

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL
CHAMBER, KILMORY, LOCHGILPHEAD
on THURSDAY, 27 OCTOBER 2016**

Present: Councillor Dick Walsh (Chair)

Councillor Rory Colville	Councillor Aileen Morton
Councillor Kieron Green	Councillor Ellen Morton
Councillor Roderick McCuish	Councillor Len Scoullar
Councillor Alistair MacDougall	Councillor Isobel Strong
Councillor Neil MacIntyre	

Attending: Douglas Hendry, Executive Director of Customer Services
Ann Marie Knowles, Acting Executive Director of Community Services
Pippa Milne, Executive Director of Development and Infrastructure Services
Kirsty Flanagan, Head of Strategic Finance
Patricia O'Neill, Central Governance Manager
Fergus Murray, Head of Economic Development and Strategic Transportation
Tom Kerr, Senior HR Officer
David Gunn, Oban Lorn Arc Programme Manager

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Robin Currie, Mary Jean Devon, Iain MacLean, Gary Mulvaney, James Robb and Sandy Taylor.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

(a) Policy and Resources Committee held on 18 August 2016

The Minutes of the meeting of the Policy and Resources Committee held on 18 August 2016 were approved as a correct record.

(b) Special Policy and Resources Committee held on 29 September 2016

The Minutes of the meeting of the Special Policy and Resources Committee held on 29 September 2016 were approved as a correct record.

4. FINANCIAL REPORT MONITORING PACK – AUGUST 2016

(a) Executive Summary

Consideration was given to a report providing a summary of the financial monitoring reports as at the end of August 2016. There were six detailed reports summarised which included the Revenue Budget Monitoring Report as at 31 August 2016, the Monitoring of Service Choices Savings, the Monitoring of Financial Risks, the Capital Plan Monitoring Report as at 31 August 2016, the Treasury Monitoring Report as at 31 August 2016, and the Reserves and Balances report.

Decision

The Committee –

1. Noted the Revenue Budget Monitoring report as at 31 August 2016.
2. Noted the progress of the Service Choices Policy Saving Options as at the end of August 2016.
3. Noted the Capital Plan Monitoring report as at 31 August 2016.
4. Noted the Treasury Monitoring Report as at 31 August 2016 and agreed to recommend to Council that the Investment Strategy be amended to reduce the minimum sovereign rating from AA to AA- to match the Capita Asset Services suggested counterparty criteria and allow access to a wider range of counterparties.
5. Noted the overall level of reserves and balances and noted the monitoring of the earmarked reserves.

(Reference: Report by Head of Strategic Finance dated 13 October 2016, submitted)

* (b) **Treasury Monitoring Report as at 31 August 2016**

Consideration was given to a report which set out the Council's treasury management position for the period 1 July 2016 to 31 August 2016 and included information on the overall borrowing position, borrowing activity, investment activity, economic background, interest rate forecast and prudential indicators.

Decision

The Committee –

1. Noted the treasury monitoring report as at 31 August 2016.
2. Agreed to recommend to Council that the Investment Strategy be amended to reduce the minimum sovereign rating from AA to AA- to match the Capita Asset Services suggested counterparty criteria and allow access to a wider range of counterparties.

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

5. BUDGETARY OUTLOOK 2017-18 TO 2019-20 - UPDATE

A report which provided the Committee with an update on the budgetary outlook 2017-18 to 2019-20 was considered. The report contained detail on the assumptions which had been updated and included a timetable for the 2017-18 budget preparation process.

Decision

The Committee:

1. Noted with concern that the local government settlement is not due to be announced until late December and that this will result in considerable pressure for local authorities in terms of their budget process.
2. Noted with concern the assumed reduction of 3.3% in funding from the Scottish Government, and the challenging consequences as a result for the council's future service delivery.
3. Noted that these circumstances result in considerable uncertainty in relation to future funding towards external spending pressures.
4. Noted with concern the advice supplied within the updated Budgetary Outlook position for 2017-18 to 2019-20.
5. Acknowledged that, as a result of the challenging position facing the council as outlined in the points above, work is currently ongoing to identify areas where expenditure can be reduced with future proposals coming forward for consideration by members through the budget process to ensure that the Council complies with its statutory responsibilities and promotes a balanced budget.
6. Agreed to the budget timetable for 2017-18 as set down in the report at paragraph 4.9.1 in the report to members.

(Reference: Report by Head of Strategic Finance dated 13 October 2016, submitted and Notice of Motion by Councillor Dick Walsh, seconded by Councillor Ellen Morton, tabled)

6. ROTHESAY HARBOUR - JUDICIAL REVIEW

The Committee gave consideration to a report updating Members on the outcome of the Rothesay Harbour Judicial Review raised against the Council.

Decision

The Committee noted the favourable outcome achieved in respect of the Review.

(Reference: Report by Executive Director – Customer Services dated 12 October 2016, submitted)

7. NEW SCHOOLS - CAMPBELTOWN GRAMMAR AND OBAN HIGH SCHOOLS; KIRN PRIMARY - CONTRACT MONITORING

The Committee considered a report updating Members on the ongoing monitoring of financial, legal and technical risk in respect of the delivery of new high schools in Campbeltown and Oban; and of a new primary school in Kirn.

Decision

The Committee noted the content of the report.

(Reference: Report by Executive Director of Customer Services and Acting Executive Director of Community Services dated 13 October 2016, submitted)

* **8. DIGNITY AT WORK: ELIMINATING WORKPLACE BULLYING AND HARASSMENT POLICY AND PROCEDURE**

The Committee gave consideration to a report which presented the revised Dignity at Work: Eliminating Workplace Bullying and Harassment Policy and Procedure for approval for implementation on 1 December 2016.

Decision

The Committee –

1. Noted the content of the report.
2. Recommended the revised Dignity at Work: Eliminating Workplace Bullying and Harassment Policy and Procedure be approved by Council on 24 November 2016 for implementation on 1 December 2016; subject to the inclusion of a reference being made to the Councillors Code of Conduct as being the process in place in respect of elected members.

(Reference: Report by Executive Director – Customer Services dated 27 October 2016, submitted)

* **9. PROCUREMENT STRATEGY 2016/17-2017/18 AND SUSTAINABLE PROCUREMENT POLICY 2016/17-2017/18 - DRAFT DOCUMENTS AND ONGOING CONSULTATION**

Consideration was given to a report which sought approval of the Procurement Strategy 2016/17 to 2017/18 and Sustainable Procurement Policy 2016/17 to 2017/18 and which detailed the output of the consultation undertaken for both.

Decision

The Committee –

1. Noted the content of the report.
2. Recommended approval of the Procurement Strategy 2016/17 to 2017/18 and Sustainable Procurement Policy 2016/17 to 2017/18 to full Council.

(Reference: Report by Executive Director – Customer Services dated 17 October 2016, submitted)

* **10. COUNCIL TAX ON SECOND HOMES**

The Committee gave consideration to a report inviting them to consider whether they wished to remove the Council Tax discount for second homes from April 2017. The Scottish Government had produced draft legislation to allow Councils to bring this into effect.

Decision

The Committee agreed to recommend to full Council that the Council exercise its discretion under regulation 4 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 to vary the council tax charge on second homes such that no discount applies across the whole of the Council area with effect from 1 April 2017 which would be conditional on the draft SSI entitled The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2016 being enacted with effect from 1 April 2017.

(Reference: Report by Executive Director – Customer Services dated 15 September 2016, submitted)

11. DISCRETIONARY HOUSING PAYMENTS POLICY UPDATE

The Council gave consideration to a report which sought approval of the updating of the Discretionary Housing Payments Policy following new guidance from the Department for Work and Pensions about households affected by the new reduced benefit cap which would be brought in from 7 November 2016.

Decision

The Committee approved the proposed amendment to the policy for awarding Discretionary Housing Payment as detailed in appendix 1 to the report by the Executive Director.

(Reference: Report by Executive Director – Customer Services dated 13 September 2016, submitted)

12. CONSULTATION ON SOCIAL SECURITY

The Committee considered a report inviting them to respond to a Scottish Government consultation on the future of Social Security in Scotland. A draft response to the consultation was appended to the report for the Committees consideration.

Decision

The Committee agreed the response to the Scottish Government consultation as detailed at appendix 1 to the report by the Executive Director.

(Reference: Report by Executive Director – Customer Services dated 12 September 2016, submitted)

13. KILMAHEW/ST PETER'S - CHANGE OF NAME FOR OFFER OF GRANT

Consideration was given to a report which sought agreement for a change of grant awardee name for the Kilmahew/St Peter's Project.

Decision

The Committee agreed to change the grantee name from NVA to Kilmahew/St Peter's Ltd on the Council award for £900k, made up of £250k capital funds and £650k of Regeneration Grant Funding, for the Kilmahew/St Peter's Project.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 19 September 2016, submitted)

14. AMBERG-SULZBACH TWINNING ARRANGEMENT

Consideration was given to a report outlining the detail of a twinning visit that took place on 1 to 5 August 2016 with Amberg Sulzbach. The report also presented options for strengthening the twinning arrangement in anticipation of its 50th anniversary in 2017.

Decision

The Committee –

1. Noted the content of the report.
2. Noted the similarities between Argyll and Bute and Amberg-Sulzbach and the invaluable shared knowledge and experience.
3. Endorsed the proposed strengthening of the twinning arrangement with Amberg-Sulzbach.
4. Agreed that a small delegation from Amberg-Sulzbach be invited to celebrate the 50th anniversary of the twinning arrangement in Argyll and Bute.
5. Agreed that this would be funded through the existing twinning budget and supplemented by a one off allocation of up to a maximum of £10K from the earmarked balance no longer required as outlined in the Reserves and Balances August 2016 update report at paragraph 3.3.3 of the submitted report.
6. Noted the recent trip to Bavaria undertaken by the Scottish Government, accompanied by business representatives and welcomes the synergy between the Council's actions and those now undertaken by the Scottish Government

(Reference: Report by Executive Director – Development and Infrastructure Services dated 27 October 2016, submitted)

15. LORN ARC UPDATE

The Chair welcomed the new Lorn Arc Programme Manager, David Gunn, to the meeting; who had joined the Council the previous month and was based in Oban.

A report was considered which provided the Committee with an update on progress in relation to the review of the commercial market and affordability assumptions in the Lorn Arc Business Case, the latest position with regard to the delivery of the individual projects, the recruitment of staff for the Lorn Arc team and latest budget position as at the end of August 2016.

Decision

The Committee –

1. Noted that the current position of the Lorn Arc Programme had been to the Oban, Lorn and the Isles Area Committee for information.
2. Noted that commercial agents had been appointed to review the economic modelling assumptions in the 2013 full business case.
3. Agreed that a more substantive report be prepared and reported to the first appropriate Policy and Resources Committee.
4. Noted the current position with the Lorn Arc Programme.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 28 September 2016, submitted)

16. POLICY AND RESOURCES COMMITTEE WORKPLAN - OCTOBER 2016

Consideration was given to the Policy and Resources Committee Work Plan as at October 2016.

Decision

The Committee noted the work plan as at October 2016.

(Reference: Policy and Resources Committee Work Plan as at October 2016, submitted)

The Chair advised that in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, the appendices relating to the following 2 items of business would require exclusion of the press and public should any Member wish to discuss the content of those appendices on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 8&9 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

17. OBAN NORTH PIER - PHASE 1 - MARITIME QUARTER VISITOR FACILITY

Consideration was given to a report which presented the revised final business case for the Maritime Visitor Facility for approval by the Committee.

Decision

The Committee –

1. Approved the Full Business Case for the Maritime Visitor Facility;
2. Agreed that £1.6m is drawn down from the CHORD budget allocation for provision of the Maritime Visitor Facility;
3. Instructed the Executive Director of Development and Infrastructure Services to proceed to tender for the Maritime Visitor Facility; and

4. Instructed the Executive Director of Development and Infrastructure Services to award the contract to the preferred contractor should total project costs fall within the allocated project budget.

(Reference: Reports by Executive Director – Development and Infrastructure Services dated September 2016 and Full Business Case, submitted)

18. OBAN NORTH PIER - PHASE 2 - MARITIME QUARTER TRANSIT BERTHING FACILITY

Consideration was given to a report which presented the full business case for the Transit Berthing Facility for approval by the Committee.

Decision

The Committee –

1. Approved the Full Business Case for the Transit Berthing Facility;
2. Agreed that £1.5m is drawn down from the CHORD budget allocation for provision of the Transit Berthing Facility;
3. Instructed the Executive Director of Development and Infrastructure Services to proceed to tender for the Transit Berthing Facility; and
4. Instructed the Executive Director of Development and Infrastructure Services to award the contract to the preferred contractor should the project costs fall within the allocated project budget, as augmented by any external funding.

(Reference: Reports by Executive Director – Development and Infrastructure Services dated September 2016 and full business case, submitted)