

**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER,
KILMORY, LOCHGILPHEAD
on THURSDAY, 22 FEBRUARY 2018**

Present: Councillor Len Scoullar (Chair)

Councillor Jim Anderson	Councillor Yvonne McNeilly
Councillor John Armour	Councillor Barbara Morgan
Councillor Gordon Blair	Councillor Ellen Morton
Councillor Rory Colville	Councillor Aileen Morton
Councillor Robin Currie	Councillor Gary Mulvaney
Councillor Mary-Jean Devon	Councillor Iain Paterson
Councillor Lorna Douglas	Councillor Alastair Redman
Councillor Jim Findlay	Councillor Alan Reid
Councillor George Freeman	Councillor Elaine Robertson
Councillor Audrey Forrest	Councillor Richard Trail
Councillor Bobby Good	Councillor Sandy Taylor
Councillor Kieron Green	Councillor Douglas Philand
Councillor Anne Horn	Councillor Andrew Vennard
Councillor Donald Kelly	Councillor Jean Moffat
Councillor Donald MacMillan	Councillor Jim Lynch
Councillor David Kinniburgh	Councillor Graham Archibald Hardie

Also Present: Alison Palmer, Teacher Representative
Willie Hamilton, Teacher Representative

Attending: Cleland Sneddon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Ann Marie Knowles, Acting Executive Director of Community Services
Pippa Milne, Executive Director of Development and Infrastructure
Charles Reppke, Head of Governance and Law
Kirsty Flanagan, Head of Strategic Finance
Christina West, Chief Officer, Health and Social Care

Councillor Rory Colville presented a Petition to the Council in relation to the Budget and the proposed closure of public toilets in Campbeltown. This Petition was accepted by the Provost and it was confirmed that it would be passed to the appropriate department.

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated from Councillors McCuish, McGrigor, McKenzie and William Stewart Shaw, Religious Representative.

2. DECLARATIONS OF INTEREST

Councillors Anderson, Lynch and Hardie each declared a non financial interest in relation to the report on Budgeting Pack 2018/2019 which is dealt with at item 5 of the Minute due to them being on Live Argyll. Councillor Anderson also advised of a similar issue with the IJB. The Councillors claimed the benefit of the dispensation contained at Section 5.16 of the Standard Commission's Guidance and Dispensations Note dated December 2010 to

enable them to speak and vote. Councillor Anderson also advised of a non financial appointment to Interloch which he regarded as insignificant in respect of the budget item.

3. MINUTES

(a) Argyll and Bute Council held on 30 November 2017

The Minutes of the Meeting of Argyll and Bute Council held on 30 November 2017 were approved as a correct record.

(b) Special Argyll and Bute Council held on 25 January 2018

The Minutes of the Meeting of Argyll and Bute Council held on 25 January 2018 were approved as a correct record.

4. MINUTES OF COMMITTEES

(a) Environment, Development and Infrastructure Committee held on 7 December 2017

The Minute of the Environment, Development and Infrastructure Committee held on 7 December 2017 were noted.

(b) Policy and Resources Committee held on 8 December 2017

The Minutes of the Policy and Resources Committee held on 8 December 2017 were noted.

(c) Community Services Committee held on 14 December 2017

The Minute of the Community Services Committee held on 14 December 2017 were noted.

Arising under Item 15 (ACHA Stock Restructuring Proposals) the Council:-

1. Agreed ACHA's proposals to remove 89 units from the affordable rented stock by means of sale or demolition by a formal amendment to the Transfer Agreement.
2. Supports ACHA's request to the Scottish Government to exclude any disposals undertaken as part of these proposals from the tripartite Disposal Clawback Agreement.
3. Advise ACHA that the proposed demolitions will require to be the subject of separate approvals from the Council as the Planning and Building Control Authority. ACHA also to be reminded that they will remain responsible for the maintenance of the areas of land detailed in this report; and
4. Advise ACHA that any future proposals to dispose of any of the land freed up by the demolitions will be subject to approval from Argyll and Bute Council.

(d) Policy and Resources Committee held on 15 February 2018

The Minutes of the Policy and Resources Committee held on 15 February 2018

were noted.

Arising from Item 5 (Financial Report Monitoring Pack – December 2017), the Council agreed that:-

1. The 2017-18 Live Argyll management fee is increased from £1.728m to £1.776m in line with the analysis carried out by Strategic Finance.
2. Providing that there is no impact on the Council's bottom line position, delegation is given to the Head of Strategic Finance to vary the management fee to reflect any accounting adjustments required at year end.
3. The payment to the Health and Social Care Partnership in 2017-18 is increased by £0.044m to transfer over the budget required for auto enrolment.

Arising from Item 6 (Budgeting Pack 2018/2019), the Policy and Resources Committee had referred the Budgeting Pack for consideration to the Council without recommendation. It was noted that this would be considered under Item 5 of the Agenda (Budgeting Pack).

Arising from Item 7 (Treasury Management Strategy Statement and Annual Investment Strategy), the Council agreed that this would be dealt with under Item 6 of the Agenda.

Arising from Item 8 (One Council Property Approach), the Council agreed that this would be dealt with under Item 5 of the Agenda.

Arising from Item 9 (Corporate Plan 2018-2022), the Council agreed that this would be dealt with under Item 7 of the Agenda.

5. BUDGETING PACK 2018/2019

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 2019 which had been referred without recommendation by the Policy and Resources Committee held on 15 February 2018.

Decision

The Council:

1. Approves the revenue estimates for 2018/19 and that consequently the local tax requirement estimated at £47.674m is funded from Council Tax and confirms the following rates, charges and flexibility in payment terms for the year 2018/19:
 - a) Council tax to be paid in respect of a chargeable dwelling in band D of £1,249 representing a 3% increase;
 - b) Council tax to be paid in respect of a chargeable dwelling in each of the other valuation bands in accordance with section 74(1) of the Local Government Finance Act 1992 as amended;
 - c) Business rates as determined by Scottish Ministers;Further, to provide more flexibility and support effective money management by households, extends on request the option to pay by direct debit either over 12 months or over 10 months.

2. Notes and approves the detail provided in the Head of Strategic Finance's Revenue Budget Overview report and the surplus of £2.949m in 2018/19, subject to the following amendments as set out below and reconciled in the Administration's Revenue Budget Model in Appendix 1:
 - a) Agrees to increase the allocation to the Health and Social Care Partnership for 2018/19 to £56.400m, not accepting the £0.725m reduction to the base payment set out in the Revenue Budget Overview report section 3.7 and adding a further £0.844m to support the partnership in addressing cost pressures. Approves indicative allocations for 2019-20 and 2020-21 to be £56.400m subject to the level of Scottish Government funding and the Council's overall financial position in future years;
 - b) Approves the adjustment to the Live Argyll management fee, resulting in a management fee of £3.579m in 2018/19;
 - c) Approves a one-off budget allocation of £0.260m in support of the One Council approach to property, to be spent over financial years 2018-19 and 2019-20;
 - d) In respect of the policy savings options consulted on:
 - i. Does not take forward policy savings options listed in Appendix 2a and agrees the additional commitments set out in the comments section;
 - ii. Approves in part the policy savings options amounting to £0.343m in 2018/19, with further savings in future years, and agrees the additional commitments set out in the comments section as detailed in Appendix 2b;
 - iii. Approves in full the policy savings options amounting to £0.945m in 2018/19, with further savings in future years, as outlined in Appendix 2c.

3. Approves that, after the changes as noted in point 2 above, the remaining revenue budget surplus of £2.408m is transferred to support the capital plan.

4. Approves the capital plan and phasing, cost changes and additions as set out in Appendix 3, 4 and 5 of the Capital Plan Summary Report. Further approves the additions to the capital plan as outlined in the table below and notes that the additional funding required is met from the revenue budget surplus for 2018/19, the unallocated General Fund balance and in respect of the additional £2.8m allocation for Roads in 2019-20, this is met by not taking the full saving in loans charges from 2019-20 onwards.

Administration Capital Budget – ADDITIONAL Spending	2018/19 £000	2019/20 £000
Shortfall as reported by Head of Strategic Finance	2,761	
Roads capital improvement works	5,500	2,800
Footpaths capital improvement works	250	250
Queens Hall (contingency)	400	
Funding to address property high risks not addressed in capital plan: Outbuilding upgrade Manse Brae District Office; Accessibility upgrade Kilmory; Accessible Parking and Footpaths Kilmory; Fabric upgrade Tobermory Area Office; External access upgrade Whitegates	170	
Funding for IT Infrastructure: Kilmory Server; Corporate PC replacement; Network switches	767	
Funding for Live Argyll properties to address highest priority works, including: asbestos and floor/toilet works at Oban Library; fire escape work at Victoria Halls, Helensburgh; maintenance works at Aqualibrium, Rothesay and Helensburgh Swimming Pools; fire safety works at Campbeltown Community Centre; cladding at Riverside Leisure Centre	450	
Health and Social Care Partnership - Digitising Telecare	50	50

Funding required for Capital Plan	10,348	3,100
Funded from:		
Revenue Budget Surplus 2018/19	2,408	
Revenue Budget Additional Loans Charges		2,800
Unallocated General Fund Balance	7,940	300
Capital Plan Balanced Budget	0	0

5. Approves the proposals for the use of the unallocated General Fund balance as outlined in the table below, and notes that this will leave a remaining unallocated General Fund balance of £0.308m prior to the year end, with an estimated £0.808m at the year end, over and above the 2% contingency;

Unallocated General Fund Balance	£000
Unallocated General Fund Balance as per budget pack	3,549
Tranche 1 of Additional Money received 2017-18	624
Release of £4m smoothing held against 2019-20	4,000
WW1 Commemorations Islay	(15)
Extend Bute Advice Centre SLA for a further year and defer loan repayment until 31 st March 2019	(22)
One-off additional payment to ABCAB and defer loan repayment until 31 st March 2019	(35)
One-off additional payment to Kintyre Recycling	(18)
Payment to MACPool of £15k (18/19) and £10k (19/20) to support delivery of expanded services through their proposed development project	(25)
Adjustment to keep 2% contingency level	(10)
Use proportion of 2017-18 estimated underspend	500
Allocated to capital plan	(8,240)
Remaining Unallocated General Fund Balance	308
Remainder of 2017-18 estimated underspend	500
Estimated Unallocated General Fund Balance as at 31 March 2018	808

6. In planning for the longer term, notes the estimated revenue budget gap in the mid-range scenario in 2019/20 of £4.124m and in 2020/21 of £6.249m as outlined within Appendix 1. Further, the Council:
- Endorses the proposed Transformation Board activities for 2018/19 onwards and requests reports from officers to come forward to members as appropriate;
 - Extends the expiring events and festivals Service Level Agreements for one year, with updated proposals for future years to come to the Policy and Resources Committee for delegated decision in May 2018;
 - Welcomes the Medium to Longer Term Financial Strategy agreed by Policy and Resources Committee in October 2017 and agrees that every opportunity should be taken throughout the year to identify, and present for Council approval, appropriate options for delivering budget efficiencies and savings that ensure a well-planned and secure financial future for the Council.
7. Endorses the proposed improvements to the Capital Planning process which will enable emerging requirements and risks across the Council's services to be identified and prioritised and instructs officers to bring a report to Council by June 2018 providing an update on these changes.

8. Agrees that confirmation from both UK and Scottish Government of a Rural Growth Deal for Argyll and Bute during 2018/19 is an absolute target and priority for this Council, and:
 - a) in recognition that there is a changing focus for city/rural growth deals, requests an initial report to Policy and Resources Committee in May 2018, with a final proposal reported to P&R/Council in October 2018;
 - b) confirms the suite of funds which were identified as ALIRRI (Argyll, Lomond and the Islands Rural Regeneration Initiative) will act as the Council's initial commitment to a future Deal; and an additional criteria is added to the Inward Investment Fund, requiring any approved investment to support the key aims and themes of the Argyll and Bute Rural Growth Deal.
9. Acknowledges the feedback given by local people through the budget consultation and thanks everyone who contributed. Further, welcomes the commitment from local people to help their local area and:
 - a) Requests the Chief Executive bring a report to members following the Turning Volunteer Participation Upside Down conference in March, on ways of developing enhanced opportunities for community engagement;
 - b) Instructs officers to make arrangements to ensure communities are given the fullest opportunity to contribute their views on being involved in public sector decisions, as the Scottish Government's Local Governance Review gets under way.
10. Approves all service plans, subject to updating the budget figures in line with the budget agreed for 2018/19.
11. Approves the proposals for the fees and charges inflationary increase of 3%, the two fee changes in respect of schools meals and milk previously advised as part of service choices proposals and approves the additional 3% increase over and above inflationary increase for piers and harbours to be ring-fenced to fund asset improvements.
12. Notes the revenue budget monitoring position as at 31 December 2017.
13. Notes the financial risks analysis report.
14. Accepts the Corporate Asset Management Strategy, the Corporate Asset Management Plan, the Service Asset Management Plans and ICT Group Asset Management Plan.
15. Approves the contingency level for the General Fund balance at a level of 2% of net expenditure equivalent to £4.726m and notes the report on reserves and balances.

Appendix 1 & 2 is attached to the Minutes.

The Head of Strategic Finance raised no concerns regarding the competence of the motion which presented a balanced budget.

(Ref: Report by Head of Strategic Finance, Revenue Budget and Capital Budget packs, updates to the Budgeting Pack from the P&R Committee of 15 February 2018, submitted)

6. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

The Council gave consideration to a report which sought approval of the proposed Treasury Management Strategy Statement and Annual Investment Strategy which set out the Council's Strategy for borrowing and investment for the forthcoming year. The report also set out the policy for the repayment of loans fund advances for 2018-19.

Decision

The Council agreed to:-

1. Approve the proposed Treasury Management Strategy Statement and Annual Investment Strategy and the indicators contained within.
2. Approve the use of Option 1 (statutory method) for the repayment of loan fund advances in respect of existing capital expenditure and new advances up to 31 March 2012 at an interest rate of 4.423%, with the exception of spend to save schemes where Option 4 (funding/income profile method) will be used.
3. Approve the ability to continue to use countries with a sovereign rating of AA- and above, as recommended by Link Asset Services.

(Ref: Report by Head of Strategic Finance dated 2 February 2018, submitted)

7. CORPORATE PLAN 2018-2022

A report which presented the Council with the new Corporate Plan 2018-2022 was given consideration. The Corporate Plan sets out the strategic context for the Service Plans and the Council Budget.

Decision

The Council agreed the Corporate Plan 2018-2022.

(Ref: Report by Executive Director of Customer Services dated 24 January 2018, submitted)