

**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER,
KILMORY, LOCHGILPHEAD
on THURSDAY, 27 FEBRUARY 2020**

Present: Councillor Len Scoullar (Chair)

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

Attending: Pippa Milne, Chief Executive
Douglas Hendry, Executive Director
Kirsty Flanagan, Interim Executive Director
Anne Paterson, Head of Education
Louise Connor, Head of Education
David Logan, Head of Legal and Regulatory Support
Laurence Slavin, Interim Head of Financial Services
Anne MacDougall, Interim Head of Financial Services
Joanna MacDonald, Chief Officer, Health and Social Care Partnership
Jane Fowler, Head of Customer and Support Services
Alison Palmer, Teacher Representative
Willie Hamilton, Teacher Representative

The Provost ruled, and the Council agreed, that the business dealt with at Item 6 of this Minute be dealt with as a matter of urgency by reason of the need to take a decision on the level of funding for Rothesay Pavilion.

The Provost announced that the Leader of the Council had been given a petition signed by 872 residents on Jura and Islay with regard to budget savings to remove the subsidy for schools swimming. The petition will be available for any member who wishes to scrutinise it.

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated by Councillors Forrest, Kelly, McCuish, McKenzie, E Morton and Margaret Anderson, Roman Catholic Church representative.

2. DECLARATIONS OF INTEREST

Councillor Jim Findlay declared a non-financial interest in relation to the report on Rothesay Pavilion which is dealt with at item 6 of the Minute due to him being a Board Member of the Rothesay Pavilion. He claimed the benefit of the dispensation contained at Section 5.16 of the Standard's Commission's Guidance and Dispensation Note to enable him to speak and vote.

Councillors Anderson, Hardie and Lynch each declared a non-financial interest in relation to the report on Budgeting Pack 2020/21 which is dealt with at Item 7 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 Dispensation Note to enable them to speak and vote.

3. MINUTES

The Minutes of the Meeting of Argyll and Bute Council held on 28 November 2019 were approved as a correct record.

4. MINUTES OF COMMITTEES

(a) Environment, Development and Infrastructure Committee of 5 December 2019

The Minute of the Environment, Development and Infrastructure Committee held on 5 December 2019 were noted.

Arising from item 6 (Lismore Ferry Replacement), the Council agreed that this will be considered under item 6 of the Agenda (Budgeting Pack).

Arising from item 7 (Campbeltown Flood Prevention Scheme), the Council agreed that this will be considered under item 6 of the Agenda (Budgeting Pack).

(b) Community Services Committee of 10 December 2019

The Minute of the Community Services Committee held on 10 December 2019 were noted.

(c) Policy and Resources Committee of 17 December 2019

The Minutes of the Policy and Resources Committee held on 17 December 2019 were noted.

Arising from Item 4 (Financial Monitoring Report as at 31 October 2019), the Council approved the revenue virements over £0.200m during September and October.

Arising under Items 11, 20 and 22 (Lismore Ferry Replacement, Third Sector Recycling Scheme and Rothesay Pavilion) the Council agreed to consider these items under item 6 of the Agenda (Budgeting Pack).

(d) Policy and Resources Committee of 20 February 2020

The Minutes of the Policy and Resources Committee held on 20 February 2020 were noted.

Arising from Item 4 (Financial Report Monitoring Pack – December 2019), the Council agreed that the revenue virements over £0.200m during November and December are approved.

Arising from Item 5 (Treasury Management Strategy Statement and Annual Investment Strategy), the Council considered this under Item 5 of the Agenda.

Arising from Item 6 (Budgeting Pack 2020/2021), 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 6 of the Agenda (Budgeting Pack).

Arising from Item 7 (Changes to Chief Officer Recruitment), the Council agreed that the Council's Constitution is updated to reflect the agreed changes to the Appointments Panel as outlined in the Policy and Resources Minute.

5. 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 2020-21 which had been referred without recommendation by the Policy and Resources Committee held on 20 February 2020.

Decision

The Council:-

- a) Approve the proposed Treasury Management Strategy Statement and Annual Investment Strategy and the indicators contained within.
- b) Approve the use of the statutory method for the repayment of loan fund advances prior to 1 April 2019 in respect of existing capital expenditure using a 5.1% annuity interest rate over an average period of 32 years. For those loans fund advances outstanding at 1 April 2004 a repayment period of 14 years will be used.
- c) Approve the use of the asset life method for the repayment of loan fund advances after 1st April 2019 using a 5.1% annuity interest rate, with the exception of spend to save schemes where the funding/income profile method could be used.
- d) Approve the proposed asset repayment periods as detailed within section 2.6 of the Treasury Management Strategy Statement.
- e) Approve the ability to continue to use countries with a sovereign rating of AA- and above, as recommended by Link Asset Services.

(Ref: Report by Section 95 Officer dated 13 February 2020, 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 Paragraphs 8&9 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

E1 6. ROTHESAY PAVILION - REQUEST FOR ADDITIONAL REVENUE FUNDING

The Council considered a report which provided an update on the request for additional funding from Rothesay Pavilion following further consideration of the options as outlined in the report to the Policy Resources Committee on 17 December 2019 and also a meeting held with Rothesay Pavilion Charity on 14 February 2020.

Motion

It is recommended that Council:

- a) Consider in light of the information contained in this update and having particular regard to the elements of material risk highlighted, if they are prepared to agree to the funding package of up to £0.750m over 2020-21 and 2021-22 in addition to the £0.150m per annum previously agreed, noting that if they are so inclined, consideration will require to be given to the appropriate provision within the budget proposals.
- b) If yes, they instruct the Executive Directors to finalise a funding agreement with RPC, which through its conditions, seeks to minimise the risk to the Council as far as is reasonably practicable and to report back to Policy and Resources Committee on the finalised package. The conditions will include adequate business and financial management capacity being in place before significant funds are released; and regular reporting by RPC that allows effective monitoring of the agreement by the Council.

Moved by Councillor Mulvaney, seconded by Councillor A Morton.

Amendment

Argyll and Bute Council notes the contents of the report and the request from Rothesay Pavilion for funding of up to £750k over 2020-21 and 2021-22 in addition to the £150k per annum previously approved by the Council.

The Council also notes that the current request is £178k more than the previous request from Rothesay Pavilion for £286k for each year over 2020-21 and 2021-22 which was considered by the Policy and Resources Committee on 17 December 2019 with that request being in addition to the £150k per annum already agreed by the Council.

The Council notes with concern that any additional funding approved for Rothesay Pavilion will require equivalent cuts in Council services / budgets / staff.

Given the high risks identified by officers relating to this request, the Council agrees to take no action at this time whilst negotiating an exit strategy and confirming conditions regarding use of funds.

Moved by Councillor Freeman, seconded by Councillor Philand.

Decision

On a show of hands vote, the Amendment received 3 votes and the Motion received a substantial majority which the Council resolved accordingly.

(Ref: Report by Executive Directors dated 26 February 2020, submitted)

7. BUDGETING PACK 2020/21

The Provost advised that in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, the appendix 8 relating to Item 2(d) of the Budgeting Pack would require him to exclude the press and public should any Member wish to discuss the content of this appendix on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraph 6 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

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 2021 which had been referred without recommendation by the Policy and Resources Committee held on 20 February 2020.

Motion

Argyll and Bute Council:

1. Approves the revenue estimates for 2020/21 and that consequently the local tax requirement estimated at £52.859m is funded from Council Tax. Approves the following rates and charges for the year 2020/21:
 - a) Council Tax to be paid in respect of a chargeable dwelling in Band D of £1,367.73, representing at 4.5% increase.
 - 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 Revenue Budget Overview Report, subject to the decisions outlined below and reconciled in the Administration's Revenue Budget Model at point 3:
 - a) Approves a base allocation to the Health and Social Care Partnership of £60.577m for 2020/21, with net payment of £60.077m once the debt repayment schedule requested by the HSCP is taken into account; this schedule, including future years indicative payments, is also approved as set out in the table at 3.6.10 of the Revenue Budget Overview Report. Notes the remaining overspend of £1.327m from 17/18 and 18/19 will need to be repaid, and that the profile for repayment will be considered by the Policy and Resources Committee at its May 2020 meeting, when the 19/20 overspend is confirmed. Agrees that in the event of the HSCP underspending in 2020/21 or any future years, the council will seek earlier repayment of outstanding debts. Notes that 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;

- b) Approves the adjustment to the Live Argyll Management Fee, resulting in a management fee in 2020/21 of £3,788m. Notes that the service level agreement is due to be renewed for 2021/22 onwards. Instructs officers to engage with Live Argyll, in light of the Trust's ongoing income generation and the non-statutory elements of the service, with a view to exploring a reduction in the management fee. Requests that officers provide reports to the Policy and Resources Committee over the course of 2020/21 as this work progresses;
- c) Approves the transfer of £0.500m of revenue funding to the capital programme to reflect the additional revenue funding provided by the Scottish Government to pay for the required replacement of MV Lismore;
- d) Notes the management/operational savings totalling £1.37m as outlined in Appendix 5 of the Revenue Budget Overview Report which were endorsed by the Council in October 2019, and endorses the one-off fleet saving of £0.278m and the loans fund saving of £2.5m;
- e) Approves the policy savings options listed in Appendix 6 of the Revenue Budget Overview Report, with the following exceptions:

i) Savings options rejected in full - £564.9k

ED03	Educational Psychology Services	£78k
ED14	Swimming Pool Subsidies	£19.3k
ED20	Pupil Support Assistants	£198.5k
L&R03	Advice Services Staff	£18.1k
RAIS02	School Crossing Patrollers	£113k
RAIS04	Parking Charges	£138k

ii) Agrees, in relation to the above savings options, the following additional instructions:

ED14 – requests that officers review all payments to these organisations ahead of the main Service Level Agreement (SLA) renewal next year and streamline funding into a single payment.

RAIS04 – Requests that officers carry out a holistic review of parking arrangements across Argyll and Bute and develop proposals that take into account the needs of communities, business and visitors, addressing local demand, congestion, climate change and ease of use. Requests that officers bring forward a programme for the review to be taken forward on an area basis, with priority given to those areas where there has already been community engagement (Luss and Tobermory).

iii) Savings options rejected in part - £79k

ED21	(a) Third Sector Grant – rejects removal but reduces funding to £75k in 2020/21 and to £50k from 2021/22 onwards. (b) Early Years staffing review accepted	£75k
RAIS09	(1) Accepts proposals for charging. (2) Rejects closure of low use facilities but agrees that those 10	£4K

	public conveniences are promoted for community transfer, lease or sale	
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iv) Notes that the total savings delivered through acceptance of policy savings options is £1.406m and is confirmed in the Administration's Revenue Budget Model at point 3 below.

f) Agrees the following investments in line with the Council's Priorities:

£500k	Roads maintenance and climate change mitigation works	Additional funds to be spent across 20/21 and 21/22 to mitigate the impacts of weather related damage and climate change with specific emphasis on gully cleaning and drainage improvements. A report to be brought back to September EDI committee
£400k	Green transport	Additional funds to be spent across 20/21 and 21/22, investment in footway and cycle path maintenance supporting the healthy wellbeing and green agenda
£400k	Education – digital learning	Additional funds to be spent across 20/21 and 21/22, as part of the ongoing transformation work in the Education service, focussing on digital and virtual learning technology and the development of learning clusters
£50k	Shared Transport	Additional funds available in 20/21 to explore the redesign of public and school transport and the introduction of shared transport, engaging with communities so that services better match their needs and reduce carbon emissions
£2,400k	Roads Capital	Additional funds of £700k available in 20/21 and £1.7m in 21/22 to support investment in our roads, crucial to community wellbeing and economic growth.
£500k	Property Capital	Additional funds available in 21/22 to support shift from fossil fuels to clean energy alternatives across our offices and schools.

3. Notes the Administration's Revenue Budget model detailed below:

	20/21 £000	21/22 £000	22/23 £000
Budget Surplus/(Gap) as per Budget Pack	1,570	(6,671)	(14,590)
Additional funding announcement 26/02/20	1,701	1,701	1,701

Policy Options Rejected in Full			
ED03 Educational Psychology	(78)	(125)	(125)
ED14 Swimming Pool Subsidies	(19)	(19)	(19)
ED20 Pupil Support Assistants	(199)	(318)	(318)
L&R03 Advice Services Staff	(18)	(18)	(18)
RAIS02 School Crossing Patrollers	(113)	(151)	(151)
RAIS04 Parking Charges	(138)	(138)	(138)
Policy Options Rejected in Part			
ED21 Third Sector Grant/Early Years Staffing	(75)	(50)	(50)
RAIS09 Public Conveniences	(4)	(8)	(8)
Investment in Services (Revenue)			
Education – technology to support remote learning	(400)		
Shared transport – community engagement	(50)		
Roads – climate change mitigation and maintenance	(500)		
**Green transport – cycle path and footpaths	(400)		
Investment in Services (Transferred to Capital)			
**Roads capital	(2,400)		
**Property capital	(500)		
Council Tax at 4.5% for 2020/21	759	783	809
Transfer from One-off re-profiling gain arising from Loans Fund	600		
Transfer from General Fund Reserve to support Roads capital investment	264		

Revised Budget Surplus/(Gap)	0	(5,014)	(12,907)
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** These items to be re-considered by Council in April if the additional funding announced on 26/02/20 is not subsequently confirmed

4. Accepts officer recommendations in relation to the one-off reprofiling gain arising from the Loans Fund Review, noting that as a result of policy options decisions above the provision for redundancies in 20/21 will reduce to £600k and note that this difference of £600k is referenced in the table above.
5. In relation to external funding requests received agrees the following sums to be allocated on a one-off basis from the Unallocated General Fund Reserve:

Argyll and the Isles Tourism Co-operative	£30k grant funding for 20/21
Kintyre Recycling Ltd	£66k uplift in contract value for 20/21
Fyne Futures	£60k uplift in contract value for 20/21
Rothsay Pavilion Charity	£750k additional revenue support to cover 20/21 and 21/22; subject to conditions which seek to minimise the risk to the Council as far as is reasonably practicable including requirement for adequate business and financial management and regular reporting by RPC.

6. Approves the following relation to fees and charges with effect from 1st April 2020 unless otherwise noted:
 - a) 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 £0.309m in total;
 - b) Approve the changes proposed to the Social Work fees and charges;
 - c) Approve all other charges as noted within the Fees and Charges Schedule;
 - d) Note that officers are exploring moving to an annual flat fee model for CalMac ferry vessels berthing at Craignure Pier and agree that any revision to how the charge is levied is delegated to the Council's Executive Directors as long as this is of no financial detriment to the Council;
 - e) Note that officers are reviewing the charge for Export Certificates with a view to introducing a change to the small quantities level and further note that any proposal in relation to this would be reported to the Environment, Development and Infrastructure Committee in the first instance.
 - f) Reflecting Transport Scotland advice, agrees that a charging regime should be developed for all Electric Vehicle Charging Points with charging for 2020/21 to be on the basis of electricity consumption cost recovery and a report on the long-term approach to come to the September 2020 meeting of the Environment, Development and Infrastructure Committee.

7. Approves the Corporate Asset Management Strategy and the Capital Plan as set out in Appendix 3 of the Capital Plan Summary and amended by the Administration Budget Model at point 3 and the Capital amounts included within the use of one-off gain from the Loans Fund Review; notes the Corporate Asset Management Plan and the Asset Group Summaries; given the scale of risk to capital programme funding in future years, requests that officers provide an overview report to the Policy and Resources Committee meeting in May 2020.
8. Notes the report on reserves and balances; approves the contingency level for the General Fund Balance at a level of 2% of net expenditure; 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 £388k at the year end:

Unallocated General Fund Balance	£000
Estimated unallocated General Fund Balance as per budget pack at 31 st March 2020	1,598
Budget motion:	
AITC	(30)
Kintyre Recycling Ltd	(66)
Fyne Futures	(60)
Rothesay Pavilion Charity	(750)
Transferred to Administration Priorities to support Roads Capital Investment	(264)
Transfer to contingency to maintain 2% level	(40)
Revised Unallocated General Fund Balance after budget	388

9. Agrees that priority is given to seeking direct support from the Scottish Government to address the financial and practical challenges of switching from disposing of waste in landfill to generating energy from our waste, enabling significant reductions in our carbon emissions and compliance with the BMW ban.
10. Values community voices in our decision making process for the 2020/21 Budget and acknowledges the contribution of the people of Argyll and Bute who shared their views through the budget planning consultation, with thanks to all who took the time to participate.
11. Notes that through the Equality and Socio-Economic Impact Assessment (EqSEIA) process, we have paid due regard to our duties under the Equality Act 2010, the associated Fairer Scotland Duty and the Islands Act. Notes that some of the savings proposals have an impact in some areas, but that this has been given due regard. Following the removal of the RAIS07 savings option, there are no impacts identified through the EqSEIA process that show actual or potential discrimination.

12. Notes the Financial Risks Analysis.

13. Approves all service plans subject to updating the budget figures in line with the budget agreed for 2020/21.

Moved by Councillor A Morton, seconded by Councillor Mulvaney.

Amendment 1

The Council ...

- a. Approves the **2020-21 Revenue Budget** as set out in the revenue budget overview report.
- b. Approves all **service plans** for the years 2020-23, subject to amendment in line with the budget agreed for 2020-21.
- c. Notes the findings of the Council's **budget planning consultation**, having regard to the valued contribution of the citizens and organisations who took the time to share their views with the Council.
- d. Notes that each of the proposed savings proposals have been subjected to an assessment **EQSEIA process**, which has paid due regard to the Council's duties under the Equality Act 2010, the associated Fairer Scotland Duty and the Islands Act, and notes that no impact identified through the EQSEIA process would likely result in actual or potential unlawful discrimination.
- e. Agrees a base allocation to the **Health and Social Care Partnership** of **£60.577m** for 2020-21.

Approves the indicative allocations base for 2021-22 and 2022-23 to be £60.577m.

Notes that 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.

Agrees to defer the pay-back of the 2017-18 and 18-19 Social Work overspend by the HSCP by one year, resulting in a re-profiling of repayments as set out below;

<i>Repayment</i>	<i>£000</i>
2020-21	500
2021-22	1,200
2022-23	1,255
2023-24	1,327
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	4,282

Agrees that in the event of the HSCP creating reserves through underspends in 2020-21 or any future years, the Council will require earlier repayment, unless otherwise determined by the Policy and Resources Committee.

Note that a report will be brought to the Policy and Resources Committee at its May 2020 meeting once the Partnership's 2019-20 overspend position is confirmed, when the detail of how this might be considered by the Committee should the opportunity for this arise.

- f. Approve the adjustment to the **Live Argyll** Management Fee, resulting in a

management fee in 2020-21 of £3.788m.

Funding Resources:

- g. Approve the revenue estimates for 2020-21 and acknowledges the **Council Tax** requirement estimated of £53.031m, and
Agrees to the following rates and charges for the year, 2020-21:
- a. Council Tax to be paid in respect of a chargeable dwelling in Band “D” of £1,372.18 representing a 4.84% increase.
 - 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.
- h. Agrees a general 3% inflationary increase in **Fees and Charges**, together with a higher increase in respect of some specified services, where the increase will be higher as set out in the budget pack, including in respect of
- i. Piers and Harbours; where an additional 5% over and above the general inflationary increase of 3% will be applied; the income from which will be ring-fenced to fund asset improvements.
 - ii. Burial, Cremation and Lair search charges; which are increased by 20%, 20% & 19% respectively
- i. Approves the changes to Social Work fees and charges as agreed by the Integrated Joint Board at their meeting in January 2020, and
Agrees all other charges as noted within the Fees and Charges schedule set out in the Fees and Charges paper in the budget pack, and notes
- i. those services for which no increase are proposed and those, where the charge(s) is determined by others, including the three new charges for Direct Cremations, all described in the Fees and Charges paper in the budget pack,
 - ii. that Officers are exploring a move to an annual flat fee model for CalMac ferry vessels berthing at Craignure Pier and agree that any revision to how the charge is levied is delegated to the Council’s Executive Directors as long as this is of no financial detriment to the Council.
 - iii. that officers are reviewing the charge for Export Certificates with a view to introducing a change to the small quantities level and further note that any proposal in relation to this would be reported to the Environment, Development and Infrastructure Committee in the first instance.
- j. Notes the management/operational savings totalling £1.371m as outlined in Appendix 5 of the Revenue Budget Overview Report which were endorsed by Council in October 2019, and
endorses the ‘**one-off fleet**’ savings of £0.278m and **loans fund** savings of £2.500m.
- k. Approves the transfer of £0.500m of revenue funding to the capital programme to reflect the additional revenue funding provided by the Scottish Government to meet the cost of replacement of MV Lismore.

- i. Approves the revenue budget for 2020-21 as set out in the revenue budget overview report.

Opposition Budget Model 2020-21

Opposition Budget Model 2020-21 Contd.

- a. Approves the new **Policy Savings** options shown in Appendix 6, with the exception of the following Policy Savings options which are rejected:

ED01	PE Facilities	73
ED03	Psychological Services	78
ED14	Swimming Pool Subsidies	19
ED19	Community Learning & Development	184
ED20	Pupil Support Assistants	199
ED21	Early Years - 3rd Sector	106
L&R		
O3	Advice Services	18
RAIS		
02	School Crossing Patrollers	113
RAIS		
04	Traffic Management	138
RAIS		
09	Public Conveniences	8
	Total Value	<u>936</u>

- b. Notes the work done on the review of the **Loans Fund** to realise a £20.561m 'one-off gain', and
- i. Approves a £7.649m provision for the increasing principal repayments over the next 10 years,
- ii. Approves the use of the remainder of the 'gain' to fund known liabilities and foreseeable cost pressures, as set out hereafter:

	<i>£000</i>	
	20,56	
Loans Fund Review Gain	1	
Provision for Increased principal repayments	7,649	<u>7,649</u>
<u>Revenue Pressures</u>		
Provision to Support Organisational Change	500	
Cost of 2020-21 Redundancies	800	
Provision for Future Redundancies	1,500	
Route Optimisation	100	<u>2,900</u>
<u>Capital Pressures</u>		
Funding Gap in Capital Programme	2,619	
Capital Programme - <i>Intolerable Red Risks!!!</i>	574	
Campbeltown Flood Protection Scheme	1,406	

Significant Strategic Change Projects

5,413

10,012

Total

20,561

c. Agrees the following **Opposition Budget** expenditure requirements

OB 01 Community Transfer Support

Awards 25

OB 02 Strategic Innovation Fund 600

Total **625**

OB 01 - Community Transfer Grants - £0.025m

Makes specific provision of £25,000 in 2020-21 in respect of awards of up to £1000 to be made to community groups which assume responsibility for the upkeep of small rural public conveniences, or undertake to maintain 'closed' cemeteries.

The scope of these awards, the definition of maintenance and related administrative arrangements to be set out in a report by Officers to the Environment, Development and Infrastructure Committee in June.

(As conceived, under this arrangement this would see the Council cease all routine maintenance in disused cemeteries, and all responsibilities in relation to public conveniences.)

OB 02 - Strategic Innovation Fund - £0.60m

Makes specific provision in 2020-21 in order to promote and support innovative projects consistent with the strategic priorities of the Council, including those which could demonstrate, facilitate or accelerate 'performance improvement'.

The scope and operation of the Fund to be developed by Officers and set out in a report by Officers to the Policy and Resources Committee in May.

As conceived, successful projects would address our shared ambition for our citizens and communities, on for example, but not exclusively, projects which would address

i. Poverty

Example: action on child poverty, helping families address financial hardship, supporting breakfast clubs, alleviating fuel poverty

ii. Climate Change Action

Example: promoting active travel, car-sharing, support for community food growing, energy efficiency initiatives

iii. Performance Improvement

Example: resourcing improved performance, pursuit of innovation which will facilitate change and development towards efficient and cost effective service delivery

d. Agrees to extend its relationships with **Kintyre Recycling Limited (KRL)** and **Fyne Futures** to 31 March 2021, and makes a consequential provision in the Revenue Budget 2020-21; £67,000 and £61,000 respectively.

e. Agrees to provide £47,000 to the **Argyll and Isles Tourism Co-operative**, in response to their funding request for 2020-21.

- f. Agrees to provide funding support to **Rothesay Pavilion Charity** up to a £0.750m in the first two years of its operation, in addition to the already agreed £0.15m annual support in years one to five.
- g. Notes the detail which underpins the Opposition Budget model for 2020-21.

Note that the model includes £1.70m of additional revenue funding from the Scottish Government which has yet to be confirmed.

Budget Pack Surplus	£000
Additional Revenue from Council Tax at 4.84% inc.	1,570 931
Scottish Government Ferries (Capital Element)	500
Net Resources after 'savings' measures	<u>3,001</u>
Scottish Government	1,700
Rejected Policy Savings	-936
'New' Funding Requests	-925
Investment & Improvement Proposals	-625
Transfer to Capital (Roads)	-1500
Transfer to Capital (MV Lismore)	-500
Transfer to General Fund	<u>-215</u>
Net Position	0

- h. Notes the **financial risks analysis**.
- i. In the event that the Council does not receive the additional Scottish Government funding noted at item g. above, then the Opposition budget will be reduced by £1.70m though a reduction of £0.70m from Capital commitment to Roads and the balance of £1.0m from General Fund Reserves.
- j. Approves the contingency level for the General Fund balance at a level of 2% of the net expenditure, equivalent to £4.92m and notes the report on **Reserves and Balances**.
- k. Approve the **Capital Plan** as set out in Appendix 3 of the capital plan summary in addition to the Capital allocation as per the budget model and Capital provisions for the one-off gains. noting that consideration needs to be given to how the capital programme will be funded in future years, should the funding settlement for 2021-22 and 2022-23 be less than estimated.
- l. Approve the **Corporate Asset Management Strategy**
- m. Note the **Corporate Asset Management Plan** and the Asset Group Summaries.

Moved by Councillor Taylor, seconded by Councillor Douglas.

Amendment 2

Argyll and Bute Council notes the announcement that it is proposed that the funding for local authorities, within the Scottish Government budget, will be increased by £95 million. While this announcement is welcomed, there remains uncertainty on how this additional funding will impact on the proposed budget for Argyll and Bute Council.

Given this uncertainty, and the limited time that elected members have had to consider this change, the Council agrees to adjourn the Council meeting and to reconvene in one hour to allow members to give detailed consideration to the impact that the additional funding from the additional £95 million for local authorities across Scotland could/will have on the Argyll and Bute Council budget.

Moved by Councillor Freeman, seconded by Councillor Philand.

The Provost requested the Section 95 Officer to confirm that the Motion and the two Amendments before the Council, containing budget proposals, were competent and balanced, this was confirmed.

The Provost adjourned the meeting at 13.05pm and reconvened at 13.20pm.

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

Motion

Councillor Colville
Councillor Currie
Councillor Devon
Councillor Good
Councillor Green
Councillor Hardie
Councillor Kinniburgh
Councillor MacMillan
Councillor Sir McGrigor
Councillor McNeilly
Councillor Morgan
Councillor A Morton
Councillor Mulvaney
Councillor Redman
Councillor Reid
Councillor Robertson
Councillor Scoullar
Councillor Vennard

Amendment 1

Councillor Anderson
Councillor Armour
Councillor Blair
Councillor Douglas
Councillor Findlay
Councillor Horn
Councillor Lynch
Councillor Moffat
Councillor Paterson
Councillor Taylor
Councillor Trail

Amendment 2

Councillor Freeman
Councillor Philand

Decision

Amendment 2 received 2 votes, Amendment 1 received 11 votes and the Motion received 18 votes and the Council resolved accordingly.

(Ref: Report by Acting Head of Financial Services, Revenue Budget and Capital Budget packs, updates to the Budgeting Pack from the P&R Committee of 20 February 2020, submitted)

8. APPOINTMENTS PANEL

The Council considered a report which invited the Council to establish Appointments Panels to appoint to the posts of Executive Director (currently filled on an interim basis), and Head of Education – Lifelong Learning and Support (expected to be vacant from August 2020).

Decision

The Council:-

1. Nominated 6 elected members and substitutes to the Appointments Panel for Executive Director: 4 from the Administration and 2 from the Opposition being Councillors Armour, Green, McNeilly, A Morton, Mulvaney and Taylor with Councillors Currie, Findlay, Good and Robertson as the substitutes.
2. Nominated 3 elected members and substitutes to the Appointments Panel for Head of Education Lifelong Learning and Support: 2 from the Administration and 1 from the Opposition being Councillors Douglas, McNeilly and A Morton with Councillors Lynch, Robertson and Mulvaney as substitutes.

(ref: Report by Executive Director with responsibility for Customer and Support Services dated 13 February 2020, submitted)