ARGYLL AND BUTE COUNCIL **BUSINESS CONTINUITY COMMITTEE**

FINANCIAL SERVICES **25 JUNE 2020**

EARMARKED RESERVES – 2019-20 YEAR-END

1. EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide information on progress with balances already earmarked within the General Fund and new balances earmarked at the end of 2019-20 that qualify for automatic carry forward or have been previously agreed. It also presents proposals to earmark 6 new areas of unspent budget which require approval.

1.2 The earmarked balance in the General Fund as at 31 March 2019 was £42.936m. Of this £13.640m has been spent during 2019-20 and £0.201m will be transferred back to the General Fund. The remainder is planned to be spent in future years.

1.3 There are 6 new unspent budget earmarking proposals from services totalling £2.742m with business cases for approval.

Department	Description	Appendix	£000
Executive Director Douglas Hendry	Provision of Mobile Catering Vans	2.1a	69
Executive Director Douglas Hendry	Site Investigation Works	2.1b	40
Executive Director Douglas Hendry	Skype for Business for Education	2.1c	138
Executive Director Kirsty Flanagan	Replacement Parking Machines	2.1d	122
Non Departmental	Additional Loans Fund Savings - for Capital Programme	2.1e	1,873
Across Services	Information Management	2.1f	500
Total			**2,742**

1.4 There are a further 3 unspent budget carry forwards totalling £2.974m that have previously been agreed:

- Earmarking of £0.230m in relation to a delay in the implementation of a new employer contribution rate for teachers pensions within 2019. Due to the delay a surplus has been created in 2019-20 and it was approved that this be used to help reduce the cost in future years. £0.118m is planned to be used in 2020-21 with the remaining £0.112m to be used in 2021-22.
- Earmarking of £2.700m in relation to a partial release of the one-off reprofiling gain as part of the Loans Fund Review. The Council approved a number of uses for the one-off reprofiling gain and 4 elements have been released and will be transferred to earmarked reserves pending expenditure. By releasing the gain,

the loans fund expenditure reduces creating the underspend. The 4 elements released are:
    - £0.500m provision to support organisational change
    - £0.600m redundancy provision for 2020-21
    - £1.500m future redundancy provision
    - £0.100m for spend to save route optimisation software.
- Earmarking of £0.044m for investment income relating to the Asset Management Fund. When the Fund was set up, it was agreed that the income should be added to it annually and this amount relates to the income for both 2018-19 and 2019-20.

1.5 There are new balances totalling £7.302m that qualify for automatic carry forward at the end of 2019-20.

1.6 The new earmarked balance as at 31 March 2020 amounts to £43.375m. The most significant elements of this balance relate to Strategic Housing Fund £7.500m, Capital Projects £7.452m, and Investment in Affordable Housing £4.000m.

ARGYLL AND BUTE COUNCIL **BUSINESS CONTINUITY COMMITTEE**

FINANCIAL SERVICES **25 JUNE 2020**

EARMARKED RESERVES - 2019-20 YEAR-END

2. INTRODUCTION

2.1 The purpose of this report is to provide information on progress with balances already earmarked within the General Fund and new balances earmarked at the end of 2019-20 that qualify for automatic carry forward or have been previously agreed. It also presents proposals to earmark 6 new areas of unspent budget which require approval.

3. RECOMMENDATIONS

3.1 The Business Continuity Committee is asked to:

a) approve the revised Policy on Year End Flexibility including approval of a new category for automatic carry forward of unspent income from Hermitage Park to fund the 10 year Management and Maintenance Plan.

b) approve the 6 new unspent budget earmarked reserve proposals totalling £2.742m as supported by submitted business cases and note that there are a further 3 unspent budget earmarkings amounting to £2.974m that have been previously approved, as outlined in Appendices 2.1 and 2.2.

c) note the new balances of £7.302m at the end of 2019-20 that qualify for automatic carry-forward as outlined in Appendix 3.

d) note the previously approved unspent budget earmarked reserves of £3.483m and the justification for continuing to earmark these as outlined in Appendix 4.

e) note a total of £25.612m of automatically carried forward balances which are previously earmarked balances in addition to the new amounts earmarked from the unallocated balance as part of the budget agreed at Council on 28 February 2020, as outlined in Appendix 5.

f) note that £0.201m of no longer required earmarked balances will be released back into the General Fund.

4. DETAIL

4.1 Background

4.1.1 The Council has previously agreed automatic earmarking of the General Fund in respect of the following situations:

- The balances in relation to the Strategic Housing Fund, CHORD and unspent budget within the Devolved Management of Resources (DMR) Scheme of Delegation for schools.

- Any unspent grants and unspent contributions from external bodies are earmarked on the basis that the monies would have to be returned/repaid if not used for the purpose intended.
- Any unspent budget that relates to existing policy commitments arising from a previous Council decision or is required to meet an existing legal commitment is earmarked.
- Any unspent funding provided by the Scottish Government to implement new legislation or government initiatives is earmarked. The funding carried forward is used solely for its intended purpose to fund the implementation of new government directions.
- Any savings generated from energy efficiency measures are carried forward in an Energy Efficiency Fund for reinvestment to further reduce the Council's energy costs and carbon emission levels.
- The Piers and Harbours Investment Fund – for additional fees and charges income generated from Piers and Harbours operation the funds will be used to meet the costs of the prudential borrowing required to develop and maintain the Council's harbour assets and infrastructure.

4.1.2 A new automatic carry forward category, referred to as Hermitage Park, for unspent income generated from Hermitage Park is proposed. The earmarked funds will be used to meet the costs of the 10 year Management and Maintenance Plan which is a condition of the Heritage Lottery Funding investment into the Park. A revised earmarking policy, including this new category, is attached as Appendix 1 for approval.

4.1.3 Outwith the situations noted above there will be no automatic carry forward of unspent budget. Earmarking of funds in relation to unspent budget and not covered by the criteria above are reported to Members for approval and supported by a business case.

4.2 New Earmarked Reserves

4.2.1 Appendix 2.1 provides detail of the new unspent budget proposals from services at the end of the 2019-20 financial year. These total £2.742m. Members are asked to review these new proposed earmarked balances together with the business cases developed by services which are included as Appendices 2.1a to 2.1f.

4.2.2 Appendix 2.2 provides detail of the new unspent budget proposals that have previously been agreed by Council in relation to teachers pensions increase, release of loans fund review one-off gain and asset management fund investment income. These total £2.974m.

4.2.3 There are new earmarked balances for the 2019-20 financial year which qualify for automatic carry forward in line with the conditions outlined in paragraphs 4.1.1. These total £7.302m and are outlined in Appendix 3.

4.3 Previously Approved Balances

4.3.1 Appendix 4 outlines the previously agreed earmarked balances of £3.483m from unspent budget with a note on the plans for use and, in some instances, further justification for why the amounts remain earmarked. An indicative spending profile has been included for each earmarked balance but these may vary as projects progress and require amendment. These balances have been scrutinised by SMT to

ensure there are clear spending plans in place and that the purpose of the earmarking is in line with Council priorities.

4.3.2 Appendix 5 outlines the £25.612m of carried forward previously approved earmarked balances, in addition to the new amounts earmarked from the unallocated balance as part of the budget at Council on 28 February 2020 and also two additional amounts agreed for 2019-20 revenue budget. These are only provided for information as they are balances which qualify for automatic carry forward or have been subject to a previous Council decision.

4.3.3 The new earmarking agreed on 28 February 2020 is summarised below:

- AITC - £0.030m
- Kintyre Recycling Limited £0.066m
- Fyne Futures £0.060m
- Rothesay Pavilion Charity - £0.750m
- To Support Capital Investment - £0.264m.
- Total - £1.170m.

4.3.4 In addition, there are amounts remaining from budget decisions made in relation to 2019-20 revenue budget. These pressures are still relevant therefore the funds have been transferred to earmarking to meet the costs expected to be incurred during 2020-21. They are:

- a cost pressure of £0.068m agreed February 2019 in relation to the production of the Local Development Plan
- a supplementary estimate of £0.024m agreed June 2019 to support an enforcement action for planning.

4.4 Balances released back to the General Fund

4.4.1 The funds totalling £0.201m that will be un-earmarked and released back into the General Fund are detailed in the paragraphs that follow.

4.4.2 A £0.001m payment in respect of International Youth Activities. This related to monies received from the British Council for the International Youth Activities programme. The project has ended, the requested amount due back to the British Council was returned and the costs borne by the service so the balance held in earmarking is not required and can be returned to the unallocated General Fund.

4.4.3 A £0.200m from Investment in Affordable Housing. This earmarked reserve provides cash backed reserves for the loans to registered social landlords and the revised balance of £4.0m reflects the balance on those loans at 31 March 2020.

4.5 General Fund Balance

4.5.1 The General Fund balance at 31 March 2019 was £49.480m. Of this £42.936m was approved by Council to be earmarked for specific purposes. The table at paragraph 4.6 summarises the movement in the earmarked balance to 31 March 2020.

4.5.2 A total of £43.375m is earmarked to be carried forward into 2020-21. The most significant elements of this balance relate to Strategic Housing Fund £7.500m, Capital Projects £7.452m, and Investment in Affordable Housing £4.000m.

4.5.3 The earmarked balances will be monitored throughout the financial year and reported to the Business Continuity Committee / Policy and Resources Committee.

4.6 Movement in Earmarked Balances

Earmarking Category	Balance at 31 March 2019 £000	Transfers Between Categories £000	New Earmarking from 2019-20 Outturn £000	New Earmarking Agreed by Council during 2019-20 £000	Actual Spend 2019-20 £000	Released back to General Fund £000	Balance Carried Forward to 2020-21 £000
Strategic Housing Fund	6,310	0	2,136	0	(946)	0	7,500
Investment in Affordable Housing	4,200	0	0	0	0	(200)	4,000
Capital Projects	5,579	0	1,873	0	0	0	7,452
Lochgilphead and Tarbert Regeneration	2,917	0	0	0	(541)	0	2,376
Inward Investment Fund	935	0	0	0	(52)	0	883
Rural Resettlement Fund	180	0	0	0	(28)	0	152
Asset Management Investment	2,507	0	44	0	0	0	2,551
Piers and Harbours Investment Fund	240	0	368	0	0	0	608
Scottish Government Initiatives	492	9	578	0	(128)	0	951
Transformation	78	0	0	0	(5)	0	73
CHORD	141	0	72	0	0	0	213
DMR Schools	814	0	850	0	(747)	0	917
Energy Efficiency Fund	136	0	82	0	0	0	218
Existing Legal Commitments	797	0	0	0	(153)	0	644
Unspent Grant	1,631	(52)	2,939	0	(1,236)	(1)	3,281
Unspent Third Party Contribution	132	0	10	0	(5)	0	137
Previous Council Decision - Other	11,644	(164)	267	92	(8,872)	0	2,967
Redundancy Provision	0	0	2,100	0	0	0	2,100
Supporting Organisational Change	0	0	500	0	0	0	500
Spend to Save Route Optimisation	0	0	100	0	0	0	100
Unspent Budget	4,203	207	1,099	1,170	(927)	0	5,752
Totals	**42,936**	**0**	**13,018**	**1,262**	**(13,640)**	**(201)**	**43,375**

5. CONCLUSION

5.1 A total of £0.201m of earmarked balances will be released back into the General Fund.

5.2 Services have submitted their new proposed unspent budget earmarked reserves balances for the 2019-20 year-end for consideration by Members together with business cases to support the requests, these proposals total £2.742m. In addition there is a further £2.974m unspent budget earmarking previously approved in relation to teachers pensions increase, release of loans fund review one-off gain and asset management fund investment income.

5.3 There are a number of previously approved unspent budget earmarked reserves balances where there are plans to spend in future years and these have been scrutinised by SMT to confirm there is clear justification for these to continue to be earmarked.

5.4 There are new balances totalling £7.302m that qualify for automatic carry forward at the end of 2019-20.

6. IMPLICATIONS

6.1	Policy	Outlines the new proposed unspent budget earmarking to be carried forward as per the updated policy. Also outlines the new balances to be earmarked which qualify for automatic carry forward
6.2	Financial	Outlines all earmarked balances held within the General Fund
6.3	Legal	None
6.4	HR	None
6.5	Fairer Scotland Duty	None
6.5.1	Equalities	None
6.5.2	Socio-Economic Duty	None
6.5.3	Islands Duty	None
6.6	Risk	None
6.7	Customer Service	None

Kirsty Flanagan
Section 95 Officer

Councillor Gary Mulvaney – Policy Lead for Financial Services and Major Projects
12 June 2020

APPENDICES

Appendix 1 – Revised Policy on End of Year Flexibility
Appendix 2.1 – New Unspent Budget Proposals 2019-20 (New Business Cases)
Appendix 2.1a – Business Case – Provision of Mobile Catering Vans
Appendix 2.1b – Business Case – Site Investigation Works
Appendix 2.1c – Business Case – Skype for Business for Education
Appendix 2.1d – Business Case – Replacement Parking Machines

Appendix 2.1e – Business Case – Additional Loans Fund Savings – for Capital Programme
Appendix 2.1f – Business Case – Information Management
Appendix 2.2 – New Unspent Budget Proposals 2019-20 (Previously Agreed)
Appendix 3 – New Automatic Carry Forward Earmarkings 2019-20
Appendix 4 – Previously Agreed Earmarked Balances – Unspent Budget
Appendix 5 – Previously Agreed Earmarked Balances – Automatic Carry Forward

APPENDIX 1

FINANCIAL SERVICES
POLICY ON END OF YEAR FLEXIBILITY

1. INTRODUCTION

1.1 The Local Authority Accounting Panel (LAAP) Bulletin 99 provides guidance to local authorities on the establishment and maintenance of local authority reserves and balances.

1.2 When reviewing their medium term financial plans and preparing annual budgets, local authorities should consider the establishment and maintenance of reserves which can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- A means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the general fund.

1.3 Given the tightening financial situation it is essential that the Council gives proper scrutiny to any proposal to earmark balances or carry forward funds. In particular the Council should seek to ensure funding that is carried forward is directed to and supports Council priorities in terms of corporate and service plans.

1.4 This note outlines the policy adopted by the Council for the earmarking and carry forward of surplus funds to future years.

2. POLICY

2.1 SMT agreed the nine situations where earmarking of the general fund reserve is permitted.

2.2 SMT agreed the protocol for use of reserves.

3. DETAIL

3.1 The Council hold a general fund reserve. It comprises the following elements:

- A contingency for any unforeseen events or emergencies. The contingency is reviewed each year as part of the budget process.
- The Strategic Housing Fund.
- Balances held to support the following year's budget.
- Earmarked funds as noted below.

APPENDIX 1

FINANCIAL SERVICES
POLICY ON END OF YEAR FLEXIBILITY

3.2 At the end of each financial year any surplus for the year is added to the general fund reserve. At this time the Council have the opportunity to consider earmarking surplus funds.

3.3 There are nine situations where earmarking of the general fund reserve is permitted.

- Unspent grant. On some occasions a grant is received in one financial year and will not be spent/fully spent until the following financial year. If the grant is not spent on the purpose intended the Council would have to return the unspent grant, therefore, the unspent grant is required to be held in the general fund and earmarked for that purpose next year.

- Unspent third party contribution. The council may receive a contribution from third parties towards a project/work stream but the project spans more than one financial year. As with grant payments the contribution would have to be repaid if not spent on the purpose it was intended for. In this instance, the unspent contribution is required to be held in the general fund and earmarked for that purpose next year.

- Unspent budget within the Devolved Management of Resources (DMR) Scheme of Delegation for schools. This allows for the carry forward of unspent budget within schools, partly to give flexibility over the school year as opposed to the Council's financial year. Unspent budget is required to be held in the general fund and earmarked for the school next year. This carry forward operates within the agreed scheme of delegation for school budgets.

- CHORD funding. Any budget allocated to the CHORD programme will be ring fenced and any unspent balance at the year-end will be carried forward to support the overall CHORD programme.

- Existing Legal Commitments.

- Scottish Government Initiatives. The council may receive additional funding from the Scottish Government to implement new Government initiatives or legislation. Any unspent funding at year end will be held in the general fund and earmarked for that purpose next year.

- Energy Efficiency Fund. Any savings generated from energy efficiency measures are to be pooled for reinvestment in additional projects which further reduce the Council's energy costs and carbon emission levels.

- Piers and Harbours Investment Fund. Additional fees and charges income generated from Piers and Harbours operations are to be pooled and used to meet the costs of the prudential borrowing required to develop and maintain the Council's harbour assets and infrastructure.

- Hermitage Park. The Hermitage Park regeneration project has a significant investment from the Heritage Lottery Fund (HLF) which has a requirement to have a 10 year Management and Maintenance Plan. This will be partly funded by existing Council revenue budgets but should also be supplemented by any additional income which can be generated from park activities. Part of the HLF conditions are that all income generated by the park should be retained to support the Management and Maintenance Plan and a result of this requirement, it is proposed that an automatic earmarking be agreed so that any unspent income generated by the park can be retained for future years requirements.

3.4 Outwith these nine situations noted above there will be no automatic carry forward of unspent budget. Any surplus arising from unspent budget within departments/services will be pooled and transferred into the general fund reserve.

4. PROTOCOL FOR USE OF RESERVES

4.1 There are exceptional circumstances where a proposal to earmark unspent budget may be considered. There is no set timetable for this.

- The Council's level of general reserve contingency must be fully met.

- The purpose for the earmarking must be linked to the objectives, priorities and targets as set out in the Council's Corporate Plan, Area Plans and Service Plans.

- There needs to be a business case that justifies the required expenditure.

- Consideration of the business case must take account of the future budgetary and financial outlook in order not to place undue financial pressure on the Council in the future.

4.2 Any requests to earmark unspent budget based on the criteria above must be submitted to the SMT in the first instance. SMT would assess the proposal and if it considers the proposal worthy of support would submit it to the Council with a recommendation. Proposals not supported by SMT will proceed no further.

APPENDIX 1

FINANCIAL SERVICES
POLICY ON END OF YEAR FLEXIBILITY

Kirsty Flanagan
Section 95 Officer
29 May 2020

NEW Unspent Budget Proposals - 2019-20 Year End
With Business Cases

Appendix 2.1

Ref	Service	Description	New Earmarking	Reason for Carry Forward	Plans for Use	Spending profile		
						Amount Planned to be Spent in 2020/21	Amount Planned to be Spent in 2021/22	Amount Planned to be Spent from 2022/23 onwards
EXECUTIVE DIRECTOR (DOUGLAS HENDRY)								
001	Commercial Services	Provision of Mobile Catering Vans	68,950	Unspent Budget	For the purchase of two mobile catering vans that can be used for the provision of school meals, lunches for council workers and refreshments at a range of community events. Due to the unique rural character of Argyll and Bute, the van will act as a means of effective travel between several locations. Income will be generated from using these vans and forms part of the Catering and Cleaning Innovations Project. The order for both mobile catering vans was placed with Vantastec on 26 February 2020 and the manufacture process is currently underway with payment due on receipt of the completed vans.	68,950	0	0
002	Commercial Services	Site Investigation Works	40,211	Unspent Budget	For Site Investigation works in relation to Tweeddale Street Car Park, Oban and Oban Airport Business Park to explore commercial opportunities to develop the sites and gain revenue income for Argyll and Bute Council. HUB North were instructed to procure contractors to undertake the site investigations and work commenced in March 2020. As the works will cross into 20/21, it is requested that the funds are earmarked so that payment can be made to the contractors on the satisfactory completion of the works.	40,211	0	0
003	Legal and Regulatory Services	Skype for Business for Education	138,325	Unspent Budget	To fund the initial capital costs for the implementation of Skype for Business for Education. This will bring the Education service in line with other council departments and will improve staff collaboration and modernise school telephony to deliver the service more efficiently and cost effectively.	138,525	0	0
EXECUTIVE DIRECTOR (KIRSTY FLANAGAN)								
004	Roads and Infrastructure Services	Replacement Parking Machines	121,695	Unspent Budget	Delivery of parking machines delayed due to Covid-19 lockdown therefore unspent budget required to be carried forward to cover cost when they are finally delivered.	121,695	0	0
NON DEPARTMENTAL / ACROSS SERVICES								
005	Non Departmental	Additional Loans Fund Savings - for Capital Programme	1,873,000	Unspent Budget	Three additional areas gave rise to savings within 2019-20 and it is recommended that this amount is earmarked to support the £5.234m gap in the capital programme that was reported to the Council on 27 February and the Business Continuity Committee on 14 May 2020	1,873,000	0	0
006	Across Services	Information Management	500,000	Unspent Budget	To support a number of initiatives in respect of improving the Council's information management in line with the transformation agenda and increasing the pace of change as outlined in the BV Review. The planned initiatives include: Estates Survey work £122k, Digitalisation of Title Deeds £92k, document management and workflow system for Planning, Building Standards and Environmental Health £77k and a balance of funding to explore information management solutions in a strategic and coherent way £209k	500,000	0	0
			2,742,181			**2,742,381**	**0**	**0**

Appendix 2.1a

ARGYLL AND BUTE COUNCIL **BUSINESS CONTINUITY COMMITTEE**

REPORT BY EXECUTIVE DIRECTOR DOUGLAS HENDRY **25 JUNE 2020**

PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE

PROVISION OF MOBILE CATERING VANS

1. INTRODUCTION

1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.

2. DETAIL

2.1 Initiative/Proposal

2.1.1 It is proposed that £68,950 be earmarked from the revenue budget underspend within Commercial Services in 2019-20 to fund the purchase of two mobile catering vans.

2.2 Business Case

2.2.1 Purchase of two mobile catering vans that can be used for the provision of school meals, lunches for council workers and refreshments at a range of community events. Due to the unique rural character of Argyll and Bute the van will act as a means of effective travel between several locations.

2.2.2 Income will be generated from using these vans, and forms part of the Catering and Cleaning Innovations Project. Previous reports outlining this project have been presented to the Council's Transformation Board at regular intervals.

2.2.3 The order for both mobile catering vans was placed with Vantastec on 26 February 2020 and the manufacture process is currently underway with payment due on receipt of the completed vans.

2.3 Expenditure Profile

The sum of £68,590 will be spent from 2020/21 onwards.

DOUGLAS HENDRY
EXECUTIVE DIRECTOR

Appendix 2.1b

ARGYLL AND BUTE COUNCIL **BUSINESS CONTINUITY COMMITTEE**

REPORT BY EXECUTIVE DIRECTOR DOUGLAS HENDRY **25 JUNE 2020**

PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE

SITE INVESTIGATION WORKS

1. INTRODUCTION

1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.

2. DETAIL

2.1 Initiative/Proposal

2.1.1 It is proposed that £40,211 be earmarked from the revenue budget underspend within Commercial Services in 2019-20 in order to conduct SPS survey works on Tweeddale Street Car Park, Oban and Oban Airport Business Park to explore potential commercial opportunities to develop the sites and gain revenue income for Argyll and Bute Council.

2.2 Business Case

2.2.1 As part of the One Council property approach, Estates and Property Development have been working with developers to assess the viability of a number of potential development sites around Oban.

2.2.2 During marketing and negotiations in relation to the car parks in Oban and the Oban Airport Business Park concerns were raised about the ground conditions and the uncertainty of the costs of development. Accordingly HUB North were instructed to procure contractors to undertake site investigations and the works commenced in March 2020.

2.2.3 As the works will cross into 2020/21 it is requested that the funds are earmarked in order that payment can be made to the contractors on satisfactory completion of the works.

2.3 Expenditure Profile

The sum of £40,211 will be spent from 2020/21 onwards.

DOUGLAS HENDRY
EXECUTIVE DIRECTOR

Appendix 2.1c

ARGYLL AND BUTE COUNCIL **BUSINESS CONTINUITY COMMITTEE**

REPORT BY EXECUTIVE DIRECTOR DOUGLAS HENDRY **25 JUNE 2020**

PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE

SKYPE FOR BUSINESS FOR EDUCATION

1. INTRODUCTION

1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.

2. DETAIL

2.1 Initiative/Proposal

2.1.1 It is proposed that £138,325 be earmarked from the revenue budget underspend in 2019-20 to fund the initial capital costs for the implementation of Skype for Business for Education (SfB).

2.1.2 The key outcomes for schools which Education could pursue through SfB are to:

- Improve Staff Collaboration
- Modernise School Telephony

Both the above have the potential to transform how Education delivers its future service more efficiently and cost effectively and will bring the Education Service in line with other council departments.

2.2 Business Case

2.2.1 The Education Service was not part of the original roll out of Skype for Business (then Microsoft Lync) across Council services. The benefits of the system have been clearly demonstrated over a number of years, and Skype for Business has performed an important role in the Council being able to operate on a virtual basis during Coronavirus.

2.2.2 With ongoing cost pressures, the need to reduce cost of travel and recruitment and encourage staff retention; streamlining individual schools' legacy phone systems into a centrally managed, cost effective, futureproofed, digital solution across the entire council will offer economies of scale in infrastructure support and maintenance, whilst optimising business efficiencies through collaborative tools and transformational technology.

2.2.3 The Education Service Management Team and Education Technology Strategy Group have considered the benefits obtained to date from a small pilot project and

have concluded that SfB would support the wider education transformation objectives and vision of achieving ambition, excellence and equality for all.

The following objectives are achievable and have been evidenced during the pilot:

- Opportunities for stronger collaboration and resource sharing between schools, amongst Northern Alliance authorities and other external organisations
- Closer integration between ABC education officers and schools admin and teaching staff through unified communication tools.
- Used successfully for interviewing candidates for remote school vacancies.
- Consistency and ease of communication between corporate services and schools.
- Delivery of remote teaching from other schools and third party providers
- Support delivery of a broader range of CLPL courses and materials to teachers.
- Savings in call usage of up to £1000 per school per annum where Skype is the only telephony system used.
- Opportunity for potential reduction in the use of supply teachers.
- A reduction in travel and accommodation expenses.

2.2.4 The initial capital cost of £138,325 is the cost of room based handsets and headsets for c. 1800 staff.

2.2.5 The project and business outcomes also align well with the Council's ICT and Digital Strategy 2017-20, in terms of service design principles, and the strategy's vision for ICT to work with all council departments to help them use ICT to achieve empowerment from design stage through to delivery.

2.3 Expenditure Profile

2.3.1 The sum of £138,325 will be spent in 2020/21 to purchase the equipment required to enable the implementation of Skype for Education.

DOUGLAS HENDRY
EXECUTIVE DIRECTOR

Appendix 2.1d

ARGYLL AND BUTE COUNCIL **BUSINESS CONTINUITY COMMITTEE**

EXECUTIVE DIRECTOR KIRSTY FLANAGAN **25 JUNE 2020**

PROPOSAL TO EARMARK FUNDS – REPLACEMENT PARKING MACHINES

1.0 INTRODUCTION

1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the policy on year end flexibility.

2.0 DETAIL

2.1 Initiative/Proposal

2.1.1 The proposal relates to the purchase of 21 new parking machines, to be situated at Luss and Arrochar Car parks and selected on and off street parking locations in Oban Town Centre.

2.1.2 A procurement exercise was carried out and a contract awarded to International Parking Systems UK Ltd in 2019/20 for delivery and installation of parking machines. The contract was due to be fulfilled by 31st March 2020.

2.2 Business Case

2.2.1 We have a commitment to upgrade our existing parking meter stock across the whole council area to allow cashless payments to be made, in line with other local authorities.

2.2.2 As a result of the delay to deliver the parking machines caused by the Covid-19 lockdown, there has been an underspend in the parking revenue budget.

2.2.3 The contract award value is £121,695. It is proposed that this cost is met by carrying forward unspent budget, to be retained for this specific purpose in 2020/21.

2.3 Expenditure Profile

2.3.1 The delivery of the parking machines as per the contract award was delayed due to the current COVID-19 pandemic. It is anticipated however that these will be received and installed during 2020/21 as operations return to normal.

For further information contact:
Jim Smith
Head of Roads and Infrastruture

Appendix 2.1e

ARGYLL AND BUTE COUNCIL | **BUSINESS CONTINUITY COMMITTEE**

FINANCIAL SERVICES | **25 JUNE 2020**

PROPOSAL TO EARMARK FUNDS – ADDITIONAL LOANS FUND SAVINGS

1.0 INTRODUCTION

1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the policy on year end flexibility.

2.0 DETAIL

2.1 Initiative/Proposal

2.1.1 The proposal relates to the earmarking of additional loans fund savings within 2019-20 amounting to £1.873m to be used to support the gap in the capital programme.

2.2 Business Case

2.2.1 A Loans Fund review was undertaken in 2019-20 and the Council agreed to the revisions to the Loans Fund that created loans fund savings in 2019-20 and in future years in addition to a one-off reprofiling gain that has been earmarked for a number of specific purposes.

2.2.2 Following the review of the position at the year end, there are three additional areas that give rise to savings within 2019-20 and it is recommended that this amount is earmarked to support the £5.234m gap in the capital programme that was reported to both the Council at the meeting on 27 February and to the Business Continuity Committee on 14 May 2020

2.2.3 The treasury management team have been very successful in investing the Council's cash balances and achieved an average return on investment of 0.94% during the year which compares to a benchmarked return of 0.534%. Due to slippage in the capital programme and also reducing interest rates, the cost of borrowing was also lower than anticipated. As a result, there is an underspend on the loans fund amounting to £1.174m.

2.2.4 As part of the Loans Fund review it was agreed that all previous prudential borrowing arrangements would be included within the re-calculation of the loans fund (with the exception of vehicles and the 10 year harbour investment programme). Two prudential borrowing arrangements not accounted for as part of the Loans Fund review, due to differing accounting treatment to others, have been highlighted as part of the year-end process.

2.2.5 The first is in relation to Feed in Tariff income in relation to alternative energy solutions that was transferred to repay borrowing – this is no longer required and creates an underspend of £0.384m within 2019-20. This will be recurring at a level

still to be calculated, although part of this has already been agreed as a saving from 2020-21.

2.2.6 The second is in relation to Piers and Harbours infrastructure income that was used to pay historical borrowing – this is no longer required and creates an underspend of £0.315m in 2019-20. This income is extremely volatile and will be impacted by COVID-19 in 2020-21, however, officers will give consideration as to whether there is any element that could be accounted for as recurring and used towards to the 10 year harbour investment programme.

2.3 Expenditure Profile

It is anticipated that this earmarking will be used within the capital programme in 2020-21.

Kirsty Flanagan
Section 95 Officer
3 June 2020

ARGYLL AND BUTE COUNCIL | **BUSINESS CONTINUITY COMMITTEE**

CHIEF EXECUTIVE | **25 JUNE 2020**

PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE

INFORMATION MANAGEMENT

1. INTRODUCTION

1.1 The purpose of this report is to request support in earmarking unspent budget for a specific purpose, in line with the Policy on End of Year Flexibility.

2. DETAIL

2.1 Initiative/Proposal

2.1.1 It is proposed that £500,000 be earmarked from the revenue budget underspend within 2019-20 to a number of initiatives in respect of improving the Council's information management.

2.2.1 In line with the transformation agenda and increasing the pace of change, as outlined in the BV review, it is proposed that £500,000 is set aside towards information management initiatives. This funding has the potential to create more efficient document management arrangements which is even more necessary now that home working is likely to continue for some time to come or in some cases be the preferred option for some posts.

2.2.2 Individual services have raised specific opportunities and these are outlined below and in addition to these the balance of the £500,000 earmarking will create further opportunity to explore solutions in a strategic and coherent way.

2.2.3 **Estates Survey Work - £121,538**

Property data forms the basis of asset management, valuation, reporting and analysis across the whole of the council's property portfolio. The foundation of this is an accurate assessment of the area of the properties from electronic floor plans.

To improve the current position it is proposed to instruct a number of surveys of key buildings to provide accurate electronic floor plans and areas together with other relevant property related information. The outcome of this exercise will be the provision of Intelligent CAD Floor Plans fully capable of being uploaded directly into the Concerto Property Management System

2.2.4 **Digitalisation of Title Deeds - £92,000**

The title deeds for all Council owned land and buildings are stored in the title safe located at Kilmory. There are several indexing systems in use and the descriptions of some properties are considerably out of date. This means that locating and identifying

the relevant deeds for a particular property can be time consuming and challenging. It can also be the case that some of the prior writs relating to a specific property are missing and copies require to be obtained from Register House.

The Council's Property Services operate a single integrated property management system (Concerto) which was brought in to replace a number of independent databases which were in use across various locations. It provides a "one-stop shop" for all information relating to the Council's property portfolio and covers matters such as asset management, condition surveys, invoice management, statutory maintenance scheduling and capital projects. There are 985 properties listed on the system and each have a unique property reference number.

The one area of information currently absent from this system are the title deeds relating to each of the properties. The intention would be to utilise a module on the Concerto system and scan the relevant title deeds (including prior writs) for each of the 985 properties. The details of each property including its description, address and unique reference number would then be reflected within a single indexing system which would be compiled in respect of the original title deeds retained at Kilmory.

The identified sum of £92,000 relates to costings for staff resources to undertake the project including backfilling where necessary, IT costs and estimated costs for obtaining replacement copies of writs and plans that are missing.

The project and business outcomes also align well with the Legal And Regulatory Support Service Improvement Plan, in terms of commitment to improve efficiency and customer service through improved access to information with regards to the titles held for Council property to accord with Council UPRN and digitisation to create quicker access to title information.

2.2.5 **Document Management and Workflow System for Planning, Building Standards and Environmental Health - £76,618**

The key business applications used within PRS were procured more than 16 years ago and comprise the IDOX Uniform case management system and a separate electronic document management and workflow system (eDMWS) from Civica Ltd. This legacy solution, whilst partially integrated at strategic points, is inflexible, becoming less fit for purpose, and is expensive to maintain as separate entities. The opportunity cost is also increasing through loss of potential to deliver a more efficient, streamlined and fully integrated solution to underpin the service's aspirations for digital transformation, mobile working and to continue to meet and exceed its business objectives.

The proposal is to retain the Idox Uniform case management application, but migrate from the corporate Civica eDMWS to the fully integrated IDOX eDMWS. £76,818 is required comprising £46,818 for the IDOX eDMWS and an estimated £30,000 for data extraction services.

2.2.6 **Balance for Further Opportunities – £209,844**

The balance of funding will create further opportunity to explore information management solutions in a strategic and coherent way. The need for more staff to work at home makes information management even more important. Areas to explore would be storage of information including GDPR requirements, data analysis,

improving processes and documents and interfacing/communications between systems.

2.2.7 **Expenditure Profile**

Project	**Service**	**Amount £**	**Profile**
Estates Survey Work	Commercial Services	121,538	2020-21
Title Deeds	Legal and Regulatory Services	92,000	2020-21
Planning, BS and EH	Economic Growth	76,618	2020-21
Balance	Chief Executive	209,844	From 2020-21 onwards
		500,000	

Pippa Milne
Chief Executive

NEW Unspent Budget Proposals - 2019-20 Year End **Appendix 2.2**
Previously Agreed

Ref	Service	Description	New Earmarking	Reason for Carry Forward	Plans for Use	Spending profile		
						Amount Planned to be Spent in 2020/21	Amount Planned to be Spent in 2021/22	Amount Planned to be Spent from 2022/23 onwards
001	Education	Change in Teachers Pension - Uplift in Employer Contribution	230,000	Unspent Budget	Reports to Policy and Resources Committee earlier in the year outlined the change in teachers pensions anticipated income and expenditure and also the delay in the implementing the new employer contribution rate within 2019. Due to the delay a surplus was created in 2019-20 and it was approved that this be used to help reduce the cost in future years. £0.118m was planned to be used in 2020-21 with the remaining £0.112 used in 2021-22 and this position remains.	118,000	112,000	0
002	Treasury	Loans Fund Review Gain	2,700,000	Previous Council Decision	One-off re-profiling gain as a result of the loans fund review to fund known liabilities/cost pressures as agreed at budget setting meeting in February 2020. Future redundancies provision (£1.5m), 20/21 estimated redundancy costs (£0.600m), provision to support organisational change (£0.500m), spend to save route optimisation (£0.100m).	950,000	1,000,000	750,000
003	Non Departmental	Asset Management Fund	44,172	Unspent Budget	Investment income relating to the Asset Management Fund. When the Fund was set up, it was agreed that the income should be added to it annually. The amount being earmarked relates to income from 2018-19 and 2019-20	44,172	0	0
			2,974,172			**1,068,000**	**1,112,000**	**750,000**

NEW Automatic Carry Forward Earmarkings - 2019-20 Year-end **Appendix 3**

Ref	Service	Description	New Earmarking	Reason for Carry Forward	Plans for Use	Spending profile		
						Amount Planned to be Spent in 2020/21	Amount Planned to be Spent in 2021/22	Amount Planned to be Spent from 2022/23 onwards
CHIEF EXECUTIVES UNIT:								
001	Community Planning	NHS Highland Contribution Towards the CPP Running Costs	10,936	Unspent Third Party Contribution	Will be deployed as required in the day-to-day running of the Community Planning Partnership's operations.	10,936	0	0
002	Community Planning	Recovered unspent third sector grant funding.	3,162	Previous Council Decision - Other	To be distributed through the Supporting Communities Fund for communities based projects across Argyll and Bute.	3,162	0	0
003	Financial Services	Benefit Admin Grant	36,899	Unspent Grant	Grant monies which would have to be repaid if not utilised for intended purpose. Benefit Administration activities in the build up to the migration of Housing Benefit to Universal Credit. These monies are committed to cover ongoing Benefit Administration activities in 19/20 to 23/24 when it is now expected that the full migration of working age Housing Benefit caseload to Universal Credit will be complete. These monies are committed to cover costs in 20/21 for temporary staff for administration of Discretionary Housing Payments for under occupancy. Monies will be used to build resilience including staff overtime, outsourcing of Housing Benefit processing during the transition and cover casual staff for the Universal Credit migration.	36,899	0	0
004	Financial Services	Scottish Welfare Fund Grant	24,779	Unspent Grant	Underspend against the Scottish Welfare Fund grant. There is a statutory duty to use these funds for the purpose of the Scottish Welfare Fund and therefore the funds will be carried forward for this purpose. It is likely there will be pressure on this budget in 20/21 due to the impact of COVID-19.	24,779	0	0
EXECUTIVE DIRECTOR (DOUGLAS HENDRY)								
005	Commercial Services	Energy Efficiency Fund	81,634	Energy Efficiency Fund	The Central Energy Efficiency Fund (CEEF) was launched by the Scottish Government in 2004 to support the delivery of energy efficiency and renewable energy measures to reduce carbon emissions in the Scottish Public Sector. The original Council allocation of funding was £286k and there were terms and conditions attached to the funding which included formally reporting to the SG on energy efficient measures implemented from the fund. Part of the stipulation of the funding was that any savings from energy efficiencies were reinvested into the fund in order that there was a revolving fund to continually reinvest in energy efficiency measures. The terms and conditions attached to the fund expired on 31 March 2016, however there is an expectation that local authorities will maintain a revolving energy efficiency fund to support future carbon reducing projects. Maintaining this fund also assists the Council to make progress towards reducing carbon emissions and therefore not only to secure savings in energy costs but also in the cost of Carbon Reduction Scheme Allowances.	81,634	0	0
006	Commercial Services	Free Sanitary Provision Scheme	11,374	Scottish Government Initiatives	To fund the continued implementation of the scheme through increased provision of reusable products, improved provision rural communities by working in partnership with Education and improving the storage of products in toilets so that they are more readily available. In addition, with the onset of Covid-19, work is underway to deliver period products to those who are unable to access them at this time and this work can also be funded from this earmarking	11,374	0	0

						Spending profile		
Ref	**Service**	**Description**	**New Earmarking**	**Reason for Carry Forward**	**Plans for Use**	**Amount Planned to be Spent in 2020/21**	**Amount Planned to be Spent in 2021/22**	**Amount Planned to be Spent from 2022/23 onwards**
007	Education	EDU - Early Learning and Childcare - 1140 Hours Expansion	1,755,036	Unspent Grant	The funds will be utilised to implement the Argyll and Bute Early Years Delivery Plan for 1140 hours which will increase access to affordable Early Learning and Childcare across the Council area.	1,755,036	0	0
008	Education	DMR Scheme of Delegation for Schools	849,030	DMR Schools	To be spent in accordance with DSM regulations.	849,030	0	0
009	Education	Pupil Equity Fund Carry Forward	446,679	Unspent Grant	To provide targeted support for children and young people affected by poverty to achieve their full potential, to be utilised flexibly through remainder of academic year 2019/20.	446,679	0	0
010	Education	Access to Counsellors in Schools	286,000	Scottish Government Initiatives	Government initiative to support delivery of the access to school counselling service, in line with the commitment set out in Programme for Government. The delivery of the service will enable children and young people to be supported with issues affecting their mental health and wellbeing.	57,200	114,400	114,400
011	Education	Additional Support Needs - Additional Support for Learning Project	219,000	Scottish Government Initiatives	Government initiative to support the provision of support staff in schools as part of 'Support for Additional Support for Learning Implementation'.	219,000	0	0
012	Education	Community Mental Health and Wellbeing support to Children and Young People	62,500	Scottish Government Initiatives	Scottish Government/COSLA Initiative to support the work under the Children and Young People's Mental Health and Wellbeing Programme each LA received £62.5k. This fund has to be utilised by local collaborative partnerships for planning, development, programme and change management costs.	62,500	0	0
013	Education	ERASMUS French and Spanish Training for Practitioners	45,269	Unspent Grant	Academic Year Grant to be spent by August 2020	45,269	0	0
014	Education	Gaelic Central Specific Grant	36,743	Unspent Grant	Delivery and promotion of Gaelic Education in line with the Education (Scotland) Act 2016, to be utilised through remainder of academic year 2019/20.	36,743	0	0
015	Education	Scottish Attainment Challenge - Care Experienced CYP Funding	20,846	Unspent Grant	To provide targeted support for care experienced children and young people to achieve their full potential.	20,846	0	0
016	Education	Schools ADP Grant	16,663	Unspent Grant	Providing social and emotional support to pupils who are affected by drugs and alcohol.	16,663	0	0
017	Education	Music initiative	15,966	Unspent Grant	To fund YMI projects across the remainder of the academic year 2019/20.	15,966	0	0
018	Education	CAST project	7,093	Unspent Grant	To fund creative arts projects across the remainder of the academic year 2019/20.	7,093	0	0
019	Education	EDSCOT Stem Project	6,192	Unspent grant	Obligations to suppliers - approval from Education Scotland to carry forward part - remainder of grant being returned to Education Scotland	6,192	0	0
020	Education	Ministry of Defence Grant - support for military children	5,222	Unspent Grant	Providing social and emotional support to pupils who are affected by deployment who may have gaps in their Education as a result of transitions.	5,222	0	0
021	Education	Child healthy Weight Funding - NHS	3,000	Unspent Grant	Delivery of healthy eating activities within the early years setting promoting Child Health Weight.	3,000	0	0
022	Legal and Regulatory Support	CCTV Maintenance	29,500	Unspent Grant	Maintenance of CCTV systems. Funds transferred from external bodies (Police Scotland) to maintain systems for future years. Council Decision of 20 Sept 2007.	9,800	9,800	9,900
EXECUTIVE DIRECTOR (KIRSTY FLANAGAN)								
023	Customer Support Services	ICT Microsoft Licences	263,857	Previous Council Decision - Other	Microsoft licensing savings to be retained from 2017/18 to 2019/20 in order to build a reserve to be used to fund upgrades to the latest versions of Microsoft software from 2020 onwards.	263,857	0	0

						Spending profile		
Ref	**Service**	**Description**	**New Earmarking**	**Reason for Carry Forward**	**Plans for Use**	**Amount Planned to be Spent in 2020/21**	**Amount Planned to be Spent in 2021/22**	**Amount Planned to be Spent from 2022/23 onwards**
024	Customer Support Services	Bord na Ghailig	12,287	Unspent Grant	Grant funding from Bord na Gaidhlig. Ongoing ad hoc spend to deliver on commitments in the Gaelic Language Plan.	12,287	0	0
025	Development and Economic Growth	Town Centre Fund	150,471	Unspent Grant	This represents the revenue funded projects within the Town centre fund which have yet to be paid out plus the overall contingency amount which was built into the overall scheme.	150,471	0	0
026	Development and Economic Growth	Rapid Rehousing	76,438	Unspent Grant	Implementing the finalised Rapid re-Housing Plan which is to be submitted for adoption at the BCC in June and submitted to Scottish Government. This will include, but not exclusively, Rent arrears prevention fund; Decoration project; Flexible Emergency Fund; Mental Health /Addictions Practitioner; Housing First / RRTP training	76,438	0	0
027	Development and Economic Growth	Rothesay Pavilion	71,388	CHORD	Unspent budget in 2019-20 added to fund to build up a provision towards future Council commitment to provide up to £150,000 per annum running costs for Rothesay Pavilion.	0	71,388	0
028	Roads and Infrastructure Services	Excess income over loans charges to fund PB	367,750	Piers and Harbours Investment Fund	This fund will be used to help smooth loans charges relating to the Piers and Harbours Asset Management plan	0	367,750	0
029	Roads and Infrastructure Services	Coastal Communities Fund	249,864	Unspent Grant	The fund will be used to improve coastal roads, increase flooding resilience and/or undertake emergency works as appropriate.	249,864	0	0
NON DEPARTMENTAL								
030	Strategic Housing Fund	Strategic Housing Fund	2,136,000	Strategic Housing Fund	Strategic Housing Fund. Council tax collected during 2019-20 from the second homes discount on properties. Requires to be earmarked as part of the Strategic Housing Fund balance.	no specific spending plan	0	2,136,000
			7,301,578			**4,477,940**	**563,338**	**2,260,300**

Unspent Budget/Non Automatic Carry Forward Earmarkings
Previously Agreed Amounts

Appendix 4

Ref	Service	Description	Amount Earmarked at 31 March 2019	Actual Spend 2019/20	Funds Unearmarked	New Earmarking Agreed by Council During 2019/20	Closing Balance	Reason for Carry Forward	Plans for Use	Spending profile		
										Amount Planned to be Spent in 2020/21	Amount Planned to be Spent in 2021/22	Amount Planned to be Spent from 2022/23 onwards
		Completed projects during 2019/20	416,531	416,531	0	0	0	Unspent Budget		0	0	0
CHIEF EXECUTIVES UNIT:												
001	Financial Services	CIPFA, equipment and the conversion of paper client records to the CIVICA Electronic Document Management System	47,087	6,270	0	0	40,817	Unspent Budget	CIPFA Training - To fund the professional training costs for staff undertaking the CIPFA professional accountancy qualification. Converting to Digital Records project - This project has been created to covert all the Income Maximisation finance files (Homecare/Adult care etc) to digital. This will be done by employing a temporary admin assistant. Once complete the efficiencies of information flow and access will generate savings within the finance team.	40,817	0	0
002	Financial Services	Scottish Government Funding - Welfare Reform/Discretionary Housing Payments (agreed at Council February 2014)	18,595	0	0	0	18,595	Previous Council Decision	The Council was allocated additional funding of £550k from the Scottish Government late in 2013-14. This money was allocated to support the Community Learning and Development Team to provide courses to support Universal Credit claimants 2019/2020 to support the recruitment of casual tutors and the purchase and upgrade of laptops. The monies were not utilised however it will now be required to top up the Scottish Welfare Fund and DHP monies for 2020/2021 which will be under more pressure due to Covid-19.	18,595	0	
EXECUTIVE DIRECTOR (DOUGLAS HENDRY)												
003	Commercial Services	Rothesay Pavilion Essential repairs	306,400	0	0	0	306,400	Previous Council Decision	Essential repairs to deal with potential health and safety risks and to avoid further deterioration. Budget provision was approved by the Policy and Resources Committee on 21 August 2014.	306,400	0	0
004	Commercial Services	Estates - NDR Revaluation Appeals	115,000	30,312	0	0	84,688	Unspent Budget	The Council agreed to make provision to meet the cost of appealing Non Domestic Rates (NDR) revaluations which will be imposed from 1st April 2017. It was agreed that £150,000 be earmarked from the favourable 2016-17 outturn position to fund these appeals. The balance of £84,688 is still required for 2020/21 as NDR valuation appeals have been lodged but have not been heard yet. We will not know the level of savings, and in turn the corresponding charge to us, until the appeals are concluded which should be later on this year.	84,688	0	0
005	Commercial Services	Management of Asbestos	159,276	81,120	0	0	78,156	Unspent Budget	Providing asbestos management on an ongoing basis by employing 2.5 FTE to ensure compliance with all regulatory requirements.	78,156	0	0
EXECUTIVE DIRECTOR (KIRSTY FLANAGAN)												

										Spending profile		
Ref	Service	Description	Amount Earmarked at 31 March 2019	Actual Spend 2019/20	Funds Unearmarked	New Earmarking Agreed by Council During 2019/20	Closing Balance	Reason for Carry Forward	Plans for Use	Amount Planned to be Spent in 2020/21	Amount Planned to be Spent in 2021/22	Amount Planned to be Spent from 2022/23 onwards
006	Customer Support Services	Growing our Own and Modern Apprentices	109,150	0	0	0	109,150	Unspent Budget	Funding earmarked to support trainee development and Modern Apprenticeship Opportunities based on priority workforce risk areas. The money will be allocated for 20/21 following a review of the workforce planning risk matrix against updated workforce plans. Workforce planning conversations with 3rd tier managers are currently ongoing. This will identify the priority areas of spend for trainees/apprentices and training.	109,150	0	0
007	Customer Support Services	Business Development Training	57,939	0	0	0	57,939	Unspent Budget	This budget is funding ongoing leadership development, coaching, action learning sets and commissioned training including Priority Management.	57,939	0	0
008	Customer Support Services	Learning and Development	44,147	6,039	0	0	38,108	Unspent Budget	In order to maximise the opportunities and efficiencies of digital learning, this funding is being used for a temporary Digital Learning Officer who will develop new digital materials and systems to optimise and improve digital learning	38,108	0	0
009	Customer Support Services	Transformation and Budget Reconstruction	49,774	18,069	0	0	31,705	Unspent Budget	Temporary additional staff to support the effective delivery of employee change processes (increased requirements for redundancy quotes, retirement quotes, job evaluation, redeployment etc) involved in the Council's current Transformation Programme. Due to delays in recruitment this money will not be drawn down until 2020-21 for 2 LGE 6 employees.	31,705	0	0
010	Customer Support Services	Living Wage Consolidation Team	62,718	60,373	0	0	2,345	Unspent Budget	Implementation of the living wage project due to start May/June 20 and be completed by April 2021. This will fund printing and postage and other non staffing costs.	2,345	0	0
011	Development and Economic Growth	Oban TIF (Tax Incremental Financing)	812,766	141,780	0	0	670,986	Previous Council Decision	Currently we are reviewing this commitment. There is a need to deliver remaining Lorn Arc outcomes to secure £2.6m of potential income over the life of the TIF. Focus is currently on the development of the Oban Strategic Development Framework, the Half Way roundabout and Oban airport Business Park. A meeting is scheduled with the Scottish Futures Trust and the Scottish Government in the 1st quarter of 2020 to determine future direction.	670,986	0	0
012	Development and Economic Growth	Royal National Mod	80,000	0	0	0	80,000	Unspent Budget	One off funding allocation for the Royal National Mod agreed as part of the budget setting process for 2019-20. Grant contract issued. Proposed payment of £20k per annum starting 2020/21 (2023/24 final payment of £20k)	20,000	20,000	40,000
013	Development and Economic Growth	Development Policy	19,910	0	0	0	19,910	Unspent Budget	To be used in support of delivering the LDP in general: including developing IT and GIS capabilities required to support publishing the LDP.	19,910	0	0
014	Development and Economic Growth	Oban Strategic Development Framework	75,000	62,021	0	0	12,979	Unspent Budget	The Destination and origin survey is underway for a contract price of £62.5k. Work will be complete by the end of the calendar year following analysis of results.	12,979	0	0
015	Roads and Infrastructure Services	3G pitches / Tarbert Sports Pitches	609,865	17,647	0	0	592,218	Unspent Budget	In November 2018, the Council agreed to a maintenance funding package to be progressed for a number of 3G pitches including Tarbert. This funding will provide an estimated 6.5 years' worth of ongoing maintenance up to 2025-26.	80,420	80,420	431,378

										Spending profile		
Ref	Service	Description	Amount Earmarked at 31 March 2019	Actual Spend 2019/20	Funds Unearmarked	New Earmarking Agreed by Council During 2019/20	Closing Balance	Reason for Carry Forward	Plans for Use	Amount Planned to be Spent in 2020/21	Amount Planned to be Spent in 2021/22	Amount Planned to be Spent from 2022/23 onwards
016	Roads and Infrastructure Services	Waste Management	194,361	0	0	0	194,361	Unspent Budget	Will be used towards long term waste management strategy/model, including but not limited to scoping work for the creating of a waste transfer station .	0	194,361	0
017	Roads and Infrastructure Services	Amenity Services introduction of management information system	43,186	6,400	0	0	36,786	Unspent Budget	WDM project now progressing with new Team Leader in post. This earmarking will be utilised in year for development work within the WDM system and for tablets/devices for teams on the ground.	36,786	0	0
018	Roads and Infrastructure Services	Street Lighting Survey	112,138	80,323	0	0	31,815	Unspent Budget	This earmarking will be utilised to fund the introduction of an apprentice electrician over a 4 year period and the remainder will be utilised to fund training and support for the Trainee Street Lighting Engineer.	31,815	0	0
NON DEPARTMENTAL												
019	Non Departmental	Community Resilience Fund	76,447	0	0	0	76,447	Previous Council Decision	Fund established in 2012/13 to be spent over more than one year. Fund reduced at the Council meeting on 11 February 2016	Contingency balance - no spending plan for earmarked balance.	0	76,447
020	Non Departmental	Underwriting development of Rothesay Pavilion	1,000,000	0	0	0	1,000,000	Unspent Budget	Funding to meet additional costs identified as necessary for the refurbishment of Rothesay Pavilion.	1,000,000		0
			4,410,290	**926,885**	**0**	**0**	**3,483,405**			**2,640,799**	**294,781**	**547,825**

Other Earmarked Balances
Previously Agreed Amounts

Appendix 5

Ref	Service	Description	Amount Earmarked at 31 March 2019	Actual Spend 2019/20	Funds unearmarked	New Earmarking Agreed by Council During 2019/20	Closing Balance	Reason for Carry Forward	Awarding Body if Grant or Contribution	Plans for Use
		Completed projects during 2019/20	1,019,171	1,019,171	0	0	0	Unspent Grant		
		Completed projects during 2019/20	68,178	68,178	0	0	0	Previous Council Decision		
		Completed projects during 2019/20	30,000	30,000	0	0	0	Scottish Government Initiatives		
		Completed projects during 2019/20	25,056	25,056	0	0	0	Existing Legal Commitments		
CHIEF EXECUTIVES UNIT										
001	Financial Services	Benefit Admin Grant	190,165	104,010	0	0	86,155	Unspent Grant	DWP Grant	Monies also set aside for additional works with the Sheriff Officer to assist with recovery from Covid-19 in Council Tax, NDR and Benefit overpayment debt. £50,000 is set-a-side to mitigate DHP and SWF spending pressures which are anticipated with the ongoing implementation of Universal Credit including the impact of opening up SWF Crisis Grants to deal with a no deal Brexit with no guarantees from Scottish Government on programme funding being increased to cater for this.
002	Financial Services	Council Tax Reduction Scheme	88,662	7,830	0	0	80,832	Unspent Grant	Scottish Government	Monies given to the Council by the Scottish Government to cover system development costs for the Council Tax Reduction Scheme. Further enhancements are required to the Council's Revenues and Benefits back office system to increase automation and reduce ongoing costs in terms of efficiencies in staff time. An additional £40,000 is committed to Civica for the upgrade of the Bank Reconciliation functionality and hosted Cash Receipting system. An additional £20,000 is set-a-side for the implementation of PSD2 and the tightening up of card payment security with the banks. Monies also committed to support the Customer Service Centre's NDL project and Connect Assist to develop customer service improvements in the front office in 2020/2021.
003	Community Planning	Recovered unspent third sector grant funding.	10,500	6,429	0	0	4,071	Previous Council Decision - Other		To be distributed through the Supporting Communities Fund for communities based projects across Argyll and Bute.
004	Community Planning	NHS Highland Contribution Towards the CPP Running Costs	19,301	0	0	0	19,301	Unspent Third Party Contribution		Will be deployed as required in the day-to-day running of the Community Planning Partnership's operations.
EXECUTIVE DIRECTOR (DOUGLAS HENDRY)										
005	Commercial Services	Contingent Liability - Capital Project	750,000	127,374	0	0	622,626	Existing Legal Commitments		There is a contingent liability in respect of the capital plan. The earmarked amount is an estimate and any unrequired amount would be released back into the general fund.

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006	Commercial Services	One Council Property Team	181,445	0	0	0	181,445	Previous Council Decision - Other		The Council agreed to make provision to meet the cost of funding 3 new posts within the One council Property Team. It was agreed that £260,000 be earmarked from the favourable 2017-18 outturn position to fund these posts until they became self-financing. The balance of this earmarking for the sum of £181,445 is still required for 2020/21.
007	Commercial Services	Energy Efficiency Fund	136,717	0	0	0	136,717	Energy Efficiency Fund		The Central Energy Efficiency Fund (CEEF) was launched by the Scottish Government in 2004 to support the delivery of energy efficiency and renewable energy measures to reduce carbon emissions in the Scottish Public Sector. The original Council allocation of funding was £286k and there were terms and conditions attached to the funding which included formally reporting to the SG on energy efficient measures implemented from the fund. Part of the stipulation of the funding was that any savings from energy efficiencies were reinvested into the fund in order that there was a revolving fund to continually reinvest in energy efficiency measures. The terms and conditions attached to the fund expired on 31 March 2016, however there is an expectation that local authorities will maintain a revolving energy efficiency fund to support future carbon reducing projects. Maintaining this fund also assists the Council to make progress towards reducing carbon emissions and therefore not only to secure savings in energy costs but also in the cost of Carbon Reduction Scheme Allowances.
008	Education	Adult Services - c/f Health and Wellbeing funding	385	0	0	0	385	Unspent Third Party Contribution		English for Speakers of Other Languages (ESOL) funding and HandWB tutor costs.
009	Education	DMR Scheme of Delegation for Schools	814,774	746,908	0	0	67,866	DMR Schools		To be spent in accordance with DSM regulations.
010	Education	Early Learning and Childcare Expansion Realising Change	79,804	45,020	0	0	34,784	Unspent Grant		To enable local authorities to procure additional change management capacity in preparation for the expansion of Early Learning and Childcare.
011	Education	Early Years - 1,140 Hours Funding	136,400	0	0	0	136,400	Scottish Government Initiatives		The funds will be utilised to implement the Argyll and Bute Early Years Delivery Plan for 1140 hours which will increase access to affordable Early Learning and Childcare across the Council area.
012	Education	GIRFEC	148,000	30,129	0	0	117,871	Scottish Government Initiatives		To support Argyll and Bute's contribution to implementing GIRFEC and the Children and Young Person (Scotland) Act to ensure compliance with legislation.
013	Education	International Youth Activities (Erasmus)	1,243	177	1,066	0	0	Unspent Grant		To fund school exchange trips spanning financial years.
014	Education	Languages 1 + 2	60,465	0	0	0	60,465	Scottish Government Initiatives		Languages 1+2: Grant provided for implementing the Scottish Government's 1+2 languages policy for Primary schools. The Scottish Government have confirmed that any unspent funding can be put into reserves for spend later.

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015	Education	Scottish Attainment Challenge - Care Experienced CYP Funding	69,255	38,077	0	0	31,178	Unspent Grant		To provide additional support for care experienced children and young people to help improve their educational outcomes.
016	Education	Scottish Government Initiatives: Developing the Young Workforce GIRFEC Languages 1+2	111,484	67,986	0	0	43,498	Scottish Government Initiatives		Developing the Young Workforce: Developing an Argyll and Bute foundational apprenticeship scheme, developing support for vulnerable young people to access training, developing key group knowledge of the local labour market in relation to post-school opportunities and delivering a prevocational programme for unemployed young people. Grant received from the Scottish Government for this purpose. GIRFEC: This grant funding is for the specific purpose of supporting Argyll and Bute's contribution to implementing GIRFEC and the Children and Young Person (Scotland) Act to ensure compliance with legislation. Activity in Argyll and Bute will include developing specific resources, staff training and development, protocols and procedures in line with the GIRFEC practice model and national guidelines. Languages 1+2: Grant provided for implementing the Scottish Government's 1+2 languages policy for Primary schools. The Scottish Government have confirmed that any unspent funding can be put into reserves for spend later.
017	Legal and Regulatory Services	CCTV Maintenance	82,016	22,259	0	0	59,757	Unspent Grant		Maintenance of CCTV systems. Funds transferred from external bodies to maintain systems for future years. Council Decision of 20 Sept 2007.
018	Legal and Regulatory Services	Community Safety Partnership	21,538	0	0	0	21,538	Existing Legal Commitments		Corporate Initiative with specific funding to deliver a project. To fund reconfiguration of Dunoon CCTV Scheme.
EXECUTIVE DIRECTOR (KIRSTY FLANAGAN)										
019	Customer Support Services	Bord na Gaidhlig	48,968	0	0	0	48,968	Unspent Grant		Grant funding from Bord na Gaidhlig. Ongoing spend ad hoc to deliver on commitments in the Gaelic Language Plan.
020	Customer Support Services	Microsoft Licensing Costs	430,031	0	0	0	430,031	Previous Council Decision - Other		Microsoft licensing savings to be retained from 2017/18 to 2019/20 in order to build a reserve to be used to fund upgrades to the latest versions of Microsoft software from 2020 onwards.
021	Development and Economic Growth	Rothesay Pavilion Charity	0	0	0	750,000	750,000	Previous Council Decision - Other		Agreed at Council meeting February 2020, £750k additional revenue support 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.
022	Development and Economic Growth	Dunoon CARS	500,000	0	0	0	500,000	Previous Council Decision		Conservation Area Regeneration Scheme for Dunoon. Grants awarded to upgrade conservation areas in Dunoon such as shop fronts, town centre accommodation and other priority buildings.

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023	Development and Economic Growth	Kilmartin Museum	400,000	0	0	0	400,000	Previous Council Decision		Upgrade of Kilmartin Museum, works carried out by Museum with grants awarded upon completion milestones. Budget allocated to capital originally but was moved out of capital and into earmarked reserves at 2020-21 budget meeting.
024	Development and Economic Growth	Helensburgh CARS	327,000	0	0	0	327,000	Previous Council Decision		Conservation Area Regeneration Scheme for Helensburgh. Grants awarded to upgrade conservation areas in Helensburgh such as shop fronts, town centre accommodation and other priority buildings. Business Case not yet approved.
025	Development and Economic Growth	Rothesay THI	200,000	0	0	0	200,000	Previous Council Decision		Stage 2 submission for the Rothesay Townscape Heritage Initiative project. Budget allocated at 2017-18 budget meeting and allocated to capital, this was then moved out of capital and into earmarked reserves at 2020-21 budget meeting.
026	Development and Economic Growth	Lochgilphead CARS	200,000	0	0	0	200,000	Previous Council Decision		Conservation Area Regeneration Scheme for Lochgilphead Grants awarded to upgrade conservation areas in Lochgilphead such as shop fronts, town centre accommodation and other priority buildings.
027	Development and Economic Growth	Rothesay Pavilion - Revenue contribution	141,772	0	0	0	141,772	CHORD		Build up a provision towards future Council commitment to provide up to £150,000 per annum running costs for Rothesay Pavilion.
028	Development and Economic Growth	Proposed Local Development Plan 2	0	0	0	68,000	68,000	Previous Council Decision - Other		During 19/20, a cost pressure of £68,000 was allocated to deal with the costs associated with the production of Local Development Plan 2. As the costs were not incurred during 19/20, they have been earmarked to be used in 20/21
029	Development and Economic Growth	Kintyre Recycling Limited	0	0	0	66,000	66,000	Previous Council Decision - Other		Agreed at Council meeting February 2020, one off allocation to Kintyre Recycling Limited for 20/21
030	Development and Economic Growth	Dunoon Business Improvement District	80,700	20,000	0	0	60,700	Previous Council Decision - Other		Contribution from the Council towards the five year business plan for the Dunoon Business Improvement District.
031	Development and Economic Growth	Fyne Futures	0	0	0	60,000	60,000	Previous Council Decision - Other		Agreed at Council meeting February 2020, one off allocation to Fyne Futures for 20/21
032	Development and Economic Growth	Argyll and the Isles Tourism Co-operative	0	0	0	30,000	30,000	Previous Council Decision - Other		Agreed at Council meeting February 2020, one off allocation to Argyll and the Isles Tourism Co-operative for 20/21
033	Development and Economic Growth	Enforcement action for planning	0	0	0	24,000	24,000	Previous Council Decision - Other		A Supplementary estimate was agreed at the Council meeting on 27 June 2019 for £24,000 to support any action to be taken in respect of enforcement case reference 16/00076/ENAMEN. This has not resulted in costs during 19/20 but the action remains outstanding
034	Roads and Infrastructure	Christmas Lights	36,674	28,745	0	0	7,929	Previous Council Decision - Other		Balance of earmarking to be paid out to various community groups in 20-21 who are going to take on the responsibility for providing Christmas Lights.

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035	Roads and Infrastructure	Mercury Abatement - Crematorium	72,281	5,470	0	0	66,811	Unspent Third Party Contribution		Phase 3 of the Cardross Crematorium works includes raised flooring for DDA compliance together with upgrades to fire doors. Works estimate circa £73k. The works include new fire exit doors to meet compliance and the raising of the floor level in the arch opposite the main entrance, the works include ensuring the book of remembrance is readily accessible. Property have advised that this work will be delayed until 2020-21.
036	Roads and Infrastructure	Piers and Harbours	240,091	0	0	0	240,091	Piers and Harbours Investment Fund		Funding generated through increased harbour fees and charges in order to generate funds to meet the costs of the prudential borrowing required to develop and maintain the Council's harbour assets and infrastructure. Under the Harbours Act 1964, section 42, as a statutory harbour undertaker, the Council must prepare an annual statement of accounts relating to the harbour activities and any associated activities for each harbour for which it is the statutory harbour authority. This requirement cannot be satisfied by the preparation of a statement of accounts which relates to other Council activities in addition to harbour activities. In essence, any surplus in the Piers and Harbours budget must be reinvested in the marine asset and reflected in accounts.
037	Roads and Infrastructure	Temporary Wardens / Transfer Station	70,870	0	0	0	70,870	Previous Council Decision - Other		The balance of the earmarked reserve is to develop the Waste Transfer Station. An option appraisal is underway to determine if this is required.
SOCIAL WORK										
038	Adult Services	See Hear Funding	13,658	0	0	0	13,658	Scottish Government Initiatives		Funding has been received specifically from the Scottish Government to support activity around implementation of the See Hear recommendations and the identified priorities of individual Sensory Partnerships. Funds will be used in the next two years in accordance with the See Hear plan and Argyll and Bute's BSL Local plan.
039	Children and Families	Criminal Justice Transformation Funding	39,890	0	0	0	39,890	Unspent Third Party Contribution		Additional funding from SG to fund redesign work within Criminal Justice. Funds to be pooled with equivalent additional funding received by our CJ Partnership Partners to fund a transformation and development project across the three partner areas.
NON DEPARTMENTAL										
040	Non Departmental	Capital Projects (including Helensburgh waterfront)	5,579,000	0	0	0	5,579,000	Capital Projects		Agreed underwriting at the Council Meeting on 11 February 2016. Will be used to fund capital programme and drawn down during 20-21.
041	Non Departmental	Strategic Housing Fund	6,309,729	946,120	0	0	5,363,609	Strategic Housing Fund		Accumulation of Council tax collected from the second homes discount on properties is earmarked as part of the Strategic Housing Fund balance.
042	Non Departmental	Investment in Affordable Housing	4,200,000	0	200,000	0	4,000,000	Investment in Affordable Housing		Agreed at Council Meeting 11 February 2016. This was reduced from £6.5m to £5m then further to £4.0m.

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043	Non Departmental	Regeneration and Economic sustainability in Lochgilphead and Tarbert.	2,917,243	541,328	0	0	2,375,915	Lochgilphead and Tarbert Regeneration		Agreed at Council Meeting 11 February 2016. 2 projects completed; 1 project in the process of completion but currently suspended due to covid-19; 2 currently out to tender but the timeline is affected by covid-19; 1 project nearing completion of the design stage with FBC due for completion & consideration in late 2020.
044	Non Departmental	Asset Management Fund	2,015,302	0	0	0	2,015,302	Asset Management Investment		Agreed at Council Meeting 11 February 2016. This fund has been set up to allow the Council to invest monies where relevant to generate a return that will be reinvested within Argyll and Bute.
045	Non Departmental	Allocated to Capital Plan	8,797,000	8,743,000	0	0	54,000	Previous Council Decision - Other		Allocated to capital plan. £8.240m agreed 22 February 2018 and a further £2.408m agreed as a budgeted surplus from the 2018-19 budget. £100k for Dunoon Boxing Club, £124k for Oban Library, £500k for Dunoon CARS, £200k for Rothesay THI, £200k fro Lochgilphead CARS. £327k for Helenburgh CARS and £400k for Kilmartin Museum have been moved to separate lines from this overall earmarking.
046	Non Departmental	Inward investment Fund	934,500	52,000	0	0	882,500	Inward Investment Fund		Agreed at Council Meeting 11 February 2016. This fund has been set up to generate economic and population growth within Argyll and Bute. The aim is to encourage business and people to set up and live in Argyll and Bute. The remainder of this fund will be directed towards projects which support the Rural Growth Deal.
047	Non Departmental	Investment in HubCo	491,791	0	0	0	491,791	Asset Management Investment		It was agreed at the Council meeting February 2016 that the investment in HubCo be supported. The earmarking has been updated to show the actual investment costs.
048	Non Departmental	Roads Capital Investment	0	0	0	264,000	264,000	Previous Council Decision - Other		Agreed at Council meeting February 2020, a transfer of £264k to Administration priorities to support Roads Capital Investment
049	Non Departmental	Rural Resettlement Fund	179,984	28,251	0	0	151,733	Rural Resettlement Fund		At Policy and Resources Committee of 24 May 2018 it was agreed to close this fund to new applicants and the balance was to be used to assist the growth of small and medium sized businesses that support the emerging vision and key themes of the Rural Growth Deal.
050	Non Departmental	Acquisition of Land at Clyde Street, Helensburgh	132,000	0	0	0	132,000	Previous Council Decision - Other		Funds provided to acquire a plot of land at 1 West Clyde Street, Helensburgh.
051	Non Departmental	Innovation Fund	78,273	5,000	0	0	73,273	Transformation		Agreed at Council Meeting October 2015. Fund has been set up to provide support to internal ideas to generate income or reduce costs through efficiencies/redesign.
052	Non Departmental	Oban Library Leased Property	45,826	5,803	0	0	40,023	Previous Council Decision - Other		Capital expenditure on a Leased Property
			38,527,142	**12,714,321**	**201,066**	**1,262,000**	**26,873,755**			