

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL  
CHAMBERS, KILMORY, LOCHGILPHEAD  
on THURSDAY, 8 OCTOBER 2015**

**Present:**

Councillor Dick Walsh (Chair)

Councillor Rory Colville	Councillor Ellen Morton
Councillor Robin Currie	Councillor Douglas Philand
Councillor Donald Kelly	Councillor James Robb
Councillor Roderick McCuish	Councillor Len Scoullar
Councillor Iain Stewart MacLean	Councillor Isobel Strong
Councillor Alistair MacDougall	Councillor Sandy Taylor
Councillor Aileen Morton	

**Also Present:**

Councillor Donald MacMillan	Councillor Robert E MacIntyre
Councillor Neil MacIntyre	Councillor James McQueen

**Attending:**

Sally Loudon, Chief Executive  
Douglas Hendry, Executive Director – Customer Services  
Pippa Milne, Executive Director – Development and Infrastructure Services  
Kirsty Flanagan, Head of Strategic Finance  
Anne Marie Knowles, Head of Education  
Jane Fowler, Head of Improvement and HR  
Jane Jarvie, Communications Manager  
Patricia O’Neill, Central Governance Manager

It was noted that item 3 of the agenda (Planning Our Future) should have been marked with an asterisk on the agenda to signify the intention of the Committee to make a recommendation to the Council in respect of each of the component parts thereof.

The Chair sought agreement from the Committee to withdraw item 3d (Additional Communication Resources) from the agenda.

**Motion**

To withdraw the item from the agenda.

Moved Councillor Dick Walsh, seconded Councillor Ellen Morton.

**Amendment**

To consider the item on the agenda.

Moved Councillor James Robb, seconded Councillor Sandy Taylor.

**Decision**

Following a show of hands vote the Motion was carried by 10 votes to 3 and the Committee resolved accordingly.

The Chair advised that it would be his intention to hear presentations by officers and questions from Members in respect of items 3a to 3c of the agenda before opening debate to Members. He advised of his intention to move a Motion in respect of all three items.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mary Jean Devon and Gary Mulvaney.

**2. DECLARATIONS OF INTEREST**

There were none intimated.

**\* 3. PLANNING OUR FUTURE**

**(a) SERVICE CHOICES**

A report updating Members on the progress to date with the Service Choices process was considered. The report outlined recommendations from the Project Board on the savings options to go out to public consultation and also provided an update on the budgetary outlook.

(Reference: Report by Head of Strategic Finance dated 1 October 2015, submitted)

**(b) INNOVATION, INCOME GENERATION AND GROWING THE ECONOMY**

The Committee considered a report which set out a proposal to capture ideas through staff and Services that can be appraised and evaluated to be taken forward as possible projects to deliver innovation, income generation, efficiencies and wider benefit to the communities of Argyll and Bute and growth in the economy and population.

(Reference: Report by Executive Director – Customer Services dated 1 September 2015, submitted)

**(c) PUBLIC CONSULTATION**

The Committee considered a report which set out for comment a proposed public consultation exercise as part of Planning Our Future. The consultation would seek the views of communities on savings options and suggestions for innovation, efficiencies and income growth.

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

**(d) ADDITIONAL COMMUNICATION RESOURCES**

This item was withdrawn from the agenda as was agreed by the Committee at the beginning of the meeting.

The Chair adjourned the meeting at 12.50pm and reconvened at 1.30pm.

## **Motion**

That members of the Policy and Resources Committee:

Note that 80% of the Council's funding comes from the Scottish Government.

Notes the eight-year Council Tax freeze and the Scottish Government's penalty scheme for local authorities which do not participate.

Note that the Council's grant from the Scottish Government has been reduced by over £30m in recent years while funding for other public agencies has increased (in one case by £17m).

Note that Argyll and Bute Council's funding from the Scottish Government is predicted to reduce substantially over the coming years, resulting in a budget gap of between £21.7m and £26m.

Welcomes the advice in Audit Scotland's annual report to members and the Controller of Audit dated September 2015, which notes the following key points about Argyll and Bute Council's financial management:

- The Council's financial management in 2014/15 has been effective
- The Council has a good history of keeping expenditure within budget
- Budgets are closely monitored with progress against budget being regularly reported
- Governance arrangements are generally sound and improvements are in progress
- Key financial controls operated effectively during 2014/15
- The Council is generally meeting its requirements to report publicly on its performance

Note the Scottish Government underspend of £413m in 2014 and £347m in 2015 – a total underspend of £760m.

To note the advice supplied by the Auditor General to the Scottish Government where he said "that there is a growing need for more information on the financial position of the devolved Scottish public sector and has called on the Scottish Government to set out clear plans and timescales on how it plans to improve on its financial reporting to enhance proper scrutiny of its spending".

Note that alongside the budget arrangements and Planning our Future process, the Council set up a cross-party project board in April 2015, including 8 Administration members, 4 SNP Group members and two trades union representatives.

Note the consensus among members of the cross-party project board, with no dissensions, in agreeing to recommend to this committee that all options for savings go out to public consultation as set down in recommendation 3.2 in the report to members.

Note that the options going out to consultation offer more total savings than required, to allow for choice and effective consultation with the public.

Note that, in light of the reduced funding from the Scottish Government, in order to retain the current level and quality of services and job numbers, the Council would have to increase Council Tax by around 23% over the next two years in order to meet both the estimated £9m budget gap and a £1.4m hold-back penalty from the Scottish Government for removing the Council Tax freeze.

In light of the lack of sufficient funding from the Scottish Government to deliver the current level of Council services and the concerns being expressed to us by our communities, calls on the Council's Trade Unions, SNP Council Group and all members, our constituency and regional MSPs and MP to support our request that the Scottish Government provides additional funding from the advised Government underspend/surplus to local government in Scotland generally but in particular to our Council to assist us in removing the advised gap in our funding as they have done with other parts of the public sector, to help us keep important Council services and jobs and assist with the removal of savings.

Agrees that the Council Leader writes to the Depute First Minister requesting additional funding for our Council and that, until the security of that additional funding is forthcoming, that members agree to the recommendations to council that all options go out for public consultation.

Note that as part of the savings scoring a matrix will be developed, building on the work done with the trades unions as set down in paras 4.3.1 and 4.3.2 in the report before members.

Note that as part of the stage 3 templates, options for consideration followed a rapid equalities impact assessment with the intention of a full EQIA being carried out by Heads of Service alongside the consideration on the agreed matrix which will contain scoring and weightings prior to any savings option moving to firm budget savings proposals for consideration by the Council at its budget meeting in 2016.

Agrees to support the recommendations to set up an Innovation and Growth Fund as specified in the relevant paper.

Notes the detailed discussion that took place around the consultation paper; agrees that the paper should be reviewed in light of these discussions; that all elected members are invited to contribute any further comments on the consultation to the Communications Manager before 9am on Monday 12<sup>th</sup> October; and that the reviewed paper will be presented for consideration to the Council on 22<sup>nd</sup> October.

Moved Councillor Dick Walsh, seconded Councillor Ellen Morton.

The Chair adjourned the meeting at this point for 10 minutes to allow the amendment to be put in writing.

### **Amendment**

Members note that the reduction in Scottish Government support to local authorities is the direct result of the reduced support afforded to the Scottish government and to local authorities by the UK Government.

3a. Members note the paper and instruct the Head of Strategic Finance to include the proposed reduction to the Social Work budgets in Appendix 1 prior to it being presented to Council on 22<sup>nd</sup> October 2015.

3b. Members agree the recommendations

3c. Members note the paper but instruct the Executive Director of Customer Services to make the following alterations prior to it being presented to Council on the 22<sup>nd</sup> October 2015:

1. Include the cuts to the Social Work budgets in proposals for consultation
2. Add commentary explaining how the arbitrary percentage cuts to budgets will actually affect those receiving the service and the Council's SOA outcomes.
3. Replace the statement on p25 "This means a savings target of around £9m million in both 2016/17 and 2017/18 with further savings in future years" with a statement of the best estimate of the actual funding gap for those years.
4. Remove the requirement for contributors to balance positive and negative responses and replace it with a tolerance scale: 1 Strongly Agree with proposal, 2 Agree with proposal, 3 Neutral on proposal, 4 Disagree with proposal, 5 Strongly disagree with proposal.

Moved Councillor Sandy Taylor, seconded Councillor James Robb.

### **Decision**

Following a show of hands vote the Motion was carried by 10 votes to 4 and the Committee resolved accordingly.