

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held BY MS TEAMS
on THURSDAY, 17 FEBRUARY 2022**

Present: Councillor Robin Currie (Chair)

Councillor Rory Colville	Councillor Yvonne McNeilly
Councillor Mary-Jean Devon	Councillor Aileen Morton
Councillor Kieron Green	Councillor Gary Mulvaney
Councillor Jim Findlay	Councillor Douglas Philand
Councillor Audrey Forrest	Councillor Alastair Redman
Councillor Jim Lynch	Councillor Elaine Robertson
Councillor David Kinniburgh	Councillor Richard Trail

Attending: Pippa Milne, Chief Executive
Douglas Hendry, Executive Director
Kirsty Flanagan, Executive Director
Anne Blue, Interim Head of Financial Services
Fergus Murray, Head of Development and Economic Growth
Patricia O'Neill, Governance Manager

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

Councillor Audrey Forrest declared a non-financial interest in item 5 of the agenda (Budgeting Pack 2022/23) by virtue of her appointment by the Council to the Board of Live Argyll. She advised that as this was a council appointment she would remain in the meeting during consideration of this item of business.

Councillor Elaine Robertson declared a financial interest in item 12 of the agenda (Other Funding Streams: Crown Estates, Islands Infrastructure Fund and Place Based Investment Fund) by virtue of a connection to property on Gibraltar Street, Oban. She advised that she would leave the meeting during consideration of this item of business.

3. MINUTES

(a) Policy and Resources Committee held on 9 December 2021

The Minutes of the meeting of the Policy and Resources Committee held on 9 December 2021 were approved as a correct record.

(b) Special Policy and Resources Committee held on 9 December 2021

The Minutes of the meeting of the Special Policy and Resources Committee held on 9 December 2021 were approved as a correct record.

4. FINANCIAL REPORTS MONITORING PACK - 31 DECEMBER 2021

The Committee gave consideration to a report providing a summary of the financial monitoring reports as at the end of December 2021. There were six detailed reports, setting out the position as at 31 December 2021.

Decision

The Policy and Resources Committee –

1. Noted the revenue budget monitoring report as at 31 December 2021.
2. Noted the progress with the policy savings options as at 31 December 2021.
3. Noted the financial risks for 2021-22.
4. Noted the capital plan monitoring report as at 31 December 2021 and approved the proposed changes to the capital plan outlined in Appendix 4 of that report.
5. Noted the treasury monitoring report as at 31 December 2021.
6. Noted the reserves and balances report as at 31 December 2021.
7. Noted there were no revenue virements over £0.200m during November and December.

(Reference: Report by Section 95 Officer dated 10 February 2022, submitted)

Councillor Jim Findlay joined the meeting at this point.

*** 5. BUDGETING PACK 2022-2023**

The Committee gave consideration to the full package of papers included in the Budget Pack 2022/23 in relation to the Revenue and Capital Budgets for 2022/23.

Decision

The Committee agreed to refer consideration of the Budget Pack 2022/23 to the Council meeting on 24 February 2022, without recommendation.

(Reference: Budgeting Pack 2022/23 dated 17 February 2022, submitted)

*** 6. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY**

The Committee 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 2022/23.

Decision

The Policy and Resources Committee agreed to recommend to Council at their meeting on 24 February 2022 to –

1. Approve the proposed Treasury Management Strategy Statement and Annual Investment Strategy and the indicators contained within. Note that the figures within the Strategy will be updated to reflect the budget decisions agreed at Council.
2. Approve the continued use of the asset life method for the repayment of loan fund advances using a 5.1% annuity interest rate, with the exception of spend to save schemes where the funding/income profile method could be used.
3. Approve the proposed asset repayment periods as detailed within section 2.6 of the Treasury Management Strategy Statement.
4. Approve the ability to continue to use countries with a sovereign rating of AA- and above, as recommended by the Council's external treasury management advisors.

(Reference: Report by Section 95 Officer dated 10 February 2022, submitted)

7. KEY PERFORMANCE INDICATORS FQ3 2021/22

The Committee gave consideration to a report presenting the FQ3 2021/22 Key Performance Indicators for Financial Services, Commercial Services, Legal and Regulatory Support and Customer Support Services in a simplified format commensurate with the Covid-19 situation.

Decision

The Policy and Resources Committee noted the FQ3 2021/22 Key Performance Indicator Reports as presented.

(Reference: Report by Executive Director with responsibility for Customer Support Services dated 17 February 2022, submitted)

8. LORN ARC TAX INCREMENTAL FINANCE PROGRAMME - UPDATE REPORT

The Committee gave consideration to a report providing an update on the Lorn Arc initiative. The report dealt with proposed amendments to the Tax Incremental Finance Agreement (TIF) between the Council and the Scottish Government. The report provided detailed updates on the current live projects at Dunbeg and Oban Airport.

Decision

The Policy and Resources Committee –

1. Noted and endorsed that officers would continue to negotiate with Scottish Government to seek extension of the TIF project completion and debt repayment deadlines.
2. Noted the progress made relating to Dunbeg Gateway Features and Halfway House Roundabout.
3. Agreed that officers would develop a business case for further Council investment at the Oban Airport Business Park site for the development of a new headquarters office / hanger building to be leased on completion to TSL Contractors Limited (TSL) including utilising the remainder of funding previously approved by the P&R Committee for Oban Airport Business Park.

4. Agreed that officers would continue to progress with the other innovative proposals for the Oban Airport Business Park while the funding and tender bids were awaiting conclusion.
5. Noted that TSL would concurrently progress with the planning process in respect of the proposed development.
6. Noted the re-establishment of the Dunbeg Corridor Working Group that had held its first meeting with key stakeholders.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 18 January 2022, submitted)

* **9. STRATEGIC EVENTS AND FESTIVALS FUND - ROUND 4 - 2022/23 FUND**

The Committee gave consideration to a report providing an update on Round 4 – 2022/23 of the Council's Strategic Events and Festivals Fund. The report provided details of the bids submitted, the current position with regard to Covid, and recommendations regarding the eligible bids being put forward to receive grant funding.

Decision

The Policy and Resources Committee –

1. Agreed to the award of eligible SEF Round 4 grants amounting to £94,500.
2. Agreed to awarding Tarbert Seafood Festival the amount applied for given that funding is available and that this does not prejudice the other applications. This would amount to an additional £800 and would bring the total award for SEF Round 4 grants to £95,300.
3. Agreed that any SEF grant offer only be formally issued upon confirmation from the individual event organisation that the event is formally confirmed and is definitely going ahead and still meets the SEF Round 4 criteria. These grants were detailed in Appendix 1, Table 1, to the submitted report.
4. Agreed not to award ineligible SEF Round 4 grants as detailed in Table 2 of the submitted report.
5. Agreed to continue delegation of powers to the Executive Director with responsibility for Development and Economic Growth to allow any subsequent amendment to existing grant requests to be made brought about as a consequence of future Covid restrictions regarding holding of events/mass gathering in 2022/23. Any amendment to a current grant request/offer would only be considered if the amendment related to either the same level or a reduction in the request from and constitute up to 75% of legitimate and eligible expenditure.
6. Noted that at the February 2021 Council budget meeting the Council agreed funding of £90,000 for an SEF Round 4 (2022/23), to be augmented by any underspend in 2020/21 and similarly that the SEF round 3 underspend would be earmarked and allocated to 2023/2024.
7. Agreed that the underspend from SEF Round 4 (2022/23) is made available to a further call for applications with a deadline of April 2022.

8. Agreed to recommend to Council that any remaining underspend following the call for further applications from SEF Round 4 (2022/23) is earmarked and used to augment a future SEF round for 2024/25 – Round 6.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 18 January 2022, submitted)

10. UK LEVELLING UP FUND - PROGRESS UPDATE

The Committee gave consideration to a report providing an update on progress inters of the development of the Levelling Up Fund Bids, following on from the update provided in September 2021.

Decision

The Policy and Resources Committee –

1. Noted the progress with the two bids and approved that the bids are now titled Argyll and Bute Western Seaboard Marine Gateways Initiative and Connected Argyll and Bute.
2. Approved the removal of the Ardrishaig/Crinan Canal element of the regeneration bid.
3. Approved the adjustment to the Oban Integrated Transport Hub to become a Hydrogen Fuelling station (Hydroban).
4. Approved that up to £150,000 can be drawn down from the Recovery and Renewal Fund subject to the Chief Executive and the two Executive Directors being satisfied that the monies are for the purposes of developing the Levelling Up Fund bids.
5. Agreed that the Chief Executive and the two Executive Directors are delegated authority to approve any alterations required to elements of the bids, as agreed by Council in September 2021, as revised today, where this is necessary to meet deadlines for submission, after consultation with the Leader, Depute Leader and Leader of the largest Opposition Group.
6. Agreed that the Chief Executive and the two Executive Directors are delegated authority to approve the final bid submissions in the period from and including 5 May 2022, when Councillors demit office in anticipation of the Local Government election to be held on that date, until the first meeting of the Council when an administration is formed.

Councillor Douglas Philand, after moving an amendment which failed to find a seconder, requested that his dissent be recorded from the foregoing decision.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 24 January 2022, submitted)

11. RURAL GROWTH DEAL PROGRESS - UPDATE AND RESOURCING OF BUSINESS CASES

The Committee gave consideration to a report providing an update on the Rural Growth Deal. The report also sought approval to commit further financial resources to support the development of project business cases and associated project feasibility and development work.

Decision

The Policy and Resources Committee –

1. Noted progress of the Rural Growth Deal to date, upcoming milestones and the emerging draft full deal documentation included in Appendices 1-3 to the submitted report.
2. Approved a further drawdown of funding from the Inward Investment Fund (circa £150k).
3. Agreed that authority for approving the drawdown of this funding is delegated to the Chief Executive and 2 Executive Directors of the Council up to a maximum value of £150k and subject to them being satisfied that the monies are for the purpose of delivering the Rural Growth Deal. Any further funding required in excess of the approved value would require further approval from the Policy and Resources Committee.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 18 January 2022, submitted)

Having previously declared an interest in the following item of business, Councillor Elaine Robertson left the meeting and took no part in the consideration of this item.

12. OTHER FUNDING STREAMS: CROWN ESTATES, ISLANDS INFRASTRUCTURE FUND AND PLACE BASED INVESTMENT FUND

The Committee gave consideration to a report setting out proposals on the use of the Scottish Crown Estate funding and the Islands Infrastructure Fund and recommending that proposals for the Place Based funding are brought back to Committee once the distribution is known.

Decision

The Policy and Resources Committee –

1. Approved the projects totalling £1,191,151 from the Crown Estate funding as outlined in the submitted report.
2. Approved the projects totalling £740,000 from the Islands Infrastructure Fund as outlined in the submitted report.
3. Noted that a further report would be brought forward once the final amount of Crown Estate funding to be distributed in 2022-23 is known.
4. Noted that officers would bring forward a report during 2022-23 in respect of Place Based Investment Funding once the allocation is known.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 31 January 2022, submitted)

Councillor Elaine Robertson re-joined the meeting at this point.

13. POLICY AND RESOURCES COMMITTEE WORKPLAN

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

Decision

The Policy and Resources Committee noted the content of the workplan as at February 2022.

(Reference: Policy and Resources Committee Workplan dated February 2022, submitted)

The Committee 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.

14. ROTHESAY PAVILION CHARITY - REQUEST FOR FUNDING

The Committee gave consideration to a report in relation to a revenue request from Rothesay Pavilion Charity.

Decision

The Policy and Resources Committee agreed the recommendations contained within the submitted report.

(Reference: Report by Section 95 Officer dated 2 February 2022, submitted)