

13 APRIL 2015

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## FLOOD RISK MANAGEMENT POLICY

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### 1.0 EXECUTIVE SUMMARY

The Flood Risk Management Act transposes the EU Floods Directive 2007/60/EC into Scots Law, amends the Reservoirs Act 1975 and repeals the Flood Prevention (Scotland) Act 1961. The appended draft policy document sets out the position for the council. The policy document has been drafted to confirm the approach of the council and to provide a policy framework covering flood risk management.

The Act provides that the Scottish Ministers, SEPA, and Responsible Authorities (Local Authorities, Scottish Water, Forestry Commission Scotland and National Park Authorities) must exercise their flood risk related functions with a view to reducing overall flood risk. In summary, the key requirements which these bodies must take into consideration when carrying out their functions are to:-

- act with a view to reducing overall flood risk;
- act to secure compliance with the Directive;
- act with a view to achieving the objectives set out in the flood risk management plans;
- have regard to the social, environmental and economic impact of carrying out those functions.

So far as is consistent with flood risk functions, they must also:

- act in the way best calculated to manage flood risk in a sustainable way;
- promote sustainable flood risk management;
- act with a view to raising public awareness of flood risk; and
- act in the way best calculated to contribute to the achievement of sustainable development.

#### Members are asked to:

- Note and endorse the report.
- Approve that the Flood Risk Management Policy be taken to the Policy and Resource Committee for approval as Council policy.

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ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND  
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

9 April 2015

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## FLOOD RISK MANAGEMENT POLICY

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### 2.0 SUMMARY

- 2.1 This policy document identifies the Council's duties and powers in regard to Flood Risk Management and outlines the way in which the Council will allocate funds to comply with its duties under the Flood Risk Management (Scotland) Act 2009 ('the Act') and exercise its powers under the Act.
- 2.2 The attached policy document provides information in respect of: the general aims of the Act, the general duties placed upon Scottish Ministers, SEPA and Responsible Authorities (including local authorities) under the Act. The policy also sets out the powers of Local Authorities and the Council's approach to managing flood risks. The policy document further sets out the way in which the Council will allocate funding to comply with the duties placed upon it by the Act and will exercise its powers with a view to reducing flood risk.

### 3.0 RECOMMENDATIONS

- 3.1 Members are asked to:
- Note and endorse the report.
  - Approve that the Flood Risk Management Policy be taken to the Policy and Resources Committee for approval as Council policy.

### 4.0 DETAILS

- 4.1 The Act transposes the EU Floods Directive 2007/60/EC into Scots Law, amends the Reservoirs Act 1975 and repeals the Flood Prevention (Scotland) Act 1961.
- 4.2 The Act provides that the Scottish Ministers, SEPA, and Responsible Authorities (Local Authorities, Scottish Water, Forestry Commission Scotland and National Park Authorities) must exercise their flood risk related functions with a view to reducing overall flood risk.
- In summary, the key requirements which these bodies must take into consideration when carrying out their functions are to:-

- act with a view to reducing overall flood risk;
- act to secure compliance with the Directive;
- act with a view to achieving the objectives set out in the flood risk management plans;
- have regard to the social, environmental and economic impact of carrying out those functions.

So far as is consistent with flood risk functions, they must also:

- act in the way best calculated to manage flood risk in a sustainable way;
- promote sustainable flood risk management;
- act with a view to raising public awareness of flood risk; and
- act in the way best calculated to contribute to the achievement of sustainable development.

- 4.3 Local Authorities will be expected to use all existing and new powers at their disposal to deliver these broad aims, and this includes development management, traditional flood defence works, surface water management, awareness raising and wherever possible, natural approaches to managing the sources and pathways of flood waters.
- 4.4 The Scottish Government makes it clear that individual property owners have primary responsibility for the prevention of flooding to their property. Landowners are responsible for the provision and maintenance of private flood defence and drainage systems on their land.
- 4.5 Individuals with a watercourse within the boundary of their property, including piped watercourses, have what is termed 'riparian' responsibilities under common law. Riparian owners should allow the unrestricted flow of water through their property and should maintain and keep watercourses clear of obstructions that are liable to pose a risk of flooding.
- 4.6 At its meeting on 19 December 2013, the Council appointed Councillor Robert G MacIntyre to the Clyde & Loch Lomond LPD and Councillor Roddy McCuish to the Highland and Argyll LPD.

The attached Policy document sets out the following:

- General Aim and Purpose of the Act
- General Duties under the Act
- Local Authority Duties under the Act
- Local Plan Districts (Argyll and Bute Council fall into two Local Plan Districts)
- Mapping, Objectives and Measures
- Argyll & Bute Council's Policy on Flooding
- Map of all Local Plan Districts within Scotland

## 5.0 CONCLUSION

- 5.1 This report is a covering report to a policy document that identifies the Council's duties and powers in regard to Flood Risk Management and outlines the way in which the Council will allocate funds to comply with its duties under the Act and exercise its powers under the Act with a view to reducing flood risk.
- Members are asked to note and endorse the report and approve that the Flood Risk Management Policy be taken to the Policy and Resources Committee for approval as Council policy.

## 6.0 IMPLICATIONS

6.1	Policy	The report provides a policy position in relation to Flood Risk Management
6.2	Financial	Budgets are in place for dealing with elements of the Flood Risk Management Act
6.3	Legal	Covered in the body of the policy document
6.4	HR	None
6.5	Equalities	None
6.6	Risk	None
6.7	Customer Services	None

**Executive Director of Development and Infrastructure**  
**Policy Lead Cllr Ellen Morton**

March 2015

**For further information contact:** Arthur McCulloch, Principal Engineer

## APPENDICES

Appendix 1 – Flood Risk Management Policy and Strategy





# DEVELOPMENT AND INFRASTRUCTURE SERVICES

## FLOOD RISK MANAGEMENT POLICY

<b>Author</b>	Principal Engineer – Infrastructure Design
<b>Owner</b>	Head of Roads and Amenity
<b>Date</b>	March 2015
<b>Version</b>	1

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Map of Local Plan Districts	9

## **1.0 INTRODUCTION TO POLICY STATEMENT ON FLOODING**

### **1.1 Purpose**

- 1.1.1 This policy statement has been prepared by Argyll and Bute Council to provide a public statement of the Council's approach to managing flood risk in its area.

### **1.2 Introduction**

- 1.2.1 The Flood Risk Management (Scotland) Act 2009 ('the Act') transposes the EU Floods Directive 2007/60/EC ('the Directive') into Scots Law, amends the Reservoirs Act 1975 and repeals the Flood Prevention (Scotland) Act 1961. The purpose of the Directive is to establish a framework for the assessment and management of flood risks, aiming at the reduction of the adverse consequences for human health, the environment, cultural heritage and economic activity associated with floods.
- 1.2.2 Duties are placed on SEPA, Scottish Water, and Responsible Authorities (Local Authorities, National Park Authorities, Scottish Water and Forestry Commission Scotland) to exercise their flood risk related functions with a view to reducing overall flood risk across Scotland.
- 1.2.3 Flood risk is defined in the Act as the combination of the probability of flood and the potential adverse consequences associated with a flood, for human health, the environment, cultural heritage and economic activity.
- 1.2.4 By focusing on "reducing overall flood risk", emphasis has clearly been placed on managing the likelihood and impact of flooding. Furthermore, although it is recognised that it is not always possible to reduce the likelihood, or even the impact of some floods, the Act makes it clear that all bodies involved in managing flooding should, wherever possible, aim to reduce flood risk by focusing their efforts on those areas and communities at greatest risk.
- 1.2.5 The Scottish Government makes it clear that individual property owners have primary responsibility for the prevention of flooding to their property. Landowners are responsible for the provision and maintenance of private flood defence and drainage systems on their land.
- 1.2.6 Local Authorities will be expected to use all existing and new powers at their disposal to deliver these broad aims, and this includes development management, traditional flood defence works, surface water management, awareness raising and, wherever possible, natural approaches to managing the sources and pathways of flood waters.
- 1.2.7 Individuals with a watercourse within the boundary of their property, including piped watercourses, have what is termed 'riparian' responsibilities under common law. Riparian owners should allow the unrestricted flow of water through their property

and should maintain and keep watercourses clear of obstructions that are liable to pose a risk of flooding.

## **2 The Act**

### **2.1 General Duties under the Act**

2.1.1 All bodies responsible for managing flood risk, including Local Authorities, SEPA, Scottish Ministers and Scottish Water, are placed under a set of general duties which provide the basic framework in which all work under the Act must be progressed and all flood management decisions must be taken.

2.1.2 In summary, the key requirements which these bodies must take into consideration when carrying out their functions are to:-

- act with a view to reducing overall flood risk;
- act to secure compliance with the Directive;
- act with a view to achieving the objectives set out in the flood risk management plans;
- have regard to the social, environmental and economic impact of carrying out those functions.

2.1.3 So far as is consistent with flood risk functions, they must also:

- act in the way best calculated to manage flood risk in a sustainable way;
- promote sustainable flood risk management;
- act with a view to raising public awareness of flood risk; and
- act in the way best calculated to contribute to the achievement of sustainable development.

2.1.4 These bodies also have a legal requirement placed upon them to adopt, wherever practicable, an integrated approach through co-operating with each other. Adopting a fully collaborative and coordinated approach to implementation, between local authorities, SEPA, Scottish Water and other relevant bodies is widely viewed as being central to the delivery of improved flood risk management.

### **2.2 Local Authority Duties under the Act**

2.2.1 Local Authorities have a Duty to:

- Prepare maps of bodies of surface water
- Assess relevant bodies of water
- Prepare a schedule of clearance and repair works
- Prepare local flood risk management plans
- Carry out clearance and repair works in a schedule prepared by the council
- Keep a register of flood protection schemes

2.2.2 Local Authorities also have powers to manage flood risk and to take forward a 'flood protection scheme'.

## **2.3 Funds**

2.3.1 Local Authorities have been provided with funding through their current settlement to fulfil their flood risk management responsibilities. Arrangements to fund prioritised actions/works in the first 6 year cycle have still to be announced by the Scottish Government.

## **2.4 Local Plan Districts**

2.4.1 Local Plan Districts are the geographical areas based on catchment boundaries for managing flood risk and have been designated by Scottish Ministers on the recommendation of SEPA following a consultation process which included local authorities. A map showing the 14 Local Plan Districts within Scotland is included at the end of this document.

2.4.2 A Lead Local Authority has been identified for each Local Plan District to co-ordinate and support the production of Local Flood Risk Management Plans. In the National Flood Risk Assessment, SEPA identified geographical areas across Scotland, called Local Plan Districts (LPD), which include whole river catchments and cross local authority boundaries. Flood Risk Management Planning, and partnership working to support this, will take place for each Local Plan District in Scotland.

2.4.3 Argyll and Bute Council are members of two Local Plan Districts:- Clyde & Loch Lomond with Glasgow City Council as Lead Local Authority, and Highland/Argyll with Highland Council as Lead Local Authority. Argyll and Bute Council is represented at each Local Plan District by a Member and officers.

## **2.5 Mapping, Objectives and Actions**

2.5.1 SEPA carried out and completed the National Flood Risk Assessment in 2011 and this identified areas that were potentially vulnerable to flooding – Potentially Vulnerable Areas (PVAs). Within Argyll & Bute there are 16 PVAs (Clyde & Loch Lomond has 4 and Highland/Argyll 12).

2.5.2 In January 2014, SEPA published the Flood Risk Hazard Maps. These cover Coastal, River and Surface Water flooding. Key to the delivery of the Flood Risk Management (Scotland) Act 2009 is an improved understanding of the location and character of flood hazards. The delivery of new strategic flood hazard maps for Scotland, will support the development of Flood Risk Management Strategies and be a valuable tool for organisations responsible for managing flood risk.

- 2.5.3 The public consultation period for the Characterisation and Objective setting to address flood risks nationally will close on 2 June 2015. The objectives will be centred on three principles; Avoid, Protect and Prepare against flood risk. Following the public consultation, the objectives will be prioritised into a national list of actions. The actions may consist of further study and better understanding of a flood risk area, physical works or flood warning systems. By completion, the process will have involved a public consultation and input from all the Responsible Authorities including SEPA, the local authorities and the Scottish Government.
- 2.5.4 Examples of this for each objective could be:-
- Avoid** – this is done through the planning process whereby flood risk should not be increased by inappropriate development – This is taken into account in the Local Development Plan and implemented through the processing of planning applications taking into account the flood sensitivity of each PVA.
- Protect** – this is done by construction of bunds, training walls and drainage pipes to reduce the impact on existing infrastructure. It also includes temporary measures such as sandbagging. Telemetry systems to record flood levels can also offer protection.
- Prepare** – this is a last resort and includes flood warnings/evacuation, civil contingency and community resilience plans.
- 2.5.5 The Act places a duty on Responsible Authorities to raise public awareness of flood risk by, for example, webpage information on Responsible Authorities' roles and responsibilities.
- 2.5.6 The Council's Planning and Regulatory Service is developing Supplementary Guidance for applicants for development to inform them of what is required by the Council in terms of Flood Risk.
- 2.5.7 The Strategic Appraisal of Measures will be undertaken nationally and will lead to the publication of Local Flood Risk Management Plans covering 6 year cycles to reduce flood risks. The first of these will cover the period 2016 – 2022.
- 2.5.8 Local Flood Risk Management Plans will comprise of two parts: a supplementary part and an implementation part. The supplementary part must include, amongst other things, information including; maps, information about how implementing actions may alter (including enhance) or restore natural features and characteristics, and further information about those actions, as the lead authority considers relevant to flood risk management within the local plan district . The implementation part is a detailed description of how particular actions will be undertaken, including a summary of when these will take place and who will be responsible for funding and undertaking such actions.
- 2.5.9 Not earlier than two years and not later than three years after a local flood risk management plan is finalised, the lead authority must (a) review the plan, and (b) publish a report on the conclusion of the review including information on the progress that has been made towards implementing the actions identified in the implementation part of the plan. Not earlier than five years, and not later than six

years, after a local flood risk management plan is finalised, or by such other date as the Scottish Ministers may direct, the lead authority must publish a report of the plan containing (a) an assessment of the progress made towards implementing the current actions, (b) a summary of the current actions which were not implemented, with reasons for their non-implementation, and (c) a description of any other actions implemented since the plan was finalised which the lead authority considers have contributed to the achievement of the objectives summarised in the supplementary part of the plan

## **3.0 ARGYLL & BUTE COUNCIL'S POLICY ON FLOODING**

### **3.1 Policy Statement**

<p><b>Argyll &amp; Bute Council acknowledges and supports the Scottish Government's aims and objectives as set out in the Act and our policy and approach will be consistent with them.</b></p>
---

3.2 Argyll & Bute Council is required to:-

- (i) Work collaboratively with other Responsible Authorities such as SEPA, Local Authorities, Scottish Water, The Forestry Commission and the National Park with the overall aim of reducing flood risk.
- (ii) Prepare maps of relevant bodies of water and sustainable urban drainage systems.
- (iii) From time to time assess relevant bodies of water (other than canals) for the purpose of ascertaining whether the condition of the body of water gives rise to a risk of flooding.
- (iv) Where a body of water gives rise to a risk of flooding following the assessment and where it is considered that clearance and repair works would substantially reduce that risk, prepare a schedule of those clearance and repair works.
- (v) Carry out works described in the schedule of clearance and repair works where it considers that it will contribute to the implementation of current actions described in any relevant local flood risk management plan or will not affect the implementation of such measures.
- (vi) Provide the Lead Authority with information when requested.
- (vii) Keep a register of flood protection schemes.
- (viii) Monitor those watercourses which have proved to be critical in terms of flood risk and take action to maintain the critical parts.
- (ix) Regularly maintain those ordinary watercourses for which Argyll and Bute Council is the riparian owner.
- (x) Investigate, record and assess flooding events.

- (xi) Take account of flooding risks when preparing local planning policy and assessing individual planning applications
- (xii) Raise general public awareness on flooding matters through the Council's web site and other means.

- 3.3 Council funds for the management of flood risk will be allocated towards the fulfilment of the Council's statutory duties as listed above in the first instance.
- 3.4 As part of its road asset management process, the Council, as the roads authority, will compile an inventory of its ditches and culverts and review its roads drainage policy.
- 3.5 The Scottish Government makes it clear that individual property owners have primary responsibility for the prevention of flooding to their property. Landowners are responsible for the provision and maintenance of private flood defence and drainage systems on their land and the Council will therefore not, as standard, exercise its powers under the Act to assist individual property owners. The Council, will however, as far as reasonably and economically practicable, exercise its powers under s56 of the Act to continue the practice of providing emergency assistance in times of flooding by the provision of sandbags for public use and the clearance of critical watercourses and the structures thereon. It shall endeavour to offer advice to riparian owners on commercially available flood protection measure and recommends affected parties contact the Scottish Flood Forum for detail assistance.





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ARGYLL & BUTE COUNCIL

POLICY AND RESOURCES

CUSTOMER SERVICES

14 MAY 2015

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

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\* **8. COAST PROTECTION POLICY**

The Committee considered a report presenting the draft Coast Protection Policy. The document, a formal Policy relating to the Coast Protection Act 1949, outlined coast protection principles, management arrangements and set out how priorities would be set in terms of allocating resources.

**Decision**

The Committee –

1. Noted and endorsed the report.
2. Approved that the Coast Protection Policy be taken to the Policy and Resources Committee for approval as a Council Policy.

(Reference: Report by Executive Director – Development and Infrastructure Services dated April 2015 and draft Coast Protection Policy and Strategy, submitted)

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ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND  
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

13 April 2015

---

**COAST PROTECTION POLICY**

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**1.0 EXECUTIVE SUMMARY**

The Coast Protection Act 1949 ('the Act') defines the Council as the Coast Protection Authority for Argyll and Bute and sets out the Authority's powers in relation to the protection of the Coast. The Council currently does not have any formal policy in place relating to the Act.

The attached policy document covers: Outline Coast Protection Principles, Management Arrangements and sets out how Priorities will be set in terms of allocating resources. Information is provided in respect of other matters pertaining to the coast such as litter clearance and the disposal of carcasses of cetaceans stranded on the shore.

This draft policy document is effectively formalising custom and practice historically carried out by the Council.

Members are asked to:

- Note and endorse the report.
- Approve that the Coast Protection Policy be taken to the Policy and Resources Committee for approval as Council policy.

---

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND  
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

13 April 2015

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## COAST PROTECTION POLICY

---

### 2.0 SUMMARY

2.1 The attached policy document covers: Outline Coast Protection Principles, Management Arrangements and sets out how Priorities will be set in terms of allocating resources.

### 3.0 RECOMMENDATIONS

3.1 Members are asked to:

- Note and endorse the report.
- Approve that the Coast Protection Policy be taken to the Policy and Resources Committee for approval as Council policy.

### 4.0 DETAILS

4.1 The Coast Protection Act 1949 ('the Act') defines the Council as the Coast Protection Authority for Argyll and Bute and sets out the Authority's powers in relation to the protection of the Coast.

4.2 Section 4 of the Act provides that 'a coast protection authority shall have power to carry out such coast protection work, whether within or outside their area, as may appear to them to be necessary or expedient for the protection of any land in their area.' There are no duties placed upon the Council as the Coast Protection Authority by the Act. The length of coast includes all land bounded by the sea in Argyll and Bute extending to Craighendran Pier in the Firth of Clyde. Certain stretches of tidal waters are excluded, for reasons which are not explained in the Act. The River Clyde is excluded, above a line drawn from the seaward or western end of the Princes Pier, Greenock, to the seaward end of Craighendran Pier and as such, there is no Coast Protection Authority for the stretch of coast upstream of Craighendran Pier.

4.3 The Council has a duty to maintain roads entered on the list of public roads as the Roads Authority under the Roads (Scotland) Act 1984. Works undertaken to protect public roads against erosion and encroachment by the sea may be carried out by the Council acting as the Roads Authority or Coast Protection Authority.

- 4.4 It is the aim of Argyll and Bute Council to provide a service with respect of the above that will provide protection of the coastline within the budget allocated in accordance with the priorities of the policy outlined in this document.
- 4.5 Responsibility for management and prevention of erosion rests with the landowner of the land concerned. By necessity the Council's priority for spending will be to protect roads and infrastructure in its ownership/control.
- 4.6 The attached policy document covers: Outline Coast Protection Principles, Management Arrangements and sets out how Priorities will be set in terms of allocating resources. Information is provided in respect of other matters pertaining to the coast such as litter clearance and the disposal of carcasses of cetaceans stranded on the shore.

## **5.0 CONCLUSION**

- 5.1 The attached policy document covers: Outline Coast Protection Principles, Management Arrangements and sets out how Priorities will be set in terms of allocating resources. This draft policy document is effectively formalising custom and practice historically carried out by the Council.

## **6.0 IMPLICATIONS**

- |     |                   |  |
|-----|-------------------|--|
| 6.1 | Policy            | Document proposes a policy for coast protection  |
| 6.2 | Financial         | The Policy sets out how available resources will be prioritised  |
| 6.3 | Legal             | Policy is based on legislation   |
| 6.4 | HR                | None   |
| 6.5 | Equalities        | None   |
| 6.6 | Risk              | There are significant risks to the Council in terms of the condition of the coast protection infrastructure. |
| 6.7 | Customer Services | None   |

**Executive Director of Development and Infrastructure  
Policy Lead Cllr Ellen Morton**

**For further information contact:** Arthur McCulloch, Principal Engineer

## **APPENDICES**

Appendix 1 – Coast Protection Policy and Strategy

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# DEVELOPMENT AND INFRASTRUCTURE SERVICES

## COAST PROTECTION POLICY AND STRATEGY

<b>Author</b>	Principal Engineer Infrastructure Design
<b>Owner</b>	Head of Roads and Amenity
<b>Date</b>	March 2015
<b>Version</b>	1

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## 1.0 INTRODUCTION

- 1.1 The Coast Protection Act 1949 (<http://www.legislation.gov.uk/ukpga/Geo6/12-13-14/74>) ('the Act') defines the Council as the Coast Protection Authority for Argyll and Bute and sets out the Authorities powers in relation to the protection of the Coast against erosion and encroachment by the sea.
- 1.2 The Act provides the Council (coast protection Authority) with powers to carry out coast protection work, whether within or outside their area, as may appear to them to be necessary or expedient for the protection of any land in their area.'
- 1.3 "coast protection work" means any construction work of alteration, improvement, repair, maintenance, demolition or removal for the purpose of the protection of any land, and includes the sowing or planting of vegetation for the said purpose;
- 1.4 "protection" means protection against erosion or encroachment by the sea;
- 1.5 "sea" includes the waters of any channel, creek, bay or estuary and of any river so far up that river as the tide flows;
- 1.6 "seashore" means the bed and shore of the sea, and of every channel, creek, bay or estuary, and of every river as far up that river as the tide flows, and any cliff, bank, barrier, dune, beach, flat or other land adjacent to the shore.
- 1.7 The length of coast for which the Council is the Coast Protection Authority includes all land bounded by the sea in Argyll and Bute. On the mainland this extends from Craigendoran Pier in the Firth of Clyde around Argyll's coastline to the boundary with Highland Council north of Appin in Loch Linnie. The coast also includes the coast of 23 inhabited islands. The overall coastline extends to some 4197 KM. The coast line is detailed by the shaded areas detailed in the map at Appendix 1. The River Clyde is excluded, above a line drawn from the seaward or western end of the Princes Pier, Greenock, to the seaward end of Craigendoran Pier and as such, there is no Coast Protection Authority for this stretch of coast.
- 1.8 The Council has a duty to maintain roads entered on the list of public roads as the Roads Authority under the Roads (Scotland) Act 1984. Works undertaken to protect public roads against erosion and encroachment by the sea may be carried out by the Council acting as the Roads Authority or Coast Protection Authority.
- 1.9 It is the aim of Argyll and Bute Council to exercise its powers under the Act where necessary to protect the coast against encroachment and erosion by the sea within the budget allocated and in accordance with the priorities of the policy outlined in this document.

## **2.0 OUTLINE PRINCIPLES**

- 2.1 The Council, through the Executive Director of Development and Infrastructure Services, will:-
- a) Draft, adopt and amend policy and strategy for Coast Protection;
  - b) Develop an inventory of the Roads and Amenity Services' coast protection assets;
  - c) Develop an inspection regime;
  - d) Design, procure and supervise any works required in accordance with the priorities set out within this document;
  - e) Set up a register of coastal events pertaining to ground not belonging to the Council;
  - f) Provide responses on Planning Applications that may affect the coast
  - g) Consider and determine applications submitted to the Council for consent for persons to carry out any coast protection work, other than work of maintenance or repair.

## **3.0 RESPONSIBILITIES UNDER COAST PROTECTION**

- 3.1 Responsibility for management and prevention of erosion rests with the landowner of the land concerned.
- 3.2 The powers given to Local Authorities under the Act are permissive only, i.e. there is no duty placed upon the Local Authority to Act. The Authority:
- a) Carry out such coast protection work as appears to be necessary or expedient for the protection of any land in its area;
  - b) Carry out that work itself or engage someone else to carry out the work on its behalf;
  - c) Acquire land for, or associated with, such coast protection work;
  - d) Grant consent to coast protection works, other than work of maintenance or repair, to be carried out by others (and contribute to the cost of such works if appropriate). - As required by the Act, any works being carried out to provide coast protection facilities shall obtain the consent of the coast protection authority.
  - e) Require owners (etc.) to repair or maintain existing coast protection works (or the authority can carry out repairs itself and recover the cost of such repairs from the owner).

Where it appears to a coast protection authority that works are urgently necessary for the protection of land the authority can carry out repair works. The coast protection authority can take all necessary steps and carry out works without having served notice on the owners,

- g) Carry out survey and design works to prepare schemes for implementation.

#### **4.0 MANAGEMENT ARRANGEMENTS**

- 4.1 The Executive Director of Development and Infrastructure Services is responsible for implementing the Council's Coast Protection Policy.
- 4.2 The Head of Roads and Amenity Services has overall responsibility for ensuring that the Council's Coast Protection activities are carried out in line with the policy.
- 4.3 The Infrastructure Design unit is responsible for the day to day operation of the Council's Coast Protection policy. The unit is responsible to the Head of Roads and Amenity Services for the inspection and recording of the condition of the coast protection assets, the design, procurement and undertaking of any works required in accordance with the policy and allocated budget.

#### **5.0 POLICY ON PRIORITIES**

- 5.1 Each financial year the allocated coast protection budget will be divided between the following:-  
Inspections and recording of asset information, planned works and emergency works.
- 5.2 Inspections shall be undertaken to establish a full inventory of all Roads and Amenity Services' coastal assets. The inspections shall record the condition and list any works required. The planned works programme shall be based on the condition of the assets and shall consist of value for money proportionate works. All locations where the rate of encroachment means that the road/infrastructure/property is in danger of loss/damage will be prioritised for treatment.
- 5.3 The emergency works shall be dealt with as the need arises. The extent of any emergency works are often as a result of a rough sea state and storm conditions. Random weather conditions make it difficult to accurately predict the extent and location of damage that can occur in any period of time.
- 5.4 Argyll and Bute has 4197km of coastline when measured at Mean High Water Springs. As at 4 September 2014, there is 214km of public road adopted by the Council with a centre line within 25m of the High Water mark. The coastal defences associated with this length of public road have an estimated replacement cost of £250m – £300m (based on full construction provision at an average height and construction type typically found in Argyll and Bute). The long term aim is to inspect these coastal defences every 2 years. One of the main tasks is to locate and record the condition of each coastal protection asset in the WDM database (the

software system used by the Council to hold inspection reports and enable asset management decisions to be made based on prolonging the life of coastal protection assets and mitigating the risk of unnecessary costs). The assets typically comprise retaining walls and other means of protection such as rip rap embankments or reinforced soil solutions such as gabion baskets and mattresses.

- 5.5 Each year the condition of the known assets will be reviewed and a programme of work prepared for appropriate repairs/renewals. Also to be included in this will be areas of coastline that do not have any means of protection but are considered to be at risk of encroachment or erosion. Business cases will be prepared if any proposed works are of the scale or nature that may justify capital expenditure. In general the priority for works to be funded from the Coast Protection Budget will be:-
1. Adopted public roads/footways maintained by Argyll and Bute Council;
  2. Amenity land, infrastructure and buildings owned by Argyll and Bute Council;
  3. Land maintained by the Council that is public open space, and is of benefit to the community but not necessarily owned by the Council;
  4. Other land open to the public;
  5. Other land – This would usually be limited to providing some advice to owners about how they may approach organising coast protection works. No expenditure on private land in this category will be made without appropriate authorisation through the Policy and Resources Committee.
- 5.5 In general, associated infrastructure, such as railings and parapets will be included as coastal assets. Adjacent assets such as parks, footways, lighting etc. will be excluded.
- 5.6 Repair and maintenance of coast protection works is the responsibility of the landowner except where government grant was made available for their construction.
- 5.7 The Council will require to consent to any works on other ground promoted by parties other than itself.

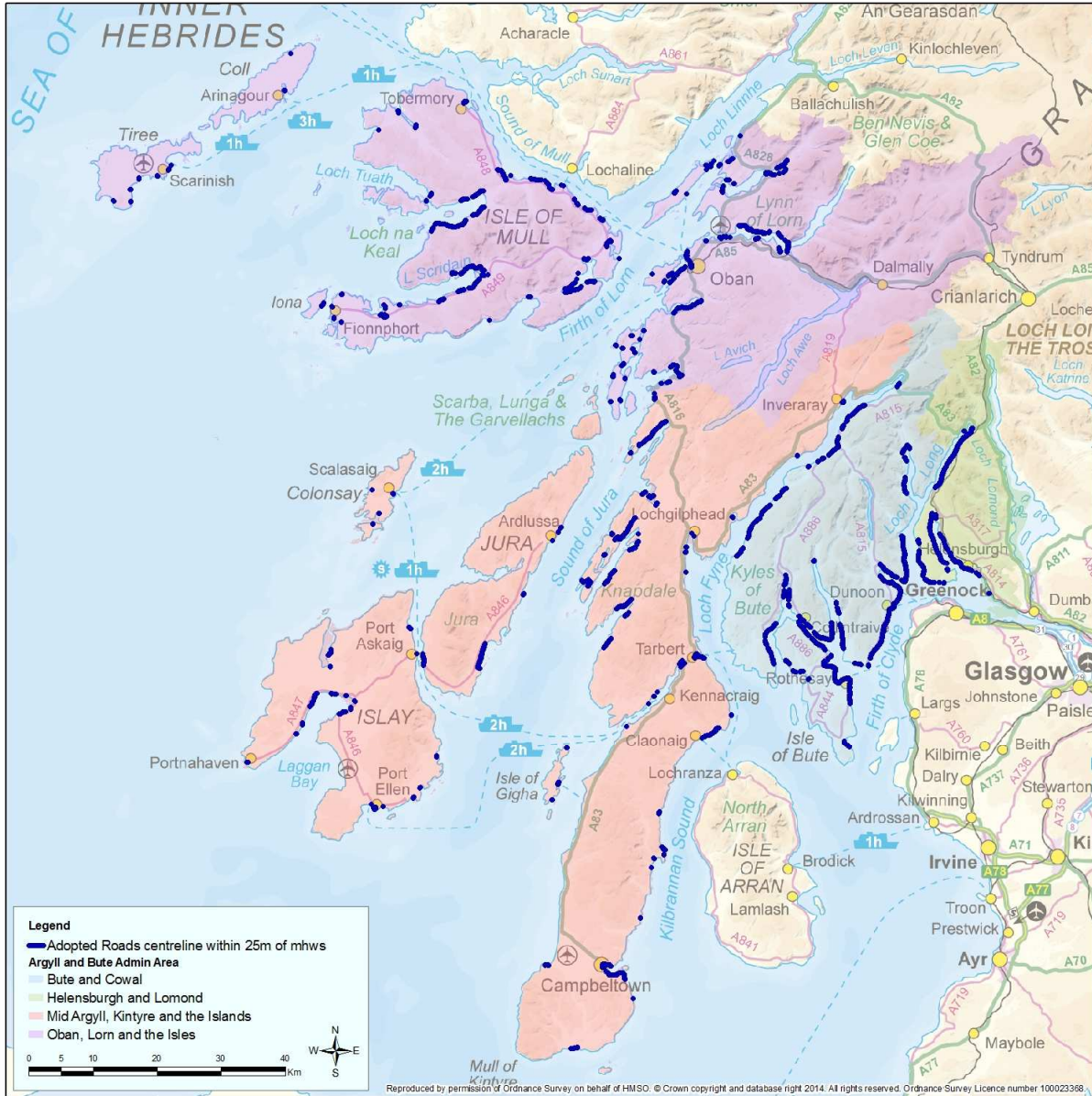
## 6.0 Other Matters

- 6.1 The Council's powers under the Act to carryout coast protection work do not extend to the removal of carcasses and litter from the shore and as such the cost of such works will not be met by the budget allocated for coast protection.
- 6.2 The Environmental Protection Act 1990 imposes a duty on Local Authorities and certain other land owners and occupiers to keep specified land clear of litter and refuse so far as practicable. Further information on the Council's power and duties in respect of litter on beaches can be found within 'The Code of Practice on Litter and Refuse (Scotland) 2006' guidance.
- 6.3 The responsibility for the carcasses of, whales less than 25 feet in length, and all porpoises, dolphins and sturgeons (cetaceans) found stranded dead on Scottish shores rests with the local authority, who may wish to arrange for their disposal.

- 6.4 The Scottish Government has first claim on all 'Royal Fish', being those stranded whales measuring more than 25 feet from the snout to the middle of the tail, found dead and stranded on the shoreline of Scotland. Where the Scottish Government does not wish to claim a Royal Fish, it will liaise with the Local Authority's Environment Health Department, who may wish to arrange for disposal of the carcass.
- 6.5 The Scottish Government has no legal obligation to assist with the costs of disposal of 'Royal Fish' but funding may be provided at its discretion to assist Local Authorities with difficult disposal cases.
- 6.6 Guidance in respect of the procedure to be followed upon the stranding of cetaceans and their disposal can be found in the 'ROYAL FISH: GUIDANCE FOR DEALING WITH STRANDED ROYAL FISH (e.g. WHALES OVER 25 FEET) IN SCOTTISH WATERS' issued by Marine Scotland

Appendix 1

Map of Argyll and Bute showing areas where the centre line of public roads is within 25m of Mean High Water Springs in plan view. Note that only roads where Argyll and Bute Council is Roads Authority (as at 4 September 2014) are shown.





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**ARGYLL AND BUTE COUNCIL****Policy & Resources Committee****Development and Infrastructure****14 May 2015**

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**Review of the Argyll and Bute Guidance on Community Benefits from Onshore Renewable Energy**

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**1.0 EXECUTIVE SUMMARY**

1.1 Following the meeting of the Policy and Resources Committee on 5 February 2015, a 4 week period of consultation has been held in relation to the draft Framework on Community Benefits from Onshore Renewable Energy. The consultation was widely publicised and 49 responses were received. A summary of these responses can be found at Appendix 4 and the comments received have been used to update the principles. A copy of the proposed guidance can be found at Appendix 2.

1.2 It is recommended that Policy and Resources Committee

1. Notes the contents of this report and the consultation and review process which has been undertaken;
2. Approves the updated Guidance contained at Appendix 2.

**Review of the Argyll and Bute Guidance on Community Benefits from Onshore Renewable Energy**

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**2.0 INTRODUCTION**

- 2.1 Community benefit payments derived from renewable energy represent a significant opportunity for communities as they offer a long-term source of funding to support community and economic development over the life of the development, which in the case of wind is usually 25 years. The Council's current policy was approved in 2005 and is in need of review.
- 2.2 A draft revised Framework for Community Benefit from Onshore Renewables was put to Policy and Resources Committee on 5 February 2015, a copy of the report can be found at Appendix 1. Following the agreement of the Committee, a period of consultation followed with communities and developers. This report advises on the changes proposed as a result of the consultation and requests that the revised guidance is approved.

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Policy and Resources Committee
1. Notes the contents of this report and the consultation and review process which has been undertaken;
  2. Approves the updated Guidance contained at Appendix 2.

**4.0 DETAIL**

- 4.1 Prior to preparing the draft guidance, discussions were undertaken with community organisations, through a seminar focusing on maximising the impact from community benefit, and the Argyll and Bute Renewable Alliance (ABRA). The seminar was attended by over 70 representatives from local community organisations and developers having been widely advertised to community councils, development trusts and local third sector organisations. Using information obtained through the seminar, ABRA and the recent Scottish Government guidance, a draft document with a list of recommendations which should be considered by both developers and communities was produced.
- 4.2 It is felt that guidance for community benefit for onshore renewable would be the most appropriate approach. The development of guidance as opposed to a policy approach allows each developer the flexibility to use a different model and acknowledges that each community differs in regard to capacity, needs and aspirations. Whilst initially described as a framework, consultation responses indicated that this was still too rigid. It is considered that guidance provides a much more flexible approach and can also incorporate best practice guidance to communities and developers alike.

- 4.3 Following approval by the Policy and Resources Committee in February 2015, a four week consultation period was commenced in relation to the draft guidance. This timescale was felt to be proportional to the document and realistic to enable organisations to formulate a response.
- 4.4 Notification of the consultation was circulated widely including a direct email to all community councils, Argyll and Bute Councillors, all those who attended the 2014 seminar, members of ABRA and members of the Community Planning Partnership. The consultation was also listed on the main consultations page on the Council's website as well as being publicised through a press release, on social media and via the Social Enterprise Team's Info Alert.
- 4.5 Responses were requested on an online form (see Appendix 3) which sought confirmation from respondents regarding whether or not they supported the recommendations set out within the draft guidance. There were also several open questions which enabled respondents to make additional comments or recommendations as they felt appropriate.
- 4.6 A total of 40 online responses were submitted as well as a further 9 email responses. A summary of the responses can be found at Appendix 4.
- 4.7 Whilst changes were requested across the document, the element against which we received the most comments was the proposal that a proportion of the funds should be used for wider regional or sub-regional benefit, which would relate to a wider area which could include a local service centre. In some instances there was an assumption that the regional/sub-regional element was mandatory and that the communities would have no control over how this is distributed. It was not the intention of the document to imply this and as a result of the consultation the regional element has been made more flexible and the role of communities in determining the best way to achieve this wider benefit has been emphasised. It is felt that it is still appropriate for the Council to advocate a regional or strategic element, where funds are of a scale to meet immediate local needs as well as allowing a wider geographical element, as community benefit could play an important part in delivering the wider community aspirations and the objectives of the Single Outcome Agreement if directed appropriately.
- 4.8 The summary of responses at Appendix 4 includes details of the individual issues raised including an indication of changes made to the document in response. Substantial changes have been made to the draft guidance as a result of the comments made from community organisations and developers.

## **5.0 CONCLUSION**

- 5.1 The current Council Policy on Community Benefits from Windfarms has become out of date and is in need of review. A period of consultation on the draft guidance has been completed and substantial changes have been made to reflect the responses received.
- 5.2 The Policy and Resources Committee are now asked to approve the Guidance in order that it can be used as the current Council guidelines for community benefit discussions.

## 6.0 IMPLICATIONS

- 6.1 Policy The guidance is in line with Single Outcome Agreement, EDAP and REAP. It also accords with the Scottish Government Good Practice Principles for Community Benefit from Onshore Renewable Energy Developments.
- 6.2 Financial The Guidance seeks to maximise the community benefit derived from onshore commercial renewables.
- 6.3 Legal None.
- 6.4 HR None.
- 6.5 Equalities None.
- 6.6 Risk If the Guidance is not agreed then the level of community benefit realised from new developments may not be maximised.
- 6.7 Customer Service None.

### **Executive Director of Development and Infrastructure Services – Pippa Milne**

**For further information contact:** Audrey Martin ([Audrey.Martin@argyll-bute.gov.uk](mailto:Audrey.Martin@argyll-bute.gov.uk), 01546 604180)/Anna Watkiss ([Anna.Watkiss@argyll-bute.gov.uk](mailto:Anna.Watkiss@argyll-bute.gov.uk), 01546 604344)

Policy Lead – to be confirmed

### **APPENDICES**

- Appendix 1 Report to Policy and Resources Committee 5 February 2015
- Appendix 2 Argyll and Bute Guidance for Community Benefit from Onshore Renewables
- Appendix 3 Online questionnaire
- Appendix 4 Consultation responses summary

ARGYLL AND BUTE COUNCIL

Policy & Resources Committee

Development and Infrastructure

5 February 2015

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**Review of the Argyll and Bute Guidance on Community Benefits from Onshore Renewable Energy**

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**5.0 EXECUTIVE SUMMARY**

- 1.1 The main purpose of this report is to advise the Policy and Resources Committee of the work undertaken in reviewing and updating the current Council policy in relation to community benefit from renewable energy developments and to seek approval of the principles contained within the draft Framework. This will allow further consultation to be undertaken.
- 1.2 Community benefit payments derived from renewable energy represent a significant opportunity for communities as they offer a long-term source of funding to support community and economic development which will be provided over the life of the development, in the case of wind this would usually be 25 years.
- 1.3 The current policy on community benefit was approved in 2005 and is now outdated. Following discussions with the Argyll and Bute Renewable Alliance (ABRA), feedback from a recent public seminar and consideration of up to date Government guidance it is felt that a framework for community benefit for onshore renewable would be the most appropriate approach. The development of a framework as opposed to a policy approach allows each developer the flexibility to use a different model and acknowledges that each community differs in regard to capacity, needs and aspirations.
- 1.4 The draft Framework will provide guidance to developers and communities and seeks to maximise economic and community benefit as a result of renewable energy development across Argyll and Bute.
- 1.5 It is recommended that Policy and Resources Committee
  1. Notes the contents of this report and the review process which has been undertaken;
  2. Approves the principles within the draft Framework contained at Appendix 1.
  3. Agrees that the draft Framework is subject to a period of consultation with key partners and communities including Argyll and Bute Renewables Alliance (ABRA) and the Community Planning Partnership (CPP) with the final document being reported to appropriate committees for approval in Spring/Summer 2015.

## Review of the Argyll and Bute Guidance on Community Benefits from Onshore Renewable Energy

### 6.0 INTRODUCTION

- 2.1 Community benefit payments derived from renewable energy represent a significant opportunity for communities as they offer a long-term source of funding to support community and economic development over the life of the development, which in the case of wind is usually 25 years. As the payment levels per megawatt (MW) and the size of renewable energy developments increase so do the community benefit funds. The funding provided to local communities through these payments offers them an important opportunity to support local organisations and facilities as well as developing a wider sustainable community over the longer term.
- 2.2 The Council's current policy was approved in 2005 and sets down a protocol whereby voluntary contributions will be sought from onshore windfarm developers on the basis of a recommended payment of £2,000 per megawatt (MW) of installed capacity. Based on information provided to us by the operators we understand that currently approximately £145,000 of community benefit payments are made across Argyll and Bute per annum (most are index linked). The payments are wholly voluntary and the levels and scale of payments vary across the developments. These are often reflective of the age of the development and associated start date of the fund with the earliest being in place from as far back as 1999. The individual funds are detailed in the table below.

Wind Farm	Value of Fund (yr 1 base rate)	Start Date	£/MW	Most Recent Income	Date
Beinn Ghlas, Taynuilt (16T - 8.4 MW)	£8,000 pa*	1999	£952.38	£12,165.50	2013
Beinn an Tuirc, Carradale (46T - 30MW)	£21,000 pa*	2001	£700	£30,646.99	2013
Deucheran Hill, Carradale (9T - 15.75MW)	£10,500 pa*	2001	£666.67	£15,804.19	2013
Tangy, Campbeltown (15T - 12.75MW)	£1,500 pa	2002	£117.65	£1,500	2013
Cruach Mhor, Glendaruel (35T - 29.75MW)	£21,000 pa*	2003	£705.88	£28,307.39	2013
Tangy 2 (7T - 5.9MW)	£7,140pa*	2006	£1,210.17	£13,414.63	2013
Clachan Flats, Cairndow (9T - 15MW)	£21,902*	2008	£1,460.13	£13,973.39	2013
An Suidhe (23T - 19.3MW)	£28,500*	2011	£1,476.68	£29,760.50	2013

\* Index linked

- 2.3 Community benefit in relation to onshore windfarms can help to support the outcomes identified in the Single Outcome Agreement (SOA) by providing

funding for communities to develop infrastructure (Outcome 2), support education and skills development (Outcome 3) and provide facilities which support Outcomes 4-6. Securing community benefit is in line with the Economic Development Action Plan (EDAP) (Sustainable economic Assets: Priority One - Renewable Energy) and the Renewable Energy Action Plan (REAP) which states that securing related benefits for the communities is one of four energy development priorities.

- 2.4 However much has changed since the policy was approved in 2005, in particular the standard rate of payment which has recently increased to £5,000 per MW. Scottish Renewables' Onshore Wind Community Benefit Protocol and the Scottish Government Good Practice Principles for Community Benefit from Onshore Renewable Energy Developments both advocate this higher rate of contribution as an industry best practice.

## 7.0 RECOMMENDATIONS

- 3.1 It is recommended that Policy and Resources Committee
3. Notes the contents of this report and the review process which has been undertaken;
  4. Approves the principles within the draft Framework contained at Appendix 1.
  5. Agrees that the draft Framework is subject to a period of consultation with key partners and communities including Argyll and Bute Renewables Alliance (ABRA) and the Community Planning Partnership (CPP) with the final document being reported to appropriate committees for approval in Spring/Summer 2015.

## 8.0 DETAIL

- 4.1 In order to update the policy a review was launched and the components of the review were agreed by the Argyll and Bute Renewable Alliance (ABRA) to include the following:
1. Review the minimum level of contribution from onshore windfarm developments – *the minimum recommended contribution in relation to onshore wind is set to be increased to £5,000 as a widely accepted contribution proposed by both Scottish Renewables, as the industry representative, the Scottish Government and Forestry Commission Scotland.*
  2. Review the distribution and application of funds (consider local and regional split) – *the 2005 policy advocates a 60:40 split in funds with 60% to go to the local community and 40% to ALI Energy to deliver a wider regional benefit as a result of the development. The concept of delivering a wider benefit is supported and it is proposed that where the value of funds is sufficient a split of up to 50% to a wider regional or sub-regional fund is made however ALI Energy is not always the most appropriate mechanism for delivering the wider benefit and therefore a number of mechanisms are proposed to ensure that a wider benefit is achieved.*
  3. Review the need and mechanism to prioritise/capture local contracting – *the Framework is not felt to be the most appropriate mechanism to progress this although it is considered as part of the wider ABRA agenda.*

4. Explore the opportunities for Community Investment – *community investment in commercial schemes is becoming more widely available and will be encouraged within the Framework to reflect the draft Community Energy Policy Statement issued by the Scottish Government.*
  5. Consider expansion of scope for inclusion of other renewable technologies – *the Framework will cover other renewable technologies although no defined payment level will be set £5,000 per MW is the preferred payment level.*
- 4.2 The existing policy recognises the long-term relationship the Council wishes to have with the renewable energy companies operating in the area and to seek to maximise benefit to local communities and the wider Argyll and Bute economy. The principal approach in securing this long-term commitment from both parties is the development of a strategic concordat, a formal agreement between the Council and developer which identifies common priorities and areas for joint working linked to future investment and as well as the principles for community benefit payments from renewable energy schemes. Strategic concordats have been agreed with developers including Scottish Power Renewables and have proved successful in creating a close working relationship which delivers benefits for our communities.
- 4.3 In recognition of this success, the concordat approach remains the model through which the framework is being sought to be delivered.
- 4.4 More recently, the Council held a seminar focusing on maximising the impact from community benefit. The seminar was attended by over 70 representatives from local community organisations and developers. The seminar reiterated the need to update the Council's guidance on community benefit.
- 4.5 The principle issues arising from the seminar were:
- The rate of payment for onshore wind should be increased as soon as possible;
  - Guidance is required for both developers and communities;
  - Community plans form an important tool to help communities plan for the long-term but can be challenging to develop, support is often required;
  - Community benefit funds should operate in an open, accountable and proportional way with decisions being made by the local community;
  - An element of regional funding, where funds are sufficient, is supported and can help to spread the benefits across a wider area;
  - Community benefit funds should not be used to replace existing statutory services;
  - Community investment in renewable schemes should be encouraged;
  - There is no one model which will suit all communities.
- 4.6 The issue of community investment/development plans was widely discussed at the seminar and is advocated as the most appropriate way to establish local priorities. Community plans should identify the needs and priorities of the community over a short, medium and long term and set down actions to address these. The community investment/development plan should work towards creating a sustainable community and consider implications in relation to ongoing revenue costs associated with any new facilities/services and projects proposed. The community investment/development plan should link closely to the outcomes of the SOA and should focus on delivering community



needs which link to the SOA and include the identification of support to community facilities/services which may have previously been provided by the public sector but which may no longer be able to be provided due to future funding restrictions.

- 4.7 Using information obtained through ABRA, the seminar and recent Scottish Government guidance, a draft framework with a list of recommendations which should be considered by both developers and communities has been produced.
- 4.8 Following these discussions, it is felt that a framework for community benefit for onshore renewable would be the most appropriate approach. The development of a framework as opposed to a policy approach allows each developer the flexibility to use a different model and acknowledges that each community differs in regard to capacity, needs and aspirations. It is considered that a Framework provides a much more flexible approach to take account of the above and can also incorporate best practice guidance to communities and developers alike.

## **5.0 CONCLUSION**

- 5.1 The current Council Policy on Community Benefits from Windfarms has become out of date and is in need of review.
- 5.2 A draft framework is proposed and is based on initial consultation with communities and developers. The purpose of the framework will be to help to maximise the economic and community benefit from a range of commercial renewable energy developments across Argyll and Bute.
- 5.3 The Council will continue to promote strategic concordats with developers to create a long lasting relationship which will maximise benefits to Argyll's communities and economy.

## **6.0 IMPLICATIONS**

- 6.1 Policy The Framework is in line with Single Outcome Agreement, EDAP and REAP. It also accords with the Scottish Government Good Practice Principles for Community Benefit from Onshore Renewable Energy Developments.
- 6.2 Financial The Framework seeks to maximise the community benefit derived from onshore commercial renewables.
- 6.3 Legal None.
- 6.4 HR None.
- 6.5 Equalities None.
- 6.6 Risk If the Framework is not agreed then the level of community benefit realised from new developments may not be maximised.
- 6.7 Customer Service None.

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

**For further information contact:** Audrey Martin ([Audrey.Martin@argyll-bute.gov.uk](mailto:Audrey.Martin@argyll-bute.gov.uk), 01546 604180)/Anna Watkiss ([Anna.Watkiss@argyll-bute.gov.uk](mailto:Anna.Watkiss@argyll-bute.gov.uk), 01546 604344)

**APPENDICES – NOT INCLUDED WITH MAY 2015 REPORT**

Appendix 1 Argyll and Bute Framework for Community Benefit from Onshore Renewables

## Appendix 2 Proposed Guidance

# Argyll and Bute Guidance for Community Benefits from Onshore Renewables DRAFT

This document represents Argyll and Bute Council's guidance to assist communities and developers in their consideration of community benefits from new onshore renewable energy developments including wind, hydro, biomass and solar. The aim of the guidance is to maximise the impacts of community benefits as a result of renewable energy developments for the benefit of communities across Argyll and Bute. It is hoped that the document will be a useful tool for local communities and renewable developers to inform their discussions. The guidance seeks to identify the key principles to be considered and seeks to promote best practice, it is non-statutory and it is for communities and developers to decide which elements are most appropriate for them.

Community benefits in relation to renewable energy are voluntary and vary greatly in how they are delivered and what form they take. Community benefits can include monetary payments (funds) or other voluntary benefits provided to the community such as direct funding of projects, one-off funding, local energy discount scheme or other site-specific benefits. In line with Scottish Government guidance, community benefits do not include direct economic or supply chain benefits or infrastructure directly related to or arising from the individual developments such as local jobs or purchasing.

Argyll and Bute Council first adopted a Community Benefit Policy in 2005 and since then community benefit arrangements have been completely separate from the regulatory planning process. The Council has no powers to oblige developers to pay community benefits which, along with their differing administration arrangements, are wholly voluntary and are driven by the developers' willingness to contribute. Community benefits are not a material consideration in the planning process. This Guidance document will supersede the 2005 policy.

One of the main components of the guidance is the proposed increase in the payment level for onshore wind from £2,000 per MW (2005 policy) to at least £5,000 per MW of installed capacity per annum.

The following principles are intended to guide communities and developers in their discussions regarding community benefit. It is acknowledged that each community benefit arrangement is different due to the differing nature of the developments and communities involved and therefore that some elements may be more applicable than others, flexibility will be required.

After consultation with local community organisations and developers through a seminar on community benefit in June 2014 and a public consultation period in February-March 2015 it is proposed that the following principles are followed.

A school visit to a wind farm



**Community Benefit Principles:**

1. Community benefits are provided for all new renewable developments with an installed capacity of 5MW or more;
2. Community benefits proportionate to the scale of the development are encouraged for new commercial renewable developments with an installed capacity between 50kW<sup>1</sup> and 5MW. Each case should be looked at on its own merits.
3. Community benefit<sup>2</sup> in relation to onshore wind is equivalent to at least £5,000 per megawatt of installed capacity per annum;
4. The community benefit<sup>2</sup> for other forms of onshore renewables is based on providing a contribution equivalent to £5,000 per megawatt of installed capacity per annum unless it is demonstrated that the economics of the development make this unviable;
5. All community benefit payments should be index linked to ensure that annual payment levels are increased in line with inflation;
6. A community investment option, enabling the community to purchase a share in the renewable energy development, should be explored for all new commercial renewable developments, this is in addition to the voluntary community benefit associated with the development although communities should be given the opportunity to roll community benefit funds into debt or equity investments;
7. Community benefit funds should seek to address local community needs within the renewable development catchment area agreed by the developer and communities and then wider community needs where funding is sufficient when considered in light of the scale of the community, the funds available and the immediate community need as demonstrated by a community investment/development plan. A regional/strategic fund of up to 50% should be considered. Communities are encouraged to consider how they access services, facilities and employment and how the funds could be used to improve these through job creation, skills and education, improvements to local towns which support the communities where the renewable energy development is located etc. Communities and developers should determine how this regional/strategic fund is best delivered, this could include:

- a. A locally administered fund which is open to applicants from across the regional or sub-regional area;
- b. Provision of funds to an existing local Common Good Fund (these operate in many of our key service centres to be held in perpetuity for the benefit of local people); or
- c. Funding provided to Argyll wide or sub-regional bodies working in key economic sectors to deliver local economic benefit. Examples of such organisations include ALI Energy (renewable energy and energy efficiency), Argyll and the Isles Tourism Co-operative (tourism), Argyll and the Isles Coast and Countryside Trust (outdoor access and environmental improvements) and Argyll College (skills and education), other organisations may also be appropriate depending on the communities involved.



**Regional funding in action**

Existing funds in both East and West Kintyre have provided funding to their local towns including support for the Campbeltown Picture House, although this facility is outside their community boundaries the benefit to local residents is recognised

<sup>1</sup> A 50kW scheme at £5,000 per MW would amount to an annual fund of £250

<sup>2</sup> Community benefits as defined by 3.1 of the Scottish Government Good Practice Principles

8. The detailed fund arrangements for each new project are negotiated and agreed in writing with the community and developer. The Council, under the Powers of Wellbeing in the Local Government (Scotland) Act 2003, can assist in this process as required.

## Developers are encouraged to:

- Operate community benefit arrangements in accordance with the Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments;
- Engage with the local community early in the process, separately to consultation on the planning process where possible, making it clear to them that the receipt of community benefit is not dependent upon their support for the proposal;
- Carryout consultation in an open and inclusive way allowing the community sufficient time to respond (particularly in relation to community buy in discussions);
- Provide clear timescales for community involvement and/or decisions;
- Provide support to communities, wherever possible, to secure the development of a community investment/development plan to allow the maximum community and economic benefit to be delivered from any future community renewable fund(s) and/or other sources of external funding;
- Explore opportunities for community investment with local communities in line with Scottish Government Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments;
- Be flexible in relation to the governance structure for community benefit funds and work with the community to find a solution which accommodates their needs particularly where they are already administering existing funds;
- Ensure decision making in relation to allocation of funds is carried out at a local level;
- Ensure the governance structure is robust and is operated in an open and transparent way;
- Where existing renewable developments are being upgraded (re-powered) ensure that there are early discussions with the community to secure continuity of funds and to update community benefit arrangements to reflect the principles within this guidance ;
- Investigate with the Council the opportunity to enter into a strategic concordat to define wider local economic opportunities;
- Define an appropriate geographical area to ensure communities affected by the construction or operation of the renewable energy development can access community benefit (the local community);
- Start community benefit from the start of the construction period for the main element of the renewables project (although payments could be deferred until the site is operational);
- Include a facility to enable projects to be funded for several years or for large projects to be funded by making advanced, aggregated payments when possible and if requested by the community;
- Ensure community benefit arrangements will be honoured should the site be sold;



Argyll and Bute Council considers that there is a case for forging strong long-term



A concordat being signed

relationships with renewable energy developers in order to ensure that maximum benefit is delivered to local communities. The 2005 Policy sought to secure this through the drawing up of a Strategic Concordat (a joint working agreement between the Council and the developer) following grant of planning consent for a renewable energy proposal.

The concordat typically lasts several years and can extend to cover a number of renewable developments. The concordat includes details of the community benefit fund arrangements, including level of payments, which would apply to any future developments. It seeks to maximise the benefit to local communities and the local economy through a

range of different activities which can bring mutual benefits to the developer and the community. These have included renewable energy resource assessments, support for a schools energy education officer and the promotion of green energy projects. A parallel can be drawn with the relationship between the Shetland and Orkney Islands and the oil industry.

There are concordats in place with a number of developers and these have secured the delivery of wider local economic benefit. The concordat approach will be continued.

#### **Communities are encouraged to:**

- Be aspirational – this is an excellent opportunity to make a difference not only to your local area but also to the wider community.
- Create a community investment/development plan to provide a strategic view of community priorities including links to other communities across the region or sub region with a focus on contributing to the outcomes set out in the [Single Outcome Agreement](#) and addressing key issues including support for community facilities and organisations, job creation or new businesses, improving skills of local people, support for tourism or other key economic sectors and addressing issues of rural isolation and fuel poverty.
  - This may identify support to key facilities/services.
  - Any plan should be sustainable and give full consideration to meeting the ongoing revenue liabilities related to maintaining services and facilities in the long-term including in the period after community benefit payments have ceased.
  - The plan should be reviewed periodically to reflect changing circumstances and needs.
- Create a robust governance structure to administer community benefit funds which includes open and transparent allocations of funding. Argyll and Bute Council, third party organisations such as Foundation Scotland and Local Energy Scotland, and some developers may be able to assist in this;
- Create a decision making process which is fair, transparent and proportional to grant amount with any assessment criteria publicly available;
- Seek representation from all sectors of the community on community benefit fund administering bodies to make them as inclusive and representative as possible;
- Report on the operation of the community benefit fund and how funds have been distributed annually with a five yearly review to ensure it is operating effectively, maximising benefit and delivering the community investment/development plan;
- Seek match funding where possible to maximise the benefit received;

- Consider long-term aims of the community including whether to invest some of the fund to buy into the commercial renewable project or alternatively to develop your own renewable project to provide an additional income. The community investment plan may identify this as an action or opportunity;
- Work with neighbouring communities where funds and/or projects are operating across administrative boundaries;



This guidance is designed to relate to community funds associated with commercial developments however some of the principles will apply equally to funds derived from renewable projects owned solely by the community with the principal difference being that community projects will usually provide all surplus funds as community benefits.

### Argyll and Bute Council:

- Offers guidance to local community groups on appropriate governance of community benefit funds, further information can be provided by the Council's Governance Team;
- Maintains a Wind Farm and Renewables Trust which can form the governance structure for community organisations free of charge. The minutes of the Trust can be found at <http://www.argyll-bute.gov.uk/moderngov/ieListMeetings.aspx?CId=449&Year=0>;
- Offers support to community groups who are preparing Community Investment/ Development Plans or involved in consultation and engagement with their community through our Social Enterprise (<http://www.argyll-bute.gov.uk/community-life-and-leisure/contact-social-enterprise-team>) and Community Development Teams (<http://www.argyll-bute.gov.uk/community-life-and-leisure/community-development>);
- Maintains details of community benefit funds operating across Argyll and Bute and makes these available at <http://www.argyll-bute.gov.uk/planning-and-environment/renewable-energy>.
- Has a statutory duty in relation to the determination of planning applications and will keep the consideration of community benefit arrangements separate from this planning decision process. The Economic Development Service will however provide guidance in relation if requested to do so by either communities or developers;
- Will review this guidance every two years to ensure that it remains up to date.

This Guidance is prepared to align with Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments and its purpose is to secure the maximum economic and community benefit for Argyll and Bute communities.

### Further Reading

- Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments - <http://www.localenergyscotland.org/developers/good-practice-principles/>
- Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments - <http://www.localenergyscotland.org/developers/good-practice-principles/shared-ownership/>
- Community Energy Policy Statement - <http://www.scotland.gov.uk/Publications/2014/08/1223>

- Investing in your community - A guide to managing community funds - <http://www.hie.co.uk/community-support/managing-community-funding/> !
- Community Renewables Opportunity Portal – <http://www.argyll-bute.gov.uk/crop-introduction>
- Onshore Wind Community Benefit Protocol - <http://www.scottishrenewables.com/technologies/onshore-wind/>
- Renewable energy on Scotland's National Forest Estate - <http://scotland.forestry.gov.uk/managing/work-on-scotlands-national-forest-estate/renewable-energy>
- Scottish Government Register of Community Benefits from Renewables - <http://www.localenergyscotland.org/view-the-register/>
- Firm Foundations - <https://www.foundationscotland.org.uk/community-benefit/platform-for-dialogue/charter/>



Projects & Renewables Team, Argyll and Bute Council, Whitegates Offices,  
Whitegates Road, Lochgilphead, PA31 8SY  
[renewable.energy@argyll-bute.gov.uk](mailto:renewable.energy@argyll-bute.gov.uk)      [www.argyll-bute.gov.uk](http://www.argyll-bute.gov.uk)





## Appendix 3 Online questionnaire

# Argyll and Bute Framework for Community Benefits from Onshore Renewables

Thank you for responding to the [draft Framework](#), your comments will help us to shape the framework to ensure that it is appropriate and relevant for Argyll. We will collate the responses received and will prepare a summary of the responses which will be placed on the Argyll and Bute Council website and reported back to committee. We will not publish any individual responses when preparing this summary however we may contact you to discuss further any issues you are raising.

You can view the draft Framework at [www.argyll-bute.gov.uk/consultations/community-benefit-consultation](http://www.argyll-bute.gov.uk/consultations/community-benefit-consultation)

Your details

### 1. Please provide your contact details

a. Are you replying on behalf of an organisation or individual? \*

Organisation

Individual

b. Organisation name \_\_\_\_\_

c. Contact name \* \_\_\_\_\_

d. Email address \_\_\_\_\_

e. Telephone number \_\_\_\_\_

f. Which administrative area do you live/operate in? \*

Bute and Cowal

Helensburgh and Lomond

Mid Argyll, Kintyre and the Islands

Oban, Lorn and the Isles

g. Would you be interested in attending a focus group should one be organised?

Yes

No

2. Who do you represent? \*

Community organisation receiving or likely to receive community benefit

Community organisation not receiving or unlikely to receive community benefit

Renewable developer

Other interested party

Your views

3. Please indicate whether you agree or disagree with the following recommendations of the framework

	Agree	Disagree
1. Community benefits are provided for all new renewable developments with an installed capacity of 5MW or more	<input type="checkbox"/>	<input type="checkbox"/>
2. Community benefits are also sought for new commercial developments with an installed capacity between 50kW and 5MW	<input type="checkbox"/>	<input type="checkbox"/>

	Agree	Disagree
3. The minimum community benefit payment in relation to onshore wind is £5,000 per megawatt of installed capacity per annum	<input type="checkbox"/>	<input type="checkbox"/>
4. The community benefit payment for other forms of onshore renewables is based on providing a contribution of £5,000 per megawatt of installed capacity per annum	<input type="checkbox"/>	<input type="checkbox"/>
5. All community benefit funds are index linked and last the lifetime of the renewable energy project	<input type="checkbox"/>	<input type="checkbox"/>
6. A community investment option should be offered on all commercial renewable developments	<input type="checkbox"/>	<input type="checkbox"/>
8. The detailed fund arrangements for each new project are negotiated and agreed in writing with the community, developer and the Council under the Local Government (Scotland) Act 2003	<input type="checkbox"/>	<input type="checkbox"/>

You can view the draft Framework at <http://www.argyll-bute.gov.uk/community-benefit-consultation>

4. If you disagree with any of the recommendations, please indicate which recommendations you would change and how you would improve them

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5. Do you agree that community benefit funds should have a local and regional element? \*

Yes

No

If no, why not? \*

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6. Do you agree that the local to regional split should be 50%:50%? \*

Yes

No

If no, what should the split be? local:regional \* \_\_\_\_\_

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7. Do you agree with the Developers Should section of the framework? \*

Yes

No

You can view the draft Framework at <http://www.argyll-bute.gov.uk/community-benefit-consultation>

If no, what would you change? \*

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8. Do you agree with the Communities Should section of the framework? \*

Yes

No

You can view the draft Framework at <http://www.argyll-bute.gov.uk/community-benefit-consultation>

If no, what would you change? \*

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9. Do you agree with the Argyll and Bute Council section of the framework? \*

Yes

No

You can view the draft Framework at <http://www.argyll-bute.gov.uk/community-benefit-consultation>

If no, what would you change? \*

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10. Would you use the draft framework to inform discussions about community benefit? \*

Yes

No

If no, why not? \*

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11. Do you have any further comments or is there anything else which should be included within the framework?

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## APPENDIX 4 CONSULTATION RESPONSES

40 responses were made using the online response form and a further 9 email responses were received. Responses were received from a mix of organisations and individuals operating across Argyll and Bute. A higher proportion of responses were submitted from community organisations than renewable developers.

Are you replying on behalf of an organisation or individual?

Organisation	80%	Individual	20%
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Which administrative areas do you live/operate in?

Bute & Cowal	18%	Helensburgh & Lomond	8%
Mid Argyll, Kintyre & Islands	55%	Oban, Lorn and the Isles	40%

Who do you represent?

Community organisation receiving or likely to receive community benefit	42%
Community organisation not receiving or unlikely to receive community benefit	18%
Renewable developer	20%
Other interested party	20%

Feedback on the draft principles

Principle	Consultation Feedback	Proposed Change
Community benefits are provided for all new renewable developments with an installed capacity of 5MW or more	98% agree (39) 2% disagree (1) The negative response raised concerns about community benefit being extended to include all onshore renewables as well as issues relating to profit margins in relation to all scales of renewable development. It was also highlighted that benefit should be payable even where the community does not support the planning proposal.	No change. The Scottish Government Good Practice Principles and the Forestry Commission Scotland requirements for community benefit both envisage this including more than onshore wind. The document clearly states that community benefit is not related to support for a planning application or the planning decision.
Community benefits are also sought for new commercial developments with an installed capacity between 50kW and 5MW	90% agree (36) 10% disagree (4) Issues were raised in relation to this applying to community or farm diversification projects and a request for a definition of commercial development was made. Concern was raised about the profit margins in relation to all scales of renewable development although a counter comment that this scale of development is not necessarily more marginal was also received. The risks associated with schemes under 5MW were highlighted. Flexibility in this payment was requested.	Change. Seeking community benefit at the 50kw to 5MW scale is in accordance with Scottish Government Good Practice, it also ensures that benefits are maximised for communities across Argyll. This recommendation indicates that each case will be taken on its merits and this allows sufficient flexibility however the wording will be changed so that community benefit is encouraged rather than being sought.

Principle	Consultation Feedback	Proposed Change
The minimum community benefit payment in relation to onshore wind is £5,000 per megawatt of installed capacity per annum	85% agree (34) 15% disagree (6) Whilst there are comments which seek to increase the payment level there are also concerns raised from a number of developers in relation to the setting of a minimum level of payment, they highlight changing financial circumstances surrounding the energy industry and the need for the economics of the project to be viable. Some responses suggested varying amounts of community benefit payment including a formula relating to population affected is used instead of a flat rate; this would help to differentiate between rural and urban locations.	Change. The Scottish Government Good Practice advocates a level of payment equivalent to at least £5,000 per MW, the wording will be changed to reflect the Scottish Government guidance. Setting a minimum reflects the aspiration of some of our communities to secure additional benefits although it is noted that this may not be possible. A varying level of payment would not be consistent with Scottish Government Good Practice and could create confusion for both developers and communities.
The community benefit payment for other forms of onshore renewables is based on providing a contribution of £5,000 per megawatt of installed capacity per annum	83% agree (33) 17% disagree (7) Concerns were raised from a number of parties regarding the setting of targets associated with other forms of onshore renewables and the need to recognise the differences between technologies in relation to financial terms and impact. One response did query why this was not subject to a minimum amount in the same way as onshore wind. Flexibility in this level of payment was requested. It was also suggested that there should be benefit based on the amount of energy generated.	Change. We feel that it is helpful to have a target when negotiating community benefit and we are mindful of the fact that hydro schemes on the Forestry Commission Estate are required to make the £5,000 per MW contribution. We do however agree that more flexibility may be appropriate in some circumstances and the principle will therefore be amended to allow for the economics of each project to be considered. A minimum amount is not appropriate due to the desire for a level of flexibility.
All community benefit funds are index linked and last the lifetime of the renewable energy project	93% agree (37) 7% disagree (3) Concerns were raised regarding the extension of community benefit payments beyond the timescale of any subsidy payment such as FITs. There was also a query regarding which index would be appropriate.	Change. Wording amended to remove reference to the lifetime of the project. The appropriate index should be determined when the community benefit agreement is set up.
A community investment option should be offered on all commercial renewable developments	78% agree (31) 22% disagree (9) A number of responses expressed concern around the firm language relating to this recommendation, it was generally agreed that community investment should be considered but that there can be complexities which restrict when it can be progressed from both the developers and communities point of view. Where community investment is not feasible or there is no appetite from the community this should not stop development proceeding. This requirement should only relate to new renewables being developed. The difficulties of a number of communities coming together to form one body to buy into a scheme was highlighted as was the need for any organisation buying into a renewables scheme to be a properly constituted body.	Change. Wording to be amended to reflect that community investment should be explored rather than an offer made. Additional wording proposed which confirms, in line with Scottish Government Good Practice, that community benefit payments are separate to benefits from community investment.

Principle	Consultation Feedback	Proposed Change
	<p>Communities may require independent financial and legal advice when considering these options.</p> <p>It was noted that there are opportunities for community investment within Argyll.</p>	
<p>Community benefit funds shall include a local (50%) and regional or sub-regional element (50%)</p>	<p>57% agree with a regional split (24)  43% disagree with a regional split (18)  Of the 57% who agreed with a regional split, 63% agreed with the proposal to make it 50:50 whilst 33% disagreed and 4% did not respond.</p> <p>This was the aspect of the guidance where the most comments were made. Although the majority agreed with a regional split, of those that disagreed the feeling was generally that the focus should be on those areas closest to the renewable energy proposal. However, some responses felt that a regional element would be beneficial and would be an equitable way of distributing what are sometimes very large sums of money.</p> <p>There was a call to be flexible about this element of the document and indications that a fixed split may not be appropriate and that the use of a regional fund should be optional. One response suggested that a regional fund is considered for schemes over 5MW.</p> <p>There was concern in some of the responses that the Council wished to use some of the funding; it was highlighted that the regional element should not be used as a substitute for the provision of public services or investment.</p> <p>There were responses which supported the identification of groups such as Argyll and the Isles Coast and Countryside Trust and the Argyll and the Isles Tourism Co-operative as they could help to implement changes which could reverse demographic trends.</p> <p>One response suggested that the regional element should only be used to improve energy efficiency and should be administered by sub-regional/local agencies.</p> <p>Another response requested further information on what might be appropriate within the regional element.</p> <p>The majority of those who wished to change the 50:50 split suggested that a higher proportion went to the local community.</p>	<p>Change. A key reason for the proposal for a local: regional split was as a result of the increase in funds due to the higher per MW payment and the increasing size of the turbines however we acknowledge the concerns of both developers and communities in relation to this aspect and are therefore proposing to change the principle to make it clear that it is for the community and developers to determine how to handle this aspect. The proposed wording has been changed to make it clear that this element is not compulsory but should be considered where funds are sufficient when considered against the needs of the community as set out in their community investment/development plan.</p>

<b>Principle</b>	<b>Consultation Feedback</b>	<b>Proposed Change</b>
The detailed fund arrangements for each new project are negotiated and agreed in writing with the community, developer and the Council under the Local Government (Scotland) Act 2003	68% agree (27) 32% disagree (13) Concern was expressed that the Council should not be involved in the negotiations and that use of the Local Government (Scotland) Act would require use of the Argyll and Bute Windfarm and Renewables Trust, this could be inflexible. Funds should be administered at a local level. One response expressed concern about signing their community up to an agreement which would last 20/30 years.	Change. It is acknowledged that there is no requirement for the Council to be directly involved in this element of the agreement and the guidance will be amended to reflect this. It remains however our recommendation that all community benefit agreements are agreed in writing.
	Make community benefit mandatory	No change. This would not be appropriate as Scottish Government Guidance clearly indicates that community benefit is voluntary.

7. Do you agree with the Developers Should section of the framework? \*

Yes 59% No 41%

<b>Principle</b>	<b>Consultation Feedback</b>	<b>Proposed Change</b>
Engage with the local community early in the process, separately to consultation on the planning process where possible, making clear to them that the receipt of community benefit is not dependent upon their support for the proposal		
Provide professional support to communities to secure the development of a community investment/development plan to allow the maximum community and economic benefit to be delivered from any future community renewable fund(s) and/or other sources of external funding	Comments were returned that indicated that the developer should not be involved in community plan making, another highlighted potential constraints on developers in relation to the support they can provide. The role of the Council in supporting community planning was highlighted.	Change. Wording amended to be more flexible.
Offer a community investment buy in option to appropriate community bodies	Comment was made that this should be optional and should require exploration of the options as community investment may not always be possible. There was also a query about who might be an appropriate community body. There was a request that the timing for consultations in relation to community buy in is clearly set out by developers.	Change. Wording amended to require community investment to be explored. It is not possible to define who might be an appropriate community body due to the varying nature of each development.

<b>Principle</b>	<b>Consultation Feedback</b>	<b>Proposed Change</b>
Carryout consultation in an open and inclusive way allowing the community sufficient time to respond (particularly in relation to community buy in discussions)	One response indicted that timescales should be clearly set out to communities	Change. In relation to this comment and that made to the above it is proposed that a new bullet point in relation to the provision of timescales is included.
Be flexible in relation to the governance structure for community benefit funds and work with the community to find a solution which accommodates their needs particularly where they are already administering existing funds		
Where existing renewable developments are being upgraded (re-powered) ensure that there is early discussion with the community to secure continuity of funds and agreement on any changes to existing community benefit payments	One response suggested that all re-powered projects should pay £5,000 per MW	Change. It is intended that re-powered sites would comply with the guidance; a minor change is proposed to make this clearer.
Ensure decision making in relation to allocation of funds is carried out at a local level		
Ensure the governance structure is robust and is operated in an open and transparent way	An issue was raised that this was too much involvement by the developer.	No change. It is in the developer's interest to ensure that the funds they are providing are administered appropriately and their involvement in this element is justified.
Investigate with the Council the opportunity to enter into a strategic concordat to define wider local economic opportunities	Concerns were raised about potential conflicts between the role of the council as a signatory to the concordat and as planning authority. One suggestion was made that strategic concordats should only relate to a specific development. An issue was also raised that this was too much involvement by the developer. There was a suggestion that an example concordat should be included.	No change. The strategic concordat is proposed to maximise benefits from renewable development. Strategic concordats are not dealt with by the planning department and are not entered into until such time as the planning decision has been made; it is not therefore felt that there is a conflict of interest.
Define an appropriately wide geographical area to ensure all communities affected by the construction or operation of the renewable energy development can access community benefit and encourage development of a regional/sub-regional fund in accordance with the Framework	Concern was expressed that this would lead to the community benefit being spread too thinly and becoming meaningless. It was also noted that including communities which are not directly involved could encourage support based on the promise of community benefit. One party responded that developers should not define how funds are spent and another suggested that this was too much involvement by the developer.	Change. It is noted that this could result in the funds being spread thinly, an amendment is proposed to address this.



Principle	Consultation Feedback	Proposed Change
Start community benefit payments from the start of the construction period	A number of responses suggested that payments should not start until the site is operational with one concerned that this would reduce the time available to set up the community benefit fund. 1 response suggested that payments should start once planning permission has been granted.	Change. We would like to see payments started as soon as possible but acknowledge that it might not be possible to make payments until revenue is being generated, it is therefore proposed that payment could be deferred until the site is operational. It would not be appropriate to start payments at planning permission as there is no certainty that the development will proceed.
Include a facility to enable projects to be funded for several years or for large projects to be funded by making advanced, aggregated payments	Concerns were raised and it was suggested that this should be considered on a case by case basis or should be discretionary.	Change. It is accepted that this clause should be more flexible.
Ensure community benefit arrangements will be honoured should the site be sold	One response identified that this cannot be guaranteed while another suggested that this bullet point should also refer to a change in personnel.	No change. We would expect details of funds to be formally agreed and whilst they may not be able to guarantee that the obligation is passed on should the site be sold we would expect community benefits to continue.
	Suggest an additional bullet point recommending that developers should follow the Scottish Government Good Practice Principles.	Change. The Scottish Government Good Practice are clearly referenced.
	Developers should provide access and signage to developments	No change. Developers may provide access and signage as part of community benefit but it would not be appropriate for the guidance to specify this level of detail.

8. Do you agree with the Communities Should section of the framework?

Yes 75% No 25%

Principle	Consultation Feedback	Proposed Change
Be aspirational – this is an excellent opportunity to make a difference not only to your local area but also to the wider region/sub-region.		
Create a community investment/development plan to provide a strategic view of community priorities across the region or sub region with a focus on contributing to the outcomes set out in the Single Outcome Agreement and addressing key issues	One response indicated that not all communities want/need a development plan but are just looking for small-scale improvements. It was noted that small-scale schemes would have less impact on delivering the outcomes in the SOA. Concerns were raised that the 1 <sup>st</sup> bullet point refers to activities previously undertaken by the public sector and that community benefit funds are being sought to deliver council services which should not be the case.	Change. We feel that it would be beneficial for all communities to consider what their priorities are even if they incorporate only small-scale improvements. We note that the comment in relation to services provided by the public sector appears to have led to concern and is proposed to be removed. It is agreed that communities should not be responsible for plans on a regional or sub-regional

Principle	Consultation Feedback	Proposed Change
	<p>It was highlighted that development of these plans should not be reliant on renewable energy coming forward.</p> <p>There was concern that communities should not be responsible for sub-regional plans and that the Council should be supporting community groups in preparing local plans.</p> <p>It was noted that in some cases the community will require the full community benefit payment to help them to realise their aspirations.</p> <p>Fuel poverty and equity issues may also be appropriate for inclusion in community plans.</p> <p>Community action plans should be site specific.</p>	<p>level however they should take into consideration how their community interacts with others; a change to the wording will be made.</p>
<p>Create a robust governance structure to administer community benefit funds which includes open and transparent allocations of funding</p>	<p>Response was made highlighting the support of third party providers such as Foundation Scotland in administering funds.</p>	<p>Change. It is worth noting that there is support from the Council, third party organisations and some developers, a change will be made.</p>
<p>Create a decision making process which is fair, transparent and proportional to grant amount with any assessment criteria publicly available</p>		
<p>Seek representation from all sectors of the community on community benefit fund administering bodies to make them as inclusive and representative as possible</p>		
<p>Review and report on the operation of the community benefit fund annually to ensure it is operating effectively and maximising benefit</p>	<p>It was suggested that this should be carried out every 3-5 years and should ensure that funding priorities are appropriate.</p>	<p>Change. We believe that it is appropriate for an annual report of funding distributed to be made although a review into the effectiveness of the funding may be more appropriate on a 5 year basis.</p>
<p>Seek match funding where possible to maximize the benefit received</p>		
<p>Consider long-term aims of the community including whether to invest some of the fund to buy invest directly in the commercial renewable project or alternatively to develop your own renewable project to provide an additional income</p>		
<p>Work with neighbouring communities where funds and/or projects are operating across administrative boundaries</p>		
	<p>This section should refer to the support available from Local Energy Scotland.</p>	<p>This was incorporated into the governance structure point above.</p>

Principle	Consultation Feedback	Proposed Change
	Don't tie the hands of community groups by making them adhere to one model.	Change. It is not the intention to tie communities into one model; the guidance will be amended to reflect the differing models which exist.
	Community benefit funds derived from renewable energy developments should only be used to increase energy efficiency of housing stock and install small/domestic renewables technologies.	No change. There is clear steer from the responses that the guidance should not be prescriptive in relation to the use of community benefit.

9. Do you agree with the Argyll and Bute Council section of the framework?

Yes 75% No 25%

Recommendation	Consultation Feedback	Proposed Change
Offers guidance to local community groups on appropriate governance of community benefit funds	Council involvement should be limited to support and advice. Provide a link to relevant information.	No change. The Council will continue to provide guidance as requested by communities.
Maintains a Wind Farm and Renewables Trust which can form the governance structure for community organisations free of charge	This should not impose procedures without good governance principles. Provide a link to relevant information. The Argyll and Bute Windfarm and Renewables Trust should provide details of funding awarded through the Scottish Government's Community Benefit Register.	Change. The guidance will include a link to the minutes of the Trust. The use of the Trust is not mandatory but continues to be provided as a governance option for communities.
Offers support to community groups who are preparing Community Investment/ Development Plans or involved in consultation and engagement with their community through our Social Enterprise and Community Development Teams	Include recognition that the Council has a role in community development planning. Provide a link to relevant information.	Change. The guidance acknowledges the role the Council plays but will be amended to include a link to the relevant teams.
Maintains details of community benefit funds operating across Argyll and Bute and makes these available at <a href="http://www.argyll-bute.gov.uk/planning-and-environment/renewable-energy">http://www.argyll-bute.gov.uk/planning-and-environment/renewable-energy</a>	Reference should also be made to the Scottish Government Community Benefit Register.	Change. A link to the register will be included within the further reading section of the guidance.
Will review this framework every two years to ensure that it remains up to date		
	The Council's role should only be to oversee that the funds are set up and administered properly.	No change. Whilst the Council does not have to be directly involved in community benefit agreements, it can offer assistance to communities as requested.
	If there is a regional element, then there should be additional guidance on how the Council will manage this. A Council regional fund managed would mean that they could not be impartial.	No change. It is not proposed that the Council will manage any funds.

	This section is too vague.	No change. This section details the activity of the Council currently.
	The Council could assist developers by providing a level of understanding locally about shared ownership.	No change but the request is noted.

10. Would you use the draft framework to inform discussions about community benefit? \*

Yes 80% No 20%

If no, why not?

- Don't agree with the 50:50 split (1)
- The Council should not be involved (1)
- Not in favour of the framework in its current form (2)
- Existing guidance is sufficient (1)
- The framework goes beyond the Scottish Government Good Practice Principles (1)

11. Do you have any further comments?

The following additional issues were raised:

Consultation feedback	Proposed change
Concern expressed at lack of consultation	No change. This response was made as a result of the 4 week public consultation which followed discussions with ABRA and a public seminar on community benefit in June 2014.
A clear separation between community councils and community wind farm trusts must be established, there is potential for conflicts of interest.	No change. Appropriate governance structures should be put in place for all community benefit which ensures that there are no conflicts of interests. The reporting recommendations within the guidance should help to make funds transparent.
The money should be held centrally and distributed on the basis of need to community groups and councils.	No change. The consultation responses clearly indicated a desire for community benefit to be handled by the local community.
Include Waterfall Fund as a community benefit fund for Mull.	Change. It would not be appropriate to list all organisations distributing funds however the relevant section of the guidance has been amended to refer to other organisations.
Framework should be as flexible as possible and ensure that the different forms of community benefit arrangements are acceptable.	Change. The guidance sets out principles which may or may not be appropriate for each community benefit arrangement however we have added to the guidance to recognise the different form and delivery mechanisms associated with community benefit.
The framework should define which renewables projects it should be applied to and that it applies to onshore developments only.	Change. The initial description of onshore developments has been amended to indicate that it relates only to new developments coming forward.
Community benefit should not be considered as a tax.	No change. The payment of community benefit is voluntary and this is clearly stated in the guidance.
The Council needs to find other ways to raise funds.	Change. The community benefit guidance is not a mechanism for raising revenue for the Council, the aim of the guidance is to maximise the benefit from renewable energy developments for Argyll and Bute communities. It is proposed to amend the guidance to

	state this aim.
Concern expressed that the moneys could be used to replace the Council's own financial commitments but should be in addition to Council funding and seen as an additional benefit for communities (this comment was made on a number of occasions).	No change. It is not proposed that community benefit funds come to the Council for distribution. Community benefit payments are a separate issue to the funding available to the Council.
The framework should note that community benefits can include infrastructure improvements.	Change. The definition of community benefits has been updated to reflect Scottish Government guidance however this is clear that infrastructure improvements directly associated with the development are not classed as community benefits. The guidance is proposed to be amended to take these changes into account.
Community benefit does not need to be an entirely monetary contribution and could include other in kind benefits.	Change. The guidance is amended to reflect the Scottish Government guidance.
Communities are not obliged to adhere to local authority guidelines.	Change. The guidance has been amended to clearly state that it is not mandatory.
Scottish Government guidance states that a memorandum of understanding between developer and community at pre-planning is not legally binding.	No change. The guidance does not refer to pre-planning agreements between communities and developers and we do not wish to introduce this element.
The framework seems to inhibit communities' ability to influence development. As the funds are not part of the planning process, the community that receives them should determine how to use them.	No change. It is not the intention of the guidance to stop communities being involved in the distribution of community benefits in fact it is clearly stated that they should be directly involved in the process.
Disagree with the framework as it changes the original focus of community benefit as it should benefit those with a loss of amenity as a result of the development rather than looking to regional aspect.	No change. The aim of the guidance is to maximise community benefit. The existing 2005 policy incorporates a regional element distributed through ALI Energy and the proposed changes to this aspect of the guidance make this element more flexible.
Consider linking to <a href="http://www.hie.co.uk/community-support/managing-community-funding/">http://www.hie.co.uk/community-support/managing-community-funding/</a>	Change. This document is already referred to in the further reading section, the web link will be updated.
Concern that Argyll and Bute Council are the planning authority but could potentially also negotiate on community benefit.	Change. The consideration of community benefit is completely separate from the planning decision process however to reiterate this we will amend the guidance to make it clearer.
It should be made clear that community benefit is a compensation for the impact of renewable development.	No change. Community benefit is a voluntary arrangement and not a formal compensation measure.
There should be greater emphasis that community benefit is separate to the planning process and should only be considered after planning consent is issued.	Change. The guidance clearly states that community benefit and planning are separate issues but this has been reiterated.
There is a need for definitions in relation to aspects such as local community, region and sub-region.	No change. It is not possible to define these aspects as they will vary between developments, communities and developers will look at the details of each proposal to determine what might be appropriate.
Community benefit should be considered against any potential economic loss.	No change. Community benefit is a voluntary payment is not related to the economic impacts of a renewable energy scheme.
The draft framework should refer to Scottish Planning Policy and the Argyll and Bute Council Local Development Plan	No change. Community benefit is not related to the planning policy or decisions of Argyll and Bute Council and to make reference to these could add confusion to the need to keep community benefit separate to planning decisions.
Advocate the use of the Firm Foundations Charter for those having discussions around community benefit – <a href="https://www.foundationscotland.org.uk/community-benefit/platform-for-">https://www.foundationscotland.org.uk/community-benefit/platform-for-</a>	Change. Firm Foundations has been included within the further reading section of the guidance.

<u>dialogue/charter/</u>	
Highlights potential impacts of changing funding regimes for renewables and possible changes in planning permissions rates which could mean that community benefit is only sufficient for a local fund.	No change. Whilst it is acknowledged that funding regimes etc. may affect community benefit arrangements, the guidance as drafted reflects current national guidance. It is proposed to review the guidance every 2 years which would allow any required change to be made.
The framework refers to community benefit as including benefits derived from community investment but that Scottish Government Good Practice states that community investment opportunities are additional to voluntary community benefit.	Change. The Scottish Government Good Practice at section 3.1 includes benefits derived from community ownership in the development so it is appropriate to reference it in the definition however it is proposed that the recommendation which refers to community investment also makes it clear that this is in addition to any community benefit fund.
An extra recommendation requiring discussion and development of a community benefit package in collaboration with the community is requested.	No change. The document clearly indicates that communities and developers should work together.

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**ARGYLL AND BUTE COUNCIL****Policy and Resources Committee****Development and Infrastructure****14 May 2015**

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**Consultation: Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The Scottish Government published a draft document outlining its Good Practice Principles for Shared Ownership of Onshore Renewable Energy Development in March 2015. The document supports the Scottish Government target that by 2020 there should be 500MW of community and locally owned renewables across Scotland. Shared ownership schemes, where the community are a partner within the development, are seen as a key method for achieving this.
- 1.2 The draft Good Practice Principles set down guidance for communities, developers and local authorities in relation to community investment in renewable energy schemes but allows flexibility in terms of the model used. Responses to the consultation are required by 9 June 2015.
- 1.3 The proposed response to the consultation can be found at Appendix 1.
- 1.4 It is recommended that Committee:
1. Notes the content of this report; and
  2. Approves the consultation response attached as Appendix 1.

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ARGYLL AND BUTE COUNCIL

Policy and Resources Committee

Development and Infrastructure

14 May 2015

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**Consultation: Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments**

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**2.0 INTRODUCTION**

2.1 The Scottish Government published a draft document outlining its Good Practice Principles for Shared Ownership of Onshore Renewable Energy Development in March 2015. The Scottish Government is committed to supporting shared ownership of onshore renewables and the document sets out guidance for communities, developers and local authorities. The consultation document can be viewed at <http://www.localenergyscotland.org/developers/good-practice-principles/shared-ownership/> and responses should be made by 9 June 2015.

**3.0 RECOMMENDATIONS**

3.1 It is recommended that Committee:

1. Notes the content of this report; and
2. Approves the consultation response attached as Appendix 1.

**4.0 DETAIL**

4.1 The Scottish Government has set a target that by 2020 there should be 500MW of community and locally owned renewables across Scotland. Shared ownership schemes, where the community are a partner within the development, are seen as a key method for achieving this.

4.2 Shared ownership schemes offer the opportunity for communities to be directly involved in the renewable energy development and to benefit from the revenues generated; this does however come with increased levels of risk for local communities. Funds raised as a result of shared ownership schemes, could help to support the outcomes of the Single Outcome Agreement directly through the creation of safer and stronger communities (outcome 6) and indirectly as a result of spending to support local facilities, infrastructure and local residents. Expanding community ownership of renewables supports the aspirations of the Renewable Energy Action Plan (REAP).

4.3 The draft Good Practice Principles set down guidance for communities, developers and local authorities in relation to community investment in renewable energy schemes but allows flexibility in terms of the model used. It is proposed that the guidance applies to onshore renewable schemes over 50kw.



- 4.4 To facilitate communities and developers the government has also launched the Partnership Portal (<http://www.localenergyscotland.org/partnershipportal>) which allows those looking to invest or seeking investment to indicate their requirements.
- 4.5 To assist communities in investing in renewable energy schemes, the Government is proposing to pilot the Local Energy Investment Fund (LEIF) which will make an early investment on behalf of the community and then allow them time to seek support and consider whether they wish to proceed with the investment. If they wish to proceed, they can buy back the LEIF stake at a later date.

## **5.0 CONCLUSION**

- 5.1 The proposed response to the consultation can be found at Appendix 1.

## **6.0 IMPLICATIONS**

- 6.1 Policy – the promotion of community ownership of renewables aligns with priorities set down in the Economic Development Action Plan and Renewable Energy Action Plan and would support the objectives of the Single Outcome Agreement.
- 6.2 Financial – there are no direct financial implications for the Council as a result of the consultation paper however there are expectations that local authorities will support community organisations which could have resource implications.
- 6.3 Legal – none expected.
- 6.4 HR – Council support for communities could have resource implications.
- 6.5 Equalities – none expected.
- 6.6 Risk – none expected for the Council although communities involved in shared ownership discussions will need to accept increased levels of risk.
- 6.7 Customer Service – none.

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

13 April 2015

**For further information contact:** Audrey Martin, Projects and Renewables  
01546 604180

## **APPENDICES**

Appendix 1 Proposed consultation response.

## **Appendix 1 – Proposed consultation response**

### **1. Are the principles that should be followed by developers, community groups and local authorities clearly defined?**

Whilst the principles set down in section 6 are clearly identified, we do have some concerns regarding section 8 Shared Ownership and the Planning System.

The consultation document is quite clear that renewable energy applications must always be assessed in the planning system on the basis of their individual merits, particularly with regard to environmental, economic and social effects of each project. This is a fundamental principle, which has been recognised in the consultation document, and should continue to do so.

The document clearly states that developers should not request support from the community as a condition of offering shared ownership and this is welcomed. There should also be a clear statement that there is no obligation for any community group to take on a shared ownership scheme.

Whilst it is accepted that socio-economic impacts should be taken into account, the guidance should make it clear that the ownership status of any proposed development will not be a material consideration in the planning process.

The contribution that the proposed development is anticipated to make to local socio-economic conditions and the arrangements which are to be made to deliver these should be explained in any planning submission.

Further advice from the Scottish Government to planning authorities on assessing economic development and the impact of shared ownership on this as part of the planning process would be welcomed.

### **2. Do you agree with the principles as outlined in the document?**

We welcome the confirmation that the level of flexibility required by communities and developers in designing shared ownership arrangements is reflected within the principles. We are in general agreement with the principles set down within section 6 of the Good Practice Principles document.

### **3. Is the support offered through CARES, LEIF and REIF adequate to allow the principles set out in the document to be achieved consistently?**

The support offered by CARES (Community and Renewable Energy Scheme), LEIF (Local Energy Investment Fund) and REIF (Renewable Energy Investment Fund) provides an element of support but it should be recognised that there is still a significant amount of input required from communities themselves as well as support required from other specialists in relation to legal, financial issues etc. In some cases, funding in excess of that readily available from CARES may be required.

The guidance should also reference the support available from social enterprise agencies and Business Gateway to community groups which are establishing themselves and developing business plans.

The Good Practice Principles state in a number of places that local authorities

should support and promote shared ownership opportunities. Whilst we can make use of our existing services, making communities aware of opportunities and offering support and guidance utilising existing social enterprise, community development and Business Gateway teams, we may be unable to provide comprehensive support to some local communities as they progress through the shared ownership process.

Unfortunately the support we are able to provide is limited by the resources we have available. As we are not aware of any additional resources being made available and given that our existing services are currently at capacity, if the number of communities progressing shared ownership schemes increased as a result of the Good Practice Principles we may need to prioritise which groups received direct assistance from the local authority. Priority would go to those groups which most help to address the objectives of the Single Outcome Agreement.

The local authority can continue to have a role in signposting communities to third party organisations which can assist them through the process. In Argyll and Bute we do this through an online web portal with links to relevant documents, websites and organisations.

The document should make clear that in some cases the support that the local authority will offer will be to signpost communities to other organisations who are able to assist them and advise them, for example to Local Energy Scotland which has the required knowledge and funding available to assist communities.

The Good Practice should not create unrealistic expectations in relation to the support that the local authority is able to provide to a community group.

**4. Are the principles sufficient to encourage more shared ownership development that takes place in a fair, transparent way and is of benefit to communities and developers?**

The principles appear to encourage more shared ownership however there is still significant efforts required from both the community and developer to make this a reality. The principles should however help both community and developer to approach the discussions understanding what is expected of them.

It may be useful if shared ownership schemes were mapped so that any community starting shared ownership discussions were able to see whether there were any other shared ownership schemes existing nearby and, if required, form networks with other community groups who have been through the process.

**5. Are there further challenges to delivering shared ownership which are not addressed in this document?**

Community capacity both in terms of recruiting any required volunteers and developing the skills to progress through a shared ownership discussion may be an issue although the support from CARES to appoint a project manager should assist in this. It will be critical that the necessary funding and support is in place to allow communities to consider shared ownership.

**6. Do you have any further comments on the document?**

We welcome the additional guidance and support offered by the Good Practice Principles as well as the establishment of the Local Energy Investment Fund. The principle of shared ownership is reflected in draft guidance being prepared by Argyll and Bute Council. We hope that the Argyll and Bute Council and Scottish Government guidance together will enable more communities across Argyll and Bute to benefit from investment in renewable energy schemes.

## Policy and Resources Committee Workplan 2015-16

<b>May 2015 - This is an outline plan to facilitate forward planning of reports to the P&amp;R Committee.</b>					
<b>14 May 2015</b>					
	Financial Reporting 2015-16	Strategic Finance	May (Annual)	14 April 2015	Financial Reporting timetable for year ahead
	Performance Report FQ4 2014/15	Customer Services	Quarterly	14 April 2015	
	Corporate Plan 2015-17	Customer Services		14 April 2015	
	Flood Risk Management Policy	Development and Infrastructure		14 April 2015	Recommendation from EDI – 13 April 2015
	Coast Protection Policy	Development and Infrastructure		14 April 2015	Recommendation from EDI – 13 April 2015
	Review of the Argyll and Bute Guidance on Community Benefits from Onshore Renewable Energy	Development and Infrastructure		14 April 2015	
	Consultation: Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments	Development and Infrastructure		14 April 2015	
	Policy And Resources Committee Work Plan	Customer Services	Every meeting	14 April 2015	
	Oban CHORD – Oban North Pier Maritime Quarter – Update and Request for Funding	Development and Infrastructure		14 April 2015	Recommendation from OLI Area Committee
	Lorn ARC Tax Incremental Funding (TIF) Asset Project 5 – Oban North Pier Extension – Start Up Report	Development and Infrastructure		14 April 2015	Recommendation from OLI Area Committee
	Lorn Arc TIF Asset Project 9 – Existing Access Improvements and Business Park Enablement, Oban Airport Start up Project	Development and Infrastructure		14 April 2015	February 2015 – agreed FBC would be reported to a future OLI Area Committee and Policy and Resources Committee

## Policy and Resources Committee Workplan 2015-16

	Oban Chord - Oban Waterfront Public Realm Phase 2: North Pier To Station Square Including George Street And Queen's Park Place - Updated Cost Report	Development and Infrastructure		14 April 2015	Recommendation from OLI Area Committee
	Assessment of External Financial Request – The Picture House, Campbeltown	Development and Infrastructure		14 April 2015	Recommendation from MAKI Area Committee
	Assessment of External Financial Request – Kilmahew/St Peters	Development and Infrastructure		14 April 2015	
	Local Government Boundary Commission Proposals for Argyll and Bute	Customer Services		14 April 2015	Agreed at Council 23/04/15 to set up a SLWG to consider proposals and report back to P&R
	Helensburgh Office Project Update	Customer Services		14 April 2015	
<b>20 August 2015</b>					
	Financial Reporting 2015-16 - Summary	Strategic Finance	Every meeting	21 July 2015	
	Performance Report FQ1 2015/16	Customer Services	Quarterly	21 July 2015	
	Major Capital Regeneration Project Progress Report	Development and Infrastructure Services	Quarterly	21 July 2015	
	Policy And Resources Committee Workplan	Customer Services	Every meeting	21 July 2015	
<b>29 October 2015</b>					
	Financial Reporting 2015-16 - Summary	Strategic Finance	Every meeting	29 September 2015	
	Performance Report FQ2 2015/16	Customer Services	Quarterly	29 September 2015	

## Policy and Resources Committee Workplan 2015-16

	Lorn Arc TIF Asset Project 1 Lorn Road/Kirn Road Improvements Dunbeg Start Up Report	Development and Infrastructure			March 2015- FBC to be reported to October P&R Committee
	Policy And Resources Committee Workplan	Customer Services	Every meeting	29 September 2015	
<b>Special Meeting Oct 2015</b>	Service Choices				Agreed 2 April 2015 to make recommendations to be considered at Special Council meeting in October.
<b>17 December 2015</b>					
	Financial Reporting 2015-16 - Summary	Strategic Finance	Every meeting	17 November 2015	
	Major Capital Regeneration Project Progress Report	Development and Infrastructure Services	Quarterly	17 November 2015	
	Policy And Resources Committee Workplan	Customer Services	Every meeting	17 November 2015	
<b>4 February 2016</b>					
	Financial Reporting 2015-16 - Summary	Strategic Finance	Every meeting	5 January 2015	
	Planning and Budgeting 2016/17	Strategic Finance	Annual	5 January 2015	
	Policy And Resources Committee Workplan	Customer Services	Every meeting	5 January 2015	
<b>17 March 2016</b>					
	Financial Reporting 2015-16 - Summary	Strategic Finance	Every meeting	16 February 2016	
	Performance Report FQ3 2015/16	Customer	Quarterly	16 February 2016	

## Policy and Resources Committee Workplan 2015-16

		Services			
	Policy And Resources Committee Workplan	Customer Services	Every meeting	17 February 2016	
<b>Future Items – date to be determined</b>					
	Major Capital Regeneration Project Progress Report	Development and Infrastructure Services	Quarterly		Agreed to request quarterly updates at P&R on 21 August
	ABC Schools Limited - Change of Control	Special Projects	Occasional		
	IHR Policies: <ul style="list-style-type: none"> <li>• Recruitment and Selection Policy</li> <li>• Maximising Attendance Policy</li> <li>• Improving Employee Performance Policy</li> </ul>	Improvement and HR	Occasional		
	NPDO Schools Project Annual Update	Special Projects	Annual		Report after March 2015 to allow a full year outturn to be reported
	SOA Annual Report	Community Services	Annual – Aug/Sept		
	Employee Engagement Strategy	Customer Services			November 2014 – agreed Employee Engagement Strategy would come to Committee in March 2015 as part of decision on Employee Surveys/Economic Summit



## Policy and Resources Committee Workplan 2015-16

	Seminar/Workshop on Strategic Risk Register	Strategic Finance	Before future P&R meeting		Agreed 05/02/15 to hold a seminar/workshop for Members on the strategic risk register before a future P&R meeting
	Scottish Government Funding for Welfare Reform and Discretionary Housing Payment	Customer Services			March 2015 - Requested further report in to a future meeting on progress with proposals.
	Service Choices				April 2015 - Agreed a number of Special Meetings to be held throughout the coming months – dates to be confirmed.
	Café Pavement Licences	Development and Infrastructure	Annual		Recommended approval to Council on 26 June - To come back for review after first year of implementation in May 2015.  Agreed at May 2015 Pre-Agenda to put back to a future meeting

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ARGYLL & BUTE COUNCIL

CUSTOMER SERVICES

POLICY AND RESOURCES  
COMMITTEE

14 May 2015

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**EXTRACT OF OBAN, LORN AND THE ISLES AREA COMMITTEE  
HELD ON 15 APRIL 2015.**

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**10. OBAN CHORD - OBAN NORTH PIER MARITIME QUARTER - UPDATE AND  
REQUEST FOR FUNDING**

A report updating the Committee on the delivery of the Oban North Pier Maritime Quarter and seeking support to take forward the interim step ashore solution proposals for 2015 and 2016, whilst progressing the development of the Integrated Maritime Quarter Facility, was considered.

The Chair allowed public questions on this agenda item and the following points were raised:

Councillor McCuish queried why an interim step ashore facility could be in place for 2016 but could not be in place for 2015. The Regeneration Project Manager advised that there is a statutory consultation period and a procurement process to go through which can take 14 months minimal.

Councillor MacDonald asked how soon we can get the private sector in to start a project like this. The Helensburgh CHORD Project Manager advised that there are formal processes which need to be followed regarding licensing and planning.

Mike Robertson asked whether if the Council provide services for a step ashore facility in phase 4, this would remove any state aid issues concerns and is it an interim solution of 1 pontoon there, or one time solution for 30 or 40 berths? Councillor McCuish that if there is a serviced project then OBMs business case would have to be viable and this is in dispute by Officers.

Mr Peadon asked why it is not possible to look at the bigger picture to come as a whole? Mr Peadon was advised that whilst we are proceeding with an interim solution, the bigger picture will be looked at and Councillor McCuish stated he hoped that OBM would be involved in lending their expertise to any master plan.

The Helensburgh CHORD Project Manager produced a letter sent to Oban Bay Marine outlining the funding agreement with the Council and Councillor McCuish asked if OBM have replied to that letter and the Project Manager advised that they have received no reply.

Councillor MacLean asked when the letter was dated and the Project Manager advised it was April 2014 and no reply had been received.

Mr MacLeod queried what could be undertaken on the proposal to constitute a

meaningful start for the purposes of the planning legislation. The Head of Governance and Law advised recent new legislation had altered what would be required to constitute a meaningful start. The Committee were also advised that OBMs planning permissions run out in July 2015.

Mr Renato Di Ciacco stated that of all the passengers coming ashore of the cruise ships do not stay in Oban but get bussed out of the town to visit other areas. Councillor McCuish stated he felt it was incumbent on the businesses to find ways to keeping these very welcomed visitors in town as the Council is taking plans forward to make their arrival in Oban more welcoming. Mr P MacLean stated that in his opinion neither of the projects that are being discussed would work.

## **Motion**

The Area Committee:

1. Note and endorse the contents of this paper;
2. Request officers to implement the interim step ashore solution proposals for 2015;
3. Recommend to the Policy and Resources Committee, for their interest, the drawdown of £45,000 to implement the development stage of the interim step ashore solution for 2016;
4. Request officers to bring an update report outlining the implementation cost of delivering the 2016 interim step ashore solution following completion of the development stage, which is likely to be around September/October 2015;
5. That the Oban CHORD Project Managers brings an update report on the delivery of the Oban North Pier Maritime Quarter to subsequent Area Committee meetings; and
6. That Oban Bay Marine meet with officers of the Council to address their concerns.

Proposed: Councillor McCuish

Seconded: Councillor MacDougall

## **Amendment**

Request Officers to meet with representatives from Oban Bay Marine to obtain clarity over the divergence of understanding over certain aspects surrounding the provision of a transit facility at the North Pier Oban and to prepare a report to take to a future Area Committee.

Proposed: Councillor MacDonald

Seconded: Councillor MacLean

## **Decision**

On a show of hands, the motion was carried by 4 votes to 2 and the Committee resolved accordingly.

(Ref: Report by Oban Regeneration Project Manager dated 15<sup>th</sup> April 2015, submitted).

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ARGYLL AND BUTE COUNCIL

Oban Lorn and the Isles (OLI)  
Area Committee

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

15th April, 2015

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**OBAN CHORD - OBAN NORTH PIER MARITIME QUARTER – UPDATE AND  
REQUEST FOR FUNDING**

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**1.0 EXECUTIVE SUMMARY**

**1.1** There are now essentially four phases to the delivery of the Oban North Pier Maritime Quarter. Phase 1 consists of the North Pier Maritime Visitor Facility, for which the Full Business case was approved by Council in September 2014. Following a non-planning legal challenge from an adjacent business a revised planning application has subsequently been lodged and a decision is expected later this month. Phases 2 and 3 addresses the need for interim step ashore solutions for cruise liner passengers and other users for 2015 and 2016, whilst Phase 4 will outline the development process for an Integrated Maritime Quarter Facility, inclusive of a short stay transit berthing/step ashore facility.

**1.2** The purpose of this report is to:

a) update members on the current position in delivering the Oban North Pier Maritime Quarter;

b) advise members on the outcome of the evaluation of OBM Ltd's recent Business Plan;

c) seek support to proceed with the interim step ashore solutions for 2015 as outlined in the paper;

d) seek support to recommend to the Policy and Resource Committee the approval to drawdown £45,000 to advance the development stage of the interim step ashore solution for 2016.

**1.5** It is recommended that the OLI Area Committee:

- Note and endorse the contents of this paper;

- Request officers to implement the interim step ashore solution proposals for 2015;
- Recommend to the Policy and Resource Committee, for their interest, the drawdown of £45,000 to implement the development stage of the interim step ashore solution for 2016;
- Request officers to bring an update report outlining the implementation cost of delivering the 2016 interim step ashore solution following completion of the development stage, which is likely to be around September/October 2015; and
- That the Oban CHORD Project Managers brings an update report on the delivery of the Oban North Pier Maritime Quarter to subsequent Area Committee meetings.

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ARGYLL AND BUTE COUNCIL

Oban Lorn and the Isles (OLI)  
Area Committee

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

15th April, 2015

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OBAN CHORD - OBAN NORTH PIER MARITIME QUARTER – UPDATE AND  
REQUEST FOR FUNDING

---

## 2.0 SUMMARY

### 2.1 Aim of Update

To update members on the delivery of the Oban North Pier Maritime Quarter and to seek support to take forward the interim step ashore solution proposals for 2015 and 2016, whilst progressing the development of the Integrated Maritime Quarter Facility.

## 3.0 RECOMMENDATIONS

### 3.1 It is recommended that the OLI Area Committee:

- Note and endorse the contents of this paper;
- Request officers to implement the interim step ashore solution proposals for 2015;
- Recommend to the Policy and Resource Committee, for their interest, the drawdown of £45,000 to implement the development stage of the interim step ashore solution for 2016;
- Request officers to bring an update report outlining the implementation cost of delivering the 2016 interim step ashore solution following completion of the development stage, which is likely to be around September/October 2015; and
- That the Oban CHORD Project Managers bring an update report on the delivery of the Oban North Pier Maritime Quarter to subsequent Area Committee meetings.

## 4.0 DETAILS

### 4.1 There are essentially now four phases to the delivery of the Oban North Pier Maritime Quarter:

- **Phase 1 - North Pier Maritime Visitor Facility**
- **Phase 2 – Interim step ashore solution for 2015**
- **Phase 3 - Interim step ashore solution for 2016**
- **Phase 4 - Integrated Maritime Quarter Facility**, inclusive of a short stay transit berthing/step ashore facility.

**4.2** The CHORD Full Business Case for **North Pier Maritime Visitor Facility** was approved by members in September 2014. Following a non-planning legal challenge from an adjacent business the project has been delayed. To help take the project forward an amended planning application has been lodged, a decision on the revised planning application is expected later this month. The outcome of the legal challenge is also awaited.

The project will provide key facilities for maritime visitors, residents and local businesses in due course. Current programme is for a site start by autumn 2015 with completion summer 2016.

**4.3** The delivery of a financially viable Business Case, supported by all key stakeholders for the provision of a **Step Ashore Transit Facility** has still to be made despite various reports being undertaken over the last few years. This is because there are challenging practical deliverability issues which required to be resolved, which include potential conflict with ferries, sea conditions, attenuation issues etc. There is also procurement and state aid issues which require to be addressed, especially if public monies are given to a third party to deliver and/or operate the facility.

**4.3.1** The latest Business Plan submitted by OBM Community Interest Company (OBM), (jointly funded by HIE and ABC), was predicated on the Council and HIE contributing £200,000 each (subject to formal approval) is not financially viable as it requires the public sector to fund the infrastructure works (dredging, attenuator and cruise ship tender berth and access bridge), circa £1.6m and in addition make a contribution of circa £250k split between the Council and HIE towards the pontoons and associated costs (licence fees, contract manager etc.) estimated to be circa £610k. The current OBM business plan estimates the cost of delivering a 36 berth visitor pontoons, individual fuel pontoon and a dedicated sheltered cruise ship landing stage to be circa £2.212m. Even with the above level of capital funding the proposed facility is forecasted to generate a marginal surplus, which may be insufficient to cover maintenance costs going forward.

Based on discussions with the Scottish Government's State Aid Unit this level of public funding if given directly to a third party is likely to raise state



aid issues, which is deemed a high risk.

It should be noted that the OBM Ltd current planning permission expires in July 2015 and their revised scheme which their current Business Plan is based upon requires a further planning consent. The current planning permission has 16 conditions including details of a safety management system being agreed with various parties, including CMAL. The details of this safety system have still to be submitted to planning.

**4.4** Given that a viable Business Case for the provision of a Step Ashore Transit Facility has still to be made, officers have been looking at Interim Step Ashore Solutions for 2015 and 2016, details of which are outlined below.

**4.4.1 2015 Solution** – Improve the existing Oban Times slipway by removing the central fencing to enable both sides to be used for the safe stepping ashore for cruise passengers arriving on the Queen Mary in May and The World in October, thus doubling capacity and maintain security by using the existing fencing at 90 degrees at the top of the slip. Set up a meet and greet area with a waiting area fenced off and secure on the north pier – The Oban Harbour Master needs one day to adjust the fencing and place the existing meet and greet facility on the North Pier. There is no need for additional staff resource or a project plan. The full existing process is in place to cover these events. The existing committee are in full contact with the relevant partners and suppliers, and work with Marine Operations at all times. Officers will endeavour to extend this arrangement for other cruise liners arriving this summer.

**4.4.2 2016 Solution** – A fixed piled landing platform with an attached bridge put in place alongside the North Pier – see attached Project Plan, **Appendix A**, to demonstrate indicative timelines for delivery. To deliver this solution a Marine Licence as well as approval from the Crown Estate, Immigration and Argyll and Bute Council planning requires to be in place. To achieve the necessary statutory approvals, services will require to be procured to prepare the necessary applications and supportive documentation including, design proposals, site and dive surveys and site plans that are required to inform the statutory consultation process. The estimated cost of the design development stage is circa £45,000. In addition this process and resultant documentation will inform the most appropriate procurement route and estimated capital cost to deliver this interim solution, which will be reported to members in September/October 2015. As shown in **Appendix A**, the timescale for delivering this solution for summer 2016 is extremely tight and will require close monitoring of the various tasks and decisions taken timeously. This is likely to require decisions to be taken out with the Council's Programme of Meetings

**4.5 Phase 4 – Integrated Maritime Quarter** - Given that development

proposals for the Lorn Arc North Pier extension project will shortly be underway, subject to member approval of the development funding, it would make sense that the Step Ashore Transit Facility form an integral part of the North Pier Maritime Quarter Masterplan thus ensuring better value for money as well as a cohesive development. Once the masterplan is approved, there is a viable FBC and the strategic infrastructure is in place, the Council will then have the opportunity to market a serviced site for visitor pontoons run by a commercial operator, or run it as a commercial council asset if a suitable commercial operator is not found. The timescale for delivery is 2 – 3 years subject to members' approval of the Masterplan and FBC.

## **5.0 CONCLUSION**

**5.1** Despite there still being challenging issues to address involving a number of stakeholders, progress is being made in delivering the **Oban North Pier Maritime Quarter**, with hopefully a start on site autumn this year with the commencement of the North Pier Maritime Visitor Facility. In addition officers will, subject to council approval, progress the development stage of an Interim Step Ashore solution and update members in September/October 2015 of the likely implementation costs of delivering the interim 2016 solution followed by progressing the delivery of a permanent integrated Step Ashore Transit Berthing Facility solution in 2017/18.

## **6.0 IMPLICATIONS**

### **6.1 POLICY**

The delivery of the CHORD Programme fits with the Council's Corporate Plan, SOA and approved Development Plan policy for town centre regeneration.

### **6.2 FINANCIAL**

There are sufficient funds available within the remaining Oban CHORD programme allocation to deliver the project identified above subject to Member approval.

### **6.3 LEGAL**

Each of the CHORD projects requires differing levels of legal resources to ensure their timely delivery. Legal resources have been allocated for the active projects.

### **6.4 EQUALITY**

An Equalities Impact Assessment has been undertaken for Oban CHORD.

### **6.5 CUSTOMER SERVICE - None**

### **6.6 RISK**

As stated in section 4.3 i.e. an agreed safety management system in place, addressing sea conditions, obtaining the necessary statutory approvals and licences and addressing procurement and state aid issues.

**Executive Director of Development & Infrastructure** – Pippa Milne.

April, 2015

**For further information** – please contact Linda Houston, Oban Regeneration Project Manager, 01631 569181 or Helen Ford, CHORD Programme Manager Development and Infrastructure Services, Economic Development and Strategic Transportation 01436 658839.

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
1	Project Plan for delivery of step ashore interim solution for summer 2016								Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	01/04/2016	01/05/2016	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
2																																
3	<b>DESIGN DEVELOPMENT</b>																															
4	<b>Procurement of design team</b>		Illustrative dates only																													
5			START	FINISH																												
6	to include evaluation, CARR, and award		27/04/2015	26/06/2015																												
7																																
8																																
9	<b>Design development</b>																															
10	to include mobilisation, design, design approval		29/06/2015	07/08/2015																												
11	Design revisions following consultations		10/08/2015	30/11/2015																												
12																																
13																																
14	<b>CONSULTATION, CONSENTS AND LICENCES</b>																															
15																																
16	<b>Department of Transport</b>																															
17	For extension to immigration license to North Pier to include site inspections		10/08/2015	05/01/2016																												
18	<b>Pre consultation</b>																															
19	To inform planning applications.		10/08/2015	31/08/2015																												
20	<b>Marine Scotland Licence Application</b>		31/08/2015	30/11/2015																												
21	<b>The Crown Estate (Marine Works Application) ( allow 12 weeks) (STATUTORY)</b>		31/08/2015	30/11/2015																												
22	The Marine Scotland license and the Crown Estate application can run at the same time but the Crown Estate will not decide until after the Marine Scotland license is granted																															
23																																
24	<b>Argyll and Bute Council Planning application</b>		31/08/2015	30/11/2015																												
25																																
26	<b>PROCUREMENT OF CONTRACTOR (based on open tender)</b>																															
27	Tender		16/11/2015	11/03/2016																												
28																																
29	<b>CONSTRUCTION</b>																															
30	Including mobilisation to operational		14/03/2016	01/07/2016																												
31	Allowing 4 months																															
32																																
33																																
34	A Pre-Application Consultation process (PAC) is requested this can take 12 weeks. The above project plan has assumed this will not be necessary																															

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ARGYLL & BUTE COUNCIL  
CUSTOMER SERVICES

POLICY AND RESOURCES  
COMMITTEE  
14 May 2015

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EXTRACT OF OBAN, LORN AND THE ISLES AREA COMMITTEE  
HELD ON 15 APRIL 2015.

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**12. LORN ARC TAX INCREMENTAL FINANCING (TIF) ASSET PROJECT 5 -  
OBAN NORTH PIER EXTENSION - START UP REPORT**

The Committee considered a report providing information on additional detail relating to the projected start up costs associated with bringing this project to Full Business Case stage and outlining the background for Project 5 – Oban North Pier extension, to be taken to full Business Case.

**Decision**

The Committee:

1. Unanimously recommended that the Policy and Resources Committee approve the drawdown of borrowing for a total of up to £560K for the development of a full Business Case for Lorn Arc Project 5 – Oban North Pier Extension. These resources will be held in a defined budget and managed as detailed in the Lorn Arc Programme PID; and
2. Noted that the full Business Case for Project 5 will be reported to a future OLI Area Committee and subsequent Policy and Resources Committee before moving to the implementation stage.

(Ref: Report by Oban Regeneration Project Manager dated 15<sup>th</sup> April 2015, submitted).

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ARGYLL AND BUTE COUNCIL  
DEVELOPMENT & INFRASTRUCTURE  
SERVICES

Oban, Lorn and the Isles  
Area Committee  
15<sup>th</sup> April, 2015

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**LORN ARC TAX INCREMENTAL FINANCING (TIF) ASSET PROJECT 5 – OBAN  
NORTH PIER EXTENSION  
START UP REPORT**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The Full Business Case for the Lorn Arc Tax Incremental Financing (TIF) programme outlines the proposals for delivering a £18.89 million package of infrastructure improvements including access to the Scottish Association for Marine Science (SAMS) / European Marine Science Park, measures to improve Port and Marine facilities within the Lorn Arc area and other business related infrastructure which will support the delivery of the Local Development Plan and assist population and economic growth through the generation of new employment opportunities.
- 1.2 TIF arrangements will allow Argyll and Bute Council to retain and use additional Non Domestic Rates (NDR) generated once borrowing has been repaid, within an agreed boundary over a 25 year period.
- 1.3 Project 5 - Oban North Pier Extension, within the Lorn Arc programme business case approved by Scottish Government should now be taken forward.
- 1.4 This report provides the following information:
- Additional detail relating to the projected startup costs associated with bringing this project to Full Business Case (FBC) stage; and
  - An outline of the background for Project Number 5 to be taken to Full Business Case.
- 1.5 Preparatory works are required to inform the FBC and will include marine and land based surveys, design and engineering work, preparation of planning applications and other statutory consents, environmental and economic impact assessments, full business case report production and preparation of procurement documentation costs. These costs form part of the £18.89m TIF funded borrowing potential.
- 1.6 At present the OLI Area Committee is only being requested to recommend to the Policy and Resources Committee that a start up budget be approved to take this project to full business case.** Consideration as to whether this project should be implemented is determinate on the outcome of the full business case and subsequent consideration by Members. The Full Business Case is currently expected to be presented to the Oban, Lorn and the Isles Area Committee on 9<sup>th</sup> December, 2015 and then the Policy and Resources

Committee on 17<sup>th</sup> December 2015. This timetable is based on the assumption that tender invitations can be issued by 8<sup>th</sup> May for the design work and 3<sup>rd</sup> July for the Economic Impact Assessment and FBC report.

1.7 **Recommendation**

1.8 That Members:

- Recommend that the Policy and Resources Committee approve the drawdown of borrowing for a total of **up to £560k** for the development of a Full Business Case for Lorn Arc Project 5 – North Pier extension. These resources will be held in a defined budget and managed as detailed in the Lorn Arc Programme PID.
- Note that the Full Business Case for Project 5 will be reported to a future OLI Area Committee and subsequent Policy and Resources Committee before moving to the implementation stage.

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ARGYLL AND BUTE COUNCIL

Oban, Lorn and the Isles

DEVELOPMENT & INFRASTRUCTURE  
SERVICES

15<sup>th</sup> April, 2015

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**LORN ARC TAX INCREMENTAL FINANCING (TIF) ASSET PROJECT 5 - OBAN  
NORTH PIER EXTENSION  
START UP REPORT**

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## **2.0 INTRODUCTION**

2.1 This report provides the following information:-

- a. Additional detail relating to the projected start up costs associated with bringing this project to Full Business Case stage.
- b. An outline of the background for Project 5 – Oban North Pier extension – to be taken to full business case.

## **3.0 RECOMMENDATIONS**

3.1 That Members:

- Recommend that the Policy and Resources Committee approve the drawdown of borrowing for a total of up to £560k for the development of a Full Business Case for Lorn Arc Project 5 – Oban North Pier Extension. These resources will be held in a defined budget and managed as detailed in the Lorn Arc Programme PID.
- Note that the Full Business Case for Project 5 will be reported to a future OLI Area Committee and subsequent Policy and Resources Committee before moving to the implementation stage.

## **4.0 DETAIL**

### **LORN ARC PROGRAMME**

4.1 By way of background, a TIF programme must demonstrate that the funded enabling infrastructure that unlocks regeneration and sustainable economic growth will generate additional public sector revenues to repay the financing requirements of the enabling infrastructure. A full business case for the Lorn Arc TIF programme has previously been developed and approved by both the Council and Scottish Government.

4.2 The Lorn Arc programme is considered to be essential for Lorn and indeed wider Argyll and Bute. The focus of Lorn Arc is on delivering essential infrastructure to unlock private sector investment on a number of identified investment opportunities. The Council is mindful that Lorn Arc represents enabled borrowing for up to £18.89 million and not a grant. This requires that it be paid back by the Council over a 25 year period with principally additional non domestic rates being used to pay this money back. Lorn Arc will only succeed if investment is

forthcoming from the private sector and consequently it will rely on partnership working to deliver the desired outcomes. The Council also recognises that Lorn Arc will require investment from outwith Lorn.

- 4.3 The governance arrangements set out in the PID require that project start-ups and the costs associated with preparing a full business case are approved by the Policy and Resources Committee. A full business case is necessary to ensure that the project is viable and prudent. Preparatory works are required to inform the full business case and often include site surveys, design work, preparation of planning applications, economic impact assessments and procurement costs.
- 4.4 Start-up costs for each project are likely to constitute 15 - 20% of the overall capital costs of the proposed project. In the case of Project 5 – North Pier extension, it has been possible to bring these cost estimates down slightly due to the resources previously allocated to other related exploratory projects within the Bay. These costs form part of the £18.89m TIF funded borrowing.
- 4.5 A summary of Lorn Arc TIF Project 5 - Oban North Pier Extension was provided in the approved Lorn Arc TIF Business Case and is detailed in the following table:-

<b>Table 1 : Summary of TIF Asset project</b>	
<b>Project No. 5</b>	<b>North Pier Extension, Oban</b>
Purpose	Additional harbour areas to support existing uses and cater for increasing demands for a variety of marine sectors through extension of North Pier berthing face by around 50m and the creation of circa 2,000m <sup>2</sup> of additional space for access, parking, and potential development land. An allowance has also been made for minor pontoon works and for improving utility connections at the pier face.
Finance	Indicative Cost - £5.2M <b>TIF Investment - £5.2M</b>
Justification summary	Additional harbour areas to support existing uses and cater for increasing demands for a variety of sectors is expected to result in additional port fees, parking fees and potential NDR from new or expanded facilities around the North Pier area. A full design and planning exercise is required to advance this proposal and therefore an allowance of 50% optimism bias has been allowed. The investment is essentially to improve an existing facility and there is considerable scope to amend the extent and specification to meet the budget and therefore the overall risks are seen as low in terms of deliverability.
Delivery Timescales	2015 – 2018

- 4.6 The current report that is before Members follows the process outlined in the approved PID. This entails approval from Policy and Resources Committee for a

budget to produce a Full Business Case which demonstrates whether or not the project should proceed to implementation stage. In line with the PID the Full Business Case for Project 5 will be reported to a future OLI Area Committee and subsequent Policy and Resources Committee in due course before the project moves to the implementation stage.

- 4.9 In order to produce a Full Business Case for this project a drawdown of up to £560k is required. The detailed breakdown of these costs is detailed in Appendix 1 (exempt item).
- 4.10 The Start Up budget is required to enable an informed decision to be made on whether or not to go ahead with implementing this project on the ground. The costs involved are detailed in Appendix 1, The start up costs comprise of internal charges for services provided by Council services for administering planning applications and other statutory duties, along with the bulk of the budget which is required to cover site analysis, design and engineering. Efforts have been made to utilise Council services for relevant elements of the start up process where possible and competitively priced, with only elements that cannot reasonably be undertaken in house being outsourced to external consultants.
- 4.11 It should be noted that the proposed start up cost budget is not considered to represent a target for spend. Every effort will be made to reduce costs, whilst ensuring that all work undertaken remains fit for purpose and that the wider delivery agenda has been fully considered.
- 4.12 The Full Business Case is currently expected to be presented to an Oban, Lorn and the Isles Area Committee on 9<sup>th</sup> December and then the Policy and Resources Committee on 17<sup>th</sup> December 2015. This will include full details of the delivery programme for completion of this project. This timetable is based on the assumption that tender invitations can be issued by 8<sup>th</sup> May, 2015 for the design work and 3<sup>rd</sup> July, 2015 for the Economic Impact Assessment and FBC report. An initial project timetable is provided in Appendix 2 attached.

## **5.0 CONCLUSION**

- 5.1 The Lorn Arc TIF Project 5 - North Pier Extension, Oban is considered to be a vital element in the overall Lorn Arc Programme, delivering an essential extension of the North Pier berthing face by around 50m and the creation of circa 2,000m<sup>2</sup> of additional space for access, parking, and potential development land. An allowance has also been made for minor pontoon works and for improving utility connections at the pier face.

Start-up costs are required to develop a full business case which will ensure that the project is viable and prudent. The Policy and Resources Committee will be asked to approve the full business case, following consideration by the Oban, Lorn and the Isles Area Committee, before the project proceeds to implementation.

## **6.0 IMPLICATIONS**

- 6.1 **Policy** - The delivery of the Lorn Arc Programme supports the delivery of the Council's Corporate Plan, Single Outcome Agreement, EDAP and the draft Local Development Plan. The economic outcomes from this programme will

also contribute to the Government's Economic Strategy.

- 6.2 **Financial** - The Lorn Arc TIF business case has secured the ability of the Council to borrow up to £18.89 million to take forward the Lorn Arc Programme. Approval of a budget to cover the startup costs for this TIF Asset project is essential to enable a full business case to be produced to establish the viability of this project.
- 6.3 **Legal** - None.
- 6.4 **HR** - None.
- 6.5 **Equalities** - An equalities impact assessment has been undertaken as part of the Full Business Case process. The Lorn Arc programme will comply with the Council's equality and sustainability policies. This TIF project's full business case will include an equalities impact assessment and a sustainability assessment.
- 6.6 **Risk** - A risk assessment has been undertaken as part of the Lorn Arc full business case and a risk register forms an integral part of the Programme Initiation Document (PID). The full business case for this project will include a project specific risk register. A risk register for this Project 5 Start Up project is provided as Appendix 3 attached to this report.
- 6.7 **Customer Service** – None

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

**For further information contact:**

Adrian Jackson-Stark Oban Lorn Arc Regeneration Project Manager 01631 567970 <a href="mailto:adrian.jackson-stark@argyll-bute.gov.uk">adrian.jackson-stark@argyll-bute.gov.uk</a>	Linda Houston Oban Regeneration Project Manager Argyll & Bute Council 01631 569181 <a href="mailto:linda.houston@argyll-bute.gov.uk">linda.houston@argyll-bute.gov.uk</a>
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