

**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER,
KILMORY, LOCHGILPHEAD
on THURSDAY, 21 FEBRUARY 2019**

Present: Councillor Len Scoullar (Chair)

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

Attending: Cleland Sneddon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Anne Paterson, Head of Education
Louise Connor, Head of Education
Pippa Milne, Executive Director of Development and Infrastructure
Charles Reppke, Head of Governance and Law
Kirsty Flanagan, Head of Strategic Finance
Joanna MacDonald, Chief Officer, Health and Social Care Partnership
Jane Fowler, Head of Improvement and HR

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated from Councillor McKenzie and William Shaw and Margaret Anderson Religious Representatives.

2. DECLARATIONS OF INTEREST

Councillors Anderson, Lynch and Hardie each declared a non-financial interest in relation to the report on Budgeting Pack 2019/20 which is dealt with at Item 5 of the Minute due to them being Board Members of Live Argyll. The Councillors claimed the benefit of the dispensation contained at Section 5.16 of the Standard's Commission's Guidance and Dispensations Note to enable them to speak and vote.

3. MINUTES

The Minutes of the Meeting of Argyll and Bute Council held on 29 November 2018 were approved as a correct record.

4. MINUTES OF COMMITTEES

(a) Environment, Development and Infrastructure Committee of 6 December 2018

The Minute of the Environment, Development and Infrastructure Committee held on 6 December 2018 were noted.

(b) Community Services Committee of 11 December 2018

The Minute of the Community Services Committee held on 11 December 2018 were noted.

Arising under Item 6 (School Catchment Areas Rezoning Policy) the Council:-

1. discontinued the policy adopted on 11 September 2014 in relation to dealing with requests to alter the catchment area of a school;
2. noted that the relevant Area Committee would be given the opportunity to comment as part of a consultation exercise; and
3. returned to the previous process, similar to that for other proposals under the 2010 Act, whereby requests to alter the catchment area of a school are brought before the Community Services Committee for a decision to be made on whether that request is adopted as a 'relevant proposal' to be progressed to a public consultation under the 2010 Act.

Arising under Item 18 (Review of Strategic Housing Fund) the Council agreed to:-

1. continue to use the Strategic Housing Fund to assist with the delivery of affordable housing in Argyll and Bute at £12,000 per unit. This would apply to affordable housing units delivered by March 2021;
2. use the Strategic Housing Fund to honour existing commitments within the fund eg existing awards to Registered Social Landlords;
3. extend the £12,000 per unit to community organisations who satisfy requisite funding criteria and secure Rural Housing Fund and/or Islands Housing Fund Grant from the Scottish Government to deliver affordable housing;
4. an Empty/Abandoned Buildings enabling budget of £50,000 per annum to tackle the most problematic empty buildings; and
5. carry out a further review of the Strategic Housing Fund which will take into account the Scottish Government vision of Housing Beyond 2021.

Arising under Item 28 (Notice of Motion under Standing Order 13 - Scotland's Charter for a Tobacco-Free Generation) the Council agreed to ratify the terms of the Motion below:-

- a) Welcomes the signing of Scotland's Charter for a Tobacco-Free Generation by the Argyll and Bute Integration Joint Board.
- b) Noted that further details of the Charter can be found at

<https://www.ashscotland.org.uk/what-you-can-do/scotlands-charter-for-a-tobacco-free-generation/>

- c) Agrees that Argyll and Bute Council sign the Charter.
- d) Endorses the principles that:
 - a) Every baby should be born free from the harmful effects of tobacco;
 - b) Children have a particular need for a smoke-free environment;
 - c) All children should play, learn and socialise in places that are free from tobacco;
 - d) Every child has the right to effective education that equips them to make informed positive choices on tobacco and health;
 - e) All young people should be protected from commercial interests which profit from recruiting new smokers; and
 - f) Any young person who smokes should be offered accessible support to help them to become tobacco-free.
- e) In support of the Charter agrees to:
 - a) Acknowledge the harmful effect smoking has on the health of our population.
 - b) Be personal advocates for a tobacco-free generation.
 - c) Encourage our educational establishments to further discourage young people from becoming new smokers and ensure that accessible support is available for smokers becoming tobacco-free.

Arising under Item 29 (Rapid Rehousing Transition Plan) the Council agreed the Rapid Rehousing Transition Plan.

(c) Policy and Resources Committee of 13 December 2018

The Minutes of the Policy and Resources Committee held on 13 December 2018 were noted.

Arising from Item 11 (Proposed Revision to Charges for Pre-Application Planning Advice), the Council agreed that the Council's scale of non-statutory charges be revised to include new charges for pre-application initiation and follow up meetings as detailed in paragraph 4.7 of the submitted report.

Arising from Item 14 (Conservation Area Regeneration Scheme (CARS) – Funding Opportunity), the Council agreed to a financial commitment to the Council as part of the budget process in respect of –

1. Making a financial commitment of £386,220 towards a Lochgilphead Conservation Area Regeneration Scheme.
2. Making a financial commitment of £500,000 towards a Helensburgh Conservation Area Regeneration Scheme.

(d) Policy and Resources Committee of 14 February 2019

The Minutes of the Policy and Resources Committee held on 14 February 2019 were noted.

Arising from Item 4 (Financial Report Monitoring Pack – December 2018), the

Council considered this under Item 5 of the Agenda (Budgeting Pack).

Arising from Item 5 (Budgeting Pack 2019/2020), 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 6 (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 7 (Equality and Diversity Plan), the Council approved the updated Equality and Diversity Policy.

Arising from Item 8 (Equalities Outcomes 2019-2023), the Council approved the draft Equality Outcomes 2019-2013.

Arising from Item 9 (Weekly and Monthly Parking Permits), the Council noted that the request would be subject to approval by the Council as part of its consideration of the Budget 2019/20.

Arising from Item 10 (Royal National Mod and Funding Support), the Council noted that the request would be subject to approval by the Council as part of its consideration of the Budget 2019/20.

Arising from Item 13 (Kintyre Recycling Limited), the Council noted that the request would be subject to approval by the Council as part of its consideration of the Budget 2019/20.

5. BUDGETING PACK 2019/20

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 2020 which had been referred without recommendation by the Policy and Resources Committee held on 14 February 2019.

Motion

The Council:

1. Approves the revenue estimates for 2019/20 and that consequently the local tax requirement estimated at £50.457m is funded from Council Tax and confirms the following rates, charges and flexibility in payment terms for the year 2019/20:
 - a) Council tax to be paid in respect of a chargeable dwelling in band D of £1,308.83 representing a 4.79% increase, as permitted by the Scottish Government;
 - 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.
2. Notes and approves the detail provided in the Head of Strategic Finance's Revenue Budget Overview report and the surplus of £1.032m in 2019/20, subject to the following

amendments as set out below and reconciled in the Administration's Revenue Budget Model at point 4;

- a) Agrees to increase the allocation to the Health and Social Care Partnership for 2019/20 to £58.368m with indicative allocations for 2020/21 and 2021/22 to support the partnership in its long term financial management and planning, subject to the level of Scottish Government funding and the council's overall financial position in future years, and agrees to defer the payback of the 2017/18 overspend by one year, all as detailed below:

| | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 |
|---|-------------------------|-------------------------|-------------------------|
| Baseline funding 2018/19 | 56,389 | 56,389 | 56,389 |
| Adjust fleet capital charges | (189) | (189) | (189) |
| Scottish Government recommended 2.2% reduction | (1,236) | (1,236) | (1,236) |
| Total additional HSCP funding as per Finance Circular | 2,168 | 2,168 | 2,168 |
| Base Payment to HSCP | 57,132 | 57,132 | 57,132 |
| Additional in-year payment (rejecting recommended 2.2% reduction for 2019/20) | 1,236 | 1,236 | 1,236 |
| 1% Budgetary reduction in 2020/21 and 21/22 | | (584) | (1,162) |
| Revised payment to HSCP | 58,368 | 57,784 | 57,206 |
| Less 2017/18 overspend payment | (100) | (300) | (755) |
| Net payment to HSCP | 58,268 | 57,484 | 56,451 |

- b) Approves the adjustment to the Live Argyll management fee, resulting in a management fee of £3.692m in 2019/20; also approves the increase in the management fee for 2020/21 as previously agreed on establishment of the Trust, noting that the fee for 2021/22 will be subject to review on the basis of the Trust's ability to grow income streams/reduce the management fee;
- c) Allocates an additional £500,000 for winter maintenance expenditure on a recurring basis and requests that officers, when reviewing the Winter Maintenance policy, explore options to increase community resilience;
- d) Approves an additional one-off funding allocation of £80,000 to the Royal National Mod from the unallocated General Fund balance which, combined with the existing base budget provision of £40,000, brings the total council contribution to £120,000; notes that the existing base budget is removed from 2020/21 onwards;
- e) Agrees a one-off funding allocation of £23,330 to Kintyre Recycling Ltd (KRL) funded from the unallocated General Fund balance;
- f) Agrees a total of £90,000 available funding for Events and Festivals in 2020/21 in order that the grants application process can commence during 2019/20;
- g) Agrees that the Supporting Communities Fund level will be £90,000 in 2020/21, allowing Area Committees to make decisions about allocations in March 2020;
- h) Approves the management and operational savings outlined in Appendix 5 of the Revenue Budget Overview Report;
- i) Accepts all policy options listed in Appendix 6 of the Head of Strategic Finance's Revenue Budget Overview Report except those listed below, to deliver total savings of £1.419m;
- RAS05 – Grounds and Environment
 - RAS11 – School Crossing Patrollers
 - CSS02 – Customer Service Points
3. Approves the following in relation to fees and charges with effect from 1st April 2019 unless otherwise noted:
- a) Approves the proposals for the fees and charges inflationary increase of 3%;
- b) Rejects proposed increases to on-street and off-street parking charges in 2019/20 and approves all other charges over and above inflation;

- c) Approves new charges in relation to registrars printing copy certificates, pre-application meetings and private water supplies, and agree that these charges will apply from 22nd February 2019;
 - d) Approves the new charges in relation to the proposed parking pilot for Oban, Lorn and the Isles as per the report to Policy and Resources Committee on 14th February 2019;
 - e) Approves the changes proposed to Social Work fees and charges;
 - f) Approves all other charges as noted within the Fees and Charges Schedule;
 - g) Notes that the income resulting from the above measures totals £0.275m.
4. Approves that, after the changes as noted in points 2 and 3 above, the remaining revenue budget surplus of £0.212m is transferred to the Unallocated General Fund; all summarised in the Administration Revenue Budget model below:

| Administration Budget Model 2019/20 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 |
|--|-------------------------|-------------------------|-------------------------|
| Budget surplus/(gap) as per Budget Pack | 1,032 | (4,528) | (11,611) |
| Policy options not agreed: | | | |
| RAS05 Grounds/Environment 10% reduction | (120) | (180) | (180) |
| RAS11 School Crossing Patrollers | (115) | (170) | (170) |
| CSS02 Customer Service Centre/Digital Service Team | (40) | (79) | (79) |
| Non-acceptance of fee increases for on-street and off-street car parking | (45) | (45) | (45) |
| Increase winter maintenance funding | (500) | (500) | (500) |
| Remove Mod baseline funding future years | | 40 | 40 |
| HSCP – 1% reduction to payment in 2020/21 and 2021/22 | | 584 | 1,162 |
| Events and Festivals – reduce to £0.09m | | 23 | 23 |
| Supporting Communities – reduce to £0.09m | | 8 | 8 |
| Transfer surplus to Unallocated General Fund Balance | (212) | | |
| Revised Budget Surplus/(Gap) | 0 | (4,847) | (11,352) |

5.
 - a) Approves the capital plan recommendations q) to v) as outlined in the Head of Strategic Finance's Introductory Report and Recommendations;
 - b) Approves that the remaining capital grant in respect of Campbeltown Flood Scheme, amounting to £4.153m, is earmarked within the General Fund pending a decision on full business case expected to be submitted in late 2019;
 - c) Instructs officers to bring forward a Capital Strategy, including an update on emerging capital priorities, to the Policy and Resources Committee in October 2019;
6.
 - a) Notes the report on reserves and balances;
 - b) Approves the adjustments to the Unallocated General Fund balance as outlined in the table below, and notes that this will leave an estimated remaining unallocated General Fund balance of £1.092m at the year end;
 - c) Approves the contingency level for the General Fund Balance at a level of 2% of net expenditure;

| Unallocated General Fund Balance | £000 |
|---|-------------|
| Unallocated General Fund Balance as per budget pack | 1,899 |
| Balance no longer required | 1,237 |
| Forecast overspend as at 31 st December 2018 | (2,041) |

| | |
|---|--------------|
| Revised Unallocated General Fund Balance before budget | 1,095 |
| Budget motion: | |
| Mod funding allocation | (80) |
| Kintyre Recycling Ltd | (23) |
| Transfer to contingency to maintain 2% level | (112) |
| Transferred from Revenue Budget Surplus 2019/20 | 212 |
| Revised Unallocated General Fund Balance after budget | 1,092 |

7. In line with the council's agreed priority of prudent financial management and effective planning for the longer term:
 - a) Notes the estimated mid-range revenue budget gap of £11.352m by 2021/22 as outlined in the Administration Budget Model;
 - b) Notes the ongoing work of the Transformation Board and instructs officers to bring forward proposals for savings options and measures to balance the budget in future years to the Policy and Resources Committee in October 2019;
 - c) Requests that officers, as options are developed for consideration by Council, review budget efficiency and savings proposals identified by other local authorities.

8. Agrees to progress the following in support of council priorities:
 - a) Requests a report to the Community Services Committee in June 2019 detailing steps we are taking to ensure looked-after children get the most out of education, what impact is being achieved and further considering how Argyll & Bute Council can develop best practice as the corporate parent, with further reports to the Corporate Parenting Board;
 - b) Noting that officers will be bringing forward our developing waste strategy which aims to support the Zero Waste Scotland approach, requests that further reports come to the Environment, Development and Infrastructure Committee focused on:
 - i. How we can work with residents to further reduce waste in all forms,
 - ii. The financial impacts and practical challenges of the landfill ban on rural and island local authority areas, and
 - iii. The implications on communities of transporting waste from areas where transport infrastructure is already under strain
 - c) Requests that council officers seek information from other public sector organisations operating in Argyll and Bute, to identify:
 - i. positive examples of collaboration and joint working by those public agencies that have enhanced services to our communities, and
 - ii. opportunities to establish or further develop such arrangements.

An initial report should come to the September meeting of the Argyll and Bute CPP Management Committee;
 - d) Improves engagement with the wider community by co-opting local young people as representatives to local Community Planning Groups and the CPP Management Committee.

9. Acknowledges the feedback provided by local people who participated in this year's budget consultation with thanks for their participation and contribution to the process.

10. Approves all service plans, subject to updating the budget figures in line with the budget agreed for 2019/20.

11. Notes the revenue budget monitoring position as at 31 December 2018.

12. Notes the financial risks analysis report.

13. Notes that, through the EQSEIA (Equality and Socio-Economic Impact) process, we have paid due regard to our duties under the Equality Act 2010, our associated Fairer Scotland Duty, and the Islands Act; noting also that some savings proposals have an impact in some

areas but that this too has been given due regard, and that no impacts showing actual or potential unlawful discrimination have been identified through the EQSEIA process.

Moved by Councillor A Morton, seconded by Councillor Mulvaney.

Amendment 1

The Council ...

- i. Recognises and values the feedback from those citizens who have shared their views on the suggested 'Policy savings options' through the Council's budget planning consultation, and most importantly, indicated their priority choices for education, environmental services and roads, and care for vulnerable people.
- ii. Notes the detail provided in the Revenue Budget Overview 2019-20, and 2020-2022 report.
- iii. Approves the Revenue Budget estimates for 2019-20, recognising the projections for 2020 - 21 and 2021-22, subject to the changes contained in this amendment.
- iv. Approves all service plans 2019-22, and specifically the budget allocation for the forthcoming year, noting the continuing search for improvement in the Council's approach to business planning and performance management. (Notes that the above service plans will be amended in light of the agreed Council budget and budget priorities.)
- v. Notes the detail of the EQSEIA report and its conclusion that the implementation of the savings proposals would have no actual or potential unlawful discrimination.
- vi. Agrees the detail which underpins the Opposition budget model for 2019-20, noting the detail set out in respect of 2020 -21 and 2021-22, as follows:

Funding Resources:

The Council ...

- i. Notes the detail of the Revenue Budget Monitoring position as at 31 December 2018
- ii. Approves the Revenue estimates for 2019-20, and the consequent requirement that £50.457m of the Council's expenditure will be funded from Council tax

Fees and Charges

- iii. Agrees a general 3% inflationary increase in fees and charges, together with a higher increase in respect of specified services, where the increase will be higher as set out in the budget pack, including fees in respect of piers and harbours, which are to be ring-fenced to fund asset improvements.
- iv. Approves the application of the following charges as outlined in the budget pack; printing and copying of registers, pre-application planning consultations and charging for private water supply monitoring, with effect from 22 February 2019.
- v. Approves the
 - new charges in relation to the parking pilot for Oban, Lorn and the Isles,
 - the changes to Social Work fees and charges, and
 - all other charges as noted within the Fees and Charges schedule as set out in the Fees and Charges report in the budget pack.

Council Tax

- vi. Agrees to a 4.79% increase in Council Tax in 2019-20
- vii. Approves the following, that:
- Council tax to be paid in respect of a chargeable dwelling in band D will be £1,308.83, representing a 4.79% increase;
 - Council tax to be paid in respect of a chargeable dwelling in each of the other valuation bands will be in accordance with section 74(1) of the Local Government Finance Act, 1992, as amended; and
- viii. Notes that business rates will be as determined by Scottish Ministers

Revenue Budget

- ix. Notes that the Revenue Budget for 2019-20 as set out in the budget pack show a budget gap of £7.896m.
- x. Notes the contribution to reducing that budget deficit through the continuing legacy of previously agreed savings measures derived from management and operational savings in 2017, together with policy savings from 2018, and loans charges amounting to £2,350;
- xi. Welcomes the continuing efforts of Officers in the search for economies, efficiencies and opportunities for change and looks forward with anticipation to future reports from the Transformation Board.

xii. **Management Savings**

Agrees the implementation of new Management/operational savings amounting to £2.090m in 2019-20 (£1.638m 2020-21 & £1.398m in 2021-22.) as set out in Appendix 5 Revenue Budget Overview.

xiii. **Policy Savings**

Agrees the implementation of new Policy savings amounting to £1.133m in 2019-20 (£1.425m 2020-21 & £1.500m in 2021-22) as set out in the Appendix to this motion. Members are asked to note the following commentary as to the Group's position on certain of the following Policy Savings options which are not accepted at this time:

*PHRS16 **Trading Standards** - not accepted* *This is all about timing; a small reduction in a small team would significantly impact on the Service's ability to engage with and support local businesses at a time of great uncertainty, as they deal with changes in cross border trade and a changing landscape regulatory landscape.*

*EDST05 **Road Safety Unit** - not accepted* *This valued service promotes desirable safe, independent travel by children and others, and is totally consistent with our commitment to build and sustain, safe strong communities.*
If not delivered through this small unit, it would fall to schools to pursue this, alongside other competing demands on teachers' time and curriculum.

*RAS11 **School Crossing Patrollers** - not accepted* *An integral part of all road safety messages, 'cross safely'. Whilst parents have always*

sought to promote our children's independence, school crossing patrollers play a part in securing safe routes to school.

With a view to informing the management of change and a new service approach, the **Executive Director of ED&I is asked to bring forward a report for the June meeting of the ED&I Committee which looks holistically at how we might review this service in light of site by site risk-assessments, the promotion of safe routes to school and the potential for pedestrian controlled crossings.**

The safety of our school pupils is of the utmost importance and we should strive to maintain key crossing patrol services where these are required.

It is appropriate at this time to look to a more integrated approach to pedestrian and road user safety. The **Executive Director of ED&I is therefore asked to prepare a report for the June meeting of the ED&I Committee on an integrated road safety service, which embraces both the above services and the Roads Design team, potential benefits and efficiencies.**

RAS05 **Amenity Services - not accepted**

Whereas the service has struggled to deliver previous budget savings requirements, this proposal will see a further reduction in the service's capacity to deliver across a range of services, not least of all grass cutting.

Members will recognise the importance of a well maintained, litter free environment as it underpins our tourism economy.

RAS15 **Environmental Wardens - not accepted**

These officers are essential to the enforcement of parking and environmental regulation, and the pursuit of increased commercial waste income.

CSS02 **Customer Service Points - not accepted**

Customer service points are fundamental to our commitment to remote communities. They serve to provide a 'connection' with the council and public bodies which individuals need to connect to for basic services.

The case for service points should not be founded on registrar services footfall, but valued, as a fundamental contribution to island and remote community life. In effect there should be a 'presence', however, small on each island that delivers on our commitment to these communities.

The Executive Director of Customer Services is asked to bring forward a report for the June meeting of the Community Services Committee which sets out how we might retain that 'connection', and explore how the staff at work in these offices could assume a compensatory wider workload on behalf the Service ensuring a continuing presence in each community.

The case for continuing financial support for Jura and Colonsay should be founded on growing the capacity and resilience of these communities, and not acting against their best efforts to be creative and aspirational for their communities.

The reduction of the island offices and of Campbeltown to part-time opening, in a civic building which houses a museum and is used to conduct civil ceremonies is unwelcome and unnecessary when other work could be transferred to ensure a sustainable workload suffice to justify an 'open' office. Members will recognise the disproportionate impacts of these closures on individuals and communities.

ED05 **Youth and Adult Learning**
- not accepted

It is difficult on the basis of this budget paper to support a major service change.

It would be inappropriate to agree to this service change without sight of the Education Scotland audit inspection process which has yet to conclude and whilst we await the Audit Report.

Whereas the savings option focusses on structures and access in the larger towns, it does not offer assurance that the new service structure would continue to deliver

- improved life chances for people of all ages through learning, personal development and active citizenship;*
- stronger, more resilient, supportive, influential and inclusive communities*

The Executive Director of Customer Services is asked to bring forward a report for the June meeting of the Community Services Committee which reviews the current service design against the above criteria and recognises and responds to issues raised in the anticipated Audit Report.

| | | |
|------|---|--|
| ED06 | Music Instruction - not accepted | <p><i>This service has been raised in cost savings options in the past and will feature again as a non-statutory service. The service would be better sustained in a more commercial environment, one in which the costs of the service could be supported by income from both the education authority and the wider community.</i></p> <p><i>The Executive Director of Customer Services is asked to explore the desirability and potential benefits of transferring the service to Live Argyll, a body whose remit is to manage and deliver leisure and cultural services, subject to the necessary protections of the Council's interest in the delivery of SQA tuition of music and to report back to the June meeting of the Community Services Committee.</i></p> |
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Expenditure:

The Council ...

Health & Social Care

- i. Approves the allocation of core funding support of £57.132m to the Argyll and Bute Health and Social Care Partnership (HSCP) for 2019-20, in addition to an in-year payment of £1.236m (total £58.368m).
- ii. Approves an indicative base core funding of £57.132m plus in year funding of £1.236m in both years (total £58.368m) for the Argyll and Bute Health and Social Care Partnership (HSCP) for 2020-21 and 2021-2022.
- iii. Agrees to defer the pay-back of the 2017-18 Social Work overspend by the HSCP by 1 year, resulting in a re-profiling of repayments to (£0.100m in 2019-20, £0.300m in 2020-21 and £0.755m in 2021-22.)

Live Argyll

- iv. Approves the adjustment to the Live Argyll management fee, resulting in a management fee of £3.692m in 2019-20 and an increase in 2020-21 as previously agreed. The 2021-22 payment to be the subject of review in advance of that date.

Other Commitments

- v. The Council agrees to extend its contract with Kintyre Recycling Limited (KRL) to August 2019, and makes a consequential provision in the Revenue Budget 2019-20 of £23,330.
- vi. The Council agrees to host the National Mod in Oban, in 2023, and makes provision of £120,000 within the 2019-20 budget (£80,000 additional cost, £40,000 already in base budget). Agree to transfer to Earmarked Reserves until the monies are required.
- vii. Approves the proposed funding for Events and Festivals for 2020-21 at the same level as 2019-20, £0.113m.
- viii. Approves the proposed funding for Supporting Communities Fund for 2020-21 at the same level as 2019-20, £0.098m.

- ix. Makes specific provision of £10,000 in 2019-20 in respect of awards of up to £1,000 to be to community groups who undertake to maintain 'closed' cemeteries. The scope of these awards, the definition of maintenance and related administrative, to be set out in a report by Officers to the Environment, Development and Infrastructure Committee in June. Members should note. That as anticipated, this arrangement would see the Council cease all routine maintenance in these cemeteries.
- x. Makes specific provision of £30,000 in 2019-20 for the acquisition of advisory digital signage to be used in the promotion of speed moderation in rural villages and elsewhere in response to community concerns not otherwise addressed. Asks that Officers bring forward a report to the Environment, Development and Infrastructure Committee on the design, specification and temporary deployment of this equipment in June, together with a second report, in December 2019, reviewing the operation and value of this initiative.
- xi. Agrees that £0.149m, the sum equivalent to the remaining revenue balance surplus is transferred to the General Fund Reserve, recognising the pressure on the General Fund reserves at this time.

Reserves

The Council ...

- i. Affirms the contingency level previously agreed by the Council for the General Fund balance at a level of 2% of net expenditure, equivalent to £4.840m, and note the report on Reserves and Balances.
- ii. Notes the report on Council Reserves and Balances in the Budget pack which reported an estimated Unallocated General Fund balance of £0.999m as at 31 March 2019.
- iii. Approves that the remaining Capital Grant in respect of Campbeltown Flood Scheme, amounting to £4.153m, be earmarked within the General Fund pending a decision on the full business, which is expected to be submitted late 2019.
- iv. Agrees that the remaining Capital Plan surplus of £0.929m is retained within earmarked reserves as a Capital Plan contingency.

Capital and Corporate Asset Management Strategy

The Council ...

- i. Approves the Capital Plan recommendations as outlined in the Head of Strategic Finance Introductory Report and recommendations (q) through to (v).

Financial Risks Analysis

The Council ...

- i. Notes the detail of the financial risk analysis

SUMMARY

The Council notes that this budget Amendment ...

- a. recognises the continuing work of Officers and positive contributions to the transformation approach and the Council's budget setting process
- b. ensures that going forward the Council's services and workforce will ensure continuing support for local business at a time of uncertainty, provide for a safer roads environment, continuing learning and personal development for individuals and the best presentation of Argyll and Bute's natural environment, and
- c. makes specific provision to address community concerns for falling standards of maintenance in unused cemeteries and the speed of vehicles passing through smaller rural communities.

Appendices 1, 2 and 3 are attached to this Minute.

Moved by Councillor Taylor, seconded by Councillor Douglas.

Amendment 2

- a) Note the findings from the Council's budget planning consultation.
- b) Approve all service plans, subject to updating the budget figures in line with the budget agreed for 2019-20.
- c) Note that through the EQSEIA process, we have paid due regard to our duties under the Equality Act 2010, our associated Fairer Scotland Duty and the Islands Act. Note that some of the savings proposals have an impact in some of areas, but this has been given due regard. There are no impacts identified through the EQSEIA process that show actual or potential unlawful discrimination.
- d) Approve a base allocation to the Health and Social Care Partnership of £57.132m for 2019-20 in addition to an in-year payment of £1.236m. Approve indicative allocations base for 2020-21 and 2021-22 to be £57.132m with a further in-year payment of £1.236m in both years. The level of future years funding is subject to the level of Scottish Government funding and the Council's overall financial position in future years.
- e) Agree to defer the pay-back of the 2017-18 Social Work overspend by the HSCP by 1 year, resulting in repayments of £0.100m in 2019-20, £0.300m in 2020-21 and £0.755m in 2021-22. This will alter the payments as noted in recommendation (d).
- f) Approve the adjustment to the Live Argyll Management Fee, resulting in a management fee in 2019-20 of £3.692m. Approve the increase in the Management Fee for 2020-21 as was previously agreed when the Trust was established and note that the fee for 2021-22 will be subject to review on the basis that the Trust should have been able to grow its income streams and the management fee will reduce.
- g) Approve the revenue estimates for 2019-20 and that consequently the local tax requirement estimated at £50.457m is funded from Council Tax. Approve the following rates and charges for the year, 2019-20:
 - i. Council Tax to be paid in respect of a chargeable dwelling in Band "D" of £1,308.83 representing a 4.79% increase.
 - ii. 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.
 - iii. Business Rates as determined by Scottish Ministers.
- h) Approve the new management/operational savings as outlined in Appendix 5 and approve the policy savings options as outlined in Appendix 6 of the Revenue Budget Overview Report, with the exception of those savings options noted in the appendix to this amendment.
Policy Options not agreed to take
ED06 - Music Instruction
ED05 - Youth and Adult Learning
RAS15 - Environmental Warden Services
RAS11 - School Crossing Patrollers
RAS05 - Grounds and Environment
EDST05 - Road Safety Unit

CSS02 - Customer Care Centre

- j) Approve the funding request for the Royal National Mod, £0.080m to be funded from unallocated General Fund reserve and £0.040m to be funded from existing budget provision for the Mod SLA. Note that the existing budget provision for the Mod SLA can be removed from the base budget from 2020-21 onwards. Further approve the funding request from Kintyre Recycling Limited of £23,330 to be funded from unallocated general fund. Both are noted in the appendix to this amendment.
- i) Approve the revenue budget for 2019-20 as set out in the revenue budget overview report. With changes in (h) and (j) implemented. This will leave a surplus of £0.303m which should be transferred to the General Fund.
- k) Approve the funding for Events and Festivals for 2020-21 in order that the grant application process can commence during 2019-20. At same level of funding as previous year of £0.113m.
- l) In a similar position to the Events and Festivals funding, consider approving the funding for the Supporting Communities Fund in 2020-21 in order that the grant application process can commence during 2019-20 at same level of funding as previous year of £0.098m.
- m) Approve the following in relation to fees and charges with effect from 1 April 2019 unless otherwise noted:
- i. Approve the proposals for the fees and charges inflationary increase of 3% and approve the charges that are over and above inflation. Note that this would generate additional income of £0.320m in total.
 - ii. Approve the new charges in relation to registers printing copy certificates, pre-application meetings and private water supplies and agree that these charges will be implemented from 22 February 2019.
 - iii. Approve the new charges in relation to the proposed parking pilot for Oban, Lorn and the Isles as per the Policy and Resources Committee report on 14 February 2019.
 - iv. Approve the changes proposed to the Social Work fees and charges.
 - v. Approve all other charges as noted within the Fees and Charges Schedule.
- n) Note the revenue budget monitoring position as at 31 December 2018.
- o) Note the financial risks analysis.
- p) Approve the contingency level for the General Fund balance at a level of 2% of net expenditure, equivalent to £4.837m and note the report on reserves and balances.
- q) Approve the capital plan block allocations for 2020-21 and 2021-22 and the contribution to the private sector housing grant for these years as noted in the capital summary report
- r) Approve the following changes to the capital plan:
- i. No additional funding approved for the overspend on Helensburgh Waterfront and Dunoon CHORD at this time and require the Executive Director of Development and Infrastructure to come forward with proposals as to how the shortfall in relation to these two projects will be funded from within Development and Infrastructure existing capital resources.
 - ii. Approve an additional allocation of £1.024m for Tabert/Ardrihaig/ Lochgilphead regeneration projects and ask the Executive Director of Development and Infrastructure to come forward with proposals as to how this will be spend.

- iii. Approve the removal of the Kilmahew/St Peter's project from the capital plan and transfer the £0.250m to the capital plan surplus.
- iv. Approve that the underspend of £0.423m on the Kintyre Renewables Hub project is removed from the capital plan and transferred to the capital plan surplus.
- v. Approve that the £0.500m funding that was accelerated from the Education Block allocation in 2019-20 towards Dunoon Primary School is re-instated and used towards the projects originally intended for.
- vi. Approve a 20% contribution towards the Campbeltown Flooding Scheme to 2019-20 of £0.159m.
- vii. Approve the full capital ask of £0.200m towards the CARS Lochgilphead Project, profiled over 2019-24.
- viii. Approve the full capital ask of £0.327m towards the CARS Helensburgh Project, profiled over 2020-25.
- ix. Approve an additional allocation of £0.250m for the Health and Social Care block allocation in 2019-20 to be used for asset sustainability.
- x. Approve that the remaining Capital Grant in respect of Campbeltown Flood Scheme, amounting to £4.153m, be earmarked within the General Fund pending a decision on the full business, which is expected to be submitted late 2019.
- s) Approve the capital plan as set out in Appendix 3 of the capital plan summary, subject to the changes noted in recommendation (r).
- t) Approve that the remaining capital plan surplus of £0.929m is retained within earmarked reserves as a capital plan contingency.
- u) Approve the Corporate Asset Management Strategy.
- v) Approve the Corporate Asset Management Plan and the Asset Group Summaries.

Revenue Budget Table

| | 2019-20 | 2020-21 | 2021-22 |
|---|---------|---------|---------|
| | £000 | £000 | £000 |
| Budget Surplus / (Gap) as per Budget Pack | 1,032 | -4,528 | 11,611 |
| Policy Options not agreed: | | | |
| ED06 - Music Instruction | -27 | -61 | -61 |
| ED05 - Youth and Adult Learning | -248 | -330 | -330 |
| RAS15 - Environmental Warden Services | -105 | -140 | -140 |
| RAS11 - School Crossing Patrollers | -115 | -170 | -170 |
| RAS05 - Grounds and Environment | -120 | -180 | -180 |
| EDST05 - Road Safety Unit | -74 | -99 | -99 |
| CSS02 - Customer Care Centre | -40 | -79 | -79 |

| | | | |
|--|------------|---------------|---------------|
| Remove Mod baseline funding from 2020-21 | | 0 | 0 |
| Revised Budget Surplus / (Gap) | 303 | -5,587 | 12,670 |
| Transfer Surplus to General Fund | -303 | | |
| Finalised Budget Surplus / (Gap) | 0 | -5,587 | 12,670 |

Unallocated General Fund Table

| | |
|---|--------------|
| | £000 |
| Unallocated General Fund Balance as at 31 March 2018 | 1,899 |
| Balance no longer required | 1,237 |
| Forecast overspend as at 31 December 2018 | -2,041 |
| Revised Unallocated General Fund Balance before budget | 1,095 |
| Mod | -80 |
| Kintyre Recycling Limited | -23 |
| Transfer to contingency to maintain 2% level | -111 |
| Transferred from Revenue Budget Surplus 2019-20 | 303 |
| Revised Unallocated General Fund Balance after budget | 1,184 |

Capital Table

| | |
|--|--------------|
| | £000 |
| Capital Surplus as per Budget Pack | 1,865 |
| Not agreed Helensburgh Waterfront additional funding | 514 |
| Not agreed Dunoon CHORD additional funding | 510 |
| Tarbert/Ardrishaig/Lochgilphead Regeneration Project | -1,024 |
| Campbeltown Flood Scheme | -159 |
| CARS Lochgilphead | -200 |
| CARS Helensburgh | -327 |
| HSCP Block Allocation 2019-20 | -250 |
| Revised Surplus - to be retained as contingency | 929 |

Moved by Councillor Philand, seconded by Councillor Kelly.

Amendment 3

The Council:

- Note the findings from the Council's budget planning consultation.
- Approve all service plans, subject to updating the budget figures in line with the budget agreed for 2019-20.
- Note that through the EQSEIA process, we have paid due regard to our duties under the Equality Act 2010, our associated Fairer Scotland Duty and the Islands Act. Note that some of the savings proposals have an impact in some of areas, but this has been given due regard. There are

no impacts identified through the EQSEIA process that show actual or potential unlawful discrimination.

d) Approve a base allocation to the Health and Social Care Partnership of £57.132m for 2019-20 in addition to an in-year payment of £1.236m. Approve indicative allocations base for 2020-21 and 2021-22 to be £57.132m with a further in-year payment of £1.236m in both years. The level of future years funding is subject to the level of Scottish Government funding and the Council's overall financial position in future years.

e) Agree to defer the pay-back of the 2017-18 Social Work overspend by the HSCP by 1 year, resulting in repayments of £0.100m in 2019-20, £0.300m in 2020-21 and £0.755m in 2021-22. This will alter the payments as noted in recommendation (d).

f) Approve the adjustment to the Live Argyll Management Fee, resulting in a management fee in 2019-20 of £3.692m. Approve the increase in the Management Fee for 2020-21 as was previously agreed when the Trust was established and note that the fee for 2021-22 will be subject to review on the basis that the Trust should have been able to grow its income streams and the management fee will reduce.

g) Approve the revenue estimates for 2019-20 and that consequently the local tax requirement estimated at £50.457m is funded from Council Tax. Approve the following rates and charges for the year, 2019-20:

i. Council Tax to be paid in respect of a chargeable dwelling in Band "D" of £1,308.83 representing a 4.79% increase.

ii. 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.

iii. Business Rates as determined by Scottish Ministers.

h) Approve the new management/operational savings as outlined in Appendix 5 and approve the policy savings options as outlined in Appendix 6 of the Revenue Budget Overview Report, with the exception of those savings options noted in the appendix to this amendment.

i) Approve the revenue budget for 2019-20 as set out in the revenue budget overview report. With changes in (h) and (j) implemented. This will leave a surplus of £0.303 which should be transferred to the General Fund.

j) Approve the funding requests for the Royal National Mod of £0.080m to be funded from unallocated General Fund reserve and £0.040 to be funded from existing budget provision for the Mod SLA. Note that the existing budget provision for the Mod SLA can be removed from the base budget from 2020-21 onwards. Further approve the funding request from Kintyre Recycling Limited of £23,330 to be funded from unallocated general fund. Both are noted in the appendix to this amendment.

k) Approve the funding for Events and Festivals for 2020-21 in order that the grant application process can commence during 2019-20. At the same level of funding as previous year of £0.113m.

l) Approve the funding for the Supporting Communities Fund in 2020-21 in order that the grant application process can commence during 2019-20 at the same level of funding as previous year of £0.098m.

m) Approve the following in relation to fees and charges with effect from 1 April 2019 unless otherwise noted:

- i. Approve the proposals for the fees and charges inflationary increase of 3% and approve the charges that are over and above inflation. Note that this would generate additional income of £0.320m in total.
- ii. Approve the new charges in relation to registers printing copy certificates, pre-application meetings and private water supplies and agree that these charges will be implemented from 22 February 2019.
- iii. Approve the new charges in relation to the proposed parking pilot for Oban, Lorn and the Isles as per the Policy and Resources Committee report on 14 February 2019.
- iv. Approve the changes proposed to the Social Work fees and charges.
- v. Approve all other charges as noted within the Fees and Charges Schedule.
- n) Note the revenue budget monitoring position as at 31 December 2018.
- o) Note the financial risks analysis.
- p) Approve the contingency level for the General Fund balance at a level of 2% of net expenditure, equivalent to £4.837m and note the report on reserves and balances.
- q) Approve the capital plan block allocations for 2020-21 and 2021-22 and the contribution to the private sector housing grant for these years as noted in the capital summary report
- r) Approve the following changes to the capital plan:
 - i. Approve that additional funding of £0.514m is allocated to the Helensburgh Waterfront Project and £0.510m to Dunoon CHORD in line with the current reported overspends on these projects.
 - ii. Approve the removal of the Kilmahew/St Peter's project from the capital plan and transfer the £0.250m to the capital plan surplus.
 - iii. Approve that the underspend of £0.423m on the Kintyre Renewables Hub project is removed from the capital plan and transferred to the capital plan surplus.
 - iv. Approve that the £0.500m funding that was accelerated from the Education Block allocation in 2019-20 towards Dunoon Primary School is re-instated and used towards the projects originally intended for.
 - v. Approve a 20% contribution towards the Campbeltown Flooding Scheme to 2019-20 of £0.159m.
 - vi. Approve the full capital ask of £0.200m towards the CARS Lochgilphead Project, profiled over 2019-24.
 - vii. Approve the full capital ask of £0.327m towards the CARS Helensburgh Project, profiled over 2020-25.
 - viii. Approve an additional allocation of £0.250m for the Health and Social Care block allocation in 2019-20 to be used for asset sustainability.
 - ix. Approve that the remaining Capital Grant in respect of Campbeltown Flood Scheme, amounting to £4.153m, be earmarked within the General Fund pending a decision on the full business case which is expected to be submitted late 2019.
- s) Approve the Capital Plan as set out in Appendix 3 of the Capital Plan summary, subject to the changes noted in recommendation (r).

t) Approve the remaining capital plan surplus of £0.929m is retained within earmarked reserves as a Capital Plan contingency.

u) Approve the Corporate Asset Management Strategy.

v) Approve the Corporate Asset Management Plan and the Asset Group Summaries.

w) Agrees that officers bring forward an early report to the Council on the non-statutory Argyll Air Services serving Oban, Coll and Tiree Airports and Colonsay Airfield. The report should include flight and passenger numbers and all income and expenditure figures over the past two financial years with details of the net saving / cost to the Council should the Council decide to terminate this service.

Revenue Budget Table

| | 2019-20 | 2020-21 | 2021-22 |
|---|------------|---------------|----------------|
| | £000 | £000 | £000 |
| Budget Surplus / (Gap) as per Budget Pack | 1,032 | -4,528 | -11,611 |
| Policy Options not agreed: | | | |
| RAS11 - School Crossing Patrollers | -115 | -170 | -170 |
| ED05 - Youth and Adult Learning | -248 | -330 | -330 |
| ED06 - Music Instruction | -27 | -61 | -61 |
| RAS15 - Environmental Warden Services | -105 | -140 | -140 |
| RAS05 - Grounds and Environment | -120 | -180 | -180 |
| CSS02 - Customer Care Centre | -40 | -79 | -79 |
| EDST05 - Road Safety Unit | -74 | -99 | -99 |
| Remove Mod baseline funding from 2020-21 | | 0 | 0 |
| Revised Budget Surplus / (Gap) | 303 | -5,587 | -12,670 |
| Transfer Surplus to General Fund | -303 | | |
| Finalised Budget Surplus / (Gap) | 0 | -5,587 | -12,670 |

Unallocated General Fund Table

| | £000 |
|---|--------------|
| Unallocated General Fund Balance as at 31 March 2018 | 1,899 |
| Balance no longer required | 1,237 |
| Forecast overspend as at 31 December 2018 | -2,041 |
| Revised Unallocated General Fund Balance before budget | 1,095 |
| Mod | -80 |
| Kintyre Recycling Limited | -23 |
| Transfer to contingency to maintain 2% level | -111 |
| Transferred from Revenue Budget Surplus 2019-20 | 303 |
| Revised Unallocated General Fund Balance after budget | 1,184 |

Capital Table

| | £000 |
|--|--------------|
| Capital Surplus as per Budget Pack | 1,865 |
| Campbeltown Flood Scheme | -159 |
| CARS Lochgilphead | -200 |
| CARS Helensburgh | -327 |
| HSCP Block Allocation 2019-20 | -250 |
| Revised Surplus - to be retained as contingency | 929 |

Moved by Councillor Freeman, seconded by Councillor Moffat.

The Provost requested the Head of Strategic Finance to confirm that the Motion and three Amendments before the Council, containing budget proposals, were competent.

The Head of Strategic Finance advised the following –

“I would confirm that all four budget proposals presented here today are financially competent and balanced. No budget is without an element of risk as a budget is an estimate of income and expenditure at a point in time before the income and expenditure has actually happened. Provost, I would confirm that the four budget proposals presented here today are balanced and competent.”

The requisite number of Members required the vote to be taken by calling the roll and Members voted as follows:-

| Motion | Amendment 1 | Amendment 2 | Amendment 3 |
|-----------------|--------------------|--------------------|--------------------|
| Cllr Anderson | Cllr Armour | Cllr Kelly | Cllr Freeman |
| Cllr Colville | Cllr Blair | Cllr Philand | Cllr Moffat |
| Cllr Currie | Cllr Douglas | | |
| Cllr Devon | Cllr Findlay | | |
| Cllr Good | Cllr Forrest | | |
| Cllr Green | Cllr Horn | | |
| Cllr Hardie | Cllr Lynch | | |
| Cllr Kinniburgh | Cllr Paterson | | |
| Cllr MacMillan | Cllr Taylor | | |
| Cllr McCuish | Cllr Trail | | |
| Cllr McGrigor | | | |
| Cllr McNeilly | | | |
| Cllr Morgan | | | |
| Cllr A Morton | | | |
| Cllr E Morton | | | |
| Cllr Mulvaney | | | |
| Cllr Redman | | | |
| Cllr Reid | | | |
| Cllr Robertson | | | |
| Cllr Scoullar | | | |
| Cllr Vennard | | | |

Decision

The Motion was carried by a substantial majority.

(Ref: Report by Head of Strategic Finance, Revenue Budget and Capital Budget packs, updates to the Budgeting Pack from the P&R Committee of 14 February 2019, 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 2019-20 which had been referred without recommendation by the Policy and Resources Committee held on 14 February 2019.

Decision

The Council:-

1. Approved the proposed Treasury Management Strategy Statement and Annual Investment Strategy and the indicators contained within.
2. Approved 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 2021 at an interest rate of 4.095%, with the exception of spend to save schemes where Option 4 (funding/income profile method) will be used.
3. Approved 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 2019, submitted)