

**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER,
KILMORY, LOCHGILPHEAD
on THURSDAY, 11 FEBRUARY 2016**

Present: Councillor Len Scoullar (Chair)

Councillor John Armour	Councillor Robert G MacIntyre
Councillor Gordon Blair	Councillor Donald MacMillan
Councillor Michael Breslin	Councillor Alex McNaughton
Councillor Rory Colville	Councillor James McQueen
Councillor Maurice Corry	Councillor Bruce Marshall
Councillor Robin Currie	Councillor Aileen Morton
Councillor Vivien Dance	Councillor Ellen Morton
Councillor Mary-Jean Devon	Councillor Gary Mulvaney
Councillor George Freeman	Councillor Douglas Philand
Councillor Anne Horn	Councillor Elaine Robertson
Councillor Donald Kelly	Councillor James Robb
Councillor David Kinniburgh	Councillor Isobel Strong
Councillor John McAlpine	Councillor Sandy Taylor
Councillor Roderick McCuish	Councillor Richard Trail
Councillor Alistair MacDougall	Councillor Dick Walsh
Councillor Neil MacIntyre	

Also Present: William Marshall, Teacher Representative
Alison Palmer, Teacher Representative

Attending: Sally Loudon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Cleland Sneddon, Executive Director of Community Services
Pippa Milne, Executive Director of Development and Infrastructure Services
Charles Reppke, Head of Governance and Law
Kirsty Flanagan, Head of Strategic Finance

Councillor Anne Horn presented Petitions to the Council on behalf of Bowmore Primary School and Port Charlotte Primary School in relation to Service Choices. These Petitions were accepted by the Provost and it was confirmed that they would be passed to the appropriate department.

1. APOLOGIES FOR ABSENCE

Apologies of Absence were intimated on behalf of Councillors Iain Angus MacDonald, Robert E MacIntyre and Iain Stewart MacLean; and on behalf of William Crossan, Church Representative.

2. DECLARATIONS OF INTERESTS

There were none intimated.

3. MINUTES

The Minutes of Argyll and Bute Council held on 21 January 2016 were approved as a correct record subject to the first sentence of the Amendment under item 17 of the Minutes (Council Bird Control Policy) should be amended to read “The Council agree to provide both an Advisory and a limited enhanced service in respect of bird control.”.

4. BUDGETING PACK

The Council considered the Revenue Budget and Capital Budget papers as contained within the budgeting pack; considered such other appropriate resolutions in relation to these papers and fixed the Council Tax for the year to 31 March 2017 which had been referred without recommendation by the Policy and Resources Committee held on 11 February 2015. There was tabled an amended page 270 of the Revenue Budget Pack which was referred to by the Head of Strategic Finance in her presentation of the Budgeting Packs.

The Leader of the Council proposed the following which was unanimously agreed by the Council –

“Provost. I move that as is the Council’s normal approach to setting the budget that all budget proposals to be put to this meeting should clearly detail how they will be funded and that any amendment to the budget proposals I am about to propose should clearly detail how such changes would be funded ”.

Motion

The Council:

1. Notes the Revenue Budget Monitoring position as at 31st December 2015;
2. Notes the findings of the Planning our Future consultation which have been taken into account in the preparation of the budget proposals;
3. Notes that Equality Impact Assessments (EQIAs) have been carried out and notes the subsequent detail in the report on Assessing Equality Impact;
4. Notes the Financial Risk Analysis as set down in the Revenue Budget Pack;
5. Notes the funding gap of £10.052m within the Revenue Budget estimates;
6. Approves the Revenue Budget estimates for 2016/17 as set out in the Revenue Budget Overview report, subject to the following:

Further savings

- Reduce elected members cost centre £150,000
- 20% savings in staff travel budgets across all council services £235,000
- 10% saving in staff overtime across all council services £158,000
- Increase vacancy savings target £310,000
- Increase council tax base £200,000
- Remove additional monies previously allocated for Unitary charge for 2016/17 £500,000
- 1% pay inflation saving as a result of savings options £26,000
- Management savings, with Chief Executive to bring forward

a report to members on proposals for implementation	£95,000
Total	£1.674m

7. Notes that management/operational savings of £1.044m will be taken forward as part of normal business;
8. Notes the revised funding gap of £7.334m as a result of the above adjustments;
9. Approves the following and further policy options to balance the budget;
 - Adjustment to social work budget (saving) £990,000
 - Social work cost pressures arising since 2015/16 being met by IJB £551,000
 - Additional 3% to the Council's income-generating fees and charges to total 6% each year, apart from the general increase exceptions outlined in the Revenue Budget Overview report. £610,000

10. Rejects the following savings options totaling £1.402m:

1. EDUC05g Reduce subsidy payments to community swimming pools
2. EDUC07a Reduce primary school classroom assistants by 20%
3. EDUC07d Reduce primary school janitor costs by 20%
4. EDUC07k Stop lunch payments for primary school supervision staff
5. EDUC08a Reduce secondary school classroom assistants by 20%
6. EDUC08c Reduce secondary school janitor costs by 20%
7. EDUC08g Reduce school technician costs by 20%
8. EDUC08k Stop lunch payments for secondary school supervision staff
9. CC02a Reduce Adult Learning/Literacies service availability
10. CSS02k End discretionary non-domestic rates relief for charities
11. FS03m Remove out of hours property emergency line cover
12. FS04G Remove discretionary Community Transport Grant funding
13. PRS04g Reduce debt counselling service to focus on complex cases
14. RAMS01c Removal of hanging baskets
15. RAMS01d Close 43 public conveniences across Argyll and Bute
16. RAMS01f Replace annual bedding display with grass areas
17. RAMS01k Reduce Environmental Warden Team
18. RAMS01o Additional Roads and Amenity Service staff reduction
19. RAMS02a Reduce coastal and flooding work budgets
20. RAMS02b Reduce bridge assessment budget
21. RAMS03c Reduce budget for road works/bridge repairs
22. RAMS05d Removal of food waste collection, Helensburgh area
23. SF01F Further review of Strategic Finance team
 - Value of options rejected - £1.402mm (68FTE jobs secured)

11. Accepts in part or in full the savings options totalling £5.186m (82FTE) as follows, rejecting £0.809m (34FTE) through reduced levels of savings:

1. SF01a Review of staffing structure within Strategic Finance

2. CC02b Adult Literacies and Learning – reduce spend in areas based on needs assessment
3. CC03a Reduce cost of combined community development and community planning teams
4. CC03b Provide reduced amount of third sector grant funding – full saving in first year, with 10% in 17/18 and 10% in 18/19
5. CC03c Introduce consistent management arrangements for four community centres
6. CC05/1, CC05a, CC10a, CC11a, CC11a/1 Create a charitable leisure trust to bring together council owned community halls, libraries, swimming pools and fitness facilities
7. CC06a Provide reduced level of funding support for events and festivals
8. CC06b Offer Campbeltown Museum for community ownership
9. CC006c Provide reduced level of funding for arts development
10. CC08a Provide reduced level of funding to energy and mediation advice services where other opportunities are available and where there is less demand for service
11. CC08b Align funding for rent deposit scheme to current demand
12. CC08c Reduce budget for housing IT, strategy development and staff training following major work done in 2014/15
13. CC08d Reduce staffing costs re promotion of housing information/capacity for partnership work
14. CC08e Save council funds by transferring strategic staff costs to Strategic Housing Fund
15. CC10b Reduce library management costs
16. CC10c Saving of £50,000 on mobile library service
17. CC12A Provide reduced level of funding for domestic abuse outreach support
18. CC12b Provide reduced level of funding for tenancy support contracts
19. EDUC01a Align disability access budget (for adaptations in education centres) with current demand following previous underspend
20. EDUC01b Review Service Level Agreement for home and hospital tuition in line with previous demand
21. EDUC01c Reduce education Quality Improvement Team materials budget
22. EDUC01d Align specialist equipment budget with demand following previous underspend
23. EDUC01e Reprioritise repairs and maintenance budget for Education HQ
24. EDUC01h Manage cover for ASN assistants from within current devolved budget at individual schools
25. EDUC01i Deliver ASN efficiencies and match resources to greatest assessed need
26. EDUC03a Continue to provide statutory duties only for children under 5 – part saving only
27. EDUC03b Budget levels reduced for pre-5 resources – part saving only
28. EDUC03d Reduction in Early Years third sector grants and services – part saving only
29. EDUC03e Part saving (10%) in Early Years Change Fund

30. EDUC03c Provide for a 1% inflationary uplift only on payments to Early learning and Child Care Commissioned providers (in line with current indicators)
31. EDUC05a Reduce central administrative support
32. EDUC05c Provide reduced level of funding for PE facilities matched to priorities
33. EDUC05d Janitorial cover availability reduced
34. EDUC05e Education central repairs budget reduced and prioritised
35. EDUC05h Remove Attendance Officer posts and use current processes and systems in place to manage attendance
36. EDUC05j Align clothing grant budget to current demand following previous underspend
37. EDUC02b Provide reduced level of creative arts programmes in schools
38. EDUC02c Increase fees for non-statutory music tuition, reduced to 44% to accommodate inflation
39. EDUC02d Instrumental instructor provision reduced by 20%
40. EDUC07b Accept 5% reduction only in clerical assistants in primary schools
41. EDUC07c Pupil Support Assistants to be matched to greatest assessed need – part reduction only (equates to 111 fewer hours per year across 30 primary schools)
42. EDUC07e Continue primary school supply teacher cover at reduced level
43. EDUC07f Remove management development and training budget (primary schools)
44. EDUC07g Prioritise primary school grounds maintenance work to manage 20% resource reduction
45. EDUC07h Reduce devolved budgets for individual primary schools as they are supplementary to central education budget, prioritizing expenditure
46. EDUC07i Provide foreign language training through Scottish Government Languages 1+2 budget
47. EDUC12a Provide statutory Educational Psychology services following 7% budget reduction
48. EDUC12b Align residential schools budget to current demand following reduced demand
49. EDUC08b Accept 5% reduction only in secondary school clerical support
50. EDUC08d Provide secondary school supply teacher cover at reduced level
51. EDUC08e Remove management development and training budget in secondary schools
52. EDUC08f School librarians in secondary schools no longer provided
53. EDUC08h Prioritise grounds maintenance work in secondary schools to manage 20% reduced resource
54. EDUC08i Reduce devolved budgets for individual secondary schools as they are supplementary to central budget, prioritizing expenditure
55. CSS03a/b/c Increase email and electronic transactions to save more on postage, printing and stationery
56. CSS01a/b/c/d/j Change in opening hours for Customer Service Points and promote alternatives to over the counter payments

57. CSS01e Tیره Service Point service provided through voluntary sector contract in line with Jura and Colonsay
58. CSS01f/l Increase use of emails at Customer Service Points to save money on postage, printing and stationery
59. CSS01k Remove small repairs budget at Jura and Colonsay service points where requirements have been minimal
60. CSS01m Change Rothesay Service Point opening hours in line with current volume, delivering service over five half-days
61. CSS04b More economical replacements for broadband circuits in offices and schools to match capacity and usage
62. CSS02c/d Increase use of email to avoid use of pre-paid envelopes and reduce costs
63. CSS02g Develop in-house services for council tax e-billing/landlords portals in place of external contract
64. CSS02h Apply landlord penalties where applicable to help council tax collection
65. CSS02i Retrieve cost of administering double charge council tax from income raised
66. CSS02j Align benefit advisor posts to match reduced caseload
67. FS01a-c Long term redesign of catering service
68. FS01d Build up and develop catering service for events and functions
69. FS02a-b Long term redesign of cleaning service
70. FS03f Generate water utility savings with no significant impact on current service
71. FS03g Generate energy utility savings with no significant impact on current service
72. FS03h Increase heating efficiency through use of biomass boilers
73. FS03i Use opportunities for external providers to reduce costs of Estates service
74. FS03j Prioritise use of central repairs budget for schools, libraries and social work services to manage 14.5% reduction
75. FS03k Prioritise maintenance for shared offices with 8.4% central budget reduction
76. FS03l Prioritise use of shared office central repairs budget with 21.6% reduced resource
77. FS04b Explore external partnership working to improve use of fleet/transport resources between council teams
78. FS04f Prioritise/reduce bus shelters and stops built or replaced in 2016/17 only
79. GL01a1 Reduced committee/governance/elected member support including increased self-service approach for members
80. IHR03a Redesign staff personal safety training including online development
81. IHR03b Redesign health and safety service including increased online support and prioritizing high risk service areas

82. IHR01a Combine HR and Improvement/Organisational Development teams to create a single one-stop shop service, with reduced saving in 2018/19 to retain statistician post
83. ED02a Phased reduction of subsidy payments to freight operators in Campbeltown to align with standard rates by 2018/19
84. ED02b Increase piers and harbours berthing charges
85. PRS02b Introduce charges for pre-application advice for major and locally significant planning applications, in line with other local authorities
86. PRS02c Reduce planning development management team with increase in time to register planning applications
87. PRS02d Remodel planning enforcement team with increase in response time to planning breach complaints
88. PRS03b Provide in-house solution for aerial photography currently sourced externally
89. PRS03c Introduce charges for developers/property owners for statutory street numbering in line with other local authorities.
90. PRS03d Develop in-house solutions to allow removal of software/licences used for local development plan consultation
91. PRS03e Increase use of online consultation for Local Development Plan
92. PRS03f Provide core duties/statutory access rights of way and up to date Core Path Plan
93. PRS03g Remove footpath survey software and Local Access Forum budget and use alternative ways of surveying and supporting the forum
94. PRS03h Use in-house legal advice if required to resolve access disputes to allow removal of specialist legal expenses budget
95. PRS03i Introduce charges for Phase 1 Habitat Surveys
96. PRS03j Efficiency savings and business support costs reduced through staff reductions
97. PRS03k Remodel Access Team to focus on statutory duties
98. PRS03l Review Development Policy Team
99. PRS04a Remove vacant Regulatory Services alternative enforcement post
100. PRS04c Increase charges to businesses for inspection and certification of food export certificates in line with other local authorities
101. PRS04e Achieve central administration cost savings through improved processes and systems
102. PRS04f Review advice services across Argyll and Bute while maintaining a reduced allocation of funding to advice agencies (25% reduction)
103. PRS04h Increase income from private landlord registration scheme through targeted enforcement work on unregistered private landlords
104. RAMS01a Increase burial charges by 20% while costs still remain below average in 9 comparative council areas
105. RAMS01b Cremation charges increase limited to 14%
106. RAMS01e Remove subsidies to Tobermory Harbour Association on phased basis

107. RAMS01g Rose and shrub beds to be returned to grass
108. RAMS01h Hedges maintained in winter only with one cut per year
109. RAMS01i Grass cutting carried out once in October/November with other areas returned to meadow/natural growth
110. RAMS01j Phased recovery of costs for services to Cowal Games including temporary toilets, event support, litter collection, staffing etc
111. RAMS01l Reduce street sweeping frequency – half saving only accepted from original proposal of 50%
112. RAMS01m Prioritise dangerous/urgent maintenance within Roads and Amenity property to manage 25% reduced resource
113. RAMS01n Prioritise dangerous/urgent maintenance within depots to manage 25% reduced resource
114. RAMS02c Achieve central administration cost savings by improving processes and systems and reducing training budgets
115. RAMS02d Reduce central administrative support from 2017
116. RAMS03a Increase car parking charges from 80p to £1, introduce to Mull car parks and introduce year round charging at other car parks
117. RAMS03b Remove school crossing patrollers only in relation to lunchtime patrols and where there is already an electronic crossing in place
118. RAMS03d Reduce roads operations costs by removing a vacant post and reducing budget for vehicles and plant
119. RAMS04a Christmas lights funding – saving accepted in longer term only with funding from reserves for a period of three years
120. RAMS04b Increase street lighting planned repairs on an area basis, reduce reactive repairs
121. RAMS04c Use new lighting units which would reduce maintenance and energy costs
122. RAMS04d Recover costs for event banners and other non-core council activities
123. RAMS05a5 Rubbish collection – three-weekly collection with new shift pattern to make better use of fewer vehicles, retaining fortnightly recycling collections using double shift patterns
124. RAMS05b Three-weekly general waste, bi-weekly co-mingled uplift by internal resource for Islay in line with other local areas
125. RAMS05e Remove vacant post in Waste Management Service
 - Value of savings options accepted - £5.186m
 - FTE impact restricted to 82 in 2016/17

12. Agrees to make financial provision within the revenue expenditure from 2017/18 onwards to fund the Unitary Charge requirements for the new DBFM schools in Campbeltown and Oban in recognition of ESA10 changes and requirements;

Reserves:

13. Notes the advised opening position of £12.216m as at 31st March 2015;

14. Adds to this figure the budgeted surplus of £154,000 for 2015/16;
15. Further adds to this figure the sum of £115,000 from the release of earmarked reserves from the Community Resilience Fund (£100,000) and Bute Advice Centre saving (£15,000, representing a 25% reduction in line with savings option PRS04f);
16. Further adds to this figure the sum of £8.586m from the release of earmarked reserves previously allocated to the DBFM School Project as a result of ESA10 and the provision being made for Unitary Charge requirements met from within the council's revenue expenditure;
17. Notes and agrees the total available finance of £21.071m for distribution and support of the Single Outcome Agreement objectives and Planning our Future initiatives, making provision for the following from the available reserves:
 - Proposals of £0.651m already committed and new proposals of £5.747m as outlined in the report prepared by the Head of Strategic Finance, unless specified otherwise below
 - Establish the Argyll, Lomond and Islands Rural Regeneration Initiative, which will encompass all strategies and plans relating to repopulation, including:
 - Allocation of £5.579m towards capital provision for the Helensburgh Waterfront development
 - Allocation of £3m for regeneration and economic sustainability in Lochgilphead and Tarbert areas
 - Creation of a £2m Asset Management Fund to generate additional income
 - Creation of a £1m Inward Investment Fund to attract significant inward investment or by investing in facilities and infrastructure to support business development/growth
 - Creation of a £500,000 Rural Resettlement Initiative to support population growth with the council's Strategic Management Team corporately to bring forward plans and proposals for consideration by members
 - Provision of £300,000 funding for Christmas lights across the current administrative areas, to be managed by Area Committees, with a report to be brought forward by the Executive Director of Development and Infrastructure outlining allocation arrangements and funding timescales in relation to replacement of current revenue provision
 - Provision of £200,000 for flood and coastal protection, both proactive and reactive
 - Provision of £170,000 for improvements to Tarbert sports pitch
 - Reduce severance provision from £4.5m to £3.5m as a result of rejected and reduced savings options
 - Increase the general fund contingency from 1.5% to 2% (£1.192m)
18. Notes that as a result of the above changes, the closing position balance is £1.732m in addition to a 2% contingency equivalent to £4.743m;
19. Approves the Capital Plan and spending proposals as set out in the report from the Head of Strategic Finance;

20. Approves the contingency level for the General Fund Reserve at a level of 2%, equivalent to £4.743m;
21. Approves the revenue estimates for 2016/17 with the above revisions and that consequently the local tax requirement estimated at £41.2m is funded from council tax;
22. Approves the following rates and charges for the year as outlined in the Introductory Report on Revenue Budget:
 - Council tax due in respect of a chargeable dwelling in Band D will remain unchanged at £1,178 per year
 - Council tax due in respect of a chargeable dwelling in each of the other valuation bandings, in accordance with Section 74(1) of the Local Government Finance Act 1991, will remain unchanged
23. Notes that business rates will be determined by Scottish ministers;
24. Agrees to put in place appropriate arrangements for the following:
 - Management review
 - Further exploration of innovative delivery of education, school management and potential of school clusters
 - Review and amalgamation of all grant structures and criteria (for example, allowing community councils to apply)
 - Promote and develop a participatory budgeting scheme for Area Committees
 - To note that discussions are progressing by officers with regard to projects in the Council's Capital Plan that may well produce additional external funding together with the release of current provisions for underwriting, and to agree that, in the event that further monies are available, that provision is made from freed-up capital and earmarked reserves to be used towards phase 2 of the Dunoon wooden pier project and exploration of Rosneath Peninsula and Garelohead priorities
 - Implementation of the Argyll, Lomond and the Islands Rural Regeneration Initiative as set down above.
25. Instructs the council's Chief Executive on the following:
 - To report back on areas of transformation of service delivery throughout 2016/17 with a view to implementation from 2017/18 onwards
 - To make arrangements for the review and future provision of advice services across Argyll and Bute

Moved Councillor Dick Walsh, seconded Councillor Ellen Morton.

Amendment 1

Council notes the findings in the Planning our Future Consultation and thanks all those who contributed thus providing the Council with a list of options to choose from that have been the subject of public scrutiny and comment. This budget proposal has been informed and takes account of those expressed preferences as far as possible. Council notes the report on Assessing Equality Impact.

Council notes the Revenue Budget monitoring position as at 31 December 2015.

Council notes the financial risks analysis as set out in the Revenue Budget pack

REVENUE

The Council notes the forecasts and information provided in the budget pack and approves the revenue estimates for 2016-17 and that consequently the local tax requirement estimated at £41.0m is funded from Council Tax.

Further the Council:

Additional Funding from Scottish Government

Agrees to accept the following additional funding on offer from the Scottish Government:

£16.529m through the flooring mechanism.

£1.432 not to increase Council Tax rates

£0.385m (amount in 2015-16) of support for the Teachers Induction Scheme. (Allocations of £37.475m fund for 2016-17 still to be distributed).

£0.860m to maintain the pupil teacher ratio as agreed with the Scottish Government and additionally agrees to maintain overall FTE teaching posts in secondary schools.

Further the Council accepts the Scottish Government offer of Argyll & Bute's share of the £250m Integration Fund amounting to £4.58m and notes that this has allowed the Council to fund the £8.25 per hour Living Wage commitment to Care Workers.

Rates and Charges

Approves the following rates and charges for the year:

- i) Council Tax to be paid in respect of a chargeable dwelling in Band 'D' of £1,178 (representing no change).
- ii) Council Tax to be paid in respect of a chargeable dwelling in each of the other valuation bands in accordance with Section 74(1) of the Local Government Finance Act 1992 (accordingly representing no change).
- iii) Business Rates as determined by Scottish Ministers.

Forecast Overspend

Notes the forecast overspend for 2016 -17 of £10.052m.

Actions to address Forecast Overspend and Related Matters

- 1) Agrees the Management/Operational Savings as per Appendix 1 of the Revenue Budget Report thus reducing forecast overspend by £1.044m.
- 2) Agrees the general increase of 3% for Council set fees as detailed in the Fees and Charges Report thus reducing the forecast overspend by £0.305m.
- 3) Agrees that all policy options in Appendix 2 of the Revenue Budget which offer no savings in 2016-17 be referred to the Policy and Resources Committee for consideration and recommendation as to their possible contribution in future years.
- 4) Agrees the review of staffing structure within Strategic Finance reducing the forecast overspend by £0.140m.
- 5) Agrees to take forward the policy options for Community and Culture with the exception of:
 - (CC02a) No Reduction in adult learning and literacies service availability.
 - (CC03b) Maintain third sector grant funding
 - (CC03c) Continue current arrangements with Centre Councils

(CC06a) Maintain grant support to major events and festivals
(CC08b) Maintain funding for rent deposit scheme and service user involvement
(CC10c) Retain mobile library service
Reducing the forecast overspend by £0.560m

- 6) Agrees to take forward the policy options for Education with the exception of:
- (EDUC01d) Maintain specialist equipment budget
 - (EDUC02c) No increase in music tuition fees
 - (EDUC02d) No reduction in instrumental instructors
 - (EDUC03b) Maintain support to Council and providers of Early Learning and Childcare
 - (EDUC03c) Maintain annual increase to Early Learning and Child Care commissioned Providers
 - (EDUC03d) Maintain Early Years third sector grants and services
 - (EDUC05c) Maintain PE facilities budget
 - (EDUC05g) Retain subsidy to community swimming pools
 - (EDUC05h) Retain Attendance Officers
 - (EDUC07a & 08a) Maintain Classroom Assistants
 - (EDUC07b & 08b) Maintain Clerical Assistants
 - (EDUC07c) Maintain pupil support assistants in primary schools
 - (EDUC07h & 8i) Maintain individual school budgets)
 - (EDUC07k & 08k) Continue free lunches for lunchtime supervision staff
 - (EDUC08f) Retain secondary school librarian posts
 - (EDUC08g) Maintain schools technician budgets
 - (EDUC12a) No reduction to Educational Psychology services.
- Reducing forecast overspend by £1.053m
- 7) Instructs the Executive Director of Community Services to bring to the next Council meeting proposals to delegate education budgets (excluding NPDO budgets) to Area Committees a methodology to fairly and equitably allocate each Area Committee its share of the Education budget.
- 8) Agrees all the policy options for Customer and Support Services with the exception of:
- (CSS02k) Maintain NDR relief for charitable bodies
- Reducing the forecast overspend by £0.426m.
- 9) Agrees all the policy options for Facility Services with the exception of:
- (FS04g) Maintain Discretionary Community Grant Funding
- Reducing the forecast overspend by £0.236m.
- 10) Agrees all the policy options for Improvement and HR thus reducing the forecast overspend by £0.205m.
- 11) Agrees all the policy options for Economic Development thus reducing the forecast overspend by £0.056m.
- 12) Agrees all the policy options Planning and Regulatory Services with the exception of:
- (PRS04f) Maintain direct funding of advice agencies.
- Reducing the forecast overspend by £0.236m

- 13)Agrees to reduce the Roads revenue budget by £0.500m noting that spending priorities are already delegated to each Area Committee and the existing allocation formula for this budget. Notes the additional capital budget provided results in a net increase in the overall roads budget of £1.000m.
Reducing the forecast overspend by £0.500m.
- 14)Within Amenity Services agrees to accept revenue raising options RAMS01a, RAMS01b and RAMS 03a and options relating to centralised decisions RAMS02c, RAMS04c, RAMS04d, RAMS05a, RAMS05b and RAMS05e.
Reducing the estimated overspend by £0.900m
Agrees a further reduction of overall Amenity Services budget of £0.650m and that the decisions on spending priorities be delegated to each of the Area Committees.
Reducing the forecast overspend by £1.550m.
- 15)Instructs the Executive Director of Development and Infrastructure to bring to the next Council meeting proposals to delegate Amenity Services budgets to Area Committees and a methodology to fairly and equitably allocate each Area Committee its share of the Amenity Services budget.
- 16)Agrees the Council's contribution to the Health and Care Partnership as detailed in Section 9 of the Revenue Budget Overview. Reducing forecast overspend by £1.741m.
- 17)Notes that Community Councils currently receive funding from the Council for administrative purposes and agrees that Community Councils be added to the list of organisations eligible to apply for Third Sector Grants for purposes other than administrationand delegates the detail of how this will be implemented to the Executive Director of Community Services.

Reserves and Balances

Notes the report on Reserves and Balances.

Approves the contingency level for General Fund Reserves at 1.5% of net expenditure of £239.176m equivalent to £3.588m.

Notes the estimated Unallocated General Fund Balance as at 31 March 2016 of £12.565m.

Adjustment to contingency (£3.588 - £3.551m) of £0.037m

Agrees to earmark in reserves:

Provision for residual overspend of £2.000m

Provision should delegation to Area Committees not be agreed of £0.650m

Estimated cost of Severance in 2016-17 of £2.051m

Broadband Pathfinder Cost Pressure of £0.580

Hermitage Park Underwriting of £0.268m

Potential Investment in HubCo of £0.506m

Notes the revised estimated free balance of £6.473m which is available to support this transformational budget and for delivering the outcomes of the Single Outcome Agreement.

CAPITAL PLAN

Agrees the recommendations in Section 2 of the Introductory Report on Capital Planning and Asset Management Planning.

Moved Councillor Sandy Taylor, seconded Councillor Richard Trail.

Amendment 2

This amendment proposes an alternative set of budget options to the papers. In so doing it:

1. **Rejects** all of the options from the Service Choices process other than the ones that are contained within the summary savings overleaf, the detail of which is the appendix.

2. **Proposes** an increase in fees and charges of 3.72% that will yield £377,977 rather than the 3% or £305,000 as shown on page 255 of the report by the Head of Strategic Finance dated 3 February 2016 (the Budgeting Pack). We further propose a comprehensive review of all fees and charges to ensure charges are fair, reasonable and which are structured in a manner that encourages the citizens of Argyll & Bute to use the council facilities as fully as possible. This review will be undertaken by a short life working group which will report back to the June 2016 meeting of this council.

3. **Proposes** a set of budget options that meet the funding gap identified on page 1 of the report by the Head of Strategic Finance dated 3 February 2016 (the Budgeting Pack) of £10.052m. These options plus additional fee income close the funding gap and produce a balanced budget with a budgeted surplus of £132,257. These options affect far fewer individuals and services and provide the basis for a more efficient council and more accountable elected members.

4. **Notes** the findings of Planning Our Future Consultation as per the report by the Head of Strategic Finance dated 3 February 2016 (the Budgeting Pack) but also notes the very considerable amount of public concern expressed subsequently to elected members of this council.

5. **Notes** the Equality Impact Assessment as per the report by the Head of Strategic Finance dated 3 February 2016 (the Budgeting Pack) but notes also that this assessment was carried out on the Service Choices options and not on all the proposals in this amendment.

6. **Notes** the Financial Risks Analysis as per the report by the Head of Strategic Finance dated 3 February 2016 (the Budgeting Pack) but also notes that officers have expressed concern at what they see as additional risks in some of the proposals in this amendment. Whether there is any overall additional risk is not clear and has not been quantified.

7. **Recommends** approval of the revenue estimates for 2016/17 and that consequently the local tax requirement estimated at £41m is funded from council tax.

8. **Recommends** approval of the following rates and charges for the year 2016/17:
a. Council Tax to be paid in respect of a chargeable dwelling in Band D of £1,178 (representing no change).

b. Council Tax to be paid in respect of the chargeable dwelling in each of the other valuation bands in accordance with Section 74(1) of the Local Government Finance Act 1992 (accordingly representing no change).

c. Business Rates as determined by Scottish Ministers.

d. A contingency level of 1.5% of net expenditure equivalent to £3.556m and to note the report on reserves and balances.

9. **Recommends** approval of a revenue budget of £237.044m for 2016/17.

10. **Accepts** the capital spending plans proposed on pages 1 onwards of the Capital Plan 2016-2020 by the Head of Strategic Finance dated 3 February 2016 (the Budgeting Pack).

11. **Proposes** additional uses of the free reserves for the express purpose of improving the efficiency of this council and addressing the critical issue of the population decline in Argyll & Bute. These are summarised below and identified in detail on pages 13 to 15 of the appendix and include the use of reserves proposed by the Head of Strategic Finance dated 3 February 2016 (the Budget Pack).

12. **Proposes** that the Third Sector Grant Scheme is renamed as the Community Grant Scheme for the purposes of widening the range of applicants to include, among others, community councils for the purpose of funding projects. Any necessary changes to the scheme to facilitate this are delegated to officers of the council.

13. **Proposes** that the necessary notice of 1 year is given to COSLA to enable the council to withdraw from COSLA from 1 April 2017.

Summary of savings options

Current budget for elected members	£1,235,000
Revised budget for elected members	£937,442
Savings	£297,558
Saving as a percentage	24%
Current Corporate Management Costs	£2,935,000
Revised Corporate Management Costs	£1,884,767
Saving	£1,050,233
Saving as a percentage	36%
Current travel and subsistence budget	£1,680,208
Revised travel and subsistence budget	£730,208
Saving	£950,000
Saving as a percentage	57%
Current strategic finance budget	£1,743,235
Revised strategic finance budget	£1,364,235
Saving	£189,500
Saving as a percentage	11%
Current adult literacies & library budget	£2,057,783

Revised adult literacies and library budget	£896,286
Saving	£1,200,000
Saving as percentage excl. Property Maintenance allocation	58%
Current economic development budget	£2,142,257
Revised economic development budget for outsourcing	£1,372,257
Saving after factoring in GAE reduction	£517,055
Saving as a percentage	24%
Current education budget	£69,695,000
Target savings for school clusters is 6% or	> £4,181,700
Savings as proposed in 2016/17	£775,000
School clusters to produce savings in 2016/17 of	£1,300,000
Total savings in 2016/17	£2,075,000
Saving in 2016/17 as a percentage	3%
Current committee services budget	£601,805
Revised committee services budget	£504,844
Saving	£153,039
Saving as a percentage	25%
Current business gateway budget inc West Dunbartonshire	£362,000
Additional budget	£50,000
Revised budget for 2016/17	£412,000
Additional costs as a percentage	14%
Current budget for property services	£2,271,072
Revised budget for elected members	£2,209,072
Savings: FS03F, FS03G, FS03H, FS03I, FS03M	£62,000
Saving as a percentage	3%
Current budget for housing strategy	£1,365,709
Revised budget for housing strategy	£1,228,709
Savings: CC08E from Service Choices	£137,000
Saving as a percentage	10%
Current budget for improvement & HR	£2,528,000
Revised budget for improvement & HR	£2,017,333
Savings: IHR01A, IHR03a, IHR03b from Service Choices	£510,667
Saving as a percentage	20%
Current budget for waste management	£6,613,000
Revised budget for waste management	£6,033,000
Savings: RAMS05a5, RAMS04c, RAMS02c, RAMS05e from Service Choices	£580,000
Saving as a percentage	9%
Current budget for social work	£56,543,000
Revised budget for social work	£55,553,000
Maximum saving allowable	£990,000
Saving as a percentage	2%
Current budget for planning & regulatory services	£3,891,620

Revised budget for planning/regulatory	£3,856,620
Savings: PRS03k from Service Choices	£35,000
Saving as a percentage	1%

16 Management & Operational Savings

We accept the proposed management and operational savings from the budget papers. These total £1,044,000. Details are in the budgeting pack.

17 Salary Costs

Although the increase is 1% for 2016/17, we have factored in a modest 75% saving to the salary bill from the savings above. This saving equates to -£65,228 and the saving, in practice is likely to be greater than this.

Reserves Summary

1 Upgrade 5 sites to the same VC standard as the existing system in Kilmory.	-£250,000
2 Property & Land Improvement Fund	-£ 600,000
3 One off £100k allocation to 4 area committees	-£400,000
4 New Business Premises Fund	-£1,080,000
5 New Small Business Grant and Loan Fund	-£100,000
6 Earmarked reserves to cover social care costs	-£1,000,000
7 Earmarked reserves for getting staff live in A&B	-£300,000
8 General contingency draw from reserves	-£500,000
9 Additions to reserves as per budgeting pack	£1,000,000
10 Allocations from reserves as per budgeting pack	-£2,005,000
11 Estimated severance allocation	-£4,200,000
12 Increase gen fund contingency to maintain 1.5%	-£5,000
Estimated Revised General Fund Balance	£2,776,000

Moved Councillor Michael Breslin, seconded Councillor Vivien Dance

Councillor Vivien Dance intimated that she had a further amendment but was advised that as she was the seconder of the foregoing Amendment she would be unable to move a further amendment.

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

Motion	Amendment 1	Amendment 2
Councillor R Colville	Councillor J Armour	Councillor M Breslin
Councillor M Corry	Councillor G Blair	Councillor V Dance
Councillor R Currie	Councillor A Horn	Councillor B Marshall
Councillor M J Devon	Councillor D Kelly	
Councillor D Kinniburgh	Councillor D Philand	
Councillor J McAlpine	Councillor J Robb	
Councillor R McCuish	Councillor I Strong	
Councillor A MacDougall	Councillor S Taylor	
Councillor N MacIntyre	Councillor R Trail	
Councillor R G MacIntyre		
Councillor D MacMillan		
Councillor A McNaughton		
Councillor J McQueen		

Councillor A Morton
Councillor E Morton
Councillor G Mulvaney
Councillor E Robertson
Councillor L Scoullar
Councillor D Walsh

Decision

The Motion was carried by 19 votes to 9 for amendment 1 and 3 for amendment 2 and the Council resolved accordingly.

(Reference: Budgeting Pack 2016/17, submitted; Motion by Councillor Dick Walsh, seconded by Councillor Ellen Morton; Amendment 1 by Councillor Sandy Taylor, seconded by Councillor Richard Trail; and Amendment 2 by Councillor Michael Breslin, seconded by Councillor Vivien Dance, tabled)

5. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

The Council considered the proposed Treasury Management Strategy Statement and Annual Investment Strategy, a requirement of the Treasury Management in the public services Code of Practice issued by CIPFA, which set out the Council's strategy for borrowing and investment for the forthcoming year along with the Council's prudential indicators which require to be set for a three year period.

Decision

The Council –

1. Approved the Treasury Management Strategy Statement and Annual Investment Strategy subject to review by the Performance Review and Scrutiny Committee in February.
2. Approved the removal of Abu Dhabi (UAE) and Qatar from the list of approved countries for investment.

(Reference: Report by Head of Strategic Finance dated 3 February 2016, submitted)

6. POLITICAL MANAGEMENT ARRANGEMENTS

The Council considered a report updating Members on vacancies which had arisen on the Councils Committees and other outside bodies/organisations.

Decision

The Council:

- a) Noted the material change in circumstances in relation to the council's representation on the Integrated Joint Board (IJB) and, in light of this change and in accordance with Standing Orders, appointed Councillor Maurice Corry to the IJB with immediate effect to avoid any gap in representation;

- b) Nominated Councillor Maurice Corry as the council-appointed Chair of the IJB;
- c) Noted the vacancies arising on the Audit Committee and Performance, Review and Scrutiny Committee following Councillor Maurice Corry's resignation;
- d) Appointed Councillor Robert E MacIntyre to the Performance, Review and Scrutiny Committee;
- e) Deferred consideration of the Audit Committee vacancy until after the Oban North and Lorn by-election on Thursday 18th February;
- f) Noted the resignation of Councillor Douglas Philand as the council's substantive representative on the Stramash Board;
- g) Appointed Councillor John McAlpine as the council's substantive representative on the Stramash Board;
- h) Noted the resignation of Councillor George Freeman from the council's Administration and his resignation from the role of Vice Chair of the Helensburgh and Lomond Area Committee;
- i) Appointed Councillor Robert G MacIntyre to the role of Vice Chair of the Helensburgh and Lomond Area Committee;
- j) Noted the resignation of Councillor Douglas Philand from the council's Community Services Committee and appointed Councillor Iain Angus MacDonald to the arising vacancy;
- k) Noted the resignation of Councillor Donald Kelly from the council's Policy and Resources Committee and appointed Councillor Neil MacIntyre to the arising vacancy.

(Reference: Report by Executive Director – Customer Services dated 1 February 2016, submitted; and Notice of Motion by Councillor Dick Walsh, seconded by Councillor Ellen Morton, tabled)

7. APPOINTMENT OF RECRUITMENT PANEL: POST OF CHIEF EXECUTIVE

The Council considered a report advising of a tender of resignation from the Chief Executive of the Council, Sally Loudon, with effect from 8 May 2016. The report invited the Council to establish an appointments Panel of 7 Members to appoint to the post of Chief Executive.

Motion

The Council:

1. Establishes an Appointments Panel to appoint to the post of Chief Executive;
2. Agrees that the Appointments Panel will consist of seven members – five from the Administration and two from the main Opposition, with appropriate substitutes;
3. Appoints Councillors Dick Walsh, Ellen Morton, Aileen Morton, Roddy McCuish and Gary Mulvaney as the five Administration members;
4. Appoints Councillors Mary-Jean Devon, Rory Colville, Alex McNaughton and Maurice Corry as the Administration substitute members;

5. Invites the Leader of the council's main Opposition group to notify two Panel members and appropriate substitutes;
6. Notes that, as an operational matter, arrangements will be made as necessary to ensure continuity of service delivery.

Moved Councillor Dick Walsh, seconded Councillor Ellen Morton.

Amendment

That the Council agree not to replace the post of Chief Executive and consider appointing the three current Directors to carry out the duties of the Chief Executive on a four month rotational basis.

Moved Councillor Donald Kelly, seconded Councillor Douglas Philand

Decision

Following a show of hands vote the Motion was carried by 21 votes to 3 and the Council resolved accordingly.

(Reference: Report by Chief Executive dated 4 February 2016, submitted; notice of Motion by Councillor Dick Walsh, seconded by Councillor Ellen Morton, tabled; and Amendment by Councillor Donald Kelly, seconded by Councillor Douglas Philand, tabled)