

STRATEGIC POLICY AND RESOURCES COMMITTEE

Minute of meeting of the Strategic Policy and Resources Committee held in the Gannochy Suite, Dewar's Centre, Glover Street, Perth on Wednesday 20 April 2016 at 10.00am.

Present: Councillors I Miller, A Grant, H Anderson (substituting for Councillor D Doogan), B Band, I Campbell, D Cuthbert, A Gaunt (substituting for Councillor P Barrett) Provost L Grant, Councillors J Kellas, A Munro, D Pover, M Roberts, A Stewart, H Stewart (substituting for Councillor W Wilson), B Vaughan and A Younger.

In Attendance: B Malone, Chief Executive; J Valentine, Depute Chief Executive, The Environment Service (Sustainability, Strategic and Entrepreneurial Development); K Donaldson, C Irons, S Munro, L Potter, L Simpson, J Symon, G Taylor and S Walker (all Corporate and Democratic Services); J Cockburn and S Devlin (both Education and Children's Services); N Ballantine, S Crawford, S Homer, D Littlejohn, K McNamara, S Merone, D Murray and B Renton (all The Environment Service); B Atkinson, N Copland and M Mitchell (all Housing and Community Care).

Apologies for Absence: Councillors P Barrett, D Doogan and W Wilson.

Councillor I Miller, Convener, Presiding.

The Convener led the discussion for Arts. 297-303 and Arts 305-309 and the Vice Convener for Art 304.

297. WELCOME AND APOLOGIES

The Convener welcomed all those present to the meeting and apologies were noted as above.

298. DECLARATIONS OF INTEREST

There were no Declarations of Interest in terms of the Councillors' Code of Conduct.

299. MINUTES OF PREVIOUS MEETINGS

(i) Strategic Policy and Resources Committee

The minute of meeting of the Strategic Policy and Resources Committee of 10 February 2016 (Arts 80-89) was submitted, approved as a correct record and authorised for signature. In relation to Article 84(v), the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) undertook to provide information to members on the purchase of electric vehicles. In relation to Article 85(ii), it was noted that a report on the Following the Public Pound Toolkit would be submitted to this Committee on 15 June 2016.

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(ii) Employees' Joint Consultative Committee

The minute of meeting of the Employees' Joint Consultative Committee of 26 November 2015 was submitted and noted. **(Appendix I)**

(iii) Corporate Health, Safety and Wellbeing Consultative Committee

The minute of meeting of the Corporate Health, Safety and Wellbeing Consultative Committee of 14 December 2015 was submitted and noted. **(Appendix II)**

(iv) Property Sub-Committee

The minute of meeting of the Property Sub-Committee of 18 December 2015 was submitted and noted. **(Appendix III)**

(v) Executive Sub-Committee

The minute of meeting of the Executive Sub-Committee of the Strategic Policy and Resources Committee of 20 January 2016 was submitted and noted. **(Appendix IV)**

(vi) Appeals Sub-Committee

The minute of meeting of the Appeals Sub-Committee of 23 February 2016 was submitted and noted. **(Appendix V)**

300. REVENUE BUDGET 2015/16 – MONITORING REPORT NUMBER 4

There was submitted a report by the Head of Finance (16/179), providing an update on (1) progress with the 2015/16 General Fund Revenue Budget based upon the January 2016 update ledger; and (2) the projected financial position of the Housing Revenue Account and (3) proposing a number of adjustments to the 2016/17 Final Revenue Budget.

Resolved:

- (i) The contents of Report 16/179 be noted;
- (ii) The adjustments to the 2015/16 Management Revenue Budget as detailed in Appendix 1 to and Section 2 of Report 16/179, be approved;
- (iii) The proposal for the Audit Committee to consider the 2015/16 Unaudited Annual Accounts at its meeting on 29 June 2016 be approved.
- (iv) The service virements, summarised in Appendices 2 and 3 to Report 16/179, be approved.
- (v) The adjustment to the 2016/17 Final Revenue Budget detailed in Section 5 of Report 16/179 be approved.
- (vi) That the Council had satisfied the Perth and Kinross Integrated Joint Board as to the Transparency, Proportionality and Adequacy of the Social Care Budget for 2016/17 be noted.
- (vii) Thanks be conveyed to all staff for achieving the projected underspends.

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301. COMPOSITE CAPITAL BUDGET 2015/22 AND HOUSING INVESTMENT PROGRAMME 2015/21 – MONITORING REPORT NUMBER 4

There was submitted a report by the Head of Finance (16/180), (1) providing a summary position to date for the Composite Capital Programme for 2015/16 to 2021/22 and the Housing Investment Programme 2015/16 to 2020/21; and (2) seeking approval for adjustments to the programme.

Resolved:

- (i) The contents of Report 16/180 be noted;
- (ii) The proposed budget adjustments to the seven year Composite Capital Budget 2015/16 to 2021/22, as set out in Sections 2 and 3 of and summarised at Appendices I and II to Report 16/180, be approved;
- (iii) The proposed budget and monitoring adjustments to the Housing Investment Programme Budget 2015/16 to 2020/21, as set out in Section 4 of and summarised at Appendix III to Report 16/180, be approved;

302. MAJOR CAPITAL INVESTMENT IN COUNCILS FOLLOW UP – ACCOUNTS COMMISSION REPORT – JANUARY 2016

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/181) providing a summary of the Accounts Commission report – *Major Capital Investment in Councils Follow Up* – published in January 2016 including the findings and recommendations, and providing an update on the good practice within Perth and Kinross Council in relation to capital investment.

Resolved:

- (i) The Council's current position in relation to the recommendations contained within the Accounts Commission report as detailed in Appendix 1 to Report 16/181, be approved.
- (ii) The Accounts Commission report – *Major Capital Investment in Councils Follow-Up* – as contained in Appendix 2 to Report 16/181, be noted.
- (iii) A further report be submitted to this Committee in December 2016 on the continuing progress being made on improving capital programming in Perth and Kinross Council.

303. COMMERCIAL PROPERTY INVESTMENT PROGRAMME – PROGRESS UPDATE AND REVISED PROGRAMME

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/182) providing an update in delivering the Commercial Property Investment Programme (CPIP), and seeking agreement to revise the programme through adjustments and re-profiling for the delivery of site infrastructure along with the development of business space, using capital receipts from the disposal of commercial properties.

Resolved:

- (i) To support the proposed multifaceted approach, by continuing with and accelerating the delivery of the Commercial Property Investment Programme

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- (CPIP) and entering into innovative funding agreements as detailed in Report 16/182.
- (ii) Commercial properties be disposed of as outlined in Report 16/182, subject to further reports being brought to future meetings of the Property Sub-Committee on detailed terms and conditions for each sale.
 - (iii) The existing fixed term post be extended by 2 years to support the delivery of the CPIP, requiring a recurring £45,000 per annum to be funded from the Programme.
 - (iv) The Director (Environment) be instructed (i) to submit any variances for consideration to this Committee through capital monitoring reports and (ii) prepare an annual review for the consideration of the Enterprise and Infrastructure Committee and this Committee.
 - (v) The decision by the Depute Chief Executive, Environment (Sustainability, Strategic & Entrepreneurial Development), to agree to progress the mini solar farm project at Perth Food and Drink Park with an allocation of £95,000 in line with Council's Financial Regulations, be noted.
 - (vi) The disposal of commercial rent generating properties and an allocation of funds to meet recurring costs will impact on future rental income, requiring adjustment to revenue budgets for future years, be noted.

304. RIVER TAY HEAT PUMP AND NETWORK AND SOLAR FARM PROJECTS – PROGRESS REPORT

There was submitted a report by the Director (Environment) (16/183) providing details on the progress of the River Tay Heat Pump and Network and solar farm projects to be deployed at North Muirton as part of the Tay Eco-Valley initiative, and recommending exploring a financial package using borrowing to top-up funding from the Local Energy Challenge Fund, Commercial Property Investment Programme and Housing Improvement Programme.

Resolved:

- (i) The development of the solar farm at Perth Food and Drink Park be noted.
- (ii) The development of the River Tay Heat Pump and District Heating Network project be supported.
- (iii) The Director (Environment) be instructed to finalise negotiations with the Energy Saving Trust and, if satisfactory, accept the offer of a Local Energy Challenge Fund grant of £2m towards the project.
- (iv) Options be explored for the future borrowing of £4.5m towards the project and a report be submitted the next meeting of this Committee.
- (v) A further report be submitted to this Committee giving details of the full business case, the project governance arrangements and the creation of a legal entity to operate the project when commissioned.

305. ENERGY POLICY AND STRATEGY

There was submitted a report by the Director (Environment) (16/184) providing an update on the current position relating to energy consumption within the Council's property estate and outlining the proposed policy to be adopted to reduce the overall energy consumption in the future.

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Resolved:

- (i) The target reduction of at least 3% per year for 2016/17 to 2018/19 in overall energy consumption, be noted.
- (ii) The Energy Policy as detailed in Appendix 1 to Report 16/184, be approved.

306. AUDIT SCOTLAND: PROCUREMENT IN COUNCILS: IMPACT REPORT

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/173) providing an update on (1) the report published by the Accounts Commission in February 2016, on the impact of the Audit Scotland report – *Procurement in Councils (2014)*; and (2) on how progress with procurement reform at Perth and Kinross Council compares with the key messages set out in the audit.

It was noted that this report would also be considered by the Scrutiny Committee at a meeting to be held later in the day.

Resolved:

- (i) The key messages from the Accounts Commission 2016 report as set out in Appendix 1 to Report 16/173 be noted.
- (ii) The current position pertaining to the Audit Scotland 2014 recommendations be noted, with the resulting Council actions as set out in Appendix 2 to Report 16/173.
- (iii) The contribution of the approved Procurement Strategy 2016 and the Procurement Transformation project in moving the Council closer to meeting the Audit Scotland recommendations be noted.

307. LIVING WAGE ACCREDITATION

There was submitted a report by the Depute Chief Executive, HCC (Corporate & Community Development Services) and Chief Operating Officer (16/185) confirming that Perth and Kinross Council had become a Living Wage Accredited Employer on 1 April 2016.

Resolved:

That Perth and Kinross Council is now a Living Wage accredited employer and continues to promote payment of the Living Wage be noted.

308. TRANSFORMATION PROGRAMME 2015/2020 – ADDITIONAL PHASE 2 OUTLINE BUSINESS CASES

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/186) detailing progress with Phase 1 transformation projects and requesting permission to draw down up to £150,000 from the Earmarked Reserve for Transformation to provide the capacity and support to secure the effective delivery of a further transformation review, in addition to those approved by the Committee on 10 February 2016.

It was noted the report abstract of the report incorrectly stated that £420k would be requested rather than £150,000.

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Resolved:

- (i) The progress with Phase 1 transformation projects be noted.
- (ii) Up to £150,000 funding be released from the Earmarked Transformation Reserve, to provide capacity and support to secure the effective delivery of the Council Vehicle Fleet Utilisation and Optimisation Review.

309. COLLABORATIVE WORKING WITH OTHER COUNCILS

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/187) proposing a programme of collaborative work in partnership with neighbouring Councils, scheduled for commencement in 2016/17.

Resolved:

- (i) The areas identified in Paragraph 2.1 of Report 16/187 be further explored within the collaborative programme of work.
- (ii) Perth and Kinross Council participate in the development of the collaborative programme of work in association with neighbouring Councils.
- (iii) Update reports be provided to the Modernising Governance Member/Officer Working Group and this Committee, alongside reporting on progress against the transformation programme.

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