



COMHAIRLE NAN EILEAN SIAR

SUSTAINABLE DEVELOPMENT COMMITTEE

Minute of Meeting held in the Council Offices, Stornoway, on Wednesday 20 February 2019 at 11.15am.

PRESENT

Mr Donald F Crichton (Chair)
Mr Norman MacDonald (Vice-Chair)
Mr Iain A MacNeil (by video conference)
Mr Roddy Mackay
Mr Uisdean Robertson
Mr Finlay Cunningham
Mr Norman A MacDonald

Mr Alasdair Macleod
Mr Angus McCormack
Mr Iain M Macaulay
Mr Roddie Mackay
Mr John Mackay

APOLOGIES

Mr John G Mitchell

MEMBERS IN ATTENDANCE

Mr Paul F Steele
Mr Iain M Macleod
Mr Paul Finnegan
Mr Ranald Fraser
Mr Angus Morrison
Mr Finlay M Stewart

Mr Keith Dodson
Mr Charlie Nicolson
Mr Calum Maclean
Mr John N Macleod
Mr Kenneth Macleod
Mr Kenny John Macleod

OFFICERS IN ATTENDANCE

Mr Calum Iain Maciver
Mr Robert Emmott
Mr Joe Macphee
Mrs Anne MacDonald

Mr Derek Mackay
Miss Mairi Sine MacDonald
Mrs Fiona Maciver

Declaration of interests of There were no declarations of interest.

FINANCE

Budget and Council Tax Setting 2019/20

- 1(a) The Chief Executive and Director of Assets, Finance and Resources submitted a Joint Report which sought approval of the Comhairle's budget for 2019/20, to set the Council Tax for 2019/20 and recommended a forward Budget Strategy. The Report stated that the Local Government Finance Settlement announced on 17 December 2018 (Appendix A) represented a cash reduction of £396k for the Comhairle and took the total decrease in revenue funding since 2010 to 18%. However, as the Settlement included new ring fenced monies of £763k for Health and Social Care and £1,317k for Early Learning, the cash reduction for core services amounted to £2,476k. The Settlement also included requirements that Council Tax increases should be capped at 3%, that Integration Joint Board Budgets should not be reduced, and the extra funding passed on in full.

The Report stated that COSLA published a robust response to the Settlement (Appendix B) and a revised Settlement was announced on 31 January 2019 agreed with the Green Party (Appendix C) and amounted to a revenue cash increase for the Comhairle of £295k. The key revisions of the Settlement were an additional £691k of grant funding, the Council Tax cap being raised to 4.79% (Appendix D) and the assumption on additional Teacher pension costs to be met by councils being reduced to 21% (amounting to a £95k saving for the Comhairle). The Comhairle's funding gap for 2019/20 had reduced from £6.8 to £4.5m which could be further reduced by the additional flexibility of a raised Council Tax (i.e. Band D would increase by £1 per week)

The Report further stated that the Comhairle was projected to have £4m of balances available to support future budgets and the use of £2m of this, together with the planned service redesign savings would deliver a balanced budget for 2019/20. The Report highlighted that Service Redesign was at the heart of the Comhairle's savings programme (potentially £2.5m) and an update on the redesign programme would be provided as part of the report on Transformation Change by the Director for Education, Skills and Children's Services to the next Series of Meetings.

The Report further recommended that, in light of the current financial risks detailed in Appendix F to the Report, that the level of uncommitted balances be retained at £3.5m. The Director highlighted the three main risks as Brexit, and overspends in Winter Maintenance and Children's Mainland Placements.

It is recommended that, insofar as the Committee's interests were concerned, that the Comhairle:

- (1) agree to accept the 2019/20 Settlement offer from the Scottish Government as set out in the Scottish Government letters at Appendix A and C;**
- (2) agree the Budget Strategy for 2019/20 as set out in Sections 4, 5 and 6 of the Report;**
- (3) approve the business plans for 2019/20 at Budget Item 1(b) of the Agenda;**
- (4) note the operational risk registers at Budget Item 1(c) of the Agenda;**
- (5) approve the service redesign proposals at Budget Item 1(d) of the Agenda;**
- (6) approve the draft budgets for 2019/20 at Budget Item 1(e) of the Agenda;**
- (7) approve the fees and charges for 2019/20 at Budget Item 1(f) of the Agenda;**
- (8) agree the delegated budget for Cùram is Slàinte nan Eilean Siar as detailed in Section 6 of the Report;**
- (9) require that Cùram is Slàinte nan Eilean Siar bring forward a medium term financial plan based on the continued planning assumption of flat cash plus ring fenced growth and setting out options to realise the saving from the use of the 2.2% flexibility provided by the Scottish Government;**
- (10) agree to increase Council Tax by 4.79% for 2019/20 (equating to a rise from £1,086.36 to £1,138.40 for Band D properties);**
- (11) agree to maintain the level of uncommitted balances at £3.5m, to continue the policy of setting aside underspends on winter maintenance for future severe winters and to review earmarked balances once the outturn for 2018/19 is known;**
- (12) approve the long term financial plan set out in Appendix E; and**
- (13) note that the Director of Education, Skills and Children's Services will report to the next series of meetings setting out the transformation plans for the next two years.**

Corporate Plan
Service Business
Plans 2019/20

- 1(b) The Chief Executive submitted a Report seeking approval of the Comhairle's Corporate Plan and associated Business Plans 2019/20. The Report stated that The Outer Hebrides Local Outcomes Improvement Plan (LOIP) 2017-27 provided the basis for the Comhairle's Corporate Strategy and the Comhairle's Service Business Plans. The Report further stated that the individual Service Business Plans detailed in the Appendices to the Report would continue to be reported on a quarterly basis via Interplan and through performance reporting to Service Committees and Policy and Resources Committee by the Chief Executive and Executive Heads of Service of the Comhairle.

It was agreed to recommend, insofar as the Committee's interest were concerned, that the Comhairle approve the Corporate Plan and associated Service Business Plans for 2019-22.

Service Redesign 1(c) The following Reports in respect of Service Redesign were considered.

Transport Services (i) The Director for Communities submitted a Report providing an update on the service redesign process for Transport Services. The Report stated that the initial stage of the Service Redesign process had prioritised service areas where changes could be made to reduce costs and included Inter-Island air services, school and public bus services, community transport and Stornoway bus station. The transport service areas had a revenue budget of £6.6m with a 25% savings target amounting to £1.66m. The Report indicated that, in respect of Inter-Island air services, there would be no opportunity to make savings from service reductions other than to withdraw the service. Service withdrawal was unlikely to be supported at a political level and therefore it was not proposed to consider this option at this time.

The Report further stated that the renewal of Lewis and Harris school and public bus contracts in 2019 provided an ideal opportunity to introduce service changes and that a service review carried out by transport consultants (The TAS Partnership Ltd) had been substantively completed. Seven pricing options which were proposed to be included in the tender for Lewis and Harris school and public bus services were outlined in the Report and an implementation programme identifying the target milestones for the procurement process was provided in Table 1 of the Report. The Report further proposed that the review of Comhairle supported Community Transport and the operation of the Stornoway bus station be deferred until the Lewis and Harris bus services review had been completed and the level of public bus service in place following the review was known.

It was agreed to recommend, insofar as the Committee's interests were concerned that the Comhairle note the current procurement strategy for Lewis and Harris School and Public Bus Services.

Community Services (ii) The Director of Communities submitted Report providing an update on the Service Redesign for Waste and Cleansing. The Report stated that there was a revenue budget of £4.56m with a 25% savings target amounting to £1.14m from the waste and cleansing service areas (refuse collection, waste disposal, waste processing and water transfer, recycling and processing, burial grounds, street cleansing and public toilets and Stornoway Abattoir) The Report highlighted:

- changes to commercial waste contracts / charges
- increased commercial charges from new NDR properties
- 10% increase to burial ground charges
- that the Zero Waste Scotland Review and Consultancy was due to be completed in March and the resultant strategy would provide clarity on opportunities to reduce collection and treatment costs
- the review of all collection routes and frequencies

The Report further stated that the £1.14m of redesign savings was extremely challenging but could be achieved through new income and refuse collection and waste disposal. The Waste Strategy would be considered by Elected Members at the May series of meetings.

It was agreed to recommend, insofar as the Committee's interests were concerned, that the Comhairle:

- (1) **note the requirement for all new Non Domestic Rates properties to have a waste and recycling collection service if they produce waste materials;**
- (2) **agree to an increase for commercial bins services of 10%;**
- (3) **agree to the introduction of a 30% surcharge for third party bin service contracts;**
- (4) **agree to increase charges for lair and internment fees by 10% from 1 April 2019 followed by a further 10% from April 2020; and**
- (5) **note that recommendations around the future collection and treatment of waste will be presented to the Comhairle in May 2019.**

Economic Development (iii) The Director for Communities submitted a Report which provided an update and set out proposals in relation to Economic Development, Energy/Strategy Unit, Heritage and Libraries for 2019/20. The Report stated that the revenue budget was £2.44m with a 25% savings target amounting to £612k over two years from Economic Development service areas (Economic Development, Business Gateway, Energy/Strategy Unit, Libraries and Heritage). The Report highlighted that savings could be made through non filling of vacant economic development and libraries posts; re-location of Business Gateway to the main building and reduction of investment resources budget.

The Report further stated that discussions were presently on-going in regard to the required savings for 2020/21 including discussions with third sector organisations; the initiation of a workforce change strategy and discussion with partner agencies around the potential for co-location. Outcomes of these discussions would be presented to the Comhairle in due course.

It was agreed to recommend, insofar as the Committee's interests were concerned, that the Comhairle agree the proposed service redesign savings of £306,000 as outlined at paragraph 6.3 of the Report.

Draft Budget Book 2019/20 1(d) The Director for Assets, Finance and Resources submitted a Report seeking approval of the Draft Budget Book for 2019/20. The Report detailed a total budget summary for all Departments. The initial Budget for the current financial year and the proposed Budget for 2019/20 was broken down by the major expenditure headings and a narrative provided on any changes in each service area.

It was agreed to recommend, insofar as the Committee's interests were concerned, that the Comhairle approve the Draft budget Book 2019/20.

Fees and Charges 2019/20 1(f) The following Reports in respect of Fees and Charges 2019/20 were considered.

Schedule of Rates and Dues at Comhairle Piers and Harbours 2019/20 (i) The Director for Assets, Finance and Resources submitted a Report seeking approval of a revised Schedule of Rates and Dues at Comhairle Piers and Harbours for 2019/20. The Report stated that the Comhairle was empowered to levy dues under Section 26 (2) of the Harbours Act 1964 and Sections 25-33 of the Harbours, Docks and Piers (Clauses) Act 1847. The Report provided details of the Schedule of Rates and Dues 2018/19 proposing a flat rate increase of 3.5% being the Retail Price Index (RPI) to all sections of the Schedule of Rates and Dues subject to consideration of the financial model in the Revenue Estimates process.

The Report further stated that the Scottish Government had announced that the Lochmaddy pier upgrade works from 1 April 2018 would be funded by Capital Grants from Transport Scotland which meant that there would be no requirement for the further increase to the Rates and Dues reported previously. It was noted that costs up to 31 March 2018 had incurred prudential borrowing and were accounted for in the 2018/19 setting of Harbour Dues.

It is recommended, insofar as the Committee's interests were concerned, that the Comhairle agree to note the Report.

Community Care Services - Fees and Charges 2019/20 (ii) The Chief Officer, Health and Social Care submitted a Report seeking approval of the revised charges for Comhairle community care services, effective from 1 April 2019. The Report set out the framework of charges for 2019/20 for community care services, in the context of COSLA guidance on charging for social work services. The Report noted that the Integration Joint Board had considered and recommended approval of the fees and charges at their February 2019 meeting of the Board ahead of consideration by Comhairle.

It was agreed to recommend, insofar as the Committee's interests were concerned, that the Comhairle note the Report.