

PERTH AND KINROSS COUNCIL

Minute of special meeting of Perth and Kinross Council held virtually on Wednesday 30 September 2020 at 9.30am.

Present: Provost D Melloy, Councillors C Ahern, H Anderson, A Bailey, K Baird, M Barnacle, P Barrett, B Brawn, R Brock, A Coates, S Donaldson, E Drysdale, J Duff, A Forbes, T Gray, D Illingworth, I James, A Jarvis, G Laing, M Lyle, R McCall, S McCole, X McDade, T McEwan, A Parrott, B Pover, C Purves, J Rebbeck, C Reid, W Robertson, F Sarwar, C Shiers, L Simpson, C Stewart, R Watters, M Williamson (from Item 3 onwards) and W Wilson.

In Attendance: K Reid, Chief Executive; S Devlin, Executive Director (Education and Children's Services); J Pepper, Depute Director (Education and Children's Services); B Renton, Executive Director (Housing and Environment); K McNamara, Depute Director (Housing and Environment); G Paterson, Chief Officer/Director – Integrated Health and Social Care; K Donaldson, Interim Chief Operating Officer; L Simpson, G Fogg, D Robertson, S Hendry, F Robertson, S Mackenzie, S Walker, D Littlejohn, A Brown, M Pasternak, P Marshall and C Wright (all Corporate and Democratic Services); C Mailer, C Forbes, S Crawford, J Ferguson, N Ballantine, C France and M Butterworth (all Housing and Environment); S Johnston and G Boland (both Education and Children's Services).

Apology for Absence: Councillor H Coates.

Prior to the commencement of the business on the agenda, the Provost referred to the consideration of Item 5 on the agenda and proposed that the requirements of Standing Order 57 be suspended for that particular item. The main report for Item 5 asked members to consider several individual projects, each of which were detailed in the appendices. The distinct reports required to be annexed to the overarching report to which they were intrinsically linked in order that decisions relating to each project could be made in the context of the existing capital programme of which they currently form part. This approach would enable open and flexible discussions as regards the possible direction from Council in relation to each project, and by linking them to the overarching report, the business of determining any potential alternative views on the direction that the Council should give. In a similar fashion to when Council considered the Local Development Plan, the suspension of Standing Order 57 would allow the Council to consider and determine any amendments by voting, if necessary, on each of the individual projects a stage at a time.

It was agreed that the requirements of Standing Order 57 be suspended during the consideration of Item 5 on the agenda.

1. WELCOME AND APOLOGIES

The Provost welcomed all those present and noted an apology.

2. DECLARATIONS OF INTEREST

Councillors B Brawn, T McEwan, J Rebbeck, C Ahern, A Jarvis, A Parrott, B Pover and R Watters all declared a non-financial interest in Items 4 and 5 on the agenda.

3. MEDIUM TERM FINANCIAL PLAN 2021-2027

There was submitted a report by the Head of Finance (20/174) (1) providing an update on the Medium Term Financial Plan approved on 3 October 2018; (2) summarising the implications of the latest projections on future Council General Fund Revenue Budgets over the medium term; (3) providing an update on the Council's Capital Budget, Housing Revenue Account, Reserves position and other Funds; and (4) providing an update on how the Council will develop the Revenue and Capital Budget over the short to medium term.

Resolved:

- (i) The Head of Finance be requested to maintain the Medium Term Financial Plan and further refine the assumptions which underpin it
- (ii) The setting of the 2021/22 Final Revenue Budget in February 2021 be approved.
- (iii) The proposal for the Executive Officer Team to identify additional savings / funding solutions towards a corporate savings target of £9.116 million be approved.
- (iv) The submission of the updated Reserves Strategy to the Council in February 2021 be approved.
- (v) The proposals to determine the Housing Revenue Account (HRA) Budget and rent levels for 2021/22 and the five-year Housing Investment Programme, at a meeting of the Housing and Communities Committee in January 2021, be endorsed.

4. REVENUE BUDGET 2020/21

There was submitted a report by the Head of Finance (20/173) providing an update on progress with the 2020/21 Revenue Budget, considering, in particular, the additional financial pressures arising from Covid-19 and the potential mitigation measures.

Motion (Councillors M Lyle and J Duff)

- (i) The potential gross financial impact of Covid-19 of between £22.4 million and £26.8 million be noted.
- (ii) The allocation of £12.579 million of Scottish Government funding towards the Council's Covid-19 response be approved.
- (iii) The utilisation of £2 million from the 2020/21 allocation for Early Learning & Childcare towards the additional costs / reduced income related to the Council's Covid-19 response be approved.
- (iv) The application of £3.863m of other net under spends towards the Covid-19 response be approved.
- (v) A remaining net financial gap of between £1.7 million and £6.1 million be noted.

- (vi) The options that may be available to contribute towards the financial consequences of Covid-19 be noted.
- (vii) The adjustments to management budgets, as set out in Section 6 of Report 20/173, be approved.

Following a suggestion by Councillor C Stewart in relation to section (iv) of the Motion, that the application of £3.863m of other net under spends that be put towards the Covid-19 response should not include the £300k under spend in relation to the allocation of vehicle activated signs, the Mover and Seconder of the Motion agreed to incorporate this proposal into the Motion.

Resolved:

In accordance with the Revised Motion.

THERE FOLLOWED A RECESS AND THE MEETING RECONVENED AT 11.00AM

5. INVESTMENT BLUEPRINT AND CAPITAL BUDGET 2020/21 – 2028/29 UPDATE

There was submitted a joint report by the Chief Executive and Head of Finance (20/175) (1) advising of the current position as regards the impact of the COVID 19 pandemic on the Council's ability to progress the recommendations agreed by Council in March of this year; (2) seeking advice and decisions as to how to proceed with five particular projects which, in the absence of the strategic investment blueprint, have been risk assessed as requiring a decision due to the nature and/or stage of the project; and (3) seeking approval to update the Capital Budget 2020/21 -2028/29, as detailed in Appendix 1 to Report 20/175.

Determination of the report was considered in the following sections / appendices:

Recommendations (i) – (iii) and Appendix 1

Resolved:

- (i) The content of Report 20/175 be noted.
- (ii) It be noted that whilst project costs are being continually monitored, the full impact on costs of COVID 19 to date or in the future is not yet known.
- (iii) The updated Capital Budget 2020/21 -2028/29, as detailed at Appendix 1 to Report 20/175, be approved.

Appendix 2 - Cross Tay Link Road (CTLR)

Motion (Councillors M Lyle and J Duff)

- (i) It be recognised that the CTLR is integral to the delivery of the Local Development Plan and will be key to the Council's economic recovery and growth.
- (ii) It be agreed that the project should proceed as planned without further delay.

Amendment (Councillors A Bailey and X McDade)

This council notes the information provided regarding the potential impacts of the CTLR and recognises the potential that it could have to drive significant growth for our region. However, in light of the lack of certainty regarding the council's external funding streams and the longer term impact that the current virus pandemic will have on our communities, requests that no further expense is incurred nor commitment given to external parties regarding the CTLR until after the council's 2021/22 capital budget has been agreed.

In accordance with Standing Order 58, a roll call vote was taken.

30 members voted for the Motion as follows:

Councillors C Ahern, H Anderson, K Baird, P Barrett, B Brawn, A Coates, S Donaldson, E Drysdale, J Duff, A Forbes, T Gray, D Illingworth, I James, A Jarvis, G Laing, M Lyle, R McCall, S McCole, T McEwen, Provost D Melloy, A Parrott, B Pover, J Rebbeck, C Reid, W Robertson, F Sarwar, C Shiers, R Watters, M Williamson and W Wilson.

5 members voted for the Amendment as follows:

Councillors A Bailey, R Brock, X McDade, C Purves and C Stewart.

2 members abstained from the vote:

Councillors M Barnacle and L Simpson.

Resolved:

In accordance with the Motion.

THERE FOLLOWED A RECESS AND THE MEETING RECONVENED AT 1.27PM

Appendix 3 - Perth High School Project

Motion (Councillors M Lyle and J Duff)

- (i) It be agreed that the project should proceed to design stage based on the Passivehaus option at a cost of £58.5M.
- (ii) It be noted that the Passivehaus option may present an opportunity to seek external funding, officers to be instructed to submit a funding bid to the Learning Estate Improvement Programme for the project.
- (iii) Officers be asked to identify possible funding options for the shortfall of £8.5M as part of the 2021/22 budget process.

Following a suggestion by Councillor X McDade that the opportunity to name part of the replacement school after the late Councillor Bob Band be taken forward, the mover and seconder of the Motion agreed to incorporate the suggestion into the Motion.

Resolved:

In accordance with the revised Motion.

Appendix 4 - Perth City Hall Project

Motion (Councillors M Lyle and J Duff)

- (i) It be agreed that the project should proceed to Financial Close and construction.**
- (ii) The current estimated total project costs of £26.5M be noted.**
- (iii) Officers be asked to identify possible funding options for the shortfall of £3.3M as part of the 2021/22 budget process.**

Amendment (Councillors G Laing and E Drysdale)

Propose the following amendment to Para 6.2 of the report on Page 146 replacing the current content of that paragraph.

“While remaining fully supportive of the City Hall project, Council now approves pausing of this project for further consideration during the full Capital Budget Review Process to take place early in 2021. It is considered prudent to pause this project now to minimize risk to the full Capital Budget while the UK government after many months of delay has still not formally signed the Tay Cities Deal which provides £10 million to support the City Hall project and while the Commissioners of the Regalia have still not advised her Majesty the Queen of their recommendation with regard to Perth and Kinross Council's application for the Stone of Destiny to be moved to Perth to form an important component of the Perth City Hall offer. It is very much hoped that the position with regard to these two decisions can be made clear in time to inform the full Capital Budget Review Process early in 2021.”

THERE FOLLOWED A RECESS AND THE MEETING RECONVENED AT 2.58PM

Councillor C Stewart proposed a further amendment as follows:

That the Council:

- Notes the revenue budget implication of a projected £0.5 million operating deficit for the new museum, separate from the loan charges for the capital borrowing required; and therefore:**
- Requests officers to review the operational model with a view to reducing the ongoing operational deficit to decrease the revenue costs and to revisit any opportunities to maximise the potential of a new cultural tourist attraction by seeking to make further partnerships with international gallery, museum brands or sponsors.**

The Mover and Seconder of the Motion agreed to incorporate this wording into the Motion.

In accordance with Standing Order 58, a roll call vote was taken.

21 members voted for the Revised Motion as follows:

Councillors C Ahern, K Baird, M Barnacle, P Barrett, B Brawn, A Coates, J Duff, A Forbes, D Illingworth, I James, A Jarvis, M Lyle, R McCall, Provost

D Melloy, C Purves, C Reid, W Robertson, C Shiers, L Simpson, C Stewart and W Wilson.

16 members voted for the Amendment as follows:

Councillors H Anderson, A Bailey, R Brock, S Donaldson, E Drysdale, T Gray, G Laing, S McCole, X McDade, T McEwen, A Parrott, B Pover, J Rebbeck, F Sarwar, R Watters and M Williamson.

Resolved:

In accordance with the Revised Motion.

THERE FOLLOWED A RECESS AND THE MEETING RECONVENED AT 3.35PM

Appendix 5 - Blairgowrie Recreation Centre Project

Motion (Councillors M Lyle and J Duff)

- (i) It be agreed that the project should proceed on the basis of a passivehaus design.
- (ii) The current estimated total project costs of £24M be noted.
- (iii) Officers be asked to identify possible funding options for the shortfall of £8.9M as part of the 2021/22 budget process.

Following a suggestion by Councillor T McEwan that officers progress the design of the Blairgowrie Recreation Centre in line with its use as the Blairgowrie High School PE Department and the needs of the community of Blairgowrie and the surrounding area, as expressed by the User Reference Group, the mover and seconder of the Motion agreed to incorporate this proposal into the Motion.

Resolved:

In accordance with the Revised Motion.

Appendix 6 - North Muirton/Balhousie Primary School Project

Resolved:

- (i) It be agreed that the project should proceed on the basis of a passivehaus option at £16.4M.
- (ii) It be noted that the passivehaus option may present an opportunity to seek external funding and officers be instructed to submit a funding bid to the Learning Estate Improvement Programme for the project.
- (iii) Officers be asked to identify possible funding options for the shortfall of £0.4M as part of the 2021/22 budget process.

Recommendation (ix) – PH20

Motion (Councillors M Lyle and J Duff)

- (i) Commitment be given to developing the PH20 proposal.
- (ii) It be noted that officers have been unable to proceed with identifying a commercial income stream to support an appropriate funding solution.

- (iii) **Officers be asked to continue to seek to identify any potential commercial income or other income streams and to identify possible funding solutions to enable the project to be considered as part of the 2021/22 budget process.**

Amendment (Councillors G Laing and A Parrott)

At Paper 5, page 86 para 6.3 (ix) delete the present content that is “note the position as regard PH20 and asks officers to explore funding options as part of the 2021 budget process for consideration by Council”

And instead insert at para 6.3 (ix) “note the position with regards to PH20, recognising the damage caused to Perth Leisure Pool during the 11/12 August storm and the ever increasing costs of maintaining the present buildings in operational condition, and requires officers to urgently seek to define funding options for PH20 while continuing, in co-operation with Live Active Leisure, to define the PH20 project plan in order that more fully informed decisions can be taken by Council with regard to PH20 as part of the 2021-22 budget process.”

THERE FOLLOWED A RECESS AND THE MEETING RECONVENED AT 4.30PM

In accordance with Standing Order 58, a roll call vote was taken.

20 members voted for the Motion as follows:

Councillors C Ahern, K Baird, P Barrett, B Brawn, A Coates, J Duff, A Forbes, D Illingworth, I James, A Jarvis, M Lyle, R McCall, Provost D Melloy, C Purves, C Reid, W Robertson, C Shiers, L Simpson, C Stewart and W Wilson.

17 members voted for the Amendment as follows:

Councillors H Anderson, A Bailey, M Barnacle, R Brock, S Donaldson, E Drysdale, T Gray, G Laing, S McCole, X McDade, T McEwen, A Parrott, B Pover, J Rebbeck, F Sarwar, R Watters and M Williamson.

Resolved:

In accordance with the Motion.