

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL
CHAMBER, KILMORY, LOCHGILPHEAD
on THURSDAY, 16 MARCH 2017**

Present: Councillor Dick Walsh (Chair)

Councillor Rory Colville	Councillor Neil MacIntyre
Councillor Robin Currie	Councillor Aileen Morton
Councillor Mary-Jean Devon	Councillor Ellen Morton
Councillor Kieron Green	Councillor James Robb
Councillor Roderick McCuish	Councillor Len Scoullar
Councillor Alistair MacDougall	Councillor Sandy Taylor

Also Present: Councillor Donald MacMillan Councillor John McAlpine

Attending: Cleland Sneddon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Pippa Milne, Executive Director of Development and Infrastructure Services
Kirsty Flanagan, Head of Strategic Finance
Fergus Murray, Head of Economic Development and Strategic Transportation
Patricia O'Neill, Central Governance Manager
Jean Paterson, Administrative Officer, Employability Team
David Gunn, Oban Lorn Arc Regeneration Programme Manager

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Gary Mulvaney and Isobel Strong.

It was noted that Councillor Mary Jean Devon was not currently present but would be joining the meeting later.

2. DECLARATIONS OF INTEREST

Councillor Rory Colville declared a non-financial interest in item 8 of the agenda (Argyll and Bute Employability Team – Update on Financial Position and Service Provision) as he was involved with one of the organisations tendering to the Employment Fund.

3. MINUTES

The Minutes of the meeting of the Policy and Resources Committee held on 16 February 2017 were approved as a correct record.

4. FINANCIAL REPORT MONITORING PACK - JANUARY 2017

Consideration was given to a report which provided a summary of the financial monitoring reports as at the end of January 2017. The reports, where relevant, had been updated to reflect the budget proposals agreed by the Council at their meeting on 23 February 2017. Six detailed reports were summarised including the Revenue Budget Monitoring Report as at 31 January 2017; Monitoring of Service Choices

Savings, Monitoring of Financial Risks, Capital Plan Monitoring Report as at 31 January 2017, Treasury Monitoring Report as at 31 January 2017, and Reserves and Balances.

Decision

The Committee –

1. Noted the Revenue Budget Monitoring report as at 31 January 2017 which incorporates the impact, of the motion agreed at the Council meeting on 23 February 2017, on the 2016/17 outturn.
2. Noted the progress of the Service Choices Policy Saving Options as at the end of January 2017.
3. Noted the current assessment of the Council's financial risks.
4. Noted the Capital Plan Monitoring Report as at 31 January 2017 and noted the over project changes, the project slippages and accelerations, and the updated capital plan reflecting these changes.
5. Noted the Treasury Monitoring Report as at 31 January 2017.
6. Noted the overall level of reserves and balances; and noted the monitoring of the earmarked reserves.

(Reference: Report by Head of Strategic Finance dated 6 March 2017, submitted)

5. PERFORMANCE REPORT - FQ3 2016-17

Consideration was given to a report presenting the Committee with the Customer Services departmental performance report with the scorecards for Customer Services and Strategic Finance for FQ3 2016/17 (October to December 2016).

Decision

The Policy and Resources Committee noted the scorecards as presented.

(Reference: Report by Executive Director – Customer Services dated March 2017 and departmental performance reports and associated scorecards, submitted)

6. COMMUNITY COUNCIL ANNUAL BY-ELECTION 2016

A report which provided detail and statistics on the Community Council by-elections held in 2016 was given consideration. The report showed Argyll and Bute Community Councils to be overall in good shape as regards their membership levels. The Community Council by-elections had taken place in November 2016 following a lead in period from 13 September 2016.

Decision

The Committee noted the position regarding the membership of the 56 Argyll and Bute Community Councils following on from the final by-election on the quadrennial scheme.

(Reference: Report by Executive Director – Customer Services dated 9 March 2017, submitted)

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

A report providing the Committee with an update on the spending against welfare reform mitigations, and which estimated that £45,900 would be unspent at March 2017, was given consideration. The report also sought approval for the carry forward of the unspent balance to be used in a continuation of this work and for the carry forward of the expected underspend of £20,000 discretionary housing payment monies from the year end.

Decision

The Committee agreed to recommend to Council –

1. To note the information provided in respect of progress made, and the estimated project expenditure to 31 March 2017 of £186.9k from the balance of Scottish Government funding for discretionary housing payments of £232.8k at 1 April 2017.
2. Approval of the continued carry forward of the balance of this as earmarked funds estimated at £45.9k and approval of the proposals for their use as summarised at paragraphs 4.6 – 4.9 of the submitted report.
3. Approval of the carry forward of the balance of the unspent 2016/17 discretionary housing payments monies estimated at £20k as earmarked funds to be used to fund discretionary housing payments in 2017/18 in order to help maintain current priority levels into 2017/18.

(Reference: Report by Executive Director – Customer Services dated 14 February 2017, submitted)

Councillor Rory Colville having previously declared an interest in the following item of business left the meeting and took no part in the consideration of this item.

Councillor Mary Jean Devon joined the meeting during consideration of the following item of business.

8. ARGYLL AND BUTE EMPLOYABILITY TEAM - UPDATE ON FINANCIAL POSITION AND SERVICE PROVISION

Consideration was given to a report which provided the Committee with an update on the current financial position of the Council's Employability Team. The report also

outlined the secured service provision until the end of March 2017 and the potential employability provision for the next financial year, 2017/18.

Decision

The Committee noted the content of the report and in particular the estimated additional income stream of £148,585 that could be generated to reduce the one-off call on earmarked reserves by the end of 2017/18.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 21 February 2017, submitted)

Councillor Rory Colville re-joined the meeting at this point.

9. LORN ARC UPDATE

Consideration was given to a report updating the Committee on the progress in relation to the review of the commercial market and affordability assumptions in the 2013 Lorn Arc Business Case, the latest position with regard to the delivery of the individual projects, and the latest position as at the end of January 2017.

The Chair updated the Committee on a reply which had been received from the Scottish Government in response to the Council's request for confirmation of the Scottish Government's intention to engage with the Scottish Futures Trust and the Council to find an alternative solution for the delivery of the Lorn Arc Programme and its associated benefits. Councillor Walsh also advised that a meeting had been arranged for 29 March 2017 with Keith Brown, Minister for Rural Economy and Derek MacKay, Cabinet Secretary for Finance and Constitution.

Decision

The Committee –

1. Noted that the current position of the Lorn Arc Programme had been reported to the Oban, Lorn and the Isles Area Committee for information.
2. Noted that Argyll and Bute Council had sent a letter to Derek MacKay MSP (Cabinet Secretary for Finance and the Constitution) formally requesting confirmation from Scottish Government of their intention to engage with the Council to find an alternative approach for the delivery of the Lorn Arc Programme and its associated outcomes.
3. Agreed that a more substantive report be prepared and reported to the first appropriate Council Committee following the planned meeting with Scottish Government Ministers on 29 March 2017.
4. Agreed that the Lorn Arc team would be delegated the authority to engage with Scottish Government officials and the Scottish Futures Trust on potential solutions and alternative funding/financing models following the substantive report to the appropriate Council Committee.
5. Noted that work continues on all current project sites.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 31 January 2017, submitted)

10. SINGLE INVESTMENT PLAN: RURAL GROWTH DEAL

The Committee gave consideration to a report providing them with a briefing on the Single Investment Plan currently developed for Argyll and Bute. The Single Investment Plan had taken an integrated approach to delivering strategic development opportunities identified through a number of key studies/strategies/plans including the Argyll and Bute Development Plan and Economic Development Plans that can help deliver a step change in economic activity in the area and to help address population challenges.

Motion

That the Policy and Resources Committee -

- (i) Note the Single Investment Plan (SIP) can be used as a way of promoting key development opportunities for, further private investment, by developers and businesses.
- (ii) Note the SIP can be used as a tool to lobby for significant transformational projects (such as permanent solution to the Rest and Be Thankful, fixed links, improved CMAL ferry services) be included within the Government's national planning framework and National Transport Strategy – to be taken forward at a national level.
- (iii) Note the potential infrastructure projects can also be used to form the foundation to lobby for a Rural Growth Deal with Scottish and UK governments if they meet the necessary principles set out with the current City Deals programme.
- (iv) Approve the use of the enclosed Single Investment Plan as the basis for further discussions with both the UK and Scottish governments. The plan identifies the significant private and public investments already made, or committed, across Argyll and Bute and in addition identifies the necessary strategic level infrastructure projects that would further unlock economic activity across the region.
- (v) Delegate to the Chief Executive to allow detailed discussions to take place with government officials on the potential for a Rural Growth Deal for the Argyll and Bute region. Projects included within any future deal will fit with national and local economic strategy and will be subject to a full business case in line with the Treasury's Five Case Model methodology. Funding will not be committed to projects unless this has been approved by the Council. Projects will be identified through existing studies, plans and strategies approved by Members.
- (vi) Delegate to the Head of Economic Development to submit a response on behalf of the Council to the UK Governments Building our Industrial Strategy Green Paper consultation.

Moved Councillor Dick Walsh, seconded Councillor Aileen Morton.

Amendment

That the Policy and Resources Committee -

- (i) Note the Single Investment Plan (SIP) can be used as a way of promoting key development opportunities for, further private investment, by developers and businesses.
- (ii) Note the SIP can be used as a tool to lobby for significant transformational projects (such as permanent solution to the Rest and Be Thankful, fixed links, improved CMAL ferry services) be included within the Government's national planning framework and National Transport Strategy – to be taken forward at a national level.
- (iii) Note the potential infrastructure projects can also be used to form the foundation to lobby for a Rural Growth Deal with Scottish and UK governments if they meet the necessary principles set out with the current City Deals programme.
- (iv) Approve the use of the enclosed Single Investment Plan as the basis for further discussions with both the UK and Scottish governments subject to the classification of all the projects into the 3 categories as detailed within the submitted report. The plan identifies the significant private and public investments already made, or committed, across Argyll and Bute and in addition identifies the necessary strategic level infrastructure projects that would further unlock economic activity across the region.
- (v) Delegate to the Chief Executive to allow detailed discussions to take place with government officials on the potential for a Rural Growth Deal for the Argyll and Bute region. Projects included within any future deal will fit with national and local economic strategy and will be subject to a full business case in line with the Treasury's Five Case Model methodology.
- (vi) Delegate to the Head of Economic Development to submit a response on behalf of the Council to the UK Governments Building our Industrial Strategy Green Paper consultation.

Moved Councillor James Robb, seconded Councillor Ellen Morton.

Decision

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

(Reference: Report by Executive Director – Development and Infrastructure Services dated 3 March 2017, submitted)

11. UPDATE ON THE PROGRESS OF DISCOVER SPACE UK (DSUK)

Consideration was given to a report providing Members with an update on the work already undertaken together with the future direction of travel for the Discover Space UK (DSUK) consortium, of which the Council is a consortium partner.

Decision

The Committee –

1. Noted the content of the report.
2. Approved the request for funding of £40k drawn from the established Inward Investment Fund as the Council's contribution to the new period of enhanced activity.
3. Delegated the Chief Executive to write to the Scottish Government to call for the Machrihanish Community Airbase to be declared an Enterprise Area for UK Spaceport and Aviation activity.

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

12. SURPLUS CHORD FUNDS

The Committee gave consideration to a recommendation from the Mid Argyll, Kintyre and the Islands Area Committee held on 1 February 2017 in respect of the allocation of surplus CHORD funds.

Motion

The Policy and Resources Committee:

1. Notes the terms of the recommendation from the Mid Argyll, Kintyre and the Islands Area Committee of 1st February 2017 in respect of
Option 2 – Award £20K to the Campbeltown Seaports project
Option 4 – Award £40K to Campbeltown Picture House
2. Notes that these options do not meet the criteria for allocation of CHORD surplus funds.
3. Agrees that the Development and Infrastructure Services Department undertakes further work with regard to Options 2 and 4 as set out in paragraphs 4.5.5 to 4.5.8 of the report to the Area Committee and reports back to a future meeting of this Committee for further consideration.

Moved Councillor Ellen Morton, seconded Councillor Rory Colville.

Amendment

Move the officers recommendations on page 106 of the agenda pack as follows -

1. Note the content of the paper.
2. Note officers recommendation that: (1) taking account of the amount of CHORD surplus funds available; (2) the criteria for the allocation of surplus funds without reference back to Policy & Resources Committee; (3) available staff resources/capacity; and (4) the economic impact the additional funds could make

to the continued economic regeneration of Campbeltown town centre, Option 1 Transferring all of the surplus funds to the Campbeltown Townscape Heritage Initiative, is the preferred option.

Moved Councillor James Robb, seconded Councillor Sandy Taylor.

Decision

Following a show of hands vote the Motion was carried by 11 votes to 2 and the Committee resolved accordingly.

(Reference: Recommendation from Mid Argyll, Kintyre and the Islands Area Committee held on 1 February 2017 and report by Executive Director – Development and Infrastructure Services dated February 2017, submitted)

* **13. BETTER REGULATION: ARGYLL AND BUTE COUNCIL ENFORCEMENT POLICY**

Consideration was given to a recommendation from the Planning, Protective Services and Licensing Committee held on 22 February 2017 in respect of the creation of an overarching Council Enforcement Policy which embeds key principles on how the Council's enforcement services deliver their business.

Decision

The Committee agreed the recommendation from the Planning, Protective Services and Licensing Committee to approve the Council's Enforcement Policy as detailed at Appendix 1 to the report by the Executive Director – Development and Infrastructure Services.

(Reference: Recommendation from Planning, Protective Services and Licensing Committee held on 22 February 2017 and report by Executive Director – Development and Infrastructure Services dated 6 February 2017, submitted)

14. POLICY AND RESOURCES COMMITTEE WORK PLAN

The Policy and Resources Committee gave consideration to their Work Plan as at March 2017.

Decision

The Committee noted the Work Plan as at March 2017.

(Reference: Policy and Resources Committee Work Plan as at March 2017, submitted)