

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL
CHAMBER, KILMORY, LOCHGILPHEAD
on THURSDAY, 19 OCTOBER 2017**

Present: Councillor Aileen Morton (Chair)

Councillor John Armour	Councillor Ellen Morton
Councillor Rory Colville	Councillor Douglas Philand
Councillor Robin Currie	Councillor Alan Reid
Councillor Jim Findlay	Councillor Elaine Robertson
Councillor Kieron Green	Councillor Len Scoullar
Councillor Roderick McCuish	Councillor Sandy Taylor
Councillor Yvonne McNeilly	Councillor Richard Trail

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
Anne Paterson, Acting Head of Education
Patricia O'Neill, Central Governance Manager
Jane Jarvie, Communications Manager

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated on behalf of Councillor Gary Mulvaney.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

The Minutes of the Meeting of the Policy and Resources Committee held on 17 August 2017 were approved as a correct record.

4. FINANCIAL MONITORING PACK SUMMARY AS AT 31 AUGUST 2017

A report providing a summary of the financial monitoring reports as at the end of August 2017 was given consideration. There were six detailed reports summarised including the Revenue Budget Monitoring Report as at 31 August 2017, Monitoring of Service Choices Savings as at 31 August 2017, Monitoring of Financial Risks as at 31 August 2017, Capital Plan Monitoring Report as at 31 August 2017, Treasury Monitoring Report as at 31 August 2017 and Reserves and Balances as at 31 August 2017.

Decision

The Policy and Resources Committee –

1. Noted the Revenue Budget Monitoring Report as at 31 August 2017.
2. Noted the progress of the Service Choices Policy Saving Options as at 31 August 2017.

3. Noted the current assessment of the Council's financial risks.
4. Noted the Capital Plan Monitoring Report as at 31 August 2017 and approved the over project cost changes, the project slippages and accelerations noted within Appendix 7 of the Capital Plan Monitoring Report.
5. Noted the Treasury Monitoring Report as at 31 August 2017.
6. Noted the Reserves and Balances Report as at 31 August 2017.

(Reference: Report by Head of Strategic Finance dated 5 October 2017, submitted)

5. BUDGET

*** (a) Revenue Budget Outlook 2018-19 to 2020-21**

The Policy and Resources Committee gave consideration to a report which further updated them on the position in respect of the budget outlook 2018-19 to 2020-21. The report summarised the detail contained within the report that had been considered by the Committee in August 2017 and provided detail on any assumptions that had been updated.

Decision

The Policy and Resources Committee –

1. Noted the current estimated budget outlook position 2018-19 to 2020-21.
2. Agreed to recommend the submitted report, in its current form, to the Special Council meeting on 26 October 2017 for consideration.

(Reference: Report by Head of Strategic Finance dated 5 October 2017, submitted)

*** (b) Management/Operational Savings for 2018-19**

A report which provided Members with information on management/operational savings that had been identified between 2018/19 and 2020-21 was given consideration. The savings totalled £0.620m in 2018-19 rising to £1.245m by 2020-21, had no policy implications and would not result in any redundancies, however it could not be assumed that all management/operational savings would not have a service impact.

Decision

The Policy and Resources Committee –

1. Endorsed the management/operational savings identified.
2. Noted that officers would proceed to implement the savings as part of normal business.
3. Agreed to refer the submitted report in its current form to the Special

Council meeting on 26 October 2017 for consideration.

(Reference: Report by Head of Strategic Finance dated 5 October 2017, submitted)

* (c) **Policy Savings for 2018-19**

A report which provided Members with information on Policy Savings which had been identified between 2018-19 to 2020-21 was considered. The savings totalled £1.847m in 2018-19 rising to £5.765m by 2020-21 have policy implications and in some cases could result in redundancies.

The Executive Director – Customer Services clarified that the figure of £1.997m in paragraph 1.1 of the submitted report should be £1.847m as detailed at the bottom of the table on page 49 of the agenda pack.

Decision

The Policy and Resources Committee –

1. Noted the Policy Savings identified.
2. Noted that even if all the savings options were to be accepted there would still be a revenue funding gap for 2018-19 and subsequent years as per the Head of Strategic Finance's Budget Outlook Report.
3. Agreed to recommend to the Special Council on 26 October 2017, the options for further development.

(Reference: Report by Executive Director - Customer Services dated 22 September 2017, submitted)

* (d) **Budget Consultation**

The Policy and Resources Committee gave consideration to a report which set out a consultation exercise which would give communities the opportunity to contribute to transforming the work of the Council.

Decision

The Policy and Resources Committee agreed to recommend to the Special Council meeting on 26 October 2017 that the Council –

1. Carry out the consultation exercise proposed within the submitted report.
2. Note the presentation of the consultation would be developed prior to publication.

(Reference: Report by Executive Director – Customer Services dated 22 September 2017, submitted)

6. MEDIUM TO LONGER TERM FINANCIAL STRATEGY

Audit Scotland recommend that all Councils have long term financial strategies in place, ideally covering five to ten years. The Policy and Resources Committee considered a report which introduced the Council's medium to long term financial strategy. The strategy provided medium to longer term forecasts for revenue, capital and treasury management along with information about what the Council had in place to mitigate against future funding gaps.

Decision

The Policy and Resources Committee endorsed the medium to long term financial strategy for the Council.

(Reference: Report by Head of Strategic Finance dated 26 September 2017, submitted)

7. SERVICE ANNUAL PERFORMANCE REVIEWS 2016/17

The Committee gave consideration to a report which presented the Service Annual Performance Reviews from Customer Services and Strategic Finance for 2016/17, as per the process set out in the Planning and Improvement Framework. The Service Annual Performance Review provides a summary of the key successes, improvements and case studies during the previous year along with identified key challenges and actions to address the challenges.

Decision

The Policy and Resources Committee endorsed the Service Annual Performance Reviews as presented.

(Reference: Report by Executive Director – Customer Services dated 31 August 2017, submitted)

*** 8. COUNCIL ANNUAL REPORT 2016/17**

The Committee gave consideration to a report which presented the draft Council Annual Report 2016/17 which was based on key successes, case studies and challenges from the Service Annual Performance Reviews 2016/17. The presentation of the Council Annual Report fulfilled the Council's statutory duty for Public Performance Reporting while using an appropriate format for users.

Decision

The Policy and Resources Committee –

1. Approved the format and content of the Council Draft Annual Report 2016/17.
2. Agreed that the Draft Council Annual Report 2016/17 is presented to the Argyll and Bute Council meeting on 30 November 2017 prior to publishing.

(Reference: Report by Executive Director – Customer Services dated 20 September 2017, submitted)

*** 9. MICROSOFT LICENSING COSTS**

The Committee gave consideration to a report which focused on changes to the Council's corporate Microsoft Enterprise Agreement. The latest corporate Agreement had expired on 31 May 2017 and had not been renewed as it was no longer affordable. The report looked at outputs from a Licensing Consultancy Service, the implications of Microsoft's pricing strategy, and purchasing arrangements available to the Council. The report recommended the most affordable and practical way forward to allow the Council to use Microsoft Software to help conduct business with minimum or no disruption to services.

Decision

The Policy and Resources Committee agreed to recommend to the Council to –

1. Note that the Council's corporate body no longer operates an Enterprise Agreement with Microsoft with effect from 1 June 2017; and that savings of £208k are anticipated for 2017-18, £222k in 2018-19 and £264k in 2019-20 as a result.
2. Note that these savings would be required in future years in order to fund upgrades to the latest versions of software from 2020 onwards.
3. Approve the retention of the savings in 2017-18, 2018-19 and 2019-20 as earmarked reserves to be used to fund the expected additional costs of Microsoft software in 2020-21 to 2022-23 as this would smooth the annual budgetary requirement.
4. Note that the ICT Service would keep the plan for Microsoft software licensing under annual review.

(Reference: Report by Executive Director – Customer Services dated 16 August 2017, submitted)

10. BUILDING WARRANT FEES

A report which updated Members on changes to Building Warrant fee income which had been increased from 1 July 2017 was given consideration.

Motion

The Policy and Resources Committee –

1. Welcomes the long overdue increase in fees for building warrants across Scotland;
2. Notes with disappointment and concern that the Scottish Government has chosen to tax local services in order to fund a central government division.

Moved by Councillor Aileen Morton, seconded by Councillor Rory Colville

Amendment

1. It is recommended that the Committee welcomes the fee increases for building warrants.

2. It is recommended that the Committee acknowledges the government's proposal to fund the Building Standards Division of the Scottish Government (BSD) by top slicing the GAE.

Moved Councillor Sandy Taylor, seconded Councillor Richard Trail

Decision

On a show of hands vote the Motion was carried by 10 votes to 5 and the Committee resolved accordingly.

(Reference: Report by Executive Director – Development and Infrastructure Services dated August 2017, submitted; Motion by Councillor Aileen Morton, seconded by Councillor Rory Colville, tabled)

11. TRANSFORMATION PROJECTS & REGENERATION TEAM - LARGE SCALE PROJECT UPDATE REPORT

Consideration was given to a report which set out the current position of the larger scale projects that are mainly externally funded and are being delivered by the Transformation Projects and Regeneration Team. The report also provided information on key issues which would impact on the successful delivery of the projects.

Decision

The Policy and Resources Committee –

1. Noted the current progress contained within the submitted report.
2. Agreed that future update reports are submitted to the Environment, Development and Infrastructure Committee, subject to the retention of any delegations provided for within the remit of the Policy and Resources Committee.
3. Congratulated Officers on the amount of external funding they had brought in across the whole Council area and on the successful delivery of these projects across towns in Argyll and Bute.

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

12. EXPLORING THE PROVISION OF TOWN WI-FI HOTSPOTS INCLUDING AN UPDATE ON HELENSBURGH PILOT PROJECT

The Committee gave consideration to a report which provided an update on the works undertaken in relation to outdoor, public town centre Wi-Fi in Argyll and Bute following on from the Policy and Resources Committee decision to operate a pilot project in Helensburgh.

Decision

The Policy and Resources Committee –

1. Noted the work undertaken in relation to outdoor, publically available Wi-Fi in Helensburgh, Rothesay and Oban.
2. Agreed that the contract for a concession Wi-Fi Service in Helensburgh is formally terminated and the options appraisal is not undertaken.
3. Agreed that, where demand arises, Council infrastructure can be utilised to facilitate the rollout of publically available Wi-Fi through third party operators where there would be no cost or service implications to the Council.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 11 September 2017, submitted)

13. TARBERT AND LOCHGILPHEAD REGENERATION FUND

The Policy and Resources Committee gave consideration to a recommendation from the Mid Argyll, Kintyre and the Islands Area Committee held on 6 September 2017 in relation to the Tarbert and Lochgilphead Regeneration Fund.

Decision

The Policy and Resources Committee endorsed the decision by the Mid Argyll, Kintyre and the Islands Area Committee and –

1. Agreed that the six projects, listed in paragraph 4.19 of the report submitted to the Mid Argyll, Kintyre and the Islands Area Committee on 6 September 2017, should be taken forward with the budgets as detailed and that work should commence on full business cases which will be reported back to Committee for approval as they become available.
2. Agreed the list of four reserve projects, listed at paragraph 4.22 of the report submitted to the Mid Argyll, Kintyre and the Islands Area Committee on 6 September 2017, in the event that any of the projects agreed to be taken to full business case are unable to proceed.

(Reference: Recommendation from Mid Argyll, Kintyre and the Islands Area Committee held on 6 September 2017, submitted; and report by Executive Director – Development and Infrastructure Services dated 6 September 2017, submitted)

14. AUDIT SCOTLAND'S PRINCIPLES FOR A DIGITAL FUTURE

A report which gave examples of how Audit Scotland's Principles for a Digital Future were already applied in Council ICT projects was before the Committee for noting. The Principles for a Digital Future report highlighted difficulties in managing large complex digital transformation programmes and set out principles for programme and project management that should be considered when embarking on transformation projects.

Decision

The Policy and Resources Committee noted the content of the report which gave reassurance that the Council's approach to Project Management and Digital Transformation was very much in line with the approach recommended by Audit Scotland.

(Reference: Report by Executive Director – Customer Services dated 27 September 2017, submitted)

15. POLICY AND RESOURCES COMMITTEE WORK PLAN AS AT OCTOBER 2017

The Policy and Resources Committee Workplan was before the Committee for noting.

Decision

The Committee noted the Workplan as at October 2017.

(Reference: Policy and Resources Committee Workplan as at October 2017, submitted)

The Council resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the press and public for the following item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraph 4 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

E1 16. SIX MONTHLY REPORT ON CASH FLOW SUPPORT LOANS - 1 JANUARY TO 31 AUGUST 2017

A report which set out a summary of the cash flow support loans over the period 1 January 2017 and 31 August 2017 was before the Committee for noting.

Decision

The Policy and Resources Committee noted the content of the report.

(Reference: Report by Head of Strategic Finance dated 19 September 2017, submitted)